



CITY OF
RANCHO
CUCAMONGA
CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2021



City of Rancho Cucamonga, California
Annual Comprehensive Financial Report
Year Ended June 30, 2021

Prepared by the
City of Rancho Cucamonga
Finance Department

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City of Rancho Cucamonga
Annual Comprehensive Financial Report
June 30, 2021

Introductory Section

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CITY OF RANCHO CUCAMONGA

10500 Civic Center Drive | P.O. Box 807 | Rancho Cucamonga, CA 91729-0807 | 909.477.2700 | www.CityofRC.us

December 10, 2021

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Rancho Cucamonga:

With great pleasure, we present to you the City of Rancho Cucamonga's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2021. The Annual Comprehensive Financial Report consists of three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, a list of principal officials, and the City's organizational chart. The financial section includes the independent auditors' report, management's discussion and analysis (MD&A), the basic financial statements, notes to financial statements, and combining and individual fund statements and schedules. The statistical section sets forth relevant financial and non-financial data depicting the City's historical trends and other significant facts.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. Management provides a reasonable basis for making these representations by establishing a comprehensive internal control framework; one that is designed to protect the City's assets from loss, theft, or misuse and compile sufficient reliable information to prepare the City's financial statements in conformity with generally accepted accounting principles (GAAP). As management, we assert that this financial report is complete and reliable in all material respects to the best of our knowledge and belief.

The City of Rancho Cucamonga's financial statements were audited by Lance, Soll and Lunghard, LLP, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the City of Rancho Cucamonga's financial statements for the Fiscal Year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Rancho Cucamonga's financial statements for the Fiscal Year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the City's financial statements is part of a broader, federally mandated Single Audit designed to meet federal grantor agencies' special needs. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements, emphasizing internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Rancho Cucamonga's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

I. PROFILE OF THE CITY OF RANCHO CUCAMONGA

General Information

The City of Rancho Cucamonga currently has an estimated population of 175,131 and encompasses approximately 46.5 square miles. It is located between the cities of Upland to the west, Ontario to the south, Fontana to the east, and is in the western section of San Bernardino County, which is in the southern part of the State of California. The local economy includes a diverse business base of office, light manufacturing and distribution, and retail, emphasizing the City's efforts to attract and retain sales tax-generating businesses to help provide a stable financial base.

Government

The City of Rancho Cucamonga (the City) was incorporated in 1977 as a general law city under the provisions of the Government Code of the State of California. It operates under the Council-Manager form of city government. The Mayor, City Treasurer, and City Clerk are elected at large. The four City Council members are elected by geographic district. The Mayor and Council members are elected on a staggered basis for a term of four years. There is no limit on the number of terms an individual can serve as Mayor or City Council member. The Mayor and City Council appoint the City Manager and City Attorney.

Reporting Entity and Its Services

The City has included within its reporting entity for financial reporting purposes all agencies for which the City is financially accountable. These agencies include the Rancho Cucamonga Public Improvement Corporation, the Rancho Cucamonga Fire Protection District, the Rancho Cucamonga Library, and the Rancho Cucamonga Public Financing Authority. The City provides accounting services to all these agencies. Additional information on these agencies can be found in Note 1 of the notes to financial statements.

The City provides quality service by blending the talents of City staff and utilizing other agencies. Other specialized agencies furnish certain services necessary to continue the high quality of life, such as water and sanitation (i.e., sewage). The City provides building safety regulation and inspection, street lighting and beautification, land use planning and zoning, housing and community development services, maintenance and improvement of streets and related structures, traffic safety maintenance and improvement, animal care and services, and a full range of recreational and cultural programs for citizen participation. Police protection services are contracted from the San Bernardino County Sheriff's Department.

The Rancho Cucamonga Public Improvement Corporation was established for charitable purposes, including rendering financial assistance to the City by financing, acquiring, constructing, improving, and leasing public improvements to benefit residents of the City and the surrounding area. The Rancho Cucamonga Fire Protection District was taken over from the County of San Bernardino in July 1989 to provide fire suppression and protection.

The Rancho Cucamonga Library became a part of the City when it withdrew from the San Bernardino County Library System in July 1994. It strives to inform and enrich our community by providing access to traditional and technologically innovative resources. It also supports and encourages education and the love of reading in a welcoming atmosphere with a knowledgeable, service-oriented staff. The Rancho Cucamonga Public Financing Authority was established to facilitate the financing and the refinancing of construction, expansion, upgrading, and improvement of the public capital facilities necessary to support the rehabilitation and construction of residential and economic development within the City.

Local Economy

During Fiscal Year 2020/21, the City began to recover from the COVID-19 pandemic-induced downturn. In that respect, many factors are similar to the recovery which followed the Great Recession from 2009-2010, including substantial property turnover and development proposals, increased commercial activity along major business corridors, and substantial public and private investment in infrastructure. There are, however, some significant focus areas specific sectors of the economy which differ from the most recent recovery. Notably, there is greater private sector interest in the development of industrial warehouse space, a weaker recovery for certain portions of the hospitality sector due to changing trends in business travel, and traditional retail is being ever more squeezed by online shopping trends, which accelerated during the lockdowns and business closures.

With respect to the hospitality industry, which was significantly impacted by the COVID-19 pandemic, there is room for optimism in relation to hotels. In January 2021, hotels within the City had occupancy rates below 50 percent, with an average daily room rate of \$95 revenue per room night. As of September 2021, however, occupancy is above 74 percent, and the average daily room rate is \$148 revenue per room night. By comparison to adjacent areas, the City has about eighteen percent higher occupancy and \$27 higher revenue per room night. While still below historical trends for the City and still not likely to return to those levels until 2022, it is a positive indicator for the City's transient occupancy tax revenues. Additionally, we are once again seeing renewed interest in entitlements for new hotel construction, which has not been present for several years.

The City experienced a net taxable value increase of 4.6% for the 2020/21 property tax roll. This is slightly lower than the countywide increase of 5.8%. The increase is largely the result of the current median home price rapidly increasing, with detached single-family residential increasing 8.0% over the prior year. Growth in the number of homes sales slowed, with few homes coming on the market, even though sale prices are continuing to rise. Likely, due to low-interest rates and the limited supply of new housing, median home prices will continue to rise. A similar impact in terms of increases is also occurring on rental rates for apartments as well.

During Fiscal Year 2020/21, the City experienced a significant drop in sales tax revenue which is expected to be recouped mostly in the next few fiscal years. A far greater concern is the permanent changes in sales tax allocation from the countywide sales tax pool. With the COVID-19 pandemic intensifying the shift for consumers from traditional retail to online retailers, the City receives a share of the sales taxes generated from out-of-state retailers. Recently a large online retailer with warehouses in and outside of California changed its status to an in-state retailer. In so doing, this retailer significantly impacted the flow of sales tax revenue out of countywide pools and into specific cities where their fulfillment centers are located. The result is that most cities, including the City of Rancho Cucamonga, will be negatively impacted and receive a reduced share of overall sales tax revenues. At the same time, a few cities will receive a disproportionately significant windfall as a result of a simple accounting change. The result for Rancho Cucamonga is that sales taxes in excess of \$1 million per year will no longer be

generated for the City, and our growth in sales tax revenue will be decreased accordingly. While the impact of this is somewhat blunted by the additional out-of-state sales tax collection, it is substantial and resulted in the City reducing expenditures, hiring, and other costs accordingly.

Another uncertainty surrounds the long-term impacts of remote work. The City of Rancho Cucamonga, like so many other organizations, approached remote work cautiously yet adapted well and found ways to compensate for any impacts on productivity and culture. In terms of the private sector, the impacts of remote work on the office sector remain uncertain. As a result, the City is likely to see a change in the type of office space businesses need as well as a reduction in demand for overall large office space. Future office space, it appears, may trend towards fewer small individual offices and cubicles and more drop-in offices for remote workers, more large inviting flexible spaces for collaborating and team meetings, and enhanced office design flexibility to adapt to quicker shifting trends and needs. Locally, there are no new office buildings under construction or in design. Vacancy rates are still holding in the 9% range, and market rent remains in the low \$2 per square foot range with little change over the last year. These conditions are challenging for the City with a long-term vision to develop Haven Avenue as its office corridor.

Nevertheless, there are some reasons for optimism. Over time, the City has become associated with corporate headquarters and innovation. To some degree, remote work is accelerating this trend due to the City's high percentage of knowledge workers with advanced degrees. Furthermore, while employment in the City dropped a bit more than in California during the COVID-19 pandemic due to a robust service sector, it is also recovering faster post-pandemic. Because of the City's high percentage of knowledge-based workers with advanced degrees, who are better positioned to work remotely, the economic impacts of the downturn were somewhat blunted. The professional services sector, finance, and insurance sector, and real estate sector, as a few examples, are now recovering quickly and paying quite well, reflecting fewer impacts from automation and a larger share of higher-paying jobs in the city. Relatively speaking, this positions the City better for recovery than other areas of San Bernardino County or the Inland Empire.

