



ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE YEAR ENDED JUNE 30, 2025

CITY OF LODI, CALIFORNIA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents

Page
Number

INTRODUCTORY SECTION

Letter of Transmittal.....	i
City of Lodi Organizational Chart.....	viii
Mayor and Council.....	ix
Advisory Bodies and Directory of Officials.....	x

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
------------------------------------	---

MANAGEMENT'S DISCUSSION AND ANALYSIS	5
--	---

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Position	19
---------------------------------	----

Statement of Activities	20
-------------------------------	----

Fund Financial Statements:

Balance Sheet – Governmental Funds	24
--	----

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	25
---	----

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	26
--	----

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
--	----

Statement of Net Position – Proprietary Funds	28
---	----

Statement of Revenues, Expenditures, and Changes in Net Position – Proprietary Funds	31
--	----

Statement of Cash Flows – Proprietary Funds.....	32
--	----

Statement of Fiduciary Net Position	34
---	----

Statement of Changes in Fiduciary Net Position.....	35
---	----

Notes to Basic Financial Statements	39
---	----

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios Miscellaneous Plan	90
---	----

CITY OF LODI, CALIFORNIA
 Annual Comprehensive Financial Report
 For the Year Ended June 30, 2025

Table of Contents

Page
Number

REQUIRED SUPPLEMENTARY INFORMATION (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios Safety Plan	92
OPEB Plan Schedule of Changes in the Net OPEB Liability and Related Ratios	94
Schedule of Plan Contributions	96
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – General Fund	97
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Streets Fund	98

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining Balance Sheet – Nonmajor Governmental Funds	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	106
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual:	
Parks, Recreation, and Community Services	110
Public Safety	111
Community Development.....	112
Transportation	113
HOME Program and CDBG	114
Special Assignments.....	115
Community Programs	116
Capital Outlay Reserve	117
Parks Capital.....	118
Debt Service.....	119
Combining Statement of Net Position – Internal Service Funds	120
Combining Statement of Revenue, Expenditures, and Changes in Net Position – Internal Service Funds.....	121
Combining Statement of Cash Flows – Internal Service Funds.....	122
Combining Statement of Fiduciary Net Position – All Custodial Funds.....	123
Combining Statement of Changes in Fiduciary Net Position – All Custodial Funds	124

CITY OF LODI, CALIFORNIA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents

Page
Number

STATISTICAL SECTION

FINANCIAL TRENDS

Net Position by Component – Last Ten Fiscal Years	128
Changes in Net Position – Last Ten Fiscal Years	130
Fund Balances Governmental Funds – Last Ten Fiscal Years	134
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	135

REVENUE CAPACITY

Tax Revenues by Source, Governmental Funds – Last Ten Fiscal Years	136
Assessed Value and Estimated Actual Value of Taxable Property– Last Ten Fiscal Years	137
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	138
Principal Property Taxpayers – Current Year and Nine Years Ago	139
Property Tax Levies and Collections – Last Ten Fiscal Years	140
Electricity Sold by Type of Customer – Last Ten Fiscal Years	141

DEBT CAPACITY

Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	142
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	143
Legal Debt Margin Information – Last Ten Fiscal Years	144
Direct and Overlapping Governmental Activities Debt	145
Pledged-Revenue Coverage – Last Ten Fiscal Years	146

DEMOGRAPHIC AND ECONOMIC INFORMATION

Demographic and Economic Statistics – Last Ten Fiscal Years	147
Principal Employers – Current Year and Nine Years Ago	148

OPERATING INFORMATION

Full-time City Government Employees by Department – Last Ten Fiscal Years	149
Operating Indicators by Function/Program/Department – Last Ten Fiscal Years	150
Capital Assets Statistics by Function/Program/Department – Last Ten Fiscal Years	151



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INTRODUCTORY SECTION (UNAUDITED)





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CITY COUNCIL
Ramon Yepez, Mayor
Mikey Hothi, Mayor Pro Tempore
Cameron Bregman
Lisa Craig-Hensley
Alan Nakanishi



Aaron Busch
Interim City Manager
Olivia Nashed
City Clerk
John M. Luebberke
Interim City Attorney

April 30, 2026

Honorable Mayor, Members of the City Council:

I am pleased to present the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year (FY) that ended June 30, 2025. State law requires that every general-purpose local government publish a complete set of audited financial statements each fiscal year. This report fulfills the fiscal year (FY) requirement ending June 30, 2025.

Management assumes full responsibility for the completeness and reliability of the information in this report, based upon a comprehensive internal control framework established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The data in this report is presented in a manner designed to fairly set forth the financial position and results of operations of the City of Lodi (the City). It contains the disclosure necessary to promote an in-depth understanding of the City's financial affairs and evaluate its financial condition.

LSL, LLP, located in Sacramento, California, has audited the City's financial statements. Based on their independent audit, LSL concluded that there was a reasonable basis for rendering a modified opinion that the City of Lodi financial statements for the fiscal year (FY) ended June 30, 2025, are fairly presented in conformity with generally accepted accounting principles. The independent auditors' report is the first item presented in the financial section of this report.

In addition to the financial audit, the City must undergo an audit of federal grant expenditures each year. That report, commonly called a Single Audit report, is issued as a separate document and is not included herein. The Single Audit report includes the Schedule of Expenditures of Federal Awards, Findings and Recommendations, and an auditor's report on the internal control structure and compliance with applicable laws and regulations.

This letter of transmittal is designed to complement the Basic Financial Statements and Management's Discussion & Analysis (MD&A) under the provisions of Governmental Accounting Standards Board (GASB) Statement 34. It should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors in the financial section of the ACFR.

Profile of the City of Lodi

The City of Lodi was incorporated on December 6, 1906, as a municipal corporation under the general laws of the State of California. The City of Lodi is located on the northern boundary of San Joaquin County. The City of Lodi is a General Law City. It can make and enforce ordinances and regulations concerning municipal affairs to the extent expressly permitted or implied by the California constitution or specific legislation. The City government is organized under the Council-Manager form of government. The district's voters elect the five-member City Council for overlapping four-year terms with no term limits. Each year, the Mayor and Mayor Pro-Tempore are chosen by the members of the City Council. The Mayor presides at Council meetings and acts as the City's ceremonial head; the Mayor Pro Tempore serves as Mayor in their absence. The City Manager is responsible for carrying out the policies and ordinances of the City Council, appointing department heads, and overseeing the operations of the City. The City Council appoints the City Manager, City Attorney, and City Clerk.

The City Council is responsible for adopting the budget on or before June 30 each fiscal year. The budgetary control level (the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the fund level. The City Manager is responsible for preparing the budget and its implementation after adoption. The City Council can amend the budget anytime during the year. The City Manager may transfer resources within a fund. However, supplemental appropriations and budget transfers between funds and projects need approval from the City Council. During fiscal year 2024-25, the City Council and City Manager made several supplemental appropriations for operating budgets and capital projects.

The City, with 450 full-time equivalent employees, provides a wide range of services to a residential population of 67,093. These services include public protection (Police and Fire), public utility services (Electric, Water, and Wastewater), Public Works, Transit Services, Parks and Recreation, Library, Community Development, and general government (City Manager, City Clerk, City Attorney, Human Resources, Information Systems, Financial Services, and Budget and Treasury).

The City is also financially accountable for the following legally separate reporting entity, the Lodi Public Financing Authority (LPFA), which is reported within the City's financial statements as a blended component unit. Additional information on this legally separate entity can be found in the notes to the financial statements (see Note 1A).

Local Economy

The information presented in the financial statements is better understood when considered from the broader perspective of the specific environment within which the City operates.

The City of Lodi is located in California's fertile San Joaquin Valley, adjacent to State Highway Route 99, between Stockton, 10 miles to the south, and Sacramento, 35 miles to the north. The City population is estimated at approximately 67,258 and is contained in an area of 13.98 square miles. The City has grown steadily since its incorporation in 1906. Lodi's growth has been intentionally managed through the General Plan and the Growth Management Allocation Ordinance voted in by the community in 1986, capping growth to 2% annually. New housing projects have been approved, and the City has maintained growth within the maximum while adding larger retail projects in the past several years.

Lodi is surrounded by agriculture, which primarily contributes to its economy.

Tokay and other table grapes, watermelon, and other crops have all been grown in the region. The past several decades have seen dramatic growth in Lodi's wine country. Originally best known for its full-bodied Old Vine Zinfandel, many more varieties are now grown locally. 750 growers farm 100,000 acres, which provide grapes to more than 60 leading California wineries. Many boutique local wineries have prospered over the last two decades, and wine tourism has been a flourishing economy.

Lodi's industrial economy is primarily based on agriculture and related firms. Recently, manufacturing has diversified to include manufacturers of rapid molecular diagnostic systems, consumable plastics for use in research laboratories, metal fabrication, and food processing.

In addition, the City has a wide range of small businesses that contribute to its economic strength. These companies range in size from approximately 10 to 3,500 employees and produce a wide variety of products, services, and commodities.

According to the California Employment Development Department, the current labor force in Lodi is 32,600, and the unemployment rate is 6.5%, below the 7.0% in San Joaquin County. Data from the U.S. Census Bureau shows that the median household income in Lodi is \$88,440, one of the lowest in San Joaquin County.

Current Economic Conditions and Outlook

Through both infill development and new growth areas in the sphere of influence, Lodi has the potential to support a variety of land uses, which could continue providing new employment opportunities and commercial services to residents of the City and the surrounding area.

To achieve this, the City Council has approved the creation of Lodi's Economic Development Strategic Plan, a comprehensive document outlining the vision, goals, strategies, and actions it will employ to help stimulate economic growth and development. This is a critical first step as the US wine industry and the Lodi American Viticultural Area continues to struggle with the impacts of shifting generational drinking habits, leading to a surplus of wine. This being exacerbated by the importation of tax credits for cheap bulk wine from overseas, blended with California wine and sold as "American wine." The local wine industry is a significant source of tourism within the City of Lodi.

MAJOR GOALS, OBJECTIVES AND PROJECTS

The City Council adopted its Strategic Vision in May of 2023, consisting of eight Strategic Imperatives that serve as focal points for City operations and resource allocation. They are collectively the City Council's vision for the future of the City.

Underlying each imperative is a "stretch goal" that serves as the ideal finish line in 10-15 years if all efforts are successful within the work plan and multiple milestones which serve as checkpoints on the way to achieving the stretch goal.

1. **Downtown**
Stretch Goal: Capitalize on Lodi's mixed-use, walkable commercial downtown district
 - Implement the Downtown Specific Plan
 - Preserve downtown historic character
 - Encourage improvements that support multi-modal transportation and public safety
 - Promote the Civic Center as an integral part of the downtown
 - Adopt policies that incentivize the revitalization of buildings
2. **Economic Development**
Stretch Goal: Raise the median income of Lodi residents to the top 12% to match the State of California.
 - Implement the Economic Development Strategy
 - Expand economic opportunities along the I-5 corridor
 - Grow the City through annexation
3. **Fiscal Health**
Stretch Goal: Create a fiscal structure to accomplish City Council Strategic Priorities
 - Promote the City's fiscal transparency and citizens' fiscal fluency
 - Position Lodi to maintain a diversified revenue mix
 - Ensure elected leaders and staff retain focus on fiscal priorities reflected in budget policies and funded projects
 - Anticipate and advocate against unfunded mandates
 - Utilize the Pension Stabilization Reserve to reduce the financial impact of growing pension expenses
4. **Housing**
Stretch Goal: Ensure every socio-economic demographic and family structure can secure quality housing within the community
 - Develop new housing opportunities with market values aligned with current Area Median Income (AMI) and standard housing/income ratios
 - Ensure continued progress towards Regional Housing Needs Assessment (RHNA) Goals
 - Require a percentage of housing in new developments to be workforce housing
 - Adopt standards and policies to promote housing for all economic levels
 - Develop policies that will promote affordable housing by design; generational housing by design; and diverse housing by design
 - Consider ways to support the existence of an adequate number of rental properties
5. **Infrastructure**
Stretch Goal: Develop and maintain a robust infrastructure to support the City's growth
 - Invest in innovative infrastructure as such new hydrogen facilities near the Lodi Energy Center
 - Promote adaptive reuse of existing properties
 - Address deferred maintenance
 - Ensure capacity for future growth
 - Proactive infrastructure development to support future growth areas
 - Ensure that funding for maintenance of future development projects is sustainable and self-supporting

6. Parks

Stretch Goal: Develop a Parks System that is a model for the State of California

- Fully staffed to annual benchmarks
- Expand, develop, and maintain Lodi Lake to meet or exceed community needs
- Develop and maintain sports/recreational facilities for City and public use including, an indoor sports facility
- Expand, develop, and maintain Hutchins Street Square (HSS) Facilities to meet or exceed community needs
- Create a dedicated fund to improve event-based facilities to meet community needs

7. Public Safety

Stretch Goal: Create the best-trained police and fire departments in the State of California

- Reach and maintain full staffing
- Build strategic regional partnerships with surrounding agencies to enhance fire and emergency response services, including construction of an outdoor public safety training facility
- Research, develop, and/or promote advanced training programs for police and fire personnel based on or exceeding best practices for service delivery and affecting public safety outcomes
- Ensure high levels of community involvement by public safety employees
- Enhance programs to address strategic safety problem areas in the community, such as the unsheltered population, Fentanyl crisis, and animal services

8. Public Well-being

Stretch Goal: Be a recognized leader in generating a happy, healthy, high quality of life for all

- Use the Library to engage in opportunities for physical, recreational, and cultural activities
- Partner with other public/private entities to provide outreach, education, and activities to engage diverse cultures and communities
- Provide opportunities for access to mental health and substance abuse treatment
- Focus on youth education and mentorship to foster positive life-choices
- Ensure a customer centered focus in the City's delivery of services to the community

Residential Development

During fiscal year 2024-25, the City has issued 25 ADU permits, 2 Junior ADU permits, and 203 Single-family dwelling permits.

Downtown and Infill Development

Two new downtown restaurants have contributed to the district. The first is Papapavlo's which opened in October 2024 , and the second is Market Tavern which opened in December 2025.

Water Meters and Water Infrastructure

In fiscal year 2024-25 the City completed the final phase of the nine-phase water meter program. The last phase included approximately 165 multi-family parcels (5 or more units on a parcel). The final single-family water meter phase was completed in 2022, combining for over 12,000 meters installed and 28 miles of water main replaced.

In fiscal year 2024-25 the City began design on the Well 6R and Well 14 Granular Activated Carbon (GAC) project, and completed well rehabilitations at Well Sites No. 7, 9, 10C, 11R, 17. The City also began rehabilitation of Well Site No. 20.

Wastewater Projects

White Slough Water Pollution Control Facility (WSWPCF) has three projects that were in construction during the 2024-25 fiscal year: the Aeration Basin Improvements, Solids Handling System Improvements, and the new Electrical Building. The Aeration and Solids projects were completed in late 2025, and the electrical building is anticipated to be completed in 2026. The design for the Wastewater Main Rehabilitation Project Phase 11 was completed in fiscal year 2024-25, with construction anticipated to be completed in 2026.

In fiscal year 2024-25 the City completed stormwater improvements at the A-2 Basin (Kofu Park) and our Shady Acres Pump Station. Both of those projects were designed to increase storage and/or pumping capacity during a major storm event. Additionally, basin elevation markers were installed at ten different basins to provide redundancy and back-up capacity information during a major storm event. The Stormwater Trash Collection Project Phase 5 was designed in fiscal year 2024-25 and is expected to be completed in 2026.

Power Plant

On November 4, 2024, the City of Lodi issued to Enchanted Rock, LLC (ERock), a Notice of Permission to Commercially Operate the California Department of Water Resources (CDWR) owned 48-megawatt natural gas power generating plant (Peaker Plant). Located near the City of Lodi's Water Treatment Plant, the Peaker Plant operates to safeguard the state's energy system in the face of drought, wildfires, and heat waves impacting California's energy grid. The new Peaker Plant will only be used in extreme demand events to provide temporary power generation to stabilize and supplement existing grid-tied power supplies to avoid statewide and local grid failures. Lodi Electric Utility (LEU) staff completed the necessary electrical infrastructure to support these efforts, which were fully reimbursed by CDWR. The Peaker Plant is owned by CDWR and operated by ERock through June 30, 2030, after which time the City has the option to purchase the generating facility. LEU remains dedicated to providing the community with affordable, reliable energy, and this Peaker Plant will help mitigate power import constraints in Lodi during extreme weather events and local emergencies until upgrades are completed to Lodi's transmission intertie with PG&E as part of the Northern San Joaquin 230 kV Transmission Project.

FINANCIAL INFORMATION, MANAGEMENT AND CONTROL

The following sections of this report provide a detailed understanding of the city's financial position and the change in its financial position. They also briefly describe the City's financial condition, management practices, and control techniques.

Basis of Accounting

The basis of accounting refers to the policy as to when revenues, expenditures, or expenses are recognized in the financial accounts and reported in the financial statements. The City's accounting records for general government operations are maintained on a modified accrual basis. Revenues are recorded when available and measurable. Expenditures are recorded when the services or goods are received and the liability incurred. For proprietary fund types, the City uses the accrual basis of accounting. As such, the measurement focus is on operating income, financial position, and changes in financial position. Revenues are recognized when earned, and expenses are recognized when liability is incurred. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Accounting System and Budgetary Control

In developing the City's accounting system, consideration is given to the adequacy of the internal controls. The objective of the City's internal accounting controls is to provide reasonable, but not absolute, assurance that the assets are safeguarded against loss from unauthorized use or disposition and to ensure that transactions are correctly recorded to permit the preparation of financial statements by Generally Accepted Accounting Principles. The concept of reasonable assurance recognizes that the cost of the controls should not exceed the benefits likely to be derived and that management estimates and judgments are required in evaluating these costs and benefits.

In addition, the City maintains budgetary controls. These controls aim to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City Manager can adjust the budget if those changes do not have a significant policy impact or affect budgeted year-end fund balances.

Long-Term Financial Planning

The City has implemented a long-term financial planning practice to review the impact of current decisions on the City's General Fund. This analysis in the City's budget document includes assumptions, revenue, expenditures, and fund balance projections. In addition, a discussion of risks and opportunities needs to be modeled. The tool is a baseline projection that provides management and policymakers a view of the City's financial condition if current operations are maintained and a reasonable set of economic assumptions are made. This plan is updated periodically as new information that will materially impact the projection becomes available.

Fund Balance

The City aims to target and maintain an unassigned fund balance in the General Fund of at least 16% of revenues, working capital balances in the Water and Wastewater enterprise funds, and at least 25% of operating expenses. Based on a reserve policy adopted in November 2022, the target for the Electric enterprise fund working capital was \$22.2 million for the fiscal year 2024-25. The goals allow for variations from year to year to account for economic and budgetary changes. The General Fund maintained an unassigned fund balance of \$28,476,635 or 36.78% of revenues at the end of fiscal year 2024-25.

Cash Management

The City has written investment policies that address a wide range of investments. These policies describe the City's investment objectives, authority, allowable investment vehicles, maturity terms, and eligible financial institutions. They also represent the City's capital preservation and cash management objectives. As provided in the policy, investments are intended to be held until maturity, and investment terms are to be consistent with the City's cash flow needs. Investment reports are issued quarterly to the City Manager and City Council to provide detailed information regarding the City's investments and compliance with City policy and state law.

The policy has three objectives:

1. Protect principle.
2. Provide for liquidity needs.
3. Obtain the most reasonable rate of return within the first two objectives.

All investment activities are to be undertaken and judged using the Prudent Investor Standard as described within the policy.

Appropriation Limitation

Article XIII B of the Constitution of the State of California (Proposition 4) limits expenditures by state and local governments. Under the provisions of this article, City appropriations funded through tax sources may not exceed the fiscal year 1979 appropriation levels except as adjusted for increases in population and the growth in the California per capita income or non-residential assessed valuation due to new construction within the City.

Excluded from the limitation are appropriations funded through charges for services, fines and forfeitures, grants, transfers of service responsibilities between government agencies, and indebtedness incurred before fiscal year 1979. Under subsequent legislation adopted after Article XIII B, the City is required to establish and adopt its appropriations limit annually by resolution. For fiscal year 2024-25, the City's appropriations subject to limit were \$61,943,960, and the appropriation limit was \$147,014,606, leaving appropriations at \$85,070,646 below the limit.

Debt Administration

On June 30, 2025, the City had outstanding Certificates of Participation, Revenue Bonds, and Installment Purchase Agreement of \$101,105,103. These liabilities are discussed in Note 7 of the Basic Financial Statements and summarized below.

In 2004, the City issued \$27,360,000 in Wastewater Certificates of Participation (2004A) to finance the costs of improvements to the wastewater collection, treatment, and disposal system. These bonds were partially refunded with the 2012 Refunding Wastewater Revenue Bonds, Series A. The final debt service payment was made in fiscal year 2024-25.

On March 10, 2016, the City issued the \$20,295,000 2016 Refunding Wastewater Revenue Bonds, Series A (2016 Bonds), to partially refund the \$21,415,000 outstanding principal of the 2007A COP.

On December 1, 2017, the City issued a \$7,762,794 Installment Purchase Agreement, refunding the Certificates of Participation, 2007 A (2007 COP).

On June 13, 2018, the City issued \$41,610,000 Electric System Revenue Refunding Bonds (2018 Bonds) to allow the City to prepay and cause the immediate defeasance of the outstanding \$55,785,000 Certificates of Participation (Electric System Revenue Certifications of Participation 2008 Series A).

On April 8, 2020, the City issued \$25,390,000 Water Revenue Refunding Bonds (2020 Bonds) to allow the City to prepay and cause the immediate defeasance of the outstanding \$29,650,000 Lodi Public Financing Authority 2010 Water Revenue Bonds, Series B (Federally Taxable – Build America Bonds).

On April 13, 2022, the City issued \$28,250,000 Lease Revenue Bonds (2022 Bonds) to all of the City to prepay and cause the immediate defeasance of the outstanding \$14,335,000 of the 2012 Lease Revenue Bonds.

The City's debt management policy includes a commitment to monitor all forms of debt annually while preparing the City's Financial Plan and Budget to ensure compliance. Also, the City will generally conduct financing on a competitive basis, seek an investment grade rating on any direct debt, and obtain credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability, and cost-effectiveness.

Competitive Bidding Policy

All required purchases for materials, equipment, and services during fiscal year 2024-25 were made pursuant to competitive bidding procedures established under the City's purchasing ordinance. Contracts for construction projects over \$10,000 were awarded under competitive bidding procedures established by the State of California.

Risk Management

The City is self-insured for dental care, long-term disability, workers' compensation, general liability, and unemployment insurance. Outside agencies administer general liability and workers' compensation. The City administers unemployment insurance and long-term disability. Self-insurance transactions are accounted for under the Insurance Funds. As of June 30, 2025, the Insurance Fund had a net position of \$8,017,916.

INDEPENDENT AUDIT

The City Council requires an annual audit of the records and accounts of the City by an independent certified public accountant. To ensure proper internal control, the City periodically conducts a request for proposal (RFP) process for auditing services. The accounting firm of LSL, LLP was selected to perform this audit. The independent auditor's report precedes the basic financial statements.

CERTIFICATES OF ACHIEVEMENT

The City did not apply for the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2024, due to the late filing of the final ACFR. These Certificates of Achievement are prestigious national awards recognizing conformance with the highest standards for preparing state and local government financial reports. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The City has received a Certificate of Achievement for the last thirty consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA this year.

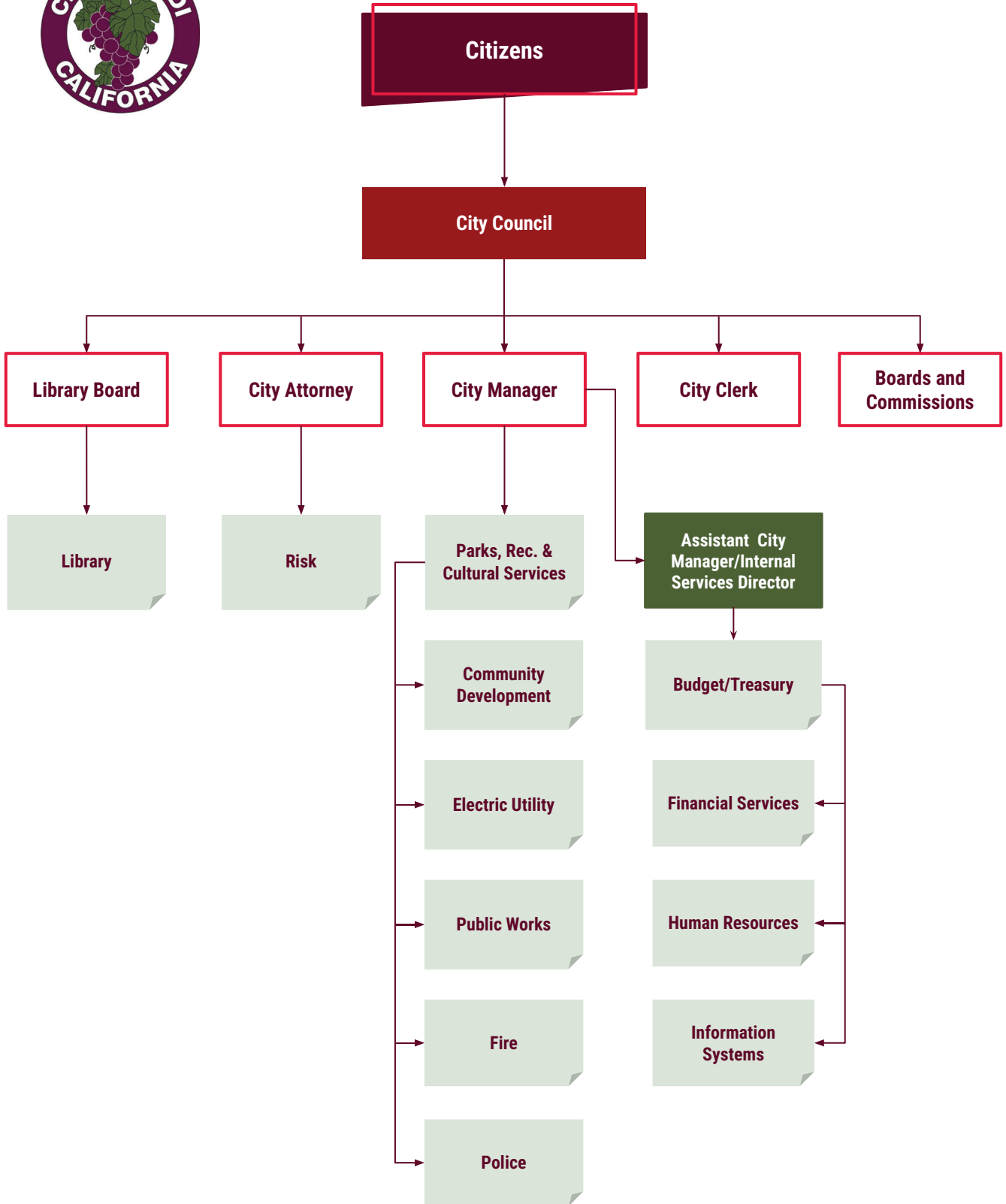
ACKNOWLEDGMENTS

As always, the professionalism, dedication, and efficiency of the Financial Services Division Accounting staff made it possible to prepare this report.

Respectfully submitted,



Aaron Busch
Interim City Manager





Ramon Yopez,
Mayor, District 4

Mikey Hothi,
Mayor Pro Tempore, District 5

Alan Nakanishi,
Council Member, District 1

Lisa Craig-Hensley,
Council Member, District 2

Cameron Bregman,
Council Member, District 3

Aaron Busch,
Interim City Manager

Advisory Bodies and Directory of Officials

ADVISORY BODIES

Planning Commission
Library Board
Recreation Commission
Site Plan and Architectural Review Committee
Lodi Finance Committee

Lodi Improvement Committee
Lodi Arts Commission
Youth Commission
Lodi Senior Citizens' Commission

PRINCIPAL ADMINISTRATIVE OFFICERS

Aaron Busch
John M. Luebberke
Olivia Nashed
Jenni Fontanilla
Ken Johnson

Christina Jaromay
Sean Nathan
Jeff Berkheimer
Cynthia March
Ricardo Garcia
Luis Aguilar

Interim City Manager
Interim City Attorney
City Clerk
Library Services Director
Fire Chief
Parks, Recreation & Cultural Services Director;
Interim Internal Services Director
Interim Public Works Director
Electric Utility Director
Interim Community Development Director
Police Chief
Economic Development Director

FINANCIAL SECTION

The Financial Section is comprised of the Independent Auditors' Report, Management's Discussion and Analysis, Basic Financial Statements, including the Notes, Required Supplementary Information, and Supplementary Information which includes Combining and Individual Fund Statements and Schedules.





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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Modified and Unmodified Opinions

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 Lodi, California (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Modified
Business-type Activities	Modified
General Fund	Unmodified
Streets Fund	Unmodified
Electric Fund	Modified
Wastewater Fund	Modified
Water Fund	Modified
Aggregate Remaining Fund Information	Modified

Modified Opinions

In our opinion, except for the possible effects of the matter discussed in the Basis for Modified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major enterprise fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major governmental fund of the City, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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

Basis Modified and Unmodified Opinions

We conducted our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our modified and unmodified audit opinions.

Matter Giving Rise to Modified Opinions

The City has been incorrectly reporting cash-out activity to the California Public Employees' Retirement System (CalPERs). Although the activity has been reconciled to existing CalPERs pension-generated reports, the reports related to Governmental Accounting Standards Board (GASB) Statement No. 68 cannot be fully relied upon without the complete submission of activity by the City to CalPERs. According to GASB 68 and the associated CalPERs requirements, it is necessary that all pension-related activities, especially cash-out activities, are accurately reported to ensure that financial statements reflect true and fair values of pension liabilities. Compliance with Generally Accepted Accounting Principles (GAAP) also requires that public entities maintain accurate and complete records of all financial transactions and activities to avoid misstatements and ensure regulatory compliance. Consequently, inaccurate reporting increases the risk of misstatements in the City's financial statements, potentially leading to non-compliance with GASB 68 requirements, and affects the reliability of CalPERs pension reports, impacting the accuracy of reported pension liabilities and expenses. The impact of this departure on the pension liability, deferred inflows and outflows of resources, net position, and pension-related expense of the governmental activities, business-type activities, each major enterprise fund, and the aggregate remaining fund information of the City has not been determined.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, during the fiscal year. GASB Statement No. 101 changes the recognition and measurement guidance for compensated absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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



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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required pension and other postemployment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules ("supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

LSL, LLP

Sacramento, California
April 30, 2026



Financial Services Division
310 W. Elm Street
Lodi, California, 95240

Management’s Discussion and Analysis

This section of the Annual Comprehensive Financial Report is presented as discussion and analysis of the financial performance of the City of Lodi (City) for the year ended June 30, 2025.

Financial Highlights

- The assets and the deferred outflows of resources of the City exceeded its liabilities and the deferred inflows of resources at the close of the fiscal year by \$457,547,110 (net position). Of this amount, \$55,864,560 is unrestricted.
- The City’s total net position increased by \$27,713,455 in fiscal year 2025.
- As of June 30, 2025, the City’s governmental funds reported combined ending fund balances of \$115,303,579, an increase of \$4,061,017 in comparison with the prior year. Of this amount, \$28,560,520 is available for spending at the City’s discretion (unassigned fund balance).
- At the close of the fiscal year, fund balance for the General Fund was \$51,968,876, of which \$29,191,231 is unassigned or 41.77% of total general fund expenditures of \$69,886,818. Of the \$51,968,876 fund balance, \$6,085 is non-spendable for prepaid expenses, \$22,013,789 is restricted for pensions and \$757,771 is committed for video related capital projects.
- The City’s total long-term liabilities decreased by \$11,935,375 or 3.44% during the current fiscal year. Other liabilities increased by \$5,189,140 or 16.93%.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements are comprised of three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to Basic Financial Statements. This report also includes required supplementary information and combining and individual fund statements and schedules in addition to 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, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City’s assets, deferred outflows of resources, liabilities and deferred inflow of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City’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, such as revenues pertaining to uncollected taxes, and expenses pertaining to earned but unused vacation and sick leave.

Both of the 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, public protection, public works, community development, library, parks and recreation. The business-type activities of the City include electric operations, wastewater operations, water operations and public transit operations.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. 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 the following 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. Most of the City's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining financial resources available in the near future to finance City programs.

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

The City maintains several individual governmental funds organized according to their type (general, special revenue, capital projects and debt service). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Streets Fund which are considered major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for its General Fund and special revenue funds. Budgetary comparison statements and schedules have been provided for the General Fund and the special revenue funds to demonstrate compliance with this budget.

Proprietary Funds. Proprietary funds are generally used to account for services for which the City charges customers, either outside customers, or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of the Electric, Wastewater, Water, all of which are considered to be major funds and the Transit system, which is considered to be a non-major enterprise fund.
- **Internal Service funds** are used to report activities that account for various employee benefits, self-insurance, fleet activities, and vehicle and equipment replacement of the City. Because these activities predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The activities of the Private-Purpose Trust and the Hutchins Street Square Bequest are also accounted for under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. Fiduciary funds are accounted for using the accrual basis of accounting.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning changes in net pension and other post-employment liabilities and related ratios for the City's Miscellaneous and Safety pension plans, the City's progress in funding its obligation to provide other postemployment benefits (OPEB) to its employees, and schedules comparing budget to actual amounts in the General Fund and Streets Fund.

Combining Statements

The combining statements in connection with non-major governmental funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information.

**City of Lodi's Net Position
June 30, 2025 and 2024**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$245,796,045	\$238,582,396	\$169,155,241	\$163,213,242	\$414,951,286	\$401,795,638
Capital assets	185,546,311	173,059,026	268,198,888	266,370,820	453,745,199	439,429,846
Total assets	431,342,356	411,641,422	437,354,129	429,584,062	868,696,485	841,225,484
Deferred outflows of resources	28,917,813	37,192,223	10,079,716	13,269,605	38,997,529	50,461,828
Liabilities:						
Long-term liabilities outstanding	197,980,629	201,613,750	137,128,878	145,431,132	335,109,507	347,044,882
Other liabilities	23,490,039	19,842,162	12,351,478	10,810,215	35,841,517	30,652,377
Total liabilities	221,470,668	221,455,912	149,480,356	156,241,347	370,951,024	377,697,259
Deferred inflows of resources	77,605,923	82,176,328	1,589,957	1,980,069	79,195,880	84,156,397
Net position:						
Net investment in capital assets, net of related debt	155,807,941	145,991,413	172,270,266	180,170,032	328,078,207	326,161,445
Restricted	68,366,610	48,310,376	5,144,246	7,190,859	73,510,856	55,501,235
Unrestricted	(62,990,973)	(49,100,384)	118,949,020	97,271,360	55,958,047	48,170,976
Total net position	\$161,183,578	\$145,201,405	\$296,363,532	\$284,632,251	\$457,547,110	\$429,833,656

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$455,547,110 at the close of the current fiscal year.

