

City of Lathrop California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020



Lathrop – Past, Present, Future



City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

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CITY OF
LATHROP, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020

Prepared
By
The Finance Department

Cari James
Director of Finance

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For the Year Ended June 30, 2020

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City of Lathrop

Department of Finance
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March 9, 2021

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

The Comprehensive Annual Financial Report of the City of Lathrop for the fiscal year (FY) ended June 30, 2020 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 Comprehensive Annual 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 Comprehensive Annual 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, Maze 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, 2020, 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 Maze & 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, Maze & 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, 2020, the City had an estimated population of 26,833.

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 (provided under contract by the San Joaquin County Sheriff's Department), water and sewer utilities, street maintenance, public transportation, 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 2019/20 with building permits continuing to increase year over year. 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. The continued COVID-19 pandemic uncertainty in the near future also adds another layer of complexity to the General Fund's finances.

In fiscal year 2020, the City of Lathrop economy began the year experiencing a modest improvement similar to the rest of the State – as did many other cities. This improvement halted as the local economy began to suffer from the effects of the COVID-19 pandemic and related shelter in place orders that either limited or prohibited operations of many businesses in the community. Although the impacts can be seen in the year over year revenue collection, the City still met its budget projections. The ability to budget conservatively has paid dividends with the uncertainty that has come with the COVID-19 pandemic.

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. Each year, during the 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 annual budget. In addition, the City faces increasing expenses in several areas of operations, including the relocation of its 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.

COVID-19 will have a lasting impact over the course of several years, possibly beyond the scale of the Great Recession. The significant revenue impacts to sales tax and TOT will likely continue through FY 2020/21 with gradual recovery, and full recovery back to FY 2018/19 revenue levels not anticipated until FY 2024/25. 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, low interest rates and a short supply of homes available for sale has kept the local real estate market strong and robust. Vulnerable to an economic downturn are sales tax, TOT and development-related revenues. Over time, these revenue sources will continue to cause significant year-to-year variances and create challenges for long-term revenue forecasting.

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 2019/20, 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 funded 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 comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. The CAFR 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 CAFR. 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 23rd 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 Comprehensive Annual 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 Comprehensive Annual 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

City of Lathrop Organizational Chart FY 2019-20

CITIZENS OF LATHROP



Jennifer Torres-O'Callaghan
Councilmember



Martha Salcedo
Vice Mayor



Sonny Dhaliwal
Mayor



Paul Akinjo
Councilmember



Diane Lazard
Councilmember



Commissions

City Manager

City Attorney

City Clerk

Administrative Services

Finance

City Engineer

Public Works

Community Development

Parks & Recreation

Police Services

CITY COUNCIL

Sonny Dhaliwal, Mayor
Martha Salcedo, Vice Mayor
Paul Akinjo, Council Member
Diane Lazard, Council Member
Jennifer Torres-O'Callaghan, Council Member

ADVISORY BODIES

Lathrop/Manteca Fire District
Measure C Oversight Committee
Parks and Recreation Commission
Planning Commission
Senior Advisory Commission
Youth Advisory Commission

APPOINTED OFFICIALS AND DEPARTMENT/DIVISION HEADS

City Manager/Treasurer	Stephen J. Salvatore
City Attorney	Salvador Navarrete
City Engineer	Glenn Gebhardt
City Clerk	Teresa Vargas
Director of Finance	Cari James
Director of Administrative Services	Cari James
Parks and Recreation Director	Zach Jones
Chief of Police	Ryan Biedermann
Director of Public Works	Michael King
Director of Community Development	Mark Meissner



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lathrop
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lathrop, California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above 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, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Pleasant Hill, California
March 9, 2021



City of Lathrop

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March 9, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Lathrop, we offer readers of the City of Lathrop's (City) financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. Please read the information presented in conjunction with additional information that we have furnished in our letter of transmittal, beginning on page v, and the financial statements and disclosure notes beginning on page 37.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$514.7 million (net position). Of this amount, \$130.3 million (unrestricted net position) may be used to meet the City's ongoing obligations to residents and creditors.
- During the fiscal year, the City's governmental activities revenues exceeded expenses by \$40.3 million due in large part to \$43.3 million in capital grants and developer contributions.
- The total revenue from all sources decreased \$11.7 million from the prior year due to the impacts associated with the coronavirus restrictions at the State and Federal level.
- The General Fund reported excess revenues over expenditures (including transfers) of \$3.7 million, thereby increasing the fund balance.
- Sales and use tax collections decreased by \$1.5 million, a 12.5 percent decrease from the prior year.
- At June 30, 2020, the City's governmental funds reported combined ending fund balances of \$107.9 million, an increase of \$16.9 million in comparison with June 30, 2019. Of this \$107.9 million total amount, \$4.3 million or 3.9 percent is unassigned fund balance.
- At June 30, 2020, the unassigned fund balance for the General Fund was \$4.3 million, compared to last year's unassigned actual fund balance of \$31.1 million. The decrease is due to \$29.7 million in committed funds being represented in the FY 2020 CAFR.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the financial statements of the City. This comprehensive annual financial report is comprised of five parts: (1) this management's discussion and analysis (Pages 3 – 15), (2) the basic financial statements and notes to the financial statements (Pages 19 - 68), (3) statements of revenue, expenditures and changes in fund balance-budget to actual of major governmental funds (Pages 76 - 82), and postemployment benefits other than pensions trend information (Note 9, Pages 62 – 66), (4) other combining statements for non-major governmental funds and agency funds (Pages 102 - 129) and (5) the statistical section (Pages 142 - 173).

The basic financial statements 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 City's government-wide basic financial statements are described below with information in the accompanying text:

- **Statement of Net Position** – a statement that combines the financial position as of June 30, 2020 for all activities on a government-wide basis.
- **Statement of Activities** – a statement that combines the changes in financial position for the fiscal year ended June 30, 2020 on a government-wide basis.

Fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

- **Statements for Governmental Funds** – these present the major governmental funds such as the general fund, developers projects special revenue fund, capital facilities fee special revenue fund, building and safety special revenue fund, development engineering special revenue fund, and all other governmental funds.
- **Statements for Business-type Funds** – these present proprietary funds, such as the City's water and sewer utility enterprise funds.

The fund financial statements are described below with information in the accompanying text:

- **Governmental funds** statements tell how general government services, such as police and public works, were financed in the short-term, as well as what remains for future spending.
- **Proprietary funds** statements offer short and long-term financial information about the activities the City operates like businesses, such as the water and sewer utilities.
- **Fiduciary funds** statements are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances using accounting methods similar to a private-sector business.

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

The **statement of activities** presents information showing how the government's net position 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 only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused compensated absences).

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, community development, public safety, public works, culture and leisure, and debt service. The business-type activities of the City include the City's water and sewer utility enterprise functions.

The government-wide financial statements include the operations of the City itself and the blended component unit of the Lathrop Public Facilities Financing Corporation. There are no discrete component units. The government-wide financial statements can be found on Pages 19 – 21 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives, or as required by legal enabling legislation. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund 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 a government's near-term financing requirements.

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 fund balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

The City maintained 42 individual governmental funds in 2020. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in funds balances for the general fund, developers projects special revenue fund, capital facilities fee special revenue fund, building and safety special revenue fund, development engineering special revenue fund, all of which are designated as major funds. Data from the remaining 37 non-major governmental funds are shown as other supplementary information.

The City adopts an annual appropriated budget for all of its funds. A budgetary comparison compliance schedule is provided for each of the major funds and a like schedule is provided for the non-major governmental funds shown as other supplementary information.

The governmental fund financial statements are found on Pages 24 - 30 of this report.

Proprietary funds. Proprietary funds provide the same type of information as the government-wide business-type activity financial statements, only in more detail, and are used to account for services for which customer fees are intended to finance the costs of operations. There are two types of proprietary funds – internal service funds and enterprise funds. Internal service funds account for services rendered between City departments. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City has one internal service fund in its fund structure, which is used to quantify compensated absences activities between departments. The City uses enterprise funds to account for its water and sewer utility functions. These two major funds' financial statements are shown individually in the front of this report.

The basic proprietary fund financial statements can be found on Pages 32 – 34 of this report.

Fiduciary funds. Fiduciary or agency funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has 12 fiduciary funds. The fiduciary fund financial statements can be found on Page 36 of this report.

Notes to the financial statements

The notes provide additional information that are essential to a full understanding of the data provided in the government-wide, governmental, proprietary, and fiduciary fund financial statements. The notes to the financial statements are found on Pages 37 - 68 of this report.

Required and other information

Additional information is included that provides both more detail, and complements the financial data provided in the previous financial statements. The combining statements, referred to earlier in connection with non-major governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements on the City's 37 non-major governmental funds and 12 fiduciary funds are not a required part of the basic financial statements and are presented as other supplementary information. Original and final adopted budgets compared to actual financial information for each fund is included in this section. Combining and individual fund statements and schedules can be found on Pages 86 - 138 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position since it represents the difference between the City's resources and its obligations. In the case of the City, assets exceeded liabilities by \$514 million at the close of Fiscal Year 2019/20.

Compared to the previous year, the City's total net position increased by 13.7 percent. This increase is primarily due to developer contributions of capital assets that took place in Fiscal Year 2019/20.

By far the largest portion of this year's net position reflects the City's investment in capital assets of \$366 million (e.g., utility system construction, utility plant improvements, water rights acquisition, land acquisition, building improvements, equipment, vehicles, roads and streets) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Additional capital asset information can be found in the Capital Asset and Debt Administration section of this report.

A portion of the City's total net position represent resources that are subject to external and internal restrictions (Municipal Code and/or State mandates and reserves required by debt obligation covenants) on how they may be used. Restricted net position amount to \$17 million or 3.4 percent of total net position. The remaining balance of \$130 million (25.3 percent of total net position) is unrestricted and may be used to meet the City's ongoing obligations to residents and creditors.

The table below shows the government-wide assets, liabilities, deferred outflows/ inflows of resources and net position for both fiscal years ended June 30, 2019 and 2020.

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

	Governmental		Business-Type		Total Primary		Total Percent Change
	Activities		Activities		Government		
	2019	2020	2019	2020	2019	2020	
Assets:							
Capital assets	\$ 183,141	\$ 209,561	\$ 171,651	\$ 180,233	\$ 354,792	\$ 389,794	9.87%
Other assets	107,872	125,064	39,341	49,248	147,213	174,312	18.41%
Total Assets	291,013	334,625	210,992	229,481	502,005	564,106	12.37%
Deferred Outflows							
Deferred Outflows Related to Pension	2,211	6,564	205	212	2,416	6,776	180.46%
Liabilities:							
Current liabilities	16,042	15,726	3,991	3,717	20,033	19,443	-2.95%
Long-term liabilities	10,514	11,244	20,324	20,408	30,838	31,652	2.64%
Total Liabilities	26,556	26,970	24,315	24,125	50,871	51,095	0.44%
Deferred Inflows							
Deferred Inflows Related to Pension	968	989	67	62	1,035	1,051	1.55%
Net Position:							
Net Investment in Capital Assets	179,501	206,211	150,453	160,481	329,954	366,692	11.13%
Restricted	13,553	16,013	1,652	1,652	15,205	17,665	16.18%
Unrestricted	72,646	87,006	34,710	43,373	107,356	130,379	21.45%
Total Net Position	\$ 265,700	\$ 309,230	\$ 186,815	\$ 205,506	\$ 452,515	\$ 514,736	13.75%

At the end of the fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. Combined net position of the primary government increased by 13.75 percent this year, from \$452.5 million at June 30, 2019 to \$514.7 million at June 30, 2020.

Although the net position of the City's business-type activities are \$205.5 million, the City generally can only use net position to finance the continuing operations of the business-type activities.

Changes in net position

The City's total program expenses of \$54.5 million are less than the total revenues of \$116.8 million for an increase in net position as of June 30, 2020 of \$62.3 million. The table on the next page shows the summarized revenues and expenses for both fiscal years 2018/19 and 2019/20.

The City's fiscal year 2019/20 change in net position was 19.2 percent lower than fiscal year 2018/19, due to a decrease of 9.1 percent in total revenues and an increase of 6 percent in total expenditures in fiscal year 2019/20. The expenditure increase is largely found in the governmental activities, which is a result of capital projects in the area.

Governmental program activities and general revenues of \$80.4 million and transfers in of \$3.2 million, supported expenses of \$40.1 million, for a total net increase in net position in tax-supported activities of \$43 million. The reason for the increase in the governmental net position is due to an increase in one-time capital contributions from development activity.

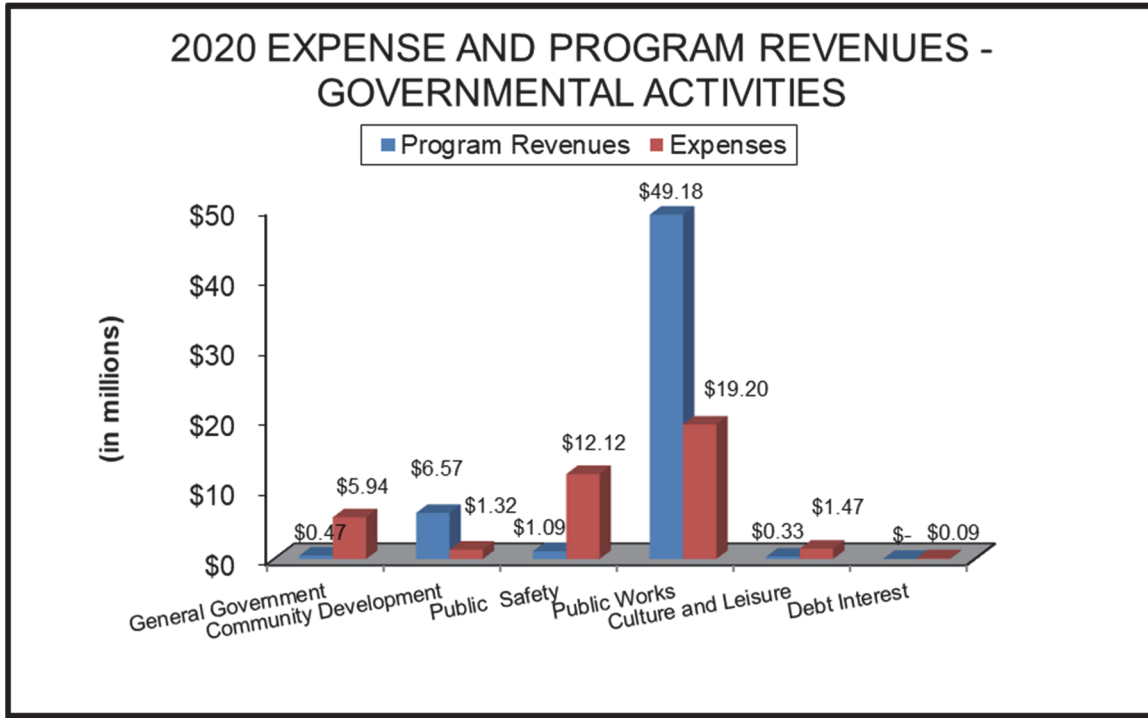
Business-type activities revenues of \$36.3 million supported expenses of \$14.4 million and transfers out of \$3.2 million, for a total change in net position in utility enterprise activities of \$18.7 million. The reason for the increase in the business-type net position is due to the continued growth of the City's customer base paired with developer contributions of capital assets. The increase of net position of \$18.7 million is available for future water and sewer improvement needs as required by projected City population increases and development needs.

**City of Lathrop Changes in Net Position
For the Fiscal Years Ended June 30
(in Thousands)**

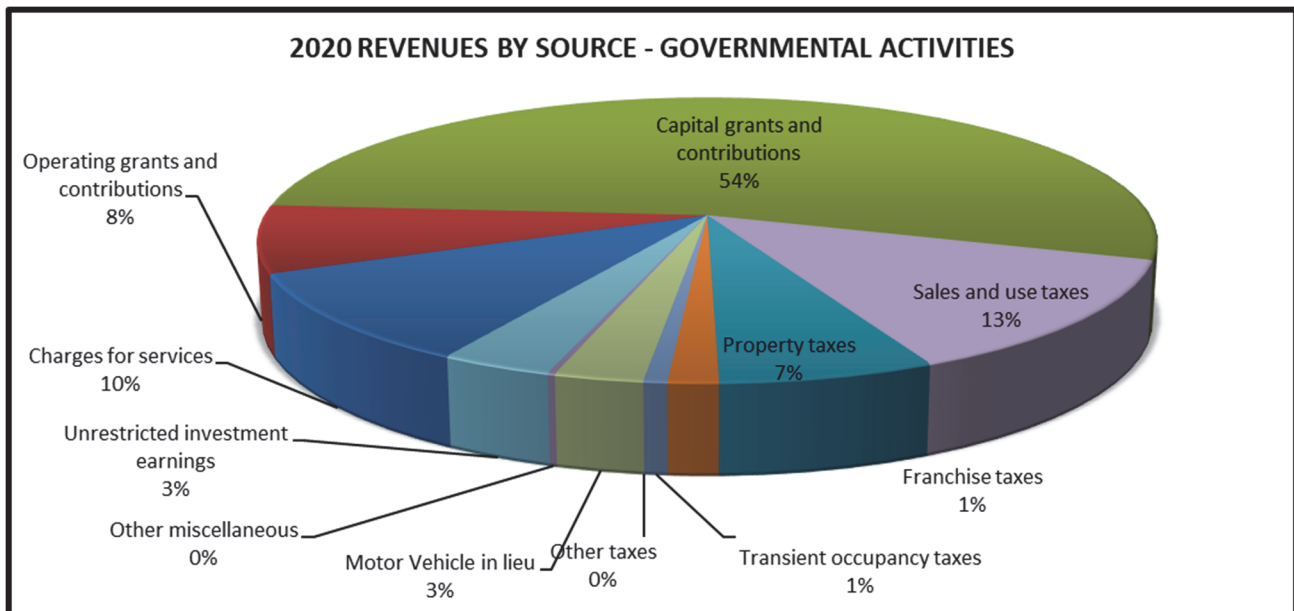
	Governmental		Business-Type		Total Primary		Total Percent Change
	Activities		Activities		Government		
	2019	2020	2019	2020	2019	2020	
Revenues:							
<i>Program revenues:</i>							
Charges for services	\$ 7,400	\$ 8,236	\$ 16,977	\$ 18,986	\$ 24,377	\$ 27,222	11.67%
Operating grants and contributions	5,674	6,106	-	-	5,674	6,106	7.61%
Capital grants and contributions	40,921	43,292	32,556	11,692	73,477	54,984	-25.17%
<i>General revenues:</i>							
Sales and use taxes	12,002	10,502	-	-	12,002	10,502	-12.50%
Property taxes	4,710	5,334	-	-	4,710	5,334	13.25%
Franchise taxes	1,204	1,241	1,599	4,910	2,803	6,151	119.44%
Transient occupancy taxes	667	583	-	-	667	583	-12.59%
Other taxes	-	-	-	-	-	-	
Motor Vehicle in lieu	1,898	2,194	-	-	1,898	2,194	15.60%
Other miscellaneous	149	184	-	-	149	184	23.49%
Unrestricted investment earnings	1,997	2,786	782	741	2,779	3,527	26.92%
Total Revenues	76,622	80,458	51,914	36,329	128,536	116,787	-9.14%
Expenses:							
<i>Governmental activities:</i>							
General government	5,307	5,944	-	-	5,307	5,944	12.00%
Community development	978	1,318	-	-	978	1,318	34.76%
Public safety	11,285	12,121	-	-	11,285	12,121	7.41%
Public works	16,835	19,196	-	-	16,835	19,196	14.02%
Culture and leisure	1,442	1,468	-	-	1,442	1,468	1.80%
Interest on long-term debt	46	89	-	-	46	89	93.48%
<i>Business-type activities:</i>							
Water enterprise	-	-	6,303	6,906	6,303	6,906	9.57%
Sewer enterprise	-	-	9,207	7,477	9,207	7,477	-18.79%
Total expenses	35,893	40,136	15,510	14,383	51,403	54,519	6.06%
Excess before transfers	40,729	40,322	36,404	21,946	77,133	62,268	-19.27%
Transfers	2,439	3,255	(2,439)	(3,255)	-	-	
Change in Net Position	43,168	43,577	33,965	18,691	77,133	62,268	-19.27%
Net Position - Beginning	222,532	265,700	152,850	186,815	375,382	452,515	20.55%
Prior Period Adjustment	-	(47)	-	-	-	(47)	-
Net Position, Beginning, Restated	222,532	265,653	152,850	186,815	375,382	452,468	20.54%
Net Position - Ending	\$ 265,700	\$ 309,230	\$ 186,815	\$ 205,506	\$ 452,515	\$ 514,736	13.75%

Governmental Activities

Following are illustrative summaries of governmental activities separating program revenues and expenses. The difference between the program revenue and expense bars by activity illustrates the amount the respective activity is supported by general revenues (e.g. taxes or investment earnings).



Normally, governmental funds' expenditures match or exceed program revenues. Under full accrual accounting, developer contributions are program revenues, yet their contributed assets are not shown as a corresponding expense on the City's financial statements. Program revenues for public works excluding infrastructure contributions resulted in expenditures in excess of revenues. General government services and public safety delivery costs exceeded program revenues by \$5.4 million and \$11.0 million, respectively.



Revenues and expenditures in the governmental funds continue to increase as the population of Lathrop has grown. Property tax revenue is a major revenue source for the General Fund. During fiscal year 2019/20, property tax revenues increased by \$624 thousand.

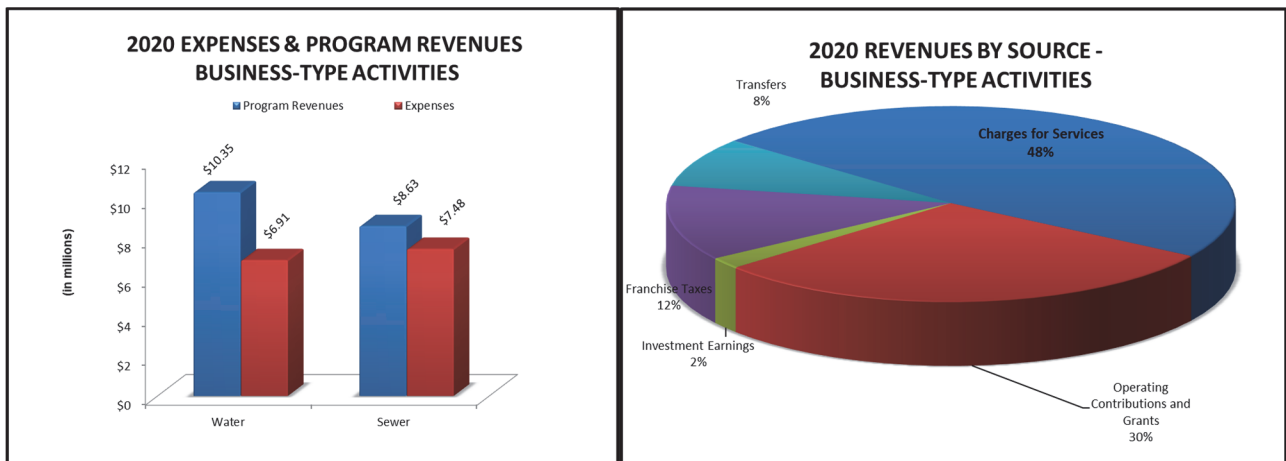
The following table shows the cost of the City’s major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City’s taxpayers by each of the programs. The cost of all governmental activities this year was \$40.1 million. The net cost of all services indicates that the overall cost of government is less than revenue generated to support it. However, the higher revenue reflected in FY2019/20 is due to the contributions from developer built capital improvement projects.

**City of Lathrop Net Cost of Governmental Activities
For the Fiscal Years Ended June 30
(in Thousands)**

	Total Cost of Services			Net (Expense) Revenue of Services		
	2019	2020	Percent Change	2019	2020	Percent Change
General government	\$ 5,307	\$ 5,944	12.00%	\$ (4,776)	\$ (5,476)	14.66%
Community development	978	1,318	34.76%	2,903	5,254	80.99%
Public safety	11,285	12,121	7.41%	(8,591)	(11,031)	28.40%
Public works	16,835	19,196	14.02%	29,712	29,981	0.91%
Culture and leisure	1,442	1,468	1.80%	(1,100)	(1,142)	3.82%
Other	46	89	93.48%	(46)	(89)	93.48%
Total	\$ 35,893	\$ 40,136	11.82%	\$ 18,102	\$ 17,497	-3.34%

Business-type Activities

Business-type activities increased the City’s net position by \$18.7 million. The bar chart below illustrates how total program revenues and expenses compare and includes both current operating and capital categories combined. The pie chart shows the distribution of business-type revenues by category.



Water Fund

The Water Utility Enterprise treats and distributes clean drinking water to Lathrop’s residential and commercial customers and performs repair and maintenance functions of existing water lines, as well as builds additional water distribution systems through its capital improvement master plan.

The bar chart above illustrates program revenues exceeding program expenses by \$3.4 million. In the Water Utility Enterprise Fund, a monthly service availability fee and usage rate is charged to residential and commercial customers to meet the Water Fund's operating expenses. Under full accrual accounting, developer contributions are program revenues, yet contributed assets are not shown as a corresponding expense. Program revenues excluding developer contributions and bond proceeds were \$10.3 million. This shows operating revenues exceeding operating expenses by \$3.4 million. In February 2016, the City adopted a 5-Year water rate program based on the Water Rate Study findings.

Sewer Fund

The Sewer Utility Enterprise collects and treats sewer for Lathrop's residential and commercial customers and performs repair and maintenance functions of existing sewer mains, as well as builds additional system capital improvements. In the Sewer Utility Enterprise Fund, a monthly service fee is charged to residential and commercial customers. The bar chart on the previous page illustrates program expenditures exceeding program revenues by \$1.2 million. This signifies that sewer operating income is meeting standard operating and infrastructure renewal and replacement costs. In February 2016, the City adopted a 5-Year sewer rate program based on the Sewer Rate Study findings.