Budgetary Control

The City adopts an annual budget where each department's budgeted appropriations are controlled at the character of expense level. These levels are defined as personnel services, operations and maintenance, capital outlay, debt service, cost allocation, and transfers out to other funds. Although the budget is monitored at the character of expense level, the legal level of budgetary control, that is, the level at which expenditures cannot exceed appropriations is the fund level within the General Fund as well as Special Revenue and Capital Projects Funds. The use of an encumbrance system further maintains budgetary control. Revenues are also estimated annually in the adoption of the annual budget. Revenues and expenditures are monitored throughout the year, with quarterly updates provided to the City Council.

Long-term Financial Planning

Annually, the City updates a five-year Capital Improvement Program (CIP). Planned capital expenditures for Fiscal Year 2021/22 total \$62,023,050. Funds for these projects come from various sources, including development impact fees, State gasoline taxes, grant funds, and special assessments.

Debt Administration

The City of Rancho Cucamonga, as a general law city, is restricted from incurring general obligation bonded indebtedness that would exceed 3.75% of the total assessed valuation of all real and personal property. In Fiscal Year 2020/21, the City has \$11.46 million in lease revenue bonds and approximately \$1 million in capital leases outstanding. The bonds were issued in January 2019 to build and connect over 50 miles of citywide conduit and fiber optic cabling under a five-year master plan, providing not only municipal broadband services but also connecting the City's core facilities and infrastructure. The project's capital costs will be recovered using revenue from municipal broadband customers managed by a private company to minimize operating overhead costs for the City. The capital leases were entered into in December 2018 to finance the acquisition of hardware equipment and software for the replacement of the City's data center infrastructure.

II. HIGHLIGHTS OF FISCAL YEAR 2020/21

Economic and Community Development

The Economic and Community Development Department continues to improve economic growth and quality of life in the community. The mission of Economic Development is to foster a strong local economy and create economic opportunities for investors and entrepreneurs while facilitating job growth. Economic Development staff, along with partners across the City, offer services and support to accomplish these goals and build a supportive economic ecosystem. During the past fiscal year, the City's business community was significantly impacted by the COVID-19 pandemic during the second half of the fiscal year. Industries such as food, beverage, and hospitality were severely impacted by the State's shelter in place orders and closure of non-essential businesses. These industries support a large part of the City's revenues, employment, and quality of life in the community.

Community and Economic Development staff created a COVID-19 Response Team to support and address local business needs during the pandemic. The first task of this team was to create a policy that would enable restaurants to operate outdoors. The response was very successful and then translated to other industries such as gyms, churches, hair, and beauty. Additionally, the City received CARES Act funding to fund several relief programs to assist its residents and businesses. Some of these programs included grant funding to assist with outdoor operations, business and residential rental assistance, and matching grants for COVID-compliant businesses.

The second wave of funding was allocated to the City through its Community Development Block Grant (CDBG) Program to prevent, prepare for, and respond to the COVID-19 pandemic. The City created a COVID-19 Business Relief Program that provided grants to qualified businesses needing rent and utility relief. A total of \$986,507 was allocated to this program. Grants ranged between \$10,000 and \$20,000.

The Cucamonga Station Plan was completed in June 2021, which consolidates all land use and development plan details for Planning Area 10, around the Metrolink Station, representing 27.1 acres. This Plan guides the creation of a vibrant and intense mixed-use transit hub around the Rancho Cucamonga Metrolink Station. It also establishes design and zoning standards to create a neighborhood where one can easily walk, bike, and take transit to a mix of housing, office, retail, and cultural amenities. The Cucamonga Station Plan provides a unifying vision with standards and guidelines that continue the objectives of the former Industrial Area Specific Plan. The Cucamonga Station Plan is designed to foster an integrated environment of residential, commercial, and office uses that is walkable and oriented around premium transit services.

This Plan will facilitate recent private investments that are focused on a multi-modal transit-centric project. Recent developments include the potential of high-speed rail from Las Vegas stopping in Rancho Cucamonga along with an underground tunnel featuring self-driving shuttles connecting the Rancho Cucamonga Metrolink Station to the Ontario International Airport.

In September 2021, staff hosted a Hiring Fair aimed at connecting job seekers with local employers needing to hire. While the event had a low turnout, as many organizers of job and hiring fairs have experienced amidst the COVID-19 pandemic, the event was successfully managed. The event was held outdoors at Central Park and included 25 local employers who offered over 125 jobs. Interviews during the event were conducted, and five job offers were made.

Affordable Housing

In 2019 the City, in partnership with Orange Housing Development, completed Villa Pacifica II, a 40-unit senior affordable housing project, and in October 2020, the City's completed its newest senior affordable housing project, Day Creek Villas, in partnership with National CORE. Day Creek Villas includes a total of 140 1- and 2-bedroom units conveniently located within walking distance to shopping, dining, recreational amenities, and public transportation. The housing project offers affordable rents to residents earning 30%, 45%, and 60% of the County's median income.

The City recently completed a draft of the 2021-2029 Housing Element that was submitted to the State Department of Housing and Community Development (HCD) on June 2, 2021. On August 2, 2021, the City received a letter from HCD outlining revisions necessary for compliance with State Housing Element Law. The revision of the 2021-2029 Housing Element addresses and responds to the comments provided by HCD. The revised draft has been sent to HCD for another 60-day review period. It is anticipated the final Draft Housing Element will be adopted in late December along with the City's General Plan update.

In 2020 the City formed an Inclusionary Housing Committee (the Committee) to evaluate the adoption of an Inclusionary Ordinance to create opportunities for the development of affordable housing in the City. The Committee was a seven-member group that included housing professionals as well as commercial developers and one resident. Four meetings were held with the Inclusionary Housing Committee. The Committee's work concluded with a range of policies for further consideration in the adoption of an Inclusionary Housing Ordinance as well as the idea of creating a commercial linkage fee to generate revenue for affordable housing.

In August 2020, the City continued its Emergency Rental Assistance Program as part of the second phase of funding from the City's Community Development Block Grant (CDBG) Program. The program provided up to \$2,000/month for three months to qualifying households that could not pay rent because of COVID-19 impacts. A total of 138 households were assisted with these funds.

Engineering Services

The Engineering Department is led by the Engineering Services Director/City Engineer. It consists of four divisions: capital management, transportation development, environmental programs, and municipal utility.

Capital management is responsible for the development and implementation of the City's capital improvement program, which includes the design, inspection, and contract administration of public improvement projects. A continued priority has been maintaining the Annual Comprehensive Capital Improvement Program document, which provides a five-year forecast of active capital project endeavors in the City. Engineering Services Capital Improvement Projects amounting to just over \$11 million were completed during Fiscal Year 2020/21. The projects completed during Fiscal Year 2020/21 include:

- Freeway and Arterial Synchronization Project
- Vineyard Avenue at San Bernardino Road Traffic Signal Modification Project
- Southwest Cucamonga Class I Bicycle Trail Project
- School Crosswalk Improvements Project
- 4th Street Pavement Rehabilitation
- Foothill Boulevard Pavement Rehabilitation, from Milliken Avenue to Monet Avenue
- Hellman Avenue Sidewalk Improvements
- Upper Cucamonga Storm Drain Phase 3
- Church Street Pavement Rehabilitation, from Haven Avenue to Milliken Avenue
- Highland Avenue and Hermosa Avenue, Major Arterial Pavement Rehabilitation
- Asphalt and Concrete Improvements for Tract 18960
- Railroad Crossing Surface Improvement at Arrow Route
- Bus Stop Improvements
- Barrier Replacements for Cucamonga Creek Class 1 Bike Project
- Pacific Electric Trail Storm Drain and Slope Improvements
- Almond Trail Slope Repair
- ADA Ramp Improvements at Various Locations
- Local Overlay and Slurry Seal at Various Locations
- Upgrade Left Turn Phases at Multiple Locations
- Civic Center East Parking Lot electric power switchover to RCMU
- Day Creek Fire Station electric power switchover to RCMU
- Fiber Optic line extension on Foothill Boulevard from Haven Avenue to Fire Station 172

Capital projects anticipated for Fiscal Year 2021/22 include:

- Advance Traffic Management System Phase 2 (Design)
- Day Creek Channel Bike Trail Project
- Center Avenue Pavement Rehabilitation
- Rochester Avenue Pavement Rehabilitation from 6th Street to Arrow Route and from Base Line Road to Highland Avenue
- Foothill Boulevard Pavement Rehabilitation from Monet Avenue to East City Limit
- Upgrade Left Turn Phases at Various Locations
- Local Overlay Projects
- Foothill Boulevard from Milliken Avenue to I-15 Freeway Pavement Rehabilitation
- Traffic Signal Modification Projects
- Etiwanda Avenue from Arrow Route to Sixth Street Electric and Fiber Extension

- Fiber Optic line extension on Archibald Avenue from Foothill Boulevard to Base Line Road
- Various fiber optic extensions to provide municipal broadband service to retail and business parks along Haven Avenue

Transportation development is staffed by a team of engineers and customer-oriented individuals. The division provides information, direction, and customer support to residents, business owners, developers, utility companies, other departments within the City, and the various school districts. This group is responsible for the review and conditioning of proposed development and utility work in the public right-of-way and on-site grading and technical plan check and permit issuance of these types of projects.