Assets. The City's total assets increased by \$27,471,001. The increase is primarily due to the following:

Governmental Activities. Total assets for governmental activities had an increase of \$19,700,934 or 4.79%. Current and other assets increased by \$7,213,649 primarily resulting from the decrease in lease receivables of \$2,682,555, \$8,128,769 increase in cash and investments. Capital assets increased by \$12,487,285. Other insignificant activities make up the difference.

Business-type Activities. Total assets for the business-type activities had an increase of \$7,770,067 or 1.81%. Current and other assets increased by \$5,941,999 primarily due to increases in cash and investments of \$13,057,624, decrease in accounts receivable of \$5,203,581. Capital assets increased by \$1,828,068. Other insignificant activities contributed to the difference.

Deferred outflows of resources. The decrease in total deferred outflows of resources of \$11,464,299 is primarily from changes in various components related to the Miscellaneous and Safety Plans in the CalPERS valuation reports and current pension contributions made after the measurement date of June 30, 2024.

Liabilities. The City's total liabilities decreased by \$6,746,235 or 1.79%. The decrease is primarily due to the following:

Governmental Activities. Total liabilities for the governmental activities had an increase of \$14,756 or 0.01%, primarily from a net of increases and decrease in long-term liabilities. These changes in liabilities included a reduction in the pension liability in the long-term liabilities.

Business-type Activities. Total liabilities for the business-type activities decreased by \$6,760,991 or 4.33%. The decrease is primarily attributable to a decrease in long-term liabilities. Decreases in other liabilities include accrued salaries and wages, accounts payable and a decrease in unearned revenue. Other insignificant activities offset the difference.

Deferred inflows of resources. The decrease in total deferred inflows of resources of \$4,960,517 is primarily from leases and OPEB valuation report update.

Net position. The City's overall financial position increased during the fiscal year. The net position has increased by \$27,713,454 or 6.45%.

The largest portion, \$328,078,207 of the City's net position reflects its investment in capital assets net of any associated depreciation (e.g., land, buildings and improvements, machinery and equipment); less any related debt (net investment in capital assets) used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources.

An additional portion of the City's net position, \$73,510,856 or 16.07% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position amounts to \$55,958,047. At the end of the current fiscal year, the City is able to report positive balances in the General Fund and all Enterprise activities. Unrestricted net position is negative for the governmental-type activities primarily as a result of the City's outstanding pension and OPEB obligations.

**City of Lodi's Changes in Net Position
June 30, 2025 and 2024**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	\$16,426,703	\$17,493,668	\$126,362,224	\$123,150,433	\$142,788,927	\$140,644,101
Operating grants and contributions	5,415,295	6,253,026	2,100,000	11,357,983	7,515,295	17,611,009
Capital grants and contributions	2,845,177	10,711,282	280,503	2,887,789	3,125,680	13,599,071
General revenues:						
Property taxes	25,028,417	23,939,085	-	-	25,028,417	23,939,085
Sales taxes	24,986,453	25,205,178	-	-	24,986,453	25,205,178
Other taxes	14,098,332	13,078,598	-	-	14,098,332	13,078,598
Grants and contributions not restricted to specific programs	-	1,464,867	-	-	-	1,464,867
Other	14,903,161	5,087,109	16,247,835	7,280,833	31,150,996	12,367,942
Total revenues	103,703,538	103,232,813	144,990,562	144,677,038	248,694,100	247,909,851
Expenses						
General government	13,193,296	15,090,673	-	-	13,193,296	15,090,673
Public protection	53,338,838	39,805,787	-	-	53,338,838	39,805,787
Public works	7,943,810	11,775,407	-	-	7,943,810	11,775,407
Community development	7,856,680	3,456,218	-	-	7,856,680	3,456,218
Library	1,703,496	1,622,084	-	-	1,703,496	1,622,084
Parks and recreation	7,575,947	4,831,711	-	-	7,575,947	4,831,711
Interest on long-term debt	1,103,666	1,984,046	-	-	1,103,666	1,984,046
Electric	-	-	88,569,004	84,987,938	88,569,004	84,987,938
Wastewater	-	-	19,661,065	15,351,918	19,661,065	15,351,918
Water	-	-	12,172,273	13,163,990	12,172,273	13,163,990
Transit	-	-	5,888,970	5,555,262	5,888,970	5,555,262
Total expenses	92,715,733	78,565,926	126,291,312	119,059,108	219,007,045	197,625,034
Changes in net position before transfers	10,987,805	24,666,887	18,699,250	25,617,930	29,687,055	50,284,817
Loss from the disposition of capital assets					-	-
Transfers	6,645,800	5,507,758	(6,645,800)	(5,507,758)	-	-
Changes in net position	17,633,605	30,174,645	12,053,450	20,110,172	29,687,055	50,284,817
Net position at beginning of year	145,201,405	115,026,760	284,632,250	264,522,078	429,833,655	379,548,838
Restatements	(1,651,427)	1,853,488	(322,168)	-	(1,973,595)	1,853,488
Net position at beginning of year, as restated	143,549,978	115,026,760	284,310,082	264,522,078	427,860,060	381,402,326
Net position at end of year	\$161,183,583	\$145,201,405	\$296,363,532	\$284,632,250	\$457,547,115	\$431,687,143

Analysis of Changes in Net Position

Governmental Activities

Net position for the governmental activities increased by \$15,982,178 in the current fiscal year. The change in net position is a decrease over last year's increase of \$30,174,644 by \$14,192,467. The increase is primarily a result of the following:

- The City receives other taxes, such as franchise tax, business licenses and tourism occupancy tax. These other taxes increased by \$1,019,734 or 7.80% compared to prior year. The economy continues to show evidence of positive movement particularly in the housing market, businesses and tourism.
- Sales tax saw a decrease by \$218,725 or 0.87% from prior year. For the General Fund, sales tax decreased by \$90,582. For Measure L, sales tax decreased by \$128,143 from prior year.
- Property taxes increased by \$1,089,332 from prior year.
- Capital grants and contributions decreased by \$7,866,105 from the prior fiscal year. The difference is due to departments projects being placed on hold during the COVID-19 pandemic. Public Works used grants to complete various projects in the current fiscal year.

Expenses for governmental functions totaled \$92,715,733, an increase of \$14,149,807 or 18.01% relative to the prior fiscal year. Increase in expenditures resulted from the capital projects and service costs.

Business-type Activities

Business-type activities increased the City's net position by \$11,731,282 in the current year, which is a decrease of \$8,378,890 from last year's increase of \$20,110,172. The key elements of this change are:

- Charges for services in the Electric Fund increased by \$5,418,299, Wastewater Fund increased by \$689,153, the Water Fund increased by \$913,357 and Non-major Transit increased by \$3,918.

Financial Analysis of the City's Funds

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund, special revenue funds, debt service fund and capital projects funds.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$115,303,579, for a net change in fund balances of \$4,061,017. In comparison to the prior year, the change in fund balance resulted from an increase in overall revenues and expenditures coming in under budget.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$29,191,231 while total fund balance was \$51,968,876. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

Unassigned fund balance and total fund balance represent 41.77% and 74.36% of total General Fund expenditures, respectively.

The fund balance of the General Fund increased by \$7,335,841 during the current fiscal year, an increase of \$4,645,476 from last year's net change in fund balance of \$2,690,365.

Total fund balance of the Streets Funds was \$20,559,028. Intergovernmental revenues of \$4,754,278 offset by expenditures of \$4,560,252 were the largest components that resulted in the increase of \$3,088,432 to fund balance.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at the end of the year for the Electric Fund was \$35,816,201, Wastewater Fund was \$19,682,164, Water Fund was \$43,343,250, Transit Fund was \$20,107,405 and the Internal Services Funds unrestricted net position was \$23,760,560.

Other factors concerning the finances of these funds are discussed in the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final budget in the General Fund were a net decrease in appropriations of \$8,783,143. The increase in appropriations can be briefly summarized as follows:

- \$1,808,750 increase in general revenues
- \$10,591,893 increase in overall expenditures

Significant differences between the final budget and the actual revenues and expenditures can be briefly summarized as follows:

- Tax revenue experienced a favorable variance between the final budget and actual revenue of \$557,759, which resulted from an increase in property tax, special assessment taxes and transient occupancy tax. Investment and rental income had a variance between the budget and actual of \$2,054,415. Sales and use tax had a favorable variance between the final budget and actual revenue of \$859,153. Intergovernmental had an unfavorable variance between the final budget and actual revenue of 364,026. All additional revenues had an unfavorable variance between final budget and actuals but were not significant.
- For expenditures, a favorable variance between the final budget and actual expenditures of \$11,099,175 was due to savings from vacancies and the continued overall effort to reduce spending and costs.

Capital Assets and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to \$453,745,199 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles, infrastructure, works of art, and construction in progress. The total increase in the City's capital assets for the current fiscal year was \$14,315,353, an 3.26% increase (a 7.22% increase in governmental activities and 0.69% increase in business-type activities).

An increase in construction in progress projects compared to prior year was primarily from the Streets projects.

Additional information on the City's capital assets can be found in Note 6 on pages 55-57 of this report.

Long-term debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$26,823,692 is the outstanding balance of the bonds issued to fund the new public safety building, refinancing of the performing arts center and the downtown and Cherokee Lane improvements. The total of \$82,195,661 from the business-type activities consists of \$23,985,464 for the Water Fund, \$27,489,106 for the Wastewater Fund; and \$30,721,091 for the Electric Fund.

The City's total bonded debt decreased by \$7,991,166 during the current fiscal year.

Additional information on the City's long-term debt can be found in Note 7 pages 58-60 of this report.

**City of Lodi's Capital Assets
(net of depreciation)**

	Governmental Activities	Business-type Activities	Total
Beginning of Year	\$169,375,973	\$265,841,440	\$435,217,413
Land	29,434,399	5,535,719	34,970,118
Buildings and Improvements	34,193,080	34,342,356	68,535,436
Machinery and equipment	3,106,304	200,457,727	203,564,031
Vehicles	5,985,785	9,163,323	15,149,108
Infrastructure	77,121,550	-	77,121,550
Work of Art	304,907	-	304,907
Construction in Progress	32,045,887	18,006,164	50,052,051
End of Year	<u>\$182,191,912</u>	<u>\$267,505,289</u>	<u>\$449,697,201</u>

Economic Factors and Next Year's Budget

The City is projecting a balanced budget in the General Fund for Fiscal Year 2025-26. Overall General Fund revenue is anticipated to be \$3.6 million or 4.1% higher than Fiscal Year 2024-25. This increase includes the budgeting of investment interest revenue and an accurate calculation of property tax revenues that were historically under estimated. For major revenue categories, the City is expecting continued but slowing growth during the Fiscal Year. Combined sales tax and Measure L growth is estimated at \$758,252 compared to Fiscal Year 2024-25 actuals, or a growth of 2.9%. Property tax growth is projected at 1% or \$161,000. Continued strong single-family home construction in calendar year 2023 has led to significant projected growth in the City's Community Facilities District tax revenue of 12.6% or \$109,839. Transient Occupancy Tax, the revenue stream most impacted by the COVID-19 pandemic has made a strong recovery, however indications of a slowing in this sector from the first half of 2024 lead to a decrease of \$90,000 or 5.7% in projected revenue. In addition to slower growth in key revenue categories, the City's Business License Tax was determined to be invalid and as such was not collected for Fiscal Year 2023-24 and forward but has resulted in an ongoing loss of over \$2 million in projected revenue for the General Fund. Overall General Fund revenues are anticipated to be \$4.4 million or 5.6% more than actuals for Fiscal Year 2022-23 when removing one time grant revenues. The City's General Fund reserves remain healthy, and with disciplined savings over the past 5 years driven by the City's Pension Stabilization Policy, the City's Pension Stabilization Reserves are substantial.

Projected City-wide CalPERS unfunded accrued liability (UAL) cost of \$15.1 million in fiscal year 2025-26 are anticipated to continue to grow to approximately \$19.3 million by 2030-31, for a 38.9%% increase over the forecast term included in the most recent actuarial reports provided by CalPERS to the City. The most recent actuarial reports provided by CalPERS show the City is 70.3% funded when combining the Safety and Miscellaneous plans. The City is 68.3% funded as of June 30, 2025 compared to the most recent CalPERS calculated accrued liability when combining the most recent CalPERS and Pension Stabilization Fund assets. Continued caution and fiscal prudence towards the CalPERS liability will be required in the coming years.

For fiscal year 2025-26, the City increased its workforce by a net of 5 positions. A net of 1 new position were included in the General Fund and a net of 3 new positions in utility funds and 1 new position in Fleet as shown below.

Position	Department	Change
Librarian II	General Fund - Library	1
Lab Tech I	Public Works - Wastewater	1
Utility Safety & Training Specialist	Public Works - Water, Wastewater & Streets	1
Water Resources Manager	Public Works - Water	1
Heavy Equipment Mechanic	Public Works - Fleet	1
Net Increase		5

Significant projects are expected to be undertaken during the Fiscal Year 2024-25. Including an estimated \$13 million replacement of the Lodi animal shelter funded from proceeds of a 2022 bond refinancing and a \$10.6 million construction of the Lodi Access Center funded entirely from grant resources.

Employee costs and retirement contributions – The City entered multi-year labor agreements with all of its represented bargaining units that began in 2025. The City’s labor contracts expire June 30, 2028 or December 31, 2028 as shown below.

Bargaining Group	Contract Expiration Date
Fire Mid Management	June 30, 2028
Lodi Police Dispatchers Association	June 30, 2028
Police Officers' Association of Lodi	June 30, 2028
Lodi Police Mid-Management Association	June 30, 2028
Lodi Professional Firefighters	December 31, 2028
Lodi City Mid-Management Association	December 31, 2028
AFSCME General Services and Maintenance and Operators	December 31, 2028
International Brother of Electrical Workers	December 31, 2028

Based on the City’s aggressive funding actions over the past five years, at the end of fiscal year 2024-25, total funding in the Pension Stabilization Fund (PSF) exceeded \$30 million. Because results for fiscal year 2024-25 exceeded expectations, it is anticipated that the City will make additional contributions to the PSF in fiscal year 2025-26 contributing to the policy goal of 80% funded.

Economic Development

The City is deep-rooted in California’s rival wine country, is as ripe for commercial and residential real estate development as it is for its Zinfandel grapes. Because of its agricultural roots, the City has unfolded into an international tourist destination and real estate market, attracting medical biotech and light industrial development to the area. With San Joaquin County’s charming architecture, and Lodi’s awe-inspiring vineyards, almond, olive and fruit orchards, it is easy to see why so many are drawn to the area for its beauty and abundance.

Investors continue to look to the City as an opportunity for adding commercial real estate, residential, in-fill, and mixed-use development to its picturesque agricultural setting. The City's strength as a real estate market lies in its strong infrastructure, abundant water, wine tourism industry, and affordable real estate. The accessibility to Interstate 5 and Highway 99 allows manufacturers and distributors to get their product out to market quickly. The Municipally owned Lodi Electric unit is more reliable and less expensive than the investor owned utilities in the area, a distinct advantage for Lodi business.

Request for Information

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Financial Services Division of the City of Lodi at 310 W. Elm Street, Lodi, California, 95240.

Basic Financial Statements

The government-wide financial statements provide a broad overview of the City's financial Position and operating results. Information is grouped by governmental activities or business-type activities.

The Fund Financial Statements report information about the City's Governmental Funds, Proprietary Funds, and the Fiduciary Funds.

The notes have an integral role in disclosing information essential to the Basic Financial Statements.





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Government-Wide Financial Statements

WINE & VISITOR CENTER



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CITY OF LODI, CALIFORNIA
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 113,893,664	\$ 120,150,388	\$ 234,044,052
Receivables (net of uncollectibles):			
Accounts	12,074,030	8,936,933	21,010,963
Taxes	95,587	-	95,587
Accrued interest	1,306,383	310,190	1,616,573
Due from other governments	4,069,986	3,879,026	7,949,012
Notes and loans	77,602	-	77,602
Leases	73,402,989	77,575	73,480,564
Advance - NCPA	-	8,651,115	8,651,115
Prepaid/other assets	6,085	-	6,085
Restricted assets:			
Cash and investments	40,640,804	16,194,404	56,835,208
Cash with fiscal agent	-	823	823
Inventories	228,915	10,954,787	11,183,702
Capital assets (not being depreciated)	61,785,193	23,541,883	85,327,076
Capital assets (net of accumulated depreciation/amortization)	123,761,118	244,657,005	368,418,123
Total assets	431,342,356	437,354,129	868,696,485
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	468,705	3,556,671	4,025,376
Pension-related	26,841,747	6,103,223	32,944,970
OPEB-related	1,607,361	419,822	2,027,183
Total deferred outflows of resources	28,917,813	10,079,716	38,997,529
LIABILITIES			
Accounts payable and other liabilities	14,296,525	7,976,503	22,273,028
Accrued salaries and wages	570,859	501,541	1,072,400
Accrued interest	450,747	1,196,742	1,647,489
Unearned revenue	8,171,908	2,676,692	10,848,600
Noncurrent liabilities:			
Due within one year: bonds, notes, leases, SBITA, claims, remediation, and compensated absences	5,715,866	9,127,423	14,843,289
Due in more than one year:			
Net pension liability	134,953,548	34,447,189	169,400,737
Net OPEB liability	13,489,078	3,523,176	17,012,254
Bonds, notes, leases, SBITA, claims, remediation, and compensated absences	43,822,137	90,031,090	133,853,227
Total liabilities	221,470,668	149,480,356	370,951,024
DEFERRED INFLOWS OF RESOURCES			
Deferred amount on refunding	-	297,781	297,781
OPEB-related	4,657,368	1,216,445	5,873,813
Lease-related	72,948,555	75,731	73,024,286
Total deferred inflows of resources	77,605,923	1,589,957	79,195,880
NET POSITION			
Net investment in capital assets	155,807,941	172,270,266	328,078,207
Restricted:			
Capital projects	25,745,380	5,143,423	30,888,803
Community development	11,804,809	-	11,804,809
Debt service	-	823	823
Pensions	30,150,060	-	30,150,060
Other purposes	666,361	-	666,361
Unrestricted	(62,990,973)	118,949,020	55,958,047
Total net position	\$ 161,183,578	\$ 296,363,532	\$ 457,547,110

CITY OF LODI, CALIFORNIA
Statement of Activities
For the Year Ended June 30, 2025

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ 13,193,296	\$ 4,037,412	\$ 670,560	\$ 2,579,971
Public protection	53,338,838	552,686	1,102,641	-
Community development	7,856,680	4,359,134	689,423	-
Library	1,703,496	110,465	35,000	-
Parks and recreation	7,575,947	1,406,424	256,113	265,206
Public works	7,943,810	5,960,582	2,661,558	-
Interest on long-term debt	1,103,666	-	-	-
Total governmental activities	92,715,733	16,426,703	5,415,295	2,845,177
Business-type activities:				
Electric	88,569,004	92,508,113	-	-
Wastewater	19,661,065	18,577,841	-	-
Water	12,172,273	15,169,674	-	-
Transit	5,888,970	106,596	2,100,000	280,503
Total business-type activities	126,291,312	126,362,224	2,100,000	280,503
Total primary government	\$ 219,007,045	\$ 142,788,927	\$ 7,515,295	\$ 3,125,680

General revenues and transfers:

General revenues:

- Property taxes
- Sales taxes
- Transient occupancy taxes
- Franchise taxes
- Business licenses taxes
- Special assessments
- Document transfer
- Use of money and property
- Other
- Gain on sale of capital asset
- Transfers

Total general revenues and transfers

Change in net position

Net position-beginning

Correction of an error/change in accounting principle

Net position-beginning, as restated

Net position-ending

**Net (Expenses) Revenues and
Changes in Net Position**

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (5,905,353)	\$ -	\$ (5,905,353)
(51,683,511)	-	(51,683,511)
(2,808,123)	-	(2,808,123)
(1,558,031)	-	(1,558,031)
(5,648,204)	-	(5,648,204)
678,330	-	678,330
(1,103,666)	-	(1,103,666)
(68,028,558)	-	(68,028,558)
-	3,939,109	3,939,109
-	(1,083,224)	(1,083,224)
-	2,997,401	2,997,401
-	(3,401,871)	(3,401,871)
-	2,451,415	2,451,415
\$ (68,028,558)	\$ 2,451,415	\$ (65,577,143)
25,028,417	-	25,028,417
24,986,453	-	24,986,453
1,599,044	-	1,599,044
3,067,106	-	3,067,106
349,188	-	349,188
962,884	-	962,884
8,120,110	-	8,120,110
13,594,045	8,313,808	21,907,853
1,309,116	7,682,658	8,991,774
-	251,369	251,369
6,645,800	(6,645,800)	-
85,662,163	9,602,035	95,264,198
17,633,605	12,053,450	29,687,055
145,201,400	284,632,250	429,833,650
(1,651,427)	(322,168)	(1,973,595)
143,549,973	284,310,082	427,860,055
\$ 161,183,578	\$ 296,363,532	\$ 457,547,110



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Fund Financial Statements

Government Fund Types

- Major Funds:
 - ▶ General Fund
 - ▶ Streets Fund

Proprietary Fund Types

- Major Funds:
 - ▶ Electric Fund
 - ▶ Wastewater Fund
 - ▶ Water Fund
- Nonmajor Enterprise Fund:
 - ▶ Transit Fund
- Internal Service Funds

Custodial Funds

CITY OF LODI. CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2025

	<u>Special Revenue Fund</u>		Total Nonmajor Funds	Total Governmental Funds
	<u>General</u>	<u>Streets</u>		
ASSETS				
Cash and investments	\$ 34,508,417	\$ 19,780,007	\$ 29,341,480	\$ 83,629,904
Receivables (net of allowance for uncollectible):				
Accounts receivables, net	7,740,783	1,061,793	2,883,085	11,685,661
Property taxes receivable	95,587	-	-	95,587
Interest receivable	1,153,943	36,831	59,446	1,250,220
Due from other governmental agencies	1,191,347	279,150	2,599,489	4,069,986
Notes and loans	-	-	77,602	77,602
Lease receivable	73,402,989	-	-	73,402,989
Due from other funds	576,470	-	-	576,470
Inventory	-	-	2,707	2,707
Prepaid/other assets	6,085	-	-	6,085
Restricted assets:				
Restricted cash and investments	22,013,789	432,329	15,251,845	37,697,963
Total assets	<u>\$ 140,689,410</u>	<u>\$ 21,590,110</u>	<u>\$ 50,215,654</u>	<u>\$ 212,495,174</u>
LIABILITIES				
Accounts payable and other liabilities	\$ 8,666,989	\$ 968,794	\$ 4,133,687	\$ 13,769,470
Accrued salaries and wages	343,002	47,448	164,476	554,926
Unearned revenue	6,761,988	14,840	1,395,080	8,171,908
Due to other funds	-	-	576,470	576,470
Total liabilities	<u>15,771,979</u>	<u>1,031,082</u>	<u>6,269,713</u>	<u>23,072,774</u>
DEFERRED INFLOWS OF RESOURCES				
Lease related	72,948,555	-	-	72,948,555
Unavailable revenue	-	-	1,170,266	1,170,266
Total deferred inflows of resources	<u>72,948,555</u>	<u>-</u>	<u>1,170,266</u>	<u>74,118,821</u>
FUND BALANCES (DEFICITS)				
Nonspendable	6,085	-	2,707	8,792
Restricted	22,013,789	20,559,028	25,793,793	68,366,610
Committed	757,771	-	3,078,549	3,836,320
Assigned	-	-	14,531,337	14,531,337
Unassigned	29,191,231	-	(630,711)	28,560,520
Total fund balances (deficits)	<u>51,968,876</u>	<u>20,559,028</u>	<u>42,775,675</u>	<u>115,303,579</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 140,689,410</u>	<u>\$ 21,590,110</u>	<u>\$ 50,215,654</u>	<u>\$ 212,495,174</u>

CITY OF LODI, CALIFORNIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		\$ 115,303,579
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		185,522,437
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	\$ 26,594,407	
Deferred outflows-OPEB related	1,597,784	
Deferred inflows-OPEB related	<u>(4,629,620)</u>	
Total deferred outflows and inflows related to postemployment benefits		23,562,571
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Long-term receivables	<u>1,170,266</u>	
Total other long-term assets		1,170,266
Internal service funds provide services to other funds on a cost-reimbursement basis. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.		23,760,560
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds payable	(26,823,692)	
SBITA payable	(3,290,580)	
Compensated absences	(11,073,773)	
Accrued interest payable on long-term debt	(450,244)	
Net pension liability	(133,557,540)	
Net OPEB liability	<u>(13,408,711)</u>	
Total long-term liabilities		(188,604,540)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities.		
Deferred amount on refunding	<u>468,705</u>	
Total premiums, discounts, and deferred items		<u>468,705</u>
Net position of governmental activities		<u><u>\$ 161,183,578</u></u>

CITY OF LODI, CALIFORNIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	<u>General</u>	<u>Special Revenue Fund Streets</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 39,126,749	\$ -	\$ -	\$ 39,126,749
Sales and use tax	24,986,453	-	-	24,986,453
Developer impact fees	-	-	2,580,058	2,580,058
Licenses and permits	78,365	-	2,535,945	2,614,310
Intergovernmental revenues	1,587,474	4,754,278	5,695,459	12,037,211
Charges for services	1,902,471	1,199,467	2,744,466	5,846,404
Investment and rental income	8,917,695	981,449	2,208,088	12,107,232
Fines, forfeits, and penalties	330,152	-	-	330,152
Miscellaneous revenue	1,400,717	49,679	100,000	1,550,396
Total revenues	78,330,076	6,984,873	15,864,016	101,178,965
EXPENDITURES				
Current:				
General government	15,976,667	-	80,401	16,057,068
Public protection	48,135,679	-	202,124	48,337,803
Community development	3,258,995	-	3,221,629	6,480,624
Library	1,599,133	-	-	1,599,133
Parks and recreation	-	-	7,303,495	7,303,495
Public works	226,657	3,872,237	600,717	4,699,611
Capital outlay	-	688,015	16,213,438	16,901,453
Debt service:				
Principal retirement	587,032	-	762,004	1,349,036
Interest expense	102,655	-	969,444	1,072,099
Total expenditures	69,886,818	4,560,252	29,353,252	103,800,322
Excess (deficiency) of revenues over (under) expenditures	8,443,258	2,424,621	(13,489,236)	(2,621,357)
OTHER FINANCING SOURCES (USES)				
Transfers in	11,767,350	1,222,990	9,243,410	22,233,750
Transfers out	(12,883,330)	(567,110)	(2,127,510)	(15,577,950)
Subscriptions issued	-	-	10,080	10,080
Proceeds from sale of capital assets	8,563	7,931	-	16,494
Total other financing sources (uses)	(1,107,417)	663,811	7,125,980	6,682,374
Net change in fund balances	7,335,841	3,088,432	(6,363,256)	4,061,017
Fund balances-beginning	44,633,033	17,470,601	49,138,923	111,242,557
Fund balances (deficit)-ending	\$ 51,968,876	\$ 20,559,028	\$ 42,775,675	\$ 115,303,579

CITY OF LODI, CALIFORNIA
Reconciliation of the Statement of Revenues, Expenses and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds:	\$	4,061,017	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.</p>			
Capital outlay	\$	17,199,747	
Capital contributions		3,104,767	
Depreciation/amortization expense		<u>(7,802,493)</u>	
Total adjustment			12,502,021
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>			
Earned but unavailable grant revenues		<u>1,631,879</u>	
Total adjustment			1,631,879
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.</p>			
Loss/(gain) on disposal of capital assets		<u>(11,977)</u>	
Total adjustment			(11,977)
<p>Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>			
Subscriptions issued		(292,095)	
Amortization of bond premiums and discounts		20,463	
Principal payments		<u>1,302,400</u>	
Total adjustment			1,030,768
<p>Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>			
			2,167,011
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>			
Accrued interest on long-term debt		(55,925)	
Compensated absences		(477,712)	
Changes in pension liabilities and related deferred outflows and inflows of resources		(5,001,992)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources		<u>1,788,515</u>	
Total adjustment			<u>(3,747,114)</u>
Change in net position of governmental activities			<u>\$ 17,633,605</u>

CITY OF LODI, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities				Governmental Activities	
	Electric	Wastewater	Water	Nonmajor Transit Fund	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 32,496,970	\$ 31,119,215	\$ 53,417,507	\$ 3,116,696	\$ 120,150,388	\$ 30,263,760
Receivables (net of uncollectibles):						
Accounts receivable, net	6,219,867	1,529,197	1,082,312	105,557	8,936,933	388,369
Interest receivable	99,515	75,987	126,287	8,401	310,190	56,163
Advance receivables - NCPA	8,651,115	-	-	-	8,651,115	-
Due from other governmental agencies	32,435	30,003	-	3,816,588	3,879,026	-
Lease receivable	-	-	-	43,719	43,719	-
Inventory	10,619,250	52,830	282,707	-	10,954,787	226,208
Restricted:						
Restricted cash and investments	-	-	11,050,981	-	11,050,981	2,942,841
Total current assets	58,119,152	32,807,232	65,959,794	7,090,961	163,977,139	33,877,341
Noncurrent:						
Restricted assets with fiscal agents	491	328	4	-	823	-
Restricted cash and investments	2,932,988	1,033,742	1,033,742	142,951	5,143,423	-
Lease receivable	-	-	-	33,856	33,856	-
Capital assets, net	57,634,676	97,354,518	96,873,894	16,335,800	268,198,888	23,874
Total noncurrent assets	60,568,155	98,388,588	97,907,640	16,512,607	273,376,990	23,874
Total assets	118,687,307	131,195,820	163,867,434	23,603,568	437,354,129	33,901,215
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refunding	2,570,532	986,139	-	-	3,556,671	-
Pension related	3,574,431	1,440,687	926,139	161,966	6,103,223	247,340
OPEB related	111,663	188,858	119,301	-	419,822	9,577
Total deferred outflows of resources	6,256,626	2,615,684	1,045,440	161,966	10,079,716	256,917
LIABILITIES						
Current liabilities:						
Accounts payable and other liabilities	2,405,484	3,017,714	2,312,740	240,565	7,976,503	527,055
Accrued salaries and wages	305,138	166,704	19,359	10,340	501,541	15,933
Accrued interest	467,122	649,686	79,934	-	1,196,742	503
Unearned revenue	-	-	660,104	2,016,588	2,676,692	-
Lease liability	-	-	474	-	474	-
Subscription liability	80,165	26,877	79,821	-	186,863	1,175
Accrued compensated absences	994,955	411,833	264,690	49,901	1,721,379	46,048
Pollution remediation obligation	-	-	400,000	-	400,000	-
Certificates of participation and revenue bonds payable	2,875,000	2,858,707	1,085,000	-	6,818,707	-
Total current liabilities	7,127,864	7,131,521	4,902,122	2,317,394	21,478,901	590,714

CITY OF LODI, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities				Governmental Activities	
	Electric	Wastewater	Water	Nonmajor Transit Fund	Total Enterprise Funds	Internal Service Funds
Noncurrent liabilities:						
Self insurance liability	-	-	-	-	-	8,017,916
Accrued compensated absences	381,279	245,167	181,401	194,511	1,002,358	275,509
Lease liability	-	-	42,940	-	42,940	-
Subscription liability	115,432	45,448	224,340	-	385,220	9,310
Pollution remediation obligation	-	-	13,223,618	-	13,223,618	-
Certificates of participation and revenue bonds payable	27,846,091	24,630,399	22,900,464	-	75,376,954	-
Net pension liability	20,174,434	8,131,382	5,227,221	914,152	34,447,189	1,396,008
Net OPEB liability	937,087	1,584,906	1,001,183	-	3,523,176	80,367
Total noncurrent liabilities	49,454,323	34,637,302	42,801,167	1,108,663	128,001,455	9,779,110
Total liabilities	56,582,187	41,768,823	47,703,289	3,426,057	149,480,356	10,369,824
DEFERRED INFLOWS OF RESOURCES						
Deferred gain on refunding	-	-	297,781	-	297,781	-
OPEB related	323,547	547,220	345,678	-	1,216,445	27,748
Lease related	-	-	-	75,731	75,731	-
Total deferred inflows of resources	323,547	547,220	643,459	75,731	1,589,957	27,748
NET POSITION						
Net investment in capital assets	29,288,519	70,779,227	72,189,130	13,390	172,270,266	-
Restricted	2,933,479	1,034,070	1,033,746	142,951	5,144,246	-
Unrestricted	35,816,201	19,682,164	43,343,250	20,107,405	118,949,020	23,760,560
Total net position	\$ 68,038,199	\$ 91,495,461	\$ 116,566,126	\$ 20,263,746	\$ 296,363,532	\$ 23,760,560



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CITY OF LODI, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities				Governmental	
	Electric	Wastewater	Water	Nonmajor Transit Fund	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 91,198,777	\$ 18,577,841	\$ 15,169,674	\$ 106,596	\$ 125,052,888	\$ 18,585,826
Other operating revenue	2,767,285	222,943	452,575	198,032	3,640,835	-
Total operating revenues	93,966,062	18,800,784	15,622,249	304,628	128,693,723	18,585,826
OPERATING EXPENSES						
Personnel services	13,099,325	8,594,012	2,471,348	548,792	24,713,477	2,265,550
Supplies, materials and services	16,682,921	4,020,938	4,230,315	3,995,922	28,930,096	12,994,315
Utilities	54,415,749	1,083,872	1,022,725	54,457	56,576,803	14,947
Depreciation and amortization	2,714,502	4,873,714	3,812,378	1,289,799	12,690,393	2,759
Claims/premiums	-	-	-	-	-	2,883,231
Total operating expenses	86,912,497	18,572,536	11,536,766	5,888,970	122,910,769	18,160,802
Operating income (loss)	7,053,565	228,248	4,085,483	(5,584,342)	5,782,954	425,024
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental revenue	(440,319)	(26,532)	-	2,242,682	1,775,831	-
Investment income	3,036,594	1,969,023	3,049,346	258,845	8,313,808	1,644,851
Interest expense	(1,780,680)	(1,094,182)	(695,100)	-	(3,569,962)	(599)
Greenhouse gas allowance	3,099,107	-	-	-	3,099,107	-
Gain on sale of city property	244,401	6,363	605	-	251,369	2,550
Total nonoperating revenues (expenses)	4,159,103	854,672	2,354,851	2,501,527	9,870,153	1,646,802
Income (loss) before capital contributions and transfers	11,212,668	1,082,920	6,440,334	(3,082,815)	15,653,107	2,071,826
Capital contributions	407,201	1,500,670	1,000,446	137,821	3,046,138	-
Transfers out	(3,535,690)	(1,371,620)	(1,457,550)	(280,940)	(6,645,800)	(10,000)
Change in net position	8,084,179	1,211,970	5,983,230	(3,225,934)	12,053,445	2,061,826
Net position-beginning	60,056,966	90,347,051	110,732,255	23,495,983	284,632,255	21,711,332
Restatements	(102,946)	(63,560)	(149,359)	(6,303)	(322,168)	(12,598)
Net position-beginning, as restated	59,954,020	90,283,491	110,582,896	23,489,680	284,310,087	21,698,734
Net position-ending	\$ 68,038,199	\$ 91,495,461	\$ 116,566,126	\$ 20,263,746	\$ 296,363,532	\$ 23,760,560

