

City of Lathrop

390 Towne Centre Drive
Lathrop, CA 95330
<https://www.ci.lathrop.ca.us/>



Lathrop



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CITY OF LATHROP, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by:

Finance Department

Cari James, Director of Finance

City of Lathrop
For the Year Ended June 30, 2023

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City of Lathrop

Department of Finance
390 Towne Centre Drive
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February 27, 2024

**To the Honorable Mayor, Members of the City Council and Citizens of Lathrop
Lathrop, California 95330**

The Annual Comprehensive Financial Report of the City of Lathrop for the fiscal year (FY) ended June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Lathrop. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City of Lathrop. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This Annual Comprehensive Financial Report includes a summary of funds for the City of Lathrop and reports all activities considered to be a part of, controlled by, and dependent on the City. The accounts of the City are organized on the basis of fund accounting with each fund considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/ inflows of resources, fund equity, revenues and expenditures, or expenses as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Annual Comprehensive Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth in pronouncements by the National Council of Governmental Accounting (NCGA) and the Governmental Accounting Standards Board (GASB) and includes the report of the City's independent certified public accountants, Badawi and Associates. Based on the audit, the independent auditors concluded that there was reasonable basis for rendering an unmodified opinion which states that the City's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) is required supplementary information and provides information and analysis that users need to interpret the basic financial statements. This transmittal letter is designed to complement the MD&A, and, therefore, should be read with it. The City's MD&A can be found immediately following the independent auditor's report.

INTERNAL CONTROLS

To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP in the United States of America.

The internal control structure is designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived from the control, and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above stated framework. We believe our internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

INDEPENDENT AUDIT REPORT

The City Council is responsible for: 1) assuring the City administration fulfills its responsibilities in the preparation of the financial statements and 2) engaging certified public accountants to ensure sound audit and the accounting principles are applied in financial reporting.

The Government Code of the State of California requires general law cities, such as the City of Lathrop, to have its financial statements audited by an independent certified public accountant. Accordingly, this year's audit was completed by the accounting firm of Badawi and Associates. The firm was engaged by the City Administration to render an opinion of the City's financial statements in accordance with auditing standards generally accepted in the United States of America. To ensure complete independence, Badawi and Associates presents the results of their assessment of the adequacy of internal accounting controls and the quality of financial reporting directly to the City Council. The auditor's report on the basic financial statements is the first item in the accompanying Financial Section.

In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements.

REPORT ORGANIZATION:

The report is organized in three sections: introductory, financial, and statistical.

1. The Introductory section includes this transmittal letter and general information on the City's government structure and services provided. It includes a list of principal officials, an organizational chart, and the Government Finance Officers Associations (GFOA) Certificate of Achievement for Excellence in Financial Reporting.
2. The Financial section contains the independent auditor's report on the financial statement audit, the MD&A, basic financial statements, required supplementary information, and combined and individual fund presentations and supplementary information.
3. The Statistical section includes selected financial and demographic information generally presented on a multi-year basis. This information includes financial trends, revenue capacity, debt capacity, demographics and economic and operating information.

PROFILE OF LATHROP

The City of Lathrop encompasses approximately 22 square miles. The City of Lathrop is located in San Joaquin County at the center of the Northern California metro market, close to the San Francisco Bay Area and Greater Sacramento regions, at the interchange of three major freeways: Interstate 5 (I-5), Interstate 205 (I-205), and the Highway 120 Freeway. As of January 1, 2023, the City had an estimated population of 35,080.

The City of Lathrop is a general-law city incorporated under California law July 1, 1989. The City operates under the City Council / Manager form of government. Beginning with the municipal election in November 1996, the position of the Mayor is elected for a two-year term. Four Council Members are elected at-large and serve alternating four-year terms. Every two years in December, the Mayor and Council Members select a Council Member to serve as Vice-Mayor. The City Manager also serves as City Treasurer and the City Clerk is appointed by the City Manager. All municipal elections are non-partisan.

The City of Lathrop provides a wide range of municipal services, including police public safety, water and sewer utilities, street maintenance, community services, parks and recreation, planning, building, code enforcement, and other general government services.

Fire services such as fire suppression and prevention are provided for the City by Lathrop-Manteca Fire Protection District and are funded separately by the Fire District. The Fire District provides specialized equipment and trained personnel 24 hours a day for emergency assistance to all residents. The Fire District and the City work together for the mutual benefit of both agencies and the citizens they serve.

ECONOMIC CONDITION AND FINANCIAL OUTLOOK

Historically, Lathrop has been an agricultural-based community, however, the continuing dynamic outward growth of the San Francisco Bay Area has pushed industrial, warehousing, and logistics growth into the Northern San Joaquin Valley. This has benefited Lathrop due to its strategic location at the intersection of three major freeways. The City continues to experience a period of growth with consistently strong demand in residential construction to accommodate continuing job growth in the Northern San Joaquin Valley and in the neighboring Tri Valley Area of the East Bay. Permit issuance remained strong in FY 2022/23 with building permits continuing to be issued at a rate consistent with an agency that is one of the fastest growing in the State. Revenues, such as property tax, development related fees, community facility district revenues and sales tax are all positively impacted from increased development activity either directly from fees received or indirectly due to increased population.

The City has recently begun to enjoy a strong economic base from years of smart growth and planning initiatives resulting in stable property tax revenue, modest transient occupancy taxes and diverse sales tax revenues. The City's sales tax revenues remain stable and, over the past several years, have continued to experience annual increases. The City's sales tax revenues are expected to show modest annual increases as population and consumer activity continue to rise and businesses continue to view Lathrop as an attractive location.

Like all government agencies throughout California, the City is faced with increased ongoing annual operating costs and rising retirement related liabilities. For Lathrop, some of these challenges include increased funding needs for pavement maintenance, facility and park maintenance, new programs and departments, additional personnel, retiree health care costs, and rising pension costs due to new funding policies adopted by the California Public Employees Retirement System (CalPERS). While the City has been successful over the years in balancing these issues with its strategic use of contract staffing and services, the City will continue to experience rising costs. Additionally, with the anticipation of significant impacts to revenues in the coming year, coupled with ongoing growth in expenditures over the next five years, the City will be challenged.

Sales tax growth in Lathrop was moored to commercial development throughout 2023 and is expected to stabilize throughout 2024. Sales tax is the General Fund's largest source of revenue and has largely recovered to pre-pandemic levels, however, the state of the economy from high inflation, supply chain challenges and ongoing world events remains concerning as we head into FY 2024. The City is currently navigating an unprecedented inflation situation that has not been encountered in recent history. The ability to budget conservatively has paid dividends with the uncertainty that has come with recent economic events. This creates challenges but we remain vigilantly optimistic about Lathrop's long-term outlook. The City's future looks bright; with the creation of the City's own Police Department opening in July of 2022.

City Council and Staff are dedicated to the Community and our commitment to prudently manage the City's finances. This commitment has contributed to our ability to endure these challenging times. The financial impacts of the pandemic have largely subsided compared to the prior fiscal year.

BALANCED BUDGET

The City's Budget and Fiscal Policy requires the City to maintain a balanced General Fund budget over the annual period of the financial plan. This means that each fiscal year, current revenues must meet or exceed operating expenditures, including debt service. Use of fund balance commitments to offset non-operating expenditures may allow for current expenditures to exceed current revenues in the fiscal year. City staff presents General Fund budgets for City Council consideration that maintain an unassigned fund balance between 10-50% of the annual operating appropriations and transfers. Lathrop maintains adequate fund balances for emergencies in a majority of its governmental operations funds and proprietary funds.

The adopted budget serves as the foundation for the City of Lathrop's financial planning and control system. All departments of the City submit requests for appropriations to the City Manager. The City Manager uses these requests as a starting point for developing a proposed budget. The Council holds public hearings on the proposed budget and then ultimately adopts a formal budget. The budget is adopted by fund, department, program, and line-item.

The Council periodically reviews the City's actual financial activity in relation to the original budget, and as necessary, adjustments are made to ensure that expenditures are not outpacing anticipated revenues. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the fund and department level with more stringent control over capital assets and fund balance categories, which are maintained at the line item level. The City Council must approve amendments or transfers of appropriations between funds or departments as well as items related to capital assets or fund balances. The City Council has delegated authority to the City Manager to approve transfers of appropriations between programs and divisions within a City department and between appropriation units (e.g., salaries and benefits, services and supplies, and capital outlay) within programs, excluding special designation or project appropriations.

LONG-TERM FINANCIAL PLANNING

The City incorporates long-term financial planning into its budget process in several ways. During the biennial budget process the City Council receives an updated General Fund Ten-Year Forecast and CIP Five-Year Forecast that includes all special revenue funds associated with each project. The long-term financial model used for the General Fund and CIP looks forward ten years, because of the volatile nature of tax revenues in a commercial growth-based economy, and various one-time special revenue funds associated with development activity making it difficult to predict revenues with any certainty beyond the immediate term. The forecast is used as a tool and maintained by Finance staff.

These projections allow management to see what the future could look like given a set of assumptions and is evaluated in the context of whether decisions are sustainable over the long term. The ten-year financial forecast is a tool for strategic decision making and presents further context for balancing short-term and long-term goals and provides an "order of magnitude" feel for the General Fund's ability to continue services and preserve fiscal sustainability. Management encourages its departments to project their resource needs for a period longer than the traditional biennial budget period. In addition, the City faces increasing expenses in several areas of operations, including the creation of the Police Department. The City has elected to proactively address its unfunded OPEB obligation by establishing an irrevocable trust and significantly increasing its contributions. At the same time, rising pension contribution requirements, while helping to reduce the unfunded pension liability, result in a decrease of financial resources available for other uses. The City will need to continue to explore options to increase its revenue base, while keeping expenses manageable.

As the economy readjusts post-pandemic, inflation continues to be a key issue in 2023. Despite higher prices and concerns over a potential recession, consumer demand has remained consistent. Property tax revenue has not been affected yet as the assessed values do not show the impact of economic volatility in a short period. Moreover, affordability and a short supply of homes available for sale has kept the local real estate market steady. Vulnerable to an economic downturn are sales tax, TOT and development-related revenues. Economic development continues to thrive as new businesses are motivated to locate in Lathrop due to its location, amenities, economic vibrancy, and high quality of life for residents.

Lastly, on November 6, 2012, the Citizens of Lathrop approved Measure C by 77%. Measure C is a general purpose 1% additional sales tax Measure to be used for the purpose of maintaining and enhancing essential City services, such as police and fire protection and youth and senior services within the City. During FY 2020/21, Measure C supported personnel and operating expenditures to manage the Lathrop Generations Center, a multipurpose facility aimed to promote healthy recreational opportunities for our youth. Furthermore, Measure C partially funded the startup of Lathrop's own Police Department, as well as additional Lathrop Police personnel to strengthen prevention and intervention services around the community.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to City of Lathrop for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. The ACFR has been judged by an impartial panel to meet the uppermost standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the ACFR. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. This was the 26th consecutive year that the City of Lathrop has received this prestigious award.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive Financial Report was made possible by the special efforts of the entire staff of the Finance Department, working in conjunction with the City's independent auditors and departmental staff. We would like to express our appreciation to the Mayor and City Councilmembers for their continued efforts in stewarding the financial operations of the City in a responsible and enterprising manner.

Respectfully submitted,

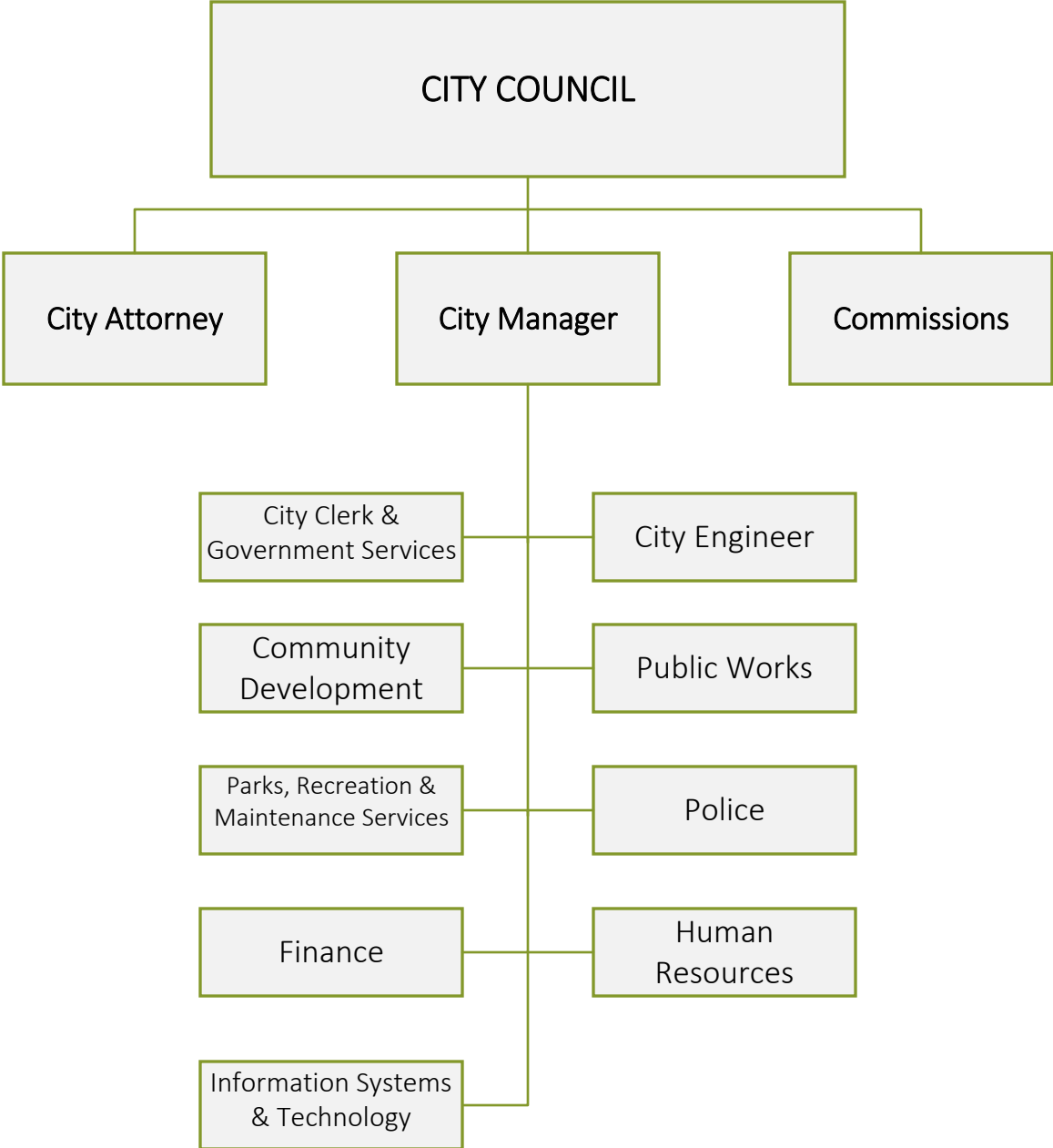


Stephen J. Salvatore
City Manager



Cari James
Director of Finance

CITIZENS OF LATHROP





INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Lathrop
Lathrop, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lathrop (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, and the required pension and OPEB schedules on pages 5-19 and 90-102 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the

United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining General Fund statements and budgetary comparison schedules, combining and individual nonmajor fund statements, and the budgetary comparison schedules for the major capital projects funds and nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The General Fund statements and budgetary comparison schedules, combining and individual nonmajor fund statements, and the budgetary comparison schedules for the major capital projects funds and nonmajor governmental funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund statements and budgetary comparison schedules, combining and individual nonmajor fund statements, and the budgetary comparison schedules for the major capital projects funds and nonmajor governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

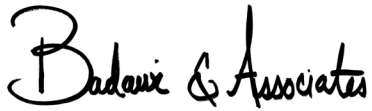
Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the information included in the annual comprehensive financial report but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The

To the Honorable Mayor and Members of the City Council
of the City of Lathrop
Lathrop, California
Page 4

purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
February 27, 2024



City of Lathrop

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February 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis ("MD&A") provides an overview of the City of Lathrop's ("City") activities and financial performance for the year ended June 30, 2023. Readers are encouraged to read the MD&A in conjunction with the basic financial statements that immediately follow, along with the letter of transmittal at the beginning of the Introductory Section and other portions of the Annual Comprehensive Financial Report ("ACFR").

FINANCIAL HIGHLIGHTS

- The government-wide statement of net position for the City's governmental and business-type activities indicates that as of June 30, 2023, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$785.4 million. Of this amount, governmental activities accounts for \$505.3 million and business-type activities accounts for \$280.1 million. In addition, the City's restricted net position totals \$126.4 million (\$125.0 million for governmental activities and \$1.4 million for business-type activities) based on restrictions imposed by the enabling legislations or debt covenants. Lastly, net position of \$526.8 million is the City's net investment in capital assets, which includes \$320.5 million from governmental activities and \$206.3 million from business type activities.
- The net position increased by \$122.5 million or 18.5 percent during FY 2023 to \$785.4 million from \$662.9 million. Governmental activities accounted for \$86.5 million increase and business-type activities accounted for \$36.0 million increase. Both increase were due to the acceptance of completed development infrastructure.
- Governmental funds reported a combined ending fund balance of \$188.5 million at June 30, 2023, which is \$16.2 million or 9.4 percent higher than the June 30, 2022 balance. The change is attributable to an increase in the General Fund of \$6.4 million, the Building Safety and Inspection Fund of \$3.0 million, the Streets and Roads Fund of 0.3 million, the General CIP Projects Fund of \$9.5 million, the Nonmajor Governmental Funds of \$7.5 million and offset by decreases in the Capital Facility Fees Fund of \$10.5 million.
- Unassigned fund balance of governmental funds is \$5.7 million, which is 3.0 percent of the combined governmental fund balances as of June 30, 2023.
- Total long-term liabilities increased by \$3.5 million to \$28.5 million, which represents an increase of 14.0 percent compared to \$25.0 million at June 30, 2022. The primary factors leading to the increase in long-term liabilities for governmental activities of \$5.9 million was due to the increases in net pension liability of \$4.3 million, net Other Post-Employment Benefits ("OPEB") liability of \$1.0 million, and long-term net obligations of \$0.6 million. The primary factor leading to the decrease in long-term liabilities for business-type activities of \$2.4 million was a result of an increase of net pension liability of \$0.7 million, and net OPEB liability by \$0.2 million, offset by a decrease in long-term obligation of \$3.3 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis introduce the City's basic financial statements, which are comprised of four components:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to Basic Financial Statements

In addition, this report contains required and other supplementary information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide Financial Statements provide readers with a broad overview of the City's finances that include two different views of the City's financial position. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status.

The **statement of net position** presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is the City's net position. Over time increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The **statement of activities** presents information showing how the net positions changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. Examples include revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and other leaves.

Both government-wide financial statements address functions principally supported by taxes and intergovernmental revenues ("governmental activities") and other functions that intend to recover all or in part a portion of their costs through user fees and charges ("business-type activities"). The governmental activities of the City include general government, public safety, capital facilities, building safety and inspection, general capital projects and street capital projects. The City's business-type activities include water system and wastewater system.

FUND FINANCIAL STATEMENTS

Fund financial statements report information about groupings of related accounts used to maintain control over resources segregated for specific activities or objectives. As do other state and local governments, the City uses fund accounting to ensure and demonstrate finance-related legal compliance. Each City fund falls into one of three categories: governmental funds, proprietary funds, or fiduciary funds.

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's capacity to finance its programs in the near future.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances present information separately for the General Fund, Capital Facilities Fee Fund, Building Safety and Inspection Fund, Streets and Roads Fund, and General CIP Projects Fund which are all classified as major funds. These statements also report several individual governmental funds classified as nonmajor funds such as special revenue funds and capital project funds, which are aggregated into a single presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this ACFR.

Proprietary funds generally account for services charged to external or internal customers through fees. Proprietary funds provide the same type of information as shown in the government-wide financial statements for business-type activities, only in more detail. The City accounts for its water system and wastewater system in proprietary funds.

Fiduciary funds account for resources held for the benefit of parties outside of the governments in a similar manner as that of proprietary funds. The government-wide financial statements do not include fiduciary funds as their resources are not available to support City programs.

The financial statements also include notes that explain the information in the financial statements and provide more detailed data. In addition to the required elements, combining statements are presented that provide details about the City's non-major governmental funds and agency funds, each of which are presented in consolidated columns in the basic financial statements.

Notes to Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide fund financial statements.

Required Supplementary Information includes the budgetary schedules for the General Fund, Capital Facility Fees Fund, and Building Safety and Inspection Fund. In addition, pension and other postemployment healthcare schedules present the City's progress toward funding its obligations to provide future pension and other postemployment healthcare benefits for its active and retired employees.

Combining and individual fund statements and schedules provide information for nonmajor governmental funds, internal service funds, and fiduciary funds and are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position. As of June 30, 2023 the City's total assets and deferred out flows of resources exceed total liabilities and deferred inflows of resources by \$785.4 million. The following table is a condensed summary of the City's net position for governmental and business type activities:

City of Lathrop Summary of Net Position
For the Fiscal Years Ended June 30, 2022 and 2023
(in Thousands)

| | Governmental | | Business-Type | | Total Primary | | Total Percent Change |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------------|
| | Activities | | Activities | | Government | | |
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | |
| Assets: | | | | | | | |
| Capital assets | \$ 253,479 | \$ 324,000 | \$ 190,802 | \$ 221,456 | \$ 444,281 | \$ 545,456 | 22.77% |
| Other assets | 198,957 | 212,777 | 76,957 | 79,363 | 275,914 | 292,140 | 5.88% |
| Total Assets | 452,436 | 536,777 | 267,759 | 300,819 | 720,195 | 837,596 | 16.30% |
| Deferred Outflows | | | | | | | |
| Pension | 2,329 | 4,371 | 316 | 636 | 2,645 | 5,007 | 89.30% |
| OPEB | 569 | 1,011 | 90 | 160 | 659 | 1,171 | 77.69% |
| Total Deferred Outflows | 2,898 | 5,382 | 406 | 796 | 3,304 | 6,178 | 86.99% |
| Liabilities: | | | | | | | |
| Current liabilities | 22,361 | 22,587 | 3,987 | 6,581 | 26,348 | 29,168 | 10.70% |
| Long-term liabilities | 4,970 | 5,487 | 16,824 | 13,634 | 21,794 | 19,121 | -12.26% |
| Net Pension liability | 2,653 | 6,972 | 314 | 994 | 2,967 | 7,966 | 168.49% |
| Net OPEB liability | 214 | 1,243 | 34 | 196 | 248 | 1,439 | 480.24% |
| Total Liabilities | 30,198 | 36,289 | 21,159 | 21,405 | 51,357 | 57,694 | 12.34% |
| Deferred Inflows | | | | | | | |
| Pensions | 2,489 | 335 | 287 | 53 | 2,776 | 388 | -86.02% |
| OPEB | 828 | 233 | 131 | 37 | 959 | 270 | -71.85% |
| Total Deferred Inflows | 3,317 | 568 | 418 | 90 | 3,735 | 658 | -82.38% |
| Net Position: | | | | | | | |
| Net Investment in Capital Assets | 250,605 | 320,475 | 174,059 | 206,299 | 424,664 | 526,774 | 24.04% |
| Restricted | 122,950 | 125,033 | 1,653 | 1,409 | 124,603 | 126,442 | 1.48% |
| Unrestricted | 47,696 | 59,793 | 70,785 | 72,412 | 118,481 | 132,205 | 11.58% |
| Total Net Position | \$ 421,251 | \$ 505,301 | \$ 246,497 | \$ 280,120 | \$ 667,748 | \$ 785,421 | 17.62% |

At June 30, 2023, the City reported positive balances in net position on a total basis. Net investment in capital assets (infrastructure, land, buildings, other improvements, vehicles, equipment, lease assets and SBITA less outstanding debt used to acquire assets and deferred inflows and outflows related to debt) of \$526.8 million comprises 67.1 percent of the City's total net position. These capital assets facilitate providing services to the Lathrop community, but are not liquid, and therefore are not available for future spending. During FY 2023 net investment in capital assets increased \$102.1 million primarily due to an increase of \$69.9 million from governmental activities and an increase of \$32.2 million from business-type activities. A portion of the City's net position, \$126.4 million or 16.1 percent, is subject to legal restriction for their use, including \$125.0 million in governmental activities and \$1.4 million in business-type activities. Of the total net position at June 30, 2023, a balance of \$132.2 million or 16.8 percent represents unrestricted net position, which comprises a balance of \$59.8 million for governmental activities and a balance of \$72.4 million for business-type activities.

During FY 2023, the City's total net position increased by \$122.5 million. Notable changes in the statement of net position between June 30, 2023 and June 30, 2022 include:

Assets

- Capital assets increased by \$101.2 million compared to the prior fiscal year. Governmental capital assets increased by \$70.5 million and business-type capital assets increased by \$30.7 million. The increase is result of the addition of major infrastructure in both Governmental and Business-type funds. Governmental capital assets recorded additions of \$82.3 million, which included \$7.8 million in capital projects, \$1.4 million in right-to-use assets, \$2.3 million in property acquisitions, \$1.5 million in vehicles and equipment, \$9.6 million in improvements other than building, and \$59.7 million in donated developer infrastructure. Business-type capital assets recorded additions of \$36.4 million, which included \$11.3 million in water system improvements, \$18.5 million in sewer system improvements, \$6.3 million in sewer capital projects, and \$0.3 million in vehicles and equipment, offset by depreciation of \$5.8 million.
- Current and other assets increased by \$17.1 million or 5.9 percent due to an increase of \$13.8 million in governmental activities and an increase of \$2.4 million in business-type activities. The increase in governmental activities is mainly due to an increase in cash and investments held with fiscal agents from higher sales and property tax revenues. The increase in current assets for business-type activities is mainly due to higher cash and investments resulting from more revenue received through charges for services and capital donations.

Liabilities

- Total long-term liabilities increased by \$3.5 million to \$28.5 million at June 30, 2023, which represents an increase of 14.0 percent compared to \$25.0 million at June 30, 2022. The primary factors leading to the increase in long-term liabilities for governmental activities of \$5.8 million was due to the increases in net pension liability by \$4.3 million, net OPEB liability of \$1.0 million, and other long term liabilities of \$0.5 million. The primary factor leading to the decrease in business-type activities of \$2.4 million is a result of increases in net pension liability of \$0.7 million and net OPEB liability of \$0.1, offset by a decrease in other long term liabilities \$3.2 million attributed to a reduction in compensated absences.
- Net pension liability increased \$5.0 million since the prior measurement date, primarily due to investments help by CalPERS decreasing year over year from 2021 to 2022.
- Net OPEB liability increased by \$1.2 million since the prior measurement date, primarily due to investments help by CalPERS decreasing year over year from 2021 to 2022.

- Current and other liabilities increased \$2.8 million or 10.7 percent due to an increase in business-type activities.

Deferred Outflows/Inflows

- Deferred outflows of resources increased \$2.9 million to \$6.2 million at June 30, 2023, which represents an increase of 87.0 percent compared to \$3.3 million at June 30, 2022. The primary factor leading to the increase in deferred outflows is an increase of \$2.4 million in pension and \$0.5 million in OPEB. The increases are a direct result of adding more than 50 employees to start the City's police department.
- Deferred inflows decreased by \$3.1 million to \$0.7 million at June 30, 2023, which represents a decrease of 82.4 percent compared to \$3.1 million at June 30, 2022. The decrease of deferred inflows was primarily due to the decrease in deferred inflows related to pensions of \$2.4 million and OPEB of \$0.7 million.

Net Position

- Unrestricted net position for governmental activities increased by \$12.1 million or 25.4 percent with an ending balance of \$59.8 million at June 30, 2023. For business-type activities, unrestricted net position increased by \$1.6 million or 2.3 percent with a balance of \$72.4 million at June 30, 2023.

Analysis of Activities

The following table indicates the changes in net position for governmental and business-type activities:

City of Lathrop Changes in Net Position
For the Fiscal Years Ended June 30, 2022 and 2023
(in Thousands)

| | Governmental | | Business-Type | | Total Primary | | Total Percent Change |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------------|
| | Activities | | Activities | | Government | | |
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | |
| Revenues: | | | | | | | |
| <i>Program revenues:</i> | | | | | | | |
| Charges for services | \$ 20,692 | \$ 18,476 | \$ 19,900 | \$ 21,194 | \$ 40,592 | \$ 39,670 | -2.27% |
| Operating grants and contributions | 5,236 | 7,477 | - | - | 5,236 | 7,477 | 42.80% |
| Capital grants and contributions | 25,390 | 66,235 | - | 29,098 | 25,390 | 95,333 | 275.47% |
| <i>General revenues:</i> | | | | | | | |
| Sales and use taxes | 22,602 | 21,285 | - | - | 22,602 | 21,285 | -5.83% |
| Property taxes | 9,738 | 10,510 | - | - | 9,738 | 10,510 | 7.93% |
| Franchise taxes | 1,640 | 2,285 | - | - | 1,640 | 2,285 | 39.33% |
| Transient occupancy taxes | 1,041 | 1,027 | - | - | 1,041 | 1,027 | -1.34% |
| Other taxes | 32,094 | 18,229 | 9,461 | 5,839 | 41,555 | 24,068 | -42.08% |
| Other miscellaneous | 1,344 | 381 | 4,938 | 687 | 6,282 | 1,068 | -83.00% |
| Unrestricted investment earnings | (2,101) | 3,901 | 217 | 953 | (1,884) | 4,854 | -357.64% |
| Total Revenues | 117,676 | 149,806 | 34,516 | 57,771 | 152,192 | 207,577 | 36.39% |
| Expenses: | | | | | | | |
| <i>Governmental activities:</i> | | | | | | | |
| General government | 6,994 | 9,351 | - | - | 6,994 | 9,351 | 33.70% |
| Community development | 1,805 | 1,537 | - | - | 1,805 | 1,537 | -14.85% |
| Public safety | 11,628 | 15,351 | - | - | 11,628 | 15,351 | 32.02% |
| Public works | 14,711 | 36,027 | - | - | 14,711 | 36,027 | 144.90% |
| Culture and leisure | 11,559 | 3,999 | - | - | 11,559 | 3,999 | -65.40% |
| Interest on long-term debt | 234 | 226 | - | - | 234 | 226 | -3.42% |
| <i>Business-type activities:</i> | | | | | | | |
| Water enterprise | - | - | 7,099 | 9,130 | 7,099 | 9,130 | 28.61% |
| Sewer enterprise | - | - | 7,707 | 9,457 | 7,707 | 9,457 | 22.71% |
| Total expenses | 46,931 | 66,491 | 14,806 | 18,587 | 61,737 | 85,078 | 37.81% |
| Excess before transfers | 70,745 | 83,315 | 19,710 | 39,184 | 90,455 | 122,499 | 35.43% |
| Transfers | (5,818) | 3,144 | 5,818 | (3,144) | - | - | 0.00% |
| Change in Net Position | 64,927 | 86,459 | 25,528 | 36,040 | 90,455 | 122,499 | 35.43% |
| Net Position - Beginning | 356,322 | 421,251 | 220,969 | 246,497 | 577,291 | 667,748 | 15.67% |
| Prior Period Adjustment | - | (2,410) | - | (2,417) | - | (4,827) | 0.00% |
| Net Position, Beginning, Restated | 356,322 | 418,841 | 220,969 | 244,080 | 577,291 | 662,921 | 14.83% |
| Net Position - Ending | \$ 421,251 | \$ 505,301 | \$ 246,497 | \$ 280,120 | \$ 667,746 | \$ 785,420 | 17.62% |

Governmental Activities

The change in net position for governmental activities increased by \$21.6 million during FY 2023 from \$64.9 million to \$86.5 million. Total expenses increased by \$19.6 million and revenues including transfers increased by \$41.1 million. The major factors contribution to the increase in net position in FY 2023 compared to FY 2022 are as follows:

Revenues

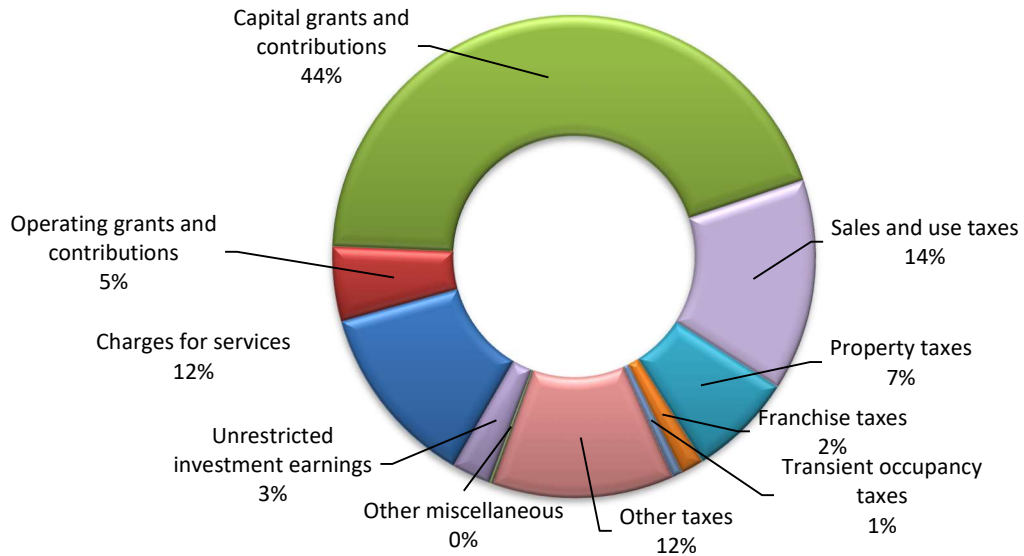
- Fees, fines and charges for service decreased by \$0.9 million or 2.3 percent, mainly due to developer contributions of completed infrastructure.
- Operating grants and contributions decreased by \$8.7 million or 13.1 percent mainly due to a decrease in the Capital Facilities Fund as large industrial buildings pulled permits and paid fees in the prior fiscal year.
- Capital grants and contributions increased by \$69.9 million or 275.5 percent mainly due to the donation of infrastructure from developers. In FY 2023 the City accepted \$88.6 million in infrastructure assets.
- Other revenues and transfers decreased \$15.9 million or 19.6 percent mainly due to an increase of \$6.7 million in investment earnings, driven by higher interest income received as a result of higher interest rates. Additionally, property tax revenue increased by \$0.8 million and franchise fees increased by \$0.6 million both due to increases in homes sold in the fiscal year. These increases were offset by decreases of \$1.3 million in sales tax revenue due to lower gas prices in FY 2023, which directly impacts the City's sales tax receipts, a decrease of \$17.5 million in other taxes due to in the prior fiscal year two large industrial buildings pulled permits, and a decrease of \$5.2 million in other miscellaneous fees due to the City receiving a onetime arrearage grant from the state for past due water and sewer utility bills.

Expenses

- General government expenses increased \$2.4 million or 33.7 percent during FY 2023. This increase is due to the addition of three position in various departments and an increase Information Services Department expenses to support the addition of the new police department.
- Public safety expenses increased \$3.7 million or 32.0 percent primarily due to the additions of officers to support our new police department.
- Community services expenses decreased by \$0.3 million or 14.9 percent mainly due to the completion of the City's General Plan update that was expensed in the prior fiscal year.
- Public Works expenses increased \$21.3 million or 144.9 percent primarily due to the reallocation of maintenance staff from the culture and leisure department to the public works department. In addition, four new staff members were added to the department.
- Culture and leisure expenses decreased by \$7.6 million or 65.4 percent primarily due to the reallocation of maintenance staff to the public works department.
- Water enterprise expenses increased by \$2.0 million or 28.6 percent primarily due to increases in maintenance and operation costs and depreciation expense.
- Sewer enterprise expenses increased by \$1.8 million or 22.7 percent mainly due to increases in maintenance and operation expenses.