Transportation development is also involved in the construction and operation of traffic control devices and plans for future traffic and transportation needs. Working closely with Public Works, the section ensures these traffic control devices are installed correctly per City, State, and Federal standards. Additionally, the section issues right-of-way permits, handles research requests, and explains Department policies to customers via email, phone, or public front counter. During Fiscal Year 2020/21, a combined total of 1,749 permits were issued.

Environmental programs are responsible for administering the City's programs, which encourage preserving natural resources and preventing stormwater pollution, thereby ensuring compliance with State and Federal mandates. In Fiscal Year 2020/21, this division:

- Provided service to 4,473 participants and processed 234,593 pounds of waste at the Household Hazardous Waste Collection Facility
- Completed 759 stormwater inspections
- Hosted five virtual field trips to the Environmental Learning Center for 160 students

The Rancho Cucamonga Municipal Utility (the Utility) operates as a small electric utility providing electric service to commercial and residential developments in portions of the City. The Utility has over 1,700 metered customers and is continually growing as new development projects are completed. The Utility continues to embark on its mission to be a greener utility by utilizing renewable energy as part of its energy portfolio. In addition to providing reliable electricity, the Utility also manages the City's more than 15,000 streetlights. The Utility also partners with RC Fiber to operate, maintain and construct the City's municipal broadband network infrastructure in key strategic areas, through a phased approach, to provide high-speed broadband to residents and businesses. This most recent year saw a rebranding of the network to Rancho Fiber, and the City's private partner, Inyo, also became Onward. The Utility and RC Fiber continue to partner and work closely with economic development to accelerate the expansion of the broadband network build-out.

Public Works Services

The Public Works Services Department maintains the City's growing infrastructure of buildings, streets, storm drains, traffic signals, parks, and landscape improvements. The Department is headed up by the administration division, responsible for managing three divisions: facilities maintenance, streets, fleet, and storm drains maintenance, and parks and landscaping maintenance.

The facilities maintenance division is responsible for the operation and maintenance of the 25 City-owned buildings. The division also provides technical assistance during the development of new buildings and parks and manages numerous capital maintenance projects. The Fiscal Year 2020/21 accomplishments include:

- LoanMart Field Lighting Repairs and Replacement — To maintain Major League Baseball lighting standards for playability, the sports lights need to be changed out every two years. The lights were last replaced in 2020. The 2020 baseball season was canceled because of the COVID-19 pandemic. Due to non-use for over one year, the sports lighting system was checked, and lamps were replaced and re-aligned as needed in preparation for the shortened 2021 season.
- City Wide Building De-Contamination – Facilities staff were busy with many decontamination requests citywide due to the COVID-19 pandemic and possible contamination. Staff purchased many decontamination machines and related chemicals to complete this ongoing task.
- Bipolar Ionization Air Purification Devices – Installation of these devices in 13 City buildings and 9 Fire District buildings to help minimize the impacts of COVID-19.
- Central Park Interior Re-Lamp – Most of the interior lamps, incandescent, and fluorescent, were replaced with energy-efficient LED lamps. This will help with both maintenance and electrical cost for many years.
- Public Safety Facility – Facilities staff assisted with certain elements of the build (security systems, door hardware, access control) along with the overall construction punch-list and the move-in process.

The street maintenance division performs maintenance in various areas, including roadways, storm drains, traffic signs, markings, special events, traffic signal systems, and safety lighting. Additional functions include graffiti abatement, concrete repair, street sweeping, and 24/7 emergency response. This division also oversees fleet maintenance, vehicle and equipment specifications, and warehouse operations. The Fiscal Year 2020/21 accomplishments include:

- Vehicle Purchases — Purchased three electric vehicles and one stake bed dump truck for Public Works and one mid-size pickup truck for Engineering.
- Storm Drain Inspections and Cleaning — As required by the Clean Water Act, inspected 4,003 catch basins, cleaned 371 catch basins, and jetted 17 storm drain lines.
- Citywide Concrete Repair Contract — Concrete repairs, including replacement of damaged curbs, gutters, sidewalks, and ADA ramps in the Victoria Windrows area north of Base Line Road and west of Victoria Park Lane, along with other locations within Landscape Maintenance Districts 2 and 4R, was completed. In addition, a bid process was completed, and a new contract was awarded for sidewalk, curb/gutter, and residential drive approach repairs within Landscape Maintenance Districts 2 and 4R.
- Traffic Signal Battery Backup System (BBS) Replacement — The City's traffic signals network is 100% outfitted with the traffic signal BBS which provides power during a power outage and places the intersection into a four-way red flash. A contract was awarded for Phase 3 of this project. However, construction was delayed in Fiscal Year 2020/21 due to supply chain issues related to the COVID-19 pandemic. Construction is expected to commence in early Fiscal Year 2021/22.

The parks and landscape maintenance division maintain over 400 landscaped sites and City parks, Adult Sports Complex and Epicenter, landscaped facilities, parkways, paseos and median islands, park facilities, citywide trails, and City-owned trees. The Fiscal Year 2020/21 accomplishments include:

- The Victoria Groves Restroom Roof Replacement Project was completed. The roof and a few of the supporting members were damaged during a fire started by arson. Also included within the project's scope was new fascia and nylon underlayment for increased longevity.
- The installation of the National Fitness Campaign's Fitness Court at Central Park was completed Thursday, January 7th. This project received funding from the CARES Program and a grant from the National Fitness Campaign. The success of this project is due to the cooperation and quick actions taken by the Community Services and Public Works Departments. This outdoor fitness facility is truly in a league of its own and will make a great contribution to the health and wellness of our community.
- In LMD 4R, tube steel fencing was replaced at fourteen locations. This fencing is located at the end cul-de-sacs separating residential neighborhoods from adjacent arterial streets, providing a sense of separation and security.
- In Fiscal Year 2018/19, the Architerra Design Group was awarded a new contract to prepare a phasing plan that included complete construction drawings and specifications for the LMD 2 and LMD 4R Water Conservation / Landscape Renovation projects. Plans and specifications for the first phases for each of these projects were completed and went out to bid for construction late in Fiscal Year 2020/21. Contracts have been awarded to two separate landscape contractors with construction to commence in early Fiscal Year 2021/22. The LMD 4R project includes an update to the existing landscaping along the south side of Base Line Road, starting at Spruce Avenue and stopping just short of Milliken Avenue, and the LMD 2 project will renovate the landscape on Kenyon Way between Victoria Park Lane and Lark Drive and continue on Lark Drive to Rochester Avenue. The existing turf dominant landscaping will be replaced by drought-tolerant options, including low water use plant material, cobblestone, and decomposed granite. The existing irrigation system will be modified to increase efficiency and minimize water use. To ensure continuity in the neighborhoods' appearance, all the mature and healthy trees within the project scope will be left untouched.

Planning

The Planning Department functions as the professional and technical advisor to the Planning and Historic Preservation Commission and the City Council on policy matters and issues concerning the physical development of the community. The Department focuses on proactive long-range planning to recognize and solve problems before they occur and take advantage of opportunities; to support City goals, objectives, policies, and programs; and to actively promote retail and commercial expansion by attracting new services to the City. Over the next fiscal year, the City will focus on balancing the development needs in the Southwest Quadrant of the Community.

The Department is nearing completion for a wide variety of projects that were worked on during Fiscal Year 2020/21:

- General Plan Update — In collaboration with all City departments, the community and development stakeholders gathered together to discuss the future in order to update the General Plan. The community-based process will set a long-term vision and provide policy direction and guidance to residents, City staff, decision-makers, and the broader community. The General Plan is anticipated to be approved by the Planning Commission on November 17, 2021, and will be reviewed by City Council on December 15, 2021.
- Update of the Housing Element – to facilitate the City's Regional Housing Needs Assessment established by the State and legislation such as SB 9 and SB 330.

- Outdoor Operations — In response to the COVID-19 pandemic, the Department developed outdoor dining guidelines allowing businesses to continue operations by allowing dining areas in parking lots under State COVID mandates.
- Development Code Updates — The Department continues to update the City’s Development Code to clarify standards and respond to changing land use conditions, as well as state legislation. Code updates for Accessory Dwelling Units and standards for entertainment permits, parking space dimensions, and drive aisle dimensions were approved during Fiscal Year 2020/21.
- Development of Industrial Standards – the standard establishes a more clear and comprehensive set of policies and development standards to meet the current market conditions and better fit the needs of the industrial community and the City’s vision.
- Incorporated technology to continue department operations and minimize disruptions to public services and continue public engagement and participation remotely during Planning Commission and Design Review meetings in conformance with State COVID-19 stay at home orders.