CITY OF LODI, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities				Governmental Activities	
	Electric	Wastewater	Water	Nonmajor Transit Fund	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 95,627,714	\$ 18,689,811	\$ 16,091,925	\$ 6,943,888	\$ 137,353,338	\$ -
Receipts from interfund charges	-	-	-	-	-	18,399,372
Payments to suppliers and service providers	(71,586,189)	(4,410,280)	(6,292,847)	(4,449,991)	(86,739,307)	(15,523,932)
Payments to employees for salaries and benefits	(12,244,868)	(7,115,792)	(3,198,842)	(505,907)	(23,065,409)	(2,345,368)
Net cash provided by (used for) operating activities	11,796,657	7,163,739	6,600,236	1,987,990	27,548,622	530,072
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to other funds	(3,535,690)	(1,371,620)	(1,457,550)	(280,940)	(6,645,800)	(10,000)
Greenhouse gas allowance	3,099,107	-	-	-	3,099,107	-
Operating grants and contributions	482,222	26,532	-	126,094	634,848	-
Net cash provided by (used for) noncapital financing activities	45,639	(1,345,088)	(1,457,550)	(154,846)	(2,911,845)	(10,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	(33,118)	1,474,138	1,000,446	137,821	2,579,287	-
Acquisition and construction of capital assets	(4,365,179)	(8,058,036)	(1,837,811)	(7,616)	(14,268,642)	-
Principal paid on capital debt	(2,814,592)	(2,757,918)	(1,196,058)	-	(6,768,568)	(1,138)
Interest paid on capital debt	(1,892,894)	(1,183,165)	(714,183)	-	(3,790,242)	(360)
Proceeds from sales of assets	244,799	6,363	605	-	251,767	2,550
Net cash provided by (used for) capital and related financing activities	(8,860,984)	(10,518,618)	(2,747,001)	130,205	(21,996,398)	1,052
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	2,970,933	1,966,313	2,954,503	252,653	8,144,402	1,645,887
Leasing activities	-	-	-	96	96	-
Net cash provided by (used for) investing activities	2,970,933	1,966,313	2,954,503	252,749	8,144,498	1,645,887
Net increase (decrease) in cash and cash equivalents	5,952,245	(2,733,654)	5,350,188	2,216,098	10,784,877	2,167,011
Cash and investments-beginning	29,478,204	32,717,089	60,152,046	1,043,549	123,390,888	31,039,590
Cash and investments-ending	\$ 35,430,449	\$ 29,983,435	\$ 65,502,234	\$ 3,259,647	\$ 134,175,765	\$ 33,206,601

CITY OF LODI, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities				Governmental	
	Electric	Wastewater	Water	Nonmajor Transit Fund	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION						
Cash and investments	\$ 32,496,970	\$ 31,119,215	\$ 53,417,507	\$ 3,116,696	\$ 120,150,388	\$ 30,263,760
Restricted cash and investments	2,932,988	1,033,742	12,084,723	142,951	16,194,404	2,942,841
Cash with fiscal agent	491	328	4	-	823	-
Less: Guaranteed investment contract	-	(2,169,850)	-	-	(2,169,850)	-
Total cash and cash equivalents	<u>\$ 35,430,449</u>	<u>\$ 29,983,435</u>	<u>\$ 65,502,234</u>	<u>\$ 3,259,647</u>	<u>\$ 134,175,765</u>	<u>\$ 33,206,601</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	\$ 7,053,565	\$ 228,248	\$ 4,085,483	\$ (5,584,342)	\$ 5,782,954	\$ 425,024
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation/amortization expense	2,714,502	4,873,714	3,812,378	1,289,799	12,690,393	2,759
(Increase) decrease in accounts receivable	222,145	(110,973)	469,676	4,622,672	5,203,520	(186,454)
(Increase) decrease in advance receivable	1,439,507	-	-	-	1,439,507	-
(Increase) decrease in inventories	(277,319)	12,701	60,239	-	(204,379)	(37,583)
(Increase) decrease in prepaid items	-	-	-	-	-	108,666
Increase (decrease) in accounts payable and other liabilities	(210,200)	681,829	(591,654)	(399,612)	(519,637)	297,478
Increase (decrease) in accrued salaries and wages	93,981	38,421	(4,167)	(2,006)	126,229	(679)
Increase (decrease) in unearned revenue	-	-	-	2,016,588	2,016,588	-
Increase (decrease) in compensated absences	224,368	152,129	33,837	21,939	432,273	10,700
Increase (decrease) in claims and judgments	-	-	-	-	-	17,801
Increase (decrease) in pollution remediation obligation	-	-	(508,392)	-	(508,392)	(96,918)
Increase (decrease) in net pension liability	661,100	1,499,070	(623,622)	22,952	1,559,500	(10,722)
Increase (decrease) in net OPEB liability	(124,992)	(211,400)	(133,542)	-	(469,934)	-
Total adjustments	<u>4,743,092</u>	<u>6,935,491</u>	<u>2,514,753</u>	<u>7,572,332</u>	<u>21,765,668</u>	<u>105,048</u>
Net cash provided by (used for) operating activities	<u>\$ 11,796,657</u>	<u>\$ 7,163,739</u>	<u>\$ 6,600,236</u>	<u>\$ 1,987,990</u>	<u>\$ 27,548,622</u>	<u>\$ 530,072</u>
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES						
Capital asset contributions	\$ 407,201	\$ 1,500,670	\$ 1,000,446	\$ 137,921	\$ 3,046,238	\$ -
Amortization of issuance premium	477,246	130,978	170,648	-	778,872	-
Amortization of deferred gain on refunding	376,175	83,408	19,700	-	479,283	-

CITY OF LODI, CALIFORNIA
 Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2025

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 185,608
Interest receivable	4
Total assets	<u>185,612</u>
NET POSITION	
Restricted for organizations	<u>185,612</u>
Total net position	<u>\$ 185,612</u>

CITY OF LODI, CALIFORNIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	<u>Custodial Funds</u>
ADDITIONS	
Investment Earnings	\$ 15,267
Miscellaneous revenue	305
Total additions	<u>15,572</u>
DEDUCTIONS	
Library	90
Total deductions	<u>90</u>
Net increase (decrease) in fiduciary net position	15,482
Net position-beginning	<u>170,130</u>
Net position-ending	<u>\$ 185,612</u>



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A photograph of the Lodi Archway at dusk. The archway is illuminated with warm lights, and the word "LODI" is visible on its top. The sky is a mix of purple and blue, and there are pink roses in the foreground. A red banner with white text is overlaid on the image.

Notes to the Basic Financial Statements



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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The City of Lodi (City) was incorporated on December 6, 1906, as a municipal corporation 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 works, community development, public protection (police and fire), public utilities, library, parks and recreation.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governments in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles.

An elected five-member council governs the City of Lodi. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The component units, although legally separate entities, are, in substance, part of the City's operations and therefore, their activities are blended with data of the City.

Blended Component Units

The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the organization is able to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

The Lodi Public Financing Authority is considered to be a blended component unit of the reporting entity of the City because its sole purpose is to finance and construct the City's public facilities. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported within the funds of the primary government. The Lodi Public Financing Authority does not issue separate component unit financial statements.

The City Council constitutes the Board of Directors of LPFA. The funds of LPFA have been included in the governmental activities, Enterprise (Wastewater and Water and Electric) Funds and in the accompanying basic financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities that rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as are the proprietary fund and private-purpose trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grant and similar items are recognized as revenue as soon as all eligibility requirements have been met. Agency funds use the accrual basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal year. All other revenues are considered to be available if they are generally collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to vacation, sick leave, claims and judgments, are recorded only when payment is due.

Property taxes, other local taxes, licenses, intergovernmental revenues, and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available when the City receives cash.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds, and internal service funds are charges for customer services including electric, wastewater, water and public transportation fees. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

The Streets Fund accounts for Gas Tax revenues apportioned to the City under the State Streets and Highway Code, impact fees charged to provide for the building of various storm drains and street improvements needed to serve new developments, and to account for funds apportioned to the City for sales tax collections under Measure K.

The City reports the following major proprietary (enterprise) funds:

The Electric Fund accounts for the provision of electric services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, source of supply, overhead, systems maintenance, customer service, engineering, administration, capital improvements, and maintenance and debt service.

The Wastewater Fund accounts for the provision of wastewater collection and treatment services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, improvements and debt service.

The Water Fund accounts for the provision of water to the residents of the City as well as some customers in the San Joaquin County (County). All activities to provide such services are accounted for in this fund, including, but not limited to administration, operations, distribution, maintenance, capital improvements and debt service.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the City reports the following fund types:

The Internal Service Funds account for the City's claims, benefits, fleet services and equipment/vehicle replacement.

Custodial Funds are used to account for the principal and income benefiting individuals, private organizations or other governments. They were established to account for assets held and invested by the Library Board as trustee; and to account for assets held by the City in accordance with a trust agreement on behalf of the Hutchins Square. These funds can only be spent in accordance with the trust agreements.

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges to other City departments from the Electric, Wastewater, Water and Transit Funds. These charges have not been eliminated because elimination would distort the direct costs and program revenues reported in the statement of activities.

D. Cash and Investments

The City maintains a cash and investment pool that is available for all funds of the City for the purpose of increasing interest earnings through investment activities. Investments are generally stated at fair value with the exception of guaranteed investment contracts, which are stated at cost. Income earned or losses arising from the investment of pooled cash are allocated to various funds based on month-end cash balances in accordance with California Government Code Section 53647. Changes in fair value of investments are recognized as a component of investment income.

E. Restricted Cash and Investments

The City accounts for certain settlement payments for environmental remediation as restricted with the understanding that these funds will be used exclusively for environmental cleanup, investigation or remediation expenses incurred by the City in the specified areas and that they will not be used for the payment of legal or technical fees. These funds are accounted for in the Water Fund.

The City has invested in the Public Agency Retirement Services (PARS) for the PARS Public Agencies Post-Employment Benefits Trust. This trust is to be used only for the payment of such post-employment benefits for retirees. These funds are accounted for in the General Fund; Streets; Parks, Recreation and Community Services; Community Development; Electric Utility; Wastewater; Water; Fleet and Non-major Transit Funds.

F. Restricted Cash and Investments with Fiscal Agents

Restricted assets represent the proceeds from debt and other cash and investments held by fiscal agents by agreement that meet the definition of cash and cash equivalents.

In the Electric Fund, restricted assets represent the proceeds of the 2018 Electric Bonds restricted for debt service. In the Wastewater Fund, the restricted assets represent the proceeds of the 2004A, the 2016A Refunding Wastewater Revenue Bonds and the 2017 Installment Purchase Agreement issued for improvements to the City's Wastewater collection, treatment and disposal system. In the Water Fund, restricted assets represent the 2020 Water Refunding Series A Bonds for debt service. In the Capital Outlay fund, restricted assets represent the proceeds of the 2022 Lease Revenue Bonds.

G. Receivables

Revenues are recorded when received in cash, except revenues subject to accrual (up to 90 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are sales tax, special assessments, intergovernmental revenues, other taxes, interest revenue, rental revenue and certain charges for services.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal and State grants are considered receivable and accrued as revenue when all eligibility requirements have been met under the accrual basis of accounting in the government-wide statement of net positions. The amount recognized as revenue under the modified accrual basis of accounting in the governmental funds is limited to the amount that is deemed measurable and available.

Billed but not collected and unbilled utility revenue earned is recognized as revenue and accounts receivable in the enterprise funds.

H. Loan Receivables

Loans receivable reported in the HOME Program and Community Development Block Grants Special Revenue Fund represent funds loaned to first-time homebuyers. Loans receivable in the Electric Enterprise Fund represent loans to eligible industrial and commercial customers participating in the Lodi Energy Efficiency Financing Pilot Project.

In December 2009, the City entered into a contractual relationship with the California Department of Housing and Community Development (HCD) to administer a First-time Homebuyers Program. The loan program is intended to provide deferred down-payment assistance to first-time homebuyers who are at or below 80% of the median income, for the purchase of homes within Lodi. The loan bears 2% interest and is due and payable 30 years from close of escrow, upon transfer of the property or when the home is no longer owner-occupied, whichever comes first. At June 30, 2025, the outstanding balance of these loans amounted to \$38,997.

In November 2023, the city entered into a contractual relationship with the California Capital Small Business Financial Development Corporation to administer a Microloan Program. The loan program is intended to provide loans to entrepreneurs and small businesses with ten or fewer employees who have experienced barriers to traditional sources of capital. At June 30, 2025, the outstanding balance of these loans amounted to \$38,605.

I. Property Taxes

The County is responsible for assessing, collecting and distributing property taxes in accordance with enabling legislation. Revenue received is based on an allocation factor calculated by the County under the provisions of Proposition 13, plus a percentage of the increase in market value in specific areas. The City's property tax lien is based on the assessed value listed as of the prior January 1st for all real and personal property located in the City. Property sold after the assessment date (January 1st) is reassessed and the amount of property tax assessed is prorated. The assessed value on January 1, 2025, upon which the 2024-25 levy was based, was \$9,638,706,003. Secured property taxes are levied on October 1 and are due in two installments on November 1 and February

The tax becomes delinquent after December 10 and April 10, respectively. Unsecured property tax is levied on July 1, due on July 31 and becomes delinquent after August 31.

Property taxes levied for the year ended June 30, 2025, are recorded as receivables. Property taxes paid to the City by the County within 60 days of the fiscal year-end are considered "available" and are, therefore, recognized as revenue in governmental funds.

In 1993, the City made an agreement with San Joaquin County to participate in the Teeter Plan. The Teeter plan is an alternative method of apportioning property tax money. The City receives 95% of the property taxes in advance from the County and the 5% remaining after reconciling the City's balance at June 30. As part of the agreement, the County keeps the penalties and interest on the delinquent taxes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Due From/Due To Other Funds, Advances To/Advances From Other Funds, and Internal Balances

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. In the fund financial statements, these receivables and payables are classified as “due from other funds” or “due to other funds”. Long-term interfund loans receivable are reported as “advances to other funds”. The corresponding long-term interfund loans payable are reported as “advances from other funds”. In the government-wide financial statements, these receivables and payables are eliminated within the governmental activities and business-type activities columns. Receivables and payables between the governmental activities and the business-type activities are classified as internal balances.

K. Transfers

In the fund financial statements, interfund transfers are recorded as transfers in (out) except for transactions that are described below:

Charges for services are recorded as revenues of the performing fund and expenditures/expenses of the requesting fund. Unbilled costs are recognized as an asset of the performing fund at the end of fiscal year. Reimbursements for expenditures/expenses, initially made by one fund that is properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

L. Long-term Obligations

In the government-wide financial statements and in the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium. Losses occurring from advance refunding are reported as deferred outflows of resources and amortized as an expense for both governmental and business-type activities.

M. Advance Receivable

Advance receivable reported in the Electric Enterprise Fund represents the City’s portion of the Northern California Power Agency’s (NCPA) General Operating Reserve that is refundable upon demand by the City (See Note 12).

N. Inventory

Other governmental funds inventories are recorded at cost and are recognized as expenditures when consumed rather than when purchased. For the proprietary fund types, inventories are recorded at cost using the weighted average cost method, which approximates market, and expense is recognized when inventories are consumed in operations.

O. Deferred Outflows and Inflows of Resources

Unamortized Losses (Gains) on Refunding of Bonds

Deferred outflows of resources reported in the Wastewater Enterprise Fund include the refunding loss incurred on the issuance of the 2016 Refunding Revenue Bonds amortized over 21 years. Deferred outflows of resources reported in the Electric Utility Enterprise Fund include the 2018 Revenue Refunding Bonds amortized over 14 years. Deferred outflows of resources in the Water Enterprise Fund include the 2020 Water Revenue Refunding Bonds amortized over 20 years. Deferred outflows of resources reported in the governmental activities represent the 2022 Lease Refunding Bonds amortized over 31 years.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related to Pensions

Pension contributions made in the current year, changes of assumptions, difference between expected and actual experience and the net difference between projected and actual earnings on plan investments are reported as deferred outflows or deferred inflows of resources in accordance with GASB Statement No. 71 as of the CalPERS' valuation measurement date June 30, 2024. These amounts are to be recognized in future pension expenses and the amortization period differs depending on the source of the gain or loss.

Related to OPEB

OPEB contributions made in the current year are reported as deferred outflows of resources per GASB Statement No. 71 as the CalPERS' valuation measurement date is June 30, 2024. Those contributions will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Plan earnings in excess of earnings projected, changes in assumptions, differences between expected and actual experience in the OPEB actuarial report are reported as deferred outflows or inflows of resources.

Unavailable Revenue

The unavailable revenue in the governmental funds is related to the HCD's First-time Homebuyers Program, Development Impact Fees, and miscellaneous revenue for various projects. All fees are expected to be repaid in full.

Leases

Deferred inflows in the governmental funds are for the acquisition of net assets applicable to a future reporting period and are amortized over the life of the lease.

P. Capital Assets

Capital assets, which include land, works of art, buildings and improvements, machinery and equipment, vehicles, infrastructure (e.g., streets, streetlights, traffic signals, sidewalks, and bridges), and electric lines, wastewater lines and storm drains are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds financial statements. Capital assets are defined by the City as assets with an individual cost of \$10,000 or more and have an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. Capital outlay is recorded as expenditures in the General Fund and other governmental funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met.

The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$1,000 or more. The City recognizes all Subscription-Based Information Technology Arrangements (SBITAs), defined as a contract that conveys control of the right to use another part's (a SBITA vendor) IT software, as specified in the contract for a period of time in an exchange or exchange-like transaction.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset useful lives are not capitalized. As required by the Governmental Accounting Standards Board Statement No. 34, beginning July 1, 2002, the City has capitalized infrastructure, primarily its network of streets, as part of the capital assets shown in the governmental activities column on the government-wide statement of net position. This capitalization included infrastructure that could be identified and has been acquired since July 1, 1980.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation of capital assets is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	3-40
Machinery and equipment Vehicles	2-40
Vehicles	5-15
Infrastructure	10-50
Software	3-15

Q. Compensated Absences/Vacation and Sick Leave

The City accrues for compensated absences, in the government-wide financial statements and the proprietary funds financial statements, to pay its employees for the unused vacation, compensatory time, and miscellaneous leave. The City is not obligated to pay for unused sick leave if employees terminate prior to retirement.

Employees hired prior to July 1, 1994, after 10 years with the City and only upon retirement, may convert their accumulated sick leave time to medical insurance premiums under the following options: bank or conversion. The bank option converts the unused sick leave into a dollar amount that will be placed into a “bank” to be used for medical insurance premiums for the employee. The conversion option takes the unused sick leave and converts it to days and the City will pay the medical insurance premiums for the employee for each day after conversion until the balance is exhausted.

R. Pension

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

The following timeframes are used for Pensions reporting:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

S. Other Post-Employment Benefits (OPEB)

For purposes of measuring the Net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plans.

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Self-Insurance

The City is self-insured for general liability, workers' compensation, dental benefits, unemployment and long-term disability. Various City funds are charged premiums for the City's self-insurance liability, which is accounted for in an internal service fund. The accrued liability for estimated self-insured claims represents an estimate of the eventual loss on claims arising prior to year-end including claims incurred but not reported.

U. Net Position

In the government-wide and proprietary funds financial statements, net position is reported in one of three categories:

Net Investment in Capital Assets – This category consists of capital assets net of accumulated depreciation and reduced by deferred outflows of resources and outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – Assets restricted by external creditors, grantors, contributors, enabling legislation or laws or regulations of other governments reduced by liabilities related to those assets.

Unrestricted Net Position – This category consists of all net position that does not meet the definition of net investment in capital assets or restricted net position.

Fund balances presented in the governmental fund financial statements represent the difference between assets, liabilities and deferred inflows of resources. GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, establishes the criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. GASB Statement No. 54 requires that the fund balances be classified in categories based upon the type of constraints imposed on the use of funds. The City evaluated each of its funds at June 30, 2025 and classified fund balances into the following five categories:

Non-spendable – Amounts that cannot be spent because they are (1) not in spendable form, such as prepaid items, inventories and long-term receivables for which the payment of proceeds are not restricted or committed with respect to the nature of the specific expenditures of that fund or (2) legally or contractually required to remain intact.

Restricted – Amounts that are restricted by external parties such as creditors or imposed by grants, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The City has legislative restrictions on amounts collected and reported in the City's various governmental funds.

Committed – Amounts that can only be used for specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by City of Lodi's Council prior to the end of a fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Council adopts another ordinance to remove or revise the limitation.

Assigned – Amounts that have been allocated by the City's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, which includes City Council or by an official designated such as the City Manager for such purpose.

Unassigned – Amounts that constitute the residual balances that have no restrictions placed upon them and are reported in the General Fund. For other governmental funds, as restrictions exceed available resources only deficit amounts are reported in the unassigned category.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

The City does not have a policy on the order of spending unrestricted amounts when an expenditure is incurred for which amounts in any of the unrestricted fund balance classifications could be used. Therefore, by default under GASB Statement No. 54, the City uses committed resources first, then assigned resources and unassigned resources last as they are needed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

It is the City's policy to maintain an unassigned fund balance in the General Fund of at least 16% of revenues and working capital balances in the Water and Wastewater enterprise funds of at least 25% of operating expenses and the target for the Electric Enterprise Fund working capital is \$26.8 million. The policy allows for variations from year-to-year to account for economic and fiscal changes. The City Council also adopted a policy to establish the following reserves:

Catastrophic reserve – To maintain the ability of the City to meet operational costs during times of declared emergency or major catastrophe, the City shall designate General Fund balance of a minimum of 8% of annual General Fund revenues reported as unassigned fund balance. This reserve may only be drawn upon pursuant to an emergency as declared under the Municipal Code.

Economic reserve – To maintain the City's economic viability and to meet seasonal cash flow shortfalls, the City shall designate General Fund economic reserve balance of a minimum of 8% of annual General Fund revenues reported as unassigned fund balance. Funding the economic reserve will begin in the fiscal year following full funding of the catastrophic reserve. Funding may only be disbursed upon a resolution of the City Council.

Once fully funded, if these reserves fall below 5% of annual revenues, the City Manager shall prepare a plan within three months of approval of the City's financial statements. This plan will restore the 5% within 12 months and the 8% within 24 months.

V. Statement of Cash Flows

A statement of cash flows is presented for proprietary fund types. For purposes of reporting cash flows, the City considers all highly liquid investments with maturities of three months or less when purchased and investments maintained in the pool to be cash equivalents.

W. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates

X. Leases and Subscriptions

Lessee

The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$1,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

Lessor

The City is a lessor for leases of special purpose facilities, office and commercial space, and land. The City recognizes leases receivable and deferred inflows of resources in the financial statements

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscriptions

The City has a policy to recognize a subscription liability and a right-to-use subscription asset (subscription asset) in the government-wide financial statements. The City recognizes all Subscription-Based Information Technology Arrangements (SBITAs), defined as a contract that conveys control of the right to use another part's (a SBITA vendor) IT software, as specified in the contract for a period of time in an exchange or exchange-like transaction. Short-term SBITAs are excluded, defined as having a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of exercise.

Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and extension option prices that the City is reasonably certain to exercise.

Y. New GASB Pronouncements Adopted

The following Government Accounting Standards Board (GASB) pronouncement was effective for and implemented for the fiscal year ended June 30, 2025:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 101, Compensated Absences

The requirements of this Statement will improve financial reporting by implementing a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. Establishing the unified model will result in consistent application to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. This Statement will also result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

GASB Statement No. 102, Certain Risk Disclosures

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

Management has assessed the impact of this Statement on the City's financial statements and determined that it did not have a material impact.

Upcoming New GASB Pronouncements

GASB Statement No. 103, Financial Reporting Model Improvements

The requirements of this Statement will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

The Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement also requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, Disclosure of Certain Capital Assets

The requirements of this statement will provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 105, Subsequent Events

The requirements of this Statement will improve financial reporting by establishing clear, consistent guidance for state and local governments on identifying and disclosing events occurring after the financial statement date but before they are available to be issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2025 are classified in the accompanying financial statements as follows:

	Governmental Activities	Business - type Activities	Total	Fiduciary Funds Statement of Net Position	Total
Cash and investments	\$ 113,893,664	\$ 120,150,388	\$ 234,044,052	\$ 185,608	\$ 234,229,660
Restricted cash and investments	40,640,804	16,195,227	56,836,031	-	56,836,031
Total	\$ 154,534,468	\$ 136,345,615	\$ 290,880,083	\$ 185,608	\$ 291,065,691

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of June 30, 2025 consist of the following:

Cash on hand	\$ 4,696
Demand deposits	8,944,295
	<u>8,948,991</u>
Investments	282,116,700
Total cash and investments	<u>\$ 291,065,691</u>

A. Authorized Investments

The City has adopted an investment policy pursuant to Government Code Section 53601, which authorizes the City to invest surplus funds in the City Treasury in certain investment categories authorized by the California Government Code and the City’s Investment Policy. The City’s Investment Policy is more restrictive than the Government Code.

The following table identifies the permitted investment types authorized per the City’s investment policy. The table also identifies certain provisions that address interest rate risk and concentration of credit risk.

Permitted Investments	Maturity	Maximum % of Portfolio	Minimum Quality Requirements
U.S. Treasury Obligations	5 Years	100%	None
US Government Agency Securities & Instrumentalities	5 Years	100%	None
Bankers Acceptances	180 Days	40%	None
Certificates of Deposit	5 Years	100%	None
Negotiable Certificates of Deposit	5 Years	30%	None
Commercial Paper	270 days	30%	Credit rating of P1/A1 or A1+/F1 or F1+ by Moody’s S&P or Fitch
California State Local Agency Investment Fund	Indefinite	100%	None
Passbook Deposits	Indefinite	100%	None
Mutual Funds & Money Market Mutual Funds	N/A	20%	Multiple Requirements per Gov’t Code
Medium Term Corporation Notes	5 years	30%	A -/A3/A- by Moody’s, S&P, or Fitch
Joint Powers Authority Pool	Indefinite	30% ¹	Multiple Requirements per Gov’t Code
Certificates of Deposit Account Registry Service (CDARS)	Indefinite	30%	None
Supranational Obligations	5 Years	30%	A A-/Aa3/AA- by Moody’s, S&P, or Fitch
Municipal Securities (50 States or California Local Agencies)	5 Years	100%	None

⁽¹⁾ Funds held at NCPA shall not count to this limit

B. Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by the provisions of the debt agreements as to the extent that they are permissible investments of funds of the City.

C. Restricted Cash

The City has established a pension stabilization account with Public Agency Retirement Services (PARS), which invests in a Balanced Index PLUS Fund. The investments made by the City to this fund, are in restricted cash and investments.

Restricted assets represent the proceeds from debt and other cash and investments held by fiscal agents by agreement that meet the definition of cash and cash equivalents.

In the Electric Fund, restricted assets represent the proceeds of the 2018 Electric Bonds restricted for debt service. In the Wastewater Fund, the restricted assets represent the proceeds of the 2004A, the 2016A Refunding Wastewater Revenue Bonds and the 2017 Installment Purchase Agreement issued for improvements to the City’s Wastewater collection, treatment and disposal system. In the Water Fund, restricted assets represent the 2020 Water Refunding Series A Bonds for debt service. In the Capital Outlay fund, restricted assets represent the proceeds of the 2022 Lease Revenue Bonds.

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

D. Disclosure Relating to Interest Rate Risk and Credit 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 over time as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio, as well as limiting a securities maturity to five years or less for investments in the investment pool. Investments held outside the investment pool can have longer maturities as these funds are restricted by bond covenants and are held to the maturity of the bonds.

Investment Type	AAA/Aaa	AA+/AA/AA-	A+/A/A-	BBB+/BBB/BBB-	Not Rated	Total
Investments by Fair Value:						
Held by Trustee:						
US Agency Securities	\$ -	\$ 16,272,268	\$ -	\$ -	\$ 1,024,816	\$ 17,297,084
Money Market Mutual Funds	-	-	-	-	97,515,763	97,515,763
Municipal Securities	7,071,501	23,660,258	3,059,975	-	2,334,504	36,126,238
Corporate Securities	3,619,704	9,976,260	9,735,273	489,818	244,051	24,065,106
Negotiable Certificate of Deposits	-	-	-	-	3,205,214	3,205,214
Sovereigns, Supranational & Agencies	6,466,925	-	-	-	484,726	6,951,651
Exempt from Credit Rating Disclosure:						
U.S Treasury Notes	-	3,120,201	-	-	-	3,120,201
Held by City:						
CALTRUST	-	-	-	-	11,343,695	11,343,695
PARS	-	-	-	-	31,739,639	31,739,639
Local Bank Certificate of Deposits	-	-	-	-	733,479	733,479
Demand Deposits	-	-	-	-	8,944,295	8,944,295
Cash on hand	-	-	-	-	4,696	4,696
LAIF	-	-	-	-	50,018,630	50,018,630
Total Cash and Investments	\$ 17,158,130	\$ 53,028,987	\$ 12,795,248	\$ 489,818	\$ 207,593,508	\$ 291,065,691

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. Presented below and on the following page is the minimum rating required by the California Government Code, the City's investment policy, or debt agreements and the actual rating at year end for each investment type.

E. Concentration of Credit Risk

The California Government Code and the investment policy of the City contain limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than investments issued by or explicitly guaranteed by the US Government and investments in mutual funds, external investment pools, and other pooled investments) that represent 5% or more of the total City investments are required to be disclosed. Investments in LAIF, CalTRUST, and money market mutual funds are not subject to the concentration of credit risk disclosure. The City holds 37.61% of its investments in the various securities. These investments in aggregate total are greater than 5% of the total investments, and no one individual holding is greater than 5% of the total investments.

Reporting Unit	Investment Type	Reported amount
Entity Wide:		
Federal Home Loan Bank	Agency Securities	\$ 8,561,395
Federal Farm Credit Bank	Agency Securities	5,637,025

F. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured deposits. The City's deposits with financial institutions exceeded federal depository insurance limits by \$57,881,257 and was collateralized.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools such as LAIF.

Investment Type	12 Months or Less	13 to 24 Months	24 to 36 Months	37 to 60 Months	Total
Investments by Fair Value					
Held by City:					
CALTRUST	\$ 11,343,695	\$ -	\$ -	\$ -	\$ 11,343,695
LAIF	50,018,630	-	-	-	50,018,630
PARS	31,739,639	-	-	-	31,739,639
Local Bank Certificate of Deposits	733,479	-	-	-	733,479
Cash on Hand	4,696	-	-	-	4,696
Demand Deposits	8,944,295	-	-	-	8,944,295
Held by Trustee:					
Negotiable Certificate of Deposits	-	1,952,626	999,692	252,896	3,205,214
US Agency Securities	3,630,941	4,072,536	1,008,115	8,585,492	17,297,084
Money Market Mutual Funds	97,515,763	-	-	-	97,515,763
Municipal Securities	13,826,280	13,109,029	6,030,153	3,160,776	36,126,238
Corporate Securities	9,015,867	8,862,948	5,151,352	1,034,939	24,065,106
Sovereigns, Supranational & Agencies	1,852,808	2,073,612	1,000,502	2,024,729	6,951,651
U.S Treasury Notes	2,638,756	481,445	-	-	3,120,201
Total Cash and Investments	<u>\$ 231,264,849</u>	<u>\$ 30,552,196</u>	<u>\$ 14,189,814</u>	<u>\$ 15,058,832</u>	<u>\$ 291,065,691</u>

G. Investments in Investment Pools

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. At June 30, 2025, the City's investment position in LAIF was \$50.0 million. The City is also a voluntary participant in the CalTRUST which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST, and selects and supervises the activities of the Investment Manager and other agents. As of June 30, 2025, the City's investment in CalTRUST is \$11.3 million; all of which is invested in the Medium term fund.

H. Investments in Guaranteed Investment Contracts

The City has entered into nonparticipating guaranteed investment contracts (GICs), which are authorized under bond documents as outlined in the City's investment policy or the debt agreement. GICs are non-marketable interest bearing agreements with or guaranteed by certain financial institutions. The agreements provide for a guaranteed return on principal over a specified period. A GIC is a general obligation instrument issued by a financial institution, subject to applicable legal restrictions. The City's investments in GIC's represent proceeds from bond issues that have been set aside (held for the benefit of the bondholders) as debt service reserves and proceeds of bonds that have been invested until used on the projects being financed. The investment contracts holding debt service reserves are held long-term and bear interest 5.46%, while most project funds are invested short-term with lower rates. As of June 30, 2025, the bond obligations associated with the investment contracts were fully repaid during fiscal year 2025 and the collateralized investment proceeds were released from debt service restriction and returned to the City in accordance with the terms of the legal agreements.

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

I. Fair Value Measurements

In accordance with GASB Statement 72, fair value is 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. Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability.

Valuation inputs are assumptions that market participants use in pricing an asset or liability. The hierarchy of inputs used to generate the valuation is classified into three different levels.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs include quoted prices for similar assets or liabilities in markets that are active; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for an asset, either directly or indirectly.
- Level 3 inputs are unobservable inputs from the asset or liability where there is very little market activity and they should be used only when relevant Level 1 and Level 2 inputs are unavailable.

The City uses the market approach for determining the fair value levels. The market approach uses the prices associated with actual market transactions for similar or identical assets and liabilities to derive a fair value. The City has the following fair value measurements as of June 30, 2025.

Investment Type	Level 2
Investments by Fair Value:	
Held by Trustee:	
Negotiable Certificate of Deposits	\$ 3,205,214
US Agency Securities	17,297,084
Sovereigns, Supranational & Agencies	6,951,651
U.S Treasury Notes	3,120,201
Municipal Securities	36,126,238
Corporate Securities	24,065,106
Subtotal	<u>90,765,494</u>
Investments Exempt from Fair Value Hierarchy :	
Held by City:	
CALTRUST	11,343,695
PARS	31,739,639
LAIF	50,018,630
Local Certificate of Deposits	733,479
Money Market	97,515,763
Cash on Hand	4,696
Demand Deposits	8,944,295
Total Cash and Investments	<u><u>\$ 291,065,691</u></u>

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 3: ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Receivables of the General Fund, Electric, Wastewater and Water funds, as well as the miscellaneous receivables are reported net of uncollectible amounts. The write off policy for the City is all receivables over 120 days are considered an uncollectible account. Total allowance provided for uncollectible amounts related to receivables of the current period.