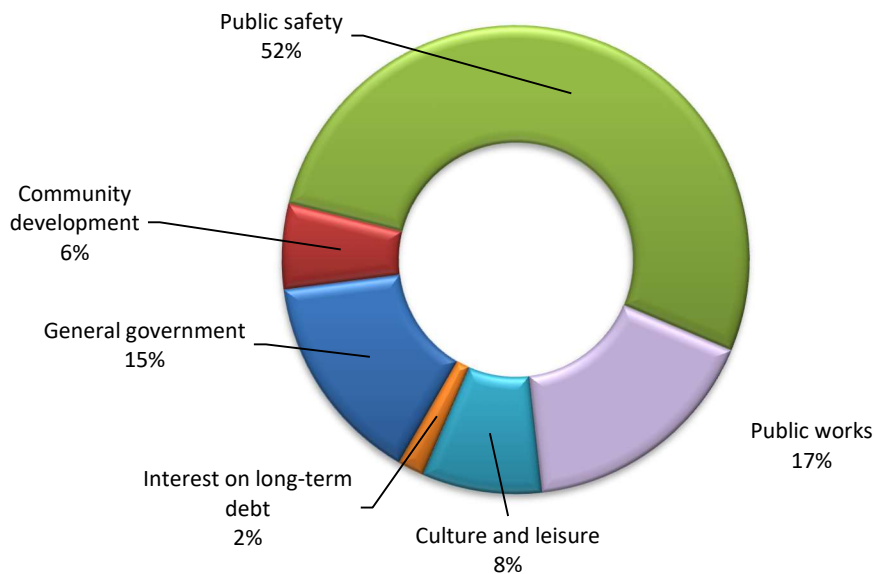
The chart below shows the primary components of governmental activities revenue sources for FY 2023. Of the \$149.8 million in total revenues (not including transfers) generated by governmental activities, 82 percent is attributable to four categories: capital grants and contributions (44 percent), sales and use tax (14 percent), other taxes (12 percent) and charges for service (12 percent).

**GOVERNMENTAL ACTIVITIES
FY 2023 Revenues by Source**



The chart below shows the major categories of the FY 2023 expenses for governmental activities. Of the \$66.5 million in total expenses incurred by governmental activities, 92.0 percent is attributable to four categories: public safety (52 percent), public works (17 percent), general government (15 percent) and culture and leisure (8 percent).

**GOVERNMENTAL ACTIVITIES
FY 2023 Expense by Source**



Business-type Activities

Business-type activities net position increased by \$33.6 million or 13.6 percent to \$280.1 million in FY 2023.

The notable components of the changes in net position for business-type activities in FY 2003 are:

Water net position increased by \$14.1 million or 16.4 percent from \$86.0 million to \$100.1 million. The increase is primarily due to capital infrastructure contributions of \$10.8 million. The largest portion of net position, \$60.0 million or 59.9 percent, was its net investment in capital assets (e.g. land, buildings, and infrastructure). Approximately \$38.6 million or 38.6 percent of the total net position, constitutes unrestricted net position, which may be used to finance day-to-day operations without constraints.

Operating revenues increased by \$0.3 million primarily due to an increase in the customer base due to new construction. Operating expenses of \$8.7 million increased by \$2.1 million or 31.8 percent largely due to an increase in surface water supply costs and depreciation expense.

Sewer net position increased by \$22.0 million or 13.9 percent from \$158.1 million to \$180.1 million. The increase is primarily attributed to capital infrastructure contributions of \$18.3 million. The largest portion of net position, \$146.3 million or 81.2 percent, was its net investment in capital assets (e.g. land, buildings, and infrastructure). Approximately \$33.8 million or 18.8 percent of the total net position, constitutes unrestricted net position, which may be used to finance day-to-day operations without constraints.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses **fund accounting** to ensure and demonstrate compliance with finance-related legal requirements.

As of June 30, 2023, the City's governmental funds reported combined fund balances of \$188.5 million compared to \$172.4 million in FY 2022. The governmental fund balances are categorized as nonspendable, restricted, committed, assigned, or unassigned.

- \$9.8 million consist of nonspendable fund balance related to advances and deposits long-term in nature that are not intended to convert into cash and do not represent currently available resources.
- \$125.0 million is reported as restricted fund balance that includes restrictions imposed by external parties or enabling legislation. This amount includes unspent grant revenues and restricted tax revenues.
- \$48.0 million is reported as committed fund balance that has been limited by formal Council action for a specific purpose.
- \$5.7 million is reported as unassigned fund balance that represents the residual classification for the City's General Fund and includes all spendable amounts not contained in other classifications.

General Fund

The General Fund is the chief operating fund of the City. At June 30, 2023 the General Fund unassigned fund balance is \$6.1 million or 410.8 percent of the \$56.4 million total General Fund balance. Comparing unassigned fund balance and total fund balance to total fund expenditures may be useful as a measure of the General Fund's capacity to meet future obligations. At June 30, 2023 unassigned fund balance represented 21.5 percent of total General Fund expenditures of \$28.3 million, while total fund balance represents 199.3 percent of total General Fund expenditures. At June 30, 2022, the same measures were 27.7 percent and 256.8 percent, respectively.

The General Fund ending fund balance increased by \$6.5 million from \$49.9 million to \$56.4 million at June 30, 2023.

In FY 2023, the General Fund revenues of \$44.7 million were \$7.7 million or 20.8 percent higher than FY 2022 revenues of \$37.0 million. Use of money and property revenue increased \$4.8 million attributed to increases investment earnings, driven by higher interest income received as a result of higher interest rates and the fair value adjustment for FY 2023. Intergovernmental revenue increased \$3.6 million as a result of increased motor vehicle in lieu payments. Revenue increases were offset by a decrease of \$0.2 million in sales tax revenue received and \$0.5 million in miscellaneous revenue.

FY 2023 General Fund expenditures of \$28.3 million were \$7.7 million or 37.4 percent higher than FY 2022 expenditures of \$20.6 million. The increase was primarily due to an increase of \$2.3 million in general government, \$3.5 million in public safety and \$1.2 million in capital outlay, which was a direct result of hiring additional staff and purchasing public safety equipment to support the City of Lathrop new police department.

Capital Facility Fees Fund

The Capital Facilities Fees Fund accounts for fees collected for traffic mitigation (including regional traffic), Storm Drain, culture and leisure, city services and administration. At June 30, 2023, the fund had an ending fund balance of \$44.5 million, which is \$3.0 million or 7.2 percent higher than the FY 2022. The monies in this fund are collected from developers of specific projects.

Building Safety and Inspection Fund

The Building Safety and Inspection Fund has an ending fund balance \$12.0 million as of June 30, 2023. The monies in these funds are collected from cost recovery fee sources for specific projects and operations associated with the fee nexus. The restricted fund balance can only be used to fund specific expenses in future fiscal years.

Streets and Roads Fund

The Streets and Roads Fund accounts for capital project expenditures related to streets and roads occurring over more than one fiscal year. As of June 30, 2023 the fund balance of the Streets and Roads fund is \$11.3 million.

General CIP Projects Fund

The General CIP Projects Fund accounts for capital projects funded by the General Fund occurring over more than one fiscal year. The fund balance of the General CIP project fund at June 30, 2023 is \$18.5 million,

Proprietary Funds

The City's proprietary funds provide similar information to that which is found in the government-wide financial statements, but in more detail. Each fund's financial transactions, both near-term and historic, are provided in the statement of net position and the statement of revenues, expenses, and changes in net position. In addition, these proprietary funds also present a statement of cash flows.

In FY 2023, the water utility enterprise fund increased its net position from \$86.0 million to \$100.1 million. Unrestricted net assets at the end of the fiscal year amounted to \$38.6 million, and are available for future capital water system improvements. \$60.0 million of the Water Fund's net position are net investment in capital assets and are not available for liquidation to support operations. The remaining \$1.4 million is restricted to satisfy debt service obligations and covenants.

In FY 2023, the sewer utility fund increased its net position from \$158.1 million to \$180.1 million. Unrestricted net position at the end of the fiscal year amounted to \$33.8 million and is available for future capital sewer system improvements. \$146.3 million of the Sewer Fund's net position is net investment in capital asset and are not available for liquidation to support operations.

Other factors concerning the finances of these funds have already been reviewed in the discussion of the City's business-type activities. The capital assets section on the following pages will provide additional discussion and analysis of the business-type financial activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Staff submits a balanced operating and capital budget biennially to the City Council prior. The Biennial FY 2021/2022 and FY 2022/2023 was presented to Council in June of 2021.

Over the course of the year, the City Council revised the City budget with adjustments that are comprised within the following two categories:

- Changes made in the mid-year report to adjust revenues, augment current year expenditure appropriations, and establish or increase designation of fund balance.
- Other revenue adjustments and expenditure appropriations approved after the original budget is adopted, and before or after the mid-year report is approved.

During the year ended June 30, 2023, there was a \$5.7 million increase in budgeted revenues between the original and final amended operating budget for the General Fund. The increase in budgeted revenues was due to an increase in property and sales tax revenues of \$5.6 million.

Actual budgetary expenditures of \$28.3 million were \$6.1 million less than the amended budget as of June 30, 2023 and \$6.0 million less than the original budget due to planned expenditures not occurring in the year ended June 30, 2023.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets net of accumulated depreciation, for its governmental and business-type activities together amounted to \$545.5 million at June 30, 2023. This investment includes land, infrastructure, improvements, vehicles, equipment, and construction in progress. For the year ended

June 30, 2023, net capital assets increased \$101.2 million (\$70.5 million in governmental activities and \$30.7 million in business-type activities) compared to net capital assets at June 30, 2022. The increase in both governmental activities and business-type activities is primarily due to the acceptance of infrastructure and improvements from development.

Total construction in progress increased by \$11.9 million from \$31.62 million at June 30, 2022 to \$43.5 million at June 30, 2023. Construction in progress for governmental activities increased by \$7.8 million primarily due to \$12.6 million additions in general CIP projects and \$4.8 million net of projects being transferred into service. Business-type activities contributed an increase of \$4.0 million to the total CIP as additions to the Water and Sewer Systems totaling \$7.2 million were offset by \$3.2 million in projects that were completed and placed into service. The completed Water System projects include water meter improvements and water system repairs. The completed projects for the Sewer System include recycled water program and recycled water expansion.

The City records infrastructure assets at historical costs in the government-wide financial statement and depreciates assets from acquisition date to the end of the current fiscal year as required by GASB Statement No. 34. For governmental fund financial statements recording purposes, capital asset purchases are recorded as expenditures, rather than capitalizing and recording related depreciation.

Capital assets, net of depreciation for governmental and business-type activities in the government-wide financial statements are presented below to illustrate changes between FY 2022 and FY 2023 (in thousands):

For the Fiscal Years Ended June 30, 2022 and 2023

(in Thousands)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|----------------------------------|-------------------------|----------------|--------------------------|----------------|--------------------------|----------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Land | \$ 10,600 | \$ 12,887 | \$ 3,565 | \$ 3,565 | \$ 14,165 | \$ 16,452 |
| Construction in Progress | 21,012 | 28,784 | 10,635 | 14,679 | 31,647 | 43,463 |
| Buildings | 20,708 | 20,122 | 0 | 0 | 20,708 | 20,122 |
| Improvements other than building | 55,425 | 60,971 | 176,061 | 202,513 | 231,486 | 263,484 |
| Infrastructure | 143,154 | 196,968 | 0 | 0 | 143,154 | 196,968 |
| Equipment and vehicles | 2,451 | 3,172 | 541 | 699 | 2,992 | 3,871 |
| Right to use Assets | 129 | 400 | 0 | 0 | 129 | 400 |
| SBITA | 0 | 695 | 0 | 0 | 0 | 695 |
| Total Capital Assets | 253,479 | 323,999 | 190,802 | 221,456 | 444,281 | 545,455 |

Additional information about the City's capital assets can be found in the Notes to Basic Financial Statements, Note 4.

Debt Administration

The City's long-term debt service obligation include revenue bonds, lease revenue bonds and private placement debt. During the current fiscal year, the City's outstanding long-term debt decreased by \$1.9 million to \$17.6 million, comprising \$0.3 million in governmental activities and \$1.6 million in business-type activities. The decrease of in both governmental and business-type activities is a result of debt service payments and no new bond issuances.

For the Fiscal Years Ended June 30, 2022 and 2023
(in Thousands)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|-----------------------------|-------------------------|--------------|--------------------------|---------------|--------------------------|---------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Revenue Bonds - Water | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2017 Bank Loan | - | - | 8,178 | 7,462 | 8,178 | 7,462 |
| State Revolving Fund Loan | - | - | 5,554 | 5,071 | 5,554 | 5,071 |
| Compass Bank Loan | - | - | 3,010 | 2,623 | 3,010 | 2,623 |
| Capital Lease - City Hall | 2,745 | 2,430 | - | - | 2,745 | 2,430 |
| Total Capital Assets | 2,745 | 2,430 | 16,742 | 15,156 | 19,487 | 17,586 |

Additional information about the City’s long-term outstanding debt can be found in the notes to the Basic Financial Statements, Note 6.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The City Council considered many factors when setting the Fiscal Year 2023/24 budget. The City primarily relies on property tax and sales tax revenues to provide services and amenities to the community. Lathrop’s population has experienced significant growth. Just last year, the City experienced an 11.1 percent increase in its population making it one of the fastest growing cities in California. While higher population is an exciting sign of growth, the City also recognizes some of the challenges such growth brings in the planning and management of serving our new residents. With City Council’s guidance, the City has built strong financial reserves to draw from in unknown times, we have been able to maintain our sound financial position.

In March of 2021, the City Council approved moving forward to establish a new City of Lathrop Police Department. This important decision has not been made quickly; in fact, years of financial analysis have indicated the City can save money and provide more staff in police services tailored to meet the needs of the community. The City Council’s decision reflects a commitment to take action when it is in the long-term interest of our citizens.

Over the past decade, the City Council and City staff have focused on ensuring a sustainable economic future for the City of Lathrop supporting steady growth projections for the future. The City has a goal to provide an environment for strong industrial, commercial and residential growth that has resulted in a solid financial foundation. The California State Auditor Office, in its most recent report, has ranked Lathrop in the top 3% of fiscally sound cities, out of 471 cities throughout California. This has been possible because of stability in City Hall staffing, with a skilled and committed City staff team. These factors have positioned the City to be able to stand up a new Police Department to provide services that continue to meet the needs of residents, businesses, schools, community groups and visitors in Lathrop in a cost-effective manner.

Building permit issuance by the City for new residential and commercial development is the key driver used to estimate various revenue streams. These revenues are deposited into various funds. Examples of these revenues include: sales and use taxes on construction materials and equipment; capital facility fees charged to mitigate the impact of new development-driving a need for more parks and street capital investments; system development charges (investment/tap fees) assessed to finance future capital investment for water, sewer, and storm drainage systems.

As mentioned above, the level of single-family dwelling unit building permits issued, measured at 601 in FY 2023, this level exceeds the 334 issued years earlier in Fiscal Year 2006/07 during the height of the previous housing boom.

These major economic indicators were all considered when adopting the General Fund budget for FY 2023/24 budget.

CONTACTING THE CITY FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability and transparency for the money it receives. If you have questions about this report or need additional financial information, contact the City of Lathrop - Finance Department, 390 Towne Centre Drive, Lathrop, California 95330, (209) 941-7320.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Lathrop
Statement of Net Position
June 30, 2023

| | Primary Government | | Total |
|--|-------------------------|--------------------------|----------------|
| | Governmental Activities | Business-type Activities | |
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 202,815,359 | \$ 76,084,005 | \$ 278,899,364 |
| Receivables: | | | |
| Accounts (net of allowance for uncollectibles) | 7,048,548 | 3,583,748 | 10,632,296 |
| Notes and loans | 20,350 | - | 20,350 |
| Accrued interest | 414,847 | 159,493 | 574,340 |
| Internal balances | 1,873,305 | (1,873,305) | - |
| Restricted assets: | | | |
| Cash with fiscal agent | - | 1,408,865 | 1,408,865 |
| Prepays | 604,565 | - | 604,565 |
| Total current assets | 212,776,974 | 79,362,806 | 292,139,780 |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Nondepreciable | 41,671,142 | 18,244,833 | 59,915,975 |
| Depreciable | 402,113,987 | 269,829,425 | 671,943,412 |
| Less accumulated depreciation | (119,785,130) | (66,618,534) | (186,403,664) |
| Total noncurrent assets | 323,999,999 | 221,455,724 | 545,455,723 |
| Total assets | 536,776,973 | 300,818,530 | 837,595,503 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred pension related items | 4,371,331 | 636,750 | 5,008,081 |
| Deferred OPEB related items | 1,011,762 | 159,712 | 1,171,474 |
| Total deferred outflows of resources | 5,383,093 | 796,462 | 6,179,555 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 10,771,449 | 3,328,593 | 14,100,042 |
| Accrued liabilities | 370,077 | - | 370,077 |
| Accrued interest | - | 101,245 | 101,245 |
| Unearned revenue | 5,214,522 | 198,000 | 5,412,522 |
| Deposits payable | 5,754,977 | 1,038,834 | 6,793,811 |
| Due to other governments | - | 298,787 | 298,787 |
| Long-term debt & loans payable | 320,000 | 1,615,562 | 1,935,562 |
| Leases payable | 155,512 | - | 155,512 |
| Total current liabilities | 22,586,537 | 6,581,021 | 29,167,558 |
| Noncurrent liabilities: | | | |
| Compensated absences | 2,438,209 | 92,848 | 2,531,057 |
| Long-term debt & loans payable | 2,110,000 | 13,540,667 | 15,650,667 |
| Leases payable | 939,279 | - | 939,279 |
| Net pension liability | 6,972,342 | 994,041 | 7,966,383 |
| Net OPEB liability | 1,243,292 | 195,874 | 1,439,166 |
| Total noncurrent liabilities | 13,703,122 | 14,823,430 | 28,526,552 |
| Total liabilities | 36,289,659 | 21,404,451 | 57,694,110 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred pension related items | 335,177 | 52,759 | 387,936 |
| Deferred OPEB related items | 233,798 | 37,460 | 271,258 |
| Total deferred inflows of resources | 568,975 | 90,219 | 659,194 |
| NET POSITION | | | |
| Net investment in capital assets | 320,475,208 | 206,299,495 | 526,774,703 |
| Restricted for: | | | |
| Community development | 1,459,853 | - | 1,459,853 |
| Public safety | 12,304,449 | - | 12,304,449 |
| Culture and leisure | 1,734,092 | - | 1,734,092 |
| Public works | 14,482,070 | - | 14,482,070 |
| Capital projects | 95,052,906 | - | 95,052,906 |
| Debt service | - | 1,408,865 | 1,408,865 |
| Unrestricted | 59,792,854 | 72,411,962 | 132,204,816 |
| Total net position | \$ 505,301,432 | \$ 280,120,322 | \$ 785,421,754 |

See accompanying Notes to Basic Financial Statements.

City of Lathrop
Statement of Activities
For the year ended June 30, 2023

| Functions/Programs | Expenses | Program Revenues | | | Total |
|---------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental activities: | | | | | |
| General government | \$ 9,350,898 | \$ 8,753,003 | \$ 5,856,854 | \$ - | \$ 14,609,857 |
| Public safety | 15,350,996 | 51,938 | 152,771 | - | 204,709 |
| Community development | 1,537,163 | 6,041,251 | 156,900 | - | 6,198,151 |
| Culture and leisure | 3,999,365 | 379,681 | - | 5,000 | 384,681 |
| Public works | 36,027,481 | 3,250,469 | 1,310,731 | 66,230,438 | 70,791,638 |
| Interest on long-term debt | 225,835 | - | - | - | - |
| Total governmental activities | 66,491,738 | 18,476,342 | 7,477,256 | 66,235,438 | 92,189,036 |
| Business-type Activities: | | | | | |
| Water | 9,130,486 | 10,765,615 | - | 10,779,611 | 21,545,226 |
| Sewer | 9,457,406 | 10,428,292 | - | 18,318,755 | 28,747,047 |
| Total business-type activities | 18,587,892 | 21,193,907 | - | 29,098,366 | 50,292,273 |
| Total primary government | \$ 85,079,630 | \$ 39,670,249 | \$ 7,477,256 | \$ 95,333,804 | \$ 142,481,309 |

General Revenues:

Taxes:

Property taxes, levied for general purpose

Transient occupancy taxes

Sales taxes

Franchise taxes

Other taxes & assessments

Use of money and property

Other

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, as restated

Net position - end of year

Net (Expense) Revenue
and Changes in Net Position

| Governmental Activities | Business-Type Activities | Total |
|----------------------------|-----------------------------|----------------|
| \$ 5,258,959 | \$ - | \$ 5,258,959 |
| (15,146,287) | - | (15,146,287) |
| 4,660,988 | - | 4,660,988 |
| (3,614,684) | - | (3,614,684) |
| 34,764,157 | - | 34,764,157 |
| (225,835) | - | (225,835) |
| 25,697,298 | - | 25,697,298 |
| - | 12,414,740 | 12,414,740 |
| - | 19,289,641 | 19,289,641 |
| - | 31,704,381 | 31,704,381 |
| 25,697,298 | 31,704,381 | 57,401,679 |
| 10,509,687 | - | 10,509,687 |
| 1,027,015 | - | 1,027,015 |
| 21,285,429 | - | 21,285,429 |
| 2,285,062 | - | 2,285,062 |
| 18,228,764 | 5,839,401 | 24,068,165 |
| 3,901,381 | 952,746 | 4,854,127 |
| 381,860 | 687,317 | 1,069,177 |
| 3,143,911 | (3,143,911) | - |
| 60,763,109 | 4,335,553 | 65,098,662 |
| 86,460,407 | 36,039,934 | 122,500,341 |
| 418,841,025 | 244,080,388 | 662,921,413 |
| \$ 505,301,432 | \$ 280,120,322 | \$ 785,421,754 |

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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City of Lathrop
Major Governmental Funds
Year Ended June 30, 2023

The funds described below were determined to be Major Funds by the City in fiscal year 2023. Individual non-major funds may be found in the Supplementary Information section

GENERAL FUND

This fund accounts for all financial resources except those accounted for in another fund. It is the general operating fund of the City.

CAPITAL FACILITY FEE SPECIAL REVENUE FUND

To account for the financial resources associated with the capital facility fees for Traffic Mitigation (includes Regional Traffic), Storm Drain, Culture and Leisure, City Service, and Administration

BUILDING SAFETY & INSPECTION SPECIAL REVENUE FUND

This fund accounts for building safety and inspection permit fee revenue and activity.

STREETS AND ROADS CAPITAL PROJECTS FUND

To account for capital project expenditures related to streets and roads occurring over more than one fiscal year

GENERAL CIP PROJECTS CAPITAL PROJECTS FUND

To account for the expenditure of funds for projects funded from the General Fund

City of Lathrop
Balance Sheet
Governmental Funds
June 30, 2023

| | Special Revenue Funds | | | Capital Project |
|---|-----------------------|-----------------------|----------------------|----------------------|
| | General Fund | Capital Facility Fees | Building Safety & | Funds |
| | | | Inspection | Streets and Roads |
| ASSETS | | | | |
| Cash and investments | \$ 45,283,863 | \$ 57,160,812 | \$ 15,053,481 | \$ 11,747,481 |
| Receivables: | | | | |
| Accounts (net of allowance for uncollectibles) | 4,340,483 | 4,027 | - | 1,090 |
| Notes and loans | - | - | - | - |
| Accrued interest | 97,809 | 114,051 | 30,665 | 20,364 |
| Due from other funds | 14,604 | - | - | - |
| Prepays | 394,832 | - | - | - |
| Advances to other funds | 9,371,305 | - | - | - |
| Total assets | \$ 59,502,896 | \$ 57,278,890 | \$ 15,084,146 | \$ 11,768,935 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 934,372 | \$ 5,255,510 | \$ 358,453 | \$ 480,147 |
| Accrued liabilities | 370,077 | - | - | - |
| Unearned revenue | 740,865 | - | 2,691,683 | - |
| Deposits payable | 1,098,256 | - | 64,079 | - |
| Due to other funds | - | - | - | - |
| Advances from other funds | - | 7,498,000 | - | - |
| Total liabilities | 3,143,570 | 12,753,510 | 3,114,215 | 480,147 |
| Fund Balances: | | | | |
| Nonspendable | 9,766,137 | - | - | - |
| Restricted | - | 44,525,380 | 11,969,931 | 8,624,058 |
| Committed | 40,447,513 | - | - | 2,664,730 |
| Unassigned | 6,145,676 | - | - | - |
| Total fund balances | 56,359,326 | 44,525,380 | 11,969,931 | 11,288,788 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 59,502,896 | \$ 57,278,890 | \$ 15,084,146 | \$ 11,768,935 |

| Capital Project Funds | | |
|-----------------------|-----------------------------|--------------------------|
| General CIP Projects | Nonmajor Governmental Funds | Total Governmental Funds |
| \$ 19,338,954 | \$ 52,103,916 | \$ 200,688,507 |
| - | 2,702,948 | 7,048,548 |
| - | 20,350 | 20,350 |
| 38,605 | 113,353 | 414,847 |
| - | - | 14,604 |
| 209,733 | - | 604,565 |
| - | - | 9,371,305 |
| <u>\$ 19,587,292</u> | <u>\$ 54,940,567</u> | <u>\$ 218,162,726</u> |
| | | |
| \$ 1,103,136 | \$ 2,639,831 | \$ 10,771,449 |
| - | - | 370,077 |
| - | 1,781,974 | 5,214,522 |
| - | 4,592,642 | 5,754,977 |
| - | 14,604 | 14,604 |
| - | - | 7,498,000 |
| <u>1,103,136</u> | <u>9,029,051</u> | <u>29,623,629</u> |
| | | |
| - | - | 9,766,137 |
| 13,592,877 | 46,321,124 | 125,033,370 |
| 4,891,279 | - | 48,003,522 |
| - | (409,608) | 5,736,068 |
| <u>18,484,156</u> | <u>45,911,516</u> | <u>188,539,097</u> |
| | | |
| <u>\$ 19,587,292</u> | <u>\$ 54,940,567</u> | <u>\$ 218,162,726</u> |

City of Lathrop
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds \$ 188,539,097

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:

| | |
|----------------------|--------------------|
| Nondepreciable | 41,671,142 |
| Depreciable, net | 282,328,857 |
| Total capital assets | <u>323,999,999</u> |

In the Government-Wide Financial Statements, deferred employer contributions for pension and OPEB, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year.

| | |
|---|-----------|
| Deferred outflows of resources related to pension | 4,371,331 |
| Deferred outflows of resources related to OPEB | 1,011,762 |
| Deferred inflows of resources related to pension | (335,177) |
| Deferred inflows of resources related to OPEB | (233,798) |

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

| | |
|--|---------------------|
| Long-term debt - due within one year | (320,000) |
| Leases payable - due within one year | (155,512) |
| Compensated absences - due in more than one year | (311,357) |
| Long-term debt - due in more than one year | (2,110,000) |
| Leases payable - due in more than one year | (939,279) |
| Net pension liability | (6,972,342) |
| Net OPEB liability | (1,243,292) |
| Total long-term liabilities | <u>(12,051,782)</u> |

Net Position of Governmental Activities \$ 505,301,432

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City of Lathrop
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2023

| | Special Revenue Funds | | | Capital Project Funds |
|---|-----------------------|-----------------------|------------------------------|-----------------------|
| | General Fund | Capital Facility Fees | Building Safety & Inspection | Streets and Roads |
| REVENUES: | | | | |
| Taxes and assessments | \$ 31,612,884 | \$ 11,020,078 | \$ - | \$ - |
| Licenses and permits | 347,022 | - | 1,820,591 | - |
| Intergovernmental | 9,365,468 | - | - | - |
| Charges for services | 763,339 | - | 3,522,093 | - |
| Use of money and property | 2,284,635 | 704,944 | 179,493 | 118,890 |
| Fines and forfeitures | 7,893 | - | - | - |
| Developer participation | - | - | - | - |
| Miscellaneous | 273,860 | - | 4,663 | - |
| Total revenues | 44,655,101 | 11,725,022 | 5,526,840 | 118,890 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 9,372,651 | - | - | - |
| Public safety | 10,602,053 | - | - | - |
| Community development | 1,282,316 | - | - | - |
| Culture and leisure | 2,574,753 | - | - | - |
| Public works | 938,626 | 10,452,983 | 2,049,768 | - |
| Capital outlay | 2,758,535 | - | - | 8,624,837 |
| Debt service: | | | | |
| Principal retirement | 315,000 | - | - | - |
| Lease principal retirement | 367,507 | - | - | - |
| Interest and fiscal charges | 65,981 | - | - | - |
| Total expenditures | 28,277,422 | 10,452,983 | 2,049,768 | 8,624,837 |
| REVENUES OVER (UNDER) EXPENDITURES | 16,377,679 | 1,272,039 | 3,477,072 | (8,505,947) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 7,329,195 | 493,042 | - | 8,761,455 |
| Transfers out | (18,755,731) | (12,254,580) | (498,620) | - |
| Lease and software subscription proceeds | 1,462,298 | - | - | - |
| Total other financing sources (uses) | (9,964,238) | (11,761,538) | (498,620) | 8,761,455 |
| Net change in fund balances | 6,413,441 | (10,489,499) | 2,978,452 | 255,508 |
| FUND BALANCES: | | | | |
| Beginning of year | 52,874,312 | 55,014,879 | 8,991,479 | 11,033,280 |
| Restatement | (2,928,427) | - | - | - |
| Beginning of year, as restated | 49,945,885 | 55,014,879 | 8,991,479 | 11,033,280 |
| End of year | \$ 56,359,326 | \$ 44,525,380 | \$ 11,969,931 | \$ 11,288,788 |

| Capital Project Funds | | |
|-----------------------|-----------------------------|--------------------------|
| General CIP Projects | Nonmajor Governmental Funds | Total Governmental Funds |
| \$ - | \$ 10,662,275 | \$ 53,295,237 |
| - | 37,590 | 2,205,203 |
| - | 8,774,729 | 18,140,197 |
| - | 4,369,077 | 8,654,509 |
| 118,499 | 624,050 | 4,030,511 |
| - | 1,521,831 | 1,529,724 |
| - | 2,017,292 | 2,017,292 |
| - | 95,854 | 374,377 |
| 118,499 | 28,102,698 | 90,247,050 |
| - | - | 9,372,651 |
| - | 4,354,095 | 14,956,148 |
| - | 54 | 1,282,370 |
| - | 1,346,821 | 3,921,574 |
| 28,042 | 12,097,490 | 25,566,909 |
| 11,081,476 | 202,104 | 22,666,952 |
| - | - | 315,000 |
| - | - | 367,507 |
| - | 159,854 | 225,835 |
| 11,109,518 | 18,160,418 | 78,674,946 |
| (10,991,019) | 9,942,280 | 11,572,104 |
| 20,469,099 | 6,638,565 | 43,691,356 |
| - | (9,038,514) | (40,547,445) |
| - | - | 1,462,298 |
| 20,469,099 | (2,399,949) | 4,606,209 |
| 9,478,080 | 7,542,331 | 16,178,313 |
| 9,006,076 | 37,850,747 | 174,770,773 |
| - | 518,438 | (2,409,989) |
| 9,006,076 | 38,369,185 | 172,360,784 |
| \$ 18,484,156 | \$ 45,911,516 | \$ 188,539,097 |

City of Lathrop
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Government-Wide Statement of Activities
For the year ended June 30, 2023

| | | |
|---|----|------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | 16,178,313 |
|---|----|------------|

Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:

| | | |
|---|--|------------|
| Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense. This was the amount of capital assets recorded in the current period. | | 22,782,545 |
|---|--|------------|

| | | |
|--|--|------------|
| Donated capital assets are not recorded in the governmental funds, but are recognized as revenue at the acquisition value of the assets. | | 59,690,319 |
|--|--|------------|

| | | |
|---|--|--------------|
| Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds. | | (11,822,876) |
|---|--|--------------|

| | | |
|--|--|----------|
| Accrued compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals. | | (41,322) |
|--|--|----------|

Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.

| | | |
|---|--|-------------|
| Long-term debt repayments | | 315,000 |
| Lease and subscription payments | | 367,507 |
| Acquisition of new leases and subscriptions | | (1,462,298) |

| | | |
|--|--|-----------|
| Current year employer pension contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position. | | 1,739,487 |
|--|--|-----------|

| | | |
|--|--|-------------|
| Pension expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds. | | (1,293,960) |
|--|--|-------------|

| | | |
|---|--|-------|
| OPEB expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds. | | 7,692 |
|---|--|-------|

| | | |
|--|-----------|-------------------|
| Change in Net Position of Governmental Activities | \$ | 86,460,407 |
|--|-----------|-------------------|

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City of Lathrop
Statement of Net Position
Proprietary Funds
June 30, 2023

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities |
|--|---|----------------|----------------|--|
| | Water | Sewer | Totals | Compensated Absences Internal Service Fund |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and investments | \$ 40,122,806 | \$ 35,961,199 | \$ 76,084,005 | \$ 2,126,852 |
| Receivables: | | | | |
| Accounts (net of allowance for uncollectibles) | 2,206,105 | 1,377,643 | 3,583,748 | - |
| Accrued interest | 81,803 | 77,690 | 159,493 | - |
| Restricted: | | | | |
| Cash and with fiscal agent | 1,408,865 | - | 1,408,865 | - |
| Total current assets | 43,819,579 | 37,416,532 | 81,236,111 | 2,126,852 |
| Noncurrent: | | | | |
| Capital assets: | | | | |
| Nondepreciable capital assets | 3,165,631 | 15,079,202 | 18,244,833 | - |
| Depreciable capital assets | 105,769,161 | 164,060,264 | 269,829,425 | - |
| Accumulated depreciation | (33,736,705) | (32,881,829) | (66,618,534) | - |
| Net capital assets | 75,198,087 | 146,257,637 | 221,455,724 | - |
| Total noncurrent assets | 75,198,087 | 146,257,637 | 221,455,724 | - |
| Total assets | 119,017,666 | 183,674,169 | 302,691,835 | 2,126,852 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred pension related items | 390,322 | 246,428 | 636,750 | - |
| Deferred OPEB related items | 97,536 | 62,176 | 159,712 | - |
| Total deferred outflows of resources | 487,858 | 308,604 | 796,462 | - |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 1,851,753 | 1,476,840 | 3,328,593 | - |
| Accrued interest | 101,245 | - | 101,245 | - |
| Unearned revenue | 198,000 | - | 198,000 | - |
| Deposits payable | 1,007,546 | 31,288 | 1,038,834 | - |
| Due to other governments | 298,787 | - | 298,787 | - |
| Loans payable | 1,615,562 | - | 1,615,562 | - |
| Total current liabilities | 5,072,893 | 1,508,128 | 6,581,021 | - |
| Noncurrent liabilities: | | | | |
| Advances from other funds | - | 1,873,305 | 1,873,305 | - |
| Accrued compensated absences | 63,622 | 29,226 | 92,848 | 2,126,852 |
| Net pension liability | 603,302 | 390,739 | 994,041 | - |
| Net OPEB liability | 119,565 | 76,309 | 195,874 | - |
| Loans payable | 13,540,667 | - | 13,540,667 | - |
| Total noncurrent liabilities | 14,327,156 | 2,369,579 | 16,696,735 | 2,126,852 |
| Total liabilities | 19,400,049 | 3,877,707 | 23,277,756 | 2,126,852 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred pension related items | 32,199 | 20,560 | 52,759 | - |
| Deferred OPEB related items | 22,957 | 14,503 | 37,460 | - |
| Total deferred inflows of resources | 55,156 | 35,063 | 90,219 | - |
| NET POSITION | | | | |
| Net investment in capital assets | 60,041,858 | 146,257,637 | 206,299,495 | - |
| Restricted | 1,408,865 | - | 1,408,865 | - |
| Unrestricted | 38,599,596 | 33,812,366 | 72,411,962 | - |
| Total net position | \$ 100,050,319 | \$ 180,070,003 | \$ 280,120,322 | \$ - |