Building and Safety Services

The Building and Safety Services Department provides application intake, plan review, inspection, and permit services for construction projects. Our goal is to support and encourage growth and improvement in the City while ensuring adherence to approved specifications and state and local codes.

The Department continues to enhance its permit software's functionality, which is the foundation of the Department’s online system. During Fiscal Year 2020/21, the Department conducted over 15,000 inspections, received over 2,000 electronic plan submissions, and issued nearly 5,000 permits.

During Fiscal Year 2020/21, the Department increased its ability to interface and communicate using virtual technology. All plans and specifications are uploaded electronically, allowing all corrections and communications to be centrally located and easily available within the permitting system.

The Administrative Team strives to enhance communication with customers on many platforms, including website development, social media, educational videos, and constant updating of forms and educational literature. This team responds to all telephone calls for Building and Safety Services and Community Improvement. It uses a highly successful texting system called *Quiq*. The *Quiq* System allows the public to communicate quickly and efficiently regarding inspection schedules, clarifying needs, and saving time.

The Building Inspection Team provides building and fire inspections for all construction projects on private property. The team’s highly knowledgeable inspectors are involved in industrial sites, commercial and retail projects, housing tracts and apartment complexes, and work involving mobile home parks, with approximately 20% of all building inspections performed remotely via cellular devices. Additionally, the inspection team works closely with the Community Improvement Division, Fire Services, and Police staff to abate properties and mitigate unsafe buildings in our City.

The Permit Processing Team is involved in receiving applications and issuing thousands of permits each year, providing customer service to help guide customers through the highly automated system to achieve their goals. The *Quiq* texting system has also been added to this group based on its success and high customer approval rating.

It has proven to be an effective tool for communicating between the public and staff concerning plan check status and other permit-related questions. During Fiscal Year 2020/21, a new group was formed from existing positions in Planning, Engineering, and Building and Safety and will operate as a Community Development concierge service. The group aims to focus on directing the public via phone, email, text, or in-person to staff best able to help with specific needs and questions. The diversely trained team will also process simple permits, providing an “over-the-counter” experience, expediting a large sector of small scope work. This new project will ultimately be instrumental in creating new and improved methods in supporting citizens and developers while alleviating the volume of work routed to specialty staff in Plan Check.

The Plan Check Team review and approve thousands of projects annually, from room additions to hotels and tenant improvements to industrial buildings. More than 18,000 applicants have registered in the highly successful permitting software. Also, this group performs plan reviews for wildland interface, fire sprinkler, and fire alarm plans for the Fire District and manages a significant number of plans routed to contract services firms used by the Department due to the high volume of development at this time.

Community Services

The COVID-19 pandemic continues to create significant impacts for the Community Services Department. Indoor physical distancing guidelines and limitations on social gatherings directly impacted the core services, such as recreation classes, senior services, theatre performances, youth sports, tiny tot programs, facility rentals, and special events. However, through creative program development, the City was able to offer modest services to the community in a safe way. During this period, the doors at Central Park remained open and provided an opportunity to utilize various services, including Wi-Fi, a computer lab, and a respite location in a comfortable, cool and warm setting where they could seek assistance during these challenging times. During this time, staff supported over 13,000 visitors, fielded nearly 7,000 phone calls, registered 3,577 participants, and processed 191 park permits.

The James L. Brulte Senior Center at Central Park offered a variety of services, programs, and special events, allowing the community to engage socially, culturally, and intellectually during the year. While COVID-19 closed our doors for traditional programming, the Center offered virtual, drive-thru, and unique programming to fit the needs of the older adult/senior population in Rancho Cucamonga. The Senior Center hosted 11 drive-thru and in-person events, including but not limited to AARP tax preparation, Car Bingo, Flu Shot Clinic, and a barbeque event with the Rancho Fire Prevention team. The Community Services Department continued its partnership with the Family Services Association, our regular nutrition provider, to provide weekly meals for seniors and served over 6,500 seniors meals this fiscal year. Virtual outreach by the Senior Center included workshops such as Medicare 101, gardening 101, slip and fall prevention, and neighbor outreach initiatives. The launch of the virtual senior center included vaccination information, a virtual health and wellness fair, and ongoing engagement through the James L. Brulte Senior Center Facebook page.

The Jane Penny Link program for homebound, ill, or isolated seniors increased weekly calls to senior clients and delivered December holiday bags with hand-knit shawls and blankets, essential items, and grocery store gift cards. The Senior Center is a vital resource to our senior citizens in Rancho Cucamonga and is made possible through the support received from hundreds of volunteers and numerous community partners.

Local families were supported through the RC Learn and Rec program, which was designed to assist parents/guardians returning to the workplace while children were still learning via Zoom. The program supported 231 youth, providing in-person educational care, supporting distant learning, socialization, and recreation activities.

Also, 895 families in need had access to the City's Food Pantry in connection with nonprofit partners Community B Connection Services. Additionally, 476 households received complete holiday meals during the Thanksgiving and Christmas holidays.

Despite the challenges related to COVID-19, virtual and outdoor recreation classes were provided to over 750 residents who registered for classes, including outdoor sports, outdoor and virtual fitness, arts, music, dance, and gaming/coding classes, just to name a few. The IncredABLES, a socialization-based program supporting participants and families with special needs, hosted virtual events to maintain connection and engagement virtually through Zoom parties for bingo, fitness classes, art class, and the annual Prom.

COVID-19 restrictions prevented residents from renting the City's various indoor facilities for events and meetings. The City utilized these spaces for essential services clients like the Red Cross, San Bernardino County, and San Bernardino County's Registrar of Voters for blood drives, voting, COVID-19 testing, and vaccinations. However, the Park spaces were well used by community members for organized sports, recreational play, and passive use. This increased use kept the Park Rangers busy and engaged with the residents to support their needs and maintain a positive and safe environment in the parks for all to utilize.

Police Department

During Fiscal Year 2020/21, the Police Department's staffing included 142 sworn officers, 42 professional (civilian) employees, and more than 90 volunteers, including reserves, citizen patrol, equestrian patrol, and explorers. In addition to basic patrol services, the Rancho Cucamonga Police Department also provides School Resource Officers, a Bicycle Enforcement Team, a Multiple Enforcement Team (MET), Solution Oriented Policing Team (SOP), Traffic Division, Detective Bureau, Retail Theft Team (Victoria Gardens), Children and Family Services and Adult Protective Services (CFS/APS) Follow Up Team, Crime Prevention Team, Behavioral Health (TEST) Team, Canine Tracking Team, and a Public Information Officer. As the city and its population expand, the Police Department intends to keep up the current level of service and add additional personnel as needed during the upcoming fiscal years.

In 2020, the County Department of Behavioral Health began staffing personnel within the station to quickly respond to calls in the field with Deputies to help citizens with mental health issues. This partnership continues today as Deputies have found the program extremely helpful and effective. This program, formally known as the Triage Engagement and Support Team (TEST) program, continues to be grant-funded and focuses on crisis interventions and engagement. The goal is to strengthen the opportunity for recovery and wellness through intensive case management.

The SOP Team continues to improve the quality of life issues by addressing homelessness, sex trade crimes, and bar compliance, as well as conducting Active Shooter training and performing school/business threat assessments. While engaging in their duties, SOP Deputies work with Community Improvement personnel and the State's Department of Alcohol Beverage Control to ensure compliance for alcohol-serving businesses. As legislative changes create new policing challenges, the Department will continue to collaborate to prevent and deter criminal activity.

During this fiscal year, the Police Department began occupying the newly built Public Safety Facility on San Bernardino Road along with the Fire District. The facility was built by the City to house elements of both entities and provide greater police and fire presence on the west side of the city. The building currently holds the Department's SOP Team, houses some special equipment, and accommodates meetings and training classes.

Several years ago, the Police Department and Fire District jointly created an Active Shooter Training to help schools and the community prepare for such an event. The Department also implemented precautionary steps to improve safety by utilizing School Resource Officers in our schools. The Department shows a uniform presence at each of the four high schools and assists with middle and elementary schools' concerns. These training and safety measures are still in place today and continue to provide excellent benefits to the Department, Fire District, schools, and the public.

The Department continues to utilize Automated License Plate Reader (ALPR) and Public Safety Video Network (PSVN) technology to create policing efficiencies. Currently, the City has 12 patrol units and two trailers equipped with cameras. There are also 28 separate intersections that are outfitted with the cameras, with three more additional intersections coming in the next three months. All captured plates are automatically processed through the law enforcement database. If the plate captured is a vehicle of interest, both dispatch, and on-duty Deputies are notified immediately. The City has committed to investment in ALPR technology to deliver exceptional public safety services by locating and arresting criminals who would have previously traveled through our community undetected.