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.

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2020, the City's governmental funds (general, special revenue, and capital project funds) reported combined ending fund balances of \$107.9 million, an increase of \$16.8 million in comparison with the prior fiscal year. Approximately 3.8 percent of this total amount (\$4.3 million) constitutes unassigned fund balance, which is available for spending, at the City's governing body's discretion. Of the remainder fund balance, \$3.5 million is nonspendable, \$9.1 million is restricted, \$87.9 million is committed and \$4.3 million is assigned and are not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the 2020 fiscal year, fund balance of the general fund was \$40.0 million, of which \$4.3 million is unassigned fund balance. The decrease in unassigned fund balance of the General Fund for Fiscal Year 2019/20 was due to the committed balances being moved from the unassigned category to committed. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Total general fund balance represents 216 percent of total General Fund expenditures of \$18.5 million in 2020. This means the City's general governmental operations could continue for about 25-months without any additional revenue generation.

In Fiscal Year 2019/20, taxes are the General Fund's largest source of revenue at 76.1 percent, or \$17.6 million, of total revenues of \$23.1 million. Property taxes represent 23 percent, or \$5.3 million, of this total taxes amount in the General Fund.

The Developer Projects fund had an ending fund balance of \$0.4 million at June 30, 2020. The monies in this fund are collected from developers for specific projects. The committed fund balance can only be used to fund specific developer projects in future fiscal years.

The Capital Facilities Fees fund had an ending fund balance of \$31.3 million as of June 30, 2020. The monies in this fund are collected from developers for specific projects. The committed fund balance can only be used to fund specific developer projects in future fiscal years.

The Building Safety and Inspection and Development Engineering funds had a combined ending fund balance of \$4.6 million as of June 30, 2020. The monies in these funds are collected from cost recovery fee sources for specific projects and operations associated with the fee nexus. The committed fund balance can only be used to fund specific projects in future fiscal years.

Proprietary funds

The City 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 Fiscal Year 2019/20, the water utility enterprise fund increased its net position from \$61.9 million to \$69.2 million. Unrestricted net assets at the end of the fiscal year amounted to \$27.8 million, and are available for future capital water system improvements. \$39 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 \$1.7 million is restricted to satisfy debt service obligations and covenants.

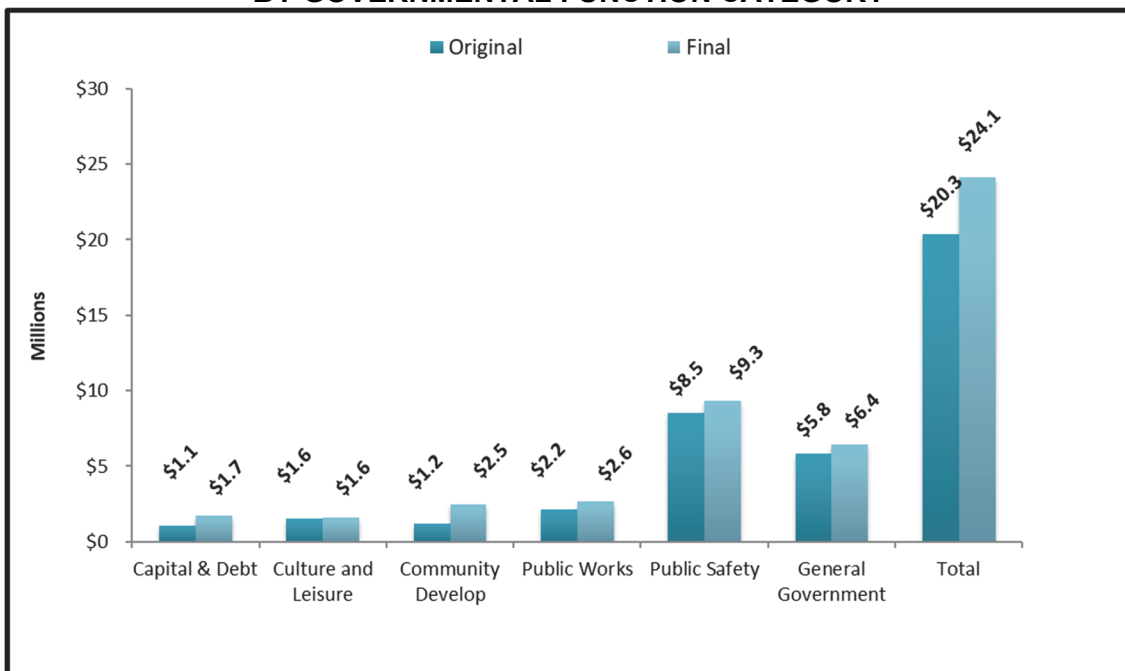
In Fiscal Year 2019/20, the sewer utility fund increased its net position from \$124.9 million to \$136.2 million. Unrestricted net position at the end of the fiscal year amounted to \$15.5 million and, are available for future capital sewer system improvements. \$120.7 million of the Sewer Fund’s net position are 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

During Fiscal Year 2019/20, the General Fund’s original budgeted expenditures of \$20.3 million increased to \$24.1 million at Final Amended Budget. Original adopted revenue estimates were \$17.8 million. The table below illustrates the General Fund’s original and final budget levels by function of government categories (e.g. Public Works, Community Development, Culture and Leisure) and the total budget levels for Fiscal Year 2019/20.

GENERAL FUND FISCAL YEAR 2019/20 ORIGINAL AND FINAL BUDGETS BY GOVERNMENTAL FUNCTION CATEGORY



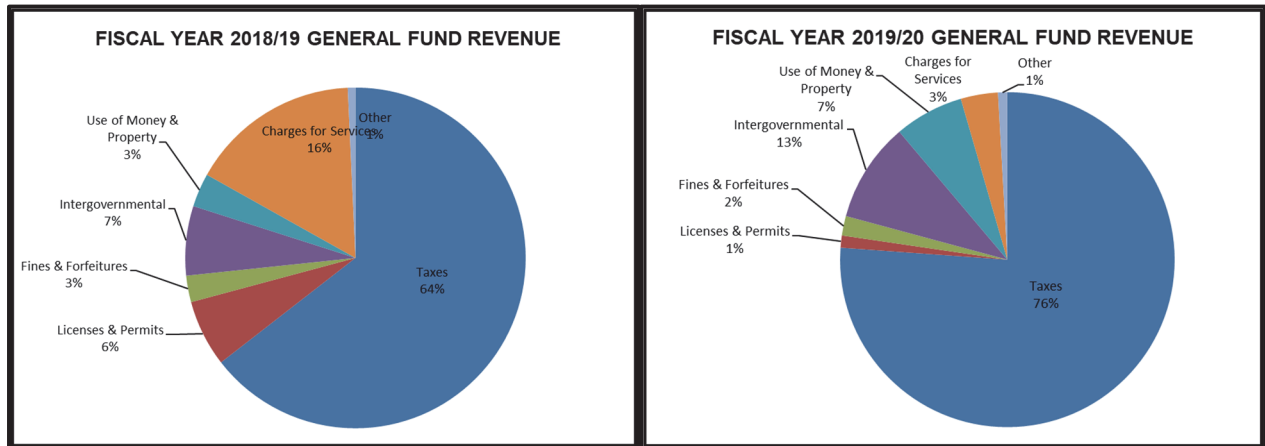
Over the course of the year, the City Council revised the City budget with adjustments that are comprised within the following two categories:

- 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.

Amendments to the General Fund increased budgeted expenditures by \$3.8 million and are primarily a result of increased costs to carry out operations for public purposes and the purchase of replacement fleet vehicles. Budgeted General Fund revenues were increased by \$400 thousand to reflect revenues collected through increases in Measure C, Property and Sales Taxes.

After taking these adjustments into account, actual expenditures came in 23 percent below the final budget, at \$18.5 million. Capital Outlay expenditure savings contributed to this reduced spending level. Actual revenues in the General Fund were \$5.0 million higher than the final budget revenue estimate. The result of the higher revenues and significantly lower spending increased the ending fund balance of the General Fund by \$3.6 million.

The City’s General Fund revenue structure slightly changed compared to Fiscal Year 2018/19. The two pie charts below present total actual revenues for Fiscal Years 2018/19 and 2019/20 by revenue category. Total actual taxes comprised 64 percent of total General Fund revenues in Fiscal Year 2018/19 and 76 percent in Fiscal Year 2019/20.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of Fiscal Year 2019/20, the City had \$389.8 million (net of accumulated depreciation) invested in a broad range of capital assets, including equipment, vehicles, buildings, parks, streets, water and sewer transmission and distribution systems. This amount represents a net increase (including additions and deductions) of \$35.0 million, or a 9.9 percent increase, over Fiscal Year 2018/19.

The table below outlines net capital assets by asset-type classification and by governmental or business-type activity.

City of Lathrop Capital Assets
For Fiscal Years Ended June 30
(net of depreciation)
(in Thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2020	2019	2020	2019	2020
Capital Assets Not Being Depreciated						
Land	\$ 9,630	\$ 9,630	\$ 3,565	\$ 3,565	\$ 13,195	\$ 13,195
Construction in progress	20,738	15,944	38,414	3,360	59,152	19,304
Depreciable Capital Assets						
Buildings	8,432	8,182	8	0	8,440	8,182
Improvements	39,433	46,905	129,450	172,674	168,883	219,579
Equipment and vehicles	1,519	1,846	214	634	1,733	2,480
Infrastructure	103,389	127,056	-	-	103,389	127,056
Total	\$ 183,141	\$ 209,563	\$ 171,651	\$ 180,233	\$ 354,792	\$ 389,796

This year's major capital additions included:

- Infrastructure \$28,605,952
- Water and Sewer Systems Improvements \$12,178,623
- Equipment & Vehicles \$ 1,730,791

More detailed information about the City's capital assets is presented in Note 4 to the financial statements on Pages 49 - 51.

Debt Administration

At the end of the current fiscal year, the City had a total of \$23.1 million in outstanding debt. The total outstanding at June 30, 2019 was \$24.8 million. Overall in Fiscal Year 2019/20, the City's outstanding debt was reduced by \$1.7 million.

City of Lathrop Outstanding Debt
For Fiscal Years Ended June 30
(in Thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2020	2019	2020	2019	2020
Revenue Bonds - Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017 Bank Loan	-	-	10,208	9,550	10,208	9,550
State Revolving Fund Loan	-	-	6,897	6,456	6,897	6,456
Compass Bank Loan	-	-	4,094	3,745	4,094	3,745
Capital Lease - City Hall	3,640	3,350	-	-	3,640	3,350
Total	\$ 3,640	\$ 3,350	\$ 21,199	\$ 19,751	\$ 24,839	\$ 23,101

The City continues to maintain its credit ratings on all of its rated debt. Note 5 to the financial statements presents more detail about the debt position of the City on Pages 51 - 53.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City Council considered many factors when setting the Fiscal Year 2019/20 budget. One of those factors was the economy. Although the U.S. economy entered the year on strong footing, conditions deteriorated quickly as the COVID-19 pandemic took hold across the globe. Treasury yields plunged in response to the Fed's new zero interest rate policy, with longer-term Treasury yields reaching new historic lows. Consumers have slowed spending as the coronavirus pandemic has closed stores and led to strict social-distancing measures. Released at its June policy meeting, the Federal Open Market Committee's updated economic projections now anticipate a long, slow recovery, with persistently high unemployment, and short-term rates pegged at near 0%. Unemployment rates have quickly surpassed previously forecasted levels due to the COVID-19 pandemic, caution is key to carry out with the business demands of the City. The City's main revenues are: sales & use tax, property tax, utility service charges, and revenues related to new construction building permits. Many Lathrop families saw their per capita personal income increase from \$18,327 in Calendar Year 2018 to \$19,329 in Calendar Year 2019 (See Demographic and Economic Statistics in the statistical section.)

While Lathrop's population grew from 24,936 in 2018 to 26,833 during 2019, the growth rate signaled a slower growth trend compared to prior years. Complementary to this trend, a total of 462 building permits were issued, which, also, illustrates a development growth rate that is really starting to emerge. (Refer to the transmittal letter for a further discussion of Lathrop's economy).

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 462 in Fiscal Year 2019/20, this level exceeds the 334 issued eight 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 Fiscal Year 2020/21.

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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CITY OF LATHROP

**STATEMENT OF NET POSITION AND
STATEMENT OF ACTIVITIES**

The purpose of the Statement of Net Position and the Statement of Activities is to summarize the entire City's financial activities and financial position.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows and the City's total liabilities and deferred inflows, including all the City's capital assets and all its long-term debt. The Statement of Net Position summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating interfund transactions and balances. The City's Business-Type Activities include all its Enterprise Fund activities. The Statement of Activities reports increases and decreases in the City's Net Position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the modified accrual basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City and the Lathrop Public Facilities Financing Corporation (Corporation). The Corporation is legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for the activities of these entities.

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CITY OF LATHROP
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments (Note 2)	\$ 115,176,561	\$ 45,194,842	\$ 160,371,403
Cash and investments, restricted, with fiscal agents (Note 2)		1,651,396	1,651,396
Accounts receivable	6,262,032	5,806,866	12,068,898
Interest receivable	133,397	66,584	199,981
Loans receivable	20,350		20,350
Internal balances (Note 3C)	3,470,982	(3,470,982)	
Capital assets, not being depreciated (Note 4)	25,573,376	6,925,123	32,498,499
Capital assets, being depreciated, net of accumulated depreciation (Note 4)	183,987,973	173,307,564	357,295,537
Total assets	334,624,671	229,481,393	564,106,064
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension (Note 8)	1,771,643	211,170	1,982,813
Related to OPEB (Note 9)	793,270		793,270
Total deferred outflows of resources	2,564,913	211,170	2,776,083
LIABILITIES			
Accounts payable	4,187,401	2,286,577	6,473,978
Accrued payroll and benefits	370,738		370,738
Accrued interest		189,568	189,568
Due to others		298,787	298,787
Deposits payable	4,448,807	858,164	5,306,971
Unearned revenue	6,719,357	58,494	6,777,851
Compensated absences (Note 1G):			
Due within one year	243,747	10,790	254,537
Due in more than one year	1,381,229	61,140	1,442,369
Long-term debt (Note 5):			
Due within one year	300,000	1,488,508	1,788,508
Due in more than one year	3,050,000	18,263,105	21,313,105
Net pension liabilities (Note 8):			
Due in more than one year	5,114,214	609,585	5,723,799
Net OPEB liabilities (Note 9):			
Due in more than one year	1,154,868		1,154,868
Total liabilities	26,970,361	24,124,718	51,095,079
DEFERRED INFLOWS OF RESOURCES			
Related to pension (Note 8)	520,291	62,016	582,307
Related to OPEB (Note 9)	469,152		469,152
Total deferred inflows of resources	989,443	62,016	1,051,459
NET POSITION (Note 7)			
Net investment in capital assets	206,211,349	160,481,074	366,692,423
Restricted for:			
Debt service		1,651,396	1,651,396
Parks	276,353		276,353
Public safety	1,121,557		1,121,557
Community development	12,355,311		12,355,311
Streets	2,259,825		2,259,825
Total restricted net position	16,013,046	1,651,396	17,664,442
Unrestricted	87,005,385	43,373,359	130,378,744
Total net position	\$ 309,229,780	\$ 205,505,829	\$ 514,735,609

See accompanying notes to financial statements

CITY OF LATHROP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
General government	\$ 5,944,111	\$ 465,303	\$ 2,506	\$ -
Community development	1,317,693	6,507,913	64,248	
Public safety	12,121,072	504,277	251,344	334,141
Public works	19,195,792	473,036	5,746,371	42,957,594
Culture and leisure	1,468,471	285,143	41,062	
Interest on long-term debt	89,123			
Total governmental activities	<u>40,136,262</u>	<u>8,235,672</u>	<u>6,105,531</u>	<u>43,291,735</u>
Business-type activities:				
Water	6,906,021	10,352,614		2,363,745
Sewer	7,476,439	8,633,545		9,327,835
Total business-type activities	<u>14,382,460</u>	<u>18,986,159</u>		<u>11,691,580</u>
Total government	<u>\$ 54,518,722</u>	<u>\$ 27,221,831</u>	<u>\$ 6,105,531</u>	<u>\$ 54,983,315</u>

General Revenues
Property taxes
Sales and use taxes
Transient occupancy taxes
Franchise taxes
Motor vehicle in-lieu, unrestricted
Investment income
Miscellaneous revenues
Transfers

Total general revenues and transfers

Change in net position

Net Position, beginning, as restated (Note 7E)

Net Position, ending

See accompanying notes to financial statements

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Totals
\$ (5,476,302)	\$ -	\$ (5,476,302)
5,254,468		5,254,468
(11,031,310)		(11,031,310)
29,981,209		29,981,209
(1,142,266)		(1,142,266)
(89,123)		(89,123)
<u>17,496,676</u>		<u>17,496,676</u>
	5,810,338	5,810,338
	<u>10,484,941</u>	<u>10,484,941</u>
	16,295,279	16,295,279
<u>17,496,676</u>	<u>16,295,279</u>	<u>33,791,955</u>
5,333,918		5,333,918
10,501,615		10,501,615
582,552		582,552
1,241,635	4,909,595	6,151,230
2,193,976		2,193,976
2,786,291	741,372	3,527,663
184,705		184,705
3,255,411	(3,255,411)	
<u>26,080,103</u>	<u>2,395,556</u>	<u>28,475,659</u>
43,576,779	18,690,835	62,267,614
<u>265,653,001</u>	<u>186,814,994</u>	<u>452,467,995</u>
<u>\$ 309,229,780</u>	<u>\$ 205,505,829</u>	<u>\$ 514,735,609</u>

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FUND FINANCIAL STATEMENTS

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal year 2020. Individual non-major funds may be found in the Supplemental section.

GENERAL 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.

DEVELOPERS PROJECTS SPECIAL REVENUE FUND

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

CAPITAL FACILITIES 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.

DEVELOPMENT ENGINEERING SPECIAL REVENUE FUND

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

CITY OF LATHROP
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020

	General	Developers Projects	Capital Facilities Fee	Building Safety & Inspection	Development Engineering
Assets					
Cash and investments (Note 2)	\$ 35,661,291	\$ 3,975,872	\$ 31,244,412	\$ 4,109,186	\$ 6,330,803
Receivables:					
Accounts	3,784,891	155,207	110,250		
Interest	40,631	4,958	37,433	4,360	7,912
Due from other funds (Note 3D)	970,810				
Loans					
Advance to other fund (Note 3A)	3,470,982				
	<u>3,470,982</u>				
 Total Assets	<u>\$ 43,928,605</u>	<u>\$ 4,136,037</u>	<u>\$ 31,392,095</u>	<u>\$ 4,113,546</u>	<u>\$ 6,338,715</u>
Liabilities					
Accounts payable	\$ 1,884,087	\$ -	\$ 93,158	\$ 211,596	\$ 50,939
Accrued payroll and benefits	370,738				
Due to other funds (Note 3D)					
Deposits payable	485,959	3,750,651		15,342	
Unearned revenue	1,131,924			2,194,785	3,372,501
	<u>1,131,924</u>	<u>3,750,651</u>		<u>2,194,785</u>	<u>3,372,501</u>
 Total Liabilities	<u>3,872,708</u>	<u>3,750,651</u>	<u>93,158</u>	<u>2,421,723</u>	<u>3,423,440</u>
Fund Balances (Note 7)					
Nonspendable	3,470,982				
Restricted				1,691,823	2,915,275
Committed	29,678,802	385,386	31,298,937		
Assigned	2,616,835				
Unassigned	4,289,278				
	<u>4,289,278</u>				
 Total Fund Balances	<u>40,055,897</u>	<u>385,386</u>	<u>31,298,937</u>	<u>1,691,823</u>	<u>2,915,275</u>
 Total Liabilities and Fund Balances	<u>\$ 43,928,605</u>	<u>\$ 4,136,037</u>	<u>\$ 31,392,095</u>	<u>\$ 4,113,546</u>	<u>\$ 6,338,715</u>

See accompanying notes to financial statements

Other Governmental Funds	Totals
\$ 32,475,720	\$ 113,797,284
2,211,684	6,262,032
38,103	133,397
	970,810
20,350	20,350
	3,470,982
<u>\$ 34,745,857</u>	<u>\$ 124,654,855</u>

\$ 1,947,621	\$ 4,187,401
	370,738
970,810	970,810
196,855	4,448,807
20,147	6,719,357
<u>3,135,433</u>	<u>16,697,113</u>

	3,470,982
4,509,762	9,116,860
26,530,345	87,893,470
572,817	3,189,652
(2,500)	4,286,778
<u>31,610,424</u>	<u>107,957,742</u>
<u>\$ 34,745,857</u>	<u>\$ 124,654,855</u>

CITY OF LATHROP
 Reconciliation of the
 GOVERNMENTAL FUNDS - BALANCE SHEET
 with the
 STATEMENT OF NET POSITION
 June 30, 2020

Total fund balance reported on the Governmental Funds Balance Sheet		\$ 107,957,742
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds because of the following:</p>		
<p>Capital assets used in Governmental Activities are not current resources and, therefore, are not reported in the Governmental Funds Balance Sheet.</p>		209,561,349
<p>The liabilities below are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet.</p>		
Capital lease payable	\$ (3,350,000)	
Compensated absences	(245,699)	
Net pension liability and related deferred outflows and inflows of resources	(3,862,862)	
Net OPEB liability and related deferred outflows and inflows of resources	(830,750)	(8,289,311)
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 309,229,780

See accompanying notes to financial statements

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CITY OF LATHROP
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	General	Developers Projects	Capital Facilities Fee	Building Safety & Inspection	Development Engineering
Revenues					
Taxes and assessments	\$ 17,659,720	\$ -	\$ 8,119,530	\$ -	\$ -
Licenses and permits	271,668			2,658,676	
Fines, forfeitures, and penalties	436,779				
Intergovernmental	2,233,976				
Use of money and property	1,550,070	67,361	573,649	49,426	107,978
Charges for current services	832,738			151,020	3,539,569
Contributions from developments		357,105			
Other	208,232			3,896	1,610
Total Revenues	23,193,183	424,466	8,693,179	2,863,018	3,649,157
Expenditures					
Current:					
General government	5,748,979				
Community development	1,091,773				
Public safety	6,944,468				
Public works	1,967,032	836,037	1,163,642	1,601,708	1,861,000
Culture and leisure	1,411,336				
Capital outlay	1,020,450				39,013
Debt service:					
Principal	290,000				
Interest	89,123				
Total Expenditures	18,563,161	836,037	1,163,642	1,601,708	1,900,013
Excess (Deficiency) of Revenues over Expenditures	4,630,022	(411,571)	7,529,537	1,261,310	1,749,144
Other Financing Sources (Uses)					
Transfers in (Note 3B)	5,990,044	829,818		835,913	1,166,131
Transfers out (Note 3B)	(6,959,473)	(651,849)	(7,156,785)	(405,400)	
Total Other Financing Sources (Uses)	(969,429)	177,969	(7,156,785)	430,513	1,166,131
Net Changes in Fund Balances	3,660,593	(233,602)	372,752	1,691,823	2,915,275
Fund Balances, Beginning of Year	36,395,304	618,988	30,926,185		
Fund Balances, End of the Year	\$ 40,055,897	\$ 385,386	\$ 31,298,937	\$ 1,691,823	\$ 2,915,275

See accompanying notes to financial statements

Other Governmental Funds	Totals
\$ 7,190,390	\$ 32,969,640
	2,930,344
1,536,359	1,973,138
3,047,511	5,281,487
950,600	3,299,084
	4,523,327
	357,105
<u>444,257</u>	<u>657,995</u>
<u>13,169,117</u>	<u>51,992,120</u>
	5,748,979
61,346	1,153,119
5,056,757	12,001,225
3,271,910	10,701,329
	1,411,336
5,890,982	6,950,445
	290,000
	<u>89,123</u>
<u>14,280,995</u>	<u>38,345,556</u>
<u>(1,111,878)</u>	<u>13,646,564</u>
16,119,053	24,940,959
<u>(6,512,041)</u>	<u>(21,685,548)</u>
<u>9,607,012</u>	<u>3,255,411</u>
8,495,134	16,901,975
<u>23,115,290</u>	<u>91,055,767</u>
<u>\$ 31,610,424</u>	<u>\$ 107,957,742</u>

CITY OF LATHROP
 Reconciliation of the
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
 with the
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2020

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measure only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES \$ 16,901,975

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures are added back to fund balances	\$ 6,950,445	
Developer Contributions are added back to fund balances	28,465,510	
Retirement of capital assets is deducted from fund balance	(1,620,226)	
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(57,422)	
Depreciation expense not reported in governmental funds	<u>(7,318,213)</u>	26,420,094

The amounts below included in the Statement of Activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):

Compensated absences	(59,042)
Net pension liability and related deferred outflows and inflows of resources	(484,461)
Net OPEB liability and related deferred outflows and inflows of resources	508,213

Debt principal transactions reported in the governmental fund statement of revenue but not considered an operating activity in the statement of activities (but only as changes in liabilities)

Principal repayments on capital lease obligation	<u>290,000</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 43,576,779

See accompanying notes to financial statements

MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

ENTERPRISE FUNDS:

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.