City of Lathrop
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2023

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities |
|--|---|-------------------|-------------------|--|
| | Water | Sewer | Totals | Compensated Absences Internal Service Fund |
| OPERATING REVENUES: | | | | |
| Sales and service charges | \$ 10,765,615 | \$ 10,428,292 | \$ 21,193,907 | \$ 301,913 |
| Other income | 320,355 | 366,962 | 687,317 | - |
| Total operating revenues | 11,085,970 | 10,795,254 | 21,881,224 | 301,913 |
| OPERATING EXPENSES: | | | | |
| General and administrative | 1,364,848 | 953,800 | 2,318,648 | 301,913 |
| Maintenance and operations | 4,869,796 | 5,165,193 | 10,034,989 | - |
| Depreciation expense | 2,432,538 | 3,338,413 | 5,770,951 | - |
| Total operating expenses | 8,667,182 | 9,457,406 | 18,124,588 | 301,913 |
| Operating income (loss) | 2,418,788 | 1,337,848 | 3,756,636 | - |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Taxes and assessments | 2,332,295 | 3,507,106 | 5,839,401 | - |
| Investment earnings | 492,476 | 460,270 | 952,746 | - |
| Interest expense | (463,304) | - | (463,304) | - |
| Total nonoperating revenues (expenses) | 2,361,467 | 3,967,376 | 6,328,843 | - |
| Income before contributions and transfers | 4,780,255 | 5,305,224 | 10,085,479 | - |
| CONTRIBUTIONS AND TRANSFERS: | | | | |
| Contributions | 10,779,611 | 18,318,755 | 29,098,366 | - |
| Transfers in | - | 43,149 | 43,149 | - |
| Transfers out | (1,509,110) | (1,677,950) | (3,187,060) | - |
| Total contributions and transfers | 9,270,501 | 16,683,954 | 25,954,455 | - |
| Change in net position | 14,050,756 | 21,989,178 | 36,039,934 | - |
| NET POSITION: | | | | |
| Beginning of year | 88,417,047 | 158,080,825 | 246,497,872 | - |
| Restatements | (2,417,484) | - | (2,417,484) | - |
| Beginning of year, as restated | 85,999,563 | 158,080,825 | 244,080,388 | - |
| End of year | \$ 100,050,319 | \$ 180,070,003 | \$ 280,120,322 | \$ - |

City of Lathrop
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2023

| | Business-Type Activities | | | Governmental |
|---|--------------------------|----------------------|----------------------|--------------------------------|
| | Water | Sewer | Totals | Absences Internal Service Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Cash received from customers and users | \$ 11,198,465 | \$ 10,518,697 | \$ 21,717,162 | \$ - |
| Cash paid to suppliers for goods and services | (4,086,737) | (4,929,102) | (9,015,839) | - |
| Cash paid to employees for services | (1,337,068) | (937,348) | (2,274,416) | - |
| Cash received from (payments to) others | 320,355 | 366,962 | 687,317 | 301,913 |
| Net cash provided (used) by operating activities | 6,095,015 | 5,019,209 | 11,114,224 | 301,913 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Cash transfers in | - | 43,149 | 43,149 | - |
| Cash transfers out | (1,509,110) | (1,677,950) | (3,187,060) | - |
| Repayment made to other funds | - | (532,559) | (532,559) | - |
| Taxes and assessments | 2,332,295 | 3,507,106 | 5,839,401 | - |
| Net cash provided (used) by non-capital financing activities | 823,185 | 1,339,746 | 2,162,931 | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Acquisition and construction of capital assets | (653,093) | (6,673,694) | (7,326,787) | - |
| Principal paid on capital debt | (1,585,872) | - | (1,585,872) | - |
| Interest paid on capital debt | (526,975) | (59,124) | (586,099) | - |
| Net cash provided (used) by capital and related financing activities: | (2,765,940) | (6,732,818) | (9,498,758) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest received | 492,476 | 460,270 | 952,746 | - |
| Net cash provided (used) by investing activities | 492,476 | 460,270 | 952,746 | - |
| Net increase (decrease) in cash and cash equivalents | 4,644,736 | 86,407 | 4,731,143 | 301,913 |
| Cash and cash equivalents at beginning of year | 36,886,935 | 35,874,792 | 72,761,727 | 1,824,939 |
| Cash and cash equivalents at end of year | \$ 41,531,671 | \$ 35,961,199 | \$ 77,492,870 | \$ 2,126,852 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | | |
| Operating income (loss) | \$ 2,418,788 | \$ 1,337,848 | \$ 3,756,636 | \$ - |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation | 2,432,538 | 3,338,413 | 5,770,951 | - |
| (Increase) decrease in accounts receivable | 254,270 | 90,405 | 344,675 | - |
| Increase (decrease) in accounts payable | 783,059 | 236,091 | 1,019,150 | - |
| Increase (decrease) in unearned revenue | 198,000 | - | 198,000 | - |
| Increase (decrease) in deposits payable | (19,420) | - | (19,420) | - |
| Increase (decrease) in compensated absences | 8,956 | 2,355 | 11,311 | 301,913 |
| Increase (decrease) in pension and OPEB | 18,824 | 14,097 | 32,921 | - |
| Total Adjustments | 3,676,227 | 3,681,361 | 7,357,588 | 301,913 |
| Net cash provided (Used) by operating activities | \$ 6,095,015 | \$ 5,019,209 | \$ 11,114,224 | \$ 301,913 |
| Non-Cash Investing, Capital, and Financing Activities: | | | | |
| Donated assets | \$ 10,779,611 | \$ 18,318,755 | \$ - | \$ - |

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City of Lathrop
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

| | Custodial Funds |
|---|----------------------|
| ASSETS | |
| Cash and investments | \$ 5,642,239 |
| Receivables: | |
| Accrued interest | 13,389 |
| Restricted assets: | |
| Cash and with fiscal agent | 16,434,791 |
| Total assets | 22,090,419 |
| LIABILITIES | |
| Accounts payable | 488,806 |
| Deposits payable | 30,747 |
| Total liabilities | 519,553 |
| NET POSITION | |
| Restricted for: | |
| Individuals, organizations, and other governments | 21,570,866 |
| Total Net Position | \$ 21,570,866 |

City of Lathrop
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2023

| | Custodial Funds |
|--------------------------------------|----------------------|
| ADDITIONS: | |
| Collections for assessment districts | \$ 6,779,871 |
| Receipts from others | 12,459,064 |
| Investment earnings | 165,323 |
| Total additions | 19,404,258 |
| DEDUCTIONS: | |
| Administrative expenses | 105,686 |
| Contractual services | 506,512 |
| Interest expense | 8,460,838 |
| Total deductions | 9,073,036 |
| Change in net position | 10,331,222 |
| NET POSITION: | |
| Beginning of year | 4,298,198 |
| Restatements | 6,941,446 |
| Beginning of year, as restated | 11,239,644 |
| End of year | <u>\$ 21,570,866</u> |

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NOTES TO BASIC FINANCIAL STATEMENTS

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City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Lathrop, California, (the City) was incorporated July 1, 1989, under the general laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: general government, public safety, public ways and facilities/transportation, culture and leisure, and public utilities.

The financial statements of the primary government of the City of Lathrop include the activities of the City as well as the Lathrop Public Facilities Financing Corporation, which is controlled by and dependent on the City. While it is a separate legal entity, its financial activities are integral to those of the City. Its financial activities have been aggregated and merged (termed “blending”) with those of the primary government of the City in the accompanying financial statements.

On April 11, 2000, the City Council formed the Lathrop Public Facilities Financing Corporation (Corporation), a non-profit public benefit corporation. The Corporation was formed to assist the City in financing the acquisition, construction, and improvement of municipal facilities. The Corporation is also empowered to acquire property. The Corporation is governed by a Board of Directors consisting of the City Council members.

B. Basis of Presentation

The City’s Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City and its component unit). These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. However, the interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Presentation, Continued

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements - The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. Major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund

This fund accounts for all financial resources except those accounted for in another fund. It is the general operating fund of the City.

Capital Facility Fees Special Revenue Fund

To account for the financial resources associated with the capital facility fees for Traffic Mitigation (includes Regional Traffic), Storm Drain, Culture and Leisure, City Service, and Administration.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Major Funds, Continued

Buildings Safety & Inspection Special Revenue Fund

This fund accounts for building safety and inspection permit fee revenue and activity.

Streets and Roads Capital Projects Fund

The Streets and Roads Capital Projects Fund accounts for capital project expenditures related to streets and roads occurring over more than one fiscal year.

General CIP Projects Fund

To account for capital project expenditures related to streets and roads occurring over more than one fiscal year.

The City reported both of its enterprise funds as major funds in the accompanying financial statements:

Water Fund

This fund accounts for the revenues and expenses of the City's water operations.

Sewer Fund

This fund accounts for the revenues and expenses of the City's sewer operations.

The City also reports the following fund types:

Internal Service Fund

The fund accounts for compensated absences activities, which are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds

Custodial funds are used to account for assets held by the City as a custodian for certain special assessment districts. The financial activities of these funds are excluded from the entity-wide financial statement but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *full accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Basis of Accounting, Continued

The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund, sewer fund, and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted Net Position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

Those revenues susceptible to accrual are use of money and property revenue, charges for services and fines and penalties. Sales taxes collected and held by the State at year-end on behalf of the City also are recognized as revenue.

E. Property Tax

The City's property taxes are levied each July 1, on the assessed values as of the prior January 1 for all real and personal property located in the City. Property sold after the assessment date (January 1) is reassessed and the amount of property tax levied is prorated.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Property Tax, Continued

The City has elected to receive property taxes from the County of San Joaquin (County) under the Teeter Plan. Under this program, the City receives 100% of the levied property taxes in periodic payments with the County assuming responsibility for delinquencies. Secured property taxes are due in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31. The City accrues only taxes which are received from the County within 60 days after fiscal year end.

F. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

H. Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines and other fees. Federal and state grants are considered receivable and accrue as revenue when reimbursable costs are incurred. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available.

I. Prepaid Expenses

Prepaid items are also recognized under the consumption method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Capital Assets

The accounting treatment over property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at the estimated acquisition value on the date contributed. All other capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. The City’s policy is to capitalize all capital assets with costs exceeding certain minimum thresholds.

The City has recorded all its public domain (infrastructure) capital assets placed in service, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year’s pro rata share of the cost of capital assets. Generally accepted accounting principles require that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation is provided using the straight line method which means the cost of the capital asset is divided by its expected useful life in years and the result is charged to expense each year until the capital asset is fully depreciated. The City has assigned the useful lives listed below to capital assets.

| | |
|------------------------|---------------|
| Buildings | 10 - 30 years |
| Improvements | 5 - 50 years |
| Equipment and Vehicles | 5 - 30 years |
| Infrastructure | 5 - 40 years |

The City capitalizes all capital assets with a useful life of more than one year. Prior to July 1, 2019, the City capitalized all capital assets with a cost greater than \$3,000. Subsequent to that date, the City capitalizes all land purchases and all other capital assets as follows:

| | | |
|---|----|---|
| Land | \$ | - |
| Land Improvements | | 50,000 |
| Buildings and Building Improvements | | 50,000 |
| Infrastructure | | 50,000 |
| Equipment, Furniture and Vehicles | | 10,000 |
| Leases and Subscriptions (GASBS 87 and 96) | | 100,000 |
| Leasehold Improvements | | 50,000 |
| Construction in Progress for Year End Reporting | | 50,000 will exceed amount at completion |

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. *Compensated Absences*

City employees accumulate earned but unused vacation which can be converted to cash at termination of employment. For governmental funds, a liability for these amounts is recorded only if they have matured, for example, as a result of employee resignations and retirements. The remaining amounts are reported as a liability in the Statement of Net Position. Proprietary funds' liability for compensated absences is recorded in each proprietary fund. The liability for compensated absences is determined annually.

L. *Long Term Liabilities*

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term liabilities, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. *Net Pension Liability*

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/ deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained from CalPERS' website under Forms and Publications.

N. *Other Post-Employment Benefits (OPEB)*

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability information within certain defined timeframes. For this report, the following timeframes are used:

| | |
|--------------------|--------------------------------|
| Valuation Date | June 30, 2021 |
| Measurement Date | June 30, 2022 |
| Measurement Period | June 30, 2021 to June 30, 2022 |

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

P. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Q. Net Position and Fund Balance

Net Position

Net position is the excess of all the City’s assets all deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net position is divided into three captions on the Statement of Net Position. These captions apply only to net position, which is determined only at the Government-wide level, and business-type activities and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City’s capital assets, less the outstanding balance of any debt issued to finance these assets and related deferred inflow of resources.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Net Position and Fund Balance, Continued

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted to use.

Fund Balance

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the City Council's highest level of decision-making authority. The City Council can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The Authority for assigning fund balance is expressed by the City Council or its designee (i.e., City Manager), as established in the City's Reserve Policy. This category includes nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Net Position and Fund Balance, Continued

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Further detail about the City's fund balance classification is described in Note 9.

R. New, Closed and Renamed Funds

The following funds were established during the fiscal year:

- The Gateway Business Park Special Revenue Fund – Lathrop Gateway Business Park Specific Plan (“Gateway Business Park”) is an industrial park currently being developed by Phelan Haugen Development in the City. Phelan is entitled for approximately 3.2 million square feet of light industrial development. In order for the City to ensure that development continues to pay its own way, a Community Facilities District was formed to cover the maintenance needs of the development.

The following funds were closed during the year:

- Office of Traffic and Safety
- Central Lathrop Specific Plan (CLSP) Services CFD Special Revenue Fund

S. New Accounting Pronouncement

GASB Statement No. 91, Conduit Debt Obligations – The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The City updated disclosures relating to conduit debt obligations as part of implementation of this statement.

GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement did not apply to the City for the current fiscal year.

GASB Statement No. 96, Subscription-based Information Technology Arrangements – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The City recognized an intangible assets and SBITA liabilities as part of implementation of this statement.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

2. CASH AND INVESTMENTS

A. Policies

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system.

California Law requires banks and savings and loan institutions to pledge government securities with a fair value of 110% of the City's cash on deposit or first trust deed mortgage notes with a value of 150% of the City's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the City's name and places the City ahead of general creditors of the institution pledging the collateral.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Investment income is allocated among funds on the basis of average monthly cash and investment balances in these funds. Interest income on certain investments is allocated based on the source of the investment and legal requirements which apply.

Cash and investments with an original maturity of three months or less are used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments. Cash and investments as of June 30, 2023, are as follows:

| | |
|---|----------------|
| City cash and investments in primary government: | |
| Cash and investments | \$ 278,899,364 |
| Cash and investments, restricted, with fiscal agents | 1,408,865 |
| Total primary government cash and investments | 280,308,229 |
| Cash and investments in Fiduciary Funds (separate statement): | |
| Cash and investments | 5,642,239 |
| Cash and investments, restricted, with fiscal agents | 16,434,791 |
| Total Fiduciary Funds cash and investments | 22,077,030 |
| Total cash and investments | \$ 302,385,259 |

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

2. CASH AND INVESTMENTS, Continued

B. Classification, Continued

Cash and Investments as of June 30, 2023, consist of the following:

| | |
|----------------------------------|-----------------------|
| Cash on hand | \$ 6,260 |
| Cash with financial institutions | 143,697,591 |
| Investments | 158,681,408 |
| Total Cash and Investments | <u>\$ 302,385,259</u> |

C. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

The City's investment policy states that all investments and deposits shall be made in accordance to the California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except for the reserve funds from proceeds of debt issues may be invested in permitted investments specified in the indenture of the debt issue. The City has further restricted authorized investments to the following:

| Authorized Investment Type | Maximum Maturity | Maximum Percentage/ Amount of Portfolio | Maximum Investment in One Issuer | Minimum Credit Ratings |
|--|------------------|---|----------------------------------|------------------------|
| Local Government Bonds | 5 years | 30% | None | A |
| State Bonds | 5 years | 30% | None | A |
| US Treasury Obligations | 5 years | None | None | N/A |
| US Government Agency Issues | 5 years | None | None | N/A |
| Banker's Acceptance | 180 days | 40% | 30% | A |
| Commercial Paper, Prime Quality | 270 days | 25% | 10% | A |
| Negotiable Certificates of Deposit | 5 years | 30% | None | N/A |
| Repurchase and Reverse Repurchase Agreements | 30 days | None | None | A |
| Medium - Term Notes | 5 years | 30% | 10% | A |
| Money Market Funds | N/A | 20% | None | AAAm |
| Mutual Funds | 5 years | 20% | 10% | AAAm |
| Local Agency Investment Fund ("LAIF") | N/A | None | None | N/A |
| Joint Power Authority Pool | N/A | None | None | N/A |
| Supranational Obligations | 5 years | 30% | None | AA |

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

2. CASH AND INVESTMENTS, Continued

D. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

| Authorized Investment Type | Maximum Maturity | Maximum Percentage/ Amount of Portfolio | Maximum Investment in One Issuer |
|--|------------------|---|----------------------------------|
| US Treasury Obligations | None | None | None |
| US Agency Securities | None | None | None |
| Mortgage-backed Securities | 3 years | None | None |
| Banker's Acceptance (must be dollar denominated) | 360 days | None | None |
| Certificates of Deposit | None | None | None |
| Commercial Paper | 180 days | None | None |
| Money Market Funds | N/A | None | None |
| Local Government Bonds | None | None | None |
| County Pool | N/A | None | None |
| Local Agency Investment Fund ("LAIF") | N/A | None | None |

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

2. CASH AND INVESTMENTS, Continued

E. Interest Rate Risk, Continued

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

| Investment Type | Measurement Input | | | Total |
|--|----------------------|----------------------|----------------------|-----------------------|
| | 12 Months or Less | 13 to 24 Months | 25 to 60 Months | |
| U.S. Treasury Obligations | \$ 2,435,680 | \$ 36,498,141 | \$ 22,716,836 | \$ 61,650,657 |
| U.S. Government Agencies Issues | 2,004,931 | 3,064,838 | 3,524,837 | 8,594,606 |
| Supranational Obligations | 591,672 | 438,218 | - | 1,029,890 |
| Local Agency Investment Fund | 73,735,096 | - | - | 73,735,096 |
| Asset Management Program | 10,694,379 | - | - | 10,694,379 |
| Money Market Mutual Funds | 2,976,780 | - | - | 2,976,780 |
| Total Investments | \$ 92,438,538 | \$ 40,001,197 | \$ 26,241,673 | 158,681,408 |
| Cash in Banks and On Hand | | | | 143,703,851 |
| Total City Cash and Investments | | | | \$ 302,385,259 |

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF. For the year ended June 30, 2023, the fair value factor for the City's investments in LAIF was 0.984828499. The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more.

Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, United States Treasury Notes and Bills and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2023, LAIF had 2.78% of its portfolio invested in structured notes and asset-backed securities as compared to 1.88% in the prior year.

Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

2. CASH AND INVESTMENTS, Continued

F. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2023:

| <i>Investments by Fair Value Level:</i> | Level 1 | Level 2 | Total |
|--|-------------|----------------------|-----------------------|
| U.S. Treasury Obligations | \$ - | \$ 61,650,657 | \$ 61,650,657 |
| U.S. Government Agencies Issues | - | 8,594,606 | 8,594,606 |
| Supranational Obligations | - | 1,029,890 | 1,029,890 |
| Total Investments by Fair Value Level | <u>\$ -</u> | <u>\$ 71,275,153</u> | 71,275,153 |
| <i>Investments Measured at Amortized Cost:</i> | | | |
| Local Agency Investment Fund | | | 73,735,096 |
| Asset Management Program | | | 10,694,379 |
| Money Market Mutual Funds | | | 2,976,780 |
| <i>Cash in Banks and On Hand</i> | | | <u>143,703,851</u> |
| Total Cash and Investments | | | <u>\$ 302,385,259</u> |

For investments classified within Level 2 of the fair value hierarchy, the City's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker dealer quotes, issuer spreads and benchmark securities, among others. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

G. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2023, as provided by Standard and Poor's, are as follows:

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

2. CASH AND INVESTMENTS, Continued

G. Credit Risk, Continued

| Investment Type | AAAm | AAA | Total |
|---------------------------------|--------------|---------------|----------------|
| Supranational Obligations | \$ - | \$ 1,029,890 | \$ 1,029,890 |
| U.S. Government Agencies Issues | - | 61,650,657 | 61,650,657 |
| US Treasury Obligations | - | 8,594,606 | 8,594,606 |
| Money Market Mutual Funds | 2,976,780 | - | 2,976,780 |
| Totals | \$ 2,976,780 | \$ 71,275,153 | 74,251,933 |
| Not Rated: | | | |
| Local Agency Investment Fund | | | 73,735,096 |
| Asset Management Program | | | 10,694,379 |
| Total Investments | | | \$ 158,681,408 |

H. Concentration of Credit Risk

There were no Investments in any one issuer, other than U.S. Treasury securities, money market mutual funds, and California Local Agency Investment Funds that represent 5% or more of total City-wide investments at June 30, 2023.

3. INTERFUND TRANSACTIONS

A. Long-Term Advances

As of June 30, 2023, the Sewer Enterprise Fund had a remaining balance of \$1,873,305 owed to the General Fund, which was used to cover capital construction and other related costs. The advances are repaid with future operating revenues over several years.

In the fiscal year ended June 30, 2023, the City loaned the Capital Facility Fees Fund \$7,498,000 for the purpose of funding an animal shelter. The loan will be repaid through fee revenues.

B. Short-Term Activities

As of June 30, 2023, the General Fund loaned the State Grants Special Revenue Fund (non-major governmental fund) \$14,604 to cover a temporary cash shortfall.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

3. INTERFUND TRANSACTIONS

C. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2023, were as follows:

| Transfers Out | Transfers In | | | | | | Total |
|---|---------------------|-----------------------|---------------------|----------------------|------------------------------|------------------|---------------------|
| | General Fund | Capital Facility Fees | Streets & Roads | General CIP Projects | Non-Major Governmental Funds | Sewer | |
| Major Funds: | | | | | | | |
| General Fund | \$ - | \$ 365,042 | \$ 3,682,551 | \$ 9,279,576 | \$ 5,428,562 | \$ - | \$18,755,731 |
| Capital Facilities Fee Special Revenue Fund | 481,000 | - | 1,004,487 | 10,769,093 | - | - | 12,254,580 |
| Building Safety & Inspection Special Revenue Fund | 498,620 | - | - | - | - | - | 498,620 |
| Non-Major Governmental Funds | 3,292,515 | 128,000 | 4,074,417 | 290,430 | 1,210,003 | 43,149 | 9,038,514 |
| Major Enterprise Funds: | | | | | | | |
| Water | 1,409,110 | - | - | 100,000 | - | - | 1,509,110 |
| Sewer | 1,647,950 | - | - | 30,000 | - | - | 1,677,950 |
| Total | <u>\$ 7,329,195</u> | <u>\$ 493,042</u> | <u>\$ 8,761,455</u> | <u>\$20,469,099</u> | <u>\$ 6,638,565</u> | <u>\$ 43,149</u> | <u>\$43,734,505</u> |

The purpose of the General Fund transfers out were to fund various capital projects and, to a lesser extent, to subsidize special revenue funds' operations. Transfers from the Capital Facilities Fee Special Revenue Fund were to fund operations and contribute to capital projects. Transfers from the Building, Safety & Inspection Special Revenue Fund, and the Water and Sewer Enterprise Funds to the General Fund were to help pay for overhead costs. Transfers from Non-Major Governmental Funds to the General Fund and Streets & Roads were to pay for overhead costs and projects, and capital projects, respectively.

D. Internal Balances

Internal balances are presented in the entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

4. CAPITAL ASSETS

A. Capital Asset Additions and Retirements

Capital assets activity for the year ended June 30, 2023, is as follows:

| Governmental Activities | Balance July 1, 2022 | Additions | Retirements | Balance June 30, 2023 |
|--|-------------------------|----------------------|---------------------|--------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 10,599,729 | \$ 2,287,721 | \$ - | \$ 12,887,450 |
| Construction in Progress | 21,012,408 | 7,771,284 | - | 28,783,692 |
| Total capital assets not being depreciated | <u>31,612,137</u> | <u>10,059,005</u> | <u>-</u> | <u>41,671,142</u> |
| Capital assets being depreciated/amortized: | | | | |
| Buildings | 25,109,553 | - | - | 25,109,553 |
| Improvements | 83,567,296 | 9,610,242 | - | 93,177,538 |
| Equipment and Vehicles | 5,443,659 | 1,469,659 | - | 6,913,318 |
| Infrastructure | 215,579,620 | 59,690,319 | - | 275,269,939 |
| Equipment and Vehicles - Right-to-use Assets | 210,928 | 1,643,639 | (210,928) | 1,643,639 |
| Total capital assets being depreciated/amortized | <u>329,911,056</u> | <u>72,413,859</u> | <u>(210,928)</u> | <u>402,113,987</u> |
| Less accumulated depreciation/amortization: | | | | |
| Buildings | (4,401,953) | (585,345) | - | (4,987,298) |
| Improvements | (28,142,067) | (4,064,305) | - | (32,206,372) |
| Equipment and Vehicles | (2,993,038) | (747,416) | - | (3,740,454) |
| Infrastructure | (72,425,196) | (5,876,961) | - | (78,302,157) |
| Equipment and Vehicles - Right-to-use Assets | (81,793) | (548,849) | 81,793 | (548,849) |
| Total accumulated depreciation/amortization | <u>(108,044,047)</u> | <u>(11,822,876)</u> | <u>81,793</u> | <u>(119,785,130)</u> |
| Net capital assets being depreciated/amortization | <u>221,867,009</u> | <u>60,590,983</u> | <u>(129,135)</u> | <u>282,328,857</u> |
| Governmental Activities Capital Assets, Net | <u>\$253,479,146</u> | <u>\$ 70,649,988</u> | <u>\$ (129,135)</u> | <u>\$323,999,999</u> |

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

4. CAPITAL ASSETS, Continued

A. Capital Asset Additions and Retirements, Continued

| Business-type Activities | Balance July 1, 2022 | Additions | Transfers | Balance June 30, 2023 |
|---|-------------------------|----------------------|--------------------|--------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 3,565,179 | \$ - | \$ - | \$ 3,565,179 |
| Construction in Progress | 10,635,238 | 7,217,207 | (3,172,791) | 14,679,654 |
| Total capital assets not being depreciated | <u>14,200,417</u> | <u>7,217,207</u> | <u>(3,172,791)</u> | <u>18,244,833</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 3,072 | - | - | 3,072 |
| Improvements | 235,815,251 | 28,932,796 | 3,172,791 | 267,920,838 |
| Equipment and Vehicles | 1,630,365 | 275,150 | - | 1,905,515 |
| Net capital assets being depreciated | <u>237,448,688</u> | <u>29,207,946</u> | <u>3,172,791</u> | <u>269,829,425</u> |
| Less accumulated depreciation: | | | | |
| Buildings | (3,042) | (15) | - | (3,057) |
| Improvements | (59,754,748) | (5,653,028) | - | (65,407,776) |
| Equipment and Vehicles | (1,089,793) | (117,908) | - | (1,207,701) |
| Total accumulated depreciation | <u>(60,847,583)</u> | <u>(5,770,951)</u> | <u>-</u> | <u>(66,618,534)</u> |
| Net capital assets being depreciated | <u>176,601,105</u> | <u>23,436,995</u> | <u>3,172,791</u> | <u>203,210,891</u> |
| Business-type Activities Capital Assets, Net | <u>\$ 190,801,522</u> | <u>\$ 30,654,202</u> | <u>\$ -</u> | <u>\$ 221,455,724</u> |

B. Capital Asset Contributions

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions are required to be accounted for as revenues at the time the capital assets are contributed.

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

| | |
|--------------------------------------|----------------------|
| Governmental Activities: | |
| General government | \$ 431,466 |
| Community development | 254,793 |
| Public safety | 482,661 |
| Public works | 10,576,165 |
| Culture and leisure | 77,791 |
| Total Governmental Activities | <u>\$ 11,822,876</u> |

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

4. CAPITAL ASSETS, Continued

C. Depreciation Allocation, Continued

| | | |
|---------------------------------------|--|---------------------|
| Business-Type Activities: | | |
| Water | | \$ 2,432,538 |
| Sewer | | 3,338,413 |
| Total Business-Type Activities | | \$ 5,770,951 |

5. COMPENSATED ABSENCES

The following is a summary of changes in the City's compensated absences for the fiscal year ended June 30, 2023:

| | Balance June 30, 2022 | Additions | Retirements | Balance June 30, 2023 | Due within one year |
|--------------------------|--------------------------|-------------------|------------------|--------------------------|------------------------|
| Governmental activities | \$ 2,094,974 | \$ 379,050 | \$ 35,815 | \$ 2,438,209 | \$ - |
| Business-type activities | 81,537 | 13,537 | 2,226 | 92,848 | - |
| Total | \$ 2,176,511 | \$ 392,587 | \$ 38,041 | \$ 2,531,057 | \$ - |

6. LOANS PAYABLE & OTHER LONG-TERM DEBT

A. The City's Loans Payable & Other Long-Term Debt

The City's long-term debt activities for the year ended June 30, 2023, is as follows:

| Governmental Activities Long-Term Debt | Balance June 30, 2022 | Retirements | Balance June 30, 2023 | Current Portion |
|--|--------------------------|-------------------|--------------------------|-------------------|
| Financing Agreement Obligation | | | | |
| 2016 Financing Agreement | | | | |
| 2.55%, due 07/15/2029 | \$ 2,745,000 | \$ 315,000 | \$ 2,430,000 | \$ 320,000 |
| Total Governmental Activities | \$ 2,745,000 | \$ 315,000 | \$ 2,430,000 | \$ 320,000 |

| Business-type Activities Long-Term Debt | Balance June 30, 2022 | Retirements | Balance June 30, 2023 | Current Portion |
|---|--------------------------|---------------------|--------------------------|---------------------|
| Capital Loan Obligation | | | | |
| 2017 Bank Loan | | | | |
| 2.89%, due 06/01/2032 | \$ 8,177,936 | \$ 716,294 | \$ 7,461,642 | \$ 737,145 |
| State Revolving Fund Loan | | | | |
| 2.3086%, due 07/01/2032 | 5,554,128 | 482,716 | 5,071,412 | 477,753 |
| Compass Bank Loan | | | | |
| 3.50%, due 06/01/2029 | 3,010,037 | 386,862 | 2,623,175 | 400,664 |
| Total Business-type Activities | \$ 16,742,101 | \$ 1,585,872 | \$ 15,156,229 | \$ 1,615,562 |

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

6. LOANS PAYABLE & OTHER LONG-TERM DEBT, Continued

B. Debt Service Requirements

Future principal and interest payments on all governmental and business-type long-term debt are as follows at June 30, 2023:

| Governmental Activities: | Direct Borrowings | |
|--------------------------|--------------------------|------------|
| | 2016 Financing Agreement | |
| | Principal | Interest |
| For the Year | | |
| Ending June 30 | | |
| 2024 | \$ 320,000 | \$ 57,885 |
| 2025 | 330,000 | 49,598 |
| 2026 | 340,000 | 41,055 |
| 2027 | 345,000 | 32,321 |
| 2028 | 360,000 | 23,333 |
| 2029-2033 | 735,000 | 18,934 |
| Total | \$ 2,430,000 | \$ 223,126 |

Business-Type Activities:

| Business-Type Activities: | Direct Borrowings | | | | | |
|---------------------------|-------------------|--------------|---------------------------|------------|-------------------|------------|
| | 2017 Bank Loan | | State Revolving Fund Loan | | Compass Bank Loan | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| For the Year | | | | | | |
| Ending June 30 | | | | | | |
| 2024 | \$ 737,145 | \$ 210,316 | \$ 477,753 | \$ 119,820 | \$ 400,664 | \$ 88,336 |
| 2025 | 758,604 | 188,857 | 494,489 | 108,727 | 414,810 | 74,190 |
| 2026 | 780,687 | 166,774 | 505,970 | 97,376 | 429,455 | 59,544 |
| 2027 | 803,412 | 144,048 | 517,719 | 85,762 | 444,618 | 44,382 |
| 2028 | 826,800 | 120,660 | 529,740 | 73,878 | 460,316 | 28,684 |
| 2029-2033 | 3,554,994 | 234,848 | 2,545,741 | 181,249 | 473,312 | 12,432 |
| Total | \$ 7,461,642 | \$ 1,065,503 | \$ 5,071,412 | \$ 666,812 | \$ 2,623,175 | \$ 307,568 |

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

6. LOANS PAYABLE & OTHER LONG-TERM DEBT, Continued

C. Description of the City's Loans Payable & Other Long-Term Debt Issues

City Hall Loan - On June 1, 2016, the City entered into a financed purchase with the Lathrop Financing Authority (Authority) for the existing City Hall building, in the amount of \$4,190,000 with a 2.55% annual interest rate. On the same date, the Authority assigned its rights under the purchase agreement to Capital One Public Funding, LLC. The proceeds of the financed purchase obligation, together with available funds from the City, were used to advance refund the outstanding 2004 Obligation amounting to \$6,640,000. A total of \$6,787,680 was deposited into an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded 2004 Obligation. As a result, the 2004 Obligation was considered defeased and the liability for the 2004 Obligation has been removed from the Statement of Net Position as of June 30, 2016. On July 15, 2016, the 2004 Obligation was prepaid fully. This advance refunding reduced the City's total debt service payments over 15 years by \$2,901,765 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$950,783. Due to the timing of debt service payments on July 15th of each year, the City prepays the principal and interest.

The 2016 City Hall Financing Obligation is secured by the City Hall building at 390 Towne Centre Drive, Lathrop, California. The outstanding amount contains a provision that in an event of default, Lathrop Financing Authority may terminate the agreement, rent out all or any portion of the property, or hold the City liable for the payment of all base rental obligations and be reimbursed for any deficiency arising out of re-renting the property.

2017 Bank Loan - On May 18, 2017, the City entered into a loan agreement with Opus Bank, in the amount of \$11,455,000 with a 2.89% annual interest rate. The purpose of the loan proceeds was to refinance the 2003 Revenue Bonds. A total of \$11,328,241 was deposited into an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded 2003 Bonds. As a result, the 2003 Bonds were considered defeased and the liability for the 2003 Bonds had been removed from the Statement of Net Position as of June 30, 2017. On June 1, 2017, the 2003 Bonds were repaid fully. This refunding reduced the City's total debt service payments over 15 years by \$6,829,468 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,857,309. The interest and principal payments are due June 1 and December 1.

State Revolving Fund Loan - The City entered into an agreement with the California Department of Public Health in the amount of \$10,929,000. Funds are for the Water Supply Arsenic Reduction Project. Repayment of this loan started on January 1, 2013. Terms of the note include a twenty-year repayment period and a 2.3% interest rate. Principal and interest payments are paid semiannually. The City's net water system revenues have been pledged for the repayment of debt service on loan.

The State Revolving Fund Loan is secured by a promissory note. The outstanding loan amount contains a provision that in an event of default, the State can declare the City's obligation immediately due and payable.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

6. LOANS PAYABLE & OTHER LONG-TERM DEBT, Continued

C. Description of the City's Loans Payable & Other Long-Term Debt Issues, Continued

Compass Bank Loan - During fiscal year 2011-12, the City entered into a loan agreement with Compass Bank in the amount of \$6,203,000. The proceeds from the loan were used to refund the 2000A Certificates of Participation (2000A COPs). Interest on the Compass Loan is payable semi-annually on December 1 and June 1 of each year through the year 2029. Repayment of this loan started on December 1, 2012.

The 2017 Bank Loan and Compass Bank Loan are secured by a pledge of and lien on the net revenues of the Water System. The outstanding loan amount contains a provision that in an event of default, the loans will bear interest at the default rate, a rate of interest equal to the interest rate plus 3 percent and 5 percent, respectively, or the outstanding loan amount may become immediately due and payable.

For the fiscal year June 30, 2023, net revenues of the Water Enterprise Fund amounted to \$2,839,196 which represented coverage of 2.57 times the \$1,103,156 debt service on the 2017 Bank Loan and Compass Bank Loan.

7. SPECIAL ASSESSMENT/COMMUNITY FACILITY DISTRICT DEBT WITHOUT CITY COMMITMENT

Special Assessment Districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included as long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2023 is as follows:

| | |
|--|--------------|
| Mossdale Assessment District Refunding 2015 | \$ 4,605,000 |
| Lathrop Financing Authority Special Tax Revenue Bonds (Mossdale Village Reassessment District No. 2013-1) 2013 Series | 7,590,000 |
| Lathrop Financing Authority Special Tax Revenue Bonds (Community Facilities No. 2003-1) 2013 Series A | 4,745,000 |
| Crossroad Assessment District Series 2015 | 8,655,000 |
| Joint Wastewater Project CFD 2003-2 | 4,725,000 |
| Lathrop Sanitary Sewer Assessment District No. 1 | 160,000 |
| Community Facilities District No. 2018-1 | 12,570,000 |

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City records several leases payable for tangible assets, as well as on software subscriptions (SBITAs).