Uncollectibles related to:

Late charges and services	\$	313,466
Electric sales and services		6,494,764
Wastewater services		1,505,551
Water sales and services		1,292,095
Miscellaneous billing		20,468
Total uncollectibles, at end of fiscal year	\$	<u>9,626,344</u>

NOTE 4: INTERFUND RECEIVABLES/PAYABLES

Due to	Due from	Amount
General Fund	Other Governmental Funds	
		<u>\$ 576,470</u>

“Due to” and “due from” balances are recorded primarily when funds overdraw their share of pooled cash or when there are short-term loans between funds.

NOTE 5: TRANSFERS

Transfers for the year ended June 30, 2025, are summarized as follows:

	Transfers In			Total
	General	Streets	Other Governmental	
Transfers Out:				
General	\$ 2,988,150	\$ 1,222,990	\$ 8,672,190	\$ 12,883,330
Streets	567,110	-	-	567,110
Other governmental	1,691,290	-	436,220	2,127,510
Electric	3,410,690	-	125,000	3,535,690
Wastewater	1,371,620	-	-	1,371,620
Water	1,457,550	-	-	1,457,550
Non-major Transit	280,940	-	-	280,940
Internal Service	-	-	10,000	10,000
Total	<u>\$ 11,767,350</u>	<u>\$ 1,222,990</u>	<u>\$ 9,243,410</u>	<u>\$ 22,233,750</u>

During the year, various interfund transfers were made to finance expenditures, subsidize operating losses and service debt.

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 5: TRANSFERS (CONTINUED)

Transfers out of \$3,410,690 from the Electric Fund, \$1,371,620 from the Wastewater Fund, \$1,457,550 from the Water Fund and \$280,940 from the Transit Fund represent operating contributions to the General Fund.

The transfer of \$1,222,990 from the General Fund to the Streets Fund is for operations and for various streets projects.

The transfer of \$8,672,190 from the General Fund to other governmental funds represents transfer of \$1,208,080 to the Debt Service Fund for the interest required to pay the 2022 Refunding Lease Revenue Bonds; \$6,669,910 to Parks, Recreation, and Community Services Fund for operating costs; \$165,000 to Community Development for operating costs; and \$629,200 to Capital Outlay Fund for capital projects.

In addition, Other Governmental Funds transferred to the General Fund \$436,220 for normal operating costs.

The transfer of \$125,000 from Electric Utility Public Benefit Fund to other governmental funds is for the Community Development Access Center project.

NOTE 6: CAPITAL ASSETS

A. Capital Assets Activity

Capital assets activity of the primary government for the year ended June 30, 2025, was as follows:

Governmental Activities:	July 1, 2024	Additions	Retirements	Transfers	June 30, 2025
Capital assets, not being depreciated:					
Land	\$ 29,434,399	\$ -	\$ -	\$ -	\$ 29,434,399
Work of art	304,907	-	-	-	304,907
Construction in progress	21,806,754	15,125,756	-	(4,886,623)	32,045,887
Total capital assets, not being depreciated/amortized	51,546,060	15,125,756	-	(4,886,623)	61,785,193
Capital assets, being depreciated/amortized					
Buildings and improvements	86,360,781	-	-	-	86,360,781
Machinery and equipment	19,127,370	262,997	-	-	19,390,367
Vehicles	16,900,906	799,212	(159,960)	-	17,540,158
Infrastructure	209,991,443	3,796,948	-	4,886,623	218,675,014
Subscription assets - software	4,839,599	319,601	(38,714)	-	5,120,486
Total capital assets, being depreciated/amortized	337,220,099	5,178,758	(198,674)	4,886,623	347,086,806
Less accumulated depreciation/amortization :					
Buildings and improvements	50,306,543	1,861,158	-	-	52,167,701
Machinery and equipment	15,743,790	540,273	-	-	16,284,063
Vehicles	10,886,076	818,630	(150,333)	-	11,554,373
Infrastructure	137,614,178	3,939,286	-	-	141,553,464
Subscription assets - software	1,156,546	645,905	(36,364)	-	1,766,087
Total accumulated depreciation/amortization	215,707,133	7,805,252	(186,697)	-	223,325,688
Total capital assets, being depreciated/amortization, net	121,512,966	(2,626,494)	(11,977)	4,886,623	123,761,118
Governmental activities capital assets, net	\$ 173,059,026	\$ 12,499,262	\$ (11,977)	\$ -	\$ 185,546,311

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 6: CAPITAL ASSETS (CONTINUED)

Business-type Activities:	July 1, 2024	Additions	Retirements	Transfers	June 30, 2025
Capital assets, not being depreciated/amortized:					
Land	\$ 5,535,719	\$ -	\$ -	\$ -	\$ 5,535,719
Construction in progress	14,513,003	8,277,541	-	(4,784,380)	18,006,164
Total capital assets, not being depreciated/amortized	<u>20,048,722</u>	<u>8,277,541</u>	<u>-</u>	<u>(4,784,380)</u>	<u>23,541,883</u>
Capital assets, being depreciated/amortized					
Buildings and improvements	67,703,467	-	-	-	67,703,467
Machinery and equipment	366,233,576	4,134,228	-	4,784,380	375,152,184
Vehicles	18,207,874	1,759,513	(125,433)	-	19,841,954
Leased assets - land	45,525	-	-	-	45,525
Subscription assets - software	677,740	409,813	(134,437)	-	953,116
Total capital assets, being depreciated/amortized	<u>452,868,182</u>	<u>6,303,554</u>	<u>(259,870)</u>	<u>4,784,380</u>	<u>463,696,246</u>
Less accumulated depreciation/amortization :					
Buildings and improvements	31,491,223	1,869,888	-	-	33,361,111
Machinery and equipment	165,089,894	9,604,563	-	-	174,694,457
Vehicles	9,771,080	1,032,983	(125,432)	-	10,678,631
Leased assets - land	2,061	687	-	-	2,748
Subscription assets - software	191,822	182,272	(71,800)	-	302,294
Total accumulated depreciation/amortization	<u>206,546,080</u>	<u>12,690,393</u>	<u>(197,232)</u>	<u>-</u>	<u>219,039,241</u>
Total capital assets, being depreciated/amortization, net	<u>246,322,102</u>	<u>(6,386,839)</u>	<u>(62,638)</u>	<u>4,784,380</u>	<u>244,657,005</u>
Business-type activities capital assets, net	<u>\$ 266,370,824</u>	<u>\$ 1,890,702</u>	<u>\$ (62,638)</u>	<u>\$ -</u>	<u>\$ 268,198,888</u>

B. Capital Assets Activity

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental Activities:		Business-type Activities:	
General government	\$ 1,339,622	Electric	\$ 2,632,514
Public protection	896,153	Wastewater	4,846,537
Public works	3,377,604	Water	3,738,584
Library	67,956	Transit	1,289,799
Parks and recreation	1,418,412	Total depreciation expense	<u>\$ 12,507,434</u>
Community development	58,153		
Internal service funds	1,447		
Total depreciation expense	<u>\$ 7,159,347</u>		

C. Lease Amortization

Business- Type Activities	
Water	\$ 687
	<u>\$ 687</u>

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 6: CAPITAL ASSETS (CONTINUED)

D. Subscription Amortization

Governmental Activities		Business- Type Activities	
Governmental	\$ 612,506	Electric	\$ 81,988
Library	32,087	Wastewater	27,177
Internal service funds	1,312	Water	73,107
	<u>\$ 645,905</u>		<u>\$ 182,272</u>

NOTE 7: LONG – TERM LIABILITIES

A. Long-Term Liability Transactions Summary

The following is a summary of long-term liability transactions of the City for the year ended June 30, 2025:

Governmental activities	July 1, 2024, as restated	Additions	Reductions	June 30, 2025	Amounts Due
					Within One Year
Compensated absences	\$ 10,792,372	\$ 602,958	* \$ -	\$ 11,395,330	\$ 4,374,296
Self-insurance liability (Note 11)	8,000,125	184,453	(166,662)	8,017,916	-
Subscription payable (Note 10)	3,631,370	292,095	(622,400)	3,301,065	636,570
Publicly offered:					
2022 Lease Revenue Bonds	26,935,000	-	(680,000)	26,255,000	705,000
Issuance premium	589,155	-	(20,463)	568,692	-
Total	27,524,155	-	(700,463)	26,823,692	705,000
Governmental activities long-term liabilities	<u>\$ 49,948,022</u>	<u>\$ 1,079,506</u>	<u>\$ (1,489,525)</u>	<u>\$ 49,538,003</u>	<u>\$ 5,715,866</u>
Business-type activities	July 1, 2024, as restated	Additions	Reductions	June 30, 2025	Amounts Due Within One Year
Compensated absences	\$ 2,291,464	\$ 432,273	* \$ -	\$ 2,723,737	\$ 1,721,379
Lease payable (Note 10)	43,882	-	(468)	43,414	474
Subscription payable (Note 10)	418,540	409,812	(256,269)	572,083	186,863
Pollution remediation obligation (Note 15)	14,132,011	-	(508,393)	13,623,618	400,000
Publicly offered:					
Certificates of Participation, Revenue Bonds, and Installment Purchase Agreement:					
2004 Certificates of Participation A	2,070,000	-	(2,070,000)	-	-
2016 Wastewater Refunding Revenue Bonds A	19,550,000	-	(435,000)	19,115,000	2,070,000
2016 Issuance premium	1,669,981	-	(130,978)	1,539,003	-
Total 2016 Wastewater Refunding Revenue Bonds A	21,219,981	-	(565,978)	20,654,003	2,070,000
2017 Installment Purchase Agreement	7,061,934	-	(226,831)	6,835,103	788,707
2018 Electric System Refunding Revenue Bonds	30,195,000	-	(2,735,000)	27,460,000	2,875,000
2018 Issuance premium	3,738,337	-	(477,246)	3,261,091	-
Total 2018 Electric System Refunding Revenue Bonds	33,933,337	-	(3,212,246)	30,721,091	2,875,000
2020 Water Refunding Revenue Bonds	22,485,000	-	(1,045,000)	21,440,000	1,085,000
2020 Issuance premium	2,716,111	-	(170,647)	2,545,464	-
Total 2020 Water Refunding Revenue Bonds	25,201,111	-	(1,215,647)	23,985,464	1,085,000
Total Certificates of Participation, Revenue Bonds, and Installment Purchase Agreement:	89,486,363	-	(7,290,702)	82,195,661	6,818,707
Business-type activities long-term liabilities	<u>\$ 106,372,260</u>	<u>\$ 842,085</u>	<u>\$ (8,055,832)</u>	<u>\$ 99,158,513</u>	<u>\$ 9,127,423</u>

*Compensated absences shown as a net change in accordance with GASB 101, Compensated Absences.

B. Other Long-Term Liabilities

The net pension liability and OPEB liability will be liquidated from the general fund, approximately 31.14%. The Community Development fund and Parks, Recreation and Cultural Services fund will liquidate approximately 5.66% and 7.17% and a portion from the internal service fund. Proprietary funds pay their appropriate share of the liabilities. Electric Utility will normally liquidate 28.97%, Water will normally liquidate 1.67%, Wastewater will liquidate 17.51% and Transit will liquidate 1.31%.

NOTE 7: LONG – TERM LIABILITIES (CONTINUED)

C. Certificates of Participation, Revenue Bonds and Installment Purchase Agreement

Governmental Activities:

On March 2, 2022, the City issued \$28,250,000 Lease Revenue Bonds (2022 Bonds) to prepay and cause the immediate refunding of the outstanding \$19,080,000 2012 Refunding Lease Revenue Bonds and to finance the acquisition and construction of capital improvements of the City, including a new animal shelter and parks and playground improvements and upgrades. The refunding allowed the City to keep debt service payments consistent with the previous schedule, while allowing the City to fund much needed capital projects. The total principal and interest remaining is \$40,077,306. Principal is payable annually commencing 2022 on October 1 in amounts from \$705,000 to \$1,255,000 with final payment due October 1, 2052.

Business-type Activities:

On May 12, 2004, the City issued \$27,360,000 Certificates of Participation (2004A COP) to provide funds to finance the costs of certain improvements to the wastewater collection, treatment and disposal system of the City. Principal is payable annually commencing 2024 on October 1 in amounts from \$170,000 to \$2,070,000. The City had pledged wastewater revenues, net of specified operating expenses, to repay these certificates. The City made their final payment on this bond during fiscal year ended June 30, 2025.

On March 10, 2016, the City issued \$20,295,000 2016 Refunding Wastewater Revenue Bonds Series A (2016 Bonds) for an advance refunding of the \$21,415,000 principal amount of the 2007 Wastewater Revenue Certificates of Participation. Principal is payable annually on October 1 in amounts ranging from \$110,000 to \$2,175,000 beginning in 2018 with final payment due in 2037. The City pledged future wastewater revenues, net of specified operating expenses, to repay these certificates. The total principal and interest remaining to be paid on the 2016 bonds is \$23,998,006. Interest paid for the current year and total net revenues were \$819,800 and \$9,232,856, respectively. At June 30, 2025, the total principal and interest remaining to be paid on the refunded debt is \$19,115,000.

On December 1, 2017, the City issued \$7,762,794 2017 Installment Purchase Agreement for an advance refunding of the \$7,555,000 principal amount of the 2007 Wastewater Revenue Certificates of Participation. Principal is payable annually on October 1 in amounts ranging from \$107,000 to \$545,000 beginning in 2018 with final payment due in 2037. The City pledged future wastewater revenues, net of specified operating expenses, to repay these certificates. The total principal and interest remaining to be paid on the 2017 Agreement is \$7,997,630. The outstanding notes from direct borrowings related to business-type activities of \$7,762,794 contain a provision that in an event of default, the timing of repayment of outstanding amounts, principal and interest, become immediately due and payable.

On June 13, 2018, the City issued \$41,610,000 Electric System Revenue Refunding Bonds (2018 Bonds) to allow the City to prepay and cause the immediate refunding of the outstanding \$55,785,000 Certificates of Participation (Electric System Revenue Certificates of Participation 2008 Series A). Principal is payable annually on September 1 in amounts ranging from \$1,710,000 to \$4,045,000 beginning in 2019 with final payment due in 2032. The City has pledged future electric revenues, net of specified operating expenses, to repay these certificates. The total principal and interest remaining to be paid on the certificates is \$33,989,250.

On April 8, 2020, the City issued \$25,390,000 Water Revenue Refunding Bonds (2020 Bonds) to allow the City to prepay and cause the immediate refunding of the outstanding \$29,650,000 principal of Lodi Public Financing Authority 2010 Water Revenue Bonds, Series B (Federally Taxable – Build America Bonds). Principal is payable annually on June 1 in amounts ranging from \$930,000 to \$1,835,000 beginning in 2024 with final payment due in 2040. The City has pledged future water revenues, net of specified operating expenses, to repay these certificates. The total principal and interest remaining to be paid on the certificates is \$28,624,950.

The various indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts and minimum revenue bond coverage. The City is in compliance with all such significant limitations and restrictions.

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 7: LONG – TERM LIABILITIES (CONTINUED)

Annual debt service requirements to maturity for certificates of participation and bonds are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 705,000	\$ 931,600	\$ 6,818,707	\$ 3,187,421
2027	735,000	902,800	7,132,980	2,874,747
2028	765,000	872,800	5,815,807	2,553,170
2029	795,000	841,600	6,092,458	2,283,094
2030	825,000	809,200	6,373,363	2,000,089
2031-2035	4,660,000	3,512,100	27,803,390	5,535,097
2036-2040	4,445,000	2,665,969	14,813,398	1,326,114
2041-2045	4,415,000	1,973,975	-	-
2046-2050	5,270,000	1,118,188	-	-
2051-2053	3,640,000	194,075	-	-
Total	<u>\$ 26,255,000</u>	<u>\$ 13,822,307</u>	<u>\$ 74,850,103</u>	<u>\$ 19,759,732</u>

NOTE 8: PENSION PLANS

A. Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's separate Miscellaneous and Safety Plans (Plans), agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

B. Benefits Provided

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

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 8: PENSION PLANS (CONTINUED)

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

City Miscellaneous Plan		
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-67	52-67
Monthly benefit as a % of eligible compensation	1.426%-2.418%	1% to 2.5%
Required employee contribution rates	7%	6.75%
Required employer contribution rates	21.80%	21.80%

City Safety Plan			
	Prior to January 1, 2013	December 22, 2012 to December 31, 2012	On or After January 1, 2013
Hire Date			
Benefit formula	3.0% @ 50	3% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-55	52-67
Monthly benefit as a % of eligible compensation	3%	2.4% to 3%	2% to 2.7%
Required employee contribution rates	9%	9%	11.25%
Required employer contribution rates	44.75%	44.75%	44.75%

C. Employees Covered

At June 30, 2025, the most recent actuarial valuation available, the following employees were covered by the benefits of the City's Plans:

	Miscellaneous Plan	Safety Plan
Inactive employees or beneficiaries currently receiving benefits	476	203
Inactive employees entitled but not yet receiving benefits	290	95
Active employees	300	120
Total	1,066	418

D. 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 July 1 following notice of a change in the rate. Funding contributions for both Plans 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. The contributions for the measurement period were as follows:

	Miscellaneous	Safety	Aggregate Total
Contributions - employer	\$ 6,987,364	\$ 11,050,288	\$ 18,037,652

NOTE 8: PENSION PLANS (CONTINUED)

E. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures.

F. Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous Plan	Safety Plan
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry- Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Investment Rate of Return	6.80% ⁽¹⁾	6.80% ⁽¹⁾
	Based on rates of CALPERS	
Mortality	Experience Study	

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 valuation were based on the 2021 CalPERS Experience Study for the period from 2000 to 2019. Further details of the Experience Study can be found on the CalPERS website.

G. Discount Rate

The discount rate used to measure the total pension liability was 6.90% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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 (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 8: PENSION PLANS (CONTINUED)

Asset Class	Current Target Allocation	Real Return 1, 2
Public Equities Cap Weighted	33.00%	4.54%
Public Equities - Factor Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	7.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	3.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

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

(2) Figures are based on the 2022 Asset Liability Management study.

H. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2023, Measurement Date	\$ 239,658,336	\$ 167,363,801	\$ 72,294,535
Changes in the year:			
Service cost			
Interest on the total pension liability	4,594,135	-	4,594,135
Changes of benefit terms	16,399,225	-	16,399,225
Differences between expected and actual experience	2,380,220	-	2,380,220
Contribution - employer	-	6,791,999	(6,791,999)
Contribution - employee	-	3,314,853	(3,314,853)
Net investment income ⁽¹⁾	-	16,048,840	(16,048,840)
Benefit payments, including refunds of employee contributions	(13,331,380)	(13,331,380)	-
Other changes in fiduciary net position	-	(136,184)	136,184
Net changes during measurement period	<u>10,042,200</u>	<u>12,688,128</u>	<u>(2,645,928)</u>
Balance at June 30, 2024, Measurement Date	<u>\$ 249,700,536</u>	<u>\$ 180,051,929</u>	<u>\$ 69,648,607</u>

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2023, Measurement Date	\$ 251,257,140	\$ 150,112,815	\$ 101,144,325
Changes in the year:			
Service cost	4,428,097	-	4,428,097
Interest on the total pension liability	17,260,601	-	17,260,601
Differences between expected and actual experience	3,280,114	-	3,280,114
Contribution - employer	-	9,139,667	(9,139,667)
Contribution - employee	-	2,779,255	(2,779,255)
Net investment income ⁽¹⁾	-	14,564,232	(14,564,232)
Benefit payments, including refunds of employee contributions	(13,195,347)	(13,195,347)	-
Other changes in fiduciary net position	-	(122,147)	122,147
Net changes during measurement period	<u>11,773,465</u>	<u>13,165,660</u>	<u>(1,392,195)</u>
Balance at June 30, 2024, Measurement Date	<u>\$ 263,030,605</u>	<u>\$ 163,278,475</u>	<u>\$ 99,752,130</u>

(1) Net of administrative expenses.

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 8: PENSION PLANS (CONTINUED)

I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's 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 Plan</u>	<u>Safety Plan</u>
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 101,593,188	\$ 136,201,165
Current Discount Rate	6.90%	6.90%
Net pension Liability	\$ 69,648,607	\$ 99,752,130
1% Increase	7.90%	7.90%
Net pension Liability	\$ 43,192,689	\$ 69,974,859

J. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

K. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the City recognized pension expense of \$6,987,364, and \$11,050,288 for the Miscellaneous and Safety Plans, respectively.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous Plan</u>		<u>Safety Plan</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 6,987,364	\$ -	\$ 11,050,288	\$ -	\$ 18,037,652	\$ -
Changes of assumptions	-	-	2,518,380	-	2,518,380	-
Difference between expected and actual experience	2,776,900	-	4,833,539	-	7,610,439	-
Net differences between projected and actual earnings on plan investments	2,575,816	-	2,202,683	-	4,778,499	-
Total	<u>\$ 12,340,080</u>	<u>\$ -</u>	<u>\$ 20,604,890</u>	<u>\$ -</u>	<u>\$ 32,944,970</u>	<u>\$ -</u>

The \$6,987,364 and \$11,050,288 reported as deferred outflows of resources related to contributions subsequent to the fiscal year will be recognized as a reduction of the net pension liability in the next fiscal year for the year ending June 30. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Periods Ended June 30:</u>	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>	<u>Total</u>
2025	\$ 1,623,968	\$ 4,404,220	\$ 6,028,188
2026	5,227,718	5,855,606	11,083,324
2027	(574,358)	146,835	(427,523)
2028	(924,612)	(852,059)	(1,776,671)
Total	<u>\$ 5,352,716</u>	<u>\$ 9,554,602</u>	<u>\$ 14,907,318</u>

NOTE 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Plan Description

The City sponsors a single-employer defined-benefit postemployment healthcare plan (Retiree Health Plan) to provide medical insurance benefits to eligible retired employees and their spouses. The Plan does not issue a publicly available financial report. Medical coverage is provided through CalPERS healthcare program. Employees who retire from the City and receive a CalPERS pension are eligible for postemployment medical benefits. The City contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act. In general, retirees must contribute any premium amounts in excess of the City contribution. However, as described below, a closed group of active employees and retirees receive additional postemployment benefits.

Employees hired prior to the dates shown in the following table are allowed to convert their accumulated sick leave into postemployment medical benefits at retirement as long as they have ten or more years of service with the City.

Group	Hired prior to:
Executive Management	July 1, 1994
Mid-Management	July 1, 1994
Fire Mid-Management	December 6, 1995
Police Mid-Management	July 1, 1994
General Services	July 1, 1995
IBEW	July 1, 1995
Maintenance and Operators	July 1, 1995
Dispatchers	July 9, 1994
Police	October 10, 1994
Fire	December 6, 1995

B. Eligibility

Employees of the City are eligible for retiree health benefits if they retire from the City and commence pension benefits under PERS (typically on or after age 50 with at least five years of PERS eligible service). Membership in the plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation.

<u>Eligibility</u>	<u>Plan</u>
Active plan members	312
Inactive plan members entitled to, but not yet receiving benefits	107
Retirees electing coverage	200
Retirees	9
Total	<u>628</u>

C. Funding Policy

Contribution requirements of the Retiree Health Plan are based on pay-as-you-go financing. The City's policy is to fund the normal cost (current accrual for benefits being earned) plus an amortization of the net (unfunded accrued) OPEB liability. For fiscal year 2024-25, the City contributed \$1,687,041.

D. Net OPEB Liability

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Total OPEB Liability	\$ 19,409,598
Fiduciary Net Position	<u>2,397,344</u>
Net OPEB Liability	<u>\$ 17,012,254</u>

NOTE 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

E. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and the plan members to that point. The actuarial methods and the assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

F. Actuarial Valuations

The net OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

Valuation date: June 30, 2023	Measurement date: June 30, 2024
Actuarial Cost Method	Entry Age Normal level of percent of pay cost method
Actuarial Assumptions:	
Discount Rate	4.92%
Inflation	2.50%
Wage Inflation	3.00%
Expected Rate of Return	6.25%
Healthcare Trend Rate	An annual healthcare cost trend rate of 6.3% initially reduced by decrements to an ultimate of 3.9%.

G. Discount Rate

The discount rate used to measure the net OPEB liability was 4.92%. This discount rate assumes the City continues to fully fund for its retiree health benefits through the “California Employers Retiree Benefit Trust” (CERBT) under its investment allocation strategy 2. The rate reflects the OPEB published median interest rate for strategy 1 of 5.5% with an additional margin for adverse deviation.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	34.00%	5.00%
Fixed income	41.00%	5.00%
TIPS	5.00%	3.00%
Commodities	3.00%	3.00%
Cash	0.00%	2.00%
Global real estate (REITs)	17.00%	5.00%

⁽¹⁾ Long term expected rate of return in 5.5%

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate 1-percentage point lower (3.92%) or 1-percentage point higher (5.92%) than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1% (3.92)	Current Discount Rate (4.92%)	Discount Rate + 1% (5.92%)
\$ 18,904,342	\$ 17,012,254	\$ 15,402,058

H. Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates 1-percentage point lower (5.0%HMO/5.5%PPO decreasing to 4.0%HMO/4.5%PPO) or 1-percentage point higher (6.0%HMO/6.5%PPO decreasing to 5.0%HMO/5.5%PPO) than the current healthcare cost trend rates:

	1% Decrease	Current Discount Rate	1% Increase
HMO	4.00%	5.00%	6.00%
PPO	4.50%	5.50%	6.50%
City Plan	\$ 15,154,478	\$ 17,012,254	\$ 19,252,175

I. OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources to OPEB

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) -(b)
Balance at June 30, 2023, Measurement Date	\$ 20,350,897	\$ 2,168,237	\$ 18,182,660
Changes Recognized for the Measurement Period			
Service Cost	518,707	-	518,707
Interest on the total OPEB liability	909,184	-	909,184
Differences between expected and actual experience	192	-	192
Changes of assumptions	(682,341)	-	(682,341)
Employer Contributions	-	1,687,041	(1,687,041)
Net investment income	-	230,663	(230,663)
Benefit payments, including refunds of employee contributions	(1,687,041)	(1,687,041)	-
Administrative expenses	-	(1,556)	1,556
Net changes during July 1, 2023 to June 30, 2024	(941,299)	229,107	(1,170,406)
Balance at June 30, 2024, Measurement Date	\$ 19,409,598	\$ 2,397,344	\$ 17,012,254

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

For the year ended June 30, 2025, the City recognized OPEB expense of \$2,455,692 for the City Plan. At June 30, 2025 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 1,663,768	\$ -
Change of assumptions	294,178	3,212,412
Difference between expected and actual liability	11,174	2,661,401
Difference between expected and actual investment earnings	58,063	-
	\$ 2,027,183	\$ 5,873,813

The \$1,663,768 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Measurement Period Ended June 30	
2025	\$ (1,857,981)
2026	(1,457,786)
2027	(862,085)
2028	(698,287)
2029	(389,506)
Thereafter	(244,753)
Total	\$ (5,510,398)

NOTE 10: LEASES AND SUBSCRIPTIONS

Leases

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure any lease asset, liability, and deferred inflows if certain changes occur that are expected to significantly affect the amount of the lease liability.

A. Lessee

Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

On July 1, 2021, the City entered into a 795 month lease as Lessee for the use of Woodbridge Irrigation District-Pumping Plant. An initial lease liability was recorded in the amount of \$45,526. As of June 30 2025, the value of the lease liability is \$43,414. The City is required to make annual fixed payments of \$1,000. The lease has an interest rate of 1.21%. The Land estimated useful life was 795 months as of the contract commencement. The value of the right to use asset as of June 30 2025 of \$45,525 with accumulated amortization of \$2,748 is included with Land on the Lease Class activities table found below. The City has 1 extension option(s), each for 480 months.

Principal and interest requirements to maturity:

Fiscal Year	Business- Type Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 474	\$ 526	\$ 1,000
2027	480	520	1,000
2028	485	515	1,000
2029	491	509	1,000
2030	497	503	1,000
2031-2035	2,578	2,422	5,000
2036-2040	2,738	2,262	5,000
2041-2045	2,908	2,092	5,000
2046-2050	3,089	1,911	5,000
2051-2055	3,280	1,720	5,000
2056-2060	3,484	1,516	5,000
2061-2065	3,700	1,300	5,000
2066-2070	3,930	1,070	5,000
2071-2075	4,174	826	5,000
2076-2080	4,433	567	5,000
2081-2085	4,709	292	5,001
2086-2088	1,964	36	2,000
Total	<u>\$ 43,414</u>	<u>\$ 18,587</u>	<u>\$ 62,001</u>

Amount of lease assets by major classes of underlying asset:

Asset Class	As of Fiscal Year - End		
	Lease Asset Value	Accumulated Amortization	Net
Land	<u>\$ 45,525</u>	<u>\$ 2,748</u>	<u>\$ 42,777</u>

B. Lessor

The City is a lessor for leases of special purpose facilities, office and commercial space, and land. The City recognizes leases receivable and deferred inflows of resources in the financial statements.

On July 1, 2021, the City entered into a 117 month lease as Lessor for the use of Adopt-A-Child. An initial lease receivable was recorded in the amount of \$127,928. As of June 30, the value of the lease receivable is \$77,575. The lessee is required to make monthly fixed payments of \$1,140. The lease has an interest rate of 1.04%. The value of the deferred inflow of resources as of June 30 was \$75,831 and the City recognized lease revenue of \$13,024 during the fiscal year.

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

On July 1, 2021, the City entered into a 37 month lease as Lessor for the use of Ascend Fitness. An initial lease receivable was recorded in the amount of \$63,665. As of June 30, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$1,825. The lease has an interest rate of 0.20%. The value of the deferred inflow of resources as of June 30 was \$0, and the City recognized lease revenue of \$3,245 during the fiscal year.

On July 1, 2021, the City entered into a 67 month lease as Lessor for the use of the World of Wonders Science Museum. An initial lease receivable was recorded in the amount of \$68,631. As of June 30, the value of the lease receivable is \$19,463. The lessee is required to make monthly variable principal and interest payments of \$1,000 based on a CPI index of 3%. The lease has an interest rate of 0.20%. The value of the deferred inflow of resources as of June 30 was \$19,463, and the City recognized lease revenue of \$12,292 during the fiscal year. The lessee has 1 extension option(s), each for 36 months.

On July 1, 2021, the City entered into a 345 month lease as Lessor for the use of McCaw Communications - AT&T. An initial lease receivable was recorded in the amount of \$416,090. As of June 30, the value of the lease receivable is \$361,185. The lessee is required to make monthly variable principal and interest payments of \$1,249 based on a CPI index of 2.16%. The lease has an interest rate of 0.4170%. The value of the deferred inflow of resources as of June 30 was \$358,277, and the City recognized lease revenue of \$14,453 during the fiscal year.

On July 1, 2021, the City entered into a 264 month lease as Lessor for the use of NCPA. An initial lease receivable was recorded in the amount of \$401,235. As of June 30, the value of the lease receivable is \$335,729. The lessee is required to make monthly fixed payments of \$20,310. The lease has an interest rate of 1.4330%. The value of the deferred inflow of resources as of June 30 was \$328,393 and the City recognized lease revenue of \$18,210 during the fiscal year.

On July 1, 2021, the City entered into a 1098 month lease as Lessor for the use of NCPA Ground Lease. An initial lease receivable was recorded in the amount of \$62,042,868. As of June 30, the value of the lease receivable is \$60,701,373. The lessee is required to make annual fixed payments of \$20,310. The lessee is required to make annual variable principal and interest payments of \$101,534 based on a CPI index of 2.50%. The lease has an interest rate of 1.56%. The value of the deferred inflow of resources as of June 30 was \$59,332,915 and the City recognized lease revenue of \$677,488 during the fiscal year. The lessee has 1 extension option(s), each for 600 months.

On May 1, 2021, the City entered into a 60 month lease as Lessor for the use of The Village. An initial lease receivable was recorded in the amount of \$153,458. As of June 30, the value of the lease receivable is \$58,037. The lessee is required to make monthly fixed payments of \$2,688. The lease has an interest rate of 1.98%. The value of the deferred inflow of resources as of June 30 was \$56,268, and the City recognized lease revenue of \$30,692 during the fiscal year.

On January 1, 2023, the City entered into a 90 month lease as Lessor for the use of Enchanted Rock Electric. An initial lease receivable was recorded in the amount of \$19,279,708. As of June 30, the value of the lease receivable is \$11,927,202. The lessee is required to make annual fixed payments of \$2,800,000. The lease has an interest rate of 3.41%. The value of the deferred inflow of resources as of June 30, was \$12,853,139 and the City recognized lease revenue of \$2,570,628 during the fiscal year. The lessee has the option to purchase the Land for \$11,200,000. The lessee has 1 extension option, for 30 months.