In conjunction with ALPRs, the PSVN continues to expand and now has 239 video cameras throughout the city. The Victoria Gardens Regional Mall, Metrolink Station, Police Station, Epicenter, Archibald Library, Central Park, Los Amigos Park, and City Hall have been equipped with the system. Recent additions to the system include local schools. As the school districts implement their camera systems, they are joining the City's network to allow the Police Department to view events in real-time. There are currently 344 cameras operating within the school system.

The Canine (K9) program continued to be beneficial to the City during Fiscal Year 2020/21. K9 Nix and her handler, Deputy Allen, continue to handle calls for service involving the tracking of missing persons and criminal suspects within the city, as well as assisting outside stations and agencies.

Fire District

The Rancho Cucamonga Fire Protection District is responsible for community risk reduction, emergency response, and emergency management, and disaster resiliency. The District is dedicated to the preservation of life, property, and the environment. The continuous goal is to deliver these services in an effective, efficient, and professional manner.

The District emphasizes a risk reduction strategy to better the community and implement life safety regulations designed to protect natural resources, secure the community's economic vitality, and improve the quality of life for the citizens. The Prevention Bureau is engaged with reducing preventable losses due to fire, hazardous materials releases, industrial incidents, and other unwanted and unplanned business interruptions. The Prevention Bureau is also responsible for promoting safe and healthy living through continuous targeted and data-driven community outreach.

The District's emergency response platform consists of seven paramedic-staffed engine companies and two paramedic-staffed ladder companies operating out of seven fire stations. As an "all-hazard" agency, crews are trained and equipped to mitigate various emergencies such as fire suppression, emergency medical services, hazmat, technical rescue, and tactical response. Resources can be strategically deployed throughout the City to respond to an emergency quickly and bring it under control. During Fiscal Year 2020/21, the Fire District responded to 16,907 incidents.

The emergency management division is committed to preparing for, responding to, recovering from, and mitigating new and challenging emergencies and disasters that affect the entire community and surrounding region. Coordination with public and private community stakeholders reduces the impact of emergencies and disasters, increases community disaster resiliency, and provides timely economic recovery through comprehensive programs and plans. In the event of a significant crisis, the Emergency Management Division supports the activation of the Emergency Operations Center (EOC). The EOC is designed to support the incident command post, collect and analyze data, maintain the organization's continuity, and disseminate those decisions to all concerned agencies and individuals. Emergency Management is responsible for coordinating training and exercises to prepare EOC staff to carry out their active EOC roles.

Library Services

The Library Services Department experienced significant shifts in services during Fiscal Year 2020/21, primarily driven by the ongoing impacts of the COVID-19 pandemic. Despite in-person use of facilities and resources being limited due to public health recommendations, the Library successfully pivoted many traditional services to virtual or curbside delivery models, ensuring access to core Library Services continued without interruption. The Library checked out approximately 891,000 books, DVDs, CDs, eBooks, and magazines and issued 3,214 new library cards. Over 4,500 people used a Library computer, and 154 virtual programs were offered by Library staff. Currently, over 319,000 borrowers hold a Rancho Cucamonga Public Library Card and enjoy access to over 867,000 physical and digital titles and free access to digital devices and robust Wi-Fi.

During Fiscal Year 2020/21, the majority of the Library's in-person programs were transitioned to a virtual format. Storytimes were offered online using Zoom and YouTube platforms, ensuring this vital early childhood literacy opportunity remained available to families, and monthly book clubs and literacy training continued virtually, offering a continued community connection for residents seeking safe interactions with others. The annual Summer Reading Program (SRP) took place virtually, where more than 1,200 children, teens, and adults tracked almost 20,000 hours of reading online through the Library's eight-week program. The SRP is especially critical to students, helping them maintain their reading skills during the summer months.

When the COVID-19 pandemic forced public facilities to limit in-person services, the Library began offering contactless Curbside Pickup Services at both library locations. More than 22,700 residents took advantage of this service during the year, generating approximately 122,200 holds on physical materials.

This fiscal year many of the Library's traditional materials vendors experienced interruptions to their supply lines and staffing resources, making it challenging to obtain new physical materials in a timely manner. The Library launched a new enhanced interlibrary loan service creating access to 9 million additional titles from 66 public and academic libraries throughout California and Nevada. This service helped fill temporary collection gaps while supplementing remote learners' access to academic titles by fulfilling more than 2,500 transactions between March and June 2021.

In a direct response to the increased demand for online content during the COVID-19 pandemic, the Library expanded access to downloadable resources in Fiscal Year 2020/21 by expanding its CloudLibrary eBook/audiobook collections and their Hoopla video and music streaming service.

To better support the expanding needs of students and jobseekers, the Library launched multiple new online resources to provide free: online tutoring assistance, resume reviews, skill development, job interview coaching, and practice tests for academic and career exams. Online resources include Tutor.com, JobNow, LinkedIn Learning, Learning Express Library, SkillShare, and many more.

Both library facilities were modified to create spaces with improved shelving configurations and foot-traffic paths, allowing for increased physical distancing, and a remodel of the Biane Library's Teen Scene space expanded shelving for this popular collection and added new furniture to more fully meet the needs of the library users.

City Management

The City Manager is appointed by and serves at the pleasure of the City Council. Providing professional leadership, the City Manager's Office ensures City services, activities, and facilities meet the policy objectives formulated by the City Council. As part of these responsibilities, the City Manager's Office oversees various citywide and interdepartmental projects and efforts.

One of those efforts is the Community Affairs Network (CAN), which provides and encourages meaningful communication that supports Team RC and connects our community. CAN strives to serve as the conduit for exceptional relationships, trusted information, and meaningful engagement within Team RC and the diverse community we serve. CAN supports this mission and promotes the City's brand with the use of a variety of digital engagement and other communication tools such as publication of the monthly *eReporter* digital newsletter; news releases; media relations, social media, website, RCTV-3, the City's Government Access Channel; City department digital newsletters, brochures, flyers, encouraging citywide initiative participation through community engagement; and provides messaging, media relations, and public relations counsel and support to City departments.

As the COVID-19 pandemic continued throughout Fiscal Year 2020/21, public information continued to be critical for sharing State and County Department of Public Health information regarding changes to public health orders, restrictions, and subsequent information on the re-opening of various sectors. CAN also turn their attention to supporting the economic recovery for our business community by crafting messaging for the Chamber of Commerce to promote a #ShopRC campaign. It was during this period that the majority of PlanRC, the General Plan Update process community engagement took place. Although in-person outreach was extremely limited due to COVID-19 restrictions, the community adapted and found meaningful ways to participate through digital means. As a city diverse in ethnicities, cultures, and identities, the engagement efforts for PlanRC were crafted to provide consistent equitable and inclusive community engagement practices at every step of the way where participants expressed their visions, collaborated with neighbors, and explored possible innovations in housing, transportation, recreation, and economic development. Community input was solicited and reflected throughout each phase of the planning process. In total, PlanRC has received input from over 2,300 community members through online surveys and virtual meetings and generated over 1.1 million digital impressions through website visits, emails, digital newsletters, and social media views, despite the in-person restrictions during the bulk of this process.

In the City Manager's Office, the City has developed an innovative Healthy RC program. This program is unique in its holistic approach to encouraging residents, businesses, and our own organization to adopt healthy, active, and sustainable lifestyles and practices. This approach brings together both new and existing efforts of each City department with the goal of improving the quality of life in our community.

During Fiscal Year 2020/21, as a part of the Compassionate Community's initiative, Healthy RC worked with a local Girl Scout troop to create a community garden focused on kindness and compassion at John L. Golden Elementary School. Healthy RC also hosted a variety of virtual mental health events, including the Teen Summit, which connected over 70 teens to much-needed resources to improve mental health and build community connections. The City also completed an Electric Vehicle Readiness Plan in order to support the increased presence of electric vehicles by identifying strategies and opportunities for the strategic placement of EV charging stations.

The City Manager's Office coordinates an active legislative program that focuses on protecting the interests of our community and identifies resources available to enhance City services and programs. Legislative efforts include researching and monitoring federal and state bills, preparing position papers and letters in response to the proposed legislation, and working with legislative representatives and their staff to promote the interests of the community at the state and federal levels.

This year, 35 bills were tracked during the Fiscal Year 2020/21 Legislative Session, including 13 Assembly Bills (AB), 15 Senate Bills (SB), and seven Federal bills. Position letters were sent to our legislative representatives, Assembly and Senate Committees, and, ultimately, the Governor supporting four bills, opposing seven, and officially watching the remaining bills.