Lease and SBITA agreements are summarized as follows:

| Description | Date | Payment Terms | Payment Amount | Interest Rate | Balance June 30, 2023 |
|----------------------------|-----------|---------------|----------------|---------------|-----------------------|
| Storage server | 2/28/2021 | 3 years | \$ 3,204 | 0.00% | \$ 22,429 |
| Rubrik data backup | 7/26/2022 | 3 years | 3,547 | 0.00% | 85,130 |
| Police cameras and tasers | 3/15/2023 | 4-5 years | 90,519 | 0.00% | 292,289 |
| Camera software | 3/15/2023 | 4-5 years | 85,975 | 0.00% | 254,943 |
| Integrated police software | 3/13/2023 | 5 years | 110,000 | 0.00% | 440,000 |
| Total Leases and SBITAs | | | | | \$ 1,094,791 |

Integrated police software - original subscription amount: \$550,000 - The software provided by Peregrine Technologies Inc. provides a real time data analysis and visualization systems that integrates data from a broad range of law enforcement software, including Computer Aided Dispatch (CAD) provided by RIMS, Records Management System (RMS) provided by RIMS, License Plate Readers (LPR) provided by Vigilant insight, and Flock Fleet 3, Video Management System (VMS) provided by Avigilon and Digital Evidence Management System (DEMS) provided by Evidence.com.

Police cameras and tasers, and related camera software - original lease amount: \$438,076, original subscription amount: \$412,521 - Axon Enterprises, Inc. provides body cameras, tasers and in car video equipment to the City's police force. The Axon system unifies the operation of body cameras, tasers and in car video and provides storage for all the data gathered from them. The system allows retrieval and use that complies with all legal requirements and is easily retrievable by all authorized personnel. The equipment will be maintained by Axon and will be replaced when necessary, avoiding the need for highly technical staff support and assuring the equipment remains functional and evidence produced will be legally viable. Axon also provides training and support for all their products leased by the City.

Storage server - original lease amount \$115,348 - Hewlett Packard Financial Services leases a storage server to the City which is ultimately used by all departments.

Rubrik data backup - original lease amount \$127,695 - Hewlett Packard Financial Services leases a Rubrik backup server which is indirectly used by all departments.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS, Continued

Annual requirements to amortize long-term obligations and related interest are as follows:

| Year Ending June 30 | Principal | Interest |
|------------------------|---------------------|-------------|
| 2024 | \$ 351,487 | \$ - |
| 2025 | 329,058 | - |
| 2026 | 283,511 | - |
| 2027 | 130,735 | - |
| | <u>\$ 1,094,791</u> | <u>\$ -</u> |

9. FUND BALANCE

A. Minimum Fund Balance Policies

The City Council has established a fund balance reserve policy with the adoption of resolution 10-3102 that deemed it desirable for the City to retain a contingency reserve level of 50% of the adjusted appropriation for any given year. The reserve balance shall not be reduced below 10% of the General Fund's adjusted appropriations. The contingency reserve is allocated to two categories: Economic Uncertainty Reserve, and Exposure and Emergency Reserves.

The Economic Uncertainty Reserve consists of 75% of the Contingency Reserve Balance. It is maintained to minimize the effects of major economic uncertainties, including local disasters, State budget deficits and other severe financial hardships or unforeseen changes in revenues and/or expenditures and is available for budget stabilization. At June 30, 2023, the Economic Uncertainty Reserve amounted to \$5,284,153.

The Exposure and Emergency Reserves consist of 25% of the Contingency Reserve Balance. Exposure Reserves are maintained to minimize the immediate financial impact of potential costs not covered by the City's insurance program, such as claim costs within the City's deductibles, major costs associate with disasters and other events which will not be reimbursable by insurance, or Federal or State Government. Emergency Reserve is maintained to minimize all unforeseen events not covered in the Economic Uncertainty Reserve and Exposure Reserves. At June 30, 2023, the Exposure and Emergency Reserves amounted to \$1,761,384.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

9. FUND BALANCE, Continued

B. Fund Balances

Detailed classifications of the City's fund balances, as of June 30, 2023, are below:

| | General Fund | Capital Facilities Fee | Building Safety & Inspection | Streets and Roads Capital Projects | General CIP Projects | Other Governmental Funds | Total |
|-----------------------------------|----------------------|---------------------------|------------------------------------|---------------------------------------|-------------------------|--------------------------------|----------------------|
| Nonspendables: | | | | | | | |
| Items not in spendable form: | | | | | | | |
| Advances to other funds | \$ 9,371,305 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,371,305 |
| Prepays | 394,832 | - | - | - | - | - | 394,832 |
| Total Nonspendable | 9,766,137 | - | - | - | - | - | 9,766,137 |
| Restricted for: | | | | | | | |
| Recycling projects | - | - | - | - | - | 1,386,731 | 1,386,731 |
| Capital Projects | - | 10,077,353 | 11,969,931 | - | 12,340,566 | 27,643,754 | 62,031,604 |
| Public safety | - | - | - | - | 159,891 | 334,518 | 494,409 |
| Traffic and transportation | - | 16,825,738 | - | 8,624,058 | - | 126,759 | 25,576,555 |
| Parks and recreation | - | 17,622,289 | - | - | 1,092,420 | 1,734,092 | 20,448,801 |
| Streets and roads contracts | - | - | - | - | - | 14,355,311 | 14,355,311 |
| Measure K | - | - | - | - | - | 666,837 | 666,837 |
| Community improvements | - | - | - | - | - | 73,122 | 73,122 |
| Total Restricted | - | 44,525,380 | 11,969,931 | 8,624,058 | 13,592,877 | 46,321,124 | 125,033,370 |
| Committed to: | | | | | | | |
| Contingency/emergency | 7,045,537 | - | - | - | - | - | 7,045,537 |
| Fiscal stabilization | 1,850,000 | - | - | - | - | - | 1,850,000 |
| Capital projects | - | - | - | - | 96,939 | - | 96,939 |
| Street reserves | 9,464,340 | - | - | - | - | - | 9,464,340 |
| Landscape reserves | 3,000,000 | - | - | - | 949,999 | - | 3,949,999 |
| Public safety | - | - | - | - | 2,101,347 | - | 2,101,347 |
| Traffic and transportation | - | - | - | 2,664,730 | - | - | 2,664,730 |
| Parks and recreation | - | - | - | - | 1,742,994 | - | 1,742,994 |
| Retirement stability | 4,900,000 | - | - | - | - | - | 4,900,000 |
| Water & sewer rate stabilization | 4,747,725 | - | - | - | - | - | 4,747,725 |
| Capital equipment | 2,937,190 | - | - | - | - | - | 2,937,190 |
| Measure C essential city services | 6,058,049 | - | - | - | - | - | 6,058,049 |
| Economic development | 444,672 | - | - | - | - | - | 444,672 |
| Total Committed | 40,447,513 | - | - | 2,664,730 | 4,891,279 | - | 48,003,522 |
| Unassigned: | | | | | | | |
| Fund deficits | - | - | - | - | - | (409,608) | (409,608) |
| Residual fund balance | 6,145,676 | - | - | - | - | - | 6,145,676 |
| Total Unassigned | 6,145,676 | - | - | - | - | (409,608) | 5,736,068 |
| Total Fund Balances | \$ 56,359,326 | \$ 44,525,380 | \$ 11,969,931 | \$ 11,288,788 | \$ 18,484,156 | \$ 45,911,516 | \$188,539,097 |

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

9. FUND BALANCE, Continued

C. Encumbrances

The City utilized an encumbrance system during fiscal year 2023 to assist in controlling expenditures. Under this system, governmental funds are encumbered when purchase orders, contracts, or other commitments are signed or approved. The following are encumbrances at June 30, 2023, that will be carried over to the following fiscal year:

| | | |
|---|----|-----------|
| General Fund | \$ | 6,037,482 |
| Building Safety & Inspection Special Revenue Fund | | 259,304 |
| Streets and Roads Capital Project Fund | | 298,009 |
| General CIP Projects | | 578,587 |
| Non-Major Funds | | 1,094,585 |

10. PENSION PLAN

A. General Information about the Pension Plan

Plan Description - All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors 4 rate plans (3 miscellaneous and 1 safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members who must be public employees, and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

10. PENSION PLAN, Continued

A. General Information about the Pension Plan, Continued

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

| | Miscellaneous | | |
|---|-----------------------------|--------------------------------------|----------------------------|
| | Classic | Tier 2 | PEPRA |
| | Prior to January 1, 2013 | July 1, 2010 to December 31, 2012 | After December 31, 2012 |
| Hire Date | | | |
| Benefit formula | 2% 55 | 2% @ 60 | 2% @ 62 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years service |
| Benefit payment | Monthly for life | Monthly for life | Monthly for life |
| Retirement age | 55 | 60 | 62 |
| Monthly benefits, as a % of annual salary | 2.00% | 2.00% | 2.00% |
| Required employee contribution rates | 6.92% | 6.93% | 7.75% |
| Required employer contribution rates | 11.84% | 10.10% | 7.68% |
| Required UAL payment | \$621,595 | \$14,776 | \$9,885 |
| | | Safety - PEPRA | |
| | | On or after | |
| | | January 1, 2013 | |
| Hire Date | | 2% @57 | |
| Benefit formula | | 5 years service | |
| Benefit vesting schedule | | Monthly for life | |
| Benefit payment | | 57 | |
| Retirement age | | 2.70% | |
| Monthly benefits, as a % of annual salary | | 14.50% | |
| Required employee contribution rates | | 14.72% | |
| Required employer contribution rates | | \$0 | |
| Required UAL payment | | | |

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period ended June 30, 2022, the City's total contributions to the Plan were \$1,200,855.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the net pension liability (asset) of the Plan of \$ 7,966,383.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

10. PENSION PLAN, Continued

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

The City's net pension liability for the Plan is measured as the proportionate share of the, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportionate share of the net pension liability was based on the Agency's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The City's proportionate share of the net pension liability for the Plan as of the measurement dates June 30, 2021 and 2022 were as follows:

| | |
|------------------------------|----------|
| Proportion - June 30, 2021 | 0.05487% |
| Proportion - June 30, 2022 | 0.06897% |
| Change - Increase (Decrease) | 0.01410% |

For the year ended June 30, 2023, the City recognized pension expense of \$1,601,901. At June 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Pension contributions subsequent to measurement date | \$ 2,013,295 | \$ - |
| Changes in assumptions | 816,323 | |
| Differences between actual and expected experience | 159,980 | 107,148 |
| Changes in employer's proportion | 559,250 | - |
| Difference in proportionate share of contributions | - | 280,788 |
| Net difference projected and actual investment earnings | 1,459,233 | - |
| Total | <u>\$ 5,008,081</u> | <u>\$ 387,936</u> |

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

10. PENSION PLAN, Continued

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

\$2,013,295 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ending June 30 | Annual Amortization |
|------------------------|------------------------|
| 2024 | \$ 755,503 |
| 2025 | 627,014 |
| 2026 | 331,817 |
| 2027 | 892,516 |

Actuarial Assumptions - For the measurement period ended June 30, 2021, the total pension liability was determined using the following assumptions:

| | |
|----------------------------------|---|
| Valuation date | June 30, 2021 |
| Measurement date | June 30, 2022 |
| Actuarial cost method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount rate | 6.90% |
| Inflation | 2.30% |
| Projected salary increase | Varies by Entry Age and Service |
| Mortality rate table (1) | Derived using CalPERS Membership Data for all Funds(2) |
| Post retirement benefit increase | Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.30% thereafter. |

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

10. PENSION PLAN, Continued

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

Discount Rate - The discount rate used to measure the total pension liability as of the measurement date of June 30, 2022 for the Plan was 6.90%, which differs from the discount rate used as of the measurement date of June 30, 2021, of 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. A detailed report testing these projections can be obtained from the CalPERS website.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rate of return by asset class are as follows:

| Asset Class | Current Target Allocation | Real Return (a, b) |
|----------------------------------|---------------------------|--------------------|
| Global Equity - cap-weighted | 30.00% | 4.45% |
| Global Equity - non-cap-weighted | 12.00% | 3.84% |
| Private Equity | 13.00% | 7.28% |
| Treasury | 5.00% | 0.27% |
| Mortgage-backed Securities | 5.00% | 0.50% |
| Investment Grade Corporates | 10.00% | 1.56% |
| High Yield | 5.00% | 2.27% |
| Emerging Market Debt | 5.00% | 2.48% |
| Private Debt | 5.00% | 3.57% |
| Real Assets | 15.00% | 3.21% |
| Leverage | -5.00% | -0.59% |
| Total | 100% | |

(a) - An expected inflation of 2.30% used for this period.

(b) - Figures are based on the 2021-22 Asset Liability Management study.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

10. PENSION PLAN, Continued

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.90%) or 1-percentage point higher (7.90%) than the current rate:

| | |
|-----------------------|---------------|
| 1% Decrease | 5.90% |
| Net Pension Liability | \$ 12,944,507 |
| Current Discount Rate | 6.90% |
| Net Pension Liability | \$ 7,966,383 |
| 1% Increase | 7.90% |
| Net Pension Liability | \$ 3,870,624 |

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

At June 30, 2023, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

11. OTHER POST - EMPLOYMENT BENEFITS

A. General Information about the City's Other Post - Employment Benefit (OPEB) Plan

Plan Description - The City's Post - Employment Benefit Plan is an agent multiple-employer defined benefit OPEB plan.

By resolution and through agreements with its labor units, the City provides certain health care benefits for retired employees. The City in the CalPERS health care plan, which is governed under the California Public Employees Health and Medical Care Act (PEMCHA). The City also participates in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is an agent multiple-employer defined benefit other postemployment benefits plan administrated by CalPERS, and is managed by an appointed board not under the control of the City Council. CERBT consists of participating employers of the State of California and public agencies. Individual employers may establish more than one plan.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

11. OTHER POST - EMPLOYMENT BENEFITS, Continued

A. General Information about the City's Other Post - Employment Benefit (OPEB) Plan, Continued

The CERBT was established by Chapter 331 of the 1988 California Statutes, and employers elect to participate in the CERBT to pre-fund health, dental, and other non-pension postemployment benefits for their retirees and survivors. The CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance with the terms of the participating employers' plans. There are three CalPERS Board approved investment strategies for employers to choose from depending on their expected levels of return and volatility. Benefit provisions are established by participating employers.

The CERBT Trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, California 94229-2709.

Benefits Provided - The following is a summary of Plan benefits by employee group as of June 30, 2023:

| Tier | Hire Date | Retirement Date | Eligibility | Benefit Prior to Retiree's (or Surviving Spouse's) Eligibility for Medicare | Benefit After Retiree's (or Surviving Spouse's) Eligibility for Medicare |
|------|-----------------|-------------------------|---------------------------------------|---|--|
| 1 | Before 7/1/2014 | On or before 12/31/2014 | Age 50 within 5 years of PERS service | Benefit according to previous Unequal PEMHCA Resolution (i.e., no change for this group). 100% of premium for the retiree and any eligible covered dependents, up to \$1,536 per month in 2018, increasing by \$100 each calendar year until such time as it is equal to active employee per month in each City contribution. | |
| 2 | Before 7/1/2014 | After 12/31/2014 | Age 50 within 5 years of PERS service | PEMHCA Minimum Employer Contribution (MEC) | PEMHCA Minimum Employer Contribution (MEC) |
| | | | Age 55 within 5 years of PERS service | 100% of the premium for retiree plus one up to the monthly cap for active employees* | |
| 2 | After 7/1/2014 | Any | Age 50 within 5 years of PERS service | PEMHCA Minimum Employer Contribution (MEC) | PEMHCA Minimum Employer Contribution (MEC) |
| | | | Age 55 within 5 years of PERS service | 100% of the premium for retiree and dependants, up to the following percentages of the monthly cap for active employees* 5 years of service: 25% 10 years of service: 50% 15 years of service: 100% | |

* In 2023, the City contributed a maximum of \$1,915 per month toward medical coverage for active employees and their dependents. This amount will increase annually by 50% of premium increase for the median cost medical plan, not to exceed 5.5% per year.

For the measurement period ended June 30, 2022, the City's contributions to the Plan were \$517,163, which were comprised of contributions to the trust of \$391,544 and implicit subsidy payments of \$125,619.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

11. OTHER POST - EMPLOYMENT BENEFITS, Continued

A. General Information about the City's Other Post - Employment Benefit (OPEB) Plan, Continued

Employees Covered by Benefit Terms - Membership in the plan consisted of the following at the measurement date of June 30, 2022:

| | |
|--|------------|
| Active Employees | 117 |
| Inactive employees or beneficiaries currently receiving benefits | 26 |
| Inactive employees entitled to but not yet receiving benefits | 8 |
| Total | <u>151</u> |

B. Net OPEB Liability

Actuarial Methods and Assumptions - The City's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability was determined by an actuarial valuation dated June 30, 2021. These are the following actuarial methods and assumptions:

| | <u>Actuarial Assumptions</u> |
|---------------------------|---|
| Valuation Date | June 30, 2021 |
| Measurement Date | June 30, 2022 |
| Actuarial Cost Method | Entry-Age Normal Cost, level percent of pay |
| Actuarial Assumptions: | |
| Discount Rate | 6.10% |
| Inflation | 2.50% |
| Payroll Growth | 3.00% |
| Investment Rate of Return | 6.10% |
| Mortality Improvement | MacLeod Watts Scale 2022 applied generationally from 2010 |
| Healthcare Trend Rate | 5.8% decreasing to 3.9% in 2076 and later |

Demographic actuarial assumptions used in this valuation are based on the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2019, except for a different basis used to project future mortality improvements.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

11. OTHER POST - EMPLOYMENT BENEFITS, Continued

B. Net OPEB Liability, Continued

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation |
|--|-------------------|
| Global Equity | 49.00% |
| Fixed Income | 23.00% |
| Real Estate Investment Trusts | 20.00% |
| Treasury Inflation Protection Securities | 5.00% |
| Commodities | 3.00% |
| Total | 100% |

Change of Assumptions - For the measurement date of June 30, 2022, there were no changes in assumptions.

Discount Rate - The discount rate used to measure the total OPEB liability was 6.10%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

11. OTHER POST - EMPLOYMENT BENEFITS, Continued

C. Changes in Net OPEB Liability

The changes in the total OPEB liability follows:

| | Increase (Decrease) | | |
|--|-----------------------------|------------------------------------|--|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability/(Asset) (c) = (a) - (b) |
| Balance at Measurement Date 6/30/2021 | \$ 6,015,883 | \$ 5,767,952 | \$ 247,931 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 301,667 | - | 301,667 |
| Interest on the total OPEB liability | 374,645 | - | 374,645 |
| Expected investment income | - | - | - |
| Contributions from the employer | - | - | - |
| Changes in benefit terms | - | 356,849 | (356,849) |
| Administrative expenses | - | 517,163 | (517,163) |
| Other Expenses (one time) | - | (1,453) | 1,453 |
| Benefit payments | (351,661) | (351,661) | - |
| Changes of assumptions | - | - | - |
| Plan experience | - | - | - |
| Investment experience | - | (1,387,482) | 1,387,482 |
| Net changes | 324,651 | (866,584) | 1,191,235 |
| Balance at Measurement Date 6/30/2022 | \$ 6,340,534 | \$ 4,901,368 | \$ 1,439,166 |

D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current discount rate:

| Net OPEB Liability/(Asset) | | |
|----------------------------|---------------|---------------|
| Discount Rate | Discount Rate | Discount Rate |
| -1% (5.10%) | (6.10%) | +1% (7.10%) |
| \$ 2,082,054 | \$ 1,439,166 | \$ 888,328 |

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

11. OTHER POST - EMPLOYMENT BENEFITS, Continued

D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates, Continued

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| Net OPEB Liability/(Asset) | | |
|-----------------------------|--------------|--------------|
| Healthcare Cost Trend Rates | | |
| 1% Decrease | Current Rate | 1% Increase |
| \$ 792,327 | \$ 1,439,166 | \$ 2,210,478 |

E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2023, the City recognized OPEB expense of \$396,102. At June 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Employer contributions subsequent to measurement date | \$ 405,006 | \$ - |
| Differences between actual and expected experience | - | 236,849 |
| Changes in assumptions | 121,988 | 34,409 |
| Net difference projected and actual earnings on plan investments | 644,480 | - |
| Total | \$ 1,171,474 | \$ 271,258 |

\$405,006 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

11. OTHER POST - EMPLOYMENT BENEFITS, Continued

E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB, Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

| Year Ending June 30 | Annual Amortization |
|------------------------|------------------------|
| 2024 | \$ 80,735 |
| 2025 | 71,167 |
| 2026 | 64,549 |
| 2027 | 265,592 |
| 2028 | (9,918) |
| Thereafter | 23,085 |

12. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool currently operating as a common risk management and insurance program for 55 cities. The purpose of CSJVRMA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expense.

The City's deductibles and maximum coverage follows:

| Coverage | Deductible | CSJVRMA | Excess Liability | ERMA |
|----------------------------------|-----------------|------------------|------------------|-----------|
| Workers Compensation | \$ 25,000 | \$ 500,000 | Statutory Limits | \$ - |
| General and automobile liability | 25,000 | 1,000,000 | 54,000,000 | - |
| Property damage | 5,000 to 10,000 | 25,000 | 1,000,000,000 | - |
| High value auto program | 2,000 | 10,000 or 50,000 | 1,000,000,000 | - |
| Boiler and machinery | Various | 1,000,000,000 | - | - |
| Employment Practices Liability | 25,000 | - | 2,000,000 | 1,000,000 |

The City contributes its pro rata share of anticipated losses to a pool administered by CSJVRMA. Should actual losses among participants be greater than the anticipated losses, the City will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the City will be refunded its pro rata share of the excess. The City paid CSJVRMA premiums and ERMA premiums totaling \$2,216,127 during the fiscal year ended June 30, 2023. Settled claims have not exceeded commercial excess liability coverage in any of the past three fiscal years.

The City is also a member of Employment Risk Management Authority (ERMA), which covers wrongful employment practices.

The City did not record a liability for outstanding claims at fiscal year-end, as the claims were minimal.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

13. COMMITMENTS AND CONTINGENCIES

The City participates in several Federal and State grant programs. These programs are subject to audits by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances have been proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The City is subject to litigation arising in the normal course of business. These matters do not have a determined effect on the financial statements at this time.

14. PRIOR PERIOD ADJUSTMENTS

The City adjusted the opening balances for the following funds and reasons:

- General Fund - to delay the recognition of ARPA revenues in order to match the expenditures made in the fiscal year ended June 30, 2023.
- Nonmajor governmental funds - to add a missing corresponding receivable to match the payable that was accrued in the prior year.
- Custodial funds - to remove the remaining "Due to Others" which was outstanding from before the implementation of GASB Statement 84 – *Fiduciary Activities*.
- Enterprise funds and custodial funds – to move a water sub-fund to custodial due to the nature of the sub-fund.

| | Fund Balance, as Previously Reported at June 30, 2022 | Prior Period Adjustments | | Fund Balance, as Restated at June 30, 2022 |
|--------------------------------|---|--------------------------|-----------------|--|
| | | Grant Receivables | ARPA Revenue | |
| Governmental Funds: | | | | |
| General Fund | \$ 52,874,312 | \$ - | \$ (2,928,427) | \$ 49,945,885 |
| Nonmajor governmental funds | 37,850,747 | 518,438 | - | 38,369,185 |
| | | | | |
| | Net Position, as Previously Reported at June 30, 2022 | Grant Receivables | ARPA Revenue | Net Position, as Restated at June 30, 2022 |
| Statement of Net Position: | | | | |
| Governmental activities | \$ 421,251,014 | \$ 518,438 | \$ (2,928,427) | \$ 418,841,025 |

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

14. PRIOR PERIOD ADJUSTMENTS, Continued

| | Net Position, as Previously Reported at June 30, 2022 | Prior Period Adjustments | | Net Position, as Restated at June 30, 2022 |
|----------------------------|---|---|------------------------------------|--|
| | | Prior Period Adjustment for Due to Others | Water Sub-fund Recategorization | |
| Proprietary Funds: | | | | |
| Water Fund | \$ 88,417,047 | \$ - | \$ (2,417,484) | \$ 85,999,563 |
| Statement of Net Position: | | | | |
| Business-type activities | \$ 246,497,872 | | \$ (2,417,484) | \$ 244,080,388 |
| Fiduciary Funds: | | | | |
| Custodial Funds | \$ 4,298,198 | \$ 4,523,962 | \$ 2,417,484 | \$ 11,239,644 |

**REQUIRED
SUPPLEMENTARY INFORMATION**

City of Lathrop
Required Supplementary Information
For the year ended June 30, 2023

Cost Sharing Multiple Employer Plan
*Schedule of Proportionate Share of the Net Pension Liability - Last 10 Fiscal Years **

| | 6/30/2015 | | 6/30/2016 | | 6/30/2017 | | 6/30/2018 |
|---|--------------|----|-----------|----|-----------|----|-----------|
| Proportion of the net pension liability | 0.05770% | | 0.04556% | | 0.04980% | | 0.05243% |
| Proportionate share of the net pension liability | \$ 3,590,219 | \$ | 3,127,249 | \$ | 4,309,662 | \$ | 5,199,968 |
| Covered payroll | \$ 4,501,607 | \$ | 4,364,310 | \$ | 5,148,017 | \$ | 5,568,372 |
| Proportionate share of the net pension liability as percentage of covered payroll | 79.75% | | 71.66% | | 83.71% | | 93.38% |
| Plan's (PERF-C) fiduciary net position as a percentage of the total pension liability | 79.82% | | 78.40% | | 74.06% | | 73.31% |

Notes to the schedule:

*Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016, decreased from 7.65% to 7.15% in fiscal year 2018, and then decreased from 7.15% to 6.9% in fiscal year 2023.

The CalPERS mortality assumptions were adjusted in fiscal year 2019.

| | 6/30/2019 | 6/30/2020 | 6/30/2021 | 6/30/2022 | 6/30/2023 |
|----|-----------|--------------|--------------|--------------|--------------|
| | 0.05269% | 0.05586% | 0.05897% | 0.05487% | 0.06897% |
| \$ | 5,077,307 | \$ 5,723,799 | \$ 6,416,539 | \$ 2,967,660 | \$ 7,966,383 |
| \$ | 6,004,176 | \$ 6,384,728 | \$ 6,808,162 | \$ 7,021,189 | \$ 8,113,507 |
| | 84.56% | 89.65% | 94.25% | 42.27% | 98.19% |
| | 75.26% | 75.26% | 75.10% | 88.29% | 76.68% |

City of Lathrop
Required Supplementary Information
For the year ended June 30, 2023

Cost Sharing Multiple Employer Plan
*Schedule Of Plan Contributions - Last 10 Fiscal Years **

| <u>Miscellaneous Rate Plan</u> | 2015 | 2016 | 2017 | 2018 |
|---|--------------|--------------|--------------|--------------|
| Actuarially determined contribution | \$ 523,329 | \$ 369,225 | \$ 434,033 | \$ 465,746 |
| Contributions in relation to actuarially deemed contributions | (523,329) | (369,225) | (434,033) | (465,746) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 4,364,310 | \$ 5,148,017 | \$ 5,568,372 | \$ 6,004,176 |
| Contributions as a percentage of covered payroll | 11.99% | 7.17% | 7.79% | 7.76% |

Note to Schedule:

*Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

Methods and assumptions used to determine contribution rates:

| | | | | |
|---|--------------------------------|--------------|--------------|--------------|
| Valuation date (for contractually required contribution): | 6/30/2012 | 6/30/2013 | 6/30/2014 | 6/30/2015 |
| Actuarial cost method: | Entry Age | Entry Age | Entry Age | Entry Age |
| Amortization method: | (1) | (1) | (1) | (1) |
| Assets valuation method | 15 Year Smoothed Market Method | Market Value | Market Value | Market Value |
| Inflation | 2.75% | 2.75% | 2.75% | 2.75% |
| Salary Increases | (2) | (2) | (2) | (2) |
| Investment rate of return | 7.50% | 7.50% | 7.50% | 7.50% |
| Retirement age | (3) | (3) | (3) | (3) |
| Mortality | (4) | (4) | (4) | (4) |

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) 50 for all plans, with the exception of 52 for Miscellaneous PEPRA 2%@62
- (4) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

| 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------|--------------|--------------|--------------|---------------|
| \$ 766,989 | \$ 917,576 | \$ 1,062,215 | \$ 1,200,271 | \$ 2,013,295 |
| (766,989) | (917,576) | (1,062,215) | (1,200,271) | (2,013,295) |
| \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ 6,384,728 | \$ 6,808,162 | \$ 7,021,189 | \$ 8,113,507 | \$ 12,345,922 |
| 12.01% | 13.48% | 15.13% | 14.79% | 16.31% |

| 6/30/2016 | 6/30/2017 | 6/30/2018 | 6/30/2019 | 6/30/2020 |
|------------------|------------------|------------------|------------------|------------------|
| Entry Age (1) | Entry Age (1) | Entry Age (1) | Entry Age (1) | Entry Age (1) |
| Market Value | Market Value | Market Value | Market Value | Market Value |
| 2.75% | 2.63% | 2.50% | 2.50% | 2.50% |
| (2) | (2) | (2) | (2) | (2) |
| 7.375% | 7.25% | 7.00% | 7.00% | 7.00% |
| (3) | (3) | (3) | (3) | (3) |
| (4) | (4) | (4) | (4) | (4) |

City of Lathrop
Required Supplementary Information
For the year ended June 30, 2023

*Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Fiscal Years**

| Fiscal year End | 6/30/2018 | 6/30/2019 | 6/30/2020 | 6/30/2021 |
|--|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | | |
| Service cost | \$ 228,075 | \$ 231,377 | \$ 238,897 | \$ 247,448 |
| Interest on the total OPEB liability | 366,257 | 359,416 | 378,925 | 372,499 |
| Differences between expected and actual experience | (430,189) | - | (134,660) | - |
| Changes of assumptions | 42,010 | - | (62,441) | - |
| Benefit payments | (299,940) | (314,423) | (324,785) | (404,342) |
| Net change in the total OPEB liability | (93,787) | 276,370 | 95,936 | 215,605 |
| Total OPEB liability - beginning | 5,154,131 | 5,060,344 | 5,336,714 | 5,432,650 |
| Total OPEB liability - ending (a) | \$ 5,060,344 | \$ 5,336,714 | \$ 5,432,650 | \$ 5,648,255 |
| Plan Fiduciary Net Position | | | | |
| Contribution - employer | \$ 471,077 | \$ 495,719 | \$ 459,510 | \$ 486,383 |
| Net investment income | 307,578 | 276,193 | 230,777 | 151,173 |
| Benefit payments | (299,940) | (314,423) | (324,785) | (404,342) |
| Other expense | - | (4,582) | - | - |
| Administrative expense | (1,576) | (1,813) | (825) | (2,094) |
| Net change in plan fiduciary net position | 477,139 | 451,094 | 364,677 | 231,120 |
| Plan fiduciary net position - beginning | 2,984,872 | 3,462,011 | 3,913,105 | 4,277,782 |
| Plan fiduciary net position - ending (b) | \$ 3,462,011 | \$ 3,913,105 | \$ 4,277,782 | \$ 4,508,902 |
| Net OPEB Liability - ending (a) - (b) | \$ 1,598,333 | \$ 1,423,609 | \$ 1,154,868 | \$ 1,139,353 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 68.41% | 73.32% | 78.74% | 79.83% |
| Covered-employee payroll | \$ 5,982,337 | \$ 6,377,387 | \$ 6,358,722 | \$ 6,549,484 |
| Net OPEB liability as a percentage of covered-employee payroll | 26.72% | 22.32% | 18.16% | 17.40% |

Assumptions used to develop the results are shown below:

| | 6/30/2017 | 6/30/2018 | 6/30/2019 | 6/30/2020 |
|-----------------------------|--|---|-----------|-----------|
| Measurement Date | 6/30/2017 | 6/30/2018 | 6/30/2019 | 6/30/2020 |
| Discount Rate | 7.00% | 7.00% | 6.80% | 6.80% |
| Valuation Data | 6/30/2017 | 6/30/2019 | | |
| Actuarial Cost method | Entry Age Normal | Entry Age Normal | | |
| Amortization method: | Closed 30 years | Closed 30 years | | |
| Assets valuation method | Market Value | Market Value | | |
| Inflation | 2.75% | 2.50% | | |
| Healthcare cost trend rates | 7.5% in Jan 2019, step down .5% per year to 5.0% by 2024 | 5.4% in Jan 2021, Fluctuates down to 4.0% by 2076 | | |
| Salary Increases | 3.25% | 3% | | |
| Discount Rate | 7.00% | 6.80% | | |
| Retirement age | From 50 to 75 | From 50 to 75 | | |
| Mortality | 2014 CalPERS Experience | 2017 CalPERS Experience | | |
| Mortality Improvement | MacLeod Watts Scale 2017 | MacLeod Watts Scale 2018 | | |

* Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

| 6/30/2022 | 6/30/2023 |
|---------------------|---------------------|
| \$ 254,871 | \$ 301,667 |
| 388,811 | 374,645 |
| 94,590 | - |
| - | - |
| (370,644) | (351,661) |
| 367,628 | 324,651 |
| 5,648,255 | 6,015,883 |
| \$ 6,015,883 | \$ 6,340,534 |

| | |
|---------------------|---------------------|
| \$ 435,828 | \$ 517,163 |
| 308,766 | (1,030,633) |
| (370,644) | (351,661) |
| 886,742 | - |
| (1,642) | (1,453) |
| 1,259,050 | (866,584) |
| 4,508,902 | 5,767,952 |
| \$ 5,767,952 | \$ 4,901,368 |
| \$ 247,931 | \$ 1,439,166 |

95.88% 77.30%

\$ 7,838,544 \$ 9,931,244
3.16% 14.49%

6/30/2021 **6/30/2022**
6.10% 6.10%

| |
|--|
| 6/30/2021 |
| Entry Age Normal |
| Closed 30 years |
| Market Value |
| 2.50% |
| 5.8% in Jan 2023, decreasing to 3.9% by 2076 |
| 3% |
| 6.10% |
| From 50 to 75 |
| CalPERS 2021 Experience Study |
| MacLeod Watts Scale 2022 |

City of Lathrop
Required Supplementary Information
For the year ended June 30, 2023

*Schedule of OPEB Contributions - Last 10 Fiscal Years**

| Fiscal Year Ended | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined contribution | \$ 389,509 | \$ 359,460 | \$ 369,969 | \$ 361,138 | \$ 368,885 |
| Contributions in relation to actuarially determined contributions | (495,719) | \$ (459,510) | \$ (396,085) | \$ (435,828) | \$ (517,163) |
| Contribution deficiency (excess) | \$ (106,210) | \$ (100,050) | \$ (26,116) | \$ (74,690) | \$ (148,278) |
| Covered employee payroll | \$ 6,377,387 | \$ 6,358,722 | \$ 6,549,484 | \$ 7,838,544 | \$ 9,931,244 |
| Contributions as a percentage of covered employee payroll | 6.11% | 5.65% | 5.65% | 4.61% | 3.71% |

* Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule - assumptions used to develop Actuarially determined contribution

| Valuation Data | 7/1/2015 | 6/30/2017 | 6/30/2019 |
|-----------------------------|---|---|---|
| Actuarial Cost method | Entry Age Normal Level % of pay | Entry Age Normal Level % of pay | Entry Age Normal Level % of pay |
| Amortization method: | Closed 30 Years | Closed 30 Years | Closed 30 Years |
| Amortization Period: | 23 Yrs remain | 22 Yrs remain 21 Yrs remain | 20 Yrs remain 19 Yrs remain |
| Assets valuation method | Market Value | Market Value | Market Value |
| Inflation | 2.75% | 2.75% | 2.50% |
| Healthcare cost trend rates | 7.5% in Jan 2017, step down to .5% per year to 4.5% by 2023 | 7.5% in Jan 2019, step down to .5% per year to 5.0% by 2024 | 5.4% in Jan 2021, fluctuates down to 4.0% by 2076 |
| Salary Increases | 3.25% | 3.25% | 3.00% |
| Investment rate of return | 7.00% | 7.00% | 6.70% |
| Retirement age | From 50 to 75 | From 50 to 75 | From 50 to 75 |
| Mortality | 2014 CalPERS Experience Study | 2014 CalPERS Experience Study | 2017 CalPERS Experience Study |
| Mortality Improvement | MacLeod Watts Scale 2014 | MacLeod Watts Scale 2017 | MacLeod Watts Scale 2018 |

| | |
|-------------|------------|
| 2023 | |
| \$ | 405,006 |
| \$ | (405,006) |
| <hr/> | |
| \$ | - |
| <hr/> | |
| \$ | 15,989,632 |