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

Principal and interest expected to maturity:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 2,763,289	\$ 1,355,187	\$ 4,118,476
2027	2,850,448	1,268,029	4,118,477
2028	3,080,475	1,178,002	4,258,477
2029	3,325,240	1,080,236	4,405,476
2030	1,814,245	974,232	2,788,477
2031-2035	1,995,652	4,539,730	6,535,382
2036-2040	2,139,775	4,384,207	6,523,982
2041-2045	2,287,362	4,216,310	6,503,672
2046-2050	2,380,442	4,039,438	6,419,880
2051-2055	2,493,599	3,852,268	6,345,867
2056-2060	2,695,076	3,650,791	6,345,867
2061-2065	2,912,833	3,433,034	6,345,867
2066-2070	3,148,184	3,197,683	6,345,867
2071-2075	3,402,551	2,943,316	6,345,867
2076-2080	3,677,471	2,668,396	6,345,867
2081-2085	3,974,603	2,371,264	6,345,867
2086-2090	4,295,743	2,050,124	6,345,867
2091-2095	4,642,831	1,703,036	6,345,867
2096-2100	5,017,962	1,327,905	6,345,867
2101-2105	5,423,404	922,463	6,345,867
2106-2110	5,861,604	484,263	6,345,867
2111-2113	3,220,200	66,960	3,287,160
Total	<u>\$ 73,402,989</u>	<u>\$ 51,706,874</u>	<u>\$ 125,109,863</u>

Fiscal Year	Business-type Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 43,719	\$ 891	\$ 44,610
2027	33,856	247	34,103
	<u>\$ 77,575</u>	<u>\$ 1,138</u>	<u>\$ 78,713</u>

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

C. Lease Activity

Governmental Activities:

The following is a summary of lease transactions of the City for the year ended June 30, 2025:

Lease Receivable	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025	Amounts Due Within One Year
Buildings:					
Adopt-A-Child	\$ 90,216	\$ -	\$ (12,821)	\$ 77,395	\$ 12,937
Ascend Fitness	3,649	-	(3,649)	-	-
Land:					
Enchanted Rock	14,241,667	-	(2,314,360)	11,927,307	2,393,279
McCaw Communications - AT&T	374,962	-	(13,777)	361,185	13,833
NCPA	351,010	-	(15,281)	335,729	15,499
NCPA Ground Lease	61,024,040	-	(322,667)	60,701,373	327,741
<i>Business-type activities:</i>					
Buildings:					
World of Wonders Science Museum	31,846	-	(12,308)	19,538	12,333
The Village	88,792	-	(30,755)	58,037	31,386
Total lease receivable	\$ 76,206,182	\$ -	\$ (2,725,618)	\$ 73,480,564	\$ 2,807,008

Deferred inflow of resources	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
Buildings:				
World of Wonders Science Museum	\$ 31,755	\$ -	\$ (12,292)	\$ 19,463
The Village	86,959	-	(30,691)	56,268
<i>Governmental activities:</i>				
Buildings:				
Adopt-A-Child	88,856	-	(13,025)	75,831
Ascend Fitness	3,245	-	(3,245)	-
Land:				
Enchanted Rock	15,423,768	-	(2,570,630)	12,853,138
McCaw Communications - AT&T	372,729	-	(14,452)	358,277
NCPA	346,605	-	(18,211)	328,394
NCPA Ground Lease	60,010,402	-	(677,487)	59,332,915
Total deferred inflow of resources	\$ 76,364,319	\$ -	\$ (3,340,033)	\$ 73,024,286

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

D. Subscriptions

E. Subscription Payable

On July 1, 2022, the City entered into a 79 month subscription for the use of Active 911. An initial subscription liability was recorded in the amount of \$3,828. As of June 30, the value of the subscription liability is \$2,248. The City is required to make annual fixed payments of \$600. The subscription has an interest rate of 2.6630%. The value of the right to use asset as of June 30 of \$3,828 with accumulated amortization of \$1,733 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

On July 1, 2023, the City entered into a 48 month subscription for the use of CellHawk. An initial subscription liability was recorded in the amount of \$24,015. As of June 30, the value of the subscription liability is \$12,368. The City is required to make annual fixed payments of \$5,995. The subscription has an interest rate of 2.9010%. The value of the right to use asset as of June 30 of \$24,015 with accumulated amortization of \$12,007 is included with Software on the Subscription Class activities table found below. The City has 1 extension option(s), each for 12 months.

On June 13, 2024, the City entered into a 60 month subscription for the use of CivicPlus Website Hosting and Form Builder. An initial subscription liability was recorded in the amount of \$414,345. As of June 30, the value of the subscription liability is \$299,368. The City is required to make annual fixed payments of \$62,900. The subscription has an interest rate of 2.6160%. The value of the right to use asset as of June 30 of \$414,345 with accumulated amortization of \$86,151 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the City entered into a 77 month subscription for the use of CordicoShield Wellness App. An initial subscription liability was recorded in the amount of \$111,574. As of June 30, the value of the subscription liability is \$57,098. The City is required to make annual fixed payments of \$20,000. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30, of \$111,574 with accumulated amortization of \$51,828 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

On August 15, 2022, the City entered into a 48 month subscription for the use of DebtBook. An initial subscription liability was recorded in the amount of \$37,585. As of June 30, the value of the subscription liability is \$9,510. The City is required to make annual fixed payments of \$9,750. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30 of \$37,585 with accumulated amortization of \$27,041 is included with Software on the Subscription Class activities table found below.

On February 7, 2023, the City entered into a 60 month subscription for the use of Gravity ACFR. An initial subscription liability was recorded in the amount of \$94,205. As of June 30, the value of the subscription liability is \$41,060. The City is required to make annual fixed payments of \$18,000. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of June 30, of \$104,205 with accumulated amortization of \$50,018 is included with Software on the Subscription Class activities table found below. The City has 4 extension option(s), each for 12 months.

On July 1, 2022, the City entered into a 146 month subscription for the use of Evidence.com. An initial subscription liability was recorded in the amount of \$1,066,489. As of June 30, the value of the subscription liability is \$816,222. The City is required to make annual fixed payments of \$105,065. The subscription has an interest rate of 3.0480%. The value of the right to use asset as of June 30 of \$1,066,489 with accumulated amortization of \$262,013 is included with Software on the Subscription Class activities table found below. The City has 1 extension option(s), each for 120 months.

On August 1, 2022, the City entered into a 72 month subscription for the use of Imprivata VPN Enterprise. An initial subscription liability was recorded in the amount of \$158,165. As of June 30, the value of the subscription liability is \$80,017. The City is required to make annual fixed payments of \$28,028. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30 of \$158,165 with accumulated amortization of \$76,886 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

On July 1, 2022, the City entered into a 72 month subscription for the use of PSTrax Vehicle Operations Checks System. An initial subscription liability was recorded in the amount of \$17,849. As of June 30, the value of the subscription liability is \$9,717. The City is required to make annual fixed payments of \$2,800. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30 of \$17,849 with accumulated amortization of \$8,925 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the City entered into a 71 month subscription for the use of RIPALog. An initial subscription liability was recorded in the amount of \$39,694. As of June 30, the value of the subscription liability is \$20,555. The City is required to make annual fixed payments of \$7,200. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30 of \$39,694 with accumulated amortization of \$19,986 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

On July 1, 2022, the City entered into a 75 month subscription for the use of SaaS Munis Software. An initial subscription liability was recorded in the amount of \$1,311,217. As of June 30, the value of the subscription liability is \$667,530. The City is required to make annual fixed payments of \$233,819. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30, of \$1,311,215 with accumulated amortization of \$629,384 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

On February 1, 2024, the City entered into a 36 month subscription for the use of Sizeup Local Business Intelligence. An initial subscription liability was recorded in the amount of \$27,636. As of June 30, the value of the subscription liability is \$9,220. The City is required to make annual fixed payments of \$9,488. The subscription has an interest rate of 2.9010%. The value of the right to use asset as of June 30 of \$30,636 with accumulated amortization of \$14,467 is included with Software on the Subscription Class activities table found below.

On March 22, 2023, the City entered into a 60 month subscription for the use of Smart Energy Water Customer Web Portal. An initial subscription liability was recorded in the amount of \$298,020. As of June 30, the value of the subscription liability is \$120,722. The City is required to make annual fixed payments of \$62,800. The subscription has an interest rate of 2.6820%. The value of the right to use asset as of June 30 of \$298,020 with accumulated amortization of \$135,599 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the City entered into a 76 month subscription for the use of Streamline Automation. An initial subscription liability was recorded in the amount of \$18,613. As of June 30, the value of the subscription liability is \$9,516. The City is required to make annual fixed payments of \$3,333. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30, of \$18,613 with accumulated amortization of \$8,817 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

On July 1, 2022, the City entered into a 85 month subscription for the use of TRAKiT Community Development Modules. An initial subscription liability was recorded in the amount of \$308,473. As of June 30, the value of the subscription liability is \$178,829. The City is required to make annual fixed payments of \$47,723. The subscription has an interest rate of 2.6630%. The value of the right to use asset as of June 30, of \$308,473 with accumulated amortization of \$130,647 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

On July 1, 2022, the City entered into a 84 month subscription for the use of Tablet Command Enterprise. An initial subscription liability was recorded in the amount of \$48,328. As of June 30, the value of the subscription liability is \$27,955. The City is required to make annual fixed payments of \$7,460. The subscription has an interest rate of 2.6630%. The value of the right to use asset as of June 30, of \$48,328 with accumulated amortization of \$20,712 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

On July 1, 2022, the City entered into a 146 month subscription for the use of Taser 7 Basic. An initial subscription liability was recorded in the amount of \$437,768. As of June 30, the value of the subscription liability is \$335,040. The City is required to make annual fixed payments of \$43,127. The subscription has an interest rate of 3.0480%. The value of the right to use asset as of June 30, of \$437,768 with accumulated amortization of \$107,550 is included with Software on the Subscription Class activities table found below. The City has 1 extension option(s), each for 120 months.

On July 1, 2022, the City entered into a 72 month subscription for the use of Vector LMS TargetSolutions Edition Premier. An initial subscription liability was recorded in the amount of \$27,087. As of June 30, the value of the subscription liability is \$13,704. The City is required to make annual fixed payments of \$4,800. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30, of \$27,087 with accumulated amortization of \$13,544 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

On July 1, 2022, the City entered into a 52 month subscription for the use of ZoomProspector Enterprise. An initial subscription liability was recorded in the amount of \$32,408. As of June 30, the value of the subscription liability is \$8,309. The City is required to make annual fixed payments of \$8,498. The subscription has an interest rate of 2.2750%. The value of the right to use asset as of June 30 of \$32,408 with accumulated amortization of \$22,138 is included with Software on the Subscription Class activities table found below. The City has 3 extension option(s), each for 12 months.

On July 1, 2022, the City entered into a 160 month subscription for the use of Zuercher Public Safety Software. An initial subscription liability was recorded in the amount of \$855,184. As of June 30, the value of the subscription liability is \$675,442. The City is required to make annual fixed payments of \$79,526. The subscription has an interest rate of 3.0850%. The value of the right to use asset as of June 30 of \$855,184 with accumulated amortization of \$191,380 is included with Software on the Subscription Class activities table found below. The City has 10 extension option(s), each for 12 months.

On October 7, 2023, the City entered into a 120 month subscription for the use of ALLDATA Repair and Diagnostic. An initial subscription liability was recorded in the amount of \$13,124. As of June 30, the value of the subscription liability is \$10,485. The City is required to make annual fixed payments of \$1,500. The subscription has an interest rate of 3.1020%. The value of the right to use asset as of June 30 of \$13,124 with accumulated amortization of \$2,275 is included with Software on the Subscription Class activities table found below. The City has 9 extension option(s), each for 12 months.

On December 20, 2022, the City entered into a 72 month subscription for the use of GIS Mapping Services. An initial subscription liability was recorded in the amount of \$305,181. As of June 30, the value of the subscription liability is \$154,864. The City is required to make annual fixed payments of \$55,000. The subscription has an interest rate of 3.2380%. The value of the right to use asset as of June 30 of \$305,181 with accumulated amortization of \$128,713 is included with Software on the Subscription Class activities table found below. The City has 1 extension option(s), each for 36 months.

On July 1, 2024, the City entered into a 36 month subscription for the use of PowerClerk. An initial subscription liability was recorded in the amount of \$129,665. As of June 30, the value of the subscription liability is \$87,365. The City is required to make annual fixed payments of \$42,300. The subscription has an interest rate of 3.1100%. The value of the right to use asset as of June 30 of \$129,665 with accumulated amortization of \$43,222 is included with Software on the Subscription Class activities table found below.

On February 1, 2025, the City entered into a 60 month subscription for the use of Water Meter Test Bench. An initial subscription liability was recorded in the amount of \$280,149. As of June 30, the value of the subscription liability is \$226,006. The City is required to make annual fixed payments of \$54,143. The subscription has an interest rate of 2.9250%. The value of the right to use asset as of June 30 of \$280,149 with accumulated amortization of \$23,346 is included with Software on the Subscription Class activities table found below.

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

Principal and interest expected to maturity:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 636,570	\$ 93,879	\$ 730,449
2027	631,181	76,676	707,857
2028	602,423	59,584	662,007
2029	317,987	43,266	361,253
2030	195,134	34,084	229,218
2031-2035	917,770	77,127	994,897
Total	<u>\$ 3,301,065</u>	<u>\$ 384,616</u>	<u>\$ 3,685,681</u>

Principal and interest expected to maturity:

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 186,863	\$ 17,123	\$ 203,986
2027	197,608	11,534	209,142
2028	118,046	5,622	123,668
2029	69,566	2,019	71,585
Total	<u>\$ 572,083</u>	<u>\$ 36,298</u>	<u>\$ 608,381</u>

Amount of subscription assets by major classes of underlying asset:

Asset Class	As of Fiscal Year-end		
	Subscription Asset Value	Accumulated Amortization	Net
Software	<u>\$ 6,073,602</u>	<u>\$ 2,068,381</u>	<u>\$ 4,005,221</u>

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

F. Subscription Activity

Governmental Activities:

The following is a summary of subscription transactions of the City for the year ended June 30, 2025:

Subscription assets, net amortization	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
<i>Governmental activities:</i>				
Software:				
Active 911	\$ 2,673	\$ -	\$ (578)	\$ 2,095
CellHawk	18,011	-	(6,004)	12,007
CivicPlus Website Hosting and Form Builder	410,243	-	(82,049)	328,194
CordicoShield Wellness App	77,022	-	(17,276)	59,746
DebtBook	19,941	-	(9,396)	10,545
Evidence.com	891,814	-	(87,338)	804,476
Gravity ACFR	75,028	-	(20,841)	54,187
Imprivata VPN Enterprise	107,640	-	(26,361)	81,279
PSTrax Vehicle Operations Checks System	11,899	-	(2,975)	8,924
RIPALog	26,370	-	(6,662)	19,708
SaaS Munis Software	891,628	-	(209,797)	681,831
Sizeup Local Business Intelligence	26,381	-	(10,212)	16,169
Smart Energy Water Customer Web Portal	76,155	-	(20,444)	55,711
Streamline Automation	12,735	-	(2,939)	9,796
TRAKiT Community Development Modules	191,003	-	(37,574)	153,429
Tablet Command Enterprise	34,520	-	(6,904)	27,616
Taser 7 Basic	366,068	-	(35,850)	330,218
Team Gantt	2,352	-	(2,352)	-
Telestaff Enterprise	8,640	-	(8,640)	-
Vector LMS TargetSolutions Edition Premier	18,058	-	(4,515)	13,543
Zoho Expense	1,588	-	(1,588)	-
Zoom Prospector Enterprise	17,649	-	(7,379)	10,270
Zuercher Public Safety Software	727,598	-	(63,793)	663,805
AllData Repair and Diagnostic	12,162	-	(1,312)	10,850
Total subscription assets	\$ 4,027,178	\$ -	\$ (672,779)	\$ 3,354,399
Business-type activities:				
Software:				
GIS Mapping Services	\$ 227,332	\$ -	\$ (50,864)	\$ 176,468
MARS M3 Enterprise Series 5-1000	82,343	-	(82,343)	-
PowerClerk	-	129,665	(43,222)	86,443
Smart Energy Water Customer Web Portal	145,870	-	(39,160)	106,710
TRAKiT Community Development Modules	30,373	-	(5,975)	24,398
Water Meter Test Bench	-	280,149	(23,346)	256,803
Total subscription assets	\$ 485,918	\$ 409,814	\$ (244,910)	\$ 650,822

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

Subscription liability	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
Governmental activities:				
Software:				
Active 911	\$ 2,774	\$ -	\$ (526)	\$ 2,248
CellHawk	18,020	-	(5,652)	12,368
CivicPlus Website Hosting and Form Builder	356,033	-	(56,665)	299,368
CordicoShield Wellness App	75,203	-	(18,105)	57,098
DebtBook	18,787	-	(9,277)	9,510
Evidence.com	894,037	-	(77,815)	816,222
Gravity ACFR	59,329	-	(18,269)	41,060
Imprivata VPN Enterprise	105,389	-	(25,372)	80,017
PSTrax Vehicle Operations Checks System	12,489	-	(2,772)	9,717
RIPALog	27,073	-	(6,518)	20,555
SaaS Munis Software	879,198	-	(211,668)	667,530
Sizeup Local Business Intelligence	18,181	-	(8,961)	9,220
Smart Energy Water Customer Web Portal	61,304	-	(19,896)	41,408
Streamline Automation	12,533	-	(3,017)	9,516
TRAKIT Community Development Modules	190,398	-	(36,105)	154,293
Tablet Command Enterprise	34,496	-	(6,541)	27,955
Taser 7 Basic	366,981	-	(31,941)	335,040
Vector LMS TargetSolutions Edition Premier	18,049	-	(4,345)	13,704
Zoom Prospector Enterprise	16,433	-	(8,124)	8,309
Zuercher Public Safety Software	732,374	-	(56,932)	675,442
AllData Repair and Diagnostic	11,624	-	(1,139)	10,485
Total subscription liability	\$ 3,910,705	\$ -	\$ (609,640)	\$ 3,301,065
Business-type activities:				
Software:				
GIS Mapping Services	\$ 203,282	\$ -	\$ (48,418)	\$ 154,864
PowerClerk	-	129,663	(42,300)	87,363
Smart Energy Water Customer Web Portal	117,425	-	(38,111)	79,314
TRAKIT Community Development Modules	30,277	-	(5,741)	24,536
Water Meter Test Bench	-	280,149	(54,143)	226,006
Total subscription liability	\$ 350,984	\$ 409,812	\$ (188,713)	\$ 572,083

NOTE 11: CLAIMS AND BENEFITS

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 is self-insured as discussed in the following paragraphs for which liabilities are recorded in the Internal Service Fund-Insurance Fund.

The City is self-insured for general liability up to the first \$500,000 per occurrence with claims from \$500,000 to \$40,000,000 per occurrence and in the aggregate insured through the California Joint Powers Risk Management Authority. The City has not had any settlements that exceeded its general liability insurance coverage (See Note 13).

The City is self-insured for property liability up to the first \$750,000 per occurrence with claims from \$750,000 to \$40,000,000 per occurrence and in the aggregate insured through the California Joint Powers Risk Management Authority. The City has not had any settlements that exceeded its general liability insurance coverage (See Note 13).

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 11: CLAIMS AND BENEFITS (CONTINUED)

The City is self-insured for workers' compensation up to the first \$250,000 per claim. Any claims of \$250,000 up to California statutory limits are covered under a purchased policy through the membership with the Local Agency Workers' Compensation Excess Joint Powers Authority with coverage up to \$300,000,000 in the current year. The City has not had any settlements that exceeded its workers' compensation insurance coverage (See Note 13). The City is fully self-insured for dental and unemployment for its employees.

General liability, property, and workers' compensation claims are administered by an outside agency and all other claims are administered by the City. The City has accrued a liability of \$8,017,916 at June 30, 2025, for all self-insured claims in the Internal Service Fund-Insurance Funds that includes an amount for incurred but not reported claims. The liability amount is based on the requirements of GASB Statement No. 62, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. In the opinion of the City, the amounts accrued are adequate to cover claims incurred but not reported in addition to known claims.

Changes in the self-insurance liability for the years ended June 30, 2025, 2024, and 2022 are as follows:

	FY 24-25	FY 23-24	FY 22-23
Beginning Balance	\$ 8,000,125	\$ 11,872,178	\$ 10,870,196
Current Year Claims & Changes In Estimates	962,174	(2,875,057)	2,849,938
Claim Payments	(944,383)	(996,996)	(1,847,956)
Ending Balance	<u>\$ 8,017,916</u>	<u>\$ 8,000,125</u>	<u>\$ 11,872,178</u>

NOTE 12: PARTICIPATION IN JOINT VENTURES

A. Northern California Power Agency

The City, along with fifteen other public agencies, is a member of the Northern California Power Agency (NCPA) that was formed in 1968 as a joint powers agency. Its membership consists of twelve cities with publicly owned electric utility distribution systems, one port authority, a transit authority, one public utility district and one associate member. NCPA is generally empowered to purchase, generate, transmit, distribute and sell electrical energy. Members participate in the projects of NCPA on an elective basis. A commission consisting of one representative from each member organization governs NCPA. The commission is responsible for the general management of the affairs, property, and business of NCPA. Under the direction of the General Manager, the staff of NCPA is responsible for providing various administrative, operating and planning services for NCPA, its associated power corporations and its members.

NCPA's project construction and development programs have been individually financed by project revenue bonds collateralized by NCPA's assignment of all payments, revenues and proceeds associated with its interest in each project.

Project Financing and Construction

Each Project Participant has agreed to pay its proportionate share of debt service and other costs of the related project, notwithstanding the suspension, interruption, interference, reduction or curtailment of output from the project for any reason. Certain of the revenue bonds are additionally supported by municipal bond insurance credit enhancements.

Increase in Non-defaulting Project Participant's Original Project Entitlement Percentage

Upon the failure of any Project Participant to make any payment, which failure constitutes a default under the Member Agreement for the projects, and except as sales and transfers are made pursuant thereto, the Member Agreements provide that Project Entitlement for each non-defaulting Project Participant shall be automatically increased for the remaining term of the Member Agreement; pro rata with those of the non-defaulting Project Participant thereunder; provided, however, that the sum of such increase for any non-defaulting Project Participant shall not exceed, without written consent of such non-defaulting Project Participant, an accumulated maximum of 25% of the non-defaulting Project Participant's original Project Entitlement Percentage Share.

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 12: PARTICIPATION IN JOINT VENTURES (CONTINUED)

General Operating Reserve with NCPA

Members of NCPA established a general operating reserve in 1992 for the purposes of providing a vehicle to fund reasonably foreseeable contingent liabilities. It was set up primarily to provide the following advantages: minimizes the number and dollar amount of reserve that might otherwise be funded separately in connection with NCPA's individually financed operating plants, projects and programs; and provides each member with flexibility and unilateral control over the determination of what they will fund, how they will fund it and what expenditures from the reserve will be made on their individual behalf. It provides funding for contingent liabilities that are not budgeted but that may require significant future expenditures. The reserve is segregated by participant and is refundable on demand by the participant.

As of June 30, 2025, the City's advance receivable in the NCPA General Operating Reserve, which has been credited with annual interest earnings and settlements, is \$8,651,115.

Project Participation

The NCPA members and their percentage share at June 30, 2025, which is the most recent available data, are as follows:

	Geothermal Project	Hydro Electric Project	Combustion Turbine Project #1	Multiple Capital Facilities	Transmission Project	Lodi Energy Center
NCPA MEMBERS						
Alameda	16.88%	10.00%	21.82%	19.00%	30.36%	0.00%
Bay Area Rapid Transit	-	-	-	-	-	6.6
Biggs	0.23	-	0.20	-	0.41	0.27
Gridley	0.34	-	0.35	-	0.60	1.96
Healdsburg	3.67	1.66	5.83	-	6.61	1.64
Lodi	10.28	10.37	13.39	39.50	18.49	9.50
Lompoc	3.68	2.30	5.83	5.00	6.62	2.04
Palo Alto	-	22.92	-	-	-	-
Plumas-Sierra Rural Electric Coop	0.70	1.69	1.82	-	1.26	0.79
Roseville	7.88	12.00	-	36.50	14.18	-
Santa Clara	44.39	37.02	41.67	-	-	25.75
Ukiah	5.61	2.04	9.09	-	10.1	1.79
OTHER PARTICIPANTS						
Azusa	-	-	-	-	-	2.79
California Department of Water Resources	-	-	-	-	-	33.5
Modesto Irrigation District	-	-	-	-	-	10.71
Power & Water Resources Pooling Agency	-	-	-	-	-	2.67
Turlock Irrigation District	6.33	-	-	-	11.38	-

Bulk power purchased by the City through NCPA amounted to \$51,180,468 during the year ended June 30, 2025 and is reflected in utilities expense in the Electric Enterprise Fund.

NCPA Geothermal Project

In addition to federal geothermal leasehold, steam wells, gathering system and related facilities, the project consists of two electric generating stations (Plant 1 and Plant 2). With combined 165 MW turbine generator units utilizing low temperature geothermal steam; associated electrical, mechanical and control facilities; a heat dissipation system; a steam gathering system; a transmission tap line; and, other related facilities. Geothermal steam for the project is derived from the geothermal property, which includes well pads, access roads, steam wells and re-injection wells.

Under a power purchase agreement with NCPA, the City is obligated to pay 10.28% of the operating and debt service costs. As of June 30, 2025, there is no outstanding long-term debt related to this project.

NOTE 12: PARTICIPATION IN JOINT VENTURES (CONTINUED)

Calaveras Hydroelectric Project

NCPA contracted to finance, manage, construct and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District. In exchange, NCPA has the right to the electric output of the project for 50 years from February 1982. NCPA has also the option to purchase power from the project in excess of the District's requirements for the subsequent 50 years, subject to regulatory approval.

Under a power purchase agreement, the City is obligated to pay 10.37% of the operating costs and approximately 10.56% of the debt service. At June 30, 2025, approximately \$143.86 million in long-term debt used to finance this project was outstanding.

NCPA Combustion Turbine Project #1

The original project consisted of five combustion turbine units; each nominally rated at 25 MW. Concurrent with the final project bond maturity, two units located in Roseville were acquired by an NCPA member. The remaining project consists of two units in Alameda and one in Lodi. The project provides capacity during peak load periods and emergency capacity reserves. Excess capacity and energy from the project are also sold to other entities from time to time.

Under the NCPA power agreement, the City is obligated to pay 13.39% of the debt service and operating costs. At June 30, 2025, there was no outstanding long-term debt related to this project.

Capital Facilities Project

The Project consists of one 49.9 MW natural gas-fired steam injected combustion turbine generator unit located in The City of Lodi. Wastewater is reclaimed from the City of Lodi's White Slough water pollution control facility, processed to eliminate contaminants, and used in the turbine to produce steam for power enhancement and emissions control.

Under a power purchase agreement with NCPA, the City is obligated to pay 39.5% of the operating and debt service costs. At June 30, 2025, there was no outstanding long-term debt related to this project.

Transmission Project

The project was undertaken to meet certain obligations of NCPA under the NCPA/PG&E Interconnection Agreement. The project includes co-tenancy interest in PG&E's 230 kV Castle Rock to Lakeville Substation Transmission Line in Sonoma County, additional firm transmission rights in that transmission line and a central dispatch facility. The City is obligated to pay 18.49% of the operating and debt service costs. At June 30, 2025 there was no outstanding long-term debt related to this project.

Lodi Energy Center

The Lodi Energy Center project is a 304 MW natural gas-fired, combined-cycle power generation plant located in Lodi on City property. Pursuant to a power sales agreement, NCPA owns and operates the project, selling the capacity and energy to various project participants, including both members and non-members of NCPA. This project is located next to the Capital Facilities Projects listed above.

The City is obligated to pay 17.03% of the debt service and 9.5% of operating costs. At June 30, 2025, approximately \$252.75 million in long-term debt was outstanding.

Audited Statements

The following are the most recent available audited condensed financial statements of NCPA:

At June 30, 2025, NCPA's total net outstanding long-term debt was \$396,609,000 at an average interest rate of 5%. The current portion of long-term debt at June 30, 2025, was \$27,200,000.

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 12: PARTICIPATION IN JOINT VENTURES (CONTINUED)

Complete financial information for NCPA may be obtained at the following administration office:

Northern California Power Agency 651 Commerce Drive Roseville, CA 95678-6411

Condensed Statement of Net Position June 30, 2025 (in thousands)		Condensed Statement of Revenues, Expenses and Changes in Net Position Year ended June 30, 2025 (in thousands)	
Assets and Deferred Outflows of Resources		Sales for resale	\$ 703,680
Current assets	\$ 216,362	Operating expenses	(689,243)
Restricted assets	177,288	Other expenses	5,146
Electric plant, net	419,781	Future recoverable costs	(4,725)
Other assets	133,624	Net revenues before refunds	14,858
Total assets	<u>947,055</u>	Refunds to participants	(19,229)
Deferred outflows of resources	92,619	Increase in net position	(4,371)
Total assets and deferred outflows of resources	<u>\$ 1,039,674</u>	Net position, beginning of year	37,112
Liabilities, Deferred Inflows of Resources and Net Position		Net position, end of year	<u>\$ 32,741</u>
Long-term debt, net	\$ 369,409	Combined Statement of Cash Flows	
Current liabilities	125,613	Year ended June 30, 2024	
Non-current liabilities	415,500	(in thousands)	
Deferred inflows of resources	96,411	Net cash from operating activities	\$ 94,205
Net position		Net from investing activities	(37,975)
Net investment in capital assets	(39,740)	Net cash from capital and related financing activities	(81,893)
Restricted	15,275	Net cash from noncapital and related financing activities	(9,753)
Unrestricted	57,206	Increase in cash and cash equivalents	(35,416)
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,039,674</u>	Cash and cash equivalents, beginning of year	150,586
		Cash and cash equivalents, end of year	<u>\$ 115,170</u>

B. Transmission Agency of Northern California

The City of Lodi is a member of the Transmission Agency of Northern California (TANC), a California Joint Powers Agency formed in the early 1980's to build the California Oregon Transmission Project (COTP) – a transmission line connecting the Pacific Northwest with Central California.

On April 2, 2014, the Lodi City Council approved a 25-year layoff of the City's share of the COTP transfer capability, effective July 1, 2014, whereby the City and all of the TANC members who are in the CAISO Balancing Authority lay off their interests to certain other COTP participants. In exchange, these entities pay the City's allocated share of COTP costs. This layoff arrangement does not change Lodi's membership status in TANC and does not relieve the City of its obligations under the TANC Agreement in the event of any default in payment by an acquiring party.

TANC and certain TANC members have arranged for Pacific Gas & Electric (PG&E) to provide TANC and its members with 300 MW of firm bi-directional transmission capacity on its transmission system between its Midway Substation near Buttonwillow, CA and its Tesla Substation near Tracy, CA, near the southern terminus of the COTP under an agreement known as the South of Tesla (SOT) Principles. The City has utilized its full allocation of Tesla-Midway Transmission Service for power transactions in the past. The City is responsible for 2.07% of TANC's SOT debt service which as of June 30, 2025 had an outstanding balance of approximately \$2,363,796.

Complete financial information for TANC may be obtained at the following administration office:

Transmission Agency of Northern California 35 Iron Point Circle, Suite 225 Folsom, CA 95630

NOTE 13: MEMBERSHIP IN INSURANCE POOLS

A. California Joint Powers Risk Management Authority

The City is a member, along with sixteen other individual cities and four joint powers authorities, of California Joint Powers Risk Management Authority (CJPRMA) organized under a Joint Powers Agreement pursuant to the California Government Code for the purpose of sharing the risk of catastrophic general liability, automobile liability and public officials' errors and omissions losses. CJPRMA has a twenty-one member Board of Directors, including a director from the City of Lodi. The Board members elect officers of CJPRMA every two years.

NOTE 13: MEMBERSHIP IN INSURANCE POOLS (CONTINUED)

The ultimate cost of the program to the City depends on the catastrophic losses of all members, as well as the City's own loss experience and will be determined through an actuarial analysis of loss history during the ten-year period preceding the three years prior to the end of the current program year. The City periodically pays premiums to the CJPRMA. These premiums are recorded as expenses in the year paid, as they are a reasonable estimate of the actual cost of the program. During the year ended June 30, 2025, premiums of \$1,966,666 were paid to CJPRMA for the liability program.

The participants at June 30, 2025, are as follows: Alameda, Chico, Fairfield, Fremont, Livermore, Lodi, Livermore Pleasanton Fire Department, Northern California Cities Self Insurance Fund, Petaluma, Redding, Richmond, Roseville, San Leandro, San Rafael, Santa Rosa, Small Cities Organized Risk Effort, Stockton, Sunnyvale, Vacaville, and Yolo County Public Agencies Risk Management Insurance Authority.

Complete financial information for CJPRMA may be obtained at the following administration office:

California Joint Powers Risk Management Authority 3252 Constitution Dr. Livermore, CA 94551

B. Local Agency Workers' Compensation Excess Joint Powers Authority

The City, along with thirty-three other public agencies, is a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX), which was formed July 1992, for the purpose of sharing the risk of workers' compensation losses. LAWCX offers \$150,000, \$250,000, \$350,000, \$500,000 and \$1 million self-insured retentions (SIR) or a member can attach directly to the purchased excess insurance. LAWCX covers the layer above the member SIR up to \$5 million. The City's self-insured retention is \$250,000. LAWCX participates in the California State Association of Counties Excess Insurance Authority (CSAC-EIA) to obtain coverage up to statutory limits. The City paid \$854,624 in premiums to LAWCX during the year ended June 30, 2025.

The participants at June 30, 2025, are as follows: City of Alameda, Association of Bay Area Governments Shared Risk Pool (ABAG SHARP), Bay Cities Joint Powers Insurance Authority (BCJPIA), City of Benicia, Central Contra Costa County Transit Agency (CCCTA), California Housing Workers' Compensation Authority (CHWCA), Central San Joaquin Valley Risk Management Authority (CSJVRMA), City of Clovis, City of Coronado, City of Encinitas, Fire Agencies Self Insurance System (FASIS), City of Gilroy, City of Livermore, City of Lodi, Town of Los Gatos, City of Merced, City of Morgan Hill, City of Newark, City of Placentia, City of Pleasanton, City of Roseville, Public Entity Risk Management Authority (PERMA), City of San Leandro, City of Santa Maria, City of Santee, Small Cities Organized Risk Effort (SCORE), City of South Lake Tahoe, City of Suisun City, City of Vacaville, Vector Control Joint Powers Agency (VCJPA) and City of Vista.

Complete financial information for LAWCX may be obtained at the following administration office:

Local Agency Workers' Compensation Excess Joint Powers Authority 1750 Creekside Oaks Drive, Suite 200 Sacramento, California 95833.

C. California Transit Insurance Pool

The City, along with thirty-three other public agencies is a member of the California Transit Insurance Pool (Cal TIP), a joint powers insurance authority which was formed for the purpose of sharing the risk of property damage, bodily injury, personal injury and public officials errors and omissions losses for public transit systems.

Liability protection coverage is provided under two programs:

Program I applies to members who choose to utilize Cal Tip's claims administrator services.

Program II applies to members with self-insured retentions who choose to provide their own claims administrator services.

Cal TIP purchases excess insurance over its \$1,000,000 retention up to \$20 million per occurrence. Each member is provided with \$4 million in excess of the pooled retention for a total of \$5 million in coverage and has the option to choose one or both of two additional layers for the full \$20 million.

NOTE 13: MEMBERSHIP IN INSURANCE POOLS (CONTINUED)

Cal TIP also provides physical damage coverage to its members. This coverage program is optional for all members and offers damage or loss protection for transit, staff and maintenance vehicles to transit operators. Cal TIP self-insures up to \$100,000, under which members have the option of five levels of deductible ranging from \$500 to \$10,000 per vehicle. Claims are administered by the Cal Tip’s adjuster.

The City paid \$147,215 in premiums to Cal TIP during the year ended June 30, 2025. There have been no reductions in insurance coverage from the prior year and there were no insurance settlements in excess of insurance coverage in any of the last three years.

	<u>Program</u>	<u>Self- Insured Retention</u>	<u>Limit (in millions)</u>	<u>Physical Damage</u>
City of Lodi Transit System	I	Prefunded	20	Yes

Complete financial information for Cal Tip may be obtained at the following administration office:

California Transit Insurance Pool 1750 Creekside Oaks Drive, Suite 200 Sacramento, California 95833

NOTE 14: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit in Net Position

Deficits in net position in the amounts of (\$959,952) in the ISF Fleet Services Fund and (\$630,061) in the HOME Program & CDBG Fund at June 30, 2025, are attributed to the increase in personnel expenses. The deficits in net position in the amounts of (\$650) in the Debt Service Fund is related to debt service payments. The City will evaluate the rates charged to departments to eliminate the deficits during the budget process.