NONMAJOR INTERNAL SERVICE FUND

INTERNAL SERVICE FUND:

Compensated Absences Fund

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

CITY OF LATHROP
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2020

	Business-type Activities-Enterprise Funds			Governmental Activities- Compensated Absences Internal Service Fund
	Water	Sewer	Totals	
Assets				
Current Assets:				
Cash and investments (Note 2)	\$ 26,222,226	\$ 18,972,616	\$ 45,194,842	\$ 1,379,277
Restricted cash and investments, with fiscal agents (Note 2)	1,651,396		1,651,396	
Receivables:				
Accounts	4,586,583	1,220,283	5,806,866	
Interest	30,651	35,933	66,584	
Total Current Assets	<u>32,490,856</u>	<u>20,228,832</u>	<u>52,719,688</u>	<u>1,379,277</u>
Noncurrent Assets:				
Capital assets, not being depreciated (Note 4)	3,908,322	3,016,801	6,925,123	
Capital assets, being depreciated, net of accumulated depreciation (Note 4)	<u>55,656,122</u>	<u>117,651,442</u>	<u>173,307,564</u>	
Total Noncurrent Assets	<u>59,564,444</u>	<u>120,668,243</u>	<u>180,232,687</u>	
Total Assets	<u>92,055,300</u>	<u>140,897,075</u>	<u>232,952,375</u>	<u>1,379,277</u>
Deferred Outflows				
Related to pension (Note 8)	<u>100,529</u>	<u>110,641</u>	<u>211,170</u>	
Liabilities				
Current Liabilities:				
Accounts payable	1,414,878	871,699	2,286,577	
Accrued interest payable	189,568		189,568	
Due to other governments	298,787		298,787	
Unearned revenue	58,494		58,494	
Deposits payable	815,726	42,438	858,164	
Current portion of compensated absences (Note 1G)	6,534	4,256	10,790	206,892
Current portion of long-term liabilities (Note 5)	<u>1,488,508</u>		<u>1,488,508</u>	
Total Current Liabilities	<u>4,272,495</u>	<u>918,393</u>	<u>5,190,888</u>	<u>206,892</u>
Noncurrent Liabilities:				
Compensated absences (Note 1G)	37,023	24,117	61,140	1,172,385
Advances from other funds (Note 3A)		3,470,982	3,470,982	
State revolving fund loan (Note 5)	6,005,297		6,005,297	
Compass bank loan payable (Note 5)	3,383,839		3,383,839	
2017 bank loan (Note 5)	8,873,969		8,873,969	
Net pension liabilities (Note 8)	<u>290,197</u>	<u>319,388</u>	<u>609,585</u>	
Total Long-Term Liabilities	<u>18,590,325</u>	<u>3,814,487</u>	<u>22,404,812</u>	<u>1,172,385</u>
Total Liabilities	<u>22,862,820</u>	<u>4,732,880</u>	<u>27,595,700</u>	<u>1,379,277</u>
Deferred Inflows				
Related to pension (Note 8)	<u>29,523</u>	<u>32,493</u>	<u>62,016</u>	
Net Position (Note 7)				
Net investment in capital assets	39,812,831	120,668,243	160,481,074	
Restricted for debt service	1,651,396		1,651,396	
Unrestricted	<u>27,799,259</u>	<u>15,574,100</u>	<u>43,373,359</u>	
Total Net Position	<u>\$ 69,263,486</u>	<u>\$ 136,242,343</u>	<u>\$ 205,505,829</u>	<u>\$ -</u>

See accompanying notes to financial statements

CITY OF LATHROP
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities-Enterprise Funds			Governmental Activities- Compensated Absences Internal Service Fund
	Water	Sewer	Totals	
Operating Revenues				
Service charges	\$ 10,251,816	\$ 8,068,574	\$ 18,320,390	\$ -
Other income	100,798	564,971	665,769	
Total Operating Revenues	<u>10,352,614</u>	<u>8,633,545</u>	<u>18,986,159</u>	
Operating Expenses				
General and administrative	883,241	697,295	1,580,536	
Maintenance and operations	3,684,424	3,738,536	7,422,960	
Depreciation	1,746,118	3,040,608	4,786,726	
Total Operating Expenses	<u>6,313,783</u>	<u>7,476,439</u>	<u>13,790,222</u>	
Operating Income	<u>4,038,831</u>	<u>1,157,106</u>	<u>5,195,937</u>	
Non-Operating Revenues (Expenses)				
Investment earnings	437,271	304,101	741,372	
Taxes and assessments	2,091,438	2,818,157	4,909,595	
Interest expense	(592,238)		(592,238)	
Total Non-Operating Revenues (Expenses)	<u>1,936,471</u>	<u>3,122,258</u>	<u>5,058,729</u>	
Income Before Contributions and Transfers	5,975,302	4,279,364	10,254,666	
Developer contributions	2,363,745	9,327,835	11,691,580	
Transfers:				
Transfers in (Note 3B)	3,484,681	5,765,208	9,249,889	
Transfers out (Note 3B)	(4,456,244)	(8,049,056)	(12,505,300)	
Changes in Net Position	7,367,484	11,323,351	18,690,835	
Net Position, Beginning of the Fiscal Year	<u>61,896,002</u>	<u>124,918,992</u>	<u>186,814,994</u>	
Net Position, End of the Fiscal Year	<u>\$ 69,263,486</u>	<u>\$ 136,242,343</u>	<u>\$ 205,505,829</u>	<u>\$ -</u>

See accompanying notes to financial statements

CITY OF LATHROP
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities-Enterprise Funds			Governmental Activities-
	Water	Sewer	Totals	Compensated Absences
				Internal Service Fund
Cash Flows from Operating Activities				
Receipts from customers	\$ 10,261,131	\$ 8,281,188	\$ 18,542,319	\$ 150,107
Payments to suppliers and users	(2,630,974)	(2,403,305)	(5,034,279)	
Payments to employees and benefits	(835,139)	(652,883)	(1,488,022)	
Net Cash Provided (Used) by Operating Activities	<u>6,795,018</u>	<u>5,225,000</u>	<u>12,020,018</u>	<u>150,107</u>
Cash Flows from Noncapital Financing Activities				
Taxes and assessments	2,091,438	2,818,157	4,909,595	
Interfund payments	(962,868)	(791,892)	(1,754,760)	
Transfers in	3,484,681	5,765,208	9,249,889	
Transfers (out)	(4,456,244)	(8,049,056)	(12,505,300)	
Net Cash Provided (Used) by Noncapital Financing Activities	<u>157,007</u>	<u>(257,583)</u>	<u>(100,576)</u>	
Cash Flows from Capital and Related Financing Activities				
Principal repayments	(1,446,827)		(1,446,827)	
Interest paid	(592,238)		(592,238)	
Developer contributions	159,854	9,327,835	9,487,689	
Purchase of capital assets	(1,010,372)	(11,390,026)	(12,400,398)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,889,583)</u>	<u>(2,062,191)</u>	<u>(4,951,774)</u>	
Cash Flows from Investing Activities				
Interest received	457,515	320,480	777,995	
Net Cash Provided by Investing Activities	<u>457,515</u>	<u>320,480</u>	<u>777,995</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	4,519,957	3,225,706	7,745,663	150,107
Cash and Cash Equivalents at the Beginning of the Year	<u>23,353,665</u>	<u>15,746,910</u>	<u>39,100,575</u>	<u>1,229,170</u>
Cash and Cash Equivalents at the End of the Year	<u>\$ 27,873,622</u>	<u>\$ 18,972,616</u>	<u>\$ 46,846,238</u>	<u>\$ 1,379,277</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:				
Cash and investments	\$ 26,222,226	\$ 18,972,616	\$ 45,194,842	\$ 1,379,277
Restricted cash and investments	1,651,396		1,651,396	
Total Cash and Cash Equivalents	<u>\$ 27,873,622</u>	<u>\$ 18,972,616</u>	<u>\$ 46,846,238</u>	<u>\$ 1,379,277</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income	\$ 4,038,831	\$ 1,157,106	\$ 5,195,937	\$ -
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,746,118	3,040,608	4,786,726	
Loss on disposal of capital assets	224,708	1,011,285	1,235,993	
(Increase) Decrease in Operating Assets:				
Accounts receivable	(91,483)	(352,357)	(443,840)	
Increase (Decrease) in Operating Liabilities:				
Accounts payable	800,180	312,796	1,112,976	
Due to other governments				
Deposits payable	28,562	11,150	39,712	
Pension liability	27,490	30,255	57,745	
Compensated absences	20,612	14,157	34,769	150,107
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,795,018</u>	<u>\$ 5,225,000</u>	<u>\$ 12,020,018</u>	<u>\$ 150,107</u>
NONCASH TRANSACTIONS				
Developer dedicated infrastructure	<u>\$ 2,203,891</u>	<u>\$ -</u>	<u>\$ 2,203,891</u>	<u>\$ -</u>
Retirement of capital assets	<u>\$ (224,708)</u>	<u>\$ (1,011,285)</u>	<u>\$ (1,235,993)</u>	<u>\$ -</u>

See accompanying notes to financial statements

FIDUCIARY FUNDS

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

CITY OF LATHROP
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2020

	Agency Funds
ASSETS	
Cash and investments (Note 2)	\$ 6,154,007
Cash and investments, restricted, with fiscal agents (Note 2)	3,712,837
Accounts receivable	2,868,352
Interest receivable	7,380
Total assets	\$ 12,742,576
LIABILITIES	
Accounts payable	\$ 584,843
Deposits payable	372,914
Due to developers	2,225,809
Due to bondholders	9,559,010
Total liabilities	\$ 12,742,576

See accompanying notes to financial statements

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 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.

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.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 to be accounted for in another fund. It is the general operating fund of the City.

DEVELOPERS PROJECTS SPECIAL REVENUE FUND

This fund accounts for developer paid fees restricted to/committed expenditures associated with various developer projects.

CAPITAL FACILITIES 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.

DEVELOPMENT ENGINEERING SPECIAL REVENUE FUND

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

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Agency Funds are used to account for assets held by the City as an agent for certain special assessment districts and developers' deposits, and the TOT Trust Fund. 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 and proprietary 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*. 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.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The agency funds have no measurement focus but utilizes the *accrual basis of accounting* for reporting assets and liabilities.

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.

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.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. *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.

Changes in compensated absences for the year ended June 30, 2020, were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 1,415,827	\$ 37,161	\$ 1,452,988
Additions	246,156	34,769	280,925
Payments	<u>(37,007)</u>	<u></u>	<u>(37,007)</u>
Ending Balance	<u>\$ 1,624,976</u>	<u>\$ 71,930</u>	<u>\$ 1,696,906</u>
Current Portion	<u>\$ 243,747</u>	<u>\$ 10,790</u>	<u>\$ 254,537</u>

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated by the Compensated Absences Internal Service Fund.

H. *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 position 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 position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

I. *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.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

K. New, Closed and Renamed Funds

The following funds were established during the fiscal year:

The Building Safety & Inspection Special Revenue Fund is used to account for building safety and inspection permit fee revenue and activity.

The Development Engineering Special Revenue Fund is used to account for the development engineering fee revenue and activity.

The South Lathrop CFD 2019-1 Special Revenue Fund is used to account for revenues and expenditures associated with the South Lathrop Community Facilities District 2019-1.

The Central Lathrop CFD 2019-2 Special Revenue Fund is used to account for revenues and expenditures associated with the Central Lathrop Community Facilities District 2019-1.

The Universal Hiring Grant Special Revenue Fund was renamed as the Office of Traffic Safety Special Revenue Fund.

During the fiscal year, the City closed the CLSP Service Special Revenue Fund, the STIP Augmentation Special Revenue Fund, the DWR Grant – ULOP Project Special Revenue Fund, CSCDA Lease Revenue Bonds Agency Fund, Louise Avenue Agency Fund and Pilot Flying J Agency Fund.

The Community Facilities District 2006-1 CLSP Infrastructure Agency Fund was renamed as the Community Facilities District CLSP Infrastructure Agency Fund.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 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, 2020, are as follows:

City cash and investments in primary government:	
Cash and investments	\$ 160,371,403
Cash and investments, restricted, with fiscal agents	<u>1,651,396</u>
Total City cash and investments in primary government	<u>162,022,799</u>
Cash and investments in Fiduciary Funds (separate statement):	
Cash and investments,	6,154,007
Cash and investments, restricted, with fiscal agents	<u>3,712,837</u>
Total Fiduciary Funds cash and investments	<u>9,866,844</u>
Total cash and investments	<u><u>\$ 171,889,643</u></u>

Cash and investments as of June 30, 2020, consist of the following:

Cash on hand	\$ 6,260
Cash with financial institutions	66,940,411
Investments	<u>104,942,972</u>
Total Cash and Investments	<u><u>\$ 171,889,643</u></u>

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 2 - CASH AND INVESTMENTS (Continued)

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 (State Pool)	N/A	None	None	N/A
Joint Power Authority Pool	N/A	None	None	N/A
Supranational Obligations	5 years	30%	None	AA

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:

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 2 - CASH AND INVESTMENTS (Continued)

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 (State Pool)	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.

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	12 Months or less	13 to 24 Months	25 to 60 Months	Total
US Treasury Obligations	\$ 662,594	\$ 12,082,792	\$ 8,760,754	\$ 21,506,140
US Government Agencies Issues	906,906	5,184,201	4,392,885	10,483,992
Supranational Obligations			637,950	637,950
California Local Agency Investment Fund	54,398,832			54,398,832
California Asset Management Program	10,239,812			10,239,812
Money Market Mutual Funds	6,824,551			6,824,551
Investments in County Pool	362,210			362,210
Certificates of Deposit	489,485			489,485
Total Investments	\$ 73,884,390	\$ 17,266,993	\$ 13,791,589	104,942,972
Cash in Banks and On Hand				66,946,671
Total City Cash and Investments				\$ 171,889,643

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 2 - CASH AND INVESTMENTS (Continued)

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, which is the same as the value of the pool share. 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. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. 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, 2020, these investments have an average maturity of 191 days.

Money market mutual funds are available for withdrawal on demand and at June 30, 2020, have an average maturity of 105 days.

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, 2020:

<i>Investments by Fair Value Level:</i>	Level 1	Level 2	Total
US Treasury Obligations	\$ 21,506,140	\$ -	\$ 21,506,140
US Government Agencies Issues		10,483,992	10,483,992
Supranational Obligations		637,950	637,950
Total Investments by Fair Value Level	\$ 21,506,140	\$ 11,121,942	32,628,082
 <i>Investments Measured at Amortized Cost:</i>			
California Local Agency Investment Fund			54,398,832
California Asset Management Program			10,239,812
Money Market Mutual Funds			6,824,551
Investments in County Pool			362,210
Certificates of Deposit			489,485
 <i>Cash in Banks and On Hand</i>			66,946,671
Total Cash and investments			\$ 171,889,643

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 2 - CASH AND INVESTMENTS (Continued)

US Treasury Obligations classified in Level 1 of the fair value hierarchy are valued using a quoted price in an active market for an identical asset. 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, 2020, as provided by Standard and Poor's, are as follows:

Investment Type	AAAm	AA+	AAA	Total
US Government Agencies Issues	\$ -	\$ 10,483,992	\$ -	\$ 10,483,992
Supranational Obligations			637,950	637,950
Money Market Mutual Funds	6,824,551			6,824,551
Totals	<u>\$ 6,824,551</u>	<u>\$ 10,483,992</u>	<u>\$ 637,950</u>	17,946,493
<i>Not Rated:</i>				
California Local Agency Investment Fund				54,398,832
California Asset Management Program				10,239,812
Investments in County Pool				362,210
Certificates of Deposit				489,485
<i>Exempt from Credit Rating Disclosure:</i>				
US Treasury Obligations				21,506,140
Total Investments				<u>\$ 104,942,972</u>

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, 2020.

NOTE 3 - INTERFUND TRANSACTIONS

A. Long-Term Advances

As of June 30, 2020, the General Fund had advanced \$3,470,982 to the Sewer Enterprise Fund, which was used to cover capital construction and other related costs. The advances will be repaid with future operating revenues, but not within the next fiscal year.

The General Fund advance to the Water Enterprise Fund was repaid during the fiscal year ended June 30, 2020.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 3 - INTERFUND TRANSACTIONS (Continued)

B. 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, 2020, were as follows:

	Transfers In	Transfers Out
Major Governmental Funds:		
General	\$ 5,990,044	\$ 6,959,473
Developer Projects Special Revenue Fund	829,818	651,849
Capital Facilities Fee Special Revenue Fund		7,156,785
Building Safety & Inspection Special Revenue Fund	835,913	405,400
Development Engineering Special Revenue Fund	1,166,131	
Major Enterprise Funds:		
Water	3,484,681	4,456,244
Sewer	5,765,208	8,049,056
Non Major Governmental Funds	16,119,053	6,512,041
Total Interfund Transfers	\$ 34,190,848	\$ 34,190,848

The purposes of the above transfers were to fund operations, capital projects and debt service.

C. 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.

D. Due To (From) Other Funds

The City provides short-term interfund loans to cover cash flows which are expected to be repaid within the next year. As of June 30, 2020, Due To (From) Other Funds were as follows:

Due From Other Funds	Due To Other Funds	Amount
General Fund	Streets and Roads Special Revenue Fund	\$ 591,679
	CDBG Special Revenue Fund	42,668
	River Islands CFD 2013-1 Special Revenue Fund	336,463
	Total	\$ 970,810

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 4 - CAPITAL ASSETS

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 Improvements	\$50,000	
Buildings	50,000	
Building Improvements	50,000	
Infrastructure	50,000	
Equipment, Furniture and Vehicles	10,000	
Intangible Assets	10,000	
Leasehold Improvements	50,000	
Construction in Progress for Year End Reporting	50,000	will exceed at completion

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 4 - CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements

Capital assets activity for the year ended June 30, 2020, is as follows:

	Balance at June 30, 2019	Additions	Retirements	Transfers	Balance at June 30, 2020
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 9,629,503	\$ -	\$ -	\$ -	\$ 9,629,503
Construction in Progress	20,738,134	5,556,115		(10,350,376)	15,943,873
Total capital assets not being depreciated	<u>30,367,637</u>	<u>5,556,115</u>		<u>(10,350,376)</u>	<u>25,573,376</u>
Capital assets being depreciated:					
Buildings	11,784,121		(68,026)		11,716,095
Improvements	58,800,196	96,161	(537,018)	10,350,376	68,709,715
Equipment and Vehicles	5,406,939	1,100,305	(2,655,392)		3,851,852
Infrastructure	164,307,646	28,605,952	(1,555,941)		191,357,657
Total capital assets being depreciated	<u>240,298,902</u>	<u>29,802,418</u>	<u>(4,816,377)</u>	<u>10,350,376</u>	<u>275,635,319</u>
Less accumulated depreciation:					
Buildings	3,351,654	226,304	(44,398)		3,533,560
Improvements	19,366,509	2,700,814	(262,099)		21,805,224
Equipment and Vehicles	3,887,775	488,500	(2,369,810)		2,006,465
Infrastructure	60,919,346	3,902,595	(519,844)		64,302,097
Total accumulated depreciation	<u>87,525,284</u>	<u>7,318,213</u>	<u>(3,196,151)</u>		<u>91,647,346</u>
Net capital assets being depreciated	<u>152,773,618</u>	<u>22,484,205</u>	<u>(1,620,226)</u>	<u>10,350,376</u>	<u>183,987,973</u>
Governmental Activities Capital Assets, Net	<u>\$ 183,141,255</u>	<u>\$ 28,040,320</u>	<u>\$ (1,620,226)</u>	<u>\$ -</u>	<u>\$ 209,561,349</u>
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 3,565,179	\$ -	\$ -	\$ -	\$ 3,565,179
Construction in Progress	38,413,912	1,771,067		(36,825,035)	3,359,944
Total capital assets not being depreciated	<u>41,979,091</u>	<u>1,771,067</u>		<u>(36,825,035)</u>	<u>6,925,123</u>
Capital assets, being depreciated:					
Buildings	65,773	24,113	(86,814)		3,072
Improvements	175,283,692	12,178,623	(1,390,673)	36,825,035	222,896,677
Equipment and Vehicles	1,322,894	630,486	(431,014)		1,522,366
Net capital assets being depreciated	<u>176,672,359</u>	<u>12,833,222</u>	<u>(1,908,501)</u>	<u>36,825,035</u>	<u>224,422,115</u>
Less accumulated depreciation for:					
Buildings	57,791	15	(54,793)		3,013
Improvements	45,833,606	4,665,692	(275,852)		50,223,446
Equipment and Vehicles	1,108,936	121,019	(341,863)		888,092
Total accumulated depreciation	<u>47,000,333</u>	<u>4,786,726</u>	<u>(672,508)</u>		<u>51,114,551</u>
Net capital assets being depreciated	<u>129,672,026</u>	<u>8,046,496</u>	<u>(1,235,993)</u>	<u>36,825,035</u>	<u>173,307,564</u>
Business-type Activities Capital Assets, Net	<u>\$ 171,651,117</u>	<u>\$ 9,817,563</u>	<u>\$ (1,235,993)</u>	<u>\$ -</u>	<u>\$ 180,232,687</u>

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 4 - CAPITAL ASSETS (Continued)

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 governments	\$ 109,593
Community development	165,457
Public safety	127,266
Public works	6,865,357
Culture and leisure	50,540
Total Governmental Activities	\$ 7,318,213
 Business-Type Activities	
Water	\$ 1,746,118
Sewer	3,040,608
Total Business-Type Activities	\$ 4,786,726

NOTE 5 - LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

A. The City's Long-Term Debt

The City's long-term debt activities for the year ended June 30, 2020, is as follows:

	Balance June 30, 2019	Retirements	Balance June 30, 2020	Current Portion
Governmental Activities Long-Term Debt				
Direct Borrowing:				
<i>Capital Lease Obligation</i>				
2016 Lease Agreement				
2.55%, due 07/15/2029	\$ 3,640,000	\$ 290,000	\$ 3,350,000	\$ 300,000
Total Governmental Activities	<u>\$ 3,640,000</u>	<u>\$ 290,000</u>	<u>\$ 3,350,000</u>	<u>\$ 300,000</u>

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 5 - LONG-TERM DEBT (Continued)

	Balance June 30, 2019	Retirements	Balance June 30, 2020	Current Portion
Business-type Activities Long-Term Debt				
Direct Borrowings:				
2017 Bank Loan				
2.89%, due 06/01/2032	\$ 10,207,524	\$ 657,212	\$ 9,550,312	\$ 676,343
State Revolving Fund Loan				
2.3086%, due 7/1/2032	6,897,278	440,872	6,456,406	451,109
Compass Bank Loan				
3.500%, due 6/1/2029	4,093,638	348,743	3,744,895	361,056
	<u>21,198,440</u>	<u>1,446,827</u>	<u>19,751,613</u>	<u>1,488,508</u>
Total Business-type Activities	<u>\$ 21,198,440</u>	<u>\$ 1,446,827</u>	<u>\$ 19,751,613</u>	<u>\$ 1,488,508</u>

B. Debt Service Requirements

Future principal and interest payments on all Governmental and Business-type long-term debt were as follows at June 30, 2020:

For The Year Ending June 30	Governmental Activities		Business-Type Activities					
	Direct Borrowing		Direct Borrowings					
	City Hall Lease		2017 Bank Loan		State Revolving Fund Loan		Compass Bank Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 300,000	\$ 81,600	\$ 676,343	\$ 271,117	\$ 451,109	\$ 146,464	\$ 361,056	\$ 127,944
2022	305,000	73,886	696,032	251,429	461,583	135,990	373,803	115,197
2023	315,000	65,981	716,293	231,167	472,301	125,272	387,001	101,999
2024	320,000	57,885	737,145	210,316	483,267	114,306	400,664	88,336
2025	330,000	49,598	758,604	188,857	494,489	103,084	414,810	74,190
2026 - 2030	1,780,000	115,643	4,137,407	599,897	2,650,096	337,775	1,807,561	145,042
2031 - 2033	-	-	1,828,488	66,434	1,443,561	50,372	-	-
Total	<u>\$ 3,350,000</u>	<u>\$ 444,593</u>	<u>\$ 9,550,312</u>	<u>\$ 1,819,217</u>	<u>\$ 6,456,406</u>	<u>\$ 1,013,263</u>	<u>\$ 3,744,895</u>	<u>\$ 652,708</u>

C. Description of the City's Long-Term Debt Issues

2016 Lease Agreement – On June 1, 2016, the City entered into a capital lease 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 lease agreement to Capital One Public Funding, LLC. The proceeds of the capital lease, together with available funds from the City, were used to advance refund the outstanding 2004 Capital Lease Obligation amounted 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 Capital Lease. As a result, the 2004 Capital Lease was considered defeased and the liability for the 2004 Capital Lease has been removed from the Statement of Net Position as of June 30, 2016. On July 15, 2016, the 2004 Capital Lease 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.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 5 - LONG-TERM DEBT (Continued)

The 2016 City Hall Lease is secured by the City Hall building at 390 Towne Centre Drive, Lathrop, California. The outstanding lease amount contains a provision that in an event of default, Lathrop Financing Authority may terminate the lease, re-lease all or any portion of the leased property or hold the City liable for the payment of all base rental obligations and be reimbursed for any deficiency arising out of re-leasing 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 is 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 has 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, commenced December 1, 2017.

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 to be paid semiannually. The City's net water system revenues have been pledged for the repayment of debt service on loan.

Compass Bank Loan – During fiscal 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 loan 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.

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.

For the fiscal year 2020, net revenues of the Water Enterprise Fund amounted to \$1,925,830 which represented coverage of 1.34 over the \$1,436,461 debt service on the 2017 Bank Loan and Compass Bank Loan.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 6 - SPECIAL ASSESSMENT 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, 2020 is as follows:

Mossdale Assessment District Refunding 2015	\$ 5,425,000 *
Lathrop Financing Authority Special Tax Revenue Bonds (Mossdale Village Reassessment District No. 2013-1) 2013 Series A	9,060,000
Lathrop Financing Authority Special Tax Revenue Bonds (Community Facilities No. 2003-1) 2013 Series A	5,480,000
Crossroad Assessment District Series 2015	9,535,000
Joint Wastewater Project CFD 2003-2	5,565,000
North Harlan Water	85,000
Lathrop Sanitary Sewer Assessment District No.1	645,000
City Hall Refinancing	3,350,000
Community Facilities District No. 2018-1	45,735,000 **
Community Facilities District No. 2018-2	26,037,800 **

* The Mossdale Assessment District Refunding 2015 bond issue refunded the Mossdale Village Assessment District No. 03-1 Series 2005 bond issue.