2.53%

| |
|---|
| 6/30/2021 |
| Entry Age Normal Level % of pay |
| Closed 30 Years |
| 18 Yrs remain |
| Market Value |
| 2.50% |
| 5.8% in 2023 decreasing to 3.9% by 2076 |
| 3.00% |
| 6.10% |
| From 50 to 75 |
| 2021 CalPERS Experience Study |
| MacLeod Watts Scale 2022 |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|------------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 17,650,000 | \$ 23,251,257 | \$ 31,612,884 | \$ 8,361,627 |
| Licenses and permits | 243,820 | 243,820 | 347,022 | 103,202 |
| Intergovernmental | 2,050,000 | 2,050,000 | 9,365,468 | 7,315,468 |
| Charges for services | 859,358 | 889,066 | 763,339 | (125,727) |
| Use of money and property | 257,919 | 257,919 | 2,284,635 | 2,026,716 |
| Fines and forfeitures | 120,000 | 120,000 | 7,893 | (112,107) |
| Miscellaneous | 275,875 | 367,101 | 273,860 | (93,241) |
| Total revenues | 21,456,972 | 27,179,163 | 44,655,101 | 17,475,938 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | | | | |
| City council | 66,180 | 89,282 | 78,142 | 11,140 |
| City manager | 962,536 | 1,174,234 | 995,070 | 179,164 |
| City clerk | 372,552 | 407,147 | 407,065 | 82 |
| City attorney | 796,432 | 813,432 | 784,146 | 29,286 |
| Personnel | 492,518 | 626,085 | 561,986 | 64,099 |
| Central services | 1,025,550 | 1,316,356 | 1,106,253 | 210,103 |
| Finance | 1,818,879 | 2,233,650 | 1,725,034 | 508,616 |
| Information technology | 2,080,168 | 3,227,955 | 3,086,175 | 141,780 |
| Measure C | 2,550,060 | 1,205,414 | 628,780 | 576,634 |
| Total general government | 10,164,875 | 11,093,555 | 9,372,651 | 1,720,904 |
| Public safety | | | | |
| Administration | 6,875,421 | 11,207,633 | 9,518,177 | 1,689,456 |
| Community services | 771,658 | 1,666,458 | 1,083,876 | 582,582 |
| Total public safety | 7,647,079 | 12,874,091 | 10,602,053 | 2,272,038 |
| Community development | | | | |
| Planning | 1,059,763 | 2,143,604 | 1,282,316 | 861,288 |
| Total community development | 1,059,763 | 2,143,604 | 1,282,316 | 861,288 |
| Culture and leisure | | | | |
| Administration | 241,370 | 451,995 | 403,164 | 48,831 |
| Senior center | 175,759 | 177,419 | 161,764 | 15,655 |
| Recreation programs | 82,628 | 218,411 | 136,737 | 81,674 |
| Special events | 135,384 | 277,049 | 164,598 | 112,451 |
| Youth development | 643,179 | 656,444 | 432,070 | 224,374 |
| Sports | 236,235 | 267,735 | 166,781 | 100,954 |
| Facilitates and library | 98,523 | 169,323 | 65,742 | 103,581 |
| City hall | - | 425,962 | 343,104 | 82,858 |
| Building maintenance | - | 315,109 | 261,646 | 53,463 |
| Park and landscape maintenance | - | 769,471 | 439,147 | 330,324 |
| Total culture and leisure | 1,613,078 | 3,728,918 | 2,574,753 | 1,154,165 |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund, continued

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|------------------------|----------------------|---|
| | Original | Final | | |
| Public works | | | | |
| Administration | 805,901 | 1,103,239 | 709,792 | 393,447 |
| Utility engineering | 272,959 | 290,961 | 228,834 | 62,127 |
| Total public works | 1,078,860 | 1,394,200 | 938,626 | 455,574 |
| Capital outlay | 342,484 | 2,432,718 | 2,758,535 | (325,817) |
| Debt service: | | | | |
| Principal retirement | 315,000 | 315,000 | 315,000 | - |
| Lease principal retirement | - | 367,507 | 367,507 | - |
| Interest and fiscal charges | 66,000 | 66,000 | 65,981 | 19 |
| Total expenditures | 22,287,139 | 34,415,593 | 28,277,422 | 12,602,121 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (830,167) | (7,236,430) | 16,377,679 | 23,614,109 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 6,312,070 | 10,229,905 | 7,329,195 | (2,900,710) |
| Transfers out | (4,167,020) | (21,369,566) | (18,755,731) | 2,613,835 |
| Lease proceeds | - | - | 1,462,298 | 1,462,298 |
| Total other financing sources (uses) | 2,145,050 | (11,139,661) | (9,964,238) | (286,875) |
| Net change in fund balances | \$ 1,314,883 | \$ (18,376,091) | 6,413,441 | \$ 24,789,532 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 52,874,312 | |
| Restatement | | | (2,928,427) | |
| Beginning of year, as restated | | | 49,945,885 | |
| End of year | | | <u>\$ 56,359,326</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Capital Facility Fees

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|----------------------|-----------------------|----------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 17,239,236 | \$ 17,239,236 | \$ 11,020,078 | \$ (6,219,158) |
| Use of money and property | - | - | 704,944 | 704,944 |
| Total revenues | 17,385,124 | 17,385,124 | 11,725,022 | (5,660,102) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 243,763 | 10,452,984 | 10,452,983 | 1 |
| Total expenditures | 243,763 | 10,452,984 | 10,452,983 | 1 |
| REVENUES OVER (UNDER) EXPENDITURES | 17,141,361 | 6,932,140 | 1,272,039 | (5,660,101) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 493,042 | 493,042 | - |
| Transfers out | (833,407) | (12,300,895) | (12,254,580) | 46,315 |
| Total other financing sources (uses) | (833,407) | (11,807,853) | (11,761,538) | 46,315 |
| Net change in fund balances | \$ 16,307,954 | \$ (4,875,713) | (10,489,499) | \$ (5,613,786) |
| FUND BALANCES: | | | | |
| Beginning of year | | | 55,014,879 | |
| End of year | | | \$ 44,525,380 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Building Safety & Inspection

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|----------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Licenses and permits | \$ 2,231,293 | \$ 2,231,293 | \$ 1,820,591 | \$ (410,702) |
| Charges for services | 1,435,421 | 1,435,421 | 3,522,093 | 2,086,672 |
| Use of money and property | - | - | 179,493 | 179,493 |
| Miscellaneous | - | - | 4,663 | 4,663 |
| Total revenues | 3,666,714 | 3,666,714 | 5,526,840 | 1,860,126 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 2,289,570 | 2,864,076 | 2,049,768 | 814,308 |
| Total expenditures | 2,289,570 | 2,864,076 | 2,049,768 | 814,308 |
| REVENUES OVER (UNDER) EXPENDITURES | 1,377,144 | 802,638 | 3,477,072 | 2,674,434 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (404,270) | (498,620) | (498,620) | - |
| Total other financing sources (uses) | (404,270) | (498,620) | (498,620) | - |
| Net change in fund balances | \$ 972,874 | \$ 304,018 | 2,978,452 | \$ 2,674,434 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 8,991,479 | |
| End of year | | | \$ 11,969,931 | |

City of Lathrop
Notes to Required Supplementary Information
For the Year Ended June 30, 2023

BUDGETS AND BUDGETARY ACCOUNTING

The City establishes annual budgets for the General and certain special revenue funds, which are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budgets for the General and certain special revenue funds are the only legally adopted budgets. Budgets for the capital project funds are used for management and control purposes only all appropriations remaining at fiscal year-end lapse. Budgeted amounts are reflected after all applicable amendments and revisions.

The legal level of control (level at which expenditures may not legally exceed budget appropriations) is at the department level. If the expenditures exceed the appropriations, the City Manager is authorized to transfer budgeted amounts between the line items within any department or between divisions within the department.

During the fiscal year, the City made a number of supplemental budget amendments totaling X amount of dollars in revenues and Y amount of dollars in expenditures.

ADOPTED BUDGETS

For the fiscal year ending June 30, 2023, the Historic Lathrop Loan Program (HLLP), the Lathrop Land Acquisitions, the DWR Grant - ULOP Project, the Stewart Economic Dev Fee 80%, and the TOT Trust Special Revenue Funds did not adopt an annual budget.

SUPPLEMENTARY INFORMATION

City of Lathrop
General Fund
Year Ended June 30, 2023

The general Fund is the City's primary Operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund is comprised of the following:

GENERAL PURPOSE FUND

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

ECONOMIC DEVELOPMENT FUND

To account for small business assistance grants approved by Council. The fund was reactivated in fiscal year 2020 due to the impacts of COVID-19.

MEASURE C ESSENTIAL CITY SERVICES FUND

To account for revenue and expenditures for the city's Measure C Essential City Services portion.

City of Lathrop
Combining Balance Sheet
General Funds
June 30, 2023

| | General Purpose Fund | Economic Development | Measure C | Total General Funds |
|---|-------------------------|-------------------------|---------------------|---------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 40,477,907 | \$ 443,722 | \$ 4,362,234 | \$ 45,283,863 |
| Receivables: | | | | |
| Accounts (net of allowance for uncollectibles) | 2,628,442 | 950 | 1,711,091 | 4,340,483 |
| Accrued interest | 84,609 | - | 13,200 | 97,809 |
| Prepays | 394,832 | - | - | 394,832 |
| Advances to other funds | 9,371,305 | - | - | 9,371,305 |
| Total assets | \$ 52,971,699 | \$ 444,672 | \$ 6,086,525 | \$ 59,502,896 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 905,896 | \$ - | \$ 28,476 | \$ 934,372 |
| Accrued liabilities | 370,077 | - | - | 370,077 |
| Unearned revenue | 740,865 | - | - | 740,865 |
| Deposits payable | 1,098,256 | - | - | 1,098,256 |
| Total liabilities | 3,115,094 | - | 28,476 | 3,143,570 |
| Fund Balances: | | | | |
| Nonspendable | 9,766,137 | - | - | 9,766,137 |
| Committed | 33,944,792 | 444,672 | 6,058,049 | 40,447,513 |
| Unassigned | 6,145,676 | - | - | 6,145,676 |
| Total fund balances | 49,856,605 | 444,672 | 6,058,049 | 56,359,326 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 52,971,699 | \$ 444,672 | \$ 6,086,525 | \$ 59,502,896 |

City of Lathrop
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Funds
For the year ended June 30, 2023

| | General Purpose Fund | Economic Development | Measure C | Intrafund Transactions Elimination |
|---|----------------------|----------------------|--------------------|------------------------------------|
| REVENUES: | | | | |
| Taxes and assessments | \$ 21,588,748 | \$ - | \$ 10,024,136 | \$ - |
| Licenses and permits | 347,022 | - | - | - |
| Intergovernmental | 9,365,468 | - | - | - |
| Charges for services | 763,339 | - | - | - |
| Use of money and property | 2,190,225 | 5,776 | 88,634 | - |
| Fines and forfeitures | 7,893 | - | - | - |
| Miscellaneous | 273,860 | - | - | - |
| Total revenues | 34,536,555 | 5,776 | 10,112,770 | - |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 8,743,872 | - | 628,779 | - |
| Public safety | 10,602,053 | - | - | - |
| Community development | 1,282,316 | - | - | - |
| Culture and leisure | 2,574,753 | - | - | - |
| Public works | 938,626 | - | - | - |
| Capital outlay | 2,735,307 | - | 23,228 | - |
| Debt service: | | | | |
| Principal retirement | 315,000 | - | - | - |
| Lease principal retirement | 367,507 | - | - | - |
| Interest and fiscal charges | 65,981 | - | - | - |
| Total expenditures | 27,625,415 | - | 652,007 | - |
| REVENUES OVER (UNDER) EXPENDITURES | 6,911,140 | 5,776 | 9,460,763 | - |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 9,614,045 | - | - | (2,284,850) |
| Transfers out | (12,180,720) | - | (8,859,861) | 2,284,850 |
| Lease and software subscription proceeds | 1,462,298 | - | - | - |
| Total other financing sources (uses) | (1,104,377) | - | (8,859,861) | - |
| Net change in fund balances | 5,806,763 | 5,776 | 600,902 | - |
| FUND BALANCES: | | | | |
| Beginning of year | 46,978,269 | 438,896 | 5,457,147 | - |
| Restatement | (2,928,427) | - | - | - |
| Beginning of year, as restated | 44,049,842 | 438,896 | 5,457,147 | - |
| End of year | \$ 49,856,605 | \$ 444,672 | \$ 6,058,049 | \$ - |

Total
General
Funds

\$ 31,612,884
347,022
9,365,468
763,339
2,284,635
7,893
273,860

44,655,101

9,372,651
10,602,053
1,282,316
2,574,753
938,626
2,758,535

315,000
367,507
65,981

28,277,422

16,377,679

7,329,195
(18,755,731)
1,462,298

(9,964,238)

6,413,441

52,874,312
(2,928,427)
49,945,885

\$ 56,359,326

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Purpose Fund

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|------------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 11,650,000 | \$ 13,227,120 | \$ 21,588,748 | \$ 8,361,628 |
| Licenses and permits | 243,820 | 243,820 | 347,022 | 103,202 |
| Intergovernmental | 2,050,000 | 2,050,000 | 9,365,468 | 7,315,468 |
| Charges for services | 859,358 | 889,066 | 763,339 | (125,727) |
| Use of money and property | 257,919 | 257,919 | 2,190,225 | 1,932,306 |
| Fines and forfeitures | 120,000 | 120,000 | 7,893 | (112,107) |
| Miscellaneous | 275,875 | 367,101 | 273,860 | (93,241) |
| Total revenues | 15,456,972 | 17,155,026 | 34,536,555 | 17,381,529 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | | | | |
| City council | 66,180 | 89,282 | 78,143 | 11,139 |
| City manager | 962,536 | 1,174,234 | 995,070 | 179,164 |
| City clerk | 372,552 | 407,147 | 407,065 | 82 |
| City attorney | 796,432 | 813,432 | 784,146 | 29,286 |
| Personnel | 492,518 | 626,085 | 561,986 | 64,099 |
| Central services | 1,025,550 | 1,316,356 | 1,106,253 | 210,103 |
| Finance | 1,818,879 | 2,233,650 | 1,725,034 | 508,616 |
| Information technology | 2,080,168 | 3,227,955 | 3,086,175 | 141,780 |
| Total general government | 7,614,815 | 9,888,141 | 8,743,872 | 1,144,269 |
| Public safety | | | | |
| Finance | 6,875,421 | 11,207,633 | 9,518,177 | 1,689,456 |
| Community services | 771,658 | 1,666,458 | 1,083,876 | 582,582 |
| Total public safety | 7,647,079 | 12,874,091 | 10,602,053 | 2,272,038 |
| Community development | | | | |
| Planning | 1,059,763 | 2,143,604 | 1,282,316 | 861,288 |
| Total community development | 1,059,763 | 2,143,604 | 1,282,316 | 861,288 |
| Culture and leisure | | | | |
| Administration | 241,370 | 451,995 | 403,164 | 48,831 |
| Senior center | 175,759 | 177,419 | 161,764 | 15,655 |
| Recreation programs | 82,628 | 218,411 | 136,737 | 81,674 |
| Special events | 135,384 | 277,049 | 164,598 | 112,451 |
| Youth development | 643,179 | 656,444 | 432,070 | 224,374 |
| Sports | 236,235 | 267,735 | 166,781 | 100,954 |
| Facilitates and library | 98,523 | 169,323 | 65,742 | 103,581 |
| City hall | - | 425,962 | 343,104 | 82,858 |
| Building maintenance | - | 315,109 | 261,646 | 53,463 |
| Park and landscape maintenance | - | 769,471 | 439,147 | 330,324 |
| Total culture and leisure | 1,613,078 | 3,728,918 | 2,574,753 | 1,154,165 |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Purpose Fund

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|--------------------|------------------------|----------------------|---|
| | Original | Final | | |
| Public works | | | | |
| Administration | 805,901 | 1,103,239 | 709,792 | 393,447 |
| Utility engineering | 272,959 | 290,961 | 228,834 | 62,127 |
| Total public works | 1,078,860 | 1,394,200 | 938,626 | 455,574 |
| Capital outlay | 342,484 | 2,226,718 | 2,735,307 | (508,589) |
| Debt service: | | | | |
| Principal retirement | 315,000 | 315,000 | 315,000 | - |
| Lease principal retirement | - | 367,507 | 367,507 | - |
| Interest and fiscal charges | 66,000 | 66,000 | 65,981 | 19 |
| Total expenditures | 19,737,079 | 33,004,179 | 27,625,415 | 11,266,079 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (4,280,107) | (15,849,153) | 6,911,140 | 22,760,293 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 6,312,070 | 10,229,905 | 9,614,045 | (615,860) |
| Transfers out | (1,194,540) | (12,345,706) | (12,180,720) | 164,986 |
| Lease proceeds | - | - | 1,462,298 | 1,462,298 |
| Total other financing sources (uses) | 5,117,530 | (2,115,801) | (1,104,377) | (450,874) |
| Special item | - | - | - | - |
| Net change in fund balances | \$ 837,423 | \$ (17,964,954) | 5,806,763 | \$ 23,771,717 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 46,978,269 | |
| Restatement | | | (2,928,427) | |
| Beginning of year, as restated | | | 44,049,842 | |
| End of year | | | <u>\$ 49,856,605</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Economic Development

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|------------------------------------|------------------|-------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 5,776 | \$ 5,776 |
| Total revenues | - | - | 5,776 | 5,776 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | - | - | 5,776 | 5,776 |
| Net change in fund balances | \$ - | \$ - | 5,776 | \$ 5,776 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 438,896 | |
| End of year | | | \$ 444,672 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Measure C

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|--------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 6,000,000 | \$ 10,024,137 | \$ 10,024,136 | \$ (1) |
| Use of money and property | - | - | 88,634 | 88,634 |
| Total revenues | 6,000,000 | 10,024,137 | 10,112,770 | 88,633 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | | | | |
| Measure C | 2,550,060 | 1,205,414 | 628,779 | 576,635 |
| Total general government | 2,550,060 | 1,205,414 | 628,779 | 576,635 |
| Capital outlay | - | 206,000 | 23,228 | 182,772 |
| Total expenditures | 2,550,060 | 1,411,414 | 652,007 | 1,336,042 |
| REVENUES OVER (UNDER) EXPENDITURES | 3,449,940 | 8,612,723 | 9,460,763 | 848,040 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (2,972,480) | (9,023,860) | (8,859,861) | 163,999 |
| Total other financing sources (uses) | (2,972,480) | (9,023,860) | (8,859,861) | 163,999 |
| Net change in fund balances | \$ 477,460 | \$ (411,137) | 600,902 | \$ 1,012,039 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 5,457,147 | |
| End of year | | | \$ 6,058,049 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Streets and Roads For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|--------------------|-----------------------|----------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 118,890 | \$ 118,890 |
| Total revenues | - | - | 118,890 | 118,890 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Capital outlay | 1,184,000 | 22,315,372 | 8,624,837 | 13,690,535 |
| Total expenditures | 1,184,000 | 22,315,372 | 8,624,837 | 13,690,535 |
| REVENUES OVER (UNDER) EXPENDITURES | (1,184,000) | (22,315,372) | (8,505,947) | 13,809,425 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 1,184,000 | 14,374,883 | 8,761,455 | (5,613,428) |
| Total other financing sources (uses) | 1,184,000 | 14,374,883 | 8,761,455 | (5,613,428) |
| Net change in fund balances | \$ - | \$ (7,940,489) | 255,508 | \$ 8,195,997 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 11,033,280 | |
| End of year | | | <u>\$ 11,288,788</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General CIP Projects

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|--------------------|-----------------------|----------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 118,499 | \$ 118,499 |
| Total revenues | - | - | 118,499 | 118,499 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | - | - | 28,042 | (28,042) |
| Capital outlay | 1,392,407 | 28,279,184 | 11,081,476 | 17,197,708 |
| Total expenditures | 1,392,407 | 28,279,184 | 11,109,518 | 17,169,666 |
| REVENUES OVER (UNDER) EXPENDITURES | (1,392,407) | (28,279,184) | (10,991,019) | 17,288,165 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 1,392,407 | 21,100,247 | 20,469,099 | (631,148) |
| Total other financing sources (uses) | 1,392,407 | 21,100,247 | 20,469,099 | (631,148) |
| Net change in fund balances | \$ - | \$ (7,178,937) | 9,478,080 | \$ 16,657,017 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 9,006,076 | |
| End of year | | | <u>\$ 18,484,156</u> | |

City of Lathrop
Non-Major Governmental Funds
Year Ended June 30, 2023

SPECIAL REVENUE FUNDS

These funds account for the proceeds derived from specific revenue sources that are legally restricted to expenditures for specified purposes.

DEVELOPER PROJECTS SPECIAL REVENUE FUND

This fund accounts for revenues received and expenditures spent associated with various developer projects

DEVELOPMENT ENGINEERING SPECIAL REVENUE FUND

This fund accounts for the development engineering fee revenue and activity.

DEVELOPER DEPOSITS SPECIAL REVENUE FUND

This fund accounts for the activity relating to developer deposits for development projects ongoing within the City.

LANDSCAPE MAINTENANCE FUND

To account for revenues received and expenditures spent associated with specific park maintenance and operations of the Woodfield Landscape, Stonebridge Landscape and Mossdale Landscape Districts.

GAS TAX FUND

To account for revenues and expenditures apportioned to the City under the Streets and Highway Code, Sections 2105, 2106, 2107, and 2107.5 of the State of California. Expenditures for administration, maintenance, and construction must be street related.

TRAFFIC SAFETY FUND

To account for the fines and forfeitures received under Section 1463 of the Penal Code. These funds are restricted for the use of official traffic control devices and for some street construction purposes.

LOCAL STREET FUND

To account for revenues and expenditures for the City's street division.

PUBLIC NUISANCE FUND

To account for revenues and expenditures for code enforcement activities.

MEASURE K FUND

To account for revenues generated from a 2-cent sales tax for local street repairs. These funds are restricted for maintenance and construction on street-related projects.

TRANSIT LTF FUND

To account for local transportation funds received for transit purposes from the San Joaquin County Council of Governments.

STREETS AND ROADS FUND

To account for local transportation funds received for street and road purposes from the San Joaquin County Council of Governments.

FEDERAL GRANT FUND

To account for federal grant expenditures and activity.

HISTORIC LATHROP LOAN PROGRAM (HLLP) FUND

To account for building permit loans granted to Historic Lathrop residences.

STORM DRAIN FUND

To account for revenues and expenditures related to the maintenance and operations of storm drains and improvements within the created district.

STREET LIGHT FUND

To account for revenues and expenditures associated with the maintenance and operations of the street lighting within the area known as City Zone 2, which is in the City Wide Landscaping and Lighting Assessment District.

AB939 RECYCLING FUND

To account for the financial resources associated with the preparation, implementation, and administration of the City's Integrated Solid Waste Management Plan in accordance with AB939.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

To account for the annual federal grant that provides for development of viable urban communities.

SCHOLARSHIP FUND

To account for the revenues provided by businesses/organizations to provide assistance with tuition of qualified parks and recreation participants.

COPS FUND

To account for local law enforcement grants funded by the office of Community Oriented Policing Services (COPS).

RTIF SAN JOAQUIN COUNTY FUND

To account for San Joaquin County's 10% share of Regional Traffic Impact Fees collected from builders.

RTIF LATHROP LOCAL WEST FUND

To account for the City's 75% share of Regional Traffic Impact Fees collected from builders on the West side.

RTIF SJCOG FUND

To account for San Joaquin Council of Government's 15% share of Regional Traffic Impact Fees collected from builders.

RTIF LATHROP LOCAL EAST FUND

To account for the City's 75% share of Regional Traffic Impact Fees collected from builders on the East side

LATHROP MANTECA FIRE DISTRICT MEASURE C FUND

To account for revenues and expenditures associated with the sales tax collections specific from Measure C.

STATE GRANTS FUND

To account for revenues and expenditures associated with state grants.

NORTH LATHROP TRANSPORTATION CFF FUND

To account for capital facility fees collected for North Lathrop area.

CITYWIDE ECONOMIC DEVELOPMENT 20% CFF FUND

To account for capital facility fees, collected to support development both on and off the Stewart Tract, that will provide to the City and its citizens.

RIVER ISLANDS CFD 2013-1 FUND

To account for revenue and expenditures related to the maintenance of the River Island community.

LATHROP LAND ACQUISITIONS FUND

To account for revenues and expenditures associated with the CLSP Community Facilities District 2006-1.

URBAN LEVEL OF FLOOD PROTECTION RECLAMATION DISTRICT (ULOP RD-17) LEVEE IMPACT FUND

To account for capital facility fees collected for the Urban Level of Flood Protection plan in the Reclamation District (RD) 17.

DEPARTMENT OF WATER RESOURCES (DWR) GRANT - URBAN LEVEL OF FLOOD PROTECTION (ULOP) PROJECT FUND

To account for revenues and expenditures associated with the Urban Level of Flood Protection plan.

CLSP OFF-SITE ROADWAY IMPROVEMENTS FUND

To account for improvements in the Central Lathrop Development.

SOUTH LATHROP CFD 2019-1 FUND

To account for revenue and expenditures related to the maintenance of South Lathrop.

CENTRAL LATHROP CFD 2019-2 FUND

To account for revenue and expenditures related to the maintenance of Central Lathrop.

STEWART ECONOMIC DEVELOPMENT 80% CFF FUND

To account for capital facility fees, collected to support development both on and off the Stewart Tract, that will provide to the City and its citizens.

TOT TRUST FUND

To account for 1% of the 9% TOT from the City as a whole, to help finance regional infrastructure.

GATEWAY BUSINESS PARK

To account for the maintenance costs for the Lathrop Gateway Business Park and resulting Community Facilities District

CAPITAL PROJECTS FUNDS

Capital Projects Funds are utilized to account for resources used for the acquisition and construction of capital facilities by the City, with the exception of those assets financed by proprietary funds.

STORM DRAIN FUND

To account for expenditures for storm drain capital projects.

PARK IN-LIEU FUND

To account for revenues and expenditures which can legally be made under the Quimby Act. The revenue is collected from residential developers to offset the impact on parks and can only be used for new park development.

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City of Lathrop
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

| | Special Revenue Funds | | | |
|---|-----------------------|-----------------------|---------------------|-----------------------|
| | Developer Projects | Developer Engineering | Developer Deposits | Landscape Maintenance |
| ASSETS | | | | |
| Cash and investments | \$ 2,878,372 | \$ 12,550,995 | \$ 851,437 | \$ 1,617,884 |
| Receivables: | | | | |
| Accounts (net of allowance for uncollectibles) | 29,207 | - | 1,077,266 | 133 |
| Notes and loans | - | - | - | - |
| Accrued interest | 8,982 | 27,219 | 2,748 | 3,320 |
| Total assets | \$ 2,916,561 | \$ 12,578,214 | \$ 1,931,451 | \$ 1,621,337 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 281 | \$ 37,667 | \$ 403,919 | \$ 111,533 |
| Unearned revenue | - | 1,781,974 | - | - |
| Deposits payable | 2,453,634 | 1,800 | 1,932,353 | - |
| Due to other funds | - | - | - | - |
| Total liabilities | 2,453,915 | 1,821,441 | 2,336,272 | 111,533 |
| Fund Balances: | | | | |
| Restricted | 462,646 | 10,756,773 | - | 1,509,804 |
| Unassigned | - | - | (404,821) | - |
| Total fund balances | 462,646 | 10,756,773 | (404,821) | 1,509,804 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 2,916,561 | \$ 12,578,214 | \$ 1,931,451 | \$ 1,621,337 |

Special Revenue Funds

| Gas Tax | Traffic Safety | Local Street | Public Nuisance | Measure K | Transit LTF |
|---------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| \$ 1,195,351 | \$ 124,367 | \$ 920,283 | \$ 10,419 | \$ 406,645 | \$ 203,662 |
| 132,117 | 2,127 | 16,833 | 2,019 | 259,257 | 470,519 |
| - | - | - | - | - | - |
| 2,194 | 265 | 2,718 | 22 | 935 | 436 |
| <u>\$ 1,329,662</u> | <u>\$ 126,759</u> | <u>\$ 939,834</u> | <u>\$ 12,460</u> | <u>\$ 666,837</u> | <u>\$ 674,617</u> |
| - | - | 113,103 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 113,103 | - | - | - |
| 1,329,662 | 126,759 | 826,731 | 12,460 | 666,837 | 674,617 |
| - | - | - | - | - | - |
| <u>1,329,662</u> | <u>126,759</u> | <u>826,731</u> | <u>12,460</u> | <u>666,837</u> | <u>674,617</u> |
| <u>\$ 1,329,662</u> | <u>\$ 126,759</u> | <u>\$ 939,834</u> | <u>\$ 12,460</u> | <u>\$ 666,837</u> | <u>\$ 674,617</u> |

City of Lathrop
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

| | Special Revenue Funds | | | |
|---|-----------------------|---------------|--|-------------------|
| | Streets and Roads | Federal Grant | Historic Lathrop Loan Program (HLLP) | Storm Drain |
| ASSETS | | | | |
| Cash and investments | \$ 243,290 | \$ 53 | \$ 234,739 | \$ 367,430 |
| Receivables: | | | | |
| Accounts (net of allowance for uncollectibles) | 523,558 | - | - | - |
| Notes and loans | - | - | 20,350 | - |
| Accrued interest | 680 | - | 503 | 741 |
| Total assets | \$ 767,528 | \$ 53 | \$ 255,592 | \$ 368,171 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 30,860 |
| Unearned revenue | - | - | - | - |
| Deposits payable | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | - | - | - | 30,860 |
| Fund Balances: | | | | |
| Restricted | 767,528 | 53 | 255,592 | 337,311 |
| Unassigned | - | - | - | - |
| Total fund balances | 767,528 | 53 | 255,592 | 337,311 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 767,528 | \$ 53 | \$ 255,592 | \$ 368,171 |

Special Revenue Funds

| Street Light | AB939 Recycling | Community Development Block Grant | Scholarship Fund | COPS | RTIF San Joaquin County |
|---------------------|---------------------|---|------------------|-------------------|----------------------------|
| \$ 1,450,678 | \$ 1,369,936 | \$ 2,204 | \$ 22,361 | \$ 333,931 | \$ 150,920 |
| - | 34,390 | 70,913 | 1,770 | - | - |
| - | - | - | - | - | - |
| 3,065 | 2,857 | 5 | 52 | 587 | 176 |
| <u>\$ 1,453,743</u> | <u>\$ 1,407,183</u> | <u>\$ 73,122</u> | <u>\$ 24,183</u> | <u>\$ 334,518</u> | <u>\$ 151,096</u> |
| | | | | | |
| \$ 45,988 | \$ 20,452 | \$ - | \$ - | \$ - | \$ 151,830 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>45,988</u> | <u>20,452</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>151,830</u> |
| | | | | | |
| 1,407,755 | 1,386,731 | 73,122 | 24,183 | 334,518 | - |
| - | - | - | - | - | (734) |
| <u>1,407,755</u> | <u>1,386,731</u> | <u>73,122</u> | <u>24,183</u> | <u>334,518</u> | <u>(734)</u> |
| | | | | | |
| <u>\$ 1,453,743</u> | <u>\$ 1,407,183</u> | <u>\$ 73,122</u> | <u>\$ 24,183</u> | <u>\$ 334,518</u> | <u>\$ 151,096</u> |

City of Lathrop
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

| | Special Revenue Funds | | | |
|---|----------------------------|-------------------|----------------------------|---------------------|
| | RTIF Lathrop Local West | RTIF SJCOG | RTIF Lathrop Local East | LMFD Measure C |
| | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 13,170,852 | \$ 226,381 | \$ 2,676,028 | \$ 1,020,070 |
| Receivables: | | | | |
| Accounts (net of allowance for uncollectibles) | - | - | - | - |
| Notes and loans | - | - | - | - |
| Accrued interest | 27,139 | 264 | 5,713 | 200 |
| Total assets | \$ 13,197,991 | \$ 226,645 | \$ 2,681,741 | \$ 1,020,270 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 913,616 | \$ 227,746 | \$ - | \$ 156 |
| Unearned revenue | - | - | - | - |
| Deposits payable | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | 913,616 | 227,746 | - | 156 |
| Fund Balances: | | | | |
| Restricted | 12,284,375 | - | 2,681,741 | 1,020,114 |
| Unassigned | - | (1,101) | - | - |
| Total fund balances | 12,284,375 | (1,101) | 2,681,741 | 1,020,114 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 13,197,991 | \$ 226,645 | \$ 2,681,741 | \$ 1,020,270 |

Special Revenue Funds

| State Grants | North Lathrop Transportation | Citywide Economic Dev Fee 20% | River Islands CFD 2013-1 | Lathrop Land Acquisitions | ULOP RD-17 Levee Impact |
|------------------|---------------------------------|----------------------------------|-----------------------------|------------------------------|----------------------------|
| \$ - | \$ 11,562 | \$ 3,290,203 | \$ 117,120 | \$ 14,098 | \$ 528,869 |
| 82,839 | - | - | - | - | - |
| - | 25 | 6,904 | 2,204 | - | 709 |
| <u>\$ 82,839</u> | <u>\$ 11,587</u> | <u>\$ 3,297,107</u> | <u>\$ 119,324</u> | <u>\$ 14,098</u> | <u>\$ 529,578</u> |
| | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ (14) | \$ 532,530 |
| - | - | - | - | - | - |
| - | - | - | - | 12,855 | - |
| 14,604 | - | - | - | - | - |
| <u>14,604</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>12,841</u> | <u>532,530</u> |
| | | | | | |
| 68,235 | 11,587 | 3,297,107 | 119,324 | 1,257 | - |
| - | - | - | - | - | (2,952) |
| <u>68,235</u> | <u>11,587</u> | <u>3,297,107</u> | <u>119,324</u> | <u>1,257</u> | <u>(2,952)</u> |
| | | | | | |
| <u>\$ 82,839</u> | <u>\$ 11,587</u> | <u>\$ 3,297,107</u> | <u>\$ 119,324</u> | <u>\$ 14,098</u> | <u>\$ 529,578</u> |

City of Lathrop
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

| | Special Revenue Funds | | | |
|---|-----------------------------|---|-----------------------------|-------------------------------|
| | DWR Grant - ULOP Project | CLSP Off-Site Roadway Improvement | South Lathrop CFD 2019-1 | Central Lathrop CFD 2019-2 |
| ASSETS | | | | |
| Cash and investments | \$ 3 | \$ 165,295 | \$ 1,304,518 | \$ 304,135 |
| Receivables: | | | | |
| Accounts (net of allowance for uncollectibles) | - | - | - | - |
| Notes and loans | - | - | - | - |
| Accrued interest | - | 330 | 2,895 | 637 |
| Total assets | \$ 3 | \$ 165,625 | \$ 1,307,413 | \$ 304,772 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 1,770 | \$ 5,110 | \$ 14,600 |
| Unearned revenue | - | - | - | - |
| Deposits payable | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | - | 1,770 | 5,110 | 14,600 |
| Fund Balances: | | | | |
| Restricted | 3 | 163,855 | 1,302,303 | 290,172 |
| Unassigned | - | - | - | - |
| Total fund balances | 3 | 163,855 | 1,302,303 | 290,172 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 3 | \$ 165,625 | \$ 1,307,413 | \$ 304,772 |

| Special Revenue Funds | | | Capital Project Funds | | Total Nonmajor Governmental Funds |
|---------------------------------|---------------------|--------------------------|-----------------------|---------------------|---|
| Stewart Economic Dev Fee 80% | TOT Trust | Gateway Business Park | Storm Drain | Park in Lieu | |
| \$ 200,017 | \$ 1,292,501 | \$ 187,225 | \$ 900,958 | \$ 1,759,124 | \$ 52,103,916 |
| - | - | - | - | - | 2,702,948 |
| - | - | - | - | - | 20,350 |
| 376 | 2,768 | 367 | 1,929 | 3,388 | 113,353 |
| <u>\$ 200,393</u> | <u>\$ 1,295,269</u> | <u>\$ 187,592</u> | <u>\$ 902,887</u> | <u>\$ 1,762,512</u> | <u>\$ 54,940,567</u> |
| \$ - | \$ - | \$ 264 | \$ - | \$ 28,420 | \$ 2,639,831 |
| - | - | - | - | - | 1,781,974 |
| 192,000 | - | - | - | - | 4,592,642 |
| - | - | - | - | - | 14,604 |
| <u>192,000</u> | <u>-</u> | <u>264</u> | <u>-</u> | <u>28,420</u> | <u>9,029,051</u> |
| 8,393 | 1,295,269 | 187,328 | 902,887 | 1,734,092 | 46,321,124 |
| - | - | - | - | - | (409,608) |
| <u>8,393</u> | <u>1,295,269</u> | <u>187,328</u> | <u>902,887</u> | <u>1,734,092</u> | <u>45,911,516</u> |
| <u>\$ 200,393</u> | <u>\$ 1,295,269</u> | <u>\$ 187,592</u> | <u>\$ 902,887</u> | <u>\$ 1,762,512</u> | <u>\$ 54,940,567</u> |