B. Expenditures in Excess Of Appropriations

Expenditures In Excess Of Appropriations For the year ended June 30, 2025, expenditures exceeded appropriations in the following programs/functions/fund (legal level of budgetary control) of the respective funds:

The General Fund expenditures for the Financial Services division were higher than anticipated for this department due to additional expenditures relating to salaries and benefits. Expenditures for debt service were \$689,687 higher than anticipated due to expenditures relating to the implementation of GASB 87 leases. The General Fund, however, did not have excess expenditures over appropriations at the fund level.

NOTE 15: POLLUTION REMEDIATION OBLIGATION

The City relies on groundwater for its drinking water and in the late 1980’s, Perchloroethylene (PCE) and Trichloroethylene (TCE) pollution was discovered in several municipal water supply wells. Investigations conducted by the California Regional Water Quality Control Board (RWQCB) in the early 1990’s under the Well Investigation program revealed numerous areas where TCE was discharged, or where PCE from dry cleaning operations was discharged to the sewer system. In 1997, the Department of Toxic Substances Control (DTSC) and the City entered into a cooperative agreement whereby the City assumed a lead role in the cleanup and agreed to pursue legal action against potentially responsible parties (PRPs). The City’s estimate of the pollution remediation obligation was \$70 million. The City has settled with all the involved parties.

NOTE 15: POLLUTION REMEDIATION OBLIGATION (CONTINUED)

The City received a draft cleanup and abatement order to investigate the discharges of waste, clean up the waste and abate the effects of the discharges of waste in conformance with the State Water Resources Control Board’s (SWRCB) Resolution No. 92-49 Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under the Water Code Section 13304 and with the RWQCB’s Water Quality Control Plan for the Sacramento River and San Joaquin River. The City then engaged the services of Treadwell and Rollo to advise the City on courses of action in the preparation of feasibility studies, remedial design, and remedial action plan to comply with the technical and reporting requirements of the SWRCB.

The City’s estimated total pollution remediation obligation as of June 30, 2025, is \$13,623,618. This amount is an estimate and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations.

NOTE 16: COMMITMENTS AND CONTINGENCIES

A. Litigation and Claims

The City from time to time is a party to various claims, legal actions, and complaints arising in the ordinary course of business. In the opinion of the City’s administration, the various claims, legal actions, and complaints resulting from such litigation not covered by the City’s self-insurance program (see Note 13) would not materially affect the financial position of the City.

B. Water Purchase Agreement with Woodbridge Irrigation District

The City obtains its municipal water supply from wells located within the City, extracting water from the underground aquifer, which is replenished in part by flows of the Mokelumne River. To avoid being wholly dependent upon wells and the possible impacts of eventual overdraft of the groundwater supply, the City made a commitment in 2003 to purchase surface water supply from Woodbridge Irrigation District for an initial term of 40 years. The agreement provides for the purchase of 6,000 acre feet per year and the City pays the District \$1.2 million annually. The initial term of the agreement was for 40 years. In January 2008, the District and the City of Lodi amended the 2003 water sale contract to, among other matters, extend that agreement for four years to October 2047.

C. Arbitrage Earnings Rebate Liability

Arbitrage earnings are defined as income earned on the unexpended tax-exempt certificate proceeds in excess of that which would have been earned had the moneys been invested in securities with a yield of the effective rate of the certificates. Currently, arbitrage earnings must be rebated to the United States Treasury every five years. There is no cumulative arbitrage liability as of June 30, 2025, for any of the City’s outstanding Certificates of Participation and Revenue Bonds.

D. Construction and Other Significant Commitments

Commitments are existing arrangements to enter into future transactions or events, such construction contracts for ongoing projects and long-term contractual obligations with suppliers for future purchases at specified prices and sometimes specified quantities. Significant commitments as of June 30, 2025 are as follows:

Governmental Activities:		Business-type Activities	
General Fund	\$ 5,392,648	Electric Fund	\$ 2,918,170
Other governmental funds	32,799,909	Wastewater Fund	11,947,033
		Water Fund	10,413,489
		Transit Fund	2,600,135
Total governmental activities	<u>\$38,192,557</u>	Total governmental activities	<u>\$ 27,878,827</u>

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 17: FUND BALANCE CLASSIFICATIONS

At June 30, 2025, the governmental funds report the following fund balance classifications:

	General	Streets	Total Nonmajor Funds	Total Governmental Funds
Nonspendable				
Inventories	\$ -	\$ -	\$ 2,707	\$ 2,707
Prepaid costs	6,085	-	-	6,085
Total nonspendable	6,085	-	2,707	8,792
Restricted				
Road-related projects	-	20,126,699	109,392	20,236,091
Home and CDBG program	-	-	391,992	391,992
Public safety	-	-	507,311	507,311
Community development	-	-	9,278,727	9,278,727
Capital projects	-	-	13,999,639	13,999,639
Pension	22,013,789	432,329	1,252,206	23,698,324
Special assessments	-	-	254,526	254,526
Total restricted	22,013,789	20,559,028	25,793,793	68,366,610
Committed				
Video - related capital projects	757,771	-	-	757,771
Parks, recreation, and community services	-	-	3,078,549	3,078,549
Total committed	757,771	-	3,078,549	3,836,320
Assigned				
Capital projects	-	-	14,531,337	14,531,337
Unassigned	29,191,231	-	(630,711)	28,560,520
Total fund balances (deficits)	\$ 51,968,876	\$ 20,559,028	\$ 42,775,675	\$ 115,303,579

NOTE 18: RESTATEMENTS

A. Correction of an Error in Previously Issued Financial Statements

While preparing the fiscal year 2025 financial statements, the City identified an error in the Construction in Progress (CIP) balance. Certain costs previously capitalized did not meet the criteria for capitalization and were removed from CIP. This correction resulted in a decrease of \$870,450 to beginning net position for Governmental Activities and decrease of \$97,359 for Business-Type Activities.

B. Change in Accounting Principle Statements

Effective July 1, 2024, the City implemented GASB Statement No. 101, Compensated Absences, which requires governments to recognize a liability for certain types of compensated absences when the leave is earned. Adoption of the new standard resulted in the recognition of additional compensated absences liabilities and a corresponding decrease to beginning net position totaling \$672,733 for Governmental Activities.

CITY OF LODI, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 18: RESTATEMENTS (CONTINUED)

	June 30, 2024 As Previously Reported	Correction of an Error	Changes in Accounting Principle	June 30, 2024 As Restated
Internal service funds				
Fleet	\$ (880,506)	\$ -	\$ (12,606)	\$ (893,112)
Total internal service funds	<u>\$ (880,506)</u>	<u>\$ -</u>	<u>\$ (12,606)</u>	<u>\$ (893,112)</u>
Government-wide				
Governmental activities	\$ 145,201,405	\$ (870,450)	\$ (780,977)	\$ 143,549,978
Business-type activities	<u>284,632,250</u>	<u>(97,359)</u>	<u>(224,804)</u>	<u>284,310,087</u>
Total government-wide	<u>\$ 429,833,655</u>	<u>\$ (967,809)</u>	<u>\$ (1,005,781)</u>	<u>\$ 427,860,065</u>
Proprietary funds				
Major funds				
Electric	\$ 60,056,968	\$ -	\$ (102,948)	\$ 59,954,020
Wastewater	90,347,045	-	(63,554)	90,283,491
Water	110,732,254	(97,359)	(51,999)	110,582,896
Nonmajor funds	<u>23,495,983</u>	<u>-</u>	<u>(6,303)</u>	<u>23,489,680</u>
Total proprietary funds	<u>\$ 284,632,250</u>	<u>\$ (97,359)</u>	<u>\$ (224,804)</u>	<u>\$ 284,310,087</u>

NOTE 19: SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through April 30, 2026, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2025, that required recognition or disclosure in these financial statements.



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A photograph of a vineyard at sunset. The sky is filled with warm, golden light, and the mountains in the background are silhouetted against the bright light. The foreground shows rows of grapevines with leaves that are turning yellow and orange, indicating autumn. A red, trapezoidal text box is overlaid on the upper part of the image, containing the text "Required Supplementary Information (Unaudited)".

Required Supplementary Information (Unaudited)

CITY OF LODI, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Miscellaneous Plan
As of June 30, for the Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL PENSION LIABILITY					
Service cost	\$ 4,594,135	\$ 4,110,460	\$ 3,715,122	\$ 3,122,428	\$ 3,061,982
Interest on total pension liability	16,399,225	15,736,623	15,032,509	14,741,817	14,272,357
Changes of benefit terms	-	313,050	-	-	-
Changes of assumptions	-	-	6,251,327	-	-
Difference between expected and actual experience	2,380,220	3,214,135	(804,395)	699,175	(261,709)
Benefit payments, including refunds of employee contributions	(13,331,380)	(12,401,049)	(12,134,782)	(11,713,899)	(11,281,823)
Net change in total pension liability	10,042,200	10,973,219	12,059,781	6,849,521	5,790,807
Total pension liability-beginning	239,658,336	228,685,117	216,625,336	209,775,815	203,985,008
Total pension liability-ending (a)	249,700,536	239,658,336	228,685,117	216,625,336	209,775,815
PLAN FIDUCIARY NET POSITION					
Contributions-employer	6,791,999	6,582,802	5,961,536	7,699,946	5,480,277
Contributions-employee	3,314,853	2,953,977	2,586,528	2,129,311	1,743,741
Net investment income	16,048,840	9,952,810	(13,401,960)	33,076,897	7,191,594
Benefit payments, including refunds of employee contributions	(13,331,380)	(12,401,049)	(12,134,782)	(11,713,899)	(11,281,823)
Other changes in fiduciary net position	-	-	-	-	-
Administrative expense	-	-	-	-	-
Other miscellaneous income/(expense)	(136,184)	(117,946)	(110,567)	(146,291)	(202,321)
Net change in fiduciary net position	12,688,128	6,970,594	(17,099,245)	31,045,964	2,931,468
Plan fiduciary net position-beginning	167,363,801	160,393,207	177,492,452	146,446,488	143,515,020
Plan fiduciary net position-ending (b)	180,051,929	167,363,801	160,393,207	177,492,452	146,446,488
Net pension liability/(asset) (a) - (b)	\$ 69,648,607	\$ 72,294,535	\$ 68,291,910	\$ 39,132,884	\$ 63,329,327
Plan fiduciary net position as a percentage of the total pension liability	72.1%	69.8%	70.1%	81.9%	69.8%
Covered payroll	\$ 23,911,926	\$ 21,474,694	\$ 19,662,644	\$ 19,355,131	\$ 18,257,959
Plan net pension liability/(asset) as a percentage of covered payroll	291.3%	336.6%	347.3%	202.2%	346.9%

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the **2021 CalPERS Experience Study and Review of Actuarial Assumptions**. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

2020	2019	2018	2017	2016
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
\$ 2,951,947	\$ 3,020,122	\$ 2,862,495	\$ 2,464,894	\$ 2,358,112
13,863,223	13,374,883	12,923,048	12,565,553	12,061,399
-	47,853	-	-	-
-	830,292	(398,276)	542,177	(2,903,507)
621,792	(950,894)	10,541,016	-	(1,655,012)
(10,490,850)	(9,814,728)	(9,129,724)	(8,641,550)	(8,208,103)
6,946,112	6,507,528	16,798,559	6,931,074	1,652,889
197,038,896	190,531,368	173,732,809	166,801,735	165,148,846
203,985,008	197,038,896	190,531,368	173,732,809	166,801,735
5,002,406	4,208,873	3,950,727	3,500,179	2,994,958
1,372,046	1,364,684	1,341,146	1,241,136	1,183,452
9,071,083	11,191,848	13,581,013	643,509	2,829,910
(10,490,850)	(9,814,728)	(9,129,724)	(8,641,550)	(8,208,103)
-	(206,493)	(181,224)	(76,838)	(145,538)
-	-	-	-	-
(98,627)	(391,520)	-	-	-
4,856,058	6,352,664	9,561,938	(3,333,564)	(1,345,321)
138,658,962	132,306,298	122,744,360	126,077,924	127,423,245
143,515,020	138,658,962	132,306,298	122,744,360	126,077,924
\$ 60,469,988	\$ 58,379,934	\$ 58,225,070	\$ 50,988,449	\$ 40,723,811
70.4%	70.4%	69.4%	70.7%	75.6%
\$ 18,995,671	\$ 17,970,339	\$ 17,423,446	\$ 16,572,579	\$ 16,669,363
318.3%	324.9%	334.2%	307.7%	244.3%

CITY OF LODI, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Safety Plan
As of June 30, for the Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL PENSION LIABILITY					
Service cost	\$ 4,428,097	\$ 4,349,991	\$ 4,186,724	\$ 3,530,630	\$ 3,251,866
Interest on total pension liability	17,260,601	16,480,799	15,683,254	14,951,257	14,313,890
Changes of benefit terms	-	97,253	-	-	-
Changes of assumptions	-	-	9,386,694	-	-
Difference between expected and actual experience	3,280,114	3,613,070	1,503,991	2,342,238	(329,854)
Benefit payments, including refunds of employee contributions	(13,195,347)	(12,501,642)	(11,704,974)	(11,326,169)	(10,940,141)
Net change in total pension liability	11,773,465	12,039,471	19,055,689	9,497,956	6,295,761
Total pension liability-beginning	251,257,140	239,217,669	220,161,980	210,664,024	204,368,263
Total pension liability-ending (a)	263,030,605	251,257,140	239,217,669	220,161,980	210,664,024
PLAN FIDUCIARY NET POSITION					
Contributions-employer	9,139,667	8,504,395	7,621,817	9,831,931	6,927,425
Contributions-employee	2,779,255	2,517,008	2,383,799	2,238,261	1,835,228
Net investment income	14,564,232	8,897,338	(11,966,715)	29,108,868	6,175,068
Benefit payments, including refunds of employee contributions	(13,195,347)	(12,501,642)	(11,704,974)	(11,326,169)	(10,940,141)
Other changes in fiduciary net position	-	-	-	-	-
Administrative expense	-	-	-	-	-
Other miscellaneous income/(expense)	(122,147)	(105,009)	(97,530)	(126,704)	(173,420)
Net change in fiduciary net position	13,165,660	7,312,090	(13,763,603)	29,726,187	3,824,160
Plan fiduciary net position-beginning	150,112,815	142,800,725	156,564,328	126,838,141	123,013,981
Plan fiduciary net position-ending (b)	163,278,475	150,112,815	142,800,725	156,564,328	126,838,141
Net pension liability/(asset) (a) - (b)	\$ 99,752,130	\$ 101,144,325	\$ 96,416,944	\$ 63,597,652	\$ 83,825,883
Plan fiduciary net position as a percentage of the total pension liability	62.1%	59.7%	59.7%	71.1%	60.2%
Covered payroll	\$ 14,582,606	\$ 13,895,532	\$ 13,061,895	\$ 11,816,374	\$ 10,779,847
Plan net pension liability/(asset) as a percentage of covered payroll	684.0%	727.9%	738.2%	538.2%	777.6%

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the **2021 CalPERS Experience Study and Review of Actuarial Assumptions**. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

2020	2019	2018	2017	2016
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
\$ 3,005,853	\$ 3,385,583	\$ 3,336,917	\$ 2,890,607	\$ 2,968,819
13,882,332	13,288,494	12,869,943	12,357,788	11,827,918
-	-	-	-	-
-	(681,450)	10,945,791	-	(2,939,033)
1,853,213	(122,816)	1,123,761	600,847	(932,918)
(10,350,986)	(9,712,985)	(9,433,148)	(8,730,081)	(8,134,067)
8,390,412	6,156,826	18,843,264	7,119,161	2,790,719
195,977,851	189,821,025	170,977,761	163,858,600	161,067,881
204,368,263	195,977,851	189,821,025	170,977,761	163,858,600
6,462,421	5,549,746	5,220,306	4,660,278	4,176,197
1,173,690	1,079,094	1,095,689	1,062,984	1,007,876
7,740,905	9,544,033	11,443,777	558,434	2,397,191
(10,350,986)	(9,712,985)	(9,433,148)	(8,730,081)	(8,134,067)
-	(174,988)	(153,469)	(64,882)	(119,971)
-	-	-	-	-
(83,983)	(331,781)	-	-	-
4,942,047	5,953,119	8,173,155	(2,513,267)	(672,774)
118,071,934	112,118,815	103,945,660	106,458,927	107,131,701
123,013,981	118,071,934	112,118,815	103,945,660	106,458,927
\$ 81,354,282	\$ 77,905,917	\$ 77,702,210	\$ 67,032,101	\$ 57,399,673
60.2%	60.2%	59.1%	60.8%	65.0%
\$ 11,886,327	\$ 11,518,923	\$ 11,106,615	\$ 11,293,867	\$ 11,194,123
684.4%	676.3%	699.6%	593.5%	512.8%

CITY OF LODI, CALIFORNIA
Schedule of Changes in Net OPEB Liability and Related Ratios
As of June 30, for the Last Ten Fiscal Years ¹

	2025	2024	2023
Measurement Date	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
TOTAL OPEB LIABILITY			
Service cost	\$ 518,707	\$ 489,688	\$ 612,084
Interest on total pension liability	909,184	911,754	770,603
Changes of benefit terms	-	-	-
Changes of assumptions	(682,341)	(518,899)	(2,550,112)
Difference between expected and actual experience	192	(139,516)	18,073
Benefit payments, including refunds of employee contributions	<u>(1,687,041)</u>	<u>(1,724,619)</u>	<u>(1,675,690)</u>
Net change in total OPEB liability	(941,299)	(981,592)	(2,825,042)
Total OPEB liability-beginning	<u>20,350,897</u>	<u>21,332,489</u>	<u>24,157,531</u>
Total OPEB liability-ending (a)	<u>19,409,598</u>	<u>20,350,897</u>	<u>21,332,489</u>
PLAN FIDUCIARY NET POSITION			
Contributions-employer	1,687,041	1,724,619	1,675,690
Contributions-employee	-	-	-
Net investment income	230,663	74,607	(301,425)
Benefit payments, including refunds of employee contributions	(1,687,041)	(1,724,619)	(1,675,690)
Net plan to plan resource movement	-	-	-
Administrative expense	(1,556)	(600)	(606)
Other miscellaneous income/(expense)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fiduciary net position	229,107	74,007	(302,031)
Plan fiduciary net position-beginning	<u>2,168,237</u>	<u>2,094,230</u>	<u>2,396,261</u>
Plan fiduciary net position-ending (b)	<u>2,397,344</u>	<u>2,168,237</u>	<u>2,094,230</u>
Net OPEB liability/(asset) (a) - (b)	<u>\$ 17,012,254</u>	<u>\$ 18,182,660</u>	<u>\$ 19,238,259</u>
Plan fiduciary net position as a percentage of the total OPEB liability	12.4%	10.7%	9.8%
Covered-employee payroll	\$ 43,873,430	\$ 45,845,341	\$ 36,431,628
Plan net OPEB liability/(asset) as a percentage of covered-employee payroll	38.8%	39.7%	52.8%

Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios:

Benefit Changes : None

Changes of Assumptions : None

¹ Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only seven years are shown.

2022	2021	2020	2019
<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
\$ 745,536	\$ 757,587	\$ 1,092,362	\$ 1,042,935
932,315	875,524	1,269,594	1,240,787
-	-	-	-
614,806	(958,836)	(1,584,690)	(209,408)
(2,659,765)	(28,866)	(5,914,145)	-
<u>(1,836,904)</u>	<u>(1,772,822)</u>	<u>(1,940,352)</u>	<u>(1,862,969)</u>
(2,204,012)	(1,127,413)	(7,077,231)	211,345
<u>26,361,543</u>	<u>27,488,956</u>	<u>34,566,187</u>	<u>34,354,842</u>
24,157,531	26,361,543	27,488,956	34,566,187
1,836,904	2,470,847	1,940,352	1,862,969
-	-	-	-
393,880	81,556	80,425	66,683
(1,836,904)	(1,772,822)	(1,940,352)	(1,862,969)
-	-	-	-
(730)	(815)	(246)	(1,997)
-	-	-	-
393,150	778,766	80,179	64,686
<u>2,003,111</u>	<u>1,224,345</u>	<u>1,144,166</u>	<u>1,079,480</u>
2,396,261	2,003,111	1,224,345	1,144,166
\$ 21,761,270	\$ 24,358,432	\$ 26,264,611	\$ 33,422,021
9.9%	7.6%	4.5%	3.3%
\$ 34,262,678	\$ 32,883,009	\$ 33,204,023	\$ 35,314,645
63.5%	74.1%	79.1%	94.6%

CITY OF LODI, CALIFORNIA
Schedules of Plan Contributions
As of June 30, for the Last Ten Fiscal Years

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered/ Covered- Employee Payroll	Contribution as a % of Covered/ Covered Employee Payroll
Miscellaneous Agent, Multiple-Employer Pension Plan					
2025	\$ 6,574,716	\$ 6,987,364	\$ (412,648)	\$ 26,772,349	26.1%
2024	6,506,762	6,160,227	346,535	23,911,926	25.8%
2023	5,803,595	5,948,478	(144,883)	21,474,694	27.7%
2022	5,736,690	7,699,946	(1,963,256)	19,662,644	39.2%
2021	5,323,688	9,611,114	(4,287,426)	19,355,131	49.7%
2020	4,879,985	5,496,434	(616,449)	18,257,959	30.1%
2019	4,208,873	4,208,873	-	17,970,339	23.4%
2018	3,880,495	3,880,495	-	17,802,886	21.8%
2017	3,500,179	3,500,179	-	17,432,446	20.1%
2016	2,994,958	2,994,958	-	16,572,579	18.1%
Safety Agent, Multiple-Employer Pension Plan					
2025	\$ 9,013,647	\$ 11,050,288	\$ (2,036,641)	\$ 15,041,089	73.5%
2024	8,165,282	9,845,404	(1,680,122)	14,582,606	67.5%
2023	7,428,778	9,115,881	(1,687,103)	13,895,532	65.6%
2022	7,189,903	9,831,931	(2,642,028)	13,061,895	75.3%
2021	6,739,342	7,955,910	(1,216,568)	11,816,374	67.3%
2020	6,311,400	6,847,548	(536,148)	10,779,847	63.5%
2019	5,549,746	5,549,746	-	11,518,923	48.2%
2018	5,136,610	5,136,610	-	11,477,432	44.8%
2017	4,660,278	4,660,278	-	11,106,615	42.0%
2016	4,176,197	4,176,197	-	11,293,867	37.0%
Single Employer OPEB Plan					
2025	\$ -	\$ 1,663,768	\$ (1,663,768)	\$ 43,873,430	3.8%
2024	-	1,686,853	(1,686,853)	45,845,341	3.7%
2023	-	1,724,619	(1,724,619)	42,040,745	4.1%
2022	-	1,826,983	(1,826,983)	36,431,628	5.0%
2021	-	1,885,306	(1,885,306)	34,262,678	5.5%
2020	-	2,046,385	(2,046,385)	32,883,009	6.2%
2019	-	1,940,352	(1,940,352)	33,204,023	5.8%
2018	-	1,862,949	(1,862,949)	34,286,063	5.4%

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended June 30, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 37,273,990	\$ 38,568,990	\$ 39,126,749	\$ 557,759
Sales and use tax	25,963,430	24,127,300	24,986,453	859,153
Licenses and permits	116,990	121,990	78,365	(43,625)
Intergovernmental revenues	1,951,500	1,951,500	1,587,474	(364,026)
Charges for services	2,003,200	2,003,200	1,902,471	(100,729)
Investment and rental income	4,618,400	6,863,280	8,917,695	2,054,415
Fines, forfeits, and penalties	315,070	315,070	330,152	15,082
Miscellaneous revenue	1,012,730	1,112,730	1,400,717	287,987
Total revenues	<u>73,255,310</u>	<u>75,064,060</u>	<u>78,330,076</u>	<u>3,266,016</u>
EXPENDITURES				
Current:				
General government	16,229,590	24,787,112	15,976,667	8,810,445
Public protection	48,584,500	50,266,871	48,135,679	2,131,192
Community development	3,459,690	3,682,690	3,258,995	423,695
Library	1,883,520	2,005,520	1,599,133	406,387
Public works	236,800	243,800	226,657	17,143
Debt service:				
Principal retirement	-	-	587,032	(587,032)
Interest expense	-	-	102,655	(102,655)
Total expenditures	<u>70,394,100</u>	<u>80,985,993</u>	<u>69,886,818</u>	<u>11,099,175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,861,210</u>	<u>(5,921,933)</u>	<u>8,443,258</u>	<u>14,365,191</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11,767,350	12,279,627	11,767,350	(512,277)
Transfers out	(14,638,150)	(13,106,644)	(12,883,330)	223,314
Proceeds from sale of capital assets	-	-	8,563	8,563
Total other financing sources (uses)	<u>(2,870,800)</u>	<u>(827,017)</u>	<u>(1,107,417)</u>	<u>(280,400)</u>
Net change in fund balances	<u>\$ (9,590)</u>	<u>\$ (6,748,950)</u>	<u>7,335,841</u>	<u>\$ 14,084,791</u>
Fund balances-beginning			44,633,035	
Fund balances-ending			<u>\$ 51,968,878</u>	

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Streets
For the Year Ended June 30, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental revenues	\$ 5,511,850	\$ 5,511,850	\$ 4,754,278	\$ (757,572)
Charges for services	1,040,620	1,040,620	1,199,467	158,847
Investment and rental income	-	-	981,449	981,449
Miscellaneous revenue	45,000	45,000	49,679	4,679
Total revenues	<u>6,597,470</u>	<u>6,597,470</u>	<u>6,984,873</u>	<u>387,403</u>
EXPENDITURES				
Current:				
Public works	4,054,210	4,109,390	3,872,237	237,153
Capital outlay	1,265,000	6,793,171	688,015	6,105,156
Total expenditures	<u>5,319,210</u>	<u>10,902,561</u>	<u>4,560,252</u>	<u>6,342,309</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,278,260</u>	<u>(4,305,091)</u>	<u>2,424,621</u>	<u>6,729,712</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,222,990	1,222,990	1,222,990	-
Transfers out	(622,290)	(595,717)	(567,110)	28,607
Proceeds from sale of capital assets	-	-	7,931	7,931
Total other financing sources (uses)	<u>600,700</u>	<u>627,273</u>	<u>663,811</u>	<u>36,538</u>
Net change in fund balances	<u>\$ 1,878,960</u>	<u>\$ (3,677,818)</u>	<u>3,088,432</u>	<u>\$ 6,766,250</u>
Fund balances-beginning			17,470,596	
Fund balances-ending			<u>\$ 20,559,023</u>	



Combining & Individual Fund Statements & Schedules



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Nonmajor Governmental Funds

Nonmajor Governmental Funds include:

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed by law or administrative action to expenditures for specified purposes, other than those for major capital projects;

Debt Service Fund account for the accumulation of resources for the repayment of principal and interest on general long-term debt;

Capital Projects Funds account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

CITY OF LODI, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Parks, Recreation & Community Services	Public Safety	Community Development	Transportation
ASSETS				
Cash and investments	\$ 3,067,266	\$ 822,401	\$ 9,782,030	\$ 123,281
Receivables (net of allowance for uncollectible):				
Accounts receivables, net	89,697	-	1,916	-
Interest receivable	4,603	1,806	19,429	-
Due from other governmental agencies	605,196	64,746	-	-
Notes and loans	-	-	-	-
Inventory	2,707	-	-	-
Restricted assets:				
Restricted cash and investments	788,828	-	463,378	-
Total assets	4,558,297	888,953	10,266,753	123,281
LIABILITIES				
Accounts payable and other liabilities	103,978	-	488,700	13,889
Accrued salaries and wages	117,992	10,536	35,948	-
Unearned revenue	201,037	367,234	-	-
Due to other funds	-	-	-	-
Total liabilities	423,007	377,770	524,648	13,889
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	265,206	3,872	-	-
Total deferred inflows of resources	265,206	3,872	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	2,707	-	-	-
Restricted	788,828	507,311	9,742,105	109,392
Committed	3,078,549	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	3,870,084	507,311	9,742,105	109,392
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 4,558,297	\$ 888,953	\$ 10,266,753	\$ 123,281

CITY OF LODI, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			Capital Projects Funds
	HOME Program & CDBG	Special Assessments	Community Programs	Library
ASSETS				
Cash and investments	\$ 104,643	\$ 257,035	\$ 389,710	\$ 133,578
Receivables (net of allowance for uncollectible):				
Accounts receivables, net	-	-	1,505	-
Interest receivable	209	406	777	272
Due from other governmental agencies	1,929,547	-	-	-
Notes and loans	38,997	-	38,605	-
Inventory	-	-	-	-
Restricted assets:				
Restricted cash and investments	-	-	-	-
Total assets	2,073,396	257,441	430,597	133,850
LIABILITIES				
Accounts payable and other liabilities	454,194	2,915	-	-
Accrued salaries and wages	-	-	-	-
Unearned revenue	772,255	-	38,605	-
Due to other funds	575,820	-	-	-
Total liabilities	1,802,269	2,915	38,605	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	901,188	-	-	-
Total deferred inflows of resources	901,188	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	254,526	391,992	-
Committed	-	-	-	-
Assigned	-	-	-	133,850
Unassigned	(630,061)	-	-	-
Total fund balances (deficits)	(630,061)	254,526	391,992	133,850
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 2,073,396	\$ 257,441	\$ 430,597	\$ 133,850

CITY OF LODI, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Capital Project Funds			Debt Service Funds
	Hutchins Street Square	Capital Outlay Reserve	Parks Capital	Debt
ASSETS				
Cash and investments	\$ 1,311	\$ 13,375,310	\$ 1,284,915	\$ -
Receivables (net of allowance for uncollectible):				
Accounts receivables, net	-	2,789,940	27	-
Interest receivable	3	29,380	2,561	-
Due from other governmental agencies	-	-	-	-
Notes and loans	-	-	-	-
Inventory	-	-	-	-
Restricted assets:				
Restricted cash and investments	-	13,999,639	-	-
Total assets	1,314	30,194,269	1,287,503	-
LIABILITIES				
Accounts payable and other liabilities	-	2,837,197	232,814	-
Accrued salaries and wages	-	-	-	-
Unearned revenue	-	15,949	-	-
Due to other funds	-	-	-	650
Total liabilities	-	2,853,146	232,814	650
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	13,999,639	-	-
Committed	-	-	-	-
Assigned	1,314	13,341,484	1,054,689	-
Unassigned	-	-	-	(650)
Total fund balances (deficits)	1,314	27,341,123	1,054,689	(650)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,314	\$ 30,194,269	\$ 1,287,503	\$ -

CITY OF LODI, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Total Nonmajor Funds
ASSETS	
Cash and investments	\$ 29,341,480
Receivables (net of allowance for uncollectible):	
Accounts receivables, net	2,883,085
Interest receivable	59,446
Due from other governmental agencies	2,599,489
Notes and loans	77,602
Inventory	2,707
Restricted assets:	
Restricted cash and investments	15,251,845
Total assets	<u>50,215,654</u>
LIABILITIES	
Accounts payable and other liabilities	4,133,687
Accrued salaries and wages	164,476
Unearned revenue	1,395,080
Due to other funds	576,470
Total liabilities	<u>6,269,713</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	1,170,266
Total deferred inflows of resources	<u>1,170,266</u>
FUND BALANCES (DEFICITS)	
Nonspendable	2,707
Restricted	25,793,793
Committed	3,078,549
Assigned	14,531,337
Unassigned	(630,711)
Total fund balances (deficits)	<u>42,775,675</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 50,215,654</u>

CITY OF LODI, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Parks, Recreation & Community Services	Public Safety	Community Development	Transportation
REVENUES				
Developer impact fees	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	2,535,945	-
Intergovernmental revenues	265,206	143,357	78,771	-
Charges for services	1,406,424	-	1,338,042	-
Investment and rental income	808,407	42,944	483,922	6,510
Miscellaneous revenue	-	-	-	-
Total revenues	2,480,037	186,301	4,436,680	6,510
EXPENDITURES				
Current:				
General government	-	33,770	-	-
Public protection	-	202,124	-	-
Community development	-	-	3,198,999	-
Parks and recreation	7,291,803	11,692	-	-
Public works	-	-	7,709	-
Capital outlay	23,915	-	-	173,861
Debt service:				
Principal retirement	-	-	32,004	-
Interest expense	-	-	4,494	-
Total expenditures	7,315,718	247,586	3,243,206	173,861
Excess (deficiency) of revenues over (under) expenditures	(4,835,681)	(61,285)	1,193,474	(167,351)
OTHER FINANCING SOURCES (USES)				
Transfers in	6,669,910	-	165,000	-
Transfers out	(1,673,180)	-	(454,330)	-
Loan proceeds	-	-	-	-
Total other financing sources (uses)	4,996,730	-	(289,330)	-
Net change in fund balances	161,049	(61,285)	904,144	(167,351)
Fund balances-beginning	3,709,021	568,595	8,837,968	276,743
Fund balances (deficit)-ending	\$ 3,870,084	\$ 507,311	\$ 9,742,105	\$ 109,392

CITY OF LODI, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			Capital Project Funds
	HOME Program & CDBG	Special Assessments	Community Programs	Library
REVENUES				
Developer impact fees	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	2,404,713	33,803	-	-
Charges for services	-	-	-	-
Investment and rental income	4,718	11,830	18,792	-
Miscellaneous revenue	-	-	-	-
Total revenues	2,409,431	45,633	18,792	-
EXPENDITURES				
Current:				
General government	-	46,631	-	-
Public protection	-	-	-	-
Community development	9,630	-	13,000	-
Parks and recreation	-	-	-	-
Public works	593,008	-	-	-
Capital outlay	2,696,531	-	-	-
Debt service:				
Principal retirement	-	-	50,000	-
Interest expense	-	-	-	-
Total expenditures	3,299,169	46,631	63,000	-
Excess (deficiency) of revenues over (under) expenditures	(889,738)	(998)	(44,208)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	125,000	-	-	-
Transfers out	-	-	-	-
Loan proceeds	-	-	10,080	-
Total other financing sources (uses)	125,000	-	10,080	-
Net change in fund balances	(764,738)	(998)	(34,128)	-
Fund balances-beginning	134,678	255,526	426,119	133,850
Fund balances (deficit)-ending	\$ (630,061)	\$ 254,526	\$ 391,992	\$ 133,850

CITY OF LODI, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	<u>Capital Projects Funds</u>			<u>Debt Service Funds</u>
	<u>Hutchins Street Square</u>	<u>Capital Outlay Reserve</u>	<u>Parks Capital</u>	<u>Debt</u>
REVENUES				
Developer impact fees	\$ -	\$ 2,580,058	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	2,769,609	-	-
Charges for services	-	-	-	-
Investment and rental income	59	748,073	82,833	-
Miscellaneous revenue	-	100,000	-	-
Total revenues	59	6,197,740	82,833	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public protection	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	10,969,192	2,349,939	-
Debt service:				
Principal retirement	-	-	-	680,000
Interest expense	-	-	-	964,950
Total expenditures	-	10,969,192	2,349,939	1,644,950
Excess (deficiency) of revenues over (under) expenditures	59	(4,771,452)	(2,267,106)	(1,644,950)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	487,840	151,360	1,644,300
Transfers out	-	-	-	-
Loan proceeds	-	-	-	-
Total other financing sources (uses)	-	487,840	151,360	1,644,300
Net change in fund balances	59	(4,283,612)	(2,115,746)	(650)
Fund balances-beginning	1,255	31,624,733	3,170,435	-
Fund balances (deficit)-ending	\$ 1,314	\$ 27,341,123	\$ 1,054,689	\$ (650)