** The Community Facilities District No. 2018-1 and 2018-2 bond issues were issued to restructure and extinguish the Communities Facilities District No. 2006-1

NOTE 7 - NET POSITION AND FUND BALANCES

A. 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.

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.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 7 - NET POSITION AND FUND BALANCES (Continued)

B. Fund Equity

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.

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.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 7 - NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's fund balances, as of June 30, 2020, are below:

	General Fund	Developer Projects	Capital Facilities Fee	Building Safety & Inspection	Development Engineering	Other Governmental Funds	Total
Nonspendables:							
Items not in spendable form:							
Advances to other funds	\$ 3,470,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,470,982
Total Nonspendable	<u>3,470,982</u>						<u>3,470,982</u>
Restricted for:							
Recycling projects						837,827	837,827
Community improvements						10,744	10,744
Public safety				1,691,823		190,080	1,881,903
Traffic and transportation						65,916	65,916
Parks and recreation						291,127	291,127
Streets and roads contracts					2,915,275	2,411,609	5,326,884
Measure K						702,459	702,459
Total Restricted				<u>1,691,823</u>	<u>2,915,275</u>	<u>4,509,762</u>	<u>9,116,860</u>
Committed to:							
Contingency/emergency	7,045,537						7,045,537
Economic stability	1,850,000						1,850,000
Capital projects	8,710,040	385,386	31,298,937			15,950,857	56,345,220
Retirement stability	2,600,000						2,600,000
Public Safety	900,000						900,000
Water Bonds	747,725						747,725
Capital equipment	1,909,224						1,909,224
Measure C essential city services	5,543,827						5,543,827
Economic development	372,449						372,449
Traffic and transportation						6,992,604	6,992,604
Storm drains operation and maintenance						883,355	883,355
Community Facility Districts						460,082	460,082
Street lighting contract						1,646,080	1,646,080
Storm drain contracts						334,973	334,973
Code enforcement						12,222	12,222
Building permits						250,172	250,172
Total Committed	<u>29,678,802</u>	<u>385,386</u>	<u>31,298,937</u>			<u>26,530,345</u>	<u>87,893,470</u>
Assigned to:							
Various contracts	2,616,835						2,616,835
Landscape maintenance						572,817	572,817
Total Assigned	<u>2,616,835</u>					<u>572,817</u>	<u>3,189,652</u>
Unassigned:							
Fund deficits						(2,500)	(2,500)
Residual fund balance	4,289,278						4,289,278
Total Unassigned	<u>4,289,278</u>					<u>(2,500)</u>	<u>4,286,778</u>
Total Fund Balances	<u>\$ 40,055,897</u>	<u>\$ 385,386</u>	<u>\$ 31,298,937</u>	<u>\$ 1,691,823</u>	<u>\$ 2,915,275</u>	<u>\$ 31,610,424</u>	<u>\$ 107,957,742</u>

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 7 - NET POSITION AND FUND BALANCES (Continued)

C. *Minimum Fund Balance Policies*

The City Council has established a fund balance reserve policy with adoption 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 adjust 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 will be 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 will be available for budget stabilization. At June 30, 2020, the Economic Uncertainty Reserve amounted to \$5,284,153.

The Exposure and Emergency Reserves consist of 25% of the Contingency Reserve Balance. Exposure Reserves will be 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 will be maintained to minimize all unforeseen events not covered in the Economic Uncertainty Reserve and Exposure Reserves. At June 30, 2020, the Exposure and Emergency Reserves amounted to \$1,761,384.

D. *Encumbrances*

The City utilized an encumbrance system during fiscal year 2020 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, 2020, that will be carried over to fiscal year 2021:

General Fund	\$ 2,616,835
Building Safety & Inspection Special Revenue Fund	1,409,652
Development Engineering Special Revenue Fund	1,051,060
Non-major Funds	737,311

E. *Restatement of Net Position and Closure of Fund*

During fiscal year 2020, the City determined that the Mossdale Standby 2005-1 Special Revenue Fund had been closed in a prior year, which resulted in a reduction and restatement of net position in the amount of \$46,874 and closure of the fund as of July 1, 2019.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8 - PENSION PLAN

A. General Information about the Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous Tier I, Tier II and PEPRA Employee Pension Rate Plan. The City’s Miscellaneous Rate Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees’ Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors three miscellaneous rate plans. 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.

The Plan’s provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous		
	<u>Misc - Tier I</u>	<u>Misc - Tier II</u>	<u>Misc - PEPRA</u>
Hire date	Prior to 7/1/2010	7/1/2010 to 12/31/2012	After 12/31/2012
Benefit Formula	2% at 55	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of annual salary	1.426-2.418%	1.092-2.418%	1.000-2.500%
Required employee contribution rates	7.00%	7.00%	6.75%
Required employer contribution rates	9.680%	8.081%	6.985%
Required Unfunded Actuarial			
Liability Contribution	\$326,461	\$8,917	\$4,818

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or the City can elect a lump sum payment option. The City’s required contributions for the unfunded liability in the Plan totaled \$340,196, as noted in the table above, which were made under the monthly payment option.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8 - PENSION PLAN (Continued)

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 year ended June 30, 2020, the City’s total contributions to the Plan were \$917,516.

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

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s 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.

As of June 30, 2020, the city reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 5,723,799
Total Net Pension Liability	\$ 5,723,799

The governmental activities net pension liability is liquidated primarily by the General Fund.

The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2018	0.1347%
Proportion - June 30, 2019	0.1429%
Change - Increase (Decrease)	0.0082%

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8 - PENSION PLAN (Continued)

For the year ended June 30, 2020, the City recognized pension expense of \$1,459,722. At June 30, 2020, 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	\$ 917,516	\$ -
Differences between actual and expected experience	397,542	(30,801)
Changes in assumptions	272,937	(96,754)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	394,818	-
Net difference projected and actual investment earning	-	(100,070)
Net differences between projected and actual earnings on plan investments	-	(354,682)
Total	\$ 1,982,813	\$ (582,307)

\$917,516 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, 2021. 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 Ended June 30	Annual Amortization
2021	\$ 426,844
2022	(29,719)
2023	65,644
2024	20,221

Actuarial Assumptions – For the measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2019 total pension liability were based on the following actuarial methods and assumptions for all benefit tiers:

	All Plans
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1)
Mortality	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 2.50% thereafter.

(1) Net of pension plan investment and administrative expenses, including inflation.

(2) 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 FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8 - PENSION PLANS (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) 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.

The long-term expected rate of return on pension 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 pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the expected real rate of return by asset class.

Asset Class(a)	Current Target Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

- (a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
(b) An expected inflation of 2.0% used for this period.
(c) An expected inflation of 2.92% used for this period.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8 - PENSION PLANS (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 or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 9,595,052
Current Discount Rate	7.15%
Net Pension Liability	\$ 5,723,799
1% Increase	8.15%
Net Pension Liability	\$ 2,528,353

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

Subsequent Event - CalPERS Pension Contribution Rates - The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the City’s contribution rates for the fiscal year ended June 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

NOTE 9 - 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 FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (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, CA 94229-2709.

Benefits Provided – The following is a summary of Plan benefits by employee group as of June 30, 2020:

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 with 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 with 5 years of PERS service	PEMHCA Minimum Employer Contribution (MEC)	PEMHCA Minimum Employer Contribution (MEC)
			Age 55 with 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 with 5 years of PERS service	PEMHCA Minimum Employer Contribution (MEC)	PEMHCA Minimum Employer Contribution (MEC)
			Age 55 with 5 years of PERS service	100% of the premium for retiree and dependents, 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 2020, the City contributes a maximum of \$1,755 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 year ended June 30, 2020, the City's contributions to the Plan were \$766,053, which were comprised of benefits payments of \$279,671, contributions to the trust of \$369,968 and implicit subsidy payments of \$116,414.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2020:

Active employees	69
Inactive employees or beneficiaries currently receiving benefit payments	22
Inactive employees entitled to but not yet receiving benefit payments	6
Total	97

B. Net OPEB Liability

Actuarial Methods and Assumptions – The City’s net OPEB liability was measured as of June 30, 2019 the total OPEB liability was determined by an actuarial valuation dated June 30, 2019. These are the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	6.80%
Inflation	2.50%
Payroll Growth	3.00%
Investment Rate of Return	6.70%
Mortality Rate	MacLeod Watts Scale 2018 applied generationally from 2015
Healthcare Trend Rate	7.5% and grade down to 5% for years 2024 and thereafter

Demographic actuarial assumptions used in this valuation are based on the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements. Mortality rates used were the published CalPERS rates, adjusted to back out 20 years of Scale BB to central year 2008.

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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation
Global Equity	59.0%
Fixed Income	25.0%
Treasury Inflation Protection Securities	5.0%
Real Estate Investment Trusts	8.0%
Commodities	3.0%
Total	100.0%

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Change of Assumptions – For the measurement date of June 30, 2019, the discount rate decreased from 7.00% to 6.80%, the inflation rate decreased from 2.75% to 2.50%, the payroll growth rate decreased from 3.25% to 3.00% and the investment rate of return decreased from 7.00% to 6.70%.

Discount Rate – The discount rate used to measure the total OPEB liability was 6.80%. 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.

C. Changes in Net OPEB Liability

The changes in the total OPEB liability follows:

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at Measurement Date 6/30/2018	\$ 5,336,714	\$ 3,913,105	\$ 1,423,609
Changes Recognized for the Measurement Period:			
Service Cost	238,897		238,897
Interest on the total OPEB liability	378,925		378,925
Expected investment income		278,604	(278,604)
Contributions from the employer		459,510	(459,510)
Changes in benefit terms			
Administrative expenses		(825)	825
Other Expenses (one time)			
Benefit payments	(324,785)	(324,785)	
Changes of assumptions	(62,441)		(62,441)
Plan experience	(134,660)		(134,660)
Investment experience		(47,827)	47,827
Net changes	95,936	364,677	(268,741)
Balance at Measurement Date 6/30/2019	\$ 5,432,650	\$ 4,277,782	\$ 1,154,868

D. Sensitivity of the Total 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 (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1% (5.80 %)	Discount Rate (6.80%)	Discount Rate +1% (7.80%)
\$ 1,710,303	\$ 1,154,868	\$ 679,434

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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 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	5.4% and trending down to 4% for years 2076 and		1% Increase
\$ 611,005	\$ 1,154,868	\$ 1,799,732	

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, 2020, the City recognized OPEB expense of \$257,840. At June 30, 2020, 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 made subsequent to the measurement date	\$ 766,053	\$ -
Differences between actual and expected experience	-	(398,260)
Changes of assumptions	27,217	(55,433)
Net differences between projected and actual earnings on plan investments	-	(15,459)
Total	\$ 793,270	\$ (469,152)

\$766,053 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, 2021. 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 Ended June 30	Annual Amortization
2021	\$ (82,203)
2022	(82,205)
2023	(63,664)
2024	(58,115)
2025	(67,682)
Thereafter	(88,066)
Total	\$ (441,935)

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 - 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 or 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

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 \$943,113 during the fiscal year ended June 30, 2020. 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.

NOTE 11 - 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. In the opinion of the City Attorney there is no other pending litigation, which is likely to have a material adverse effect on the financial position of the City.

CITY OF LATHROP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 11 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. Although many of the City's services are considered essential, City Hall was closed to the public, certain other services transitioned to online-only and because the City's major revenue sources, including businesses that collect sales taxes and transient occupancy taxes, are directly impacted by these events, it is probable that this matter will negatively impact the City. However, the ultimate financial impact and duration cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF LATHROP MISCELLANEOUS RATE,
 COST SHARING-EMPLOYER DEFINED PENSION PLAN
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY
 Last 10 Years***

<u>Measurement Date</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>
Plan's proportion of the Net Pension Liability (Asset)	0.1453%	0.1140%	0.1241%
Plan's proportion share of the Net Pension Liability (Asset)	\$ 3,590,219	\$ 3,127,249	\$ 4,309,662
Plan's Covered Payroll	4,501,607	4,364,310	5,148,017
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	79.75%	71.66%	83.71%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	80.08%	83.43%	83.19%

Notes to Schedule:

Changes in assumption - In 2017, the accounting discount rate was decreased from 7.65% to 7.15%

* - Fiscal year 2015 was the 1st year of implementation.

	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
	0.1319%	0.1347%	0.1429%
\$	5,199,968	\$ 5,077,307	\$ 5,723,799
	5,568,372	6,004,176	6,384,728
	93.38%	84.56%	89.65%
	78.20%	75.26%	75.26%

**CITY OF LATHROP MISCELLANEOUS PLAN,
A COST SHARING-EMPLOYER DEFINED PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
Last 10 Years***

<u>Fiscal Year Ended June 30</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contribution	\$ 523,329	\$ 369,225	\$ 434,033
Contributions in relation to the actuarially determined contributions	<u>(523,329)</u>	<u>(369,225)</u>	<u>(434,033)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,364,310	\$ 5,148,017	\$ 5,568,372
Contributions as a percentage of covered payroll	11.99%	7.17%	7.79%

* Fiscal year 2015 was the 1st year of implementation.

<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 465,746	\$ 766,989	\$ 917,576
<u>(465,746)</u>	<u>(766,989)</u>	<u>(917,576)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,004,176	\$ 6,384,728	\$ 6,808,162
7.76%	12.01%	13.48%

City of Lathrop
OPEB Plan – Single Employer
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2020
Last 10 Years*

Measurement Date	<u>6/30/17</u>	<u>6/30/18</u>	<u>6/30/19</u>
Total OPEB Liability			
Service Cost	\$ 228,075	\$ 231,377	\$ 238,897
Interest	366,257	359,416	378,925
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(430,189)	-	(134,660)
Changes of assumptions	42,010	-	(62,441)
Benefit payments	<u>(299,940)</u>	<u>(314,423)</u>	<u>(324,785)</u>
Net change in total OPEB liability	(93,787)	276,370	95,936
Total OPEB liability - beginning	<u>5,154,131</u>	<u>5,060,344</u>	<u>5,336,714</u>
Total OPEB liability - ending (a)	<u>\$ 5,060,344</u>	<u>\$ 5,336,714</u>	<u>\$ 5,432,650</u>
Plan fiduciary net position			
Contributions - employer	\$ 471,077	\$ 495,719	\$ 459,510
Contributions - employee	-	-	-
Net investment income	307,578	276,193	230,777
Administrative expense	(1,576)	(1,813)	(825)
Other Expenses (one time)	-	(4,582)	-
Benefit payments	<u>(299,940)</u>	<u>(314,423)</u>	<u>(324,785)</u>
Net change in plan fiduciary net position	477,139	451,094	364,677
Plan fiduciary net position - beginning	<u>2,984,872</u>	<u>3,462,011</u>	<u>3,913,105</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,462,011</u>	<u>\$ 3,913,105</u>	<u>\$ 4,277,782</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 1,598,333</u>	<u>\$ 1,423,609</u>	<u>\$ 1,154,868</u>
Plan fiduciary net position as a percentage of the total OPEB liability	68.41%	73.32%	78.74%
Covered-employee payroll	<u>\$ 5,982,337</u>	<u>\$ 6,377,387</u>	<u>\$ 6,358,722</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>26.72%</u>	<u>22.32%</u>	<u>18.16%</u>

* Fiscal year 2018 was the first year of implementation.

City of Lathrop
OPEB Plan – Single Employer
Schedule of Contributions
For the Fiscal Year Ended June 30, 2020
Last 10 years*

Fiscal Year Ended June 30,	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 389,509	\$ 359,460	\$ 369,969
Contributions in relation to the actuarially determined contribution	<u>495,719</u>	<u>459,510</u>	<u>766,053</u>
Contribution deficiency (excess)	<u>\$ (106,210)</u>	<u>\$ (100,050)</u>	<u>\$ (396,084)</u>
Covered-employee payroll	<u>\$ 6,377,387</u>	<u>\$ 6,358,722</u>	<u>\$ 6,549,484</u>
Contributions as a percentage of covered-employee payroll	7.77%	7.23%	6.05%

Valuation date: June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial Assumptions:

Discount Rate	7.00%
Inflation	2.75%
Payroll Growth	3.25%
Investment Rate of Return	7.00%
Mortality Rate	2014 CalPERS Experience Study; Improvement using MacLeod Watts Scale 2017
Healthcare Trend Rate	7.5% in January 2017, step down .5% per year to 5.0% by 2024

* Fiscal year 2018 was the first year of implementation.

CITY OF LATHROP
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property taxes	\$ 4,125,000	\$ 4,125,000	\$ 5,333,918	\$ 1,208,918
Sales and use taxes	8,100,000	8,400,000	10,501,615	2,101,615
Transient occupancy taxes	550,000	550,000	582,552	32,552
Franchise taxes	840,000	840,000	1,241,635	401,635
Licenses and permits	218,006	218,006	271,668	53,662
Fines, forfeitures, and penalties	96,000	96,000	436,779	340,779
Intergovernmental	1,930,000	1,951,450	2,233,976	282,526
Use of money and property	190,900	196,400	1,550,070	1,353,670
Charges for current services	472,453	472,453	832,738	360,285
Other	1,270,050	1,270,050	208,232	(1,061,818)
Total Revenues	<u>17,792,409</u>	<u>18,119,359</u>	<u>23,193,183</u>	<u>5,073,824</u>
Expenditures				
Current				
General government				
City council	60,125	74,425	49,814	24,611
City manager	893,421	970,481	844,089	126,392
City clerk	247,925	308,925	275,559	33,366
City attorney	618,083	744,759	719,656	25,103
Personnel	352,098	352,098	331,818	20,280
Central services	481,335	496,930	465,724	31,206
Finance	1,457,656	1,538,396	1,314,303	224,093
Information systems	1,354,373	1,537,226	1,531,377	5,849
Animal control	355,479	390,479	216,639	173,840
Total General Government	<u>5,820,495</u>	<u>6,413,719</u>	<u>5,748,979</u>	<u>664,740</u>
Public safety				
Administration	<u>8,549,124</u>	<u>9,304,707</u>	<u>6,944,468</u>	<u>2,360,239</u>
Total Public Safety	<u>8,549,124</u>	<u>9,304,707</u>	<u>6,944,468</u>	<u>2,360,239</u>

(Continued)

CITY OF LATHROP
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current				
Community development				
Planning	\$ 1,203,274	\$ 2,477,507	\$ 1,091,773	\$ 1,385,734
Total Community Development	<u>1,203,274</u>	<u>2,477,507</u>	<u>1,091,773</u>	<u>1,385,734</u>
Public works				
Administration	675,766	762,666	692,596	70,070
City hall	316,577	401,052	249,820	151,232
Utility engineering	232,732	232,732	225,901	6,831
Code compliance	274,743	428,106	189,205	238,901
Building maintenance	264,967	336,938	277,178	59,760
Park and landscape maintenance	397,155	477,209	332,332	144,877
Total Public Works	<u>2,161,940</u>	<u>2,638,703</u>	<u>1,967,032</u>	<u>671,671</u>
Culture and leisure				
Administration	357,585	365,585	359,331	6,254
Senior center	143,351	143,351	136,746	6,605
Recreation programs	74,897	84,797	84,304	493
Special events	123,525	138,025	90,656	47,369
Day camp kid's club	542,010	543,310	473,611	69,699
Youth and adult sports	309,087	306,087	266,688	39,399
Library	1,300	1,300		1,300
Total Culture and Leisure	<u>1,551,755</u>	<u>1,582,455</u>	<u>1,411,336</u>	<u>171,119</u>
Capital outlay	<u>680,500</u>	<u>1,332,613</u>	<u>1,020,450</u>	<u>312,163</u>
Debt service				
Principal	290,000	290,000	290,000	
Interest	89,123	89,123	89,123	
Total Debt Service	<u>379,123</u>	<u>379,123</u>	<u>379,123</u>	
Total Expenditures	<u>20,346,211</u>	<u>24,128,827</u>	<u>18,563,161</u>	<u>5,565,666</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,553,802)</u>	<u>(6,009,468)</u>	<u>4,630,022</u>	<u>10,639,490</u>
Other Financing Sources (Uses)				
Transfers in	5,551,976	6,051,976	5,990,044	(61,932)
Transfers (out)	<u>(2,801,912)</u>	<u>(4,331,912)</u>	<u>(6,959,473)</u>	<u>(2,627,561)</u>
Total Other Financing Sources (Uses)	<u>2,750,064</u>	<u>1,720,064</u>	<u>(969,429)</u>	<u>(2,689,493)</u>
Net Changes in Fund Balance	<u>\$ 196,262</u>	<u>\$ (4,289,404)</u>	3,660,593	<u>\$ 7,949,997</u>
Fund Balance, Beginning of the Year			<u>36,395,304</u>	
Fund Balance, End of the Year			<u>\$ 40,055,897</u>	

CITY OF LATHROP
DEVELOPERS PROJECTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 67,361	\$ 67,361
Developer contribution	2,286,260	2,759,080	357,105	(2,401,975)
Other				
Total Revenues	<u>2,286,260</u>	<u>2,759,080</u>	<u>424,466</u>	<u>(2,334,614)</u>
Expenditures:				
Current				
Public works			836,037	(836,037)
Capital outlay				
Total Expenditures			<u>836,037</u>	<u>(836,037)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,286,260</u>	<u>2,759,080</u>	<u>(411,571)</u>	<u>(3,170,651)</u>
Other Financing Sources (Uses):				
Transfers in			829,818	829,818
Transfers (out)	<u>(2,298,793)</u>	<u>(2,771,613)</u>	<u>(651,849)</u>	<u>2,119,764</u>
Total Other Financing Sources (Uses)	<u>(2,298,793)</u>	<u>(2,771,613)</u>	<u>177,969</u>	<u>2,949,582</u>
Net Changes in Fund Balance	<u>\$ (12,533)</u>	<u>\$ (12,533)</u>	(233,602)	<u>\$ (221,069)</u>
Fund Balance, Beginning of the Year			<u>618,988</u>	
Fund Balance, End of the Year			<u>\$ 385,386</u>	

CITY OF LATHROP
CAPITAL FACILITIES FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Taxes and assessments	\$ 15,309,773	\$ 15,309,773	\$ 8,119,530	\$ (7,190,243)
Use of money and property			573,649	573,649
Total Revenues	<u>15,309,773</u>	<u>15,309,773</u>	<u>8,693,179</u>	<u>(6,616,594)</u>
Expenditures:				
Current				
Public works		243,763	1,163,642	(919,879)
Excess (Deficiency) of Revenues over Expenditures	15,309,773	15,066,010	7,529,537	(7,536,473)
Other Financing Sources (Uses):				
Transfers (out)	<u>(6,252,820)</u>	<u>(7,184,147)</u>	<u>(7,156,785)</u>	<u>27,362</u>
Total Other Financing Sources (Uses)	<u>(6,252,820)</u>	<u>(7,184,147)</u>	<u>(7,156,785)</u>	<u>27,362</u>
Net Changes in Fund Balance	<u>\$ 9,056,953</u>	<u>\$ 7,881,863</u>	372,752	<u>\$ (7,509,111)</u>
Fund Balance, Beginning of the Year			<u>30,926,185</u>	
Fund Balance, End of the Year			<u>\$ 31,298,937</u>	

CITY OF LATHROP
BUILDING SAFETY & INSPECTION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Licenses and permits	\$ 2,043,986	\$ 2,368,285	\$ 2,658,676	\$ 290,391
Use of money and property			49,426	49,426
Charges for current services	1,068,877	1,068,877	151,020	(917,857)
Other			3,896	3,896
Total Revenues	<u>3,112,863</u>	<u>3,437,162</u>	<u>2,863,018</u>	<u>(574,144)</u>
Expenditures:				
Current:				
Public works	<u>2,112,630</u>	<u>3,244,908</u>	<u>1,601,708</u>	<u>1,643,200</u>
Total Expenditures	<u>2,112,630</u>	<u>3,244,908</u>	<u>1,601,708</u>	<u>1,643,200</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,000,233</u>	<u>192,254</u>	<u>1,261,310</u>	<u>1,069,056</u>
Other Financing Sources (Uses):				
Transfers in			835,913	835,913
Transfers (out)	<u>(405,400)</u>	<u>(405,400)</u>	<u>(405,400)</u>	
Total Other Financing Sources (Uses)	<u>(405,400)</u>	<u>(405,400)</u>	<u>430,513</u>	<u>835,913</u>
Net Changes in Fund Balance	<u>\$ 594,833</u>	<u>\$ (213,146)</u>	1,691,823	<u>\$ 1,904,969</u>
Fund Balance, Beginning of the Year			<u> </u>	
Fund Balance, End of the Year			<u>\$ 1,691,823</u>	

CITY OF LATHROP
DEVELOPMENT ENGINEERING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 107,978	\$ 107,978
Charges for current services	3,660,642	3,660,642	3,539,569	(121,073)
Other			1,610	1,610
Total Revenues	<u>3,660,642</u>	<u>3,660,642</u>	<u>3,649,157</u>	<u>(11,485)</u>
Expenditures:				
Current:				
Public works	3,421,800	4,548,340	1,861,000	2,687,340
Capital outlay		39,013	39,013	
Total Expenditures	<u>3,421,800</u>	<u>4,587,353</u>	<u>1,900,013</u>	<u>2,687,340</u>
Excess (Deficiency) of Revenues over Expenditures	<u>238,842</u>	<u>(926,711)</u>	<u>1,749,144</u>	<u>2,675,855</u>
Other Financing Sources (Uses):				
Transfers in			1,166,131	1,166,131
Total Other Financing Sources (Uses)			<u>1,166,131</u>	<u>1,166,131</u>
Net Changes in Fund Balance	<u>\$ 238,842</u>	<u>\$ (926,711)</u>	2,915,275	<u>\$ 3,841,986</u>
Fund Balance, Beginning of the Year				
Fund Balance, End of the Year			<u>\$ 2,915,275</u>	

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

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 a department.