City of Lathrop
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2023

| | Special Revenue Funds | | | |
|---|-----------------------|-----------------------|--------------------|-----------------------|
| | Developer Projects | Developer Engineering | Developer Deposits | Landscape Maintenance |
| REVENUES: | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ 3,116,583 |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Charges for services | - | 4,369,077 | - | - |
| Use of money and property | 36,103 | 156,774 | 19,324 | 26,307 |
| Fines and forfeitures | - | - | - | - |
| Developer participation | 1,628,711 | - | 388,581 | - |
| Miscellaneous | - | 24,724 | - | 4,994 |
| Total revenues | 1,664,814 | 4,550,575 | 407,905 | 3,147,884 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Community development | - | 54 | - | - |
| Culture and leisure | - | - | - | - |
| Public works | - | 1,697,452 | 91,928 | 1,344,030 |
| Capital outlay | - | 173,422 | 28,671 | 11 |
| Debt service: | | | | |
| Interest and fiscal charges | - | - | 159,854 | - |
| Total expenditures | - | 1,870,928 | 280,453 | 1,344,041 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 1,664,814 | 2,679,647 | 127,452 | 1,803,843 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | 75,060 |
| Transfers out | (1,642,779) | - | - | (1,462,145) |
| Total other financing sources (uses) | (1,642,779) | - | - | (1,387,085) |
| Net change in fund balances | 22,035 | 2,679,647 | 127,452 | 416,758 |
| FUND BALANCES: | | | | |
| Beginning of year | 440,611 | 8,077,126 | (532,273) | 1,093,046 |
| Restatement | - | - | - | - |
| Beginning of year, as restated | 440,611 | 8,077,126 | (532,273) | 1,093,046 |
| End of year | \$ 462,646 | \$ 10,756,773 | \$ (404,821) | \$ 1,509,804 |

Special Revenue Funds

| Gas Tax | Traffic Safety | Local Street | Public Nuisance | Measure K | Transit LTF |
|--------------|----------------|--------------|-----------------|------------|-------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| 1,482,522 | - | - | - | 809,114 | 470,519 |
| - | - | - | - | - | - |
| 12,506 | 1,557 | 7,205 | 135 | 9,200 | 2,521 |
| - | 19,409 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 54,361 | - | - | - |
| 1,495,028 | 20,966 | 61,566 | 135 | 818,314 | 473,040 |
| - | 3,936 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 1,225,563 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 3,936 | 1,225,563 | - | - | - |
| 1,495,028 | 17,030 | (1,163,997) | 135 | 818,314 | 473,040 |
| - | - | 1,548,076 | - | - | - |
| (715,440) | (2,750) | (339,480) | - | (783,110) | - |
| (715,440) | (2,750) | 1,208,596 | - | (783,110) | - |
| 779,588 | 14,280 | 44,599 | 135 | 35,204 | 473,040 |
| 550,074 | 112,479 | 782,132 | 12,325 | 631,633 | 201,577 |
| - | - | - | - | - | - |
| 550,074 | 112,479 | 782,132 | 12,325 | 631,633 | 201,577 |
| \$ 1,329,662 | \$ 126,759 | \$ 826,731 | \$ 12,460 | \$ 666,837 | \$ 674,617 |

City of Lathrop
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2023

| | Special Revenue Funds | | | |
|---|-----------------------|------------------|--|-----------------|
| | Streets and Roads | Federal Grant | Historic Lathrop Loan Program (HLLP) | Storm Drain |
| REVENUES: | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | 523,558 | 897,516 | - | - |
| Charges for services | - | - | - | - |
| Use of money and property | 13,193 | 53 | 3,055 | 3,474 |
| Fines and forfeitures | - | - | - | 352,416 |
| Developer participation | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 536,751 | 897,569 | 3,055 | 355,890 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Community development | - | - | - | - |
| Culture and leisure | - | - | - | - |
| Public works | - | - | - | 442,101 |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | - | - | - | 442,101 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 536,751 | 897,569 | 3,055 | (86,211) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | 157,969 |
| Transfers out | (1,095,866) | (958,447) | - | (66,460) |
| Total other financing sources (uses) | (1,095,866) | (958,447) | - | 91,509 |
| Net change in fund balances | (559,115) | (60,878) | 3,055 | 5,298 |
| FUND BALANCES: | | | | |
| Beginning of year | 1,326,643 | 60,931 | 252,537 | 332,013 |
| Restatement | - | - | - | - |
| Beginning of year, as restated | 1,326,643 | 60,931 | 252,537 | 332,013 |
| End of year | \$ 767,528 | \$ 53 | \$ 255,592 | \$ 337,311 |

Special Revenue Funds

| Street Light | AB939 Recycling | Community Development Block Grant | Scholarship Fund | COPS | RTIF San Joaquin County |
|--------------|-----------------|---|------------------|------------|----------------------------|
| \$ - | \$ 312,751 | \$ - | \$ - | \$ - | \$ 220,298 |
| - | 37,590 | - | - | - | - |
| - | 38,397 | 75,913 | 2,877 | 152,771 | - |
| - | - | - | - | - | - |
| 17,326 | 15,966 | 30 | 285 | 4,779 | 948 |
| 1,150,006 | - | - | - | - | - |
| - | - | - | - | - | - |
| 5,000 | - | - | 2,155 | - | - |
| 1,172,332 | 404,704 | 75,943 | 5,317 | 157,550 | 221,246 |
| 161,725 | - | - | - | 20,427 | - |
| - | - | - | - | - | - |
| - | 121,258 | - | - | - | - |
| 977,600 | - | - | - | - | 221,980 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,139,325 | 121,258 | - | - | 20,427 | 221,980 |
| 33,007 | 283,446 | 75,943 | 5,317 | 137,123 | (734) |
| 32,806 | - | - | - | - | - |
| (220,850) | (28,150) | - | (2,877) | (100,000) | - |
| (188,044) | (28,150) | - | (2,877) | (100,000) | - |
| (155,037) | 255,296 | 75,943 | 2,440 | 37,123 | (734) |
| 1,562,792 | 1,131,435 | (2,821) | 21,743 | 297,395 | - |
| - | - | - | - | - | - |
| 1,562,792 | 1,131,435 | (2,821) | 21,743 | 297,395 | - |
| \$ 1,407,755 | \$ 1,386,731 | \$ 73,122 | \$ 24,183 | \$ 334,518 | \$ (734) |

City of Lathrop
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2023

| | Special Revenue Funds | | | |
|---|----------------------------|----------------|----------------------------|--------------------|
| | RTIF Lathrop Local West | RTIF SJCOG | RTIF Lathrop Local East | LMFD Measure C |
| | | | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 1,588,378 | \$ 330,448 | \$ 30,805 | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Charges for services | - | - | - | - |
| Use of money and property | 155,606 | 1,423 | 34,589 | 3,317 |
| Fines and forfeitures | - | - | - | - |
| Developer participation | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 1,743,984 | 331,871 | 65,394 | 3,317 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | - | - | - | 4,168,007 |
| Community development | - | - | - | - |
| Culture and leisure | - | - | - | - |
| Public works | 889,719 | 332,972 | 1,661 | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | 889,719 | 332,972 | 1,661 | 4,168,007 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 854,265 | (1,101) | 63,733 | (4,164,690) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | 4,009,654 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | 4,009,654 |
| Net change in fund balances | 854,265 | (1,101) | 63,733 | (155,036) |
| FUND BALANCES: | | | | |
| Beginning of year | 11,430,110 | - | 2,618,008 | 1,175,150 |
| Restatement | - | - | - | - |
| Beginning of year, as restated | 11,430,110 | - | 2,618,008 | 1,175,150 |
| End of year | \$ 12,284,375 | \$ (1,101) | \$ 2,681,741 | \$ 1,020,114 |

Special Revenue Funds

| State Grants | North Lathrop Transportation | Citywide Economic Dev Fee 20% | River Islands CFD 2013-1 | Lathrop Land Acquisitions | ULOP RD-17 Levee Impact |
|--------------|---------------------------------|----------------------------------|-----------------------------|------------------------------|----------------------------|
| \$ - | \$ - | \$ 619,000 | \$ 1,104,164 | \$ - | \$ 913,227 |
| - | - | - | - | - | - |
| 269,234 | - | - | - | - | - |
| - | - | - | - | - | - |
| 75 | 150 | 30,400 | 4,214 | 183 | (2,953) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 269,309 | 150 | 649,400 | 1,108,378 | 183 | 910,274 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 26,317 | - | 913,226 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 26,317 | - | 913,226 |
| 269,309 | 150 | 649,400 | 1,082,061 | 183 | (2,952) |
| - | - | 565,000 | - | - | - |
| (201,074) | - | - | (1,083,026) | - | - |
| (201,074) | - | 565,000 | (1,083,026) | - | - |
| 68,235 | 150 | 1,214,400 | (965) | 183 | (2,952) |
| - | 11,437 | 2,082,707 | 120,289 | 1,074 | - |
| - | - | - | - | - | - |
| - | 11,437 | 2,082,707 | 120,289 | 1,074 | - |
| \$ 68,235 | \$ 11,587 | \$ 3,297,107 | \$ 119,324 | \$ 1,257 | \$ (2,952) |

City of Lathrop
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2023

| | Special Revenue Funds | | | |
|---|-----------------------------|---|-----------------------------|-------------------------------|
| | DWR Grant - ULOP Project | CLSP Off-Site Roadway Improvement | South Lathrop CFD 2019-1 | Central Lathrop CFD 2019-2 |
| REVENUES: | | | | |
| Taxes and assessments | \$ - | \$ 37,697 | \$ 553,273 | \$ 1,062,449 |
| Licenses and permits | - | - | - | - |
| Intergovernmental | 4,052,308 | - | - | - |
| Charges for services | - | - | - | - |
| Use of money and property | - | 1,705 | 14,716 | 2,052 |
| Fines and forfeitures | - | - | - | - |
| Developer participation | - | - | - | - |
| Miscellaneous | - | - | - | 4,620 |
| Total revenues | 4,052,308 | 39,402 | 567,989 | 1,069,121 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Community development | - | - | - | - |
| Culture and leisure | - | - | - | - |
| Public works | 4,052,308 | - | 236,924 | 851,999 |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | 4,052,308 | - | 236,924 | 851,999 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | - | 39,402 | 331,065 | 217,122 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | (178,050) | (157,560) |
| Total other financing sources (uses) | - | - | (178,050) | (157,560) |
| Net change in fund balances | - | 39,402 | 153,015 | 59,562 |
| FUND BALANCES: | | | | |
| Beginning of year | (518,435) | 124,453 | 1,149,288 | 230,610 |
| Restatement | 518,438 | - | - | - |
| Beginning of year, as restated | 3 | 124,453 | 1,149,288 | 230,610 |
| End of year | \$ 3 | \$ 163,855 | \$ 1,302,303 | \$ 290,172 |

| Special Revenue Funds | | | Capital Project Funds | | | Total Nonmajor Governmental Funds |
|---------------------------------|--------------|--------------------------|-----------------------|--------------|---------------|---|
| Stewart Economic Dev Fee 80% | TOT Trust | Gateway Business Park | Storm Drain | Park in Lieu | | |
| \$ - | \$ 51,420 | \$ 151,744 | \$ - | \$ 570,038 | \$ 10,662,275 | |
| - | - | - | - | - | 37,590 | |
| - | - | - | - | - | 8,774,729 | |
| - | - | - | - | - | 4,369,077 | |
| 2,120 | 16,638 | 1,018 | 12,169 | 15,887 | 624,050 | |
| - | - | - | - | - | 1,521,831 | |
| - | - | - | - | - | 2,017,292 | |
| - | - | - | - | - | 95,854 | |
| 2,120 | 68,058 | 152,762 | 12,169 | 585,925 | 28,102,698 | |
| - | - | - | - | - | 4,354,095 | |
| - | - | - | - | - | 54 | |
| - | - | - | - | - | 1,346,821 | |
| - | - | 17,273 | - | - | 12,097,490 | |
| - | - | - | - | - | 202,104 | |
| - | - | - | - | - | 159,854 | |
| - | - | 17,273 | - | - | 18,160,418 | |
| 2,120 | 68,058 | 135,489 | 12,169 | 585,925 | 9,942,280 | |
| - | - | - | 250,000 | - | 6,638,565 | |
| - | - | - | (450) | - | (9,038,514) | |
| - | - | - | 249,550 | - | (2,399,949) | |
| 2,120 | 68,058 | 135,489 | 261,719 | 585,925 | 7,542,331 | |
| 6,273 | 1,227,211 | 51,839 | 641,168 | 1,148,167 | 37,850,747 | |
| - | - | - | - | - | 518,438 | |
| 6,273 | 1,227,211 | 51,839 | 641,168 | 1,148,167 | 38,369,185 | |
| \$ 8,393 | \$ 1,295,269 | \$ 187,328 | \$ 902,887 | \$ 1,734,092 | \$ 45,911,516 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Developer Projects For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|--------------------|--------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 36,103 | \$ 36,103 |
| Developer participation | 200,000 | 2,401,555 | 1,628,711 | (772,844) |
| Total revenues | 200,000 | 2,401,555 | 1,664,814 | (736,741) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (201,640) | (2,335,600) | (1,642,779) | 692,821 |
| Total other financing sources (uses) | (201,640) | (2,335,600) | (1,642,779) | 692,821 |
| Net change in fund balances | \$ (1,640) | \$ 65,955 | 22,035 | \$ (43,920) |
| FUND BALANCES: | | | | |
| Beginning of year | | | 440,611 | |
| End of year | | | <u>\$ 462,646</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Developer Engineering

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-----------------------|-----------------------|----------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for services | \$ 1,344,394 | \$ 1,517,685 | \$ 4,369,077 | \$ 2,851,392 |
| Use of money and property | - | - | 156,774 | 156,774 |
| Miscellaneous | - | - | 24,724 | 24,724 |
| Total revenues | 1,344,394 | 1,517,685 | 4,550,575 | 3,032,890 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Community development | 3,000 | 400 | 54 | 346 |
| Public works | 2,501,360 | 3,623,346 | 1,697,452 | 1,925,894 |
| Total expenditures | 2,504,360 | 3,799,177 | 1,870,928 | 1,928,249 |
| REVENUES OVER (UNDER) EXPENDITURES | (1,159,966) | (2,281,492) | 2,679,647 | 4,961,139 |
| Net change in fund balances | \$ (1,159,966) | \$ (2,281,492) | 2,679,647 | \$ 4,961,139 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 8,077,126 | |
| End of year | | | <u>\$ 10,756,773</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Developer Deposits

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|--------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ 33,500 | \$ 33,500 | \$ 19,324 | \$ (14,176) |
| Developer participation | 862,826 | 862,826 | 388,581 | (474,245) |
| Total revenues | 896,326 | 896,326 | 407,905 | (488,421) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 592,000 | 650,644 | 91,928 | 558,716 |
| Debt service: | | | - | |
| Interest and fiscal charges | 160,000 | 160,000 | 159,854 | 146 |
| Total expenditures | 896,326 | 954,970 | 280,453 | 674,371 |
| REVENUES OVER (UNDER) EXPENDITURES | - | (58,644) | 127,452 | 186,096 |
| Net change in fund balances | \$ - | \$ (58,644) | 127,452 | \$ 186,096 |
| FUND BALANCES: | | | | |
| Beginning of year | | | (532,273) | |
| End of year | | | \$ (404,821) | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Landscape Maintenance

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 2,863,303 | \$ 2,863,303 | \$ 3,116,583 | \$ 253,280 |
| Use of money and property | 3,000 | 3,000 | 26,307 | 23,307 |
| Miscellaneous | - | - | 4,994 | 4,994 |
| Total revenues | 2,866,303 | 2,866,303 | 3,147,884 | 281,581 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 2,572,964 | 1,751,723 | 1,344,030 | 407,693 |
| Capital outlay | - | 12 | 11 | 1 |
| Total expenditures | 2,572,964 | 1,751,735 | 1,344,041 | 407,694 |
| REVENUES OVER (UNDER) EXPENDITURES | 293,339 | 1,114,568 | 1,803,843 | 689,275 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 72,660 | 75,060 | 75,060 | - |
| Transfers out | (335,440) | (1,462,175) | (1,462,145) | 30 |
| Total other financing sources (uses) | (262,780) | (1,387,115) | (1,387,085) | 30 |
| Net change in fund balances | \$ 30,559 | \$ (272,547) | 416,758 | \$ 689,305 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 1,093,046 | |
| End of year | | | <u>\$ 1,509,804</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Gas Tax For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ 1,126,708 | \$ 1,126,708 | \$ 1,482,522 | \$ 355,814 |
| Use of money and property | - | - | 12,506 | 12,506 |
| Total revenues | 1,126,708 | 1,126,708 | 1,495,028 | 368,320 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (515,250) | (715,440) | (715,440) | - |
| Total other financing sources (uses) | (515,250) | (715,440) | (715,440) | - |
| Net change in fund balances | \$ 611,458 | \$ 411,268 | 779,588 | \$ 368,320 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 550,074 | |
| End of year | | | <u>\$ 1,329,662</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Traffic Safety

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 1,557 | \$ 1,557 |
| Fines and forfeitures | 30,000 | 30,000 | 19,409 | (10,591) |
| Total revenues | 30,000 | 30,000 | 20,966 | (9,034) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | 46,500 | 46,500 | 3,936 | 42,564 |
| Total expenditures | 46,500 | 46,500 | 3,936 | 42,564 |
| REVENUES OVER (UNDER) EXPENDITURES | (16,500) | (16,500) | 17,030 | 33,530 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (2,440) | (2,750) | (2,750) | - |
| Total other financing sources (uses) | (2,440) | (2,750) | (2,750) | - |
| Net change in fund balances | \$ (18,940) | \$ (19,250) | 14,280 | \$ 33,530 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 112,479 | |
| End of year | | | \$ 126,759 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Local Street

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|--------------------|---------------------|--------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 7,205 | \$ 7,205 |
| Miscellaneous | - | - | 54,361 | 54,361 |
| Total revenues | - | - | 61,566 | 61,566 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Culture and leisure | - | 1,834,420 | 1,225,563 | 608,857 |
| Public works | 1,228,854 | - | - | - |
| Capital outlay | 10,000 | 15,200 | - | 15,200 |
| Total expenditures | 1,238,854 | 1,849,620 | 1,225,563 | 624,057 |
| REVENUES OVER (UNDER) EXPENDITURES | (1,238,854) | (1,849,620) | (1,163,997) | 685,623 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 1,408,074 | 1,548,074 | 1,548,076 | 2 |
| Transfers out | (169,220) | (339,480) | (339,480) | - |
| Total other financing sources (uses) | 1,238,854 | 1,208,594 | 1,208,596 | 2 |
| Net change in fund balances | \$ - | \$ (641,026) | 44,599 | \$ 685,625 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 782,132 | |
| End of year | | | <u>\$ 826,731</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Public Nuisance

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|------------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 135 | \$ 135 |
| Total revenues | - | - | 135 | 135 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 4,000 | 4,000 | - | 4,000 |
| Total expenditures | 4,000 | 4,000 | - | 4,000 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (4,000) | (4,000) | 135 | 4,135 |
| Net change in fund balances | \$ (4,000) | \$ (4,000) | 135 | \$ 4,135 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 12,325 | |
| End of year | | | <u>\$ 12,460</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Measure K

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ 580,000 | \$ 663,384 | \$ 809,114 | \$ 145,730 |
| Use of money and property | - | - | 9,200 | 9,200 |
| Total revenues | 580,000 | 663,384 | 818,314 | 154,930 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (700,000) | (812,066) | (783,110) | 28,956 |
| Total other financing sources (uses) | (700,000) | (812,066) | (783,110) | 28,956 |
| Net change in fund balances | \$ (120,000) | \$ (148,682) | 35,204 | \$ 183,886 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 631,633 | |
| End of year | | | <u>\$ 666,837</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Transit LTF

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ - | \$ 633,527 | \$ 470,519 | \$ (163,008) |
| Use of money and property | - | - | 2,521 | 2,521 |
| Total revenues | - | 633,527 | 473,040 | (160,487) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | - | (300,000) | - | 300,000 |
| Total other financing sources (uses) | - | (300,000) | - | 300,000 |
| Net change in fund balances | \$ - | \$ 333,527 | 473,040 | \$ 139,513 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 201,577 | |
| End of year | | | \$ 674,617 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Streets and Roads For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|---------------------|--------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ 598,901 | \$ 926,459 | \$ 523,558 | \$ (402,901) |
| Use of money and property | - | - | 13,193 | 13,193 |
| Total revenues | 598,901 | 926,459 | 536,751 | (389,708) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (69,000) | (1,785,260) | (1,095,866) | 689,394 |
| Total other financing sources (uses) | (69,000) | (1,785,260) | (1,095,866) | 689,394 |
| Net change in fund balances | \$ 529,901 | \$ (858,801) | (559,115) | \$ 299,686 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 1,326,643 | |
| End of year | | | <u>\$ 767,528</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Federal Grant

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|--------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ - | \$ 3,855,347 | \$ 897,516 | \$ (2,957,831) |
| Use of money and property | - | - | 53 | 53 |
| Total revenues | - | 3,855,347 | 897,569 | (2,957,778) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | - | (4,231,831) | (958,447) | 3,273,384 |
| Total other financing sources (uses) | - | (4,231,831) | (958,447) | 3,273,384 |
| Net change in fund balances | \$ - | \$ (376,484) | (60,878) | \$ 315,606 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 60,931 | |
| End of year | | | \$ 53 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Historic Lathrop Loan Program (HLLP) For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|------------------------------------|------------------|-------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 3,055 | \$ 3,055 |
| Total revenues | - | - | 3,055 | 3,055 |
| Net change in fund balances | \$ - | \$ - | 3,055 | \$ 3,055 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 252,537 | |
| End of year | | | <u>\$ 255,592</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Storm Drain

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|---------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 3,474 | \$ 3,474 |
| Fines and forfeitures | 352,506 | 352,506 | 352,416 | (90) |
| Total revenues | 352,506 | 352,506 | 355,890 | 3,384 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 429,222 | 608,151 | 442,101 | 166,050 |
| Total expenditures | 429,222 | 608,151 | 442,101 | 166,050 |
| REVENUES OVER (UNDER) EXPENDITURES | (76,716) | (255,645) | (86,211) | 169,434 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 156,000 | 157,968 | 157,969 | 1 |
| Transfers out | (67,090) | (66,460) | (66,460) | - |
| Total other financing sources (uses) | 88,910 | 91,508 | 91,509 | 1 |
| Net change in fund balances | \$ 12,194 | \$ (164,137) | 5,298 | \$ 169,435 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 332,013 | |
| End of year | | | <u>\$ 337,311</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Street Light

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 17,326 | \$ 17,326 |
| Fines and forfeitures | 1,148,080 | 1,148,080 | 1,150,006 | 1,926 |
| Miscellaneous | - | - | 5,000 | 5,000 |
| Total revenues | 1,148,080 | 1,148,080 | 1,172,332 | 24,252 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | 173,274 | 294,810 | 161,725 | 133,085 |
| Public works | 971,528 | 1,242,042 | 977,600 | 264,442 |
| Total expenditures | 1,144,802 | 1,536,852 | 1,139,325 | 397,527 |
| REVENUES OVER (UNDER) EXPENDITURES | 3,278 | (388,772) | 33,007 | 421,779 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 32,806 | 32,806 | 32,806 | - |
| Transfers out | (139,590) | (232,100) | (220,850) | 11,250 |
| Total other financing sources (uses) | (106,784) | (199,294) | (188,044) | 11,250 |
| Net change in fund balances | \$ (103,506) | \$ (588,066) | (155,037) | \$ 433,029 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 1,562,792 | |
| End of year | | | <u>\$ 1,407,755</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

AB939 Recycling

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 170,000 | \$ 170,000 | \$ 312,751 | \$ 142,751 |
| Licenses and permits | - | - | 37,590 | 37,590 |
| Intergovernmental | 5,000 | 43,397 | 38,397 | (5,000) |
| Use of money and property | - | - | 15,966 | 15,966 |
| Total revenues | 175,000 | 213,397 | 404,704 | 191,307 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Culture and leisure | - | 145,703 | 121,258 | 24,445 |
| Public works | 86,556 | - | - | - |
| Total expenditures | 86,556 | 145,703 | 121,258 | 24,445 |
| REVENUES OVER (UNDER) EXPENDITURES | 88,444 | 67,694 | 283,446 | 215,752 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (14,560) | (28,150) | (28,150) | - |
| Total other financing sources (uses) | (14,560) | (28,150) | (28,150) | - |
| Net change in fund balances | \$ 73,884 | \$ 39,544 | 255,296 | \$ 215,752 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 1,131,435 | |
| End of year | | | <u>\$ 1,386,731</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Community Development Block Grant For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ - | \$ 161,310 | \$ 75,913 | \$ (85,397) |
| Use of money and property | - | - | 30 | 30 |
| Total revenues | - | 161,310 | 75,943 | (85,367) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | - | (161,310) | - | 161,310 |
| Total other financing sources (uses) | - | (161,310) | - | 161,310 |
| Net change in fund balances | \$ - | \$ - | 75,943 | \$ 75,943 |
| FUND BALANCES: | | | | |
| Beginning of year | | | (2,821) | |
| End of year | | | \$ 73,122 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Scholarship Fund For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ 5,000 | \$ 10,000 | \$ 2,877 | \$ (7,123) |
| Use of money and property | - | - | 285 | 285 |
| Miscellaneous | 200 | 200 | 2,155 | 1,955 |
| Total revenues | 5,200 | 10,200 | 5,317 | (4,883) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (5,000) | (10,000) | (2,877) | 7,123 |
| Total other financing sources (uses) | (5,000) | (10,000) | (2,877) | 7,123 |
| Net change in fund balances | \$ 200 | \$ 200 | 2,440 | \$ 2,240 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 21,743 | |
| End of year | | | \$ 24,183 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual COPS

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|--------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ 500,000 | \$ 500,000 | \$ 152,771 | \$ (347,229) |
| Use of money and property | - | - | 4,779 | 4,779 |
| Total revenues | 500,000 | 500,000 | 157,550 | (342,450) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | 500,000 | 418,841 | 20,427 | 398,414 |
| Total expenditures | 500,000 | 418,841 | 20,427 | 398,414 |
| REVENUES OVER (UNDER) EXPENDITURES | - | 81,159 | 137,123 | 55,964 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | - | (100,000) | (100,000) | - |
| Total other financing sources (uses) | - | (100,000) | (100,000) | - |
| Net change in fund balances | \$ - | \$ (18,841) | 37,123 | \$ 55,964 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 297,395 | |
| End of year | | | \$ 334,518 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

RTIF San Joaquin County

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|----------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 295,778 | \$ 295,778 | \$ 220,298 | \$ (75,480) |
| Use of money and property | - | - | 948 | 948 |
| Total revenues | 295,778 | 295,778 | 221,246 | (74,532) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 295,778 | 295,778 | 221,980 | 73,798 |
| Total expenditures | 295,778 | 295,778 | 221,980 | 73,798 |
| REVENUES OVER (UNDER) EXPENDITURES | - | - | (734) | (734) |
| Net change in fund balances | \$ - | \$ - | (734) | \$ (734) |
| FUND BALANCES: | | | | |
| Beginning of year | | | - | |
| End of year | | | \$ (734) | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

RTIF Lathrop Local West

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|-------------------|----------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 1,708,367 | \$ 1,708,367 | \$ 1,588,378 | \$ (119,989) |
| Use of money and property | - | - | 155,606 | 155,606 |
| Total revenues | 1,708,367 | 1,708,367 | 1,743,984 | 35,617 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 5,000 | 888,826 | 889,719 | (893) |
| Total expenditures | 5,000 | 888,826 | 889,719 | (893) |
| REVENUES OVER (UNDER) EXPENDITURES | 1,703,367 | 819,541 | 854,265 | 34,724 |
| Net change in fund balances | \$ 1,703,367 | \$ 819,541 | 854,265 | \$ 34,724 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 11,430,110 | |
| End of year | | | <u>\$ 12,284,375</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

RTIF SJCOG

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|----------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 443,667 | \$ 443,667 | \$ 330,448 | \$ (113,219) |
| Use of money and property | - | - | 1,423 | 1,423 |
| Total revenues | 443,667 | 443,667 | 331,871 | (111,796) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 443,667 | 443,667 | 332,972 | 110,695 |
| Total expenditures | 443,667 | 443,667 | 332,972 | 110,695 |
| REVENUES OVER (UNDER) EXPENDITURES | - | - | (1,101) | (1,101) |
| Net change in fund balances | \$ - | \$ - | (1,101) | \$ (1,101) |
| FUND BALANCES: | | | | |
| Beginning of year | | | - | |
| End of year | | | <u>\$ (1,101)</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

RTIF Lathrop Local East

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 465,600 | \$ 465,600 | \$ 30,805 | \$ (434,795) |
| Use of money and property | - | - | 34,589 | 34,589 |
| Total revenues | 465,600 | 465,600 | 65,394 | (400,206) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 5,000 | 5,000 | 1,661 | 3,339 |
| Total expenditures | 5,000 | 5,000 | 1,661 | 3,339 |
| REVENUES OVER (UNDER) EXPENDITURES | 460,600 | 460,600 | 63,733 | (396,867) |
| Net change in fund balances | \$ 460,600 | \$ 460,600 | 63,733 | \$ (396,867) |
| FUND BALANCES: | | | | |
| Beginning of year | | | 2,618,008 | |
| End of year | | | <u>\$ 2,681,741</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

LMFD Measure C

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 3,317 | \$ 3,317 |
| Total revenues | - | - | 3,317 | 3,317 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | 2,400,000 | 4,168,010 | 4,168,007 | 3 |
| Total expenditures | 2,400,000 | 4,168,010 | 4,168,007 | 3 |
| REVENUES OVER (UNDER) EXPENDITURES | (2,400,000) | (4,168,010) | (4,164,690) | 3,320 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 2,400,000 | 4,168,010 | 4,009,654 | (158,356) |
| Total other financing sources (uses) | 2,400,000 | 4,168,010 | 4,009,654 | (158,356) |
| Net change in fund balances | \$ - | \$ - | (155,036) | \$ (155,036) |
| FUND BALANCES: | | | | |
| Beginning of year | | | 1,175,150 | |
| End of year | | | \$ 1,020,114 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual State Grants

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|--------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ 900,000 | \$ 1,247,218 | \$ 269,234 | \$ (977,984) |
| Use of money and property | - | - | 75 | 75 |
| Total revenues | 900,000 | 1,247,218 | 269,309 | (977,909) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (900,000) | (1,247,218) | (201,074) | 1,046,144 |
| Total other financing sources (uses) | (900,000) | (1,247,218) | (201,074) | 1,046,144 |
| Net change in fund balances | \$ - | \$ - | 68,235 | \$ 68,235 |
| FUND BALANCES: | | | | |
| Beginning of year | | | - | |
| End of year | | | \$ 68,235 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

North Lathrop Transportation

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|------------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 150 | \$ 150 |
| Developer participation | 468,331 | 468,331 | - | (468,331) |
| Total revenues | 468,331 | 468,331 | 150 | (468,181) |
| Net change in fund balances | \$ 468,331 | \$ 468,331 | 150 | \$ (468,181) |
| FUND BALANCES: | | | | |
| Beginning of year | | | 11,437 | |
| End of year | | | <u>\$ 11,587</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Citywide Economic Dev Fee 20%

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 205,000 | \$ 205,000 | \$ 619,000 | \$ 414,000 |
| Use of money and property | - | - | 30,400 | 30,400 |
| Total revenues | 205,000 | 205,000 | 649,400 | 444,400 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 565,000 | 565,000 | - |
| Total other financing sources (uses) | - | 565,000 | 565,000 | - |
| Net change in fund balances | \$ 205,000 | \$ 770,000 | 1,214,400 | \$ 444,400 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 2,082,707 | |
| End of year | | | <u>\$ 3,297,107</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

River Islands CFD 2013-1

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|--------------------|--------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 606,551 | \$ 1,104,161 | \$ 1,104,164 | \$ 3 |
| Use of money and property | - | - | 4,214 | 4,214 |
| Miscellaneous | 400,449 | 400,449 | - | (400,449) |
| Total revenues | 1,007,000 | 1,504,610 | 1,108,378 | (396,232) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 18,500 | 18,500 | 26,317 | (7,817) |
| Total expenditures | 18,500 | 18,500 | 26,317 | (7,817) |
| REVENUES OVER (UNDER) EXPENDITURES | 988,500 | 1,486,110 | 1,082,061 | (404,049) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (988,500) | (1,083,700) | (1,083,026) | 674 |
| Total other financing sources (uses) | (988,500) | (1,083,700) | (1,083,026) | 674 |
| Net change in fund balances | \$ - | \$ 402,410 | (965) | \$ (403,375) |
| FUND BALANCES: | | | | |
| Beginning of year | | | 120,289 | |
| End of year | | | \$ 119,324 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Lathrop Land Acquisitions

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|------------------------------------|------------------|-------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 183 | \$ 183 |
| Total revenues | - | - | 183 | 183 |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | 183 | <u>\$ 183</u> |
| FUND BALANCES: | | | | |
| Beginning of year | | | 1,074 | |
| End of year | | | <u>\$ 1,257</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

ULOP RD-17 Levee Impact

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 3,029,840 | \$ 3,029,840 | \$ 913,227 | \$ (2,116,613) |
| Use of money and property | - | - | (2,953) | (2,953) |
| Total revenues | 3,029,840 | 3,029,840 | 910,274 | (2,119,566) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 3,029,840 | 3,029,840 | 913,226 | 2,116,614 |
| Total expenditures | 3,029,840 | 3,029,840 | 913,226 | 2,116,614 |
| REVENUES OVER (UNDER) EXPENDITURES | - | - | (2,952) | (2,952) |
| Net change in fund balances | \$ - | \$ - | (2,952) | \$ (2,952) |
| FUND BALANCES: | | | | |
| Beginning of year | | | - | |
| End of year | | | \$ (2,952) | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

DWR Grant - ULOP Project

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|-------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ - | \$ - | \$ 4,052,308 | \$ 4,052,308 |
| Total revenues | - | - | 4,052,308 | 4,052,308 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | - | - | 4,052,308 | (4,052,308) |
| Total expenditures | - | - | 4,052,308 | (4,052,308) |
| REVENUES OVER (UNDER) EXPENDITURES | - | - | - | - |
| Net change in fund balances | \$ - | \$ - | - | \$ - |
| FUND BALANCES: | | | | |
| Beginning of year | | | (518,435) | |
| Restatement | | | 518,438 | |
| Beginning of year, as restated | | | 3 | |
| End of year | | | \$ 3 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

CLSP Off-Site Roadway Improvement

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|------------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 68,355 | \$ 68,355 | \$ 37,697 | \$ (30,658) |
| Use of money and property | - | - | 1,705 | 1,705 |
| Total revenues | 68,355 | 68,355 | 39,402 | (28,953) |
| Net change in fund balances | \$ 68,355 | \$ 68,355 | 39,402 | \$ (28,953) |
| FUND BALANCES: | | | | |
| Beginning of year | | | 124,453 | |
| End of year | | | <u>\$ 163,855</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

South Lathrop CFD 2019-1

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|--------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 542,423 | \$ 542,423 | \$ 553,273 | \$ 10,850 |
| Use of money and property | - | - | 14,716 | 14,716 |
| Total revenues | 542,423 | 542,423 | 567,989 | 25,566 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 290,578 | 346,515 | 236,924 | 109,591 |
| Capital outlay | 230,000 | 80,000 | - | 80,000 |
| Total expenditures | 520,578 | 426,515 | 236,924 | 189,591 |
| REVENUES OVER (UNDER) EXPENDITURES | 21,845 | 115,908 | 331,065 | 215,157 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (9,180) | (178,050) | (178,050) | - |
| Total other financing sources (uses) | (9,180) | (178,050) | (178,050) | - |
| Net change in fund balances | \$ 12,665 | \$ (62,142) | 153,015 | \$ 215,157 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 1,149,288 | |
| End of year | | | <u>\$ 1,302,303</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Central Lathrop CFD 2019-2

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|---------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 860,000 | \$ 860,000 | \$ 1,062,449 | \$ 202,449 |
| Use of money and property | - | - | 2,052 | 2,052 |
| Miscellaneous | - | - | 4,620 | 4,620 |
| Total revenues | 860,000 | 860,000 | 1,069,121 | 209,121 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 773,064 | 880,086 | 851,999 | 28,087 |
| Total expenditures | 773,064 | 880,086 | 851,999 | 28,087 |
| REVENUES OVER (UNDER) EXPENDITURES | 86,936 | (20,086) | 217,122 | 237,208 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (40,160) | (157,560) | (157,560) | - |
| Total other financing sources (uses) | (40,160) | (157,560) | (157,560) | - |
| Net change in fund balances | \$ 46,776 | \$ (177,646) | 59,562 | \$ 237,208 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 230,610 | |
| End of year | | | \$ 290,172 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Stewart Economic Dev Fee 80%

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|------------------------------------|------------------|-------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 2,120 | \$ 2,120 |
| Total revenues | - | - | 2,120 | 2,120 |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | 2,120 | <u>\$ 2,120</u> |
| FUND BALANCES: | | | | |
| Beginning of year | | | 6,273 | |
| End of year | | | <u>\$ 8,393</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

TOT Trust

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|------------------------------------|------------------|-------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ - | \$ - | \$ 51,420 | \$ 51,420 |
| Use of money and property | - | - | 16,638 | 16,638 |
| Total revenues | - | - | 68,058 | 68,058 |
| Net change in fund balances | \$ - | \$ - | 68,058 | \$ 68,058 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 1,227,211 | |
| End of year | | | \$ 1,295,269 | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Gateway Business Park

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 83,500 | \$ 83,500 | \$ 151,744 | \$ 68,244 |
| Use of money and property | - | - | 1,018 | 1,018 |
| Total revenues | 83,500 | 83,500 | 152,762 | 69,262 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 79,815 | 79,914 | 17,273 | 62,641 |
| Total expenditures | 79,815 | 79,914 | 17,273 | 62,641 |
| REVENUES OVER (UNDER) EXPENDITURES | 3,685 | 3,586 | 135,489 | 131,903 |
| Net change in fund balances | \$ 3,685 | \$ 3,586 | 135,489 | \$ 131,903 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 51,839 | |
| End of year | | | <u>\$ 187,328</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Storm Drain For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|---------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 12,169 | \$ 12,169 |
| Total revenues | - | - | 12,169 | 12,169 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 250,000 | 782,000 | - | 782,000 |
| Total expenditures | 250,000 | 782,000 | - | 782,000 |
| REVENUES OVER (UNDER) EXPENDITURES | (250,000) | (782,000) | 12,169 | 794,169 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 250,000 | 250,000 | 250,000 | - |
| Transfers out | (70) | (450) | (450) | - |
| Total other financing sources (uses) | 249,930 | 249,550 | 249,550 | - |
| Net change in fund balances | \$ (70) | \$ (532,450) | 261,719 | \$ 794,169 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 641,168 | |
| End of year | | | <u>\$ 902,887</u> | |

City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Park in Lieu

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|------------------------------------|------------------|-------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ - | \$ - | \$ 570,038 | \$ 570,038 |
| Use of money and property | - | - | 15,887 | 15,887 |
| Total revenues | - | - | 585,925 | 585,925 |
| Net change in fund balances | \$ - | \$ - | 585,925 | \$ 585,925 |
| FUND BALANCES: | | | | |
| Beginning of year | | | 1,148,167 | |
| End of year | | | \$ 1,734,092 | |

**City of Lathrop
Custodial Funds
Year Ended June 30, 2023**

Custodial Funds account for assets held by the City as agent for individuals governmental entities and non-public organizations. These funds include the following:

MOSSDALE VILLAGE ASSESSMENT DISTRICT FUND

To account for the special assessments associated with the payment of the limited-obligation improvement bonds for the Mossdale Village Assessment District.