The City Manager's Office also facilitates the Team RC DRIVE initiative, which in March 2021 launched a City-wide Equity Audit Survey to understand better employee perspectives and experiences related to diversity, equity, and inclusion. Data will help shape future equity workshops, courses, tools, and practices for Team RC to build a more diverse, inclusive, and intentional workplace. Lastly, the City Manager's Office oversees the City's data and performance measurement system. Through a comprehensive approach of purposeful interdepartmental engagement, each department has been able to identify key performance indicators successfully. This includes data directly related to their Strategic Services Plan, as well as other performance data for all areas of City operations such as community development, governance and finance, and health and sustainability.

In its second year of implementation, the RC Data and Performance Measurements team is currently on track to successfully completing eight quarterly reporting periods. As each department develops the framework to build a more robust data and performance measurement system, it will allow them to effectively analyze and review performance and service delivery in their respective teams.

Community Improvement

The purpose of Community Improvement is to increase the stability and maintain the value of neighborhoods in the City through a compassionate approach to the enforcement of the Municipal Code. Community Improvement Officers are tasked with determining a root cause for a reported violation and identifying the most effective manner to resolve the concern. This can include making a referral to public services or non-government organizations to assist those in the community who do not have the ability or funds to maintain the property. For property owners unwilling to comply, enforcement efforts can include administrative actions and civil remedies.

Cost recovery has increased significantly with the establishment of abatement fees for services provided to remove any nuisance, hazardous, or illegal materials from private property. Increases in illegal cannabis cultivation have impacted law enforcement, drawing countless staff hours to investigate and document these occurrences, with the actual cost of abatement recovered through this process.

During Fiscal Year 2020/21, Community Improvement established a Short-Term Rental Program in response to increased reports of nuisance activity associated with such land use. This was necessary due to an increase in the reports associated with guests staying at unpermitted locations, which were difficult to track or locate a responsible party. Through permitting such operations, it is possible to monitor the activity through identifiable responsible parties better and work with web platforms to remove illegal listings. This program is anticipated to be self-funding through permit fees and administrative penalties.

City Clerk's Office/Records Management Department

The City Clerk's Office/Records Management Department is responsible for accurately recording City Council/Fire District/Housing Successor Agency/Successor Agency/Authority proceedings; processing, updating, and safeguarding documents vital to the City's legislative process; providing research, information, and support to the City Council, City staff, and the general public; maintaining the citywide records management and document imaging programs; and administering open and free elections per statutory requirements.

During Fiscal Year 2020/21, the City Clerk's Office/Records Management Department facilitated the Candidate Nomination Process for the November 3, 2020, Municipal Election for two seats on the City Council (District 1 & 4) and partnered with the County of Registrar Voters Office for the placement and installation of mail ballot drop-off boxes.

A new agenda automation system was implemented in Fiscal Year 2020/21 to help streamline the process of creating and publishing staff reports, agendas, agenda packets, and minutes for City Council meetings, including training to citywide staff on the new system and process.

Animal Care and Services

The Animal Care and Services Department is responsible for nearly 5,000 homeless pets each year. The Department, which began operating in May 2006, has a mission of creating a PAWsitive impact by enriching animals' and people's lives. Core responsibilities include animal care, adoptions, community outreach, and public safety.

During Fiscal Year 2020/21, the Animal Center found new and innovative ways to continue offering all community services such as animal adoptions, owner surrenders, stray intakes, microchipping services, and other in-person assistance at a time when most in-person interactions had ceased in many other agencies. The Animal Behavior Specialist increased the number of proactive animal assessments performed to support the Animal Care Team in placing pets in the most appropriate homes for each individual family and pet. The Animal Rescue Specialist continued expanding the Department's network of rescue groups and shelter partnerships, which allowed for an increased number of dogs to find homes through placement partners.

The Field Services Division provides prompt and professional assistance to the citizens of Rancho Cucamonga with a wide variety of animal care and control services. In addition to regular calls for service, the Animal Services Officers responded to many calls for assistance with community wildlife concerns and participated in Community meetings to help provide education on co-existing with large and small wild animals.

Innovation and Technology

The Department of Innovation and Technology (DoIT) is focused on continually enhancing the value of the City's technology investments for internal customers and the community we serve. Over the course of the year, the Department has partnered on several projects in support of the Council's broader initiatives, including increased cybersecurity, continued improvement to remote hybrid work capabilities, and expanded access to digital and safe in-person services in response to COVID-19 precautions and restrictions.

The Department of Innovation and Technology received several awards over the past year, including being recognized in the top ten cities for our population range in the 2021 Digital Cities Survey for the fourth year running.

During Fiscal Year 2020/21, the Department completed the following key projects:

- Updates to Enterprise Software — Several enterprise software platforms were updated during Fiscal Year 2020/21, including online procurement card management with OneSolution Financials, Laserfiche integration with Accela to automate record-keeping, and the migration of our online enterprise GIS environment to an on-premise portal.
- Video management replacement – the legacy video management system for the public safety video network (PSVN) was upgraded using CARES Act funding to allow for increased storage and expanded access to public safety personnel.
- Remote Work Support – an upgraded F5 security appliance was added to the City's network to increase security and remote access to core functions in support of hybrid remote work.
- Expanded Public Access - Qless and *Quiq* lobby management systems were added to the City's permitting counters to allow customers to schedule online appointments and receive reminders and manage in-field inspections via text message.

Finance Department

The Finance Department is responsible for administering financial activities of the City such as payroll, accounts payable, accounts receivable, audits, preparation and monitoring of the budget, revenue recording and tracking, preparation of financial statements, and the establishment and maintenance of a fixed asset inventory. Finance is also responsible for business licensing, special district administration, and treasury management.

The Finance Department applied for and received its 33rd consecutive Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement). The Certificate of Achievement is an award designed to recognize and encourage excellence in state and local governments' financial reporting. It is the highest form of recognition in governmental accounting and financial reporting. Its attainment represents a significant accomplishment by a government and its management. The Department also applied for and received its 8th consecutive GFOA Distinguished Budget Presentation Award.

The Business Licensing Division ensures compliance with City codes related to business licenses, transient occupancy tax (TOT), and admission taxes. During Fiscal Year 2020/21, staff processed approximately 11,800 business license applications, inspected 450 businesses, and collected revenues totaling \$2,929,918. During Fiscal Year 2020/21, the City began seeing more business growth activity in many sectors, including home-based businesses, yet it is still impacted by business closures resulting from the difficult business climate caused by the COVID-19 pandemic.

The Accounting and Financial Reporting Division assisted with the tracking of various expenditures incurred as a result of the COVID-19 pandemic to facilitate the eventual reimbursement of eligible costs from FEMA (for the declared emergency) as well as the CARES Act funding opportunities.

Human Resources Department

The Human Resources Department is responsible for managing a broad range of employment-related services, including recruitment and selection, classification, compensation, employee development, and labor relations. The Department also provides risk management services, including worker's compensation and general liability, employee wellness, and safety.

During Fiscal Year 2020/21, the Department continued to work on COVID-19 related initiatives to manage COVID-19 guideline compliance, update policies and procedures, and manage the workplace to ensure employees' safety. This included disseminating information and updating various policies, including the COVID-19 Pandemic Policy, the Remote Work Program Policy, and the City's Volunteer Employee System (VEST) to allow healthy employees to take the COVID-19 test every 30 days pro-actively. The Department ensured compliance with Cal/OSHA COVID-19 Emergency Temporary Standards, implemented a COVID-19 Vaccine Incentive Program for all City Employees, and a COVID-19 vaccine mandate for new employees, volunteers, and contract instructors, and managed the interactive process for vaccine exemption requests. The Department also implemented COVID-19 related leave policies in conformance with state and federal requirements that allowed for Federal reimbursement of costs.

In addition, the Department continued to work on recovering costs due to damage of City property; championed employee wellness initiatives including the Rising Strong workshop, "Know Your Numbers" wellness program, Biggest Loser Challenge, and Lunch and Learn workshops; and hosted the City's annual health, wellness, and rideshare fair virtually. Additionally, the Department continued to establish and manage business partner relationships with City departments and expand social media marketing to improve recruitment efforts.

Procurement Division

The Procurement Division is responsible for procuring services and goods for the best value, at the lowest price, from the most responsive vendor. The Division acts as the City's centralized procurement agent and authorizes all City purchases by ordinance requirements. It is also charged with the disposition of surplus and obsolete property.

The Division applied for and received the 2020 Achievement of Excellence in Procurement (AEP) award issued by the National Procurement Institute, Inc. The continuously evolving AEP criteria are measured by public procurement best practices. The City of Rancho Cucamonga Procurement Division is one of only 181 agencies in the United States and Canada, California, and one of only 64 cities in the United States and Canada to receive the award. This marks the thirteenth consecutive year the City has been the recipient of the prestigious AEP award.

III. AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rancho Cucamonga for its comprehensive annual financial report for the Fiscal Year ended June 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The City of Rancho Cucamonga has received a Certificate of Achievement for Financial Excellence for the last thirty-three consecutive years and believes that our current annual comprehensive financial report continues to meet the Certificate of Achievement for Excellence in Financial Reporting program's requirements.

The preparation of this report could not have been accomplished without the dedicated services of the entire Finance Department. We appreciate and would like to commend all the City departments who assisted and contributed material to this document. We also recognize and would like to acknowledge the Mayor and members of the City Council for their interest and dedication in planning and conducting the financial operations of the City.

Respectfully submitted,



John R. Gillison
City Manager



Tamara L. Oatman
Finance Director

CITY OF RANCHO CUCAMONGA

CITY OFFICIALS

JUNE 30, 2021

City Council

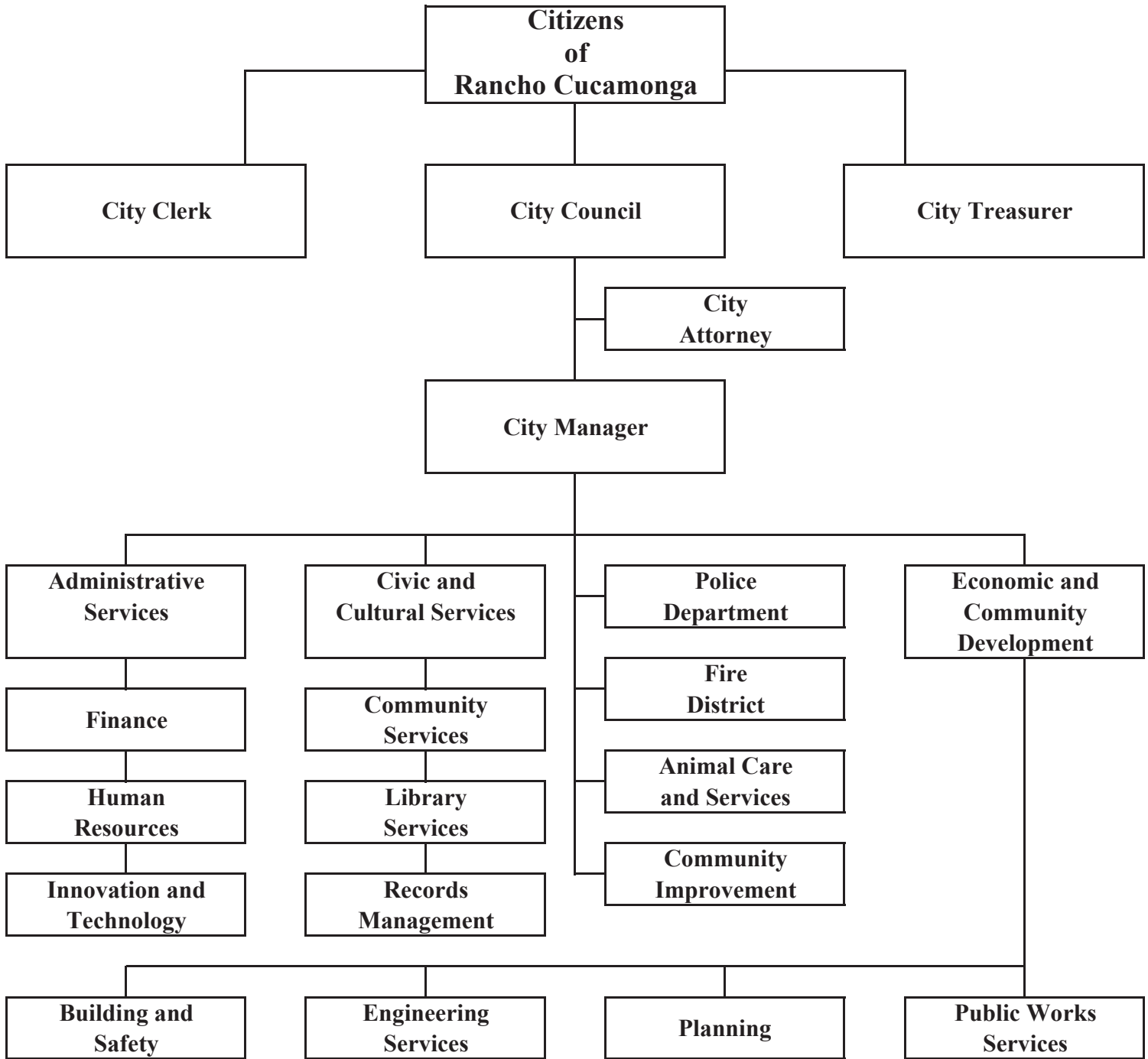
L. Dennis Michael	Mayor
Lynne B. Kennedy	Mayor Pro Tem
Ryan A. Hutchison	Council Member
Kristine D. Scott	Council Member
Sam Spagnolo	Council Member

Administration and Department Heads

City Manager	John R. Gillison
Deputy City Manager/Administrative Services	Lori Sassoon
Deputy City Manager/Cultural Services	Elisa Cox
Deputy City Manager/Economic and Community Development	Matt Burris
City Attorney	James L. Markman
Treasurer	Jim Harrington
City Clerk	Janice C. Reynolds
Animal Services Director	Veronica Fincher
Community Services Director	Jennifer Hunt-Gracia
City Clerk Services Director	Linda Troyan
Engineering Services Director/City Engineer	Jason Welday
Finance Director	Tamara L. Oatman
Fire Chief	Ivan Rojer
Human Resources Director	Robert Neiuber
Information Technology Director	Darryl Polk
Library Director	Julie Sowles
Police Chief	Ernie Perez
Planning Director	Anne McIntosh
Public Works Services Director	Bill Wittkopf

CITY OF RANCHO CUCAMONGA

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Government Finance Officers Association

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Presented to

**City of Rancho Cucamonga
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

City of Rancho Cucamonga
Annual Comprehensive Financial Report
June 30, 2021

Financial Section

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Rancho Cucamonga, California

Report on the Financial Statements

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 Rancho Cucamonga, California, (the City) as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 date of the financial statements.



To the Honorable Mayor and Members of the City Council
City of Rancho Cucamonga, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 the GAAS 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 GAAS 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.

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; the budgetary comparison schedules for the General Fund, Development Impact Fees, Lighting Districts, Housing Successor Agency, Fire District Funds and Federal Grants Fund; the schedule of changes in net pension liability and related ratios for the agent multiple-employer plan; the schedule of plan contributions for the agent multiple-employer plan; the schedule of proportionate share of the net pension liability for the cost sharing multiple-employer plans; the schedule of plan contributions for the cost sharing multiple-employer plans; the schedule of changes in net pension liability/(asset) and related ratios for PARS retirement enhancement plan; the schedule of plan contributions for PARS retirement enhancement plan; the schedule of changes in net OPEB liability/(asset) and related ratios; and the schedule of contributions – OPEB as listed in 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 Rancho Cucamonga, 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 combining and individual nonmajor fund financial statements and schedules 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 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 combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021, 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.

Lance, Soll & Lughard, LLP

Brea, California
December 10, 2021

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Management's Discussion and Analysis

This section of the Annual Comprehensive Financial Report of the City of Rancho Cucamonga (City) presents a narrative overview and discussion of the City's financial activities for the fiscal year ended June 30, 2021. This discussion and analysis should be read in conjunction with the basic financial statements and accompanying notes, which follow this section. We hope that the information and the discussions provide the readers with a clear picture of the City's overall financial condition.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of the fiscal year by \$1,347,878,115, an increase of \$50,912,271 for the current fiscal year, including restatements of \$8,618,122 for implementation of GASB Statement No. 84, *Fiduciary Activities*. The total net position consisted of \$840,460,014 as net investment in capital assets; \$386,503,484 as restricted; and \$120,914,617 as unrestricted.
- Of the \$50,912,271 total change in net position, governmental activities represented \$41,100,679, business-type activities represented \$1,193,470, and restatement of governmental activities for the implementation of GASB Statement No. 84, *Fiduciary Activities* represented \$8,618,122.
- As of June 30, 2021, the aggregate ending fund balance of the City's governmental funds was \$533,405,518, an increase of \$32,819,053 from the prior fiscal year. Including a restatement of \$8,618,122 for the implementation of GASB Statement No. 84, *Fiduciary Activities*. The combined fund balance consisted of \$14,043,749 as nonspendable, \$346,580,776 as restricted, \$118,452,854 as committed, \$58,619,058 as assigned, and a deficit of \$4,290,919 as unassigned.
- At the end of the fiscal year, the General Fund reported a fund balance of \$126,756,685, of which \$13,690,749 was nonspendable, \$9,631,596 was restricted, \$73,280,103 was committed, and \$30,154,237 was assigned.
- The City's capital assets, net of accumulated depreciation and amortization, were \$844,216,156, an increase of \$17,134,804 from the prior fiscal year. The total capital assets, net of depreciation, for governmental activities represented \$802,329,668, and business-type activities represented \$41,886,488.