CITY OF LODI. CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Total Nonmajor Funds
REVENUES	
Developer impact fees	\$ 2,580,058
Licenses and permits	2,535,945
Intergovernmental revenues	5,695,459
Charges for services	2,744,466
Investment and rental income	2,208,088
Miscellaneous revenue	100,000
Total revenues	15,864,016
EXPENDITURES	
Current:	
General government	80,401
Public protection	202,124
Community development	3,221,629
Parks and recreation	7,303,495
Public works	600,717
Capital outlay	16,213,438
Debt service:	
Principal retirement	762,004
Interest expense	969,444
Total expenditures	29,353,252
Excess (deficiency) of revenues over (under) expenditures	(13,489,236)
OTHER FINANCING SOURCES (USES)	
Transfers in	9,243,410
Transfers out	(2,127,510)
Loan proceeds	10,080
Total other financing sources (uses)	7,125,980
Net change in fund balances	(6,363,256)
Fund balances-beginning	49,138,923
Fund balances (deficit)-ending	\$ 42,775,675

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Parks, Recreation & Community Services
For the Year Ended June 30, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental revenues	\$ 224,865	\$ 224,865	\$ 265,206	\$ 40,341
Charges for services	1,890,720	1,890,720	1,406,424	(484,296)
Investment and rental income	565,750	593,430	808,407	214,977
Miscellaneous revenue	34,000	34,000	-	(34,000)
Total revenues	<u>2,715,335</u>	<u>2,743,015</u>	<u>2,480,037</u>	<u>(262,978)</u>
EXPENDITURES				
Current:				
Parks and recreation	8,099,815	8,200,495	7,291,803	908,692
Capital outlay	-	206,049	23,915	182,134
Total expenditures	<u>8,099,815</u>	<u>8,406,544</u>	<u>7,315,718</u>	<u>1,090,826</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,384,480)</u>	<u>(5,663,529)</u>	<u>(4,835,681)</u>	<u>827,848</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,669,910	6,669,910	6,669,910	-
Transfers out	(1,678,180)	(1,746,357)	(1,673,180)	73,177
Total other financing sources (uses)	<u>4,991,730</u>	<u>4,923,553</u>	<u>4,996,730</u>	<u>73,177</u>
Net change in fund balances	<u>\$ (392,750)</u>	<u>\$ (739,976)</u>	<u>161,049</u>	<u>\$ 901,025</u>
Fund balances-beginning			<u>3,709,035</u>	
Fund balances-ending			<u>\$ 3,870,098</u>	

CITY OF LODI, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Public Safety
 For the Year Ended June 30, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental revenues	\$ 344,500	\$ 608,361	\$ 143,357	\$ (465,004)
Investment and rental income	-	-	42,944	42,944
Total revenues	<u>344,500</u>	<u>608,361</u>	<u>186,301</u>	<u>(422,060)</u>
EXPENDITURES				
Current:				
General government	28,425	37,425	33,770	3,655
Public protection	230,460	469,471	202,124	267,347
Parks and recreation	-	15,850	11,692	4,158
Total expenditures	<u>258,885</u>	<u>522,746</u>	<u>247,586</u>	<u>275,160</u>
Net change in fund balances	<u>\$ 85,615</u>	<u>\$ 85,615</u>	<u>(61,285)</u>	<u>\$ (146,900)</u>
Fund balances-beginning			<u>568,596</u>	
Fund balances-ending			<u>\$ 507,312</u>	

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Community Development
For the Year Ended June 30, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 1,658,300	\$ 1,658,300	\$ 2,535,945	\$ 877,645
Intergovernmental revenues	5,000	5,000	78,771	73,771
Charges for services	1,096,220	1,096,220	1,338,042	241,822
Investment and rental income	-	-	483,922	483,922
Total revenues	<u>2,759,520</u>	<u>2,759,520</u>	<u>4,436,680</u>	<u>1,677,160</u>
EXPENDITURES				
Current:				
Community development	3,162,940	5,112,416	3,198,999	1,913,417
Public works	7,500	7,500	7,709	(209)
Debt service:				
Public works	-	-	32,004	(32,004)
Capital outlay	-	-	4,494	(4,494)
Total expenditures	<u>3,170,440</u>	<u>5,119,916</u>	<u>3,243,206</u>	<u>1,876,710</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(410,920)</u>	<u>(2,360,396)</u>	<u>1,193,474</u>	<u>3,553,870</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	165,000	165,000	165,000	-
Transfers out	(521,580)	(482,425)	(454,330)	28,095
Total other financing sources (uses)	<u>(356,580)</u>	<u>(317,425)</u>	<u>(289,330)</u>	<u>28,095</u>
Net change in fund balances	<u>\$ (767,500)</u>	<u>\$ (2,677,821)</u>	<u>904,144</u>	<u>\$ 3,581,965</u>
Fund balances-beginning			<u>8,837,961</u>	
Fund balances-ending			<u>\$ 9,742,098</u>	

CITY OF LODI, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Transportation
 For the Year Ended June 30, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental revenues	\$ 103,140	\$ 103,140	\$ -	\$ (103,140)
Investment and rental income	-	-	6,510	6,510
Total revenues	<u>103,140</u>	<u>103,140</u>	<u>6,510</u>	<u>(96,630)</u>
EXPENDITURES				
Current:				
Capital outlay	100,000	113,528	173,861	(60,333)
Total expenditures	<u>100,000</u>	<u>113,528</u>	<u>173,861</u>	<u>(60,333)</u>
Net change in fund balances	<u>\$ 3,140</u>	<u>\$ (10,388)</u>	<u>(167,351)</u>	<u>\$ (156,963)</u>
Fund balances-beginning			<u>276,743</u>	
Fund balances-ending			<u>\$ 109,392</u>	

CITY OF LODI, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 HOME Program & CDBG
 For the Year Ended June 30, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental revenues	\$ 10,498,460	\$ 11,198,617	\$ 2,404,713	\$ (8,793,904)
Investment and rental income	-	-	4,718	4,718
Total revenues	10,498,460	11,198,617	2,409,431	(8,789,186)
EXPENDITURES				
Current:				
Community development	41,050	41,050	9,630	31,420
Public works	807,260	1,007,417	593,008	414,409
Capital outlay	215,000	12,393,766	2,696,531	9,697,235
Total expenditures	1,063,310	13,442,233	3,299,169	10,143,064
Excess (deficiency) of revenues over (under) expenditures	9,435,150	(2,243,616)	(889,738)	1,353,878
OTHER FINANCING SOURCES (USES)				
Transfers in	125,000	125,000	125,000	-
Total other financing sources (uses)	125,000	125,000	125,000	-
Net change in fund balances	\$ 9,560,150	\$ (2,118,616)	(764,738)	\$ 1,353,878
Fund balances-beginning			134,677	
Fund balances (deficit)-ending			\$ (630,062)	

CITY OF LODI, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Special Assessments
 For the Year Ended June 30, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental revenues	\$ 33,800	\$ 33,800	\$ 33,803	\$ 3
Investment and rental income	-	-	11,830	11,830
Total revenues	<u>33,800</u>	<u>33,800</u>	<u>45,633</u>	<u>11,833</u>
EXPENDITURES				
Current:				
General government	56,000	56,000	46,631	9,369
Total expenditures	<u>56,000</u>	<u>56,000</u>	<u>46,631</u>	<u>9,369</u>
Net change in fund balances	<u>\$ (22,200)</u>	<u>\$ (22,200)</u>	<u>(998)</u>	<u>\$ 21,202</u>
Fund balances-beginning			<u>255,524</u>	
Fund balances-ending			<u>\$ 254,524</u>	

CITY OF LODI, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Community Programs
 For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and rental income	\$ -	\$ -	\$ 18,792	\$ 18,792
Total revenues	<u>-</u>	<u>-</u>	<u>18,792</u>	<u>18,792</u>
EXPENDITURES				
Current:				
Community development	121,000	121,000	13,000	108,000
Debt service:				
Public works	294,200	294,200	50,000	244,200
Total expenditures	<u>415,200</u>	<u>415,200</u>	<u>63,000</u>	<u>352,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(415,200)</u>	<u>(415,200)</u>	<u>(44,208)</u>	<u>370,992</u>
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	-	10,080	10,080
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>10,080</u>	<u>10,080</u>
Net change in fund balances	<u>\$ (415,200)</u>	<u>\$ (415,200)</u>	<u>(34,128)</u>	<u>\$ 381,072</u>
Fund balances-beginning			426,120	
Fund balances (deficit)-ending			<u>\$ 391,993</u>	

CITY OF LODI, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Capital Outlay Reserve
 For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Developer impact fees	\$ 1,730,630	\$ 1,730,630	\$ 2,580,058	\$ 849,428
Intergovernmental revenues	-	-	2,769,609	2,769,609
Investment and rental income	-	-	748,073	748,073
Miscellaneous revenue	-	100,000	100,000	-
Total revenues	1,730,630	1,830,630	6,197,740	4,367,110
EXPENDITURES				
Current:				
Capital outlay	350,000	23,668,067	10,969,192	12,698,875
Total expenditures	350,000	23,668,067	10,969,192	12,698,875
Excess (deficiency) of revenues over (under) expenditures	1,380,630	(21,837,437)	(4,771,452)	17,065,985
OTHER FINANCING SOURCES (USES)				
Transfers in	407,840	487,840	487,840	-
Total other financing sources (uses)	407,840	487,840	487,840	-
Net change in fund balances	\$ 1,788,470	\$ (21,349,597)	(4,283,612)	\$ 17,065,985
Fund balances-beginning			31,624,735	
Fund balances-ending			\$ 27,341,125	

CITY OF LODI, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Parks Capital
 For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and rental income	\$ -	\$ -	\$ 82,833	\$ 82,833
Total revenues	<u>-</u>	<u>-</u>	<u>82,833</u>	<u>82,833</u>
EXPENDITURES				
Capital outlay	160,000	5,479,209	2,349,939	3,129,270
Total expenditures	<u>160,000</u>	<u>5,479,209</u>	<u>2,349,939</u>	<u>3,129,270</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(160,000)</u>	<u>(5,479,209)</u>	<u>(2,267,106)</u>	<u>3,212,103</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	151,360	151,360	151,360	-
Total other financing sources (uses)	<u>151,360</u>	<u>151,360</u>	<u>151,360</u>	<u>-</u>
Net change in fund balances	<u>\$ (8,640)</u>	<u>\$ (5,327,849)</u>	<u>(2,115,746)</u>	<u>\$ 3,212,103</u>
Fund balances-beginning			3,170,435	
Fund balances-ending			<u>\$ 1,054,689</u>	

CITY OF LODI, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Debt Service
 For the Year Ended June 30, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES				
Debt service:				
Public works	\$ 693,600	\$ 693,600	\$ 680,000	\$ 13,600
Capital outlay	950,700	951,350	964,950	(13,600)
Total expenditures	<u>1,644,300</u>	<u>1,644,950</u>	<u>1,644,950</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,644,300)</u>	<u>(1,644,950)</u>	<u>(1,644,950)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,644,300	1,644,300	1,644,300	-
Total other financing sources (uses)	<u>1,644,300</u>	<u>1,644,300</u>	<u>1,644,300</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (650)</u>	<u>(650)</u>	<u>\$ -</u>
Fund balances-beginning			-	
Fund balances (deficit)-ending			<u>\$ (650)</u>	

CITY OF LODI, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Fleet	Benefit	Insurance	Vehicle and Equipment	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 275,080	\$ 2,728,832	\$ 21,125,260	\$ 6,134,588	\$ 30,263,760
Receivables (net of uncollectibles):					
Accounts receivable, net	34	229,160	159,175	-	388,369
Notes and loans	-	-	-	-	-
Interest receivable	-	5,904	42,038	8,221	56,163
Inventory	226,208	-	-	-	226,208
Restricted:					
Restricted cash and investments	211,509	2,686,383	44,949	-	2,942,841
Total current assets	712,831	5,650,279	21,371,422	6,142,809	33,877,341
Noncurrent:					
Capital assets, net	23,874	-	-	-	23,874
Total noncurrent assets	23,874	-	-	-	23,874
Total assets	736,705	5,650,279	21,371,422	6,142,809	33,901,215
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	247,340	-	-	-	247,340
OPEB related	9,577	-	-	-	9,577
Total deferred outflows of resources	256,917	-	-	-	256,917
LIABILITIES					
Current liabilities:					
Accounts payable and other liabilities	100,973	48,372	183,787	193,923	527,055
Accrued salaries and wages	15,933	-	-	-	15,933
Accrued interest	503	-	-	-	503
Subscription liability	1,175	-	-	-	1,175
Accrued compensated absences	46,048	-	-	-	46,048
Total current liabilities	164,632	48,372	183,787	193,923	590,714
Noncurrent liabilities:					
Self insurance liability	-	-	8,017,916	-	8,017,916
Accrued compensated absences	275,509	-	-	-	275,509
Subscription liability	9,310	-	-	-	9,310
Net pension liability	1,396,008	-	-	-	1,396,008
Net OPEB liability	80,367	-	-	-	80,367
Total noncurrent liabilities	1,761,194	-	8,017,916	-	9,779,110
Total liabilities	1,925,826	48,372	8,201,703	193,923	10,369,824
DEFERRED INFLOWS OF RESOURCES					
OPEB related	27,748	-	-	-	27,748
Total deferred inflows of resources	27,748	-	-	-	27,748
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Unrestricted	(959,952)	5,601,907	13,169,719	5,948,886	23,760,560
Total net position	\$ (959,952)	\$ 5,601,907	\$ 13,169,719	\$ 5,948,886	\$ 23,760,560

CITY OF LODI, CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Fleet	Benefit	Insurance	Vehicle and Equipment	Total Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 998,231	\$ 9,865,943	\$ 5,295,846	\$ 2,425,806	\$ 18,585,826
Total operating revenues	998,231	9,865,943	5,295,846	2,425,806	18,585,826
OPERATING EXPENSES					
Personnel services	771,130	897,023	597,397	-	2,265,550
Supplies, materials and services	263,236	8,128,758	3,551,597	1,050,724	12,994,315
Utilities	14,947	-	-	-	14,947
Depreciation and amortization	2,759	-	-	-	2,759
Claims/premiums	50,110	1,870,947	962,174	-	2,883,231
Total operating expenses	1,102,182	10,896,728	5,111,168	1,050,724	18,160,802
Operating income (loss)	(103,951)	(1,030,785)	184,678	1,375,082	425,024
NONOPERATING REVENUES (EXPENSES)					
Investment income	37,710	429,149	917,835	260,157	1,644,851
Interest expense	(599)	-	-	-	(599)
Gain on sale of city property	-	-	-	2,550	2,550
Total nonoperating revenues (expenses)	37,111	429,149	917,835	262,707	1,646,802
Income (loss) before capital contributions and transfers	(66,840)	(601,636)	1,102,513	1,637,789	2,071,826
Transfers out	-	-	(10,000)	-	(10,000)
Change in net position	(66,840)	(601,636)	1,092,513	1,637,789	2,061,826
Net position-beginning	(880,505)	6,203,543	12,077,193	4,311,101	21,711,332
Restatements	(12,607)	-	13	(4)	(12,598)
Net position-beginning, restated	(893,112)	6,203,543	12,077,206	4,311,097	21,698,734
Net position-ending	\$ (959,952)	\$ 5,601,907	\$ 13,169,719	\$ 5,948,886	\$ 23,760,560

CITY OF LODI, CALIFORNIA
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Fleet	Benefit	Insurance	Vehicle and Equipment	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund charges	\$ 998,255	\$ 9,828,320	\$ 5,146,991	\$ 2,425,806	\$ 18,399,372
Payments to suppliers and service providers	(318,228)	(9,918,409)	(4,395,629)	(891,666)	(15,523,932)
Payments to employees for salaries and benefits	(868,749)	(897,023)	(579,596)	-	(2,345,368)
Net cash provided by (used for) operating activities	(188,722)	(987,112)	171,766	1,534,140	530,072
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to other funds	-	-	(10,000)	-	(10,000)
Net cash provided by (used for) noncapital financing activities	-	-	(10,000)	-	(10,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on capital debt	(1,138)	-	-	-	(1,138)
Interest paid on capital debt	(360)	-	-	-	(360)
Proceeds from sales of assets	-	-	-	2,550	2,550
Net cash provided by (used for) capital and related financing activities	(1,498)	-	-	2,550	1,052
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	31,410	432,252	924,067	258,158	1,645,887
Net cash provided by (used for) investing activities	31,410	432,252	924,067	258,158	1,645,887
Net increase (decrease) in cash and cash equivalents	(158,810)	(554,860)	1,085,833	1,794,848	2,167,011
Cash and cash equivalents-beginning	645,399	5,970,075	20,084,376	4,339,740	31,039,590
Cash and cash equivalents-ending	\$ 486,589	\$ 5,415,215	\$ 21,170,209	\$ 6,134,588	\$ 33,206,601
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Cash and investments	\$ 275,080	\$ 2,728,832	\$ 21,125,260	\$ 6,134,588	\$ 30,263,760
Restricted cash and investments	211,509	2,686,383	44,949	-	2,942,841
Total cash and cash equivalents	<u>\$ 486,589</u>	<u>\$ 5,415,215</u>	<u>\$ 21,170,209</u>	<u>\$ 6,134,588</u>	<u>\$ 33,206,601</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ (103,951)	\$ (1,030,785)	\$ 184,678	\$ 1,375,082	\$ 425,024
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	2,759	-	-	-	2,759
(Increase) decrease in accounts receivable	24	(37,623)	(148,855)	-	(186,454)
(Increase) decrease in inventories	(37,583)	-	-	-	(37,583)
(Increase) decrease in prepaid items	-	108,666	-	-	108,666
Increase (decrease) in accounts payable	47,648	(27,370)	118,142	159,058	297,478
Increase (decrease) in accrued liabilities	(679)	-	-	-	(679)
Increase (decrease) in compensated absences	10,700	-	-	-	10,700
Increase (decrease) in claims and judgments	-	-	17,801	-	17,801
Increase (decrease) in pension and related items	(96,918)	-	-	-	(96,918)
Increase (decrease) in OPEB and related items	(10,722)	-	-	-	(10,722)
Total adjustments	(84,771)	43,673	(12,912)	159,058	\$ 105,048
Net cash provided by (used for) operating activities	\$ (188,722)	\$ (987,112)	\$ 171,766	\$ 1,534,140	\$ 530,072

CITY OF LODI, CALIFORNIA
 Combining Statement of Fiduciary Net Position
 Fiduciary Funds - Custodial Funds
 June 30, 2025

	<u>Library</u>	<u>Hutchins St Sq/Holz</u>	<u>Total Custodial Funds</u>
ASSETS			
Cash and investments	\$ 183,803	\$ 1,805	\$ 185,608
Interest receivable	-	4	4
Total assets	<u>183,803</u>	<u>1,809</u>	<u>185,612</u>
NET POSITION			
Restricted for organizations	183,803	1,809	185,612
Total net position	<u>\$ 183,803</u>	<u>\$ 1,809</u>	<u>\$ 185,612</u>

CITY OF LODI, CALIFORNIA
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2025

	<u>Library</u>	<u>Hutchins St Sq/Holz</u>	<u>Total Custodial Funds</u>
ADDITIONS			
Investment Earnings	\$ 15,185	\$ 82	\$ 15,267
Miscellaneous revenue	305	-	305
Total additions	<u>15,490</u>	<u>82</u>	<u>15,572</u>
DEDUCTIONS			
Library	90	-	90
Total deductions	<u>90</u>	<u>-</u>	<u>90</u>
Net increase (decrease) in fiduciary net position	15,400	82	15,482
Net position-beginning	168,403	1,727	170,130
Net position-ending	<u>\$ 183,803</u>	<u>\$ 1,809</u>	<u>\$ 185,612</u>

STATISTICAL SECTION





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STATISTICAL SECTION

The Statistical Section provides detailed information as a framework for understanding the information in the financial statements, notes and required supplementary information. This section presents additional data and analysis that may provide the reader with valuable insight regarding the demographics and the overall health of the City.

Financial Trends

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

Revenue Capacity

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

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.

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 and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the city provides and the activities it performs.

Sources

Unless otherwise noted, the information in these schedules are derived from the annual comprehensive financial report.

**Net Position by Component
Last Ten Fiscal Years
(Dollar amounts in thousands)**

	Fiscal Year				
	2025	2024	2023	2022	2021
Governmental activities:					
Net investment in capital assets	\$155,808	\$145,991	\$135,018	\$111,961	\$120,763
Restricted	68,366	48,310	43,708	42,297	37,505
Unrestricted	(62,990)	(49,100)	(63,699)	(56,728)	(84,870)
Total governmental activities net position	<u>161,184</u>	<u>145,201</u>	<u>115,027</u>	<u>97,530</u>	<u>73,398</u>
Business-type activities:					
Net investment in capital assets	172,270	180,170	167,026	159,768	137,219
Restricted	5,144	7,191	6,387	6,077	18,860
Unrestricted	118,949	97,271	91,110	64,957	55,534
Total business-type activities net position	<u>296,363</u>	<u>284,632</u>	<u>264,523</u>	<u>230,802</u>	<u>211,613</u>
Primary government:					
Net investment in capital assets	328,078	326,161	302,044	271,729	257,982
Restricted	73,510	55,501	50,095	48,374	56,365
Unrestricted	55,959	48,171	27,411	8,229	(29,336)
Total primary government net position	<u>\$457,547</u>	<u>\$429,833</u>	<u>\$379,550</u>	<u>\$328,332</u>	<u>\$285,011</u>

- (1) Fiscal year 2015 beginning net position was restated due to the implementation of GASB 68.
(2) Fiscal year 2018 beginning net position was restated due to the implementation of GASB 75.
(3) Fiscal year 2025 beginning net position was restated due to the implementation of GASB 101.

Source: City of Lodi Financial Services Division

Fiscal Year				
2020	2019	2018 (2)	2017	2016
\$117,010	\$116,179	\$119,222	\$117,196	\$111,256
33,230	25,751	25,904	15,545	13,911
<u>(107,255)</u>	<u>(115,043)</u>	<u>(117,535)</u>	<u>(77,162)</u>	<u>(76,984)</u>
<u>42,985</u>	<u>26,887</u>	<u>27,591</u>	<u>55,579</u>	<u>48,183</u>
137,468	135,175	137,291	129,086	121,468
19,594	7,230	20	3,929	3,893
28,164	35,812	24,584	16,463	14,427
<u>185,226</u>	<u>178,217</u>	<u>161,895</u>	<u>149,478</u>	<u>139,788</u>
254,478	251,354	256,513	246,282	232,724
52,824	32,981	25,924	19,474	17,804
<u>(79,091)</u>	<u>(79,231)</u>	<u>(92,951)</u>	<u>(60,699)</u>	<u>(62,557)</u>
<u>\$228,211</u>	<u>\$205,104</u>	<u>\$189,486</u>	<u>\$205,057</u>	<u>\$187,971</u>

**Changes in Net Position
Last Ten Fiscal Years
(Dollar amounts in thousands)**

	Fiscal Year				
	2025	2024	2023	2022	2021
Expenses					
Governmental activities:					
General government	\$13,193	\$15,091	\$12,778	\$14,493	\$25,410
Public protection	53,339	39,806	40,585	41,534	34,716
Public works	7,944	11,775	13,666	11,800	12,387
Community development	7,857	3,456	3,200	2,654	1,752
Library	1,703	1,622	1,718	1,448	1,052
Parks and recreation	7,576	4,832	5,097	4,318	3,379
Interest and fiscal charges	1,103	1,984	1,068	15,889	656
Total governmental activities expenses	<u>92,715</u>	<u>78,566</u>	<u>78,112</u>	<u>92,136</u>	<u>79,352</u>
Business-type activities:					
Electric	88,569	84,988	86,604	74,001	68,307
Wastewater	19,661	15,352	15,875	11,624	11,683
Water	12,172	13,164	16,814	12,646	8,142
Transit	5,889	5,555	5,678	4,904	4,335
Total business-type activities expenses	<u>126,291</u>	<u>119,059</u>	<u>124,971</u>	<u>103,175</u>	<u>92,467</u>
Total primary government expenses	<u>219,006</u>	<u>197,625</u>	<u>203,083</u>	<u>195,311</u>	<u>171,819</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	4,037	10,211	6,510	2,056	2,119
Public protection	553	1,066	940	1,245	1,065
Public works	5,961	813	494	1,051	1,484
Community development	4,359	3,774	2,425	4,175	4,086
Library	110	5	19	12	-
Parks and recreation	1,406	1,625	1,946	1,868	1,176
Operating grants and contributions	5,415	6,253	6,417	4,872	4,582
Capital grants and contributions	2,845	10,711	9,064	15,834	8,418
Total governmental activities program revenues	<u>24,686</u>	<u>34,458</u>	<u>27,815</u>	<u>31,113</u>	<u>22,930</u>
Business-type activities:					
Charges for services:					
Electric	92,508	89,721	87,970	80,343	74,197
Wastewater	18,578	18,221	17,557	17,145	16,781
Water	15,170	14,888	38,346	14,187	14,112
Transit	106	321	361	264	70
Operating grants and contributions	2,100	11,358	7,160	8,443	6,866
Capital grants and contributions	281	2,888	10,578	8,683	5,145
Total business-type activities program revenues	<u>128,743</u>	<u>137,397</u>	<u>161,972</u>	<u>129,065</u>	<u>117,171</u>
Total primary government program revenues	<u>153,429</u>	<u>171,855</u>	<u>189,787</u>	<u>160,178</u>	<u>140,101</u>
Net (Expense)/Revenue					
Governmental activities	(68,029)	(44,108)	(50,298)	(61,023)	(56,422)
Business-type activities	2,452	18,337	37,001	25,890	24,704
Total primary government net expense	<u>\$(65,577)</u>	<u>\$(25,771)</u>	<u>\$(13,297)</u>	<u>\$(35,133)</u>	<u>\$(31,718)</u>

Fiscal Year

2020	2019	2018	2017	2016
\$13,156	\$11,390	\$11,601	\$9,650	\$10,369
35,764	33,396	38,795	33,239	31,395
9,336	10,986	9,823	10,614	10,326
2,056	2,187	1,999	1,709	1,792
1,882	785	1,753	1,253	1,389
3,873	4,142	4,672	3,663	4,262
712	782	768	824	822
<u>66,779</u>	<u>63,668</u>	<u>69,411</u>	<u>60,952</u>	<u>60,355</u>
71,758	64,104	67,943	62,791	61,764
18,049	14,410	16,008	16,318	14,024
14,514	12,138	11,776	11,961	10,967
4,841	5,086	5,233	4,925	4,415
<u>109,162</u>	<u>95,738</u>	<u>100,960</u>	<u>95,995</u>	<u>91,170</u>
<u>175,941</u>	<u>159,406</u>	<u>170,371</u>	<u>156,947</u>	<u>151,525</u>
3,240	323	3,670	3,246	1,490
619	619	1,000	779	740
1,302	2,631	990	1,209	734
2,805	1,059	2,665	2,838	2,292
38	-	37	43	63
1,551	1,286	1,698	1,660	1,637
3,426	7,968	2,287	2,391	2,596
10,302	6,861	8,737	12,830	10,559
<u>23,283</u>	<u>20,747</u>	<u>21,084</u>	<u>24,996</u>	<u>20,111</u>
72,182	67,961	69,247	65,848	67,507
16,097	15,904	14,914	15,106	14,960
14,192	13,345	13,005	12,474	12,161
126	216	227	220	210
7,034	8,261	5,969	4,514	5,089
2,894	2,092	11,307	7,972	2,860
<u>112,525</u>	<u>107,779</u>	<u>114,669</u>	<u>106,134</u>	<u>102,787</u>
<u>135,808</u>	<u>128,526</u>	<u>135,753</u>	<u>131,130</u>	<u>122,898</u>
(43,496)	(42,919)	(48,327)	(35,956)	(40,244)
3,363	12,041	13,709	10,139	11,617
<u>\$(40,133)</u>	<u>\$(30,878)</u>	<u>\$(34,618)</u>	<u>\$(25,817)</u>	<u>\$(28,627)</u>

Changes in Net Position
Last Ten Fiscal Years (Continued)
(Dollar amounts in thousands)

	Fiscal Year				
	2025	2024	2023	2020	2019
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Property	\$25,028	\$15,676	\$14,345	\$13,681	\$12,672
Special assessments ¹	963	871	702	512	378
Sales ¹	24,987	25,205	26,152	26,248	24,303
Document transfer ¹	8,120	7,550	6,999	6,498	6,073
Franchise	3,067	10,556	10,094	9,934	9,582
Business license	349	505	290	2,373	2,092
Transient occupancy	1,599	1,590	1,432	1,485	899
Grants and contributions not restricted to specific prog	-	1,465	1,042	7,885	14,166
Investment earnings	10,766	1,804	(3,760)	(6,303)	1,966
Rent	2,828	2,828	2,828	2,828	1,721
Other	1,309	723	448	15,906	850
Special item-gain on sale of parkland	-	-	-	-	-
Transfers	6,646	5,508	5,369	3,454	4,448
Total governmental activities	<u>85,662</u>	<u>74,281</u>	<u>65,941</u>	<u>84,501</u>	<u>79,150</u>
Business-type activities:					
Investment earnings	8,314	7,072	2,042	(1,498)	2,223
Litigation- environmental lawsuits proceeds	-	-	-	-	-
Rent	-	-	-	-	-
Other	7,934	209	46	(1,749)	3,906
Special item-forgiveness of debt					
Special item-swap termination					
Transfers	(6,646)	(5,508)	(5,369)	(3,454)	(4,448)
Total business-type activities	<u>9,602</u>	<u>1,773</u>	<u>(3,281)</u>	<u>(6,701)</u>	<u>1,681</u>
Total primary government	<u>95,264</u>	<u>76,054</u>	<u>62,660</u>	<u>77,800</u>	<u>80,831</u>
Change in Net Position					
Governmental activities	17,633	30,173	15,643	23,478	22,729
Business-type activities	12,054	20,110	33,720	19,190	26,386
Total primary government	<u>\$29,687</u>	<u>\$50,283</u>	<u>\$49,363</u>	<u>\$42,668</u>	<u>\$49,115</u>

Source: City of Lodi Financial Services Division

(1) Certain tax amounts have been reclassified in fiscal year 2013.

Fiscal Year				
2018	2017	2016	2015	2014
\$11,728	\$11,050	\$10,325	\$9,984	\$9,373
252	139	44	-	-
20,084	14,287	11,333	11,749	11,808
5,760	5,399	5,147	4,903	4,572
9,612	9,212	9,218	9,099	9,073
1,884	1,887	1,822	1,736	1,552
988	736	867	849	783
475	441	601	2	-
1,921	1,576	311	257	326
1,693	1,553	-	-	1,954
953	353	933	722	719
-	-	-	-	-
4,270	4,233	4,252	4,051	4,469
<u>59,620</u>	<u>50,866</u>	<u>44,853</u>	<u>43,352</u>	<u>44,629</u>
4,816	1,584	716	816	952
-	-	-	-	100
-	-	-	-	4
3,101	2,321	2,244	2,786	3,957
-	-	-	-	-
-	-	-	-	-
(4,270)	(4,233)	(4,252)	(4,051)	(4,469)
<u>3,647</u>	<u>(328)</u>	<u>(1,292)</u>	<u>(449)</u>	<u>544</u>
<u>63,267</u>	<u>50,538</u>	<u>43,561</u>	<u>42,903</u>	<u>45,173</u>
16,124	7,696	(3,474)	7,396	4,385
7,010	11,712	12,417	9,690	12,161
<u>\$23,134</u>	<u>\$19,408</u>	<u>\$8,943</u>	<u>\$17,086</u>	<u>\$16,546</u>

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Dollar amounts in thousands)**

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Reserved	\$22,014	\$19,636	\$16,370	\$15,199	\$15,641	\$12,671	\$10,717	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	6	-	83	24	-	-	-	-	-	33
Committed	758	758	613	352	558	712	563	9,031	3,520	465
Assigned	-	-	-	-	-	-	-	-	-	1,564
Unassigned	29,191	24,239	24,876	23,389	24,491	14,520	11,172	9,737	11,448	11,185
Total General Fund	<u>51,969</u>	<u>44,633</u>	<u>41,942</u>	<u>38,964</u>	<u>40,690</u>	<u>27,903</u>	<u>22,452</u>	<u>18,768</u>	<u>14,968</u>	<u>13,247</u>
All other governmental funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	3	2	252	7	2	2	1	1	1	1
Assigned	14,531	20,744	21,493	10,244	9,638	6,744	8,979	-	-	-
Committed	3,079	3,003	2,411	409	914	690	716	-	-	-
Restricted	46,353	42,860	41,911	54,237	21,439	19,629	14,202	16,062	15,263	13,867
Unassigned	(631)	-	636	-	-	-	-	-	-	-
Total all other governmental funds	<u>63,335</u>	<u>66,609</u>	<u>66,703</u>	<u>64,897</u>	<u>31,993</u>	<u>27,065</u>	<u>23,898</u>	<u>16,063</u>	<u>15,264</u>	<u>13,868</u>
	<u>\$115,304</u>	<u>\$111,242</u>	<u>\$108,645</u>	<u>\$103,861</u>	<u>\$72,683</u>	<u>\$54,968</u>	<u>\$46,350</u>	<u>\$34,831</u>	<u>\$30,232</u>	<u>\$27,115</u>

Source: City of Lodi Financial Services Division

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Dollar amounts in thousands)**

	Fiscal Year									
	2025 (3)	2024 (3)	2023 (3)	2022 (3)	2021 (2)	2020 (1)	2019	2018	2017	2016
Revenues:										
Taxes	\$39,127	\$36,750	\$33,862	\$34,483	\$31,698	\$30,224	\$28,423	\$27,423	\$26,491	\$25,327
Sales and use tax	24,987	25,205	26,152	26,248	24,302	20,084	14,287	-	-	-
Licenses and permits	2,614	2,588	1,581	2,549	2,621	1,774	1,570	1,764	2,015	1,646
Intergovernmental revenues	12,037	21,383	13,888	20,440	22,657	10,499	9,213	20,807	23,975	21,083
Charges for services	5,846	6,100	4,703	7,212	10,056	8,333	6,558	6,020	5,722	5,830
Developer impact fees	2,580	1,868	1,376	2,592	-	-	-	-	-	-
Fines, forfeits, and penalties	330	1,303	731	304	217	1,053	1,274	1,396	906	1,495
Investment and rental income	12,107	11,660	4,772	(1,124)	5,193	4,728	2,994	2,325	2,319	2,155
Contributions and donations	-	-	-	-	-	-	-	-	818	-
Miscellaneous revenue	1,550	780	287	573	1,290	845	812	1,206	-	1,116
Total revenues	101,178	107,637	87,352	93,277	98,034	77,540	65,131	60,941	62,246	58,652
Expenditures:										
Current:										
General government	16,057	15,664	14,513	16,490	25,847	13,019	9,609	9,738	9,499	9,360
Public protection	48,338	47,037	46,238	41,165	38,110	37,410	31,949	30,788	30,201	28,821
Public works	4,700	8,081	8,367	6,832	6,555	5,436	5,452	4,628	4,608	4,070
Community development	6,481	3,548	3,261	2,699	2,127	2,249	2,112	1,756	1,651	1,601
Library	1,599	1,495	1,442	1,214	1,024	1,181	1,166	1,058	1,153	1,153
Parks and recreation	7,303	3,788	3,811	3,145	2,827	2,764	2,680	2,497	2,378	2,369
Capital outlay	16,901	28,261	9,945	7,843	6,843	4,679	3,380	8,296	11,592	13,117
Debt service:										
Interest	1,072	1,157	1,018	665	696	732	821	805	858	847
Principal payments	(11,953)	(12,025)	(12,545)	1,115	1,144	1,106	1,080	1,028	1,240	260
Advance refunding escrow	13,302	13,302	13,302	13,302	-	-	-	-	-	-
Total expenditures	103,800	110,308	89,352	94,470	85,173	68,576	58,249	60,594	63,180	61,598
Excess (deficiency) of revenues over (under) expenditures	(2,622)	(2,671)	(2,000)	(1,193)	12,861	8,964	6,882	347	(934)	(2,946)
Other financing sources (uses):										
Transfers in	22,234	25,299	13,343	25,209	10,788	10,735	13,201	13,863	11,723	13,310
Transfers out	(15,578)	(20,091)	(7,974)	(21,755)	(6,340)	(6,464)	(8,968)	(9,611)	(7,672)	(8,716)
Proceeds from sale	16	8	8	1	28	-	404	-	-	-
Refunding bonds issued	-	-	-	28,884	-	-	-	-	-	-
Lease liabilities issued	-	52	(445)	34	-	-	-	-	-	-
Subscription liabilities issued	11	-	-	-	-	-	-	-	-	-
Finance purchase agreement proceeds	-	-	-	-	-	-	-	-	-	563
Loan proceeds	-	-	-	-	-	-	-	-	-	468
Total other financing sources (uses)	6,683	5,268	4,932	32,373	4,476	4,271	4,637	4,252	4,051	5,625
Net change in fund balances	4,061	2,597	2,932	31,180	17,337	13,235	11,520	4,599	3,117	2,679
Fund balances, beginning of year (1)	111,242	108,645	106,793	72,681	55,344	41,733	34,831	30,232	2,963	284
Fund balances, end of year	\$115,303	\$111,242	\$109,725	\$103,861	\$72,681	\$54,968	\$46,351	\$34,831	\$6,080	\$2,963
Debt service as a percentage of noncapital expenditures	2.9%	3.1%	2.3%	21.1%	2.3%	2.9%	3.5%	3.5%	4.1%	2.3%

(1)The beginning of year fund balance change was due to a reclassification of the Vehicle and Equipment Fund to an Internal Service Fund.