CROSSROADS ASSESSMENTS FUND

To account for the special assessments associated with the payment of the limited-obligation improvement bonds for the Crossroads Assessment District.

JOINT WASTEWATER COMMUNITY FACILITIES DISTRICT FUND

To account for the special assessments associated with the payment of the limited-obligation improvement bonds for the Joint Wastewater Community Facilities District.

NORTH HARLAN WATER IMPROVEMENT FUND

To account for special assessments associated with the payment of limited obligation improvement bonds for the North Harlan Water Improvement District.

COMMUNITY FACILITIES DISTRICT CLSP INFRASTRUCTURE FUND

To account for special assessments associated with the infrastructure in the Central Lathrop Specific Plan area.

SEWER ASSESSMENT DISTRICT NO.1 FUND

To account for the special assessments associated with the payments of the limited-obligation improvement bonds for the Lathrop Sanitary Sewer Assessment District No.1.

MOSSDALE VILLAGE REASSESSMENT 2015 - 1 FUND

To account for the special assessments associated with the payment of bonds for the Mossdale Village District.

City of Lathrop
Combining Statement of Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2023

| | Mossdale Village Assessment District | Crossroads Assessments | Joint Wastewater Community Facilities District | North Harlan Water Improvement |
|---|---|---------------------------|--|-----------------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 6,494 | \$ 577,194 | \$ 829,867 | \$ - |
| Receivables: | | | | |
| Accrued interest | 1,473 | 997 | 1,592 | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | 8,288,751 | 766,343 | 706,937 | - |
| Total assets | 8,296,718 | 1,344,534 | 1,538,396 | - |
| LIABILITIES | | | | |
| Accounts payable | - | - | 131,097 | - |
| Deposits payable | - | - | - | - |
| Total liabilities | - | - | 131,097 | - |
| NET POSITION | | | | |
| Restricted for: | | | | |
| Individuals, organizations, and other governments | 8,296,718 | 1,344,534 | 1,407,299 | - |
| Total Net Position | \$ 8,296,718 | \$ 1,344,534 | \$ 1,407,299 | \$ - |

| Community Facilities District CLSP Infrastructure | Sewer Assessment District #1 | Mossdale Village Reassessment 2015- 1 | Mossdale Village CFD 2003-1 | Total Custodial Funds |
|---|---------------------------------|---|--------------------------------|-----------------------------|
| \$ 2,201,911 | \$ 5,097 | \$ 691,175 | \$ 1,330,500 | \$ 5,642,238 |
| 3,616 | 27 | 1,332 | 4,353 | 13,390 |
| 1,269,740 | 135,471 | 248,209 | 5,019,340 | 16,434,791 |
| 3,475,267 | 140,595 | 940,716 | 6,354,193 | 22,090,419 |
| - | - | - | 357,709 | 488,806 |
| 30,747 | - | - | - | 30,747 |
| 30,747 | - | - | 357,709 | 519,553 |
| 3,444,520 | 140,595 | 940,716 | 5,996,484 | 21,570,866 |
| \$ 3,444,520 | \$ 140,595 | \$ 940,716 | \$ 5,996,484 | \$ 21,570,866 |

City of Lathrop
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2023

| | Mossdale Village Assessment District | Crossroads Assessments | Joint Wastewater Community Facilities District | North Harlan Water Improvement |
|--------------------------------------|---|---------------------------|--|-----------------------------------|
| ADDITIONS: | | | | |
| Collections for assessment districts | \$ 1,006,008 | \$ 757,121 | \$ 610,745 | \$ - |
| Receipts from others | 7,530,127 | - | - | - |
| Investment earnings | 4,131 | 30,320 | 3,356 | 844 |
| Total additions | 8,540,266 | 787,441 | 614,101 | 844 |
| DEDUCTIONS: | | | | |
| Administrative expenses | 12,921 | 9,631 | 11,316 | 25,274 |
| Contractual services | 240,900 | 13,825 | 7,343 | - |
| Debt service | 1,692,446 | 734,000 | 567,870 | - |
| Total deductions | 1,946,267 | 757,456 | 586,529 | 25,274 |
| Change in net position | 6,593,999 | 29,985 | 27,572 | (24,430) |
| NET POSITION: | | | | |
| Beginning of year | 94,416 | 2,999,592 | 266,237 | 24,430 |
| Restatements | 1,608,303 | (1,685,043) | 1,113,490 | - |
| Beginning of year, as restated | 1,702,719 | 1,314,549 | 1,379,727 | 24,430 |
| End of year | \$ 8,296,718 | \$ 1,344,534 | \$ 1,407,299 | \$ - |

| Community Facilities District CLSP Infrastructure | Sewer Assessment District #1 | Mossdale Village Reassessment 2015- 1 | Mossdale Village CFD 2003-1 | Total Custodial Funds |
|---|---------------------------------|---|--------------------------------|-----------------------------|
| \$ 3,206,408 | \$ 143,303 | \$ 510,351 | \$ 545,935 | \$ 6,779,871 |
| - | - | - | 4,928,937 | 12,459,064 |
| 67,941 | 972 | 18,862 | 38,897 | 165,323 |
| 3,274,349 | 144,275 | 529,213 | 5,513,769 | 19,404,258 |
| 9,416 | 7,745 | 12,921 | 16,462 | 105,686 |
| 29,613 | - | 18,625 | 196,206 | 506,512 |
| 2,643,082 | 398,870 | 842,274 | 1,582,296 | 8,460,838 |
| 2,682,111 | 406,615 | 873,820 | 1,794,964 | 9,073,036 |
| 592,238 | (262,340) | (344,607) | 3,718,805 | 10,331,222 |
| 484,554 | 16,785 | 412,184 | - | 4,298,198 |
| 2,367,728 | 386,150 | 873,139 | 2,277,679 | 6,941,446 |
| 2,852,282 | 402,935 | 1,285,323 | 2,277,679 | 11,239,644 |
| \$ 3,444,520 | \$ 140,595 | \$ 940,716 | \$ 5,996,484 | \$ 21,570,866 |

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STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Property Tax Levies and Collections
2. Assessed Value and Estimated Actual Value of Taxable Property
3. Principal Property Taxpayers

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Direct and Overlapping Property Tax Rates
2. Direct and Overlapping Governments Sales Tax Rates
3. Legal Debt Margin Information
4. Outstanding Debt
5. Computation of Direct and Overlapping Debt
6. Pledged-Revenue Coverage

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-time and Part-time City Employees by Function
2. Operating Indicators by Function
3. Capital Asset Statistics by Function
4. Water Sold by Type of Customer
5. Water Rates
6. Ten Largest Water Customers
7. Top 25 Sales Tax Producers

Sources

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF LATHROP
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities: | | | | |
| Net investments in capital assets | \$ 140,357,523 | \$ 145,671,748 | \$ 148,474,931 | \$ 155,971,046 |
| Restricted | 4,865,583 | 7,733,824 | 10,223,760 | 11,858,920 |
| Unrestricted | 31,716,374 | 35,612,693 | 38,941,548 | 47,769,952 |
| Total governmental activities net position | <u>\$ 176,939,480</u> | <u>\$ 189,018,265</u> | <u>\$ 197,640,239</u> | <u>\$ 215,599,918</u> |
| Business-type activities: | | | | |
| Net investments in capital assets | \$ 88,125,585 | \$ 92,350,319 | \$ 93,906,914 | \$ 103,695,833 |
| Restricted | 2,696,850 | 2,995,846 | 2,698,250 | 1,706,637 |
| Unrestricted | 25,692,676 | 23,944,509 | 26,437,255 | 37,146,214 |
| Total business-type activities net position | <u>\$ 116,515,111</u> | <u>\$ 119,290,674</u> | <u>\$ 123,042,419</u> | <u>\$ 142,548,684</u> |
| Primary government: | | | | |
| Net investments in capital assets | \$ 228,483,108 | \$ 238,022,067 | \$ 242,381,845 | \$ 259,666,879 |
| Restricted | 7,562,433 | 10,729,670 | 12,922,010 | 13,565,557 |
| Unrestricted | 57,409,050 | 59,557,202 | 65,378,803 | 84,916,166 |
| Total Primary government net position | <u>\$ 293,454,591</u> | <u>\$ 308,308,939</u> | <u>\$ 320,682,658</u> | <u>\$ 358,148,602</u> |

Source: City of Lathrop, California Comprehensive Annual Financial Reports.

CITY OF LATHROP
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 159,727,304 | \$ 179,501,255 | \$ 206,211,349 | \$ 218,894,403 | \$ 250,605,011 | \$ 320,475,208 |
| 10,376,172 | 13,552,647 | 16,013,046 | 103,964,923 | 122,949,990 | 125,033,370 |
| <u>52,396,920</u> | <u>72,645,973</u> | <u>87,005,385</u> | <u>33,463,086</u> | <u>47,696,013</u> | <u>59,792,854</u> |
| <u>\$ 222,500,396</u> | <u>\$ 265,699,875</u> | <u>\$ 309,229,780</u> | <u>\$ 356,322,412</u> | <u>\$ 421,251,014</u> | <u>\$ 505,301,432</u> |
| | | | | | |
| \$ 120,279,431 | \$ 150,452,677 | \$ 160,481,074 | \$ 156,963,462 | \$ 174,059,421 | \$ 206,299,495 |
| 1,650,031 | 1,652,234 | 1,651,396 | 1,650,648 | 1,652,915 | 1,408,865 |
| <u>30,919,752</u> | <u>34,710,083</u> | <u>43,373,359</u> | <u>62,502,764</u> | <u>70,785,536</u> | <u>72,411,962</u> |
| <u>\$ 152,849,214</u> | <u>\$ 186,814,994</u> | <u>\$ 205,505,829</u> | <u>\$ 221,116,874</u> | <u>\$ 246,497,872</u> | <u>\$ 280,120,322</u> |
| | | | | | |
| \$ 280,006,735 | \$ 329,953,932 | \$ 366,692,423 | \$ 375,857,865 | \$ 424,664,432 | \$ 526,774,703 |
| 12,026,203 | 15,204,881 | 17,664,442 | 105,615,571 | 124,602,905 | 126,442,235 |
| <u>83,316,672</u> | <u>107,356,056</u> | <u>130,378,744</u> | <u>95,965,850</u> | <u>118,481,549</u> | <u>132,204,816</u> |
| <u>\$ 375,349,610</u> | <u>\$ 452,514,869</u> | <u>\$ 514,735,609</u> | <u>\$ 577,439,286</u> | <u>\$ 667,748,886</u> | <u>\$ 785,421,754</u> |

CITY OF LATHROP
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

| | 2014 | 2015 | 2016 | 2017 |
|--|----------------------|----------------------|-----------------------|----------------------|
| Expenses: | | | | |
| Governmental activities: | | | | |
| General government | \$ 4,680,110 | \$ 7,449,500 | \$ 5,614,173 | \$ 4,580,381 |
| Public safety | 5,940,125 | 6,962,351 | 8,048,625 | 9,683,636 |
| Public works | 13,888,678 | 10,864,104 | 7,864,470 | 13,125,373 |
| Culture and leisure | 1,111,917 | 779,976 | 1,395,287 | 1,300,832 |
| Community development | 1,573,972 | 602,719 | 1,712,156 | 993,885 |
| Interest on long-term debt | 924,941 | 340,120 | 880,036 | 319,164 |
| Total governmental activities expense | <u>28,119,743</u> | <u>26,998,770</u> | <u>25,514,747</u> | <u>30,003,271</u> |
| Business-type activities: | | | | |
| Water | 7,376,261 | 5,108,071 | 4,941,845 | 5,828,411 |
| Wastewater | 6,289,560 | 4,433,501 | 3,587,602 | 5,393,728 |
| Total business-type activities expenses | <u>13,665,821</u> | <u>9,541,572</u> | <u>8,529,447</u> | <u>11,222,139</u> |
| Total primary government expenses | <u>\$ 41,785,564</u> | <u>\$ 36,540,342</u> | <u>\$ 34,044,194</u> | <u>\$ 41,225,410</u> |
| Program revenues: | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General Government | 397,607 | 491,076 | 551,613 | 462,696 |
| Public Safety | 716,360 | 356,989 | 365,009 | 231,164 |
| Public Works | 202,488 | 248,089 | 258,005 | 1,697,831 |
| Culture and leisure | 242,500 | 220,963 | 205,376 | 283,662 |
| Community development | 2,189,603 | 2,551,889 | 3,947,881 | 3,131,768 |
| Operating grants and contributions | 4,947,223 | 4,969,720 | 5,016,283 | 4,841,037 |
| Capital grants and contributions | 23,115,518 | 22,155,191 | 9,759,080 | 30,838,179 |
| Total governmental activities program revenues | <u>31,811,299</u> | <u>30,993,917</u> | <u>20,103,247</u> | <u>41,486,337</u> |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Water | 6,551,486 | 6,042,517 | 5,849,963 | 6,856,028 |
| Wastewater | 5,827,902 | 5,730,148 | 5,233,840 | 5,791,155 |
| Operating grants and contributions | 12,002,670 | - | - | - |
| Capital grants and contributions | 159,854 | 159,854 | 159,854 | 159,854 |
| Total business-type activities program revenues | <u>24,541,912</u> | <u>11,932,519</u> | <u>11,243,657</u> | <u>12,807,037</u> |
| Total primary government program revenues | <u>\$ 56,353,211</u> | <u>\$ 42,926,436</u> | <u>\$ 31,346,904</u> | <u>\$ 54,293,374</u> |
| Net revenues (expenses): | | | | |
| Governmental activities | 3,691,556 | 3,995,147 | (5,411,500) | 11,483,066 |
| Business-type activities | 10,876,091 | 2,390,947 | 2,714,210 | 1,584,898 |
| Total net revenues (expenses) | <u>\$ 14,567,647</u> | <u>\$ 6,386,094</u> | <u>\$ (2,697,290)</u> | <u>\$ 13,067,964</u> |
| General revenues and other changes in net position: | | | | |
| Governmental activities: | | | | |
| Taxes: | | | | |
| Property tax | 2,946,083 | 3,273,006 | 3,566,656 | 3,980,606 |
| Sales and use taxes | 6,676,994 | 5,947,812 | 6,209,105 | 6,337,138 |
| Franchise taxes | 705,405 | 685,140 | 518,183 | 771,288 |
| Other taxes | 419,267 | 449,950 | 743,896 | 565,715 |
| Motor vehicle in lieu, unrestricted | 1,118,489 | 1,237,606 | 1,324,094 | 1,555,026 |
| Investment income | 67,431 | 80,844 | 346,915 | 19,282 |
| Other general revenues | 395,810 | 301,192 | 1,745,978 | 10,090,096 |
| Transfers | (5,626,465) | (84,391) | (421,353) | (16,842,538) |
| Total governmental activities | <u>6,703,014</u> | <u>11,891,159</u> | <u>14,033,474</u> | <u>6,476,613</u> |
| Business-type activities: | | | | |
| Investment income | 49,915 | 63,492 | 200,063 | 214,510 |
| Miscellaneous | 1,392,651 | 675,204 | 416,119 | 864,319 |
| Transfers | 5,626,465 | 84,391 | 421,353 | 16,842,538 |
| Total business-type activities | <u>7,069,031</u> | <u>823,087</u> | <u>1,037,535</u> | <u>17,921,367</u> |
| Total primary government | <u>\$ 13,772,045</u> | <u>\$ 12,714,246</u> | <u>\$ 15,071,009</u> | <u>\$ 24,397,980</u> |
| Changes in net position | | | | |
| Governmental activities | 10,394,570 | 15,886,306 | 8,621,974 | 17,959,679 |
| Business-type activities | 17,945,122 | 3,214,034 | 3,751,745 | 19,506,265 |
| Total primary government | <u>\$ 28,339,692</u> | <u>\$ 19,100,340</u> | <u>\$ 12,373,719</u> | <u>\$ 37,465,944</u> |

CITY OF LATHROP
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
| \$ 4,917,617 | \$ 5,307,052 | \$ 5,944,111 | \$ 6,544,720 | \$ 6,994,053 | \$ 9,350,898 |
| 10,965,814 | 11,284,963 | 12,121,072 | 11,729,668 | 11,628,050 | 15,350,996 |
| 13,066,756 | 16,835,406 | 19,195,792 | 19,892,748 | 14,711,011 | 36,027,481 |
| 1,331,811 | 1,442,202 | 1,468,471 | 1,466,177 | 11,559,470 | 3,999,365 |
| 1,256,506 | 977,552 | 1,317,693 | 8,227,717 | 1,805,271 | 1,537,163 |
| 100,088 | 46,410 | 89,123 | 241,454 | 233,740 | 225,835 |
| <u>31,638,592</u> | <u>35,893,585</u> | <u>40,136,262</u> | <u>48,102,484</u> | <u>46,931,595</u> | <u>66,491,738</u> |
| 4,969,618 | 6,303,489 | 6,906,021 | 6,767,503 | 7,099,213 | 9,130,486 |
| 1,204,762 | 9,206,503 | 7,476,439 | 7,926,063 | 7,853,576 | 9,457,406 |
| <u>6,174,380</u> | <u>15,509,992</u> | <u>14,382,460</u> | <u>14,693,566</u> | <u>14,952,789</u> | <u>18,587,892</u> |
| <u>\$ 37,812,972</u> | <u>\$ 51,403,577</u> | <u>\$ 54,518,722</u> | <u>\$ 62,796,050</u> | <u>\$ 61,884,384</u> | <u>\$ 85,079,630</u> |
| 438,974 | 528,673 | 465,303 | 6,961,502 | 9,212,336 | 8,753,003 |
| 424,909 | 775,581 | 504,277 | 243,035 | 139,111 | 51,938 |
| 1,184,297 | 1,874,445 | 473,036 | 3,581,829 | 2,816,090 | 3,250,469 |
| 279,505 | 341,016 | 285,143 | 124,652 | 363,671 | 379,681 |
| 2,916,089 | 3,880,593 | 6,507,913 | 3,880,053 | 8,161,272 | 6,041,251 |
| 5,459,511 | 5,674,834 | 6,105,531 | 2,709,984 | 5,236,622 | 7,477,256 |
| <u>10,069,773</u> | <u>40,920,445</u> | <u>43,291,735</u> | <u>16,740,299</u> | <u>25,390,248</u> | <u>66,235,438</u> |
| <u>20,773,058</u> | <u>53,995,587</u> | <u>57,632,938</u> | <u>34,241,354</u> | <u>51,319,350</u> | <u>92,189,036</u> |
| 8,331,835 | 9,052,906 | 10,352,614 | 10,239,976 | 10,758,681 | 10,765,615 |
| 6,533,098 | 7,923,942 | 8,633,545 | 8,776,287 | 9,141,235 | 10,428,292 |
| - | - | - | - | - | - |
| <u>159,854</u> | <u>32,556,339</u> | <u>11,691,580</u> | <u>6,862,837</u> | <u>-</u> | <u>29,098,366</u> |
| <u>15,024,787</u> | <u>49,533,187</u> | <u>30,677,739</u> | <u>25,879,100</u> | <u>19,899,916</u> | <u>50,292,273</u> |
| <u>\$ 35,797,845</u> | <u>\$ 103,528,774</u> | <u>\$ 88,310,677</u> | <u>\$ 60,120,454</u> | <u>\$ 71,219,266</u> | <u>\$ 142,481,309</u> |
| (10,865,534) | 18,102,002 | 17,496,676 | (13,861,130) | 4,387,755 | 25,697,298 |
| 8,850,407 | 34,023,195 | 16,295,279 | 11,185,534 | 4,947,127 | 31,704,381 |
| <u>\$ (2,015,127)</u> | <u>\$ 52,125,197</u> | <u>\$ 33,791,955</u> | <u>\$ (2,675,596)</u> | <u>\$ 9,334,882</u> | <u>\$ 57,401,679</u> |
| 4,285,832 | 4,710,374 | 5,333,918 | 8,613,482 | 8,613,482 | 10,509,687 |
| 9,211,228 | 12,001,476 | 10,501,615 | 18,190,475 | 18,190,475 | 21,285,429 |
| 877,633 | 1,204,106 | 1,241,635 | 1,530,878 | 1,530,878 | 2,285,062 |
| 634,335 | 666,791 | 582,552 | 30,620,998 | 30,620,998 | 15,842,524 |
| 1,794,526 | 1,898,011 | 2,193,976 | 738,708 | 738,708 | 3,413,255 |
| 979,493 | 1,996,503 | 2,786,291 | 701,941 | 701,941 | 3,901,381 |
| 379,591 | 149,364 | 184,705 | 945,547 | 945,547 | 381,860 |
| (137,582) | 2,439,302 | 3,255,411 | 1,777,930 | 1,777,930 | 3,143,911 |
| <u>18,025,056</u> | <u>25,065,927</u> | <u>26,080,103</u> | <u>63,119,959</u> | <u>63,119,959</u> | <u>60,763,109</u> |
| 405,014 | 782,839 | 741,372 | 364,403 | 364,403 | 952,746 |
| 907,527 | 1,599,048 | 4,909,595 | 5,692,221 | 5,692,221 | 6,526,718 |
| 137,582 | (2,439,302) | (3,255,411) | (1,777,930) | (1,777,930) | (3,143,911) |
| <u>1,450,123</u> | <u>(57,415)</u> | <u>2,395,556</u> | <u>4,278,694</u> | <u>4,278,694</u> | <u>4,335,553</u> |
| <u>\$ 19,475,179</u> | <u>\$ 25,008,512</u> | <u>\$ 28,475,659</u> | <u>\$ 67,398,653</u> | <u>\$ 67,398,653</u> | <u>\$ 65,098,662</u> |
| 7,159,522 | 43,167,929 | 43,576,779 | 49,258,829 | 67,507,714 | 86,460,407 |
| 10,300,530 | 33,965,780 | 18,690,835 | 15,464,228 | 9,225,821 | 36,039,934 |
| <u>\$ 17,460,052</u> | <u>\$ 77,133,709</u> | <u>\$ 62,267,614</u> | <u>\$ 64,723,057</u> | <u>\$ 76,733,535</u> | <u>\$ 122,500,341</u> |

CITY OF LATHROP
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| General fund: | | | | |
| Nonspendable | \$ 6,380,018 | \$ 6,852,691 | \$ 6,665,677 | \$ 6,180,434 |
| Restricted | - | | - | - |
| Committed | - | | 2,233,234 | - |
| Assigned | - | | - | - |
| Unassigned | <u>16,234,527</u> | <u>11,091,860</u> | <u>12,861,107</u> | <u>16,496,212</u> |
| Total general fund | <u><u>\$ 22,614,545</u></u> | <u><u>\$ 17,944,551</u></u> | <u><u>\$ 21,760,018</u></u> | <u><u>\$ 22,676,646</u></u> |
| | | | | |
| All other governmental funds: | | | | |
| Restricted | \$ 3,890,049 | \$ 6,823,678 | \$ 4,513,322 | \$ 4,701,300 |
| Committed | 12,977,322 | 22,534,880 | 25,829,474 | 35,779,675 |
| Assigned | 930,347 | 880,383 | 975,042 | 784,139 |
| Unassigned | <u>-</u> | <u>(364)</u> | <u>(233)</u> | <u>(120)</u> |
| Total all other governmental funds | <u><u>\$ 17,797,718</u></u> | <u><u>\$ 30,238,577</u></u> | <u><u>\$ 31,317,605</u></u> | <u><u>\$ 41,264,994</u></u> |

* FY2021 reflects the implementation of GASB 84.

Source: City of Lathrop, California

CITY OF LATHROP
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021*</u> | <u>2022</u> | <u>2023</u> |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| \$ 5,650,104 | \$ 5,225,742 | \$ 3,470,982 | \$ 3,282,311 | \$ 2,405,864 | \$ 9,766,137 |
| - | - | - | - | - | - |
| - | - | 29,678,802 | 29,664,824 | 44,763,906 | 40,447,513 |
| - | - | 2,616,835 | - | - | - |
| <u>21,538,365</u> | <u>31,169,562</u> | <u>4,289,278</u> | <u>6,679,913</u> | <u>5,704,542</u> | <u>6,145,676</u> |
| <u><u>\$ 27,188,469</u></u> | <u><u>\$ 36,395,304</u></u> | <u><u>\$ 40,055,897</u></u> | <u><u>\$ 39,627,048</u></u> | <u><u>\$ 52,874,312</u></u> | <u><u>\$ 56,359,326</u></u> |
| | | | | | |
| \$ 3,797,087 | \$ 4,701,645 | \$ 9,116,860 | \$ 41,955,830 | \$ 41,419,819 | \$125,033,370 |
| 36,015,106 | 49,619,728 | 58,214,668 | - | - | 7,556,009 |
| 663,674 | 549,720 | 572,817 | - | - | - |
| - | (163,756) | (2,500) | (169,617) | (521,256) | (409,608) |
| <u>\$ 40,475,867</u> | <u>\$ 54,707,337</u> | <u>\$ 67,901,845</u> | <u>\$ 41,786,213</u> | <u>\$ 40,898,563</u> | <u>\$132,179,771</u> |

CITY OF LATHROP
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|-----------------------|----------------------|-----------------------|------------------------|
| Revenues: | | | | |
| Taxes and assessments | \$ 15,462,332 | \$ 21,268,849 | \$ 18,494,460 | \$ 22,885,183 |
| Licenses and permits | 749,845 | 1,373,909 | 1,283,193 | 1,808,623 |
| Fines, forfeitures, and penalties | 1,476,258 | 1,486,888 | 1,658,639 | 1,949,910 |
| Intergovernmental | 13,291,995 | 11,177,149 | 5,489,546 | 3,134,272 |
| Use of Money & Property | 116,968 | 159,262 | 382,724 | 392,493 |
| Charges for current services | 2,727,193 | 2,207,080 | 3,725,964 | 3,605,846 |
| Contributions (Developer) | 9,779,408 | 1,094,140 | - | 19,675,946 |
| Other | 536,779 | 4,202,190 | 3,523,548 | 1,353,215 |
| Total revenues | <u>\$ 44,140,778</u> | <u>\$ 42,969,467</u> | <u>\$ 34,558,074</u> | <u>\$ 54,805,488</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 4,240,661 | 8,063,724 | 4,675,898 | 4,406,106 |
| Community development | 1,323,932 | 1,254,836 | 1,657,178 | 784,763 |
| Public safety | 5,829,809 | 7,030,624 | 7,297,872 | 9,560,119 |
| Public works | 17,040,900 | 15,482,137 | 6,687,275 | 7,616,246 |
| Culture and leisure | 1,063,957 | 1,048,531 | 1,296,370 | 1,226,638 |
| Capital Outlay | 9,334,496 | 1,604,530 | 4,361,924 | 2,920,897 |
| Debt service: | | | | |
| Principal retirement | 274,370 | 289,709 | 1,683,347 | 265,000 |
| Lease principal retirement | - | - | - | - |
| Interest and fiscal charges | 924,941 | 340,120 | 390,710 | 319,164 |
| Total expenditures | <u>\$ 40,033,066</u> | <u>\$ 35,114,211</u> | <u>\$ 28,050,574</u> | <u>\$ 27,098,933</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 4,107,712</u> | <u>\$ 7,855,256</u> | <u>\$ 6,507,500</u> | <u>\$ 27,706,555</u> |
| Other financing sources (uses): | | | | |
| Proceeds from issuance of long-term deb | - | - | (1,191,652) | - |
| Transfers in | 18,471,301 | 17,566,636 | 12,971,420 | 10,394,523 |
| Transfers out | (24,097,766) | (17,651,027) | (13,392,773) | (27,237,061) |
| Total other financing sources (uses) | <u>\$ (5,626,465)</u> | <u>\$ (84,391)</u> | <u>\$ (1,613,005)</u> | <u>\$ (16,842,538)</u> |
| Net change in fund balances | <u>\$ (1,518,753)</u> | <u>\$ 7,770,865</u> | <u>\$ 4,894,495</u> | <u>\$ 10,864,017</u> |
| Debt service as a percentage of noncapital expenditures | 4.1% | 1.9% | 9.6% | 2.5% |

* FY2021 reflects the implementation of GASB 84.

Source: City of Lathrop, California

CITY OF LATHROP
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021*</u> | <u>2022</u> | <u>2023</u> |
|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|
| \$ 22,571,206 | \$ 35,307,490 | \$ 32,969,640 | \$ 59,694,541 | \$ 67,116,103 | \$ 53,295,237 |
| 1,266,197 | 1,823,951 | 2,930,344 | 3,191,727 | 386,466 | 2,205,203 |
| 2,237,680 | 2,542,551 | 1,973,138 | 1,628,103 | 1,588,616 | 1,529,724 |
| 4,420,261 | 4,373,978 | 5,281,487 | 7,045,036 | 10,094,787 | 18,140,197 |
| 1,366,160 | 2,433,126 | 3,299,084 | 701,941 | (2,101,280) | 4,030,511 |
| 3,508,608 | 4,656,065 | 4,523,327 | 6,208,805 | 13,859,233 | 8,654,509 |
| 2,751,850 | 536,277 | 357,105 | 7,595,547 | 10,621,451 | 2,017,292 |
| 813,734 | 550,982 | 657,995 | 945,547 | 1,344,184 | 374,377 |
| <u>\$ 38,935,696</u> | <u>\$ 52,224,420</u> | <u>\$ 51,992,120</u> | <u>\$ 87,011,247</u> | <u>\$ 102,909,560</u> | <u>\$ 90,247,050</u> |
| 4,770,853 | 5,137,588 | 5,748,979 | 6,241,381 | 7,124,908 | 9,372,651 |
| 1,109,714 | 838,993 | 1,153,119 | 1,220,515 | 1,722,885 | 1,282,370 |
| 10,724,423 | 11,222,012 | 12,001,225 | 11,507,852 | 11,552,853 | 14,956,148 |
| 7,048,016 | 9,984,165 | 10,701,329 | 19,627,773 | 16,617,416 | 25,566,909 |
| 1,275,334 | 1,384,798 | 1,411,336 | 1,323,042 | 3,405,473 | 3,921,574 |
| 9,761,990 | 2,643,451 | 6,950,445 | 11,300,021 | 24,267,638 | 22,666,952 |
| 285,000 | - | 290,000 | 300,000 | 352,316 | 315,000 |
| - | - | - | - | - | 367,507 |
| 100,088 | 46,410 | 89,123 | 241,454 | 233,740 | 225,835 |
| <u>\$ 35,075,418</u> | <u>\$ 31,257,417</u> | <u>\$ 38,345,556</u> | <u>\$ 51,762,038</u> | <u>\$ 65,277,229</u> | <u>\$ 78,674,946</u> |
| \$ 3,860,278 | \$ 20,967,003 | \$ 13,646,564 | \$ 35,249,209 | \$ 37,632,331 | \$ 11,572,104 |
| - | - | - | - | - | - |
| 12,389,403 | 14,380,867 | 24,940,959 | 35,131,963 | 26,553,563 | 43,691,356 |
| (12,526,985) | (11,941,565) | (21,685,548) | (33,354,033) | (32,233,805) | (40,547,445) |
| | | | | | 1,462,298 |
| <u>\$ (137,582)</u> | <u>\$ 2,439,302</u> | <u>\$ 3,255,411</u> | <u>\$ 1,777,930</u> | <u>\$ (5,680,242)</u> | <u>\$ 4,606,209</u> |
| <u>\$ 3,722,696</u> | <u>\$ 23,406,305</u> | <u>\$ 16,901,975</u> | <u>\$ 37,027,139</u> | <u>\$ 31,952,089</u> | <u>\$ 16,178,313</u> |
| 1.5% | 0.2% | 1.2% | 1.4% | 1.4% | 1.0% |

CITY OF LATHROP
Property Tax Levies and Collections
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Taxes Levied for the Fiscal Year</u> | <u>Collected within the Fiscal Year of Levy</u> | | <u>Collection in Subsequent Years</u> | <u>Total Collection to Date</u> | |
|--------------------|---|---|------------------------|---------------------------------------|---------------------------------|------------------------|
| | | <u>Amount</u> | <u>Percent of Levy</u> | | <u>Amount</u> | <u>Percent of Levy</u> |
| 2014 | 2,821,126 | 2,821,126 | 100.00% | - | 2,821,126 | 100.00% |
| 2015 | 3,098,364 | 3,098,364 | 100.00% | - | 3,098,364 | 100.00% |
| 2016 | 3,353,607 | 3,353,607 | 100.00% | - | 3,353,607 | 100.00% |
| 2017 | 3,727,479 | 3,727,479 | 100.00% | - | 3,727,479 | 100.00% |
| 2018 | 4,125,753 | 4,125,753 | 100.00% | - | 4,125,753 | 100.00% |
| 2019 | 4,309,587 | 4,309,587 | 100.00% | | 4,309,587 | 100.00% |
| 2020 | 4,812,631 | 4,812,631 | 100.00% | | 4,812,631 | 100.00% |
| 2021 | 5,326,609 | 5,326,609 | 100.00% | | 5,326,609 | 100.00% |
| 2022 | 5,853,282 | 5,853,282 | 100.00% | | 5,853,282 | 100.00% |
| 2023 | 6,697,606 | 6,697,606 | 100.00% | | 6,697,606 | 100.00% |

Source: County of San Joaquin, California, Office of the Controller.