During the fiscal year, the City made a number of supplemental budget amendments totaling \$12,838,796 in revenues and \$26,558,708 in expenditures.

SUPPLEMENTAL INFORMATION

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GENERAL FUND

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
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2020

	General Purpose Fund	Economic Development	Measure C	Totals
Assets				
Cash and investments	\$ 30,215,372	\$ 417,376	\$ 5,028,543	\$ 35,661,291
Receivables:				
Accounts	2,667,065	73	1,117,753	3,784,891
Interest	33,898		6,733	40,631
Due from other funds	970,810			970,810
Advances to other funds	3,470,982			3,470,982
	<u>37,358,127</u>	<u>417,449</u>	<u>6,153,029</u>	<u>43,928,605</u>
Total Assets	<u>\$ 37,358,127</u>	<u>\$ 417,449</u>	<u>\$ 6,153,029</u>	<u>\$ 43,928,605</u>
Liabilities				
Accounts payable	\$ 1,494,749	\$ 45,000	\$ 344,338	\$ 1,884,087
Accrued payroll and benefits	370,738			370,738
Deposits payable	485,959			485,959
Unearned revenue	1,131,924			1,131,924
	<u>3,483,370</u>	<u>45,000</u>	<u>344,338</u>	<u>3,872,708</u>
Total Liabilities	<u>3,483,370</u>	<u>45,000</u>	<u>344,338</u>	<u>3,872,708</u>
Fund Balances				
Nonspendable	3,470,982			3,470,982
Committed	23,677,526	372,449	5,628,827	29,678,802
Assigned	2,436,971		179,864	2,616,835
Unassigned	4,289,278			4,289,278
	<u>33,874,757</u>	<u>372,449</u>	<u>5,808,691</u>	<u>40,055,897</u>
Total Fund Balances	<u>33,874,757</u>	<u>372,449</u>	<u>5,808,691</u>	<u>40,055,897</u>
Total Liabilities and Fund Balances	<u>\$ 37,358,127</u>	<u>\$ 417,449</u>	<u>\$ 6,153,029</u>	<u>\$ 43,928,605</u>

CITY OF LATHROP
GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	General Purpose Fund	Economic Development	Measure C	Totals
Revenues				
Taxes and assessments	\$ 11,783,617	\$ -	\$ 5,876,103	\$ 17,659,720
Licenses and permits	271,668			271,668
Fines, forfeitures, and penalties	436,779			436,779
Intergovernmental	2,233,976			2,233,976
Use of money and property	1,452,182	379	97,509	1,550,070
Charges for current services	832,738			832,738
Other	208,232			208,232
Total Revenues	17,219,192	379	5,973,612	23,193,183
Expenditures				
Current:				
General government	5,748,979			5,748,979
Community development	846,773	245,000		1,091,773
Public safety	4,933,641		2,010,827	6,944,468
Public works	1,967,032			1,967,032
Culture and leisure	1,411,336			1,411,336
Capital outlay	933,601		86,849	1,020,450
Debt service:				
Principal	290,000			290,000
Interest	89,123			89,123
Total Expenditures	16,220,485	245,000	2,097,676	18,563,161
Excess (Deficiency) of Revenues over Expenditures	998,707	(244,621)	3,875,936	4,630,022
Other Financing Sources (Uses)				
Transfers in	5,255,904	734,140		5,990,044
Transfers out	(3,708,840)	(117,070)	(3,133,563)	(6,959,473)
Total Other Financing Sources (Uses)	1,547,064	617,070	(3,133,563)	(969,429)
Net Change in Fund Balances	2,545,771	372,449	742,373	3,660,593
Fund Balances, Beginning of the Year	31,328,986		5,066,318	36,395,304
Fund Balances, End of the Year	\$ 33,874,757	\$ 372,449	\$ 5,808,691	\$ 40,055,897

CITY OF LATHROP
 BUDGETED GENERAL FUND
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	General Purpose Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes				
Property taxes	\$ 4,125,000	\$ 4,125,000	\$ 5,333,918	\$ 1,208,918
Sales and use taxes	3,800,000	4,100,000	4,625,512	525,512
Transient occupancy taxes	550,000	550,000	582,552	32,552
Franchise taxes	840,000	840,000	1,241,635	401,635
Licenses and permits	218,006	218,006	271,668	53,662
Fines, forfeitures, and penalties	96,000	96,000	436,779	340,779
Intergovernmental	1,930,000	1,951,450	2,233,976	282,526
Use of money and property	190,900	196,400	1,452,182	1,255,782
Charges for current services	472,453	472,453	832,738	360,285
Other	1,200,050	1,200,050	208,232	(991,818)
Total Revenues	13,422,409	13,749,359	17,219,192	3,469,833
Expenditures				
Current				
General government				
City council	60,125	74,425	49,814	24,611
City manager	893,421	970,481	844,089	126,392
City clerk	247,925	308,925	275,559	33,366
City attorney	618,083	744,759	719,656	25,103
Personnel	352,098	352,098	331,818	20,280
Central services	481,335	496,930	465,724	31,206
Finance	1,457,656	1,538,396	1,314,303	224,093
Information systems	1,354,373	1,537,226	1,531,377	5,849
Animal control	355,479	390,479	216,639	173,840
Total General Government	5,820,495	6,413,719	5,748,979	664,740
Community development				
Planning	1,203,274	1,977,507	846,773	1,130,734
Total Community Development	1,203,274	1,977,507	846,773	1,130,734
Public safety				
Administration	6,046,774	6,500,923	4,933,641	1,567,282
Total Public Safety	6,046,774	6,500,923	4,933,641	1,567,282

CITY OF LATHROP
 BUDGETED GENERAL FUND
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public works				
Administration	\$ 675,766	\$ 762,666	\$ 692,596	\$ 70,070
City hall	316,577	401,052	249,820	151,232
Utility engineering	232,732	232,732	225,901	6,831
Code compliance	274,743	428,106	189,205	238,901
Building maintenance	264,967	336,938	277,178	59,760
Park and landscape maintenance	397,155	477,209	332,332	144,877
Total Public Works	<u>2,161,940</u>	<u>2,638,703</u>	<u>1,967,032</u>	<u>671,671</u>
Culture and leisure				
Administration	357,585	365,585	359,331	6,254
Senior center	143,351	143,351	136,746	6,605
R Recreation programs	74,897	84,797	84,304	493
Special events	123,525	138,025	90,656	47,369
Day camp kid's club	542,010	543,310	473,611	69,699
Youth and adult sports	309,087	306,087	266,688	39,399
Library	1,300	1,300		1,300
Total Culture and Leisure	<u>1,551,755</u>	<u>1,582,455</u>	<u>1,411,336</u>	<u>171,119</u>
Capital outlay	<u>577,000</u>	<u>1,229,113</u>	<u>933,601</u>	<u>295,512</u>
Debt service				
Principal	290,000	290,000	290,000	
Interest	89,123	89,123	89,123	
Total Debt Service	<u>379,123</u>	<u>379,123</u>	<u>379,123</u>	
Total Expenditures	<u>17,740,361</u>	<u>20,721,543</u>	<u>16,220,485</u>	<u>4,501,058</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,317,952)</u>	<u>(6,972,184)</u>	<u>998,707</u>	<u>7,970,891</u>
Other Financing Sources (Uses):				
Transfers in	5,551,976	5,551,976	5,255,904	(296,072)
Transfers (out)	(217,921)	(1,747,921)	(3,708,840)	(1,960,919)
Total Other Financing Sources (Uses)	<u>5,334,055</u>	<u>3,804,055</u>	<u>1,547,064</u>	<u>(2,256,991)</u>
Net Change in Fund Balances	<u>\$ 1,016,103</u>	<u>\$ (3,168,129)</u>	<u>2,545,771</u>	<u>\$ 5,713,900</u>
Fund Balances, Beginning of the Year			<u>31,328,986</u>	
Fund Balances, End of the Year			<u>\$ 33,874,757</u>	

(Continued)

CITY OF LATHROP
 BUDGETED GENERAL FUND
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	Economic Development			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes				
Transient occupancy taxes				
Franchise taxes				
Licenses and permits				
Fines, forfeitures, and penalties				
Intergovernmental				
Use of money and property			379	379
Charges for current services				
Other				
Total Revenues			379	379
Expenditures				
Current				
General government				
City council				
City manager				
City clerk				
City attorney				
Personnel				
Central services				
Finance				
Information systems				
Animal control				
Total General Government				
Community development				
Planning		500,000	245,000	255,000
Total Community Development		500,000	245,000	255,000
Public safety				
Administration				
Total Public Safety				

CITY OF LATHROP
 BUDGETED GENERAL FUND
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public works				
Administration	\$ -	\$ -	\$ -	\$ -
City hall				
Utility engineering				
Code compliance				
Building maintenance				
Park and landscape maintenance				
Total Public Works				
Culture and leisure				
Administration				
Senior center				
Recreation programs				
Special events				
Day camp kid's club				
Youth and adult sports				
Library				
Total Culture and Leisure				
Capital outlay				
Debt service				
Principal				
Interest				
Total Debt Service				
Total Expenditures		500,000	245,000	255,000
Excess (Deficiency) of Revenues over Expenditures		(500,000)	(244,621)	255,379
Other Financing Sources (Uses):				
Transfers in		500,000	734,140	234,140
Transfers (out)			(117,070)	(117,070)
Total Other Financing Sources (Uses)		500,000	617,070	117,070
Net Change in Fund Balances	\$ -	\$ -	372,449	\$ 372,449
Fund Balances, Beginning of the Year				
Fund Balances, End of the Year			\$ 372,449	

(Continued)

CITY OF LATHROP
 BUDGETED GENERAL FUND
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	Measure C			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	4,300,000	4,300,000	5,876,103	1,576,103
Transient occupancy taxes				
Franchise taxes				
Licenses and permits				
Fines, forfeitures, and penalties				
Intergovernmental				
Use of money and property			97,509	97,509
Charges for current services				
Other	70,000	70,000		(70,000)
Total Revenues	4,370,000	4,370,000	5,973,612	1,603,612
Expenditures				
Current				
General government				
City council				
City manager				
City clerk				
City attorney				
Personnel				
Central services				
Finance				
Information systems				
Animal control				
Total General Government				
Community development				
Planning				
Total Community Development				
Public safety				
Administration	2,502,350	2,803,784	2,010,827	792,957
Total Public Safety	2,502,350	2,803,784	2,010,827	792,957

CITY OF LATHROP
 BUDGETED GENERAL FUND
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public works				
Administration	\$ -	\$ -	\$ -	\$ -
City hall				
Utility engineering				
Code compliance				
Building maintenance				
Park and landscape maintenance				
Total Public Works				
Culture and leisure				
Administration				
Senior center				
Recreation programs				
Special events				
Day camp kid's club				
Youth and adult sports				
Library				
Total Culture and Leisure				
Capital outlay	103,500	103,500	86,849	16,651
Debt service				
Principal				
Interest				
Total Debt Service				
Total Expenditures	2,605,850	2,907,284	2,097,676	809,608
Excess (Deficiency) of Revenues over Expenditures	1,764,150	1,462,716	3,875,936	2,413,220
Other Financing Sources (Uses):				
Transfers in				
Transfers (out)	(2,583,991)	(2,583,991)	(3,133,563)	(549,572)
Total Other Financing Sources (Uses)	(2,583,991)	(2,583,991)	(3,133,563)	(549,572)
Net Change in Fund Balances	\$ (819,841)	\$ (1,121,275)	742,373	\$ 1,863,648
Fund Balances, Beginning of the Year			5,066,318	
Fund Balances, End of the Year			\$ 5,808,691	

(Continued)

CITY OF LATHROP
 BUDGETED GENERAL FUND
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	Total			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes				
Property taxes	\$ 4,125,000	\$ 4,125,000	\$ 5,333,918	\$ 1,208,918
Sales and use taxes	8,100,000	8,400,000	10,501,615	2,101,615
Transient occupancy taxes	550,000	550,000	582,552	32,552
Franchise taxes	840,000	840,000	1,241,635	401,635
Licenses and permits	218,006	218,006	271,668	53,662
Fines, forfeitures, and penalties	96,000	96,000	436,779	340,779
Intergovernmental	1,930,000	1,951,450	2,233,976	282,526
Use of money and property	190,900	196,400	1,550,070	1,353,670
Charges for current services	472,453	472,453	832,738	360,285
Other	1,270,050	1,270,050	208,232	(1,061,818)
Total Revenues	17,792,409	18,119,359	23,193,183	5,073,824
Expenditures				
Current				
General government				
City council	60,125	74,425	49,814	24,611
City manager	893,421	970,481	844,089	126,392
City clerk	247,925	308,925	275,559	33,366
City attorney	618,083	744,759	719,656	25,103
Personnel	352,098	352,098	331,818	20,280
Central services	481,335	496,930	465,724	31,206
Finance	1,457,656	1,538,396	1,314,303	224,093
Information systems	1,354,373	1,537,226	1,531,377	5,849
Animal control	355,479	390,479	216,639	173,840
Total General Government	5,820,495	6,413,719	5,748,979	664,740
Community development				
Planning	1,203,274	2,477,507	1,091,773	1,385,734
Total Community Development	1,203,274	2,477,507	1,091,773	1,385,734
Public safety				
Administration	8,549,124	9,304,707	6,944,468	2,360,239
Total Public Safety	8,549,124	9,304,707	6,944,468	2,360,239

CITY OF LATHROP
 BUDGETED GENERAL FUND
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Public works				
Administration	\$ 675,766	\$ 762,666	\$ 692,596	\$ 70,070
City hall	316,577	401,052	249,820	151,232
Utility engineering	232,732	232,732	225,901	6,831
Code compliance	274,743	428,106	189,205	238,901
Building maintenance	264,967	336,938	277,178	59,760
Park and landscape maintenance	397,155	477,209	332,332	144,877
Total Public Works	<u>2,161,940</u>	<u>2,638,703</u>	<u>1,967,032</u>	<u>671,671</u>
Culture and leisure				
Administration	357,585	365,585	359,331	6,254
Senior center	143,351	143,351	136,746	6,605
Recreation programs	74,897	84,797	84,304	493
Special events	123,525	138,025	90,656	47,369
Day camp kid's club	542,010	543,310	473,611	69,699
Youth and adult sports	309,087	306,087	266,688	39,399
Library	1,300	1,300		1,300
Total Culture and Leisure	<u>1,551,755</u>	<u>1,582,455</u>	<u>1,411,336</u>	<u>171,119</u>
Capital outlay	<u>680,500</u>	<u>1,332,613</u>	<u>1,020,450</u>	<u>312,163</u>
Debt service				
Principal	290,000	290,000	290,000	
Interest	89,123	89,123	89,123	
Total Debt Service	<u>379,123</u>	<u>379,123</u>	<u>379,123</u>	
Total Expenditures	<u>20,346,211</u>	<u>24,128,827</u>	<u>18,563,161</u>	<u>5,565,666</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,553,802)</u>	<u>(6,009,468)</u>	<u>4,630,022</u>	<u>10,639,490</u>
Other Financing Sources (Uses):				
Transfers in	5,551,976	6,051,976	5,990,044	(61,932)
Transfers (out)	<u>(2,801,912)</u>	<u>(4,331,912)</u>	<u>(6,959,473)</u>	<u>(2,627,561)</u>
Total Other Financing Sources (Uses)	<u>2,750,064</u>	<u>1,720,064</u>	<u>(969,429)</u>	<u>(2,689,493)</u>
Net Change in Fund Balances	<u>\$ 196,262</u>	<u>\$ (4,289,404)</u>	3,660,593	<u>\$ 7,949,997</u>
Fund Balances, Beginning of the Year			<u>36,395,304</u>	
Fund Balances, End of the Year			<u>\$ 40,055,897</u>	

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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 grant expenditures.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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.

CENTRAL LATHROP SPECIFIC PLAN (CLSP) SERVICES CFD FUND

To account for revenues and expenditures associated with the CLSP Community Facility District 2006-2.

OFFICE OF TRAFFIC SAFETY FUND

To account for grants received from the Office of Traffic Safety to be used to conduct a seat belt compliance campaign.

LATHROP MANTECA FIRE DISTRICT MEASURE C FUND

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

NORTH LATHROP TRANSPORTATION CFF FUND

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

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.

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

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

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

CLSP OFF-SITE ROADWAY IMPROVEMENTS

To account for improvements in the Central Lathrop Development.

SOUTH LATHROP CFD 2019-1

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

CENTRAL LATHROP CFD 2019-2

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

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.

STREETS AND ROADS FUND

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

CAPITAL PROJECTS FUND

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

STORM DRAINAGE FUND

To account for expenditures for storm drain capital projects.

PARK IN-LIEU FEES 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
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

SPECIAL REVENUE FUNDS

	Landscape Maintenance	Gas Tax	Traffic Safety	Local Street	Public Nuisance
Assets					
Cash and investments	\$ 967,788	\$ 524,051	\$ 62,713	\$ 449,012	\$ 10,190
Receivables:					
Accounts		31,096	2,236	13,059	2,019
Interest	1,037	555	74	657	13
Loans					
Total Assets	<u>\$ 968,825</u>	<u>\$ 555,702</u>	<u>\$ 65,023</u>	<u>\$ 462,728</u>	<u>\$ 12,222</u>
Liabilities					
Accounts payable	\$ 396,008	\$ -	\$ 23	\$ 71,600	\$ -
Due to other funds					
Deposits payable					
Unearned revenue					
Total Liabilities	<u>396,008</u>		<u>23</u>	<u>71,600</u>	
Fund Balances					
Restricted		555,702	65,000	391,128	
Committed					12,222
Assigned	572,817				
Unassigned					
Total Fund Balances	<u>572,817</u>	<u>555,702</u>	<u>65,000</u>	<u>391,128</u>	<u>12,222</u>
Total Liabilities and Fund Balances	<u>\$ 968,825</u>	<u>\$ 555,702</u>	<u>\$ 65,023</u>	<u>\$ 462,728</u>	<u>\$ 12,222</u>

SPECIAL REVENUE FUNDS

Measure K	Transit LTF	Streets and Roads	Federal Grant	HLLP	Storm Drain	Street Light	AB939 Recycling
\$ 545,319	\$ 21,038	\$ -	\$ -	\$ 229,539	\$ 362,499	\$ 1,718,144	\$ 824,938
156,480		1,124,725	331,740			9,920	14,261
660	25	256		283	421	2,070	994
				20,350			
<u>\$ 702,459</u>	<u>\$ 21,063</u>	<u>\$ 1,124,981</u>	<u>\$ 331,740</u>	<u>\$ 250,172</u>	<u>\$ 362,920</u>	<u>\$ 1,730,134</u>	<u>\$ 840,193</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,947	\$ 84,054	\$ 2,366
		591,679					
	20,147						
	20,147	591,679			27,947	84,054	2,366
702,459	916	533,302	331,740	250,172	334,973	1,646,080	837,827
<u>702,459</u>	<u>916</u>	<u>533,302</u>	<u>331,740</u>	<u>250,172</u>	<u>334,973</u>	<u>1,646,080</u>	<u>837,827</u>
<u>\$ 702,459</u>	<u>\$ 21,063</u>	<u>\$ 1,124,981</u>	<u>\$ 331,740</u>	<u>\$ 250,172</u>	<u>\$ 362,920</u>	<u>\$ 1,730,134</u>	<u>\$ 840,193</u>

(Continued)

CITY OF LATHROP
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	SPECIAL REVENUE FUNDS				
	CDBG	Scholarship	COPS	RTIF San Joaquin County	RTIF Lathrop Local West
Assets					
Cash and investments	\$ -	\$ 14,755	\$ 188,045	\$ 135,293	\$ 5,528,324
Receivables:					
Accounts	64,649				
Interest	5	19	227	103	6,351
Loans					
Total Assets	\$ 64,654	\$ 14,774	\$ 188,272	\$ 135,396	\$ 5,534,675
Liabilities					
Accounts payable	\$ 11,242	\$ -	\$ -	\$ 135,388	\$ -
Due to other funds	42,668				
Deposits payable					
Unearned revenue					
Total Liabilities	53,910			135,388	
Fund Balances					
Restricted	10,744	14,774	188,272		
Committed				8	5,534,675
Assigned					
Unassigned					
Total Fund Balances	10,744	14,774	188,272	8	5,534,675
Total Liabilities and Fund Balances	\$ 64,654	\$ 14,774	\$ 188,272	\$ 135,396	\$ 5,534,675

SPECIAL REVENUE FUNDS

RTIF SJCOG	RTIF Lathrop Local East	CLSP Service CFD	Office of Traffic Safety	Lathrop Manteca Fire District Measure C	North Lathrop Transportation CFF	Stewart Economic Development Fee 80% CFF
\$ 202,939	\$ 1,444,526	\$ -	\$ 10	\$ 599,625	\$ 11,305	\$ 188,859
154	1,783		1,871	112	13	131
<u>\$ 203,093</u>	<u>\$ 1,446,309</u>	<u>\$ -</u>	<u>\$ 1,881</u>	<u>\$ 599,737</u>	<u>\$ 11,318</u>	<u>\$ 188,990</u>
\$ 203,082	\$ -	\$ -	\$ 73	\$ -	\$ -	\$ -
						184,000
<u>203,082</u>			<u>73</u>			<u>184,000</u>
11	1,446,309		1,808	599,737	11,318	4,990
<u>11</u>	<u>1,446,309</u>		<u>1,808</u>	<u>599,737</u>	<u>11,318</u>	<u>4,990</u>
<u>\$ 203,093</u>	<u>\$ 1,446,309</u>	<u>\$ -</u>	<u>\$ 1,881</u>	<u>\$ 599,737</u>	<u>\$ 11,318</u>	<u>\$ 188,990</u>

(Continued)

CITY OF LATHROP
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	SPECIAL REVENUE FUNDS				
	Citywide Economic Development Fee 20% CFF	River Islands CFD 2013-1	Lathrop Land Acquisitions	ULOP RD-17 Levee Impact	DWR Grant - ULOP Project
Assets					
Cash and investments	\$ 1,076,582	\$ -	\$ 13,786	\$ 129,609	\$ -
Receivables:					
Accounts		459,102			
Interest	1,873	673	1	104	
Loans					
Total Assets	\$ 1,078,455	\$ 459,775	\$ 13,787	\$ 129,713	\$ -
Liabilities					
Accounts payable	\$ -	\$ 15	\$ -	\$ 129,444	\$ -
Due to other funds		336,463			
Deposits payable			12,855		
Unearned revenue					
Total Liabilities		336,478	12,855	129,444	
Fund Balances					
Restricted					
Committed	1,078,455	123,297	932	269	
Assigned					
Unassigned					
Total Fund Balances	1,078,455	123,297	932	269	
Total Liabilities Fund Balances	\$ 1,078,455	\$ 459,775	\$ 13,787	\$ 129,713	\$ -

SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS		
CLSP Off-site Roadway Improvements	South Lathrop CFD 2019-1	Central Lathrop CFD 2019-2	Streets and Roads	Capital Projects	Storm Drainage
\$ 11,594	\$ 392,652	\$ 58,730	\$ 7,765,991	\$ 7,839,850	\$ 882,001
7	399	145	61 8,978	465 8,555	1,085
<u>\$ 11,601</u>	<u>\$ 393,051</u>	<u>\$ 58,875</u>	<u>\$ 7,775,030</u>	<u>\$ 7,848,870</u>	<u>\$ 883,086</u>
\$ -	\$ 56,266	\$ 61,375	\$ 267,717	\$ 501,021	\$ -
	56,266	61,375	267,717	501,021	
11,601	336,785	(2,500)	7,507,313	7,347,849	883,086
<u>11,601</u>	<u>336,785</u>	<u>(2,500)</u>	<u>7,507,313</u>	<u>7,347,849</u>	<u>883,086</u>
<u>\$ 11,601</u>	<u>\$ 393,051</u>	<u>\$ 58,875</u>	<u>\$ 7,775,030</u>	<u>\$ 7,848,870</u>	<u>\$ 883,086</u>

(Continued)

CITY OF LATHROP
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	CAPITAL PROJECTS FUND	
	Park In-Lieu Fees	Totals
Assets		
Cash and investments	\$ 276,013	\$ 32,475,720
Receivables:		
Accounts		2,211,684
Interest	340	38,103
Loans		20,350
Total Assets	\$ 276,353	\$ 34,745,857
Liabilities		
Accounts payable	\$ -	\$ 1,947,621
Due to other funds		970,810
Deposits payable		196,855
Unearned revenue		20,147
Total Liabilities		3,135,433
Fund Balances		
Restricted	276,353	4,509,762
Committed		26,530,345
Assigned		572,817
Unassigned		(2,500)
Total Fund Balances	276,353	31,610,424
Total Liabilities and Fund Balances	\$ 276,353	\$ 34,745,857

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CITY OF LATHROP
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS				
	Landscape Maintenance	Gas Tax	Traffic Safety	Local Street	Public Nuisance
Revenues					
Taxes and assessments	\$ 2,647,286	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties			44,862		
Intergovernmental		1,005,413			
Use of money and property	11,930	10,411	865	9,417	183
Other				24,157	
Total Revenues	2,659,216	1,015,824	45,727	33,574	183
Expenditures					
Current					
Community development					
Public safety	2,320,421		14,791		
Public works				807,028	
Capital outlay	22,843			35,446	
Total Expenditures	2,343,264		14,791	842,474	
Excess (Deficiency) of Revenues over Expenditures	315,952	1,015,824	30,936	(808,900)	183
Other Financing Sources (Uses)					
Transfers in	34,483			930,000	
Transfers (out)	(337,614)	(865,815)	(3,523)	(331,603)	
Total Other Financing Sources (Uses)	(303,131)	(865,815)	(3,523)	598,397	
Net Change in Fund Balances	12,821	150,009	27,413	(210,503)	183
Fund Balances, Beginning of the Year	559,996	405,693	37,587	601,631	12,039
Fund Balances, End of the Year	\$ 572,817	\$ 555,702	\$ 65,000	\$ 391,128	\$ 12,222