(2) The beginning of year fund balance change was due to a reclassification of the Special Assessments Fund to a Special Revenue Fund.

(3) Developer impact fees shown as its own revenue category

**Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(Dollar amounts in thousands)**

	Fiscal Year										% Change 2014 to 2023
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	
Property	\$17,673	\$16,548	\$15,046	\$14,193	\$13,050	\$11,980	\$11,050	\$10,043	\$9,744	\$9,151	30.08%
Sales and Use	24,986	25,205	26,152	26,248	24,302	20,084	14,286	11,333	11,750	11,809	116.05%
Transient Occupancy	1,599	1,590	1,432	1,485	899	987	735	867	849	783	149.24%
Franchise	3,067	2,920	2,530	2,501	2,207	2,338	2,128	2,059	1,915	1,990	139.55%
Documentary Transfer	230	117	50	81	86	(25)	230	281	240	223	-120.00%
Motor Vehicle in Lieu	8,120	7,550	6,999	6,498	6,073	5,760	5,399	5,176	4,904	4,572	20.08%
Public Protection	837	822	858	704	527	462	441	401	378	365	36.69%
Business License	349	505	290	2,373	2,092	1,884	1,887	1,822	1,736	1,552	65.26%
In Lieu Franchise	7,252	7,636	7,564	7,433	7,375	7,274	7,197	7,159	7,131	7,082	-13.01%
Totals	\$64,113	\$62,893	\$60,921	\$61,516	\$56,611	\$50,744	\$43,353	\$39,141	\$38,647	\$37,527	46%

Note: General governmental tax revenues are included in taxes, licenses and permits, intergovernmental revenues and miscellaneous revenues.

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Dollar amounts in thousands)**

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019 (2)	2018 (2)	2017	2016
Secured roll	\$9,139,002	\$8,483,328	\$7,962,674	\$7,425,099	\$6,962,679	\$6,566,183	\$6,174,155	\$5,903,144	\$5,603,023	\$5,394,659
Utility roll	2,432	2,047	2,047	2,046	2,047	1,901	2,299	2,299	2,299	3,490
Unsecured roll	384,828	817,234	280,982	232,613	231,423	247,608	258,682	266,956	254,946	250,160
Gross assessed value	9,526,262	9,302,609	8,245,703	7,659,758	7,196,149	6,815,692	6,435,136	6,172,399	5,860,268	5,648,309
Less exemptions (1)	401,566	362,966	362,966	364,661	353,561	338,170	345,178	339,542	334,485	331,562
Net assessed value	<u>\$9,124,696</u>	<u>\$8,939,643</u>	<u>\$7,882,737</u>	<u>\$7,295,097</u>	<u>\$6,842,588</u>	<u>\$6,477,522</u>	<u>\$6,089,958</u>	<u>\$5,832,857</u>	<u>\$5,525,783</u>	<u>\$5,316,747</u>
Land	\$2,579,409	\$2,286,349	\$2,286,349	\$2,144,590	\$2,077,223	\$1,971,712	\$1,873,216	\$1,812,408	\$1,711,208	\$1,601,581
Improvements	6,531,389	5,652,441	5,652,441	5,282,139	4,894,256	4,614,260	4,286,480	4,042,264	3,854,604	3,736,867
Personal property	415,463	306,913	306,913	233,029	224,670	229,720	275,440	317,727	294,457	309,861
Gross assessed value	9,526,261	8,245,703	8,245,703	7,659,758	7,196,149	6,815,692	6,435,136	6,172,399	5,860,269	5,648,309
Less exemptions (1)	401,566	362,966	362,966	364,661	353,561	338,170	345,178	339,542	334,485	331,562
Net assessed value	<u>\$9,124,695</u>	<u>\$7,882,737</u>	<u>\$7,882,737</u>	<u>\$7,295,097</u>	<u>\$6,842,588</u>	<u>\$6,477,522</u>	<u>\$6,089,958</u>	<u>\$5,832,857</u>	<u>\$5,525,784</u>	<u>\$5,316,747</u>
Total Direct Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

(1) All exemptions (secured, utility, and unsecured rolls) are homeowners exemption \$58,136 and other exemption of \$306,525 = \$401,566

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 assessed at the time that it is sold to a new owner. At that point, the property being sold is reassessed at the purchase price. 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.

(2) 2019 & 2018 figures updated per San Joaquin County amounts

Source: San Joaquin County Auditor-Controller's Office

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$100 of assessed value)**

Fiscal Year	Basic Countywide Levy	School	All Other	Total
2025	1.0000	0.0594	0.0122	1.0716
2024	1.0000	0.0669	0.0135	1.0804
2023	1.0000	0.0632	0.0144	1.0574
2022	1.0000	0.1028	0.0163	1.1191
2021	1.0000	0.0829	0.0183	1.1012
2020	1.0000	0.0806	0.0199	1.1005
2019	1.0000	0.0843	0.0225	1.1068
2018	1.0000	0.0857	0.0180	1.1037
2017	1.0000	0.0371	0.0180	1.0551
2016	1.0000	0.0401	0.0198	1.0599

Source: San Joaquin County Auditor data, MuniServices, LLC / Avenue Insights & Analytics

Table has been reformatted to comply with GASB No. 44.
TRA represented: 1-001.

(1) Amounts restated based on new assessed value information provided.

**Principal Property Taxpayers
Current Year and Nine Years Ago
(Dollar amounts in thousands)**

Taxpayer	Fiscal Year					
	2025			2016		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Pacific Coast Producers	138,083	1	1.579%	\$111,812	1	2.18%
Cepheid	90,462	2	1.034%	1,537	6	0.030%
Constellation Brands US Operations, Inc.	54,101	3	0.619%	-	-	-
Stag CA Holdings LP	47,330	4	0.541%	-	-	-
Lodi LV Loca	44,532	5	0.509%	-	-	-
Rich Products Corp.	42,426	6	0.485%	-	-	-
Big Box Properties Owner E LLC	41,955	7	0.480%	26,417	5	0.514%
BDC Lodi III LP	37,076	8	0.424%	-	-	-
Cal Purnia Associates LP	37,039	9	0.423%	-	-	-
Reynolds Ranch SR Development Company LP	36,791	10	0.421%	-	-	-
RRM Enterprise	-	-	-	87,651	2	1.71%
California Physicians Service Corp	-	-	-	57,476	3	1.12%
ConAgra Cottage Bakery	-	-	-	41,022	4	0.80%
Costco	-	-	-	19,793	7	0.39%
Archer Daniels Midland Co Corp.	-	-	-	18,912	8	0.37%
Sandpiper Pennebaker Group LLC	-	-	-	18,683	9	0.36%
Geweke	-	-	-	17,615	10	0.34%
	-	-	-	-	-	0.00%
Principal Secured Property Valuation	569,795	-	6.515	400,918	-	7.81%
Other Secured Taxpayers	8,513,050	-	97.335	4,733,708	-	92.192
Exemptions relative to secured tax roll	336,666	-	3.849	-	-	-
Total Secured Property Valuation	\$8,746,179	-	100.000%	\$5,134,626	-	100.000%

Source: San Joaquin County Assessor data, MuniServices, LLC / Avenue Insights & Analytics

**Property Tax Levies and Collections
Last Ten Fiscal Years
(Dollar amounts in thousands)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percent of Levy (1)	Amount	Percent of Levy
2025	\$14,157	\$14,157	100.0%	\$14,157	100.0%
2024	13,219	13,219	100.0%	13,219	100.0%
2023	13,999	13,999	100.0%	13,999	100.0%
2022	13,679	13,679	100.0%	13,679	100.0%
2021	12,526	12,526	100.0%	12,526	100.0%
2020	11,642	11,642	100.0%	11,642	100.0%
2019	10,883	10,883	100.0%	10,883	100.0%
2018	10,222	10,222	100.0%	10,222	100.0%
2017	9,821	9,821	100.0%	9,821	100.0%
2016	9,117	9,117	100.0%	9,117	100.0%

(1) Per agreement with San Joaquin County, the County provides the City of Lodi with 100% of the amount owed to the City for secured properties, regardless of collection status. In exchange, the County is entitled to 100% of revenues collected for interest and penalties. This agreement is commonly referred to as the Teeter Plan.

Source: San Joaquin County Auditor/Controller's Office

**Electricity Sold by Type of Customer
Last Ten Fiscal Years**

Type of Customer	Billed Accounts									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City Accounts	273	343	346	258	325	231	248	223	217	213
Domestic Residential	29,224	24,872	23,442	26,237	24,675	23,234	22,228	22,041	21,917	22,497
Domestic Mobile Home Park	13	13	13	13	13	13	13	13	13	13
Dusk to Dawn	154	88	155	87	90	89	91	92	85	85
Industrial	-	-	-	-	-	-	-	43	-	-
Large Commercial	477	362	365	471	402	394	383	96	355	348
Large Industrial (1)	18	19	16	18	16	38	69	55	35	44
Medium Commercial	-	-	-	-	-	-	-	375	-	-
Medium Industrial	12	6	8	6	11	23	14	10	10	11
Residential Low Income	1,008	1,220	3,599	2,043	2,725	2,248	2,796	2,539	2,669	2,688
Small Commercial	3,549	3,034	3,576	3,589	3,619	3,254	2,795	3,148	3,434	3,416
Small Industrial (2)	37	6	8	6	6	7	11	11	10	11
Total	34,765	29,963	31,528	32,728	31,882	29,531	28,648	28,646	28,745	29,326

Notes:

"Large commercial" previously had medium commercial combined now "Medium Commercial" stated separately.
Small, Medium, Large Industrial now combined into one "Industrial".

Source: City of Lodi Financial Services Division
Intranet Dashboard Stats Util by Month and Sch

(1) Large Industrial for 2018 reported as N/A in 2018 - correct number is 55.
(2) Small Industrial for 2018 reported as N/A in 2018 - correct number is 11.

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**
(Dollar amounts in thousands, except per capita)

Fiscal Year	Governmental Activities					Business-type Activities						
	Lease Revenue Bonds	Loan Payable	Notes Payable	Finance Purchase Agreement	Total Governmental Activities	Certificates of Participation and Revenue Bonds	Notes/ Loan Payable	Total Business-type Activities	Total Primary Government	Percent of Personal Income (1)	Per Capita (1)	
2025	\$26,824	\$ -	\$ -	\$ -	\$ 26,824	\$82,196	\$ -	\$ 82,196	\$ 109,020	3.05	\$1,616	
2024	26,935	-	-	-	26,935	89,486	-	89,486	116,421	0.40	1,750	
2023	27,590	-	-	-	27,590	96,073	-	104,426	132,016	0.04	1,993	
2022	28,880	-	-	85	28,965	102,530	229	102,759	131,724	0.04	1,979	
2021	14,882	-	-	169	15,051	108,741	454	109,195	124,246	4.15	1,807	
2020	15,901	97	-	251	16,249	114,866	673	115,539	131,788	4.81	1,940	
2019	16,885	193	-	331	17,409	121,566	887	122,453	139,862	5.03	2,049	
2018	17,839	286	-	410	18,535	125,062	1,096	126,158	144,693	5.56	2,156	
2017	18,753	378	-	487	19,618	138,193	1,300	139,493	159,111	6.41	2,484	
2016	\$ 19,637	\$ 468	\$ 245	\$ 562	\$ 20,912	\$ 143,417	\$ 1,500	\$ 144,917	\$ 165,829	7.49	\$ 2,603	

Details regarding the City's outstanding debt can be found in Note 7 of these financial statements.

(1) See Demographic and Economic Statistics table for personal income and population.

Source: City of Lodi Financial Services Division

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Dollar amounts in thousands, except per capita)**

Fiscal Year	Lease Revenue Bonds	Less Amounts Available for Debt Service	Net	Percent of Assessed Value (1) of Property	Per Capita
2025	\$ 26,824	\$ -	\$ 26,824	0.4	\$ 391.32
2024	26,935	-	26,935	0.4	405.09
2023	27,590	-	27,590	0.4	416.18
2022	28,880	-	28,880	0.1	420.07
2021	14,882	-	14,882	0.2	219.08
2020	15,901	-	15,901	4.4	232.91
2019	16,885	-	16,885	0.2	251.56
2018	17,839	-	17,839	0.3	278.48
2017	18,753	-	18,753	0.4	296.64
2016	\$ 19,637	\$ -	\$ 19,637	0.4	\$ 308.18

General bonded debt is debt payable with governmental fund resources and general obligation bonds

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: City of Lodi Financial Services Division

Legal Debt Margin Information
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019 (2)	2018 (2)	2017	2016
Assessed valuation (1)	\$ 9,124,696	\$ 8,499,001	\$ 7,883,053	\$ 7,353,234	\$ 6,900,923	\$ 5,891,914	\$ 5,584,838	\$ 5,375,564	\$ 5,585,242	\$ 5,377,266
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	2,281,174	2,124,750	1,970,763	1,838,309	1,725,231	1,472,979	1,396,210	1,343,891	1,396,311	1,344,317
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Limit	342,176	318,713	295,614	275,746	258,785	220,947	209,431	201,584	209,447	201,647
Total net debt applicable to limit	26,824	26,935	27,590	28,880	14,882	15,901	16,885	17,839	18,753	19,637
Legal debt margin	<u>\$ 315,352</u>	<u>\$ 291,778</u>	<u>\$ 268,024</u>	<u>\$ 246,866</u>	<u>\$ 243,903</u>	<u>\$ 205,046</u>	<u>\$ 192,546</u>	<u>\$ 183,745</u>	<u>\$ 190,694</u>	<u>\$ 182,010</u>
Total net debt applicable to the limit as a percent of debt limit	7.8%	8.5%	9.3%	10.5%	5.8%	7.2%	8.1%	8.8%	9.0%	9.7%

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 1982 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 reflect 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 the legal debt margin was enacted by the State of California for local governments located within the state.

(1) All exemptions (secured, utility, and unsecured rolls) are homeowners which is added to Net Assessed Value

(2) 2019 & 2018 figures updated per San Joaquin County amounts

Source: California Municipal Statistics Inc.

Direct and Overlapping Governmental Activities Debt
June 30, 2025

	Total Debt	Percentage Applicable (1)	City's Share of Debt
OVERLAPPING DEBT:			
San Joaquin Community College District	\$ 162,660,000	7.295 %	\$ 11,866,047
Lodi Unified School District	269,035,000	37.251	100,218,228
San Joaquin County Certificates of Participation	49,210,000	7.889	3,882,177
Lodi Unified School District Certificates of Participation	7,060,000	37.251	2,629,921
SUBTOTAL OVERLAPPING DEBT			118,596,372
DIRECT DEBT:			
City of Lodi Lease Revenue Bonds	26,255,000	100.00	26,255,000
City of Lodi - Finance Purchase Agreement	-	100.00	-
SUBTOTAL DIRECT DEBT			26,255,000
TOTAL DIRECT AND OVERLAPPING DEBT(2)			\$ 144,851,372
2024-25 Gross Assessed Valuation	\$ 9,526,262		
2024-25 Population	67,093		
DEBT RATIOS	Total Gross Debt	Per Capita	Value
	\$ 144,851,372	2,159	2.20%

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

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded finance purchase agreement obligations.

SOURCE: California Municipal Statistics, San Francisco, CA
San Joaquin County Auditors-Controller Office
State of California, Department of Finance, Demographic Research Unit

**Pledged-Revenue Coverage
Last Ten Fiscal Years
(Dollar amounts in thousands)**

Fiscal Year	Adjusted Annual Revenues (1)	Adjusted Operating Expenses (2)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest (3)	Total	
Electric Revenue Certificates of Participation							
2025	\$ 92,302	\$ 79,929	\$ 12,373	\$ 2,605	\$ 1,575	\$ 4,180	2.96
2024	92,302	79,929	12,373	2,605	1,575	4,180	2.96
2023	89,792	77,935	11,857	2,485	702	3,187	2.83
2022	81,327	62,414	18,913	2,365	1,823	4,188	4.52
2021	77,896	58,841	19,055	2,250	1,938	4,188	4.55
2020	76,445	64,558	11,887	1,710	3,747	5,457	2.18
2019	69,846	58,916	10,930	-	1,497	1,497	7.30
2018	73,505	50,317	23,188	2,510	2,788	5,298	4.38
2017	67,815	52,259	15,556	2,390	2,898	5,288	2.94
2016	70,440	51,205	19,235	5,195	3,094	8,289	2.32
Wastewater Certificates of Participation and Revenue Bonds							
2025	\$ 21,039	\$ 11,806	\$ 9,233	\$ 2,157	\$ 1,168	\$ 3,325	2.78
2024	21,039	11,806	9,233	2,157	1,168	3,325	2.78
2023	19,088	8,373	10,715	2,056	1,125	3,181	3.37
2022	19,127	5,236	13,891	1,971	1,359	3,330	4.17
2021	17,949	6,001	11,948	1,899	1,434	3,333	3.58
2020	19,441	10,119	9,322	1,819	1,506	3,325	2.80
2019	17,864	8,301	9,563	1,753	1,573	3,326	2.88
2018	19,317	7,302	12,015	1,650	954	2,604	4.61
2017	16,707	10,128	6,579	1,575	1,492	3,067	2.15
2016	16,941	7,237	9,704	1,535	2,131	3,666	2.65
Water Revenue Bonds							
2025	\$ 18,005	\$ 9,695	\$ 8,310	\$ 1,005	\$ 921	\$ 1,926	4.31
2025	18,005	9,695	8,310	1,005	921	1,926	4.31
2023	39,221	11,249	27,972	960	1,930	2,890	14.49
2022	14,915	9,226	5,689	930	997	1,927	2.95
2021 (4)	16,642	4,932	11,710	1,040	1,033	2,073	5.65
2020	17,061	11,316	5,745	1,010	1,422	2,432	2.36
2019	15,509	7,173	8,336	980	1,368	2,348	3.55
2018	17,187	10,895	6,292	950	1,356	2,306	2.73
2017	13,844	7,733	6,111	915	1,393	2,308	2.65
2016	13,025	6,801	6,224	870	1,482	2,352	2.65

Includes all nongeneral obligation long-term debt backed by pledged revenues.

Details regarding the City's outstanding debt can be found in Note 8 to the basic financial statements.

(1) Total operating revenues including investment earnings, operating grants, capital contributions (including developer impact fees) and other revenue.

(2) Total operating expenses including cost of services paid to the General Fund and excluding in-lieu fees, depreciation and amortization.

(3) Net of Build America Bonds interest subsidy - Water Revenue Bonds.

(4) Adjusted Annual Revenues restated for correction to developer impact fees.

**Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Square Miles	City Population	Population Percent Change	San Joaquin County Population	Population Percent of County	Rank in Size of California Cities	Personal Income (millions of dollars)	Per Capita Personal Income	Unemployment Rate
2025	13.98	67,093	0.1%	805,856	8.3%	132	\$ 3,561	\$ 59,361	5.6%
2024	13.98	66,492	3.0%	791,408	8.4%	135	3,620	54,442	5.5%
2023	13.98	66,293	(0.4%)	786,145	8.4%	135	3,065	48,662	4.1%
2022	13.98	66,570	(3.2%)	784,298	8.5%	136	3,328	49,991	3.7%
2021	13.98	68,751	1.2%	783,534	8.8%	131	2,992	43,523	10.0%
2020	13.98	67,930	0.5%	773,632	8.8%	133	2,739	40,322	14.4%
2019	13.98	68,272	0.8%	770,385	8.9%	134	2,779	40,707	6.1%
2018	13.98	67,121	0.7%	758,744	8.8%	136	2,602	38,769	6.9%
2017	13.98	64,058	0.7%	746,868	8.6%	139	2,483	38,769	6.9%
2016	13.98	63,219	0.7%	733,383	8.6%	139	2,284	36,136	7.8%

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.
- 3.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

**Principal Employers
Current Year and Nine Years Ago**

Employer	Current			Nine Years Ago			Labor Force
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment	
Pacific Coast Producers	1,486	1	4.82%	1,000	3	3.83%	28,700
Lodi Unified School District	1,363	2	4.43%	3,650	1	13.97%	28,700
Adventist Health Lodi Memorial *	1,242	3	4.03%	1,320	2	5.05%	28,700
Blue Shield of CA	1,084	4	3.52%	778	4	2.98%	28,700
Walmart Supercenter	403	5	1.31%	230	8	0.88%	28,700
City of Lodi	395	6	1.28%	377	7	1.44%	28,700
Rich Products formerly known as Cottage Bakery	276	7	0.90%	509	5	1.95%	28,700
Costco Wholesale	278	8	0.90%	-	-	-	28,700
Scientific Specialties Inc.	215	9	0.70%	-	-	-	28,700
Arbor Rehabilitation & Nursing Center	210	10	0.68%	-	-	-	28,700
General Mills (1)	-	-	-	435	6	1.67%	28,700
Farmers & Merchant Bank	-	-	-	190	9	0.73%	28,700
Target	-	-	-	160	10	0.61%	28,700
	-	-	-	-	-	-	
	-	-	-	-	-	-	
Total	6,952		22.57%	8,649		33.11%	

Note: Principal employers are based on the best available information.

Source: MuniServices, LLC / an Avenu Insights & Analytics Company

Results based on direct correspondence with city's local businesses.

* Count includes FTE, PTE, Temporary & Seasonal Employees.

(1) General Mills permanently closed.

**Full-time Equivalent City Government Employees
by Department - Last Ten Fiscal Years**

Department:	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Administration	15	13	12	12	12	9	9	9	10	10
Community Development	20	20	20	20	13	11	11	11	11	11
Electric	57	56	54	54	52	52	52	52	51	49
Financial Services	-	-	-	-	-	-	-	-	-	-
Fire	57	57	57	57	57	57	53	53	54	54
Internal Services	36	37	37	36	35	34	31	31	32	31
Library	8	8	8	8	8	8	7	7	7	10
Parks and Recreation	-	-	-	-	-	-	-	-	-	-
Parks, Recreation and Cultural Services	27	27	27	27	24	24	24	24	24	26
Police	114	114	112	112	111	109	103	103	103	102
Public Works	128	119	116	116	109	103	101	101	101	100
Total	461	450	442	442	421	407	391	391	393	393

Community Center, Human Resources and Information Systems were previously included in Administration. Budget, Financial Services, Human Resources and Information Services are now Internal Services.

Community Center, Parks & Recreation are now Parks, Recreation and Cultural Services.

Source: City of Lodi Budget Document Staffing Summary

**Operating Indicators by Function/Program/Department
Last Ten Fiscal Years**

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government:										
Building permits issued	2,384	2,474	2,518	3,569	3,017	2,500	2,502	2,699	2,447	2,482
Business tax certificates:										
Retail sales and service	1,709	1,082	2,000	3,515	3,008	2,755	3,014	2,137	2,443	2,288
Manufacturers and processors	105	80	50	59	167	81	87	75	76	78
Professions	243	415	240	283	328	315	330	294	308	316
delivery vehicles, etc.	1,547	801	763	264	1,464	1,518	1,986	1,232	949	1,268
Utility billing/customer service:										
Number of customers	33,669	28,215	27,935	27,747	25,166	24,764	24,576	24,259	26,018	26,034
Energy sales (KWH)	458,245,579	442,426,959	447,304,474	450,539,324	439,083,721	417,003,511	410,566,814	425,157,874	425,410,574	437,246,335
Peak demand (MW)	137.90	132.70	143	125.4	133	126	118	131	129	124
Public safety:										
Police:										
Major reported crimes	1,795	1,647	1,974	1,631	1,643	1,938	1,943	2,062	2,025	3,068
Total arrests	3,087	3,223	3,031	3,078	3,432	3,792	3,611	3,460	4,226	4,083
Dispatched calls for service	42,483	48,746	51,207	43,357	34,046	36,053	37,806	37,301	37,866	40,390
Fire:										
Interior structure fire calls	80	65	114	136	130	133	70	56	51	33
Non-structural fire calls	266	177	207	236	192	188	255	235	177	154
Hazardous materials calls	97	100	113	95	78	64	87	55	90	73
Emergency medical calls	5,000	5,000	4,658	4,218	3,866	3,557	3,915	5,364	3,572	3,123
Total emergency calls	8,208	5,348	7,865	7,647	7,206	7,211	7,600	6,996	5,869	5,238
Total number of units dispatched	9,941	9,697	7,490	6,946	7,629	8,317	7,701	8,230	7,225	7,430
Public works:										
Miles of streets resurfaced	1	4	-	7	7	6.6	3	-	6	6
Fleet job orders completed	4,288	1,906	2,047	2,303	2,147	2,106	1,866	1,744	2,129	2,162
Trees planted	25	332	150	65	245	657	500	372	135	135
Water utility:										
New connections	136	210	348	249	227	189	290	180	205	69
Water main breaks	6	2	3	2	6	5	1	2	2	3
Wastewater utility:										
Average daily treatment (million gal/day)	4.42MG	4.47MG	4.57MG	4.50MG	4.50MG	4.55MG	4.6MG	4.5MG	4.65MG	4.6MG
Library:										
Registered borrowers	34,430	34,148	30,904	27,857	54,263	64,864	67,334	63,631	64,742	60,362
Circulation of library materials	181,253	100,235	83,233	86,509	35,528	134,950	168,793	162,796	187,853	199,096
questions answered	2876	4755	3,338	1,818	2,495	8,024	11,296	9,852	9,695	11,109
Annual attendance at libraries	90,060	89,493	76,623	50,318	67,892	172,631	231,391	225,558	231,602	245,936
Number of programs offered	368	660	214	197	265	653	715	789	764	456
Annual attendance at programs	12,366	16,792	11,400	2,305	4,168	14,863	18,825	24,682	23,960	15,452
Public access computer usage	11,394	6,979	-	27,000	12,376	24,033	27,603	25,825	31,205	34,071
Community center:										
Community center bookings	423	557	1,616	365	307	501	809	595	597	758
Instructional classes	219	296	393	406	59	481	616	438	554	518
Registered students	960	879	1,170	584	157	1,172	2,546	2,695	3,010	2,744
Yearly attendance	70,000	46,648	66,804	11,270	2,663	9,521	14,220	11,011	13,925	13,925
Parks and recreation:										
CITY after school program	27/1	56/4	2680/4	202/4	230/5	2,474/4	2,950/4	2,705/4	1,964/4	1,898/4
LUSD After School Program	485/5	288/4	4258/6	960/12	3993/12	9,944/12	9,867/10	12,985/13	13,016/3	12,318/13
Camps	125/3	180/3	522	157/4	284/3	225/3	63	71	103	67
Adult sports										
Program/Participation	1,294	111 teams	937	360	240	1,176	2,045	1,990	1,895	1,976
Programs offered	4	7	15	14	6	6	14	14	14	15
Partnerships	-	1	1	1	-	-	2	2	2	2
Tournaments	9	4	9	-	-	-	7	4	6	8
Youth/Teen sports										
Program attendance	912	490	982	934	128	1,165	3,517	3,480	3,496	3,652
Programs offered	8	5	21	15	2	11	18	11	18	18
Aquatics										
Program attendance	22,721	30,585	22,873	18,691	4,937	18,336	18,202	26,571	28,974	28,195
Number of programs	3	13	13	13	8	13	12	8	14	14

Source: City of Lodi

**Capital Assets Statistics by Function/Program/Department
Last Ten Fiscal Years**

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government:										
Total square miles	13.98	13.98	13.98	13.98	13.98	13.98	13.98	13.98	13.98	13.98
Public safety:										
Police:										
Facilities:										
Stations	1	1	1	1	1	1	1	1	1	1
Animal control facility	1	1	1	1	1	1	1	1	1	1
Police training facility (pistol range)	1	1	1	1	1	1	1	1	1	1
Vehicles:										
Marked patrol cars	25	25	25	26	29	27	21	23	23	23
Motorcycles and scooters	10	10	10	6	5	5	5	6	7	7
Animal control vehicles	2	2	2	2	2	2	2	2	2	2
Other automobiles	31	31	31	35	37	35	36	37	37	37
Fire:										
Facilities:										
Fire stations	4	4	4	4	4	4	4	4	4	4
Vehicles:										
Fire engines	6	7	7	7	8	7	6	6	7	6
Trucks/Trailers	8	7	7	7	5	5	5	5	8	6
Other automobiles	8	8	8	8	8	6	5	8	5	11
Boat	1	1	1	1	1					
Public works:										
Miles of streets	202	198	198	198	198	194	190	190	202	202
Miles of alley ways	12	12	12	12	12	12	12	12	16	16
Traffic signals	72	70	70	70	70	70	69	69	68	67
Street lights	8,405	8,275	8,275	8,304	7,910	7,776	7,739	7,697	7,270	7,270
Parks and recreation:										
Parks and squares	30	30	30	30	29	29	28	28	26	26
Park acreage	375	375	375	375	371	371	367	366	361	361
Boating facilities - launch lanes	1	1	1	1	1	1	1	1	1	1
Senior center	1	1	1	1	1	1	1	1	1	1
Community Centers	1	1	1	1	1	1	1	1	1	1
Swimming pools	4	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	18	18	18	18	18	18	20	20	20	20
Tennis courts	9	9	9	9	9	9	11	11	11	11
Pickleball courts	6	6	6	6	6	6	-	-	-	-
Skateboard park	1	1	1	1	1	1	1	1	1	1
Playgrounds	21	21	21	21	22	22	20	17	20	20
Ballpark	24	24	24	24	24	24	24	24	24	24
Soccer Field	22	22	22	22	22	22	22	22	22	22
Football Field	1	1	1	1	1	1	1	1	1	1
Handball/Basketball/Volleyball Courts/Bocce Courts	15	15	15	15	15	15	15	12	12	12
Horseshoe Pits	9	9	9	9	9	9	9	8	8	8
Library:										
Central library	1	1	1	1	1	1	1	1	1	1
Total items in collection	80,470	87,148	87,148	106,729	106,975	108,750	110,000	111,544	125,730	130,657
Integrated library system	1	1	1	1	1	1	1	1	1	1
Microfilm readers	1	1	1	-	-	-	-	-	-	-
Microfilm readers/printers	-	-	-	-	-	-	-	-	1	1
Self check out machines	2	2	2	3	3	3	3	3	3	3
Electric utility:										
Overhead lines 12kv (miles)	117	117	117	117	116.98	117	117	117	117	117
Overhead lines 60kv (miles)	13	14	14	14	14	14	14	14	14	14
Underground lines (miles)	151	144	144	144	138.69	133	129	128	123	121
Water utility:										
Water main lines	260	248	248	251	248	245	245	245	243	240
Water storage capacity (gallons)	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000
Water wells	28	28	28	28	28	28	28	28	28	28
Water reservoirs	4	4	4	4	4	3	3	3	3	3
Water Treatment Plant	1	1	1	1	1	1	1	1	1	1
Wastewater utility:										
Wastewater main lines (miles)	218	203	203	203	205	203	203	203	196	196
Treatment capacity	8.5MG	8.5MG	8.5MG	8.5MG	8.5MG	8.5MG	8.5MG	8.5MG	8.5MG	8.5 MG
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Wastewater Pump Stations	13	13	13	13	13	13	13	13	9	9
Stormwater utility:										
Stormwater main drain lines (miles)	137	132	132	135	132	130	130	130	128	126
Stormwater pump stations	17	17	17	17	17	17	17	17	16	16
Central parking district:										
Parking structure	1	1	1	1	1	1	1	1	1	1
Parking spaces	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450
Parking lots	25	25	25	25	25	25	25	25	25	25

Source: City of Lodi Departments