CITY OF LATHROP
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

| Fiscal Year | City | | | | | |
|-------------|------------------------------|-------------|----------------|---------------------|----------------------------------|-----------------------------|
| | Gross Taxable Assessed Value | | | Less: Exemptions | Net Taxable Assessed Value | Total Direct Tax Rate |
| | Secured | Unsecured | SBE Nonunitary | | | |
| 2014 | 1,839,562,001 | 136,568,139 | 5,070,340 | (18,622,849) | 1,962,577,631 | 0.144% |
| 2015 | 2,028,168,720 | 148,658,207 | 5,070,340 | (19,297,974) | 2,162,599,293 | 0.143% |
| 2016 | 2,188,540,780 | 198,130,929 | 5,070,340 | (18,624,442) | 2,373,117,607 | 0.141% |
| 2017 | 2,559,643,198 | 163,451,777 | 6,170,020 | (18,624,442) | 2,710,640,553 | 0.138% |
| 2018 | 2,941,872,358 | 174,127,391 | 6,170,020 | (18,831,913) | 3,103,337,856 | 0.133% |
| 2019 | 3,117,977,243 | 190,538,705 | 6,170,020 | - | 3,314,685,968 | 0.130% |
| 2020 | 3,554,886,516 | 282,202,562 | 6,170,020 | - | 3,843,259,098 | 0.125% |
| 2021 | 4,139,024,746 | 280,821,500 | 15,952,158 | - | 4,435,798,404 | 0.120% |
| 2022 | 4,787,945,754 | 304,082,430 | 15,952,158 | - | 5,107,980,342 | 0.115% |
| 2023 | 5,732,986,696 | 363,749,894 | 15,952,158 | - | 6,112,688,748 | 0.110% |

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is re-assessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: County of San Joaquin, California, Office of the County Assessor.

CITY OF LATHROP
Principal Property Taxpayers
Current Year and Ten Years Ago

| <u>Taxpayer</u> | <u>2023</u> | | <u>2014</u> | |
|-----------------------------------|-------------------------------|---|-------------------------------|---|
| | <u>Taxable Assessed Value</u> | <u>Percent of Total City Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Percent of Total City Taxable Assessed Value</u> |
| TESLA MOTORS INC | \$ 251,826,249 | 4.12% | \$ - | 0.00% |
| LIT INDUSTRIAL LP | \$ 227,405,146 | 3.72% | \$ - | 0.00% |
| SOUTH LATHROP LAND LLC | 197,982,919 | 3.24% | - | 0.00% |
| TRIPOINT LOGISTICS CENTER ILP LLC | 132,943,168 | 2.17% | - | 0.00% |
| CALIFIA LLC | 94,630,318 | 1.55% | 57,418,806 | 2.93% |
| UNITED PARCEL SERVICE INC | 86,022,770 | 1.41% | - | 0.00% |
| PW FUND A LP | 74,976,973 | 1.23% | - | 0.00% |
| J R SIMPLOT COMPANY CORP | 70,054,123 | 1.15% | 47,626,291 | 2.43% |
| COLONY 2019 2 BULK INDUSTRIAL | 67,275,425 | 1.10% | - | 0.00% |
| CENTERPOINT PROPERTIES TRUST | 65,167,548 | 1.07% | - | 0.00% |

Source: County of San Joaquin, California, Office of the County Assessor.

CITY OF LATHROP
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per \$100 of assessed value)

| Fiscal Year | Basic County-wide Levy ⁽¹⁾ | School ⁽²⁾ | All Other | Total Rate |
|--------------------|--|------------------------------|------------------|-------------------|
| 2014 | 1.00000% | 0.09250% | 0.00000% | 1.09250% |
| 2015 | 1.00000% | 0.09230% | 0.00000% | 1.09230% |
| 2016 | 1.00000% | 0.14200% | 0.00000% | 1.14200% |
| 2017 | 1.00000% | 0.12820% | 0.00000% | 1.12820% |
| 2018 | 1.00000% | 0.13030% | 0.00000% | 1.13030% |
| 2019 | 1.00000% | 0.12280% | 0.00000% | 1.12280% |
| 2020 | 1.00000% | 0.11400% | 0.00000% | 1.11400% |
| 2021 | 1.00000% | 0.10490% | 0.00000% | 1.10490% |
| 2022 | 1.00000% | 0.13820% | 0.00000% | 1.13820% |
| 2023 | 1.00000% | 0.13660% | 0.00000% | 1.13660% |

NOTE:

(1) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies, including the City of Lathrop, for which the subject property resides within. The City of Lathrop's portion varies by several Tax Rate Areas (TRAs) within the City.

Source: San Joaquin County Assessor 2011/12 - 2020/21 Tax Rate Table

CITY OF LATHROP
Sales Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

| Fiscal Year | City Direct Rate | Measure K Rate | Measure C General Purpose | Transportation Development Act Rate | San Joaquin County Rate | State of California Rate | Total |
|--------------------|-------------------------|-----------------------|----------------------------------|--|--------------------------------|---------------------------------|--------------|
| 2014 | 1.00% | 0.50% | 1.00% ** | 0.25% | 1.00% | 5.25% | 9.00% |
| 2015 | 1.00% | 0.50% | 1.00% ** | 0.25% | 1.00% | 5.25% | 9.00% |
| 2016 | 1.00% | 0.50% | 1.00% ** | 0.25% | 1.00% | 5.25% | 9.00% |
| 2017 | 1.00% | 0.50% | 1.00% ** | 0.25% | 1.00% | 5.00% | 8.75% |
| 2018 | 1.00% | 0.50% | 1.00% ** | 0.25% | 1.00% | 5.00% | 8.75% |
| 2019 | 1.00% | 0.50% | 1.00% ** | 0.25% | 1.00% | 5.00% | 8.75% |
| 2020 | 1.00% | 0.50% | 1.00% ** | 0.25% | 1.00% | 5.00% | 8.75% |
| 2021 | 1.00% | 0.50% | 1.00% ** | 0.25% | 1.00% | 5.00% | 8.75% |
| 2022 | 1.00% | 0.50% | 1.00% ** | 0.25% | 1.00% | 5.00% | 8.75% |
| 2023 | 1.00% | 0.50% | 1.00% ** | 0.25% | 1.00% | 5.00% | 8.75% |

NOTE:

* A 1.00% increase in Sales and Use Tax became effective as of April 1, 2009 to augment the State of California's budget. On May 19, 2009, the voters did not approve the proposed "Budget Stabilization" constitutional amendment and the expiration date of this 1.00% increase was on July 1, 2011.

** On November 6, 2012 the voters of Lathrop approved Measure C. Measure C is an additional 1: sales tax to be used for Public Safety and essential City services

*Source: City of Lathrop, California Finance Department
County of San Joaquin, California, Office of the Auditor-Controller*

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CITY OF LATHROP
Legal Debt Margin Information
Last Ten Fiscal Years

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|----------------------|----------------------|----------------------|-----------------------|
| Gross Assessed Valuation | \$ 1,962,577,631 | \$ 2,162,599,293 | \$ 2,373,117,607 | \$ 2,710,640,553 |
| Debt Margin Ratio (1) | 3.75% | 3.75% | 3.75% | 3.75% |
| Debt Margin (Limit) | \$ 73,596,661 | \$ 81,097,473 | \$ 88,991,910 | \$ 101,649,021 |
| Less: total net debt applicable to limit: General obligation bonds | \$ - | \$ - | \$ - | \$ - |
| Net Legal Debt Margin | <u>\$ 73,596,661</u> | <u>\$ 81,097,473</u> | <u>\$ 88,991,910</u> | <u>\$ 101,649,021</u> |
| Total debt applicable to the the limit as a percentage of debt limit | 0% | 0% | 0% | 0% |

Notes

(1) The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel.) The computation shown above reflects a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state. The limit shown is 3.75% (one-fourth of the previous limit of 15%).

Source: City of Lathrop, California Finance Department and the County of San Joaquin, California, Office of the Controller

CITY OF LATHROP
Legal Debt Margin Information
Last Ten Fiscal Years

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 3,103,337,856 | \$ 3,314,685,968 | \$ 3,843,259,098 | \$ 4,435,798,404 | \$ 5,107,980,342 | \$ 6,112,688,748 |
| 3.75% | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% |
| \$ 116,375,170 | \$ 124,300,724 | \$ 144,122,216 | \$ 166,342,440 | \$ 191,549,263 | \$ 229,225,828 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| <u>\$ 116,375,170</u> | <u>\$ 124,300,724</u> | <u>\$ 144,122,216</u> | <u>\$ 166,342,440</u> | <u>\$ 191,549,263</u> | <u>\$ 229,225,828</u> |
| 0% | 0% | 0% | 0% | 0% | 0% |

**CITY OF LATHROP
Outstanding Debt
Last Ten Fiscal Years**

| Fiscal Year | Governmental Activities | | Business-type Activities | | | |
|--------------------|--------------------------------|--------------------------------------|---------------------------------|--------------|--------------------------------------|--------------------------|
| | Capital Leases (1) | Total Governmental Activities | Water Revenue Bonds | Notes | Certificates of Participation | PNC Bank Loan (2) |
| 2014 | 6,865,382 | 6,865,382 | 12,970,000 | | - | 5,667,004 |
| 2015 | 6,599,319 | 6,599,319 | 12,635,000 | | - | 5,373,806 |
| 2016 | 4,190,000 | 4,190,000 | 12,635,000 | | - | 5,070,256 |
| 2017 | 3,925,000 | 3,925,000 | 11,455,000 | (4) | - | 4,755,863 |
| 2018 | 3,640,000 | 3,640,000 | 10,846,145 | | - | 4,430,488 |
| 2019 | 3,640,000 | 3,640,000 | 10,207,524 | | - | 4,093,638 |
| 2020 | 3,350,000 | 3,350,000 | 9,550,312 | | - | 3,744,895 |
| 2021 | 3,050,000 | 3,050,000 | 8,873,969 | | - | 3,383,839 |
| 2022 | 2,745,000 | 2,745,000 | 8,177,936 | | - | 3,010,037 |
| 2023 | 2,430,000 | 2,430,000 | 7,461,642 | | | 2,623,175 |

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) On July 1, 2005, the City entered into a capital lease agreement for the new City Hall Building.

(2) On May 4, 2012, the City refunded the 2000 Certificates of Participation with the Compass Bank Loan.

(3) These ratios are calculated using personal income and population for the prior calendar year.

(4) On May 2017, the City refunded the Water Revenue Bonds.

Source: City of Lathrop, California Finance Department

**CITY OF LATHROP
Outstanding Debt
Last Ten Fiscal Years**

Business-type Activities

| <u>State Revolving Fund Loan</u> | <u>Capital Leases</u> | <u>Total Business- type Activities</u> | <u>Total Primary Government</u> | <u>Percentage of Personal Income</u> | <u>Debt Per Capita (3)</u> |
|--|---------------------------|--|-------------------------------------|--|--------------------------------|
| 8,956,038 | - | 27,593,042 | 34,458,424 | 105.13% | 1,742 |
| 8,562,968 | - | 26,571,774 | 33,171,094 | 93.63% | 1,500 |
| 8,160,773 | - | 25,866,029 | 30,056,029 | 82.47% | 1,301 |
| 7,749,237 | - | 23,960,100 | 27,885,100 | 69.04% | 1,149 |
| 7,328,146 | - | 22,604,779 | 26,244,779 | 57.43% | 1,081 |
| 6,897,278 | - | 21,198,440 | 24,838,440 | 47.89% | 996 |
| 6,456,406 | - | 19,751,613 | 23,101,613 | 44.54% | 861 |
| 6,005,297 | - | 18,263,105 | 21,313,105 | 37.65% | 748 |
| 5,554,128 | - | 16,742,101 | 19,487,101 | 30.87% | 622 |
| 5,071,412 | | 15,156,229 | 17,586,229 | 21.22% | 501 |

CITY OF LATHROP
Computation of Direct and Overlapping Debt
June 30, 2023

| | |
|--|-------------------------|
| FY 2022/23 City Assessed Valuation | \$ 6,112,688,748 |
| Redevelopment Agency Incremental Valuation | \$ - |
| Adjusted Assessed Valuation | <u>\$ 6,112,688,748</u> |

| Overlapping Tax and Assessment Debt | Total Debt 6/30/23 | Percentage Applicable to City of Lathrop (1) | City's Share of Debt 6/30/2023 |
|---|--------------------------------|---|---|
| San Joaquin Delta Community College District | \$ 175,675,000 | 5.682% | \$ 9,981,854 |
| Manteca Unified School District | 211,129,885 | 22.065% | 46,585,809 |
| Tracy Unified School District | 28,805,000 | 0.001% | 288 |
| Banta School District | 320,000 | 72.673% | 232,554 |
| Manteca Unified School District Community Facility District No. 1989-2 | 17,655,000 | 20.749% | 3,663,236 |
| Manteca Unified School District Community Facility District No. 2005-4 | 4,755,000 | 100.000% | 4,755,000 |
| Banta School District Community Facilities District No. 2011-1 | 3,260,000 | 100.000% | 3,260,000 |
| River Islands Public Financing Authority Community Facilities District No. 2003-1 | 344,155,000 | 100.000% | 344,155,000 |
| River Islands Public Financing Authority Community Facilities District No. 2015-1 | 185,110,000 | 100.000% | 185,110,000 |
| River Islands Public Financing Authority Community Facilities District No. 2016-1 | 48,530,000 | 100.000% | 48,530,000 |
| River Islands Public Financing Authority Community Facilities District No. 2019-1 | 63,205,000 | 100.000% | 63,205,000 |
| River Islands Public Financing Authority Community Facilities District No. 2021-1 | 35,640,000 | 100.000% | 35,640,000 |
| City of Lathrop Community Facilities District No 2003-1 | 3,465,000 | 100.000% | 3,465,000 |
| City of Lathrop Community Facilities District No 2003-2 | 4,715,000 | 100.000% | 4,715,000 |
| City of Lathrop Community Facilities District No 2018-1, I.A.s 1-5 | 45,510,000 | 100.000% | 45,510,000 |
| City of Lathrop 1915 Act Bonds | 21,010,000 | 100.000% | 21,010,000 |
| Reclamation District No. 17 Assessment District | 20,515,719 | 56.199% | 11,529,629 |
| California Statewide Community Development Authority 1915 Act Bonds | 1,867,000 | 100.000% | 1,867,000 |
| Total Overlapping Tax and Assessment Debt | <u>\$ 1,215,322,604</u> | | <u>\$ 833,215,369</u> |

Ratios to FY 2022/23 Assessed Valuation:
Total Overlapping Tax and Assessment Debt **13.63%**

| Direct and Overlapping General Fund Obligation Debt | | | |
|--|------------|----------|------------------------------|
| San Joaquin County Certificates of Participation | 54,940,000 | 6.151% | 3,379,359 |
| Manteca Unified School District General Fund Obligations | 13,979,000 | 22.065% | 3,084,466 |
| City of Lathrop General Fund Obligations | 2,430,000 | 100.000% | 2,430,000 |
| Lathrop-Manteca Rural Fire Protection District Certificates of Participation | 3,410,000 | 78.570% | 2,679,237 |
| Total Direct and Overlapping General Fund Debt | | | <u>\$ 11,573,063</u> |
| Total Direct Debt | | | <u>\$ 2,430,000</u> |
| Total Overlapping Debt | | | <u>\$ 842,358,432</u> |
| Combined Total Debt | | | <u>\$ 844,788,432</u> |

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

| Ratios to Adjusted Assessed Valuation | |
|--|---------------|
| Total Direct Debt | 0.04% |
| Combined Total Debt | 13.82% |

Source: California Municipal Statistics, Inc.

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CITY OF LATHROP
Pledged-Revenue Coverage
Last Ten Fiscal Years

| Fiscal Year | Water Revenue (3) | Less Operating Expenses (4) | Net Available Revenue | 2000 Certificates of Participation/ PNC Bank Loan (1) | | Coverage |
|-------------|-------------------|-----------------------------|-----------------------|---|----------|----------|
| | | | | Principal | Interest | |
| 2014 | 7,884,887 | 3,815,990 | 4,068,897 | 283,199 | 205,801 | 8.32 |
| 2015 | 6,642,758 | 3,484,902 | 3,157,856 | 293,198 | 195,802 | 6.46 |
| 2016 | 6,385,191 | 3,479,010 | 2,906,181 | 303,550 | 185,450 | 5.94 |
| 2017 | 7,834,887 | 4,366,161 | 3,468,726 | 314,393 | 174,733 | 7.09 |
| 2018 | 8,491,689 | 4,969,618 | 3,522,071 | 325,363 | 163,637 | 7.20 |
| 2019 | 9,212,760 | 6,303,489 | 2,909,271 | 336,850 | 152,150 | 5.95 |
| 2020 | 10,949,739 | 5,539,228 | 5,410,511 | 348,743 | 140,257 | 11.06 |
| 2021 | 10,241,182 | 6,216,829 | 4,024,353 | 361,056 | 127,944 | 8.23 |
| 2022 | 10,763,857 | 6,591,591 | 4,172,266 | 373,803 | 115,197 | 8.53 |
| 2023 | 11,085,970 | 8,667,182 | 2,418,788 | 386,862 | 101,900 | 4.95 |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

(1) The 2000 COP's were refunded by the PNC Bank Loan on May 4, 2012.

The Required Debt coverage ratio for the PNC Bank Loan is 1.10%.

(2) The Required Debt coverage ratio for 2003 COP's/ Pacific Premier Bank Loan & SRF Loan is 1.00%.

(3) Gross revenues include interest earnings and connection fees.

(4) Operating expenses from Statement of Revenues, Expenses and Changes.

(5) Source: Debt Service Schedule. The Water Revenue Certificates of Deposit Series 1993A were funded on May 24, 2000. On May 24, 2000 the City issued the Installment Purchase Certificates of Participation, 2000 Series A. On July 16, 2003 the City issued Revenue Bonds (Water Supply Project), Series 2003. On May 4, 2012 the Compass Bank Loan refunded the 2000 COPs (Compass Bank Loan Cash Flow and Yield Verification Report)

(6) Expenses include 2000 Certificates of Participation Debt Service Requirements.

(7) Debt Service Requirements of 2003 Certificates of Participation & SRF Loan is net of capitalized interest.

*Fund: 5620-50-50-480-01-00

*Fund: 5650-50-50-480-01-00

Source: City of Lathrop, California Finance Department

CITY OF LATHROP
Pledged-Revenue Coverage
Last Ten Fiscal Years

2003 COP's/ Pacific Premier Bank Loan & SRF Loan (2)

Debt Service

| Net Available Revenue (5) | Principal | Interest | Coverage |
|--------------------------------------|------------------|-----------------|-----------------|
| 3,579,897 | 680,000 | 1,681,102 | 1.52 |
| 2,668,856 | 728,070 | 954,719 | 1.59 |
| 2,417,181 | 402,196 | 945,592 | 1.79 |
| 2,979,600 | 411,536 | 936,254 | 2.21 |
| 3,033,071 | 421,091 | 926,699 | 2.25 |
| 2,420,271 | 1,069,489 | 475,545 | 1.57 |
| 4,921,511 | 1,093,053 | 451,981 | 3.19 |
| 3,535,353 | 1,122,305 | 422,729 | 2.29 |
| 3,683,266 | 1,152,348 | 392,686 | 2.38 |
| 1,930,026 | 1,193,631 | 361,403 | 1.24 |

CITY OF LATHROP
Demographic and Economic Statistics
Last Ten Calendar Years

| Calendar Year | Population (1) | Personal Income (in thousands) (2) | Per Capita Personal Income (2) | Unemployment Rate (2) |
|----------------------|-----------------------|---|---------------------------------------|------------------------------|
| 2013 | 19,831 | 330,960 | 16,689 | 9.4% |
| 2014 | 19,786 | 327,775 | 16,566 | 10.3% |
| 2015 | 22,112 | 354,280 | 16,022 | 8.5% |
| 2016 | 23,110 | 364,434 | 15,769 | 7.8% |
| 2017 | 24,268 | 403,896 | 16,643 | 6.3% |
| 2018 | 24,936 | 457,006 | 18,327 | 5.2% |
| 2019 | 26,833 | 518,675 | 19,329 | 4.3% |
| 2020 | 28,503 | 566,062 | 19,859 | 9.6% |
| 2021 | 31,331 | 631,164 | 20,145 | 8.4% |
| 2022 | 35,080 | 828,800 | 23,625 | 5.1% |

Sources: (1) California State Department of Finance
(2) 2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey

CITY OF LATHROP
Principal Employers
Current Year and Nine Years Ago

| Employer | 2023 | | 2014 | |
|-----------------------------------|----------------------------|------------------------------------|----------------------------|------------------------------------|
| | Number of Employees | Percent of Total Employment | Number of Employees | Percent of Total Employment |
| Tesla | 3600 | 26.38% | 0 | 0.00% |
| United Parcel Service (UPS) | 1500 | 10.99% | 30 | 0.45% |
| Pflug Packaging | 450 | 3.30% | 275 | 4.13% |
| Army Air Force Exchange Services | 400 | 2.93% | 0 | 0.00% |
| Wayfair | 400 | 2.93% | 0 | 0.00% |
| Super Store Industries (SSI) | 390 | 2.86% | 401 | 6.02% |
| Simwon America | 388 | 2.84% | 0 | 0.00% |
| California Natural Products (CNP) | 384 | 2.81% | 250 | 3.75% |
| MUSD (Lathrop Schools) | 352 | 2.58% | 235 | 3.53% |
| In-N-Out Burger | 300 | 2.20% | 50 | 0.75% |
| BUSD (R.I. Academies) | 261 | 1.91% | 38 | 0.57% |
| CBC Steel Buildings | 220 | 1.61% | 100 | 1.50% |
| Ashley Furniture | 190 | 1.39% | 0 | 0.00% |
| Target | 172 | 1.26% | 156 | 2.34% |
| Diamond Pet Foods | 163 | 1.19% | 100 | 1.50% |
| City of Lathrop | 158 | 1.16% | 118 | 1.77% |

"Total Employment" as used above represents the Estimated total employment of all employers located within City limits.

*Source: California Labor Market Information, California EDD Website (www.ca.gov)
City of Lathrop Community Development Department*

CITY OF LATHROP
Full-Time and Part-Time City Employees by Function
Last Ten Fiscal Years

| Function | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| General Government | 23.40 | 23.60 | 24.60 | 23.60 | 23.60 |
| Public Safety (1) | 32.00 | 36.98 | 36.98 | 37.98 | 35.98 |
| Public Works | 21.83 | 22.83 | 29.50 | 30.80 | 33.80 |
| Community Development | 8.34 | 6.67 | 4.00 | 3.10 | 4.10 |
| Culture & Leisure | 18.41 | 20.76 | 21.00 | 20.56 | 21.01 |
| Total Positions | <u>103.98</u> | <u>110.84</u> | <u>116.08</u> | <u>116.04</u> | <u>118.49</u> |

(1) In June of 2022 the City launched its own police department. San Joaquin County Sheriff provided police protection prior to June 2022

Fire Service is provided by Lathrop Manteca Fire District.

Source: City of Lathrop, California Annual Adopted Budgets.

CITY OF LATHROP
Full-Time and Part-Time City Employees by Function
Last Ten Fiscal Years

| 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------|---------------|---------------|---------------|---------------|
| 24.60 | 26.60 | 28.63 | 30.63 | 35.25 |
| 36.98 | 36.98 | 36.98 | 53.68 | 57.00 |
| 40.47 | 40.47 | 42.47 | 45.47 | 44.65 |
| 4.43 | 4.43 | 4.40 | 5.40 | 4.10 |
| 21.01 | 21.01 | 28.60 | 30.60 | 36.45 |
| <u>127.49</u> | <u>129.49</u> | <u>141.08</u> | <u>165.78</u> | <u>177.45</u> |

CITY OF LATHROP
Operating Indicators by Function
Last Ten Fiscal Years

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police: | | | | | | | | | |
| Arrests | 489 | 708 | 572 | 705 | 550 | 558 | 554 | 624 | * |
| Parking Citations Issued | 380 | 444 | 696 | 1,385 | 1,084 | 1,389 | 1,237 | 1,489 | * |
| Code Enforcement | | | | | | | | | |
| Housing Cases | 20 | 35 | 29 | 28 | 54 | 74 | 64 | 55 | 62 |
| Public Nuisance Cases | 61 | 206 | 287 | 345 | 204 | 126 | 165 | 210 | 176 |
| Vehicle Cases | 12 | 11 | 67 | 193 | 140 | 118 | 129 | 145 | 133 |
| Weed Abatement Cases | 5 | - | 2 | 108 | 122 | 126 | 124 | 120 | 123 |
| Building Permits | | | | | | | | | |
| Single Family Dwellings | 130 | 350 | 220 | 291 | 392 | 381 | 649 | 879 | 924 |
| Parks and recreation: | | | | | | | | | |
| Number of recreation classes | 202 | 34 | 56 | 67 | 116 | 126 | 95 | 72 | 176 |
| Number of facility rentals | 1,870 | 542 | 450 | 390 | 1,598 | 1,388 | 1,041 | 617 | 206 |
| Water: | | | | | | | | | |
| New connections | 190 | 266 | 179 | 163 | 392 | 381 | 649 | 879 | 924 |
| Average daily consumption (thousands of gallons) | 3,550 | 3,508 | 3,052 | 3,274 | 4,200 | 4,128 | 4,128 | 4,742 | 4,812 |
| Sewer: | | | | | | | | | |
| New connections | 190 | 266 | 179 | 163 | 392 | 381 | 649 | 879 | 924 |

* Transition to City of Lathrop, Police Department

Source: City of Lathrop, California departmental sources.

CITY OF LATHROP
Capital Assets Statistics by Function
Last Ten Fiscal Years

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police: | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire: | | | | | | | | |
| Fire Stations (1) | - | - | - | - | - | - | - | - |
| Public works: | | | | | | | | |
| Streets (miles) | 82.80 | 84.20 | 84.20 | 84.20 | 92.90 | 92.90 | 97.90 | 109.70 |
| Streetlights | 1,433 | 1,448 | 1,472 | 1,472 | 1,835 | 1,835 | 1,835 | 2,135 |
| Parks and recreation: | | | | | | | | |
| Parks (2) | 16 | 16 | 16 | 16 | 18 | 20 | 22 | 25 |
| Community centers | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Senior centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water: | | | | | | | | |
| Water mains (miles) | 99.60 | 101.80 | 101.80 | 101.80 | 101.80 | 142.00 | 147.00 | 159.00 |
| Maximum daily capacity (thousands of gallons) | 15,250 | 15,250 | 15,250 | 15,250 | 15,250 | 16,500 | 16,500 | 16,500 |
| Wastewater: | | | | | | | | |
| Sanitary sewer (miles) | 62.03 | 71.00 | 71.00 | 71.00 | 71.00 | 91.80 | 96.80 | 108.80 |
| Miles of Reclaimed Water Lines | 21.40 | 21.80 | 21.80 | 21.80 | 21.80 | 21.80 | 25.80 | 27.80 |
| Maximum daily treatment capaci (thousands of gallons) | 2,416 | 2,200 | 2,200 | 1,450 | 1,450 | 3,140 | 3,140 | 3,140 |

NOTE:

- (1) The City of Lathrop's fire protection is provided by the Lathrop-Manteca Fire District.
- (2) Source: City of Lathrop, Parks and Recreation Guide

Source: City of Lathrop, California departmental sources.

CITY OF LATHROP
Water Sold by Type of Customer
Last Ten Fiscal Years
(in thousands of gallons)

| Type of Customer: | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Residential | 690,963 | 671,095 | 628,208 | 625,187 | 745,359 | 738,530 | 794,181 | 907,150 | 939,163 | 950,154 |
| Industrial | 291,935 | 343,231 | 283,410 | 278,985 | 395,110 | 415,471 | 406,181 | 435,637 | 433,258 | 530,793 |
| Commercial | 116,496 | 91,599 | 71,396 | 101,549 | 139,290 | 135,130 | 145,195 | 152,476 | 157,053 | 150,318 |
| Governmental | 157,119 | 172,972 | 177,791 | 139,511 | 149,952 | 126,761 | 144,421 | 199,298 | 187,615 | 154,425 |
| Construction | 39,058 | 1,615 | - | 49,923 | 103,309 | 91,038 | 85,601 | 36,154 | 39,357 | 17,122 |
| Total | 1,295,571 | 1,280,512 | 1,160,805 | 1,195,155 | 1,533,020 | 1,506,930 | 1,575,579 | 1,730,715 | 1,756,446 | 1,802,812 |
| Total direct rate per 1,000 gallons | \$ 2.63 | \$ 2.63 | \$ 3.04 | \$ 3.49 | \$ 3.99 | \$ 3.99 | \$ 3.99 | \$ 3.99 | \$ 3.99 | \$ 3.99 |

Source: City of Lathrop, California Public Works Department

**CITY OF LATHROP
Water Rates
Last Ten Fiscal Years**

| Fiscal Year | Monthly Base Rate | Rate per 1,000 Gallons | CSCDA Loan (1) | SCSWSP Facility Charge (2) |
|--------------------|------------------------------|-----------------------------------|---------------------------|---|
| 2014 | 11.50 | 2.63 | - | 9.10 |
| 2015 | 11.50 | 2.63 | - | 9.10 |
| 2016 | 12.80 | 3.04 | - | 9.10 |
| 2017 | 14.40 | 3.49 | - | 9.10 |
| 2018 | 16.30 | 3.99 | - | 9.10 |
| 2019 | 16.30 | 3.99 | - | 9.10 |
| 2020 | 16.30 | 3.99 | - | 9.10 |
| 2021 | 16.30 | 3.99 | - | 9.10 |
| 2022 | 16.30 | 3.99 | - | 9.10 |
| 2023 | 16.30 | 3.99 | - | 9.10 |

NOTE:

Rates are based on 5/8" meter, which is the standard household meter size.

- (1) State of California Loan under the Safe Drinking Water Bond Law of 1976 was paid off on March 1, 2001.
- (2) On July 16, 2003, The City of Lathrop issued \$32,530,000 in Revenue Bonds to finance the acquisition and construction of water system improvements and related facilities, including water treatment facilities and distribution pipelines and to pay cost of issuance. The bonds have an ascending interest rate ranging from 3% to 6% and a final maturity date of June 1, 2035.

Source: City of Lathrop, California Finance Department

CITY OF LATHROP
Ten Largest Water Customers
Current Year and Nine Years Ago

| Water Customer | 2023 | | 2014 | |
|--|----------------------|--|----------------------|---------------------------------------|
| | Water Charges | Percent of Total Water Revenues | Water Charges | Percent of Total Water Revenue |
| California Natural Products | \$ 933,634 | 8.80% | \$ 562,213 | 10.75% |
| City of Lathrop | 595,124 | 5.61% | 325,850 | 6.23% |
| Manteca Unified School District | 235,136 | 3.63% | 172,953 | 3.31% |
| Super Store Industries | 139,814 | 1.32% | 104,619 | 2.00% |
| River Islands Public Finance Authority | 65,307 | 0.62% | 30,269 | 0.58% |
| Tesla Motors Inc | 64,259 | 0.61% | - | 0.00% |
| Pulte Group, INC | 55,290 | 0.52% | - | 0.00% |
| Sansome Skyline Lathrop, LP | 52,145 | 0.49% | - | 0.00% |
| Swiss American Sausage | 50,766 | 0.48% | 41,742 | 0.80% |
| IN-N-OUT Burger #804 | 50,326 | 0.47% | - | 0.00% |

Source: City of Lathrop, California Finance Department

CITY OF LATHROP
Top 25 Sales Tax Producers
Current Year and Nine Years Ago

| 2023 | | 2014 | |
|---|----------------------------|---|------------------------------|
| Business Name | Business Category | Business Name | Business Category |
| Percent of Fiscal Year Total Paid By Top 25 Accounts = 84.40% | | Percent of Fiscal Year Total Paid By Top 25 Accounts = 85.77% | |
| Arco AM PM | Service Stations | Antonini Brothers | Service Stations |
| Ashley Furniture Dist Center | Fulfillment Centers | Carpenter Co | Textiles/Furnishings |
| Boral Roofing | Contractors | CBC Steel Buildings | Heavy Industrial |
| CBC Steel Buildings | Contractors | Creative Touch Interiors | Home Furnishings |
| Chevron | Service Stations | Dragon Products | Heavy Industrial |
| Chevron Power Market | Service Stations | Eagles Nest Harley Davidson | Boats/Motorcycles |
| City Food & Liquor | Convenience Stores/Liquor | Fast Lane Food/Gas Mart | Service Stations |
| Eagles Nest Harley Davidson | Boats/Motorcycles | Fleetpride West | Trailers/Auto Parts |
| Fast Lane | Service Stations | Joel Travel Plaza | Service Stations |
| Flying J Travel Plaza | Service Stations | JR Simplot Company | Food Service Equip./Supplies |
| In N Out Burger | Quick-Service Restaurants | Kabaritis AM PM | Service Stations |
| Joel Travel Plaza | Service Stations | Lathrop Gas & Food | Service Stations |
| Pape Kenworth | New Motor Vehicle Dealers | Lathrop Shell | Service Stations |
| Raymond Handling Concepts | Warehse/Farm/Const. Equip. | McDonalds | Quick Service Restaurants |
| Shell | Service Stations | Medcal Sales | Medical/Biotech |
| Target | Discount Dept Stores | Nationwide Fleet Powersports | Boats/Motorcycles |
| Tec Equipment | Trailers/Auto Parts | Owens & Minor Distribution | Medical/Biotech |
| Tesla Motors | Trailers/Auto Parts | Save Mart | Grocery Stores Liquor |
| Top Gun Drywall Supply | Building Materials | Target | Discount Dept Stores |
| Totten Tubes | Heavy Industrial | Top Gun Drywall Supply | Lumber/Building Materials |
| Tri West | Building Materials | Tower Mart | Service Stations |
| Tuff Boy Sales | Trailers/RVs | USAMotors. Com | Used Automotive Dealers |
| Two Guys Food & Fuel Inc | Service Stations | Utility Trailer Sales | Trailers/RVs |
| Utility Trailer Sales | Trailers/RVs | Valero | Service Stations |
| Wayfair | Fulfillment Centers | Walgreens | Drug Stores |

* Firms Listed Alphabetically

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office.