SPECIAL REVENUE FUNDS

Measure K	Transit LTF	Streets and Roads	Federal Grant	HLLP	Storm Drain	Street Light	AB939 Recycling
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,788
11,317		1,124,725	473,260		352,505	975,244	6,442
500,432	378	15,111		4,138	5,714	27,871	13,468
					3,405	30,610	
<u>511,749</u>	<u>378</u>	<u>1,139,836</u>	<u>473,260</u>	<u>4,138</u>	<u>361,624</u>	<u>1,033,725</u>	<u>193,698</u>
						130,695	
					340,589	747,999	20,650
					8,226	5,484	
					348,815	884,178	20,650
<u>511,749</u>	<u>378</u>	<u>1,139,836</u>	<u>473,260</u>	<u>4,138</u>	<u>12,809</u>	<u>149,547</u>	<u>173,048</u>
(450,000)		(1,771,500)	(141,520)		20,057	31,278	
(450,000)		(1,771,500)	(141,520)		(65,491)	(150,347)	(20,190)
61,749	378	(631,664)	331,740	4,138	(45,434)	(119,069)	(20,190)
640,710	538	1,164,966		246,034	(32,625)	30,478	152,858
					367,598	1,615,602	684,969
<u>\$ 702,459</u>	<u>\$ 916</u>	<u>\$ 533,302</u>	<u>\$ 331,740</u>	<u>\$ 250,172</u>	<u>\$ 334,973</u>	<u>\$ 1,646,080</u>	<u>\$ 837,827</u>

(Continued)

CITY OF LATHROP
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS				
	CDBG	Scholarship	COPS	RTIF San Joaquin County	RTIF Lathrop Local West
Revenues					
Taxes and assessments	\$ -	\$ -	\$ -	\$ 224,660	\$ 1,598,416
Fines, forfeitures, and penalties					
Intergovernmental	69,649	2,506	155,948		
Use of money and property	56	271	3,003	1,329	84,319
Other		661			
Total Revenues	<u>69,705</u>	<u>3,438</u>	<u>158,951</u>	<u>225,989</u>	<u>1,682,735</u>
Expenditures					
Current					
Community development	61,346				
Public safety			100,000		
Public works				225,981	719
Capital outlay					
Total Expenditures	<u>61,346</u>	<u></u>	<u>100,000</u>	<u>225,981</u>	<u>719</u>
Excess (Deficiency) of Revenues over Expenditures	<u>8,359</u>	<u>3,438</u>	<u>58,951</u>	<u>8</u>	<u>1,682,016</u>
Other Financing Sources (Uses)					
Transfers in					
Transfers (out)	<u>(301)</u>	<u>(2,907)</u>			<u>(234,000)</u>
Total Other Financing Sources (Uses)	<u>(301)</u>	<u>(2,907)</u>			<u>(234,000)</u>
Net Change in Fund Balances	8,058	531	58,951	8	1,448,016
Fund Balances, Beginning of the Year	<u>2,686</u>	<u>14,243</u>	<u>129,321</u>		<u>4,086,659</u>
Fund Balances, End of the Year	<u>\$ 10,744</u>	<u>\$ 14,774</u>	<u>\$ 188,272</u>	<u>\$ 8</u>	<u>\$ 5,534,675</u>

SPECIAL REVENUE FUNDS

RTIF SJCOG	RTIF Lathrop Local East	CLSP Service CFD	Office of Traffic Safety	Lathrop Manteca Fire District Measure C	North Lathrop Transportation CFF	Stewart Economic Development Fee 80% CFF
\$ 336,991	\$ 52,836	\$ - 163,748	\$ -	\$ -	\$ -	\$ -
1,992	22,696		35,396 16	3,105	6,264	1,592
<u>338,983</u>	<u>75,532</u>	<u>163,748</u>	<u>35,412</u>	<u>3,105</u>	<u>6,264</u>	<u>1,592</u>
338,972	719		33,596	2,457,254		
<u>338,972</u>	<u>719</u>		<u>33,596</u>	<u>2,457,254</u>		
11	74,813	163,748	1,816	(2,454,149)	6,264	1,592
	234,000			2,350,441	(457,269)	
	<u>234,000</u>			<u>2,350,441</u>	<u>(457,269)</u>	
11	308,813	163,748	1,816	(103,708)	(451,005)	1,592
	1,137,496	(163,748)	(8)	703,445	462,323	3,398
<u>\$ 11</u>	<u>\$ 1,446,309</u>	<u>\$ -</u>	<u>\$ 1,808</u>	<u>\$ 599,737</u>	<u>\$ 11,318</u>	<u>\$ 4,990</u>

(Continued)

CITY OF LATHROP
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS				
	Citywide Economic Development Fee 20% CFF	River Islands CFD 2013-1	Lathrop Land Acquisitions	ULOP RD-17 Levee Impact	DWR Grant - ULOP Project
Revenues					
Taxes and assessments	\$ 379,000	\$ 507,340	\$ -	\$ 334,141	\$ -
Fines, forfeitures, and penalties					
Intergovernmental					135,193
Use of money and property	24,293	4,767	233	(985)	
Other		385,424			
	403,293	897,531	233	333,156	135,193
Total Revenues					
Expenditures					
Current					
Community development					
Public safety					
Public works		16,904		334,141	
Capital outlay					
		16,904		334,141	
Total Expenditures					
Excess (Deficiency) of Revenues over Expenditures	403,293	880,627	233	(985)	135,193
Other Financing Sources (Uses)					
Transfers in					
Transfers (out)	(500,000)	(952,741)			(151,614)
	(500,000)	(952,741)			(151,614)
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	(96,707)	(72,114)	233	(985)	(16,421)
Fund Balances, Beginning of the Year	1,175,162	195,411	699	1,254	16,421
Fund Balances, End of the Year	\$ 1,078,455	\$ 123,297	\$ 932	\$ 269	\$ -

SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS			
CLSP Off-site Roadway Improvements	South Lathrop CFD 2019-1	Central Lathrop CFD 2019-2	Streets and Roads	Capital Projects	Storm Drainage	
\$ 11,582	\$ 521,361	\$ 400,576	\$ -	\$ -	\$ -	
19	2,009	640	27,662 99,551	73,537	17,017	
11,601	523,370	401,216	127,213	73,537	17,017	
	81,754 104,831	356,454	2,886,132	2,753,573	74,447	
	186,585	356,454	2,886,132	2,753,573	74,447	
11,601	336,785	44,762	(2,758,919)	(2,680,036)	(57,430)	
		(47,262)	5,147,742 (27,662)	7,221,108	149,944 (682)	
		(47,262)	5,120,080	7,221,108	149,262	
11,601	336,785	(2,500)	2,361,161	4,541,072	91,832	
			5,146,152	2,806,777	791,254	
\$ 11,601	\$ 336,785	\$ (2,500)	\$ 7,507,313	\$ 7,347,849	\$ 883,086	

(Continued)

CITY OF LATHROP
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>CAPITAL PROJECTS FUND</u>	
	<u>Park In-Lieu Fees</u>	<u>Totals</u>
Revenues		
Taxes and assessments	\$ 2,413	\$ 7,190,390
Fines, forfeitures, and penalties		1,536,359
Intergovernmental		3,047,511
Use of money and property	4,958	950,600
Other		444,257
	<u>7,371</u>	<u>13,169,117</u>
Expenditures		
Current		61,346
Public safety		5,056,757
Public works		3,271,910
Capital outlay		5,890,982
		<u>14,280,995</u>
Excess (Deficiency) of Revenues over Expenditures	<u>7,371</u>	<u>(1,111,878)</u>
Other Financing Sources (Uses)		
Transfers in		16,119,053
Transfers (out)		(6,512,041)
		<u>9,607,012</u>
Net Change in Fund Balances	7,371	8,495,134
Fund Balances, Beginning of the Year	<u>268,982</u>	<u>23,115,290</u>
Fund Balances, End of the Year	<u>\$ 276,353</u>	<u>\$ 31,610,424</u>

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CITY OF LATHROP
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

SPECIAL REVENUE FUNDS						
LANDSCAPE MAINTENANCE			GAS TAX			
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$ 2,660,327	\$ 2,647,286	\$ (13,041)	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties						
Intergovernmental				1,030,000	1,005,413	(24,587)
Use of money and property	3,000	11,930	8,930		10,411	10,411
Other						
Total Revenues	2,663,327	2,659,216	(4,111)	1,030,000	1,015,824	(14,176)
Expenditures:						
Current:						
Community development						
Public safety						
Public works	2,636,883	2,320,421	316,462			
Capital outlay	60,932	22,843	38,089			
Total Expenditures	2,697,815	2,343,264	354,551			
Excess (Deficiency) of Revenues over Expenditures	(34,488)	315,952	350,440	1,030,000	1,015,824	(14,176)
Other Financing Sources (Uses):						
Transfers in	34,483	34,483				
Transfers (out)	(337,614)	(337,614)		(874,354)	(865,815)	8,539
Total Other Financing Sources (Uses)	(303,131)	(303,131)		(874,354)	(865,815)	8,539
Net Change in Fund Balances	\$ (337,619)	12,821	\$ 350,440	\$ 155,646	150,009	\$ (5,637)
Fund Balances, Beginning of the Year		559,996			405,693	
Fund Balances, End of the Year		\$ 572,817			\$ 555,702	

SPECIAL REVENUE FUNDS

TRAFFIC SAFETY			LOCAL STREET			PUBLIC NUISANCE		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25,000	44,862	19,862						
	865	865		9,417	9,417		183	183
				24,157	24,157			
<u>25,000</u>	<u>45,727</u>	<u>20,727</u>		<u>33,574</u>	<u>33,574</u>		<u>183</u>	<u>183</u>
16,000	14,791	1,209						
			1,175,003	807,028	367,975	4,000		4,000
			35,446	35,446				
<u>16,000</u>	<u>14,791</u>	<u>1,209</u>	<u>1,210,449</u>	<u>842,474</u>	<u>367,975</u>	<u>4,000</u>		<u>4,000</u>
<u>9,000</u>	<u>30,936</u>	<u>21,936</u>	<u>(1,210,449)</u>	<u>(808,900)</u>	<u>401,549</u>	<u>(4,000)</u>	<u>183</u>	<u>4,183</u>
(3,523)	(3,523)		930,000	930,000				
			(331,603)	(331,603)				
<u>(3,523)</u>	<u>(3,523)</u>		<u>598,397</u>	<u>598,397</u>				
<u>\$ 5,477</u>	27,413	<u>\$ 21,936</u>	<u>\$ (612,052)</u>	(210,503)	<u>\$ 401,549</u>	<u>\$ (4,000)</u>	183	<u>\$ 4,183</u>
	37,587			601,631			12,039	
	<u>\$ 65,000</u>			<u>\$ 391,128</u>			<u>\$ 12,222</u>	

(Continued)

CITY OF LATHROP
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

SPECIAL REVENUE FUNDS

	MEASURE K			STREETS AND ROADS		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties						
Intergovernmental	987,604	500,432	(487,172)	1,072,944	1,124,725	51,781
Use of money and property		11,317	11,317		15,111	15,111
Other						
Total Revenues	<u>987,604</u>	<u>511,749</u>	<u>(475,855)</u>	<u>1,072,944</u>	<u>1,139,836</u>	<u>66,892</u>
Expenditures:						
Current:						
Community development						
Public safety						
Public works						
Capital outlay						
Total Expenditures						
Excess (Deficiency) of Revenues over Expenditures	<u>987,604</u>	<u>511,749</u>	<u>(475,855)</u>	<u>1,072,944</u>	<u>1,139,836</u>	<u>66,892</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers (out)	<u>(1,006,313)</u>	<u>(450,000)</u>	<u>556,313</u>	<u>(1,939,481)</u>	<u>(1,771,500)</u>	<u>167,981</u>
Total Other Financing Sources (Uses)	<u>(1,006,313)</u>	<u>(450,000)</u>	<u>556,313</u>	<u>(1,939,481)</u>	<u>(1,771,500)</u>	<u>167,981</u>
Net Change in Fund Balances	<u>\$ (18,709)</u>	61,749	<u>\$ 80,458</u>	<u>\$ (866,537)</u>	(631,664)	<u>\$ 234,873</u>
Fund Balances, Beginning of the Year		<u>640,710</u>			<u>1,164,966</u>	
Fund Balances, End of the Year		<u>\$ 702,459</u>			<u>\$ 533,302</u>	

SPECIAL REVENUE FUNDS

FEDERAL GRANT			STORM DRAIN			STREET LIGHT		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,701,596	473,260	(4,228,336)	352,506	352,505	(1)	975,246	975,244	(2)
				5,714	5,714		27,871	27,871
				3,405	3,405		30,610	30,610
4,701,596	473,260	(4,228,336)	352,506	361,624	9,118	975,246	1,033,725	58,479
						238,425	130,695	107,730
			526,298	340,589	185,709	1,060,987	747,999	312,988
			22,729	8,226	14,503	12,487	5,484	7,003
			549,027	348,815	200,212	1,311,899	884,178	427,721
4,701,596	473,260	(4,228,336)	(196,521)	12,809	209,330	(336,653)	149,547	486,200
(4,701,596)	(141,520)	4,560,076	20,053	20,057	4	31,278	31,278	
			(65,487)	(65,491)	(4)	(150,347)	(150,347)	
(4,701,596)	(141,520)	4,560,076	(45,434)	(45,434)		(119,069)	(119,069)	
\$ -	331,740	\$ 331,740	\$ (241,955)	(32,625)	\$ 209,330	\$ (455,722)	30,478	\$ 486,200
				367,598			1,615,602	
	\$ 331,740			\$ 334,973			\$ 1,646,080	

(Continued)

CITY OF LATHROP
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

SPECIAL REVENUE FUNDS						
	AB939 RECYCLING			CDBG		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$ 80,000	\$ 173,788	\$ 93,788	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties						
Intergovernmental	5,000	6,442	1,442	268,796	69,649	(199,147)
Use of money and property		13,468	13,468		56	56
Other						
Total Revenues	<u>85,000</u>	<u>193,698</u>	<u>108,698</u>	<u>268,796</u>	<u>69,705</u>	<u>(199,091)</u>
Expenditures:						
Current:						
Community development				97,796	61,346	36,450
Public safety						
Public works	114,946	20,650	94,296			
Capital outlay						
Total Expenditures	<u>114,946</u>	<u>20,650</u>	<u>94,296</u>	<u>97,796</u>	<u>61,346</u>	<u>36,450</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(29,946)</u>	<u>173,048</u>	<u>202,994</u>	<u>171,000</u>	<u>8,359</u>	<u>(162,641)</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers (out)	<u>(20,190)</u>	<u>(20,190)</u>		<u>(171,301)</u>	<u>(301)</u>	<u>171,000</u>
Total Other Financing Sources (Uses)	<u>(20,190)</u>	<u>(20,190)</u>		<u>(171,301)</u>	<u>(301)</u>	<u>171,000</u>
Net Change in Fund Balances	<u>\$ (50,136)</u>	<u>152,858</u>	<u>\$ 202,994</u>	<u>\$ (301)</u>	<u>8,058</u>	<u>\$ 8,359</u>
Fund Balances, Beginning of the Year		<u>684,969</u>			<u>2,686</u>	
Fund Balances, End of the Year		<u>\$ 837,827</u>			<u>\$ 10,744</u>	

SPECIAL REVENUE FUNDS

SCHOLARSHIP			COPS			RTIF SAN JOAQUIN COUNTY		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280,573	\$ 224,660	\$ (55,913)
5,000	2,506	(2,494)	185,000	155,948	(29,052)			
	271	271		3,003	3,003		1,329	1,329
900	661	(239)						
<u>5,900</u>	<u>3,438</u>	<u>(2,462)</u>	<u>185,000</u>	<u>158,951</u>	<u>(26,049)</u>	<u>280,573</u>	<u>225,989</u>	<u>(54,584)</u>
			100,000	100,000		280,573	225,981	54,592
			85,000		85,000			
			185,000	100,000	85,000	280,573	225,981	54,592
<u>5,900</u>	<u>3,438</u>	<u>(2,462)</u>		<u>58,951</u>	<u>58,951</u>		<u>8</u>	<u>8</u>
<u>(5,000)</u>	<u>(2,907)</u>	<u>2,093</u>						
<u>(5,000)</u>	<u>(2,907)</u>	<u>2,093</u>						
<u>\$ 900</u>	531	<u>\$ (369)</u>	<u>\$ -</u>	58,951	<u>\$ 58,951</u>	<u>\$ -</u>	8	<u>\$ 8</u>
	<u>14,243</u>			<u>129,321</u>				
	<u>\$ 14,774</u>			<u>\$ 188,272</u>			<u>\$ 8</u>	

(Continued)

CITY OF LATHROP
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	RTIF LATHROP LOCAL WEST			RTIF SJCOG		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$ 1,523,367	\$ 1,598,416	\$ 75,049	\$ 420,859	\$ 336,991	\$ (83,868)
Fines, forfeitures, and penalties						
Intergovernmental						
Use of money and property		84,319	84,319		1,992	1,992
Other						
Total Revenues	<u>1,523,367</u>	<u>1,682,735</u>	<u>159,368</u>	<u>420,859</u>	<u>338,983</u>	<u>(81,876)</u>
Expenditures:						
Current:						
Community development						
Public safety						
Public works	5,000	719	4,281	420,859	338,972	81,887
Capital outlay						
Total Expenditures	<u>5,000</u>	<u>719</u>	<u>4,281</u>	<u>420,859</u>	<u>338,972</u>	<u>81,887</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,518,367</u>	<u>1,682,016</u>	<u>163,649</u>		<u>11</u>	<u>11</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers (out)		(234,000)	(234,000)			
Total Other Financing Sources (Uses)		<u>(234,000)</u>	<u>(234,000)</u>			
Net Change in Fund Balances	<u>\$ 1,518,367</u>	1,448,016	<u>\$ (70,351)</u>	<u>\$ -</u>	11	<u>\$ 11</u>
Fund Balances, Beginning of the Year		<u>4,086,659</u>				
Fund Balances, End of the Year		<u>\$ 5,534,675</u>			<u>\$ 11</u>	

SPECIAL REVENUE FUNDS

RTIF LATHROP LOCAL EAST			OFFICE OF TRAFFIC SAFETY			LATHROP MANTECA FIRE DISTRICT MEASURE C		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ 821,098	\$ 52,836	\$ (768,262)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	22,696	22,696	30,000	35,412	5,412		3,105	3,105
<u>821,098</u>	<u>75,532</u>	<u>(745,566)</u>	<u>30,000</u>	<u>35,412</u>	<u>5,412</u>		<u>3,105</u>	<u>3,105</u>
5,000	719	4,281	60,021	33,596	(26,425)	1,759,290	2,457,254	(697,964)
<u>5,000</u>	<u>719</u>	<u>4,281</u>	<u>60,021</u>	<u>33,596</u>	<u>(26,425)</u>	<u>1,759,290</u>	<u>2,457,254</u>	<u>(697,964)</u>
<u>816,098</u>	<u>74,813</u>	<u>(741,285)</u>	<u>(30,021)</u>	<u>1,816</u>	<u>31,837</u>	<u>(1,759,290)</u>	<u>(2,454,149)</u>	<u>(694,859)</u>
	234,000	234,000				1,720,000	2,350,441	630,441
	<u>234,000</u>	<u>234,000</u>				<u>1,720,000</u>	<u>2,350,441</u>	<u>630,441</u>
<u>\$ 816,098</u>	<u>308,813</u>	<u>\$ (507,285)</u>	<u>\$ (30,021)</u>	<u>1,816</u>	<u>\$ 31,837</u>	<u>\$ (39,290)</u>	<u>(103,708)</u>	<u>\$ (64,418)</u>
	<u>1,137,496</u>			<u>(8)</u>			<u>703,445</u>	
	<u>\$ 1,446,309</u>			<u>\$ 1,808</u>			<u>\$ 599,737</u>	

(Continued)

CITY OF LATHROP
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	NORTH LATHROP TRANSPORTATION			CITYWIDE ECONOMIC DEVELOPMENT FEE 20% CFF		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$ -	\$ -	\$ -	\$ 200,000	\$ 379,000	\$ 179,000
Fines, forfeitures, and penalties						
Intergovernmental						
Use of money and property		6,264	6,264		24,293	24,293
Other						
Total Revenues		<u>6,264</u>	<u>6,264</u>	<u>200,000</u>	<u>403,293</u>	<u>203,293</u>
Expenditures:						
Current:						
Community development						
Public safety						
Public works						
Capital outlay						
Total Expenditures						
Excess (Deficiency) of Revenues over Expenditures		<u>6,264</u>	<u>6,264</u>	<u>200,000</u>	<u>403,293</u>	<u>203,293</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers (out)	<u>(457,269)</u>	<u>(457,269)</u>		<u>(500,000)</u>	<u>(500,000)</u>	
Total Other Financing Sources (Uses)	<u>(457,269)</u>	<u>(457,269)</u>		<u>(500,000)</u>	<u>(500,000)</u>	
Net Change in Fund Balances	<u>\$ (457,269)</u>	(451,005)	<u>\$ 6,264</u>	<u>\$ (300,000)</u>	(96,707)	<u>\$ 203,293</u>
Fund Balances, Beginning of the Year,		<u>462,323</u>			<u>1,175,162</u>	
Fund Balances, End of the Year		<u>\$ 11,318</u>			<u>\$ 1,078,455</u>	

SPECIAL REVENUE FUNDS

RIVER ISLANDS CFD 2013-1			ULOP RD-17 LEVEE IMPACT			DWR GRANT - ULOP PROJECT		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ 305,000	\$ 507,340	\$ 202,340	\$ 3,103,489	\$ 334,141	\$ (2,769,348)	\$ -	\$ -	\$ -
						4,548,363	135,193	(4,413,170)
415,000	4,767 385,424	4,767 (29,576)		(985)	(985)			
720,000	897,531	177,531	3,103,489	333,156	(2,770,333)	4,548,363	135,193	(4,413,170)
15,700	16,904	(1,204)	3,103,489	334,141	2,769,348			
15,700	16,904	(1,204)	3,103,489	334,141	2,769,348			
704,300	880,627	176,327		(985)	(985)	4,548,363	135,193	(4,413,170)
(704,300)	(952,741)	(248,441)				(4,548,363)	(151,614)	4,396,749
(704,300)	(952,741)	(248,441)				(4,548,363)	(151,614)	4,396,749
<u>\$ -</u>	<u>(72,114)</u>	<u>\$ (72,114)</u>	<u>\$ -</u>	<u>(985)</u>	<u>\$ (985)</u>	<u>\$ -</u>	<u>(16,421)</u>	<u>\$ (16,421)</u>
	195,411			1,254			16,421	
	<u>\$ 123,297</u>			<u>\$ 269</u>			<u>\$ -</u>	

(Continued)

CITY OF LATHROP
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	CLSP OFF-SITE ROADWAY IMPROVEMENTS			SOUTH LATHROP CFD 2019-1		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$ 7,640	\$ 11,582	\$ 3,942	\$ 521,261	\$ 521,361	\$ 100
Fines, forfeitures, and penalties						
Intergovernmental				27,662		(27,662)
Use of money and property		19	19		2,009	2,009
Other						
Total Revenues	<u>7,640</u>	<u>11,601</u>	<u>3,961</u>	<u>548,923</u>	<u>523,370</u>	<u>(25,553)</u>
Expenditures:						
Current:						
Community development						
Public safety						
Public works				291,261	81,754	209,507
Capital outlay				230,000	104,831	125,169
Total Expenditures				<u>521,261</u>	<u>186,585</u>	<u>334,676</u>
Excess (Deficiency) of Revenues over Expenditures	<u>7,640</u>	<u>11,601</u>	<u>3,961</u>	<u>27,662</u>	<u>336,785</u>	<u>309,123</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers (out)				(27,662)		27,662
Total Other Financing Sources (Uses)				<u>(27,662)</u>		<u>27,662</u>
Net Change in Fund Balances	<u>\$ 7,640</u>	<u>11,601</u>	<u>\$ 3,961</u>	<u>\$ -</u>	<u>336,785</u>	<u>\$ 336,785</u>
Fund Balances, Beginning of the Year,						
Fund Balances, End of the Year		<u>\$ 11,601</u>			<u>\$ 336,785</u>	

SPECIAL REVENUE FUNDS

CENTRAL LATHROP CFD 2019-2

<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
\$ 395,572	\$ 400,576	\$ 5,004
	640	640
<u>395,572</u>	<u>401,216</u>	<u>5,644</u>
<u>363,398</u>	<u>356,454</u>	<u>6,944</u>
<u>363,398</u>	<u>356,454</u>	<u>6,944</u>
<u>32,174</u>	<u>44,762</u>	<u>12,588</u>
<u>(47,262)</u>	<u>(47,262)</u>	
<u>(47,262)</u>	<u>(47,262)</u>	
<u>\$ (15,088)</u>	<u>(2,500)</u>	<u>\$ 12,588</u>
	<u>\$ (2,500)</u>	

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AGENCY FUNDS

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

CSCDA LEASE REVENUE BONDS FUND

To account for the proceeds from the issuance of the lease revenue bonds.

LOUISE AVENUE FUND

To account for the special assessments associated with the storm drain capital improvements pursuant to Improvement Bond Act 1915.

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.

LATHROP SANITARY 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.

TOT TRUST FUND

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

COMMUNITY FACILITIES DISTRICT 2006-1 CLSP INFRASTRUCTURE FUND

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

DEVELOPERS' DEPOSIT AND PILOT FLYING J FUNDS

To account for the deposits held for developers in accordance with agreements with the City.

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
 AGENCY FUNDS
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 JUNE 30, 2020

	CSCDA Lease Revenue Bonds	Louise Avenue	Mossdale Village Assessment District	Crossroads Assessments	Joint Wastewater Community Facilities District
ASSETS					
Cash and investments	\$ -	\$ -	\$ 1,084,296	\$ 556,850	\$ 742,688
Cash and investments with fiscal agents			949,242	743,401	724,750
Accounts receivable				1,686,226	
Interest receivable			1,174	568	818
Total Assets	\$ -	\$ -	\$ 2,034,712	\$ 2,987,045	\$ 1,468,256
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 619	\$ -	\$ 131,097
Deposits payable					
Due to developers					
Due to bondholders			2,034,093	2,987,045	1,337,159
Total Liabilities	\$ -	\$ -	\$ 2,034,712	\$ 2,987,045	\$ 1,468,256

North Harlan Water Improvement	Lathrop Sanitary Sewer Assessment District No. 1	TOT Trust	Community Facilities District CLSP Infrastructure	Developers' Deposits	Pilot Flying J	Mossdale Village Reassessment 2015-1	Totals
\$ 70,930	\$ 12,073	\$ 1,005,724	\$ 1,567,238	\$ 462,775	\$ -	\$ 651,433	\$ 6,154,007
92,061	362,210		600,117			241,056	3,712,837
		6,255		1,175,871			2,868,352
95	22	1,234	1,390	1,355		724	7,380
<u>\$ 163,086</u>	<u>\$ 374,305</u>	<u>\$ 1,013,213</u>	<u>\$ 2,168,745</u>	<u>\$ 1,640,001</u>	<u>\$ -</u>	<u>\$ 893,213</u>	<u>\$ 12,742,576</u>
\$ 144,331	\$ 1,391	\$ -	\$ -	\$ 253,216	\$ -	\$ 54,189	\$ 584,843
	372,914						372,914
				1,386,785		839,024	2,225,809
18,755		1,013,213	2,168,745				9,559,010
<u>\$ 163,086</u>	<u>\$ 374,305</u>	<u>\$ 1,013,213</u>	<u>\$ 2,168,745</u>	<u>\$ 1,640,001</u>	<u>\$ -</u>	<u>\$ 893,213</u>	<u>\$ 12,742,576</u>

CITY OF LATHROP
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
<u>CSCDA Lease Revenue Bonds</u>				
ASSETS				
Cash and investments	\$ 572	\$ -	\$ 572	\$ -
Total Assets	<u>\$ 572</u>	<u>\$ -</u>	<u>\$ 572</u>	<u>\$ -</u>
LIABILITIES				
Due to bondholders	\$ 572	\$ -	\$ 572	\$ -
Total Liabilities	<u>\$ 572</u>	<u>\$ -</u>	<u>\$ 572</u>	<u>\$ -</u>
<u>Louise Avenue</u>				
ASSETS				
Accounts receivable	\$ 119,698	\$ -	\$ 119,698	\$ -
Total Assets	<u>\$ 119,698</u>	<u>\$ -</u>	<u>\$ 119,698</u>	<u>\$ -</u>
LIABILITIES				
Due to bondholders	\$ 119,698	\$ -	\$ 119,698	\$ -
Total Liabilities	<u>\$ 119,698</u>	<u>\$ -</u>	<u>\$ 119,698</u>	<u>\$ -</u>
<u>Mossdale Village Assessment District</u>				
ASSETS				
Cash and investments	\$ 1,035,843	\$ 49,336	\$ 883	\$ 1,084,296
Cash and investments with fiscal agents	955,169		5,927	949,242
Interest receivable	2,108	1,174	2,108	1,174
Total Assets	<u>\$ 1,993,120</u>	<u>\$ 50,510</u>	<u>\$ 8,918</u>	<u>\$ 2,034,712</u>
LIABILITIES				
Accounts payable	\$ 883	\$ 619	\$ 883	\$ 619
Due to bondholders	1,992,237	49,891	8,035	2,034,093
Total Liabilities	<u>\$ 1,993,120</u>	<u>\$ 50,510</u>	<u>\$ 8,918</u>	<u>\$ 2,034,712</u>

(Continued)

CITY OF LATHROP
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Continued)

<u>Crossroads Assessments</u>	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
ASSETS				
Cash and investments	\$ 536,788	\$ 20,062	\$ -	\$ 556,850
Cash and investments with fiscal agents	831,644		88,243	743,401
Accounts receivable	1,612,369	1,686,226	1,612,369	1,686,226
Interest receivable	988	568	988	568
	<u>988</u>	<u>568</u>	<u>988</u>	<u>568</u>
Total Assets	<u>\$ 2,981,789</u>	<u>\$ 1,706,856</u>	<u>\$ 1,701,600</u>	<u>\$ 2,987,045</u>
LIABILITIES				
Due to bondholders	<u>\$ 2,981,789</u>	<u>\$ 1,706,856</u>	<u>\$ 1,701,600</u>	<u>\$ 2,987,045</u>
Total Liabilities	<u>\$ 2,981,789</u>	<u>\$ 1,706,856</u>	<u>\$ 1,701,600</u>	<u>\$ 2,987,045</u>
<u>Joint Wastewater Community Facilities District</u>				
ASSETS				
Cash and investments	\$ 696,924	\$ 176,921	\$ 131,157	\$ 742,688
Cash and investments with fiscal agents	725,852		1,102	724,750
Interest receivable	1,461	818	1,461	818
	<u>1,461</u>	<u>818</u>	<u>1,461</u>	<u>818</u>
Total Assets	<u>\$ 1,424,237</u>	<u>\$ 177,739</u>	<u>\$ 133,720</u>	<u>\$ 1,468,256</u>
LIABILITIES				
Accounts payable	\$ 131,157	\$ 131,097	\$ 131,157	\$ 131,097
Due to bondholders	1,293,080	46,642	2,563	1,337,159
	<u>1,293,080</u>	<u>46,642</u>	<u>2,563</u>	<u>1,337,159</u>
Total Liabilities	<u>\$ 1,424,237</u>	<u>\$ 177,739</u>	<u>\$ 133,720</u>	<u>\$ 1,468,256</u>
<u>North Harlan Water Improvement</u>				
ASSETS				
Cash and investments	\$ 173,769	\$ 147,003	\$ 249,842	\$ 70,930
Cash and investments with fiscal agents	92,635		574	92,061
Interest receivable	391	95	391	95
	<u>391</u>	<u>95</u>	<u>391</u>	<u>95</u>
Total Assets	<u>\$ 266,795</u>	<u>\$ 147,098</u>	<u>\$ 250,807</u>	<u>\$ 163,086</u>
LIABILITIES				
Accounts payable	\$ 249,842	\$ 144,331	\$ 249,842	\$ 144,331
Due to bondholders	16,953	2,767	965	18,755
	<u>16,953</u>	<u>2,767</u>	<u>965</u>	<u>18,755</u>
Total Liabilities	<u>\$ 266,795</u>	<u>\$ 147,098</u>	<u>\$ 250,807</u>	<u>\$ 163,086</u>

(Continued)

CITY OF LATHROP
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Continued)

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
<u>Lathrop Sanitary Sewer Assessment District No.1</u>				
ASSETS				
Cash and investments	\$ 7,471	\$ 4,602	\$ -	\$ 12,073
Cash and investments with fiscal agents	353,265	8,945		362,210
Accounts receivable	1,068		1,068	
Interest receivable	35	22	35	22
	<u>361,839</u>	<u>13,569</u>	<u>1,103</u>	<u>374,305</u>
Total Assets	<u>\$ 361,839</u>	<u>\$ 13,569</u>	<u>\$ 1,103</u>	<u>\$ 374,305</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,391	\$ -	\$ 1,391
Deposits payable	361,839	12,178	1,103	372,914
	<u>361,839</u>	<u>13,569</u>	<u>1,103</u>	<u>374,305</u>
Total Liabilities	<u>\$ 361,839</u>	<u>\$ 13,569</u>	<u>\$ 1,103</u>	<u>\$ 374,305</u>
<u>TOT Trust</u>				
ASSETS				
Cash and investments	\$ 909,604	\$ 96,120	\$ -	\$ 1,005,724
Accounts receivable	11,173	6,255	11,173	6,255
Interest receivable	2,156	1,234	2,156	1,234
	<u>922,933</u>	<u>103,609</u>	<u>13,329</u>	<u>1,013,213</u>
Total Assets	<u>\$ 922,933</u>	<u>\$ 103,609</u>	<u>\$ 13,329</u>	<u>\$ 1,013,213</u>
LIABILITIES				
Due to bondholders	\$ 922,933	\$ 103,609	\$ 13,329	\$ 1,013,213
	<u>922,933</u>	<u>103,609</u>	<u>13,329</u>	<u>1,013,213</u>
Total Liabilities	<u>\$ 922,933</u>	<u>\$ 103,609</u>	<u>\$ 13,329</u>	<u>\$ 1,013,213</u>
<u>Community Facilities District CLSP Infrastructure</u>				
ASSETS				
Cash and investments	\$ 64,914	\$ 1,502,830	\$ 506	\$ 1,567,238
Cash and investments with fiscal agents	4,114,011		3,513,894	600,117
Interest receivable	189	1,390	189	1,390
	<u>4,179,114</u>	<u>1,504,220</u>	<u>3,514,589</u>	<u>2,168,745</u>
Total Assets	<u>\$ 4,179,114</u>	<u>\$ 1,504,220</u>	<u>\$ 3,514,589</u>	<u>\$ 2,168,745</u>
LIABILITIES				
Accounts payable	\$ 506	\$ -	\$ 506	\$ -
Due to bondholders	4,178,608	1,504,220	3,514,083	2,168,745
	<u>4,179,114</u>	<u>1,504,220</u>	<u>3,514,589</u>	<u>2,168,745</u>
Total Liabilities	<u>\$ 4,179,114</u>	<u>\$ 1,504,220</u>	<u>\$ 3,514,589</u>	<u>\$ 2,168,745</u>

(Continued)

CITY OF LATHROP
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Continued)

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
<u>Developers' Deposits</u>				
ASSETS				
Cash and investments	\$ 1,868,035	\$ 970,315	\$ 2,375,575	\$ 462,775
Accounts receivable	1,207,268	1,175,871	1,207,268	1,175,871
Interest receivable	6,027	1,355	6,027	1,355
	<u>3,081,330</u>	<u>2,147,541</u>	<u>3,588,870</u>	<u>1,640,001</u>
Total Assets	<u>\$ 3,081,330</u>	<u>\$ 2,147,541</u>	<u>\$ 3,588,870</u>	<u>\$ 1,640,001</u>
LIABILITIES				
Accounts payable	\$ 3,338	\$ 253,216	\$ 3,338	\$ 253,216
Due to developers	3,077,992	1,894,325	3,585,532	1,386,785
	<u>3,081,330</u>	<u>2,147,541</u>	<u>3,588,870</u>	<u>1,640,001</u>
Total Liabilities	<u>\$ 3,081,330</u>	<u>\$ 2,147,541</u>	<u>\$ 3,588,870</u>	<u>\$ 1,640,001</u>
<u>Pilot Flying J</u>				
ASSETS				
Cash and investments	\$ 563	\$ -	\$ 563	\$ -
Interest receivable	2		2	
	<u>565</u>	<u>-</u>	<u>565</u>	<u>-</u>
Total Assets	<u>\$ 565</u>	<u>\$ -</u>	<u>\$ 565</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 553	\$ -	\$ 553	\$ -
Due to developers	12		12	
	<u>565</u>	<u>-</u>	<u>565</u>	<u>-</u>
Total Liabilities	<u>\$ 565</u>	<u>\$ -</u>	<u>\$ 565</u>	<u>\$ -</u>
<u>Mossdale Village Reassessment 2015-1</u>				
ASSETS				
Cash and investments	\$ 638,611	\$ 67,297	\$ 54,475	\$ 651,433
Cash and investments with fiscal agents	242,491		1,435	241,056
Interest receivable	1,350	724	1,350	724
	<u>882,452</u>	<u>68,021</u>	<u>57,260</u>	<u>893,213</u>
Total Assets	<u>\$ 882,452</u>	<u>\$ 68,021</u>	<u>\$ 57,260</u>	<u>\$ 893,213</u>
LIABILITIES				
Accounts payable	\$ 54,475	\$ 54,189	\$ 54,475	\$ 54,189
Due to developers	827,977	13,832	2,785	839,024
	<u>882,452</u>	<u>68,021</u>	<u>57,260</u>	<u>893,213</u>
Total Liabilities	<u>\$ 882,452</u>	<u>\$ 68,021</u>	<u>\$ 57,260</u>	<u>\$ 893,213</u>

(Continued)

CITY OF LATHROP
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Continued)

<u>Total Agency Funds</u>	Balance <u>June 30, 2019</u>	Additions	Deletions	Balance <u>June 30, 2020</u>
ASSETS				
Cash and investments	\$ 5,933,094	\$ 3,034,486	\$ 2,813,573	\$ 6,154,007
Cash and investments with fiscal agents	7,315,067	8,945	3,611,175	3,712,837
Accounts receivable	2,951,576	2,868,352	2,951,576	2,868,352
Interest receivable	14,707	7,380	14,707	7,380
	<u>14,707</u>	<u>7,380</u>	<u>14,707</u>	<u>7,380</u>
Total Assets	<u>\$ 16,214,444</u>	<u>\$ 5,919,163</u>	<u>\$ 9,391,031</u>	<u>\$ 12,742,576</u>
LIABILITIES				
Accounts payable	\$ 440,754	\$ 584,843	\$ 440,754	\$ 584,843
Deposits payable	361,839	12,178	1,103	372,914
Due to developers	3,905,981	1,908,157	3,588,329	2,225,809
Due to bondholders	11,505,870	3,413,985	5,360,845	9,559,010
	<u>11,505,870</u>	<u>3,413,985</u>	<u>5,360,845</u>	<u>9,559,010</u>
Total Liabilities	<u>\$ 16,214,444</u>	<u>\$ 5,919,163</u>	<u>\$ 9,391,031</u>	<u>\$ 12,742,576</u>

STATISTICAL SECTION

This part of the City's Comprehensive Annual 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

STATISTICAL SECTION (Continued)
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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 Comprehensive Annual Financial Reports for the relevant year.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities:				
Net investments in capital assets	\$ 127,372,107	\$ 124,614,693	\$ 127,600,645	\$ 140,357,523
Restricted	4,182,107	6,738,303	6,989,280	4,865,583
Unrestricted	<u>35,576,555</u>	<u>31,849,848</u>	<u>31,954,985</u>	<u>31,716,374</u>
Total governmental activities net position	<u><u>\$ 167,130,769</u></u>	<u><u>\$ 163,202,844</u></u>	<u><u>\$ 166,544,910</u></u>	<u><u>\$ 176,939,480</u></u>
Business-type activities:				
Net investments in capital assets	\$ 73,171,504	\$ 73,145,195	\$ 76,371,218	\$ 88,125,585
Restricted	3,387,089	2,865,215	2,865,251	2,696,850
Unrestricted	<u>16,299,696</u>	<u>17,446,635</u>	<u>19,333,520</u>	<u>25,692,676</u>
Total business-type activities net position	<u><u>\$ 92,858,289</u></u>	<u><u>\$ 93,457,045</u></u>	<u><u>\$ 98,569,989</u></u>	<u><u>\$ 116,515,111</u></u>
Primary government:				
Net investments in capital assets	\$ 200,543,611	\$ 197,759,888	\$ 203,971,863	\$ 228,483,108
Restricted	7,569,196	9,603,518	9,854,531	7,562,433
Unrestricted	<u>51,876,251</u>	<u>49,296,483</u>	<u>51,288,505</u>	<u>57,409,050</u>
Total Primary government net position	<u><u>\$ 259,989,058</u></u>	<u><u>\$ 256,659,889</u></u>	<u><u>\$ 265,114,899</u></u>	<u><u>\$ 293,454,591</u></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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 145,671,748	\$ 148,474,931	\$ 155,971,046	\$ 159,727,304	\$ 179,501,255	\$ 206,211,349
7,733,824	10,223,760	11,858,920	10,376,172	13,552,647	16,013,046
<u>35,612,693</u>	<u>38,941,548</u>	<u>47,769,952</u>	<u>52,396,920</u>	<u>72,645,973</u>	<u>87,005,385</u>
<u>\$ 189,018,265</u>	<u>\$ 197,640,239</u>	<u>\$ 215,599,918</u>	<u>\$ 222,500,396</u>	<u>\$ 265,699,875</u>	<u>\$ 309,229,780</u>
\$ 92,350,319	\$ 93,906,914	\$ 103,695,833	\$ 120,279,431	\$ 150,452,677	\$ 160,481,074
2,995,846	2,698,250	1,706,637	1,650,031	1,652,234	1,651,396
<u>23,944,509</u>	<u>26,437,255</u>	<u>37,146,214</u>	<u>30,919,752</u>	<u>34,710,083</u>	<u>43,373,359</u>
<u>\$ 119,290,674</u>	<u>\$ 123,042,419</u>	<u>\$ 142,548,684</u>	<u>\$ 152,849,214</u>	<u>\$ 186,814,994</u>	<u>\$ 205,505,829</u>
\$ 238,022,067	\$ 242,381,845	\$ 259,666,879	\$ 280,006,735	\$ 329,953,932	\$ 366,692,423
10,729,670	12,922,010	13,565,557	12,026,203	15,204,881	17,664,442
<u>59,557,202</u>	<u>65,378,803</u>	<u>84,916,166</u>	<u>83,316,672</u>	<u>107,356,056</u>	<u>130,378,744</u>
<u>\$ 308,308,939</u>	<u>\$ 320,682,658</u>	<u>\$ 358,148,602</u>	<u>\$ 375,349,610</u>	<u>\$ 452,514,869</u>	<u>\$ 514,735,609</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses:				
Governmental activities:				
General government	\$ 3,871,620	\$ 4,233,613	\$ 3,733,840	\$ 4,680,110
Public safety	3,951,676	4,173,142	4,624,518	5,940,125
Public works	8,664,353	12,303,005	10,246,951	13,888,678
Culture and leisure	1,285,893	1,096,206	1,161,712	1,111,917
Community development	1,067,636	1,284,271	1,472,084	1,573,972
Interest on long-term debt	393,819	382,402	369,832	924,941
Total governmental activities expense	<u>19,234,997</u>	<u>23,472,639</u>	<u>21,608,937</u>	<u>28,119,743</u>
Business-type activities:				
Water	6,435,955	6,367,625	7,090,866	7,376,261
Wastewater	4,475,157	4,357,544	3,987,951	6,289,560
Total business-type activities expenses	<u>10,911,112</u>	<u>10,725,169</u>	<u>11,078,817</u>	<u>13,665,821</u>
Total primary government expenses	<u>\$ 30,146,109</u>	<u>\$ 34,197,808</u>	<u>\$ 32,687,754</u>	<u>\$ 41,785,564</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General Government	383,128	277,653	335,511	397,607
Public Safety	438,919	159,813	174,862	716,360
Public Works	93,291	79,604	178,087	202,488
Culture and leisure	166,066	153,052	152,379	242,500
Community development	531,273	809,268	1,515,837	2,189,603
Operating grants and contributions	5,119,794	5,066,429	5,076,581	4,947,223
Capital grants and contributions	3,594,176	4,285,232	8,304,237	23,115,518
Total governmental activities program revenues	<u>10,326,647</u>	<u>10,831,051</u>	<u>15,737,494</u>	<u>31,811,299</u>
Business-type activities:				
Charges for services:				
Water	5,551,012	5,561,650	6,293,790	6,551,486
Wastewater	4,501,620	4,959,693	5,186,053	5,827,902
Operating grants and contributions	-	-	3,710,000	12,002,670
Capital grants and contributions	1,025,014	263,903	159,854	159,854
Total business-type activities program revenues	<u>11,077,646</u>	<u>10,785,246</u>	<u>15,349,697</u>	<u>24,541,912</u>
Total primary government program revenues	<u>\$ 21,404,293</u>	<u>\$ 21,616,297</u>	<u>\$ 31,087,191</u>	<u>\$ 56,353,211</u>
Net revenues (expenses):				
Governmental activities	(8,908,350)	(12,641,588)	(5,871,443)	3,691,556
Business-type activities	166,534	60,077	4,270,880	10,876,091
Total net revenues (expenses)	<u>\$ (8,741,816)</u>	<u>\$ (12,581,511)</u>	<u>\$ (1,600,563)</u>	<u>\$ 14,567,647</u>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property tax	2,915,881	2,821,113	2,810,704	2,946,083
Sales and use taxes	2,126,447	2,512,565	3,128,882	6,676,994
Franchise taxes	662,429	679,295	667,509	705,405
Other taxes	231,125	232,204	466,328	419,267
Motor vehicle in lieu, unrestricted	1,200,720	1,100,388	1,076,010	1,118,489
Investment income	168,650	104,018	38,959	67,431
Other general revenues	55,824	63,662	262,023	395,810
Transfers	1,297,654	1,200,418	763,094	(5,626,465)
Total governmental activities	<u>8,658,730</u>	<u>8,713,663</u>	<u>9,213,509</u>	<u>6,703,014</u>
Business-type activities:				
Investment income	111,034	178,169	59,419	49,915
Miscellaneous	2,640,839	1,560,928	1,545,739	1,392,651
Transfers	(1,297,654)	(1,200,418)	(763,094)	5,626,465
Total business-type activities	<u>1,454,219</u>	<u>538,679</u>	<u>842,064</u>	<u>7,069,031</u>
Total primary government	<u>\$ 10,112,949</u>	<u>\$ 9,252,342</u>	<u>\$ 10,055,573</u>	<u>\$ 13,772,045</u>
Changes in net position				
Governmental activities	(249,620)	(3,927,925)	3,342,066	10,394,570
Business-type activities	1,620,753	598,756	5,112,944	17,945,122
Total primary government	<u>\$ 1,371,133</u>	<u>\$ (3,329,169)</u>	<u>\$ 8,455,010</u>	<u>\$ 28,339,692</u>

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

2015	2016	2017	2018	2019	2020
\$ 7,449,500	\$ 5,614,173	\$ 4,580,381	\$ 4,917,617	\$ 5,307,052	\$ 5,944,111
6,962,351	8,048,625	9,683,636	10,965,814	11,284,963	12,121,072
10,864,104	7,864,470	13,125,373	13,066,756	16,835,406	19,195,792
779,976	1,395,287	1,300,832	1,331,811	1,442,202	1,468,471
602,719	1,712,156	993,885	1,256,506	977,552	1,317,693
340,120	880,036	319,164	100,088	46,410	89,123
<u>26,998,770</u>	<u>25,514,747</u>	<u>30,003,271</u>	<u>31,638,592</u>	<u>35,893,585</u>	<u>40,136,262</u>
5,108,071	4,941,845	5,828,411	4,969,618	6,303,489	6,906,021
4,433,501	3,587,602	5,393,728	1,204,762	9,206,503	7,476,439
9,541,572	8,529,447	11,222,139	6,174,380	15,509,992	14,382,460
<u>\$ 36,540,342</u>	<u>\$ 34,044,194</u>	<u>\$ 41,225,410</u>	<u>\$ 37,812,972</u>	<u>\$ 51,403,577</u>	<u>\$ 54,518,722</u>
491,076	551,613	462,696	438,974	528,673	465,303
356,989	365,009	231,164	424,909	775,581	504,277
248,089	258,005	1,697,831	1,184,297	1,874,445	473,036
220,963	205,376	283,662	279,505	341,016	285,143
2,551,889	3,947,881	3,131,768	2,916,089	3,880,593	6,507,913
4,969,720	5,016,283	4,841,037	5,459,511	5,674,834	6,105,531
22,155,191	9,759,080	30,838,179	10,069,773	40,920,445	43,291,735
<u>30,993,917</u>	<u>20,103,247</u>	<u>41,486,337</u>	<u>20,773,058</u>	<u>53,995,587</u>	<u>57,632,938</u>
6,042,517	5,849,963	6,856,028	8,331,835	9,052,906	10,352,614
5,730,148	5,233,840	5,791,155	6,533,098	7,923,942	8,633,545
-	-	-	-	-	-
159,854	159,854	159,854	159,854	32,556,339	11,691,580
<u>11,932,519</u>	<u>11,243,657</u>	<u>12,807,037</u>	<u>15,024,787</u>	<u>49,533,187</u>	<u>30,677,739</u>
<u>\$ 42,926,436</u>	<u>\$ 31,346,904</u>	<u>\$ 54,293,374</u>	<u>\$ 35,797,845</u>	<u>\$ 103,528,774</u>	<u>\$ 88,310,677</u>
3,995,147	(5,411,500)	11,483,066	(10,865,534)	18,102,002	17,496,676
2,390,947	2,714,210	1,584,898	8,850,407	34,023,195	16,295,279
<u>\$ 6,386,094</u>	<u>\$ (2,697,290)</u>	<u>\$ 13,067,964</u>	<u>\$ (2,015,127)</u>	<u>\$ 52,125,197</u>	<u>\$ 33,791,955</u>
3,273,006	3,566,656	3,980,606	4,285,832	4,710,374	5,333,918
5,947,812	6,209,105	6,337,138	9,211,228	12,001,476	10,501,615
685,140	518,183	771,288	877,633	1,204,106	1,241,635
449,950	743,896	565,715	634,335	666,791	582,552
1,237,606	1,324,094	1,555,026	1,794,526	1,898,011	2,193,976
80,844	346,915	19,282	979,493	1,996,503	2,786,291
301,192	1,745,978	10,090,096	379,591	149,364	184,705
(84,391)	(421,353)	(16,842,538)	(137,582)	2,439,302	3,255,411
<u>11,891,159</u>	<u>14,033,474</u>	<u>6,476,613</u>	<u>18,025,056</u>	<u>25,065,927</u>	<u>26,080,103</u>
63,492	200,063	214,510	405,014	782,839	741,372
675,204	416,119	864,319	907,527	1,599,048	4,909,595
84,391	421,353	16,842,538	137,582	(2,439,302)	(3,255,411)
823,087	1,037,535	17,921,367	1,450,123	(57,415)	2,395,556
<u>\$ 12,714,246</u>	<u>\$ 15,071,009</u>	<u>\$ 24,397,980</u>	<u>\$ 19,475,179</u>	<u>\$ 25,008,512</u>	<u>\$ 28,475,659</u>
15,886,306	8,621,974	17,959,679	7,159,522	43,167,929	43,576,779
3,214,034	3,751,745	19,506,265	10,300,530	33,965,780	18,690,835
<u>\$ 19,100,340</u>	<u>\$ 12,373,719</u>	<u>\$ 37,465,944</u>	<u>\$ 17,460,052</u>	<u>\$ 77,133,709</u>	<u>\$ 62,267,614</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund:				
Nonspendable	\$ 6,371,601	\$ 7,235,931	\$ 7,175,257	\$ 6,380,018
Restricted	-	-	-	-
Committed	742,197	402,197	-	-
Assigned	189,925	1,248,093	1,229,504	-
Unassigned	10,735,806	8,038,858	9,784,715	16,234,527
Total general fund	<u>\$ 18,039,529</u>	<u>\$ 16,925,079</u>	<u>\$ 18,189,476</u>	<u>\$ 22,614,545</u>
All other governmental funds:				
Restricted	\$ 4,356,700	\$ 3,813,152	\$ 4,142,620	\$ 3,890,049
Committed	18,976,921	19,727,430	19,333,997	12,977,322
Assigned	-	-	264,923	930,347
Unassigned	-	259,533	-	-
Total all other governmental funds	<u>\$ 23,333,621</u>	<u>\$ 23,800,115</u>	<u>\$ 23,741,540</u>	<u>\$ 17,797,718</u>

Source: City of Lathrop, California

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

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 6,852,691	\$ 6,665,677	\$ 6,180,434	\$ 5,650,104	\$ 5,225,742	\$ 3,470,982
	-	-	-	-	-
	2,233,234	-	-	-	29,678,802
	-	-	-	-	2,616,835
<u>11,091,860</u>	<u>12,861,107</u>	<u>16,496,212</u>	<u>21,538,365</u>	<u>31,169,562</u>	<u>4,289,278</u>
<u>\$ 17,944,551</u>	<u>\$ 21,760,018</u>	<u>\$ 22,676,646</u>	<u>\$ 27,188,469</u>	<u>\$ 36,395,304</u>	<u>\$ 40,055,897</u>
\$ 6,823,678	\$ 4,513,322	\$ 4,701,300	\$ 3,797,087	\$ 4,701,645	\$ 9,116,860
22,534,880	25,829,474	35,779,675	36,015,106	49,619,728	58,214,668
880,383	975,042	784,139	663,674	549,720	572,817
(364)	(233)	(120)	-	(163,756)	(2,500)
<u>\$ 30,238,577</u>	<u>\$ 31,317,605</u>	<u>\$ 41,264,994</u>	<u>\$ 40,475,867</u>	<u>\$ 54,707,337</u>	<u>\$ 67,901,845</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues:				
Taxes and assessments	\$ 10,144,813	\$ 10,091,942	\$ 12,092,527	\$ 15,462,332
Licenses and permits	466,256	406,819	634,934	749,845
Fines, forfeitures, and penalties	1,655,515	1,568,643	1,564,795	1,476,258
Intergovernmental	3,981,076	3,672,978	7,107,760	13,291,995
Use of Money & Property	212,076	135,177	62,939	116,968
Charges for current services	818,899	835,195	1,449,684	2,727,193
Contributions	-	-		9,779,408
Other	409,088	1,633,542	1,275,270	536,779
Total revenues	<u>\$ 17,687,723</u>	<u>\$ 18,344,296</u>	<u>\$ 24,187,909</u>	<u>\$ 44,140,778</u>
Expenditures				
Current:				
General government	3,685,441	3,952,670	3,318,835	4,240,661
Community development	854,670	987,494	1,222,152	1,323,932
Public safety	3,802,298	4,088,676	4,510,204	5,829,809
Public works	7,488,100	9,007,812	9,197,006	17,040,900
Culture and leisure	879,453	1,043,340	1,069,332	1,063,957
Capital Outlay	989,761	480,929	3,795,717	9,334,496
Debt service:				
Principal retirement	237,211	249,347	262,103	274,370
Interest and fiscal charges	393,819	382,402	369,832	924,941
Total expenditures	<u>\$ 18,330,753</u>	<u>\$ 20,192,670</u>	<u>\$ 23,745,181</u>	<u>\$ 40,033,066</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (643,030)</u>	<u>\$ (1,848,374)</u>	<u>\$ 442,728</u>	<u>\$ 4,107,712</u>
Other financing sources (uses):				
Proceeds from issuance of long-term	-	-	-	-
Transfers in	7,402,707	11,926,959	9,379,077	18,471,301
Transfers out	<u>(6,105,053)</u>	<u>(10,726,541)</u>	<u>(8,615,983)</u>	<u>(24,097,766)</u>
Total other financing sources (uses)	<u>\$ 1,297,654</u>	<u>\$ 1,200,418</u>	<u>\$ 763,094</u>	<u>\$ (5,626,465)</u>
Net change in fund balances	<u>\$ 654,624</u>	<u>\$ (647,956)</u>	<u>\$ 1,205,822</u>	<u>\$ (1,518,753)</u>
Debt service as a percentage of noncapital expenditures	3.8%	3.3%	3.3%	4.1%

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 21,268,849	\$ 18,494,460	\$ 22,885,183	\$ 22,571,206	\$ 35,307,490	\$ 32,969,640
1,373,909	1,283,193	1,808,623	1,266,197	1,823,951	2,930,344
1,486,888	1,658,639	1,949,910	2,237,680	2,542,551	1,973,138
11,177,149	5,489,546	3,134,272	4,420,261	4,373,978	5,281,487
159,262	382,724	392,493	1,366,160	2,433,126	3,299,084
2,207,080	3,725,964	3,605,846	3,508,608	4,656,065	4,523,327
1,094,140	-	19,675,946	2,751,850	536,277	357,105
4,202,190	3,523,548	1,353,215	813,734	550,982	657,995
<u>\$ 42,969,467</u>	<u>\$ 34,558,074</u>	<u>\$ 54,805,488</u>	<u>\$ 38,935,696</u>	<u>\$ 52,224,420</u>	<u>\$ 51,992,120</u>
8,063,724	4,675,898	4,406,106	4,770,853	5,137,588	5,748,979
1,254,836	1,657,178	784,763	1,109,714	838,993	1,153,119
7,030,624	7,297,872	9,560,119	10,724,423	11,222,012	12,001,225
15,482,137	6,687,275	7,616,246	7,048,016	9,984,165	10,701,329
1,048,531	1,296,370	1,226,638	1,275,334	1,384,798	1,411,336
1,604,530	4,361,924	2,920,897	9,761,990	2,643,451	6,950,445
289,709	1,683,347	265,000	285,000	-	290,000
340,120	390,710	319,164	100,088	46,410	89,123
<u>\$ 35,114,211</u>	<u>\$ 28,050,574</u>	<u>\$ 27,098,933</u>	<u>\$ 35,075,418</u>	<u>\$ 31,257,417</u>	<u>\$ 38,345,556</u>
\$ 7,855,256	\$ 6,507,500	\$ 27,706,555	\$ 3,860,278	\$ 20,967,003	\$ 13,646,564
-	(1,191,652)	-	-	-	-
17,566,636	12,971,420	10,394,523	12,389,403	14,380,867	24,940,959
<u>(17,651,027)</u>	<u>(13,392,773)</u>	<u>(27,237,061)</u>	<u>(12,526,985)</u>	<u>(11,941,565)</u>	<u>(21,685,548)</u>
<u>\$ (84,391)</u>	<u>\$ (1,613,005)</u>	<u>\$ (16,842,538)</u>	<u>\$ (137,582)</u>	<u>\$ 2,439,302</u>	<u>\$ 3,255,411</u>
<u>\$ 7,770,865</u>	<u>\$ 4,894,495</u>	<u>\$ 10,864,017</u>	<u>\$ 3,722,696</u>	<u>\$ 23,406,305</u>	<u>\$ 16,901,975</u>
1.9%	9.6%	2.5%	1.5%	0.2%	1.2%

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>
2011	\$ 2,816,884	\$ 2,816,884	100.00%	-	\$ 2,816,884	100.00%
2012	2,706,678	2,706,678	100.00%	-	2,706,678	100.00%
2013	2,681,516	2,681,516	100.00%	-	2,681,516	100.00%
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%

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					Net Taxable Assessed Value	Total Direct Tax Rate
	Gross Taxable Assessed Value			Less: Exemptions			
	Secured	Unsecured	SBE Nonunitary				
2011	\$ 1,825,312,067	\$ 168,335,721	\$ 2,596,710	\$ (17,214,244)	\$ 1,979,030,254	0.110%	
2012	1,785,998,562	157,292,439	2,596,710	(17,214,244)	1,928,673,467	0.140%	
2013	1,732,727,557	166,654,824	2,596,710	(17,214,244)	1,884,764,847	0.142%	
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%	

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>2020</u>		<u>2011</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	\$ 172,291,322	4.48%	\$ -	0.00%
LIT INDUSTRIAL LP	128,920,991	3.35%	-	0.00%
UNITED PARCEL SERVICE INC	94,066,850	2.45%	-	0.00%
SUPER STORE INDUSTRIES	64,617,330	1.68%	49,924,955	2.52%
J R SIMPLOT COMPANY CORP	63,804,136	1.66%	38,526,161	1.95%
CENTERPOINT PROPERTIES TRUST	61,994,752	1.61%	-	0.00%
CALIFIA LLC	56,062,328	1.46%	56,506,500	2.86%
THOMSON LOGISTICS ASSETS LLC	53,310,744	1.39%	-	0.00%
ASHLEY FURNITURE IND INC	45,890,788	1.19%	-	0.00%
LCP REMAINDER TRUST ETAL	45,604,850	1.19%	-	0.00%

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

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CITY OF LATHROP
Sales 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
2011	1.00000%	0.09020%	0.00000%	1.09020%
2012	1.00000%	0.09500%	0.00000%	1.09500%
2013	1.00000%	0.09610%	0.00000%	1.09610%
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%

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 2010/11 - 2019/20 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
2011*	1.00%	0.50%			0.25%	1.00%	6.00%	8.75%
2012	1.00%	0.50%			0.25%	1.00%	5.00%	7.75%
2013	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.25%	9.00%
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%

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*

CITY OF LATHROP
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Gross Assessed Valuation	\$ 1,979,030,254	\$ 1,928,673,467	\$ 1,884,764,847	\$ 1,962,577,631
Debt Margin Ratio (1)	3.75%	3.75%	3.75%	3.75%
Debt Margin (Limit)	\$ 74,213,635	\$ 72,325,255	\$ 70,678,682	\$ 73,596,661
Less: total net debt applicable to limit: General obligation bonds	\$ -	\$ -	\$ -	\$ -
Net Legal Debt Margin	<u>\$ 74,213,635</u>	<u>\$ 72,325,255</u>	<u>\$ 70,678,682</u>	<u>\$ 73,596,661</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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 2,162,599,293	\$ 2,373,117,607	\$ 2,710,640,553	\$ 3,103,337,856	\$ 3,314,685,968	\$ 3,843,259,098
3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
\$ 81,097,473	\$ 88,991,910	\$ 101,649,021	\$ 116,375,170	\$ 124,300,724	\$ 144,122,216
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 81,097,473</u>	<u>\$ 88,991,910</u>	<u>\$ 101,649,021</u>	<u>\$ 116,375,170</u>	<u>\$ 124,300,724</u>	<u>\$ 144,122,216</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	Compass Bank Loan (2)
2011	\$ 7,651,202	\$ 7,651,202	\$ 29,920,000		\$ 6,500,000	-
2012	7,651,202	7,651,202	29,305,000		-	6,203,000
2013	7,139,752	7,139,752	24,945,000		-	5,950,203
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

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

State Revolving Fund Loan	Capital Leases	Total Business- type Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita (3)
\$ 2,574,893	\$ 24,130	\$ 39,019,023	\$ 46,670,225	129.57%	\$ 2,468
9,528,982	31,055	45,068,037	52,719,239	147.02%	2,745
9,340,188	23,717	40,259,108	47,398,860	143.22%	2,390
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

CITY OF LATHROP
Computation of Direct and Overlapping Debt
June 30, 2020

FY 2019/20 City Assessed Valuation	\$ 3,843,259,098
Redevelopment Agency Incremental Valuation	\$ -
Adjusted Assessed Valuation	<u>\$ 3,843,259,098</u>

<u>Overlapping Tax and Assessment Debt</u>	<u>Total Debt 6/30/20</u>	<u>Percentage Applicable to City of Lathrop (1)</u>	<u>City's Share of Debt 6/30/2020</u>
San Joaquin Delta Community College District	\$ 199,370,000	4.448%	\$ 8,867,978
Manteca Unified School District	174,884,885	20.036%	35,039,936
Tracy Unified School District	34,620,000	3.660%	1,267,092
Banta School District	460,000	60.434%	277,996
Manteca Unified School District Community Facility District No. 1989-2	23,005,000	20.749%	4,773,307
Manteca Unified School District Community Facility District No. 2005-4	5,305,000	100.000%	5,305,000
Banta School District Community Facilities District No. 2011-1	5,354,000	100.000%	5,354,000
River Islands Public Financing Authority Community Facilities District No. 2003-1	255,873,493	100.000%	255,873,493
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. 2019-1	38,430,000	100.000%	38,430,000
City of Lathrop Community Facilities District No 2003-1	5,480,000	100.000%	5,480,000
City of Lathrop Community Facilities District No 2003-2	5,565,000	100.000%	5,565,000
City of Lathrop Community Facilities District No 2018-1, I.A.s 1-5	45,735,000	100.000%	45,735,000
City of Lathrop Community Facilities District No 2018-2	26,037,800	100.000%	26,037,800
City of Lathrop 1915 Act Bonds	24,750,000	100.000%	24,750,000
Reclamation District No. 17 Assessment District	22,171,966	54.663%	12,119,862
California Statewide Community Development Authority 1915 Act Bonds	1,972,000	100.000%	1,972,000
Total Overlapping Tax and Assessment Debt	<u>\$ 1,054,124,144</u>		<u>\$ 661,958,464</u>
Ratios to FY 2019/20 Assessed Valuation:			
Total Overlapping Tax and Assessment Debt	17.22%		
Direct and Overlapping General Fund Obligation Debt			
San Joaquin County Certificates of Participation	70,545,000	4.848%	3,420,022
Manteca Unified School District Certificates of Participation	19,970,000	20.036%	4,001,189
City of Lathrop General Fund Obligations	3,350,000	100.000%	3,350,000
Total Direct and Overlapping General Fund Debt			<u>\$ 10,771,211</u>
Total Direct Debt			<u>\$ 3,350,000</u>
Total Overlapping Debt			<u>\$ 669,379,675</u>
Combined Total Debt			<u>\$ 672,729,675</u>

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.

<u>Ratios to Adjusted Assessed Valuation</u>	
Total Direct Debt	0.09%
Combined Total Debt	17.50%

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	Debt Service		Coverage
				Principal	Interest	
2011	\$ 7,846,547	\$ 2,509,302	\$ 5,337,245	\$ 185,000	\$ 393,348	9.23
2012	7,115,515	3,332,047	3,783,468	-	353,750	10.70
2013	7,803,287	3,989,183	3,814,104	252,797	236,203	7.80
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

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 Compass Bank Loan on May 4, 2012.
The Required Debt coverage ratio for the Compass Bank Loan is 1.10%.
- (2) The Required Debt coverage ratio for 2003 COP's/ Opus Bank Loan & SRF Loan is 1.00%.
- (3) Gross revenues include interest earnings and connection fees.
- (4) Operating expenses include transfers out and exclude depreciation.
- (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.

Source: City of Lathrop, California Finance Department

CITY OF LATHROP
Pledged-Revenue Coverage
Last Ten Fiscal Years

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

Debt Service

Net Available Revenue (5)	Principal	Interest	Coverage
\$ 4,758,897	\$ 585,000	\$ 1,771,818	2.02
3,429,718	615,000	1,743,738	1.45
3,325,104	650,000	1,713,603	1.41
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

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)
2010	17,969	\$ 348,635	\$ 19,402	14.1%
2011	18,908	360,197	19,050	13.7%
2012	19,209	358,594	18,668	10.4%
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%

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	2020		2011	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
United Parcel Service (UPS)	1000	8.02%	0	0.00%
Army Air Force Exchange Services	800	6.42%	0	0.00%
Tesla	700	5.61%	0	0.00%
Super Store Industries (SSI)	450	3.61%	300	3.53%
Performant Recovery, Inc. (DCS)	450	3.61%	0	0.00%
California Natural Products (CNP)	375	3.01%	0	0.00%
Tesla (Murphy Parkway 1)	350	3.01%	0	0.00%
Simwon America Corp.	300	2.81%	0	0.00%
MUSD (Lathrop Schools)	293	2.41%	0	0.00%
Wayfair	238	2.35%	0	0.00%
Pflug Packaging	200	1.91%	0	0.00%
In-N-Out Burger	200	1.60%	0	0.00%
CBC Steel Buildings	178	1.60%	0	0.00%
Target	177	1.43%	160	1.88%
Ashley Furniture	160	1.42%	0	0.00%

"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	2011	2012	2013	2014	2015	2016
General Government	24.50	25.50	25.50	23.40	23.60	24.60
Neighborhood & Community Services (1)	5.00	5.00	5.00	-	-	-
Public Safety (2)	30.33	30.33	30.33	32.00	36.98	36.98
Public Works	41.00	41.00	41.00	21.83	22.83	29.50
Community Development	23.75	23.75	23.75	8.34	6.67	4.00
Culture & Leisure	19.64	19.64	20.64	18.41	20.76	21.00
Total Positions	<u>144.22</u>	<u>145.22</u>	<u>146.22</u>	<u>103.98</u>	<u>110.84</u>	<u>116.08</u>
less Unfunded Positions (3)	<u>50.54</u>	<u>52.61</u>	<u>53.61</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Employees	<u>93.68</u>	<u>92.61</u>	<u>92.61</u>	<u>103.98</u>	<u>110.84</u>	<u>116.08</u>

(1) The Neighborhood & Community Services Department was created in March 2010 and later collapsed into Public Works/ Community Development.

(2) Police services are a contract service provided by San Joaquin County Sherriff Department.
 Fire Service is provided by Lathrop Manteca Fire District.

(3) Fiscal Year 2013 was the last year of allocating and tracking unfunded positions.

Source: City of Lathrop, California Annual Adopted Budgets.

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
23.60	23.60	24.60	26.60
-	-	-	-
37.98	35.98	36.98	36.98
30.80	33.80	40.47	40.47
3.10	4.10	4.43	4.43
20.56	21.01	21.01	21.01
<u>116.04</u>	<u>118.49</u>	<u>127.49</u>	<u>129.49</u>
-	-	-	-
<u>116.04</u>	<u>118.49</u>	<u>127.49</u>	<u>129.49</u>

CITY OF LATHROP
Operating Indicators by Function
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Police:										
Arrests	775	612	670	489	708	572	705	550	558	554
Parking Citations issues	759	567	291	380	444	696	1,385	1,084	1,389	1,237
Code Enforcement										
Housing Cases	31	21	40	20	35	29	28	54	74	64
Public Nuisance Cases	459	185	213	61	206	287	345	204	126	165
Vehicle Cases	54	21	28	12	11	67	193	140	118	129
Weed Abatement Cases	520	31	-	5	-	2	108	122	126	124
Building Permits										
Single Family Dwellings	87	63	146	130	350	220	291	317	393	462
Parks and recreation:										
Number of recreation classes	40	49	49	202	34	56	67	116	126	95
Number of facility rentals	231	302	675	1,870	542	450	390	1,598	1,388	1,041
Water:										
New connections	93	38	140	190	266	179	163	200	317	373
Average daily consumption (thousands of gallons)	3,267	3,110	4,014	3,550	3,508	3,052	3,274	4,200	4,128	4,128
Sewer:										
New connections	93	38	140	190	266	179	163	200	317	373

Source: City of Lathrop, California departmental sources.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire Stations (1)	-	-	-	-	-	-	-	-	-	-
Public works:										
Streets (miles)	79.81	72.74	82.80	82.80	84.20	84.20	84.20	92.90	92.90	97.90
Streetlights	905	1,433	1,433	1,433	1,448	1,472	1,472	1,835	1,835	1,835
Parks and recreation:										
Parks	13	13	14	16	16	16	16	18	20	22
Community centers	1	1	1	2	2	2	2	2	2	2
Senior centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	73.08	73.08	101.40	99.60	101.80	101.80	101.80	101.80	142.00	147.00
Maximum daily capacity (thousands of gallons)	20,126	20,126	21,700	15,250	15,250	15,250	15,250	15,250	16,500	16,500
Wastewater:										
Sanitary sewer (miles)	57.16	57.16	60.40	62.03	71.00	71.00	71.00	71.00	91.80	96.80
Miles of Reclaimed Water Lines	18.33	18.33	18.33	21.40	21.80	21.80	21.80	21.80	21.80	25.80
Maximum daily treatment capacity (thousands of gallons)	2,140	2,140	2,416	2,416	2,200	2,200	1,450	1,450	3,140	3,140

NOTE:

(1) The City of Lathrop's fire protection is provided by the Lathrop-Manteca Fire District.

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:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Residential	675,141	656,723	740,938	690,963	671,095	628,208	625,187	745,359	738,530	794,181
Industrial	266,145	263,466	329,816	291,935	343,231	283,410	278,985	395,110	415,471	406,181
Commercial	75,107	68,559	107,530	116,496	91,599	71,396	101,549	139,290	135,130	145,195
Governmental	135,512	129,524	265,931	157,119	172,972	177,791	139,511	149,952	126,761	144,421
Construction	40,465	16,720	20,995	39,058	1,615	-	49,923	103,309	91,038	85,601
Total	1,192,370	1,134,992	1,465,210	1,295,571	1,280,512	1,160,805	1,195,155	1,533,020	1,506,930	1,575,579
Total direct rate per 1,000 gallons	\$ 2.24	\$ 2.45	\$ 2.45	\$ 2.63	\$ 2.63	\$ 3.04	\$ 3.49	\$ 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)
2011	\$ 10.30	\$ 2.24	-	\$ 9.10
2012	10.60	2.45	-	9.10
2013	11.50	2.63	-	9.10
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

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 of 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	2020		2011	
	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenue
California Natural Products	\$ 927,392	9.89%	\$ 277,045	3.53%
City of Lathrop	596,719	6.36%	193,025	2.46%
Manteca Unified School District	263,229	2.81%	89,875	1.15%
Teichert Construction	195,764	2.09%	-	0.00%
Super Store Industries	140,337	1.50%	62,247	0.79%
Banta Elementary School District	94,923	1.01%	-	0.00%
Tesla Motors Inc	79,488	0.85%	-	0.00%
River Islands Public Finance Authority	67,811	0.72%	-	0.00%
PW Fund B Development LLC	64,470	0.69%	-	0.00%
IN-N-OUT Burger #804	55,988	0.60%	-	0.00%

Source: City of Lathrop, California Finance Department

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

2020		2011	
Business Name	Business Category	Business Name	Business Category
Percent of Fiscal Year Total Paid By Top 25 Accounts = 78.49%		Percent of Fiscal Year Total Paid By Top 25 Accounts = 85.09%	
A2I Systems	Heavy Industrial	Anderson Truss	Building Materials
Arco AM PM	Service Stations	Arco AM PM	Service Stations
Ashley Furniture Dist Center	Fulfillment Centers	Carpenter Co	Textiles/Furnishings
Boral Roofing	Contractors	CBC Steel Buildings	Contractors
CBC Steel Buildings	Contractors	Central Precast Concrete	Contractors
Chevron	Service Stations	Chevron	Service Stations
Dragon Products Ltd Petroleum	Prod/Equipment	Circle K Union 76 Service Stations	Service Stations
Eagles Nest Harley Davidson	Boats/Motorcycles	Delta Powersports	Boats/Motorcycles
Flying J Travel Plaza	Service Stations	Eagles Nest Harley Davidson	Boats/Motorcycles
Joes Travel Plaza	Service Stations	Fast Lane	Service Stations
Marquip Ward United	Light Industrial/Printers	Interior Specialists	Home Furnishings
Nemo Building Systems	Contractors	Joes Travel Plaza	Service Stations
Pape Kenworth	New Motor Vehicle Dealers	JR Simplot Company	Garden/Agricultural Supplies
Raymond Handling Concepts	Warehse/Farm/Const. Equip.	McDonalds	Quick-Service Restaurants
Save Mart	Grocery Stores	Medcal Sales	Medical/Biotech
Shell	Service Stations	Save Mart	Grocery Stores
Target	Discount Dept Stores	Shell	Service Stations
Tec Equipment	Trailers/Auto Parts	Target	Discount Dept Stores
Tesla Motors	New Motor Vehicle Dealers	Top Gun Drywall Supply	Building Materials
Top Gun Drywall Supply	Building Materials	Tower Mart	Service Stations
Tower Market	Service Stations	Two Guys Food & Fuel	Service Stations
Tri West	Building Materials	Two Guys Food & Fuel Inc	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	Walgreens	Drug Stores

* Firms Listed Alphabetically

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

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