Overview of the Financial Statements

This annual report consists of management's discussion and analysis (MD&A), basic financial statements, including the accompanying notes to financial statements, required supplementary information, and combining and individual fund statements and schedules for the nonmajor governmental and fiduciary funds. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the City's finances and are made up of the following two statements: Statement of Net Position and Statement of Activities. Both statements were prepared using accounting methods like those used by private-sector businesses, which are the economic resources measurement focus and the accrual basis of accounting. These statements are designed to provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

The *Statement of Net Position* presents information on the City's assets, liabilities, and deferred outflows and inflows 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 the City's financial position 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 result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes, expenses pertaining to earned but unused compensated absences, and incurred but unpaid workers' compensation claims.

Both 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 portion of their costs through user fees and charges (*business-type activities*).

The governmental activities of the City include general government; public safety for police, fire, and animal center; community development; community services; and engineering and public works. The business-type activities of the City include the Municipal Utility, Fiber Optic Network, and Sports Complex.

The government-wide financial statements reflect not only the activities of the City itself (known as the primary government), but also include the Rancho Cucamonga Public Improvement Corporation, the Rancho Cucamonga Fire Protection District, the Rancho Cucamonga Library, and the Rancho Cucamonga Public Financing Authority. Although legally separate, these entities are included as an integral part of the primary government because the City Council acts as the governing body for each entity and the sole purpose of each entity is to provide services entirely to and exclusively for the City.

Fund Financial Statements are designed to report information about groupings of related accounts that 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 finance-related legal compliance. The funds of the City are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

The governmental funds financial statements are made up of the following: the *Balance Sheet* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances*. Both of these statements were prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

The *Budgetary Basis Statement of Revenues, Expenditures and Changes in Fund Balance* is prepared on a modified cash basis of accounting that is different from Generally Accepted Accounting Principles (GAAP). Please see Note 1 of the notes to financial statements for additional information on the basis difference.

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 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 many individual governmental funds organized according to their type (general, special revenue, and capital projects funds). Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, as well as for the Development Impact Fees, Lighting Districts, Housing Successor Agency, Fire District, and Federal Grants Special Revenue Funds, which are major funds. Information from the remaining governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements and schedules*.

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

- *Enterprise funds* are used to report the functions presented as business-type activities in the government-wide financial statements. The Municipal Utility and Fiber Optic Network enterprise funds are major funds. The Sports Complex enterprise fund is a nonmajor enterprise fund.
- *Internal service funds* are used to report the costs which are allocated internally amongst the City's functions. The City uses internal service funds to account for Equipment and Vehicle Replacement and Computer Equipment/Technology Replacement, which are presented as governmental activities in the government-wide financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City's private-purpose trust fund, which reports on the activities of the Successor Agency of the Former Redevelopment Agency, and custodial funds are reported 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. The accounting is much like that used for proprietary funds, and both are prepared using the economic resources measurement focus and the accrual basis of accounting.

Notes to 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, other than Management's Discussion and Analysis (MD&A), is presented concerning the budgetary comparison schedules for the City's General Fund and major special revenue funds. Also included in this section are the City's net pension and OPEB liabilities and contributions related to those plans.

The **Combining and Individual Fund Statements and Schedules** provide information for nonmajor governmental funds and fiduciary funds and are presented immediately following the required supplementary information.

Government-wide Financial Analysis

Analysis of Net Position: 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 \$1,347,878,115 at the close of the fiscal year.

The following table is a condensed summary of the City's government-wide net position:

Net Position						
June 30, 2021 and 2020						
(In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 610,994	\$ 550,978	\$ 33,762	\$ 33,544	\$ 644,756	\$ 584,522
Net OPEB asset	5,724	4,702	-	-	5,724	4,702
Net pension asset	3,691	3,327	185	227	3,876	3,554
Capital assets, net of depreciation	802,330	786,282	41,886	40,799	844,216	827,081
Total assets	1,422,739	1,345,289	75,833	74,570	1,498,572	1,419,859
Deferred outflows of resources	27,863	24,487	591	724	28,454	25,211
Liabilities:						
Current and other liabilities	37,465	13,010	2,295	2,129	39,760	15,139
Long-term net pension liabilities	98,243	91,103	2,952	2,637	101,195	93,740
Long-term obligations outstanding	16,126	15,896	12,687	13,179	28,813	29,075
Total liabilities	151,834	120,009	17,934	17,945	169,768	137,954
Deferred inflows of resources	9,179	9,897	200	253	9,379	10,150
Net position:						
Investment in capital assets	801,334	784,816	39,126	38,550	840,460	823,366
Restricted	386,152	362,202	352	585	386,504	362,787
Unrestricted	102,103	92,852	18,812	17,961	120,915	110,813
Total net position	\$ 1,289,589	\$ 1,239,870	\$ 58,290	\$ 57,096	\$ 1,347,879	\$ 1,296,966

As of June 30, 2021, net investment in capital assets is reported as \$840,460,014, which makes up 62.4% of the City's total net position. Net investment in capital assets reflects the City's investment in capital assets (e.g., land, infrastructure, building and improvements, vehicles and equipment) less any related outstanding debt used to acquire those assets. Compared to the prior fiscal year, net investment in capital assets increased by \$17,093,682 or 2.1%. The City uses capital assets to provide services to its residents and businesses, and, therefore, these assets are not available for future spending. Furthermore, although the City's investment in capital assets is reported net of related debt, the resources to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the debt.

A portion of the City's net position has underlying restrictions on how it can be used. Restricted net position is reported as \$386,503,484 or 28.6% of the City's total net position, which is an increase of \$23,716,584 or 6.5% from the prior fiscal year. The increase in restricted net position generally is due to increases in the fund balances of special revenue funds in the governmental fund statements, such as the Development Impact Fees special revenue fund, which increased \$5,221,562, and the Fire District, which increased \$7,791,216, from the prior fiscal year. The changes in the Development Impact Fees and Fire District special revenue funds are analyzed in the governmental activities portion of the MD&A. Additionally, restricted net position increased due to restatements of \$8,196,130 for implementation of GASB Statement No. 84, *Fiduciary Activities*, which added nonmajor special revenue funds.

The unrestricted net position of \$120,914,617 can be used to meet the City's obligations for its governmental and business-type activities. The unrestricted net position makes up 9.0% of the City's total net position and is an increase of \$10,102,005 or 9.1% from the prior fiscal year. At \$102,102,912, the governmental activities make up most of the total unrestricted net position, and the business-type activities make up the balance of \$18,811,705.

Other key changes in the statement of net position are as follows:

- Capital assets are 56.3% of the City's total assets. In the current fiscal year, capital assets increased by \$17,134,804, or 2.1%. The total increase is comprised of an increase in governmental activities of \$16,047,801 and an increase in business-type activities of \$1,087,003. These changes are further analyzed in the capital assets section of the MD&A.
- The City's current and other assets increased by \$60,233,477 or 10.3%. The total increase is comprised of an increase in business-type activities of \$217,814 and an increase in governmental activities of \$60,015,663. The main cause for these changes involves fluctuations in cash and investments and restricted cash and investments. In the current fiscal year, governmental activities increased total cash and investments by \$47,346,430 and restricted cash and investments for the pension rate stabilization program by \$2,541,141. The business-type activities reported an increase of total cash and investments of \$496,133 and a decrease of \$1,003,212 in cash held with fiscal agent due to reimbursement of capital project expenses associated with the build-out of the fiber optic network expansion in the City. See Note 3 in the notes to financial statements for more information on cash and investments.
- The governmental activities reported a net OPEB asset, which increased by \$1,021,985 from the prior fiscal year. This increase is due to positive net investment income and favorable actual actuarial experiences compared to assumptions. See Note 13 in the notes to financial statements for more information on the City's other post-employment benefits.
- The City's current and other liabilities increased by \$24,619,745 or 162.6%. Governmental activities increased by \$24,453,993 due to an increase of unearned revenues of \$13,750,060 in the current fiscal year. Unearned revenues are recorded when receipts are taken before the eligible activity has occurred. In June 2021, the City received Federal grant revenues of \$13,417,765 from the American Rescue Plan Act which were not spent by the end of the fiscal year but are planned to be spent during Fiscal Year 2021/22. The business-type activities reported an increase of \$167,752, which is primarily attributed to an increase in deposits collected from customers for Municipal Utility services.
- The City's net pension liabilities increased by \$7,456,125 or 8.0% from the prior fiscal year. This increase is due to increases of \$3,277,693 with the City Miscellaneous Plan, \$236,244 with the Fire District Miscellaneous Plan, and \$3,942,188 with the Fire District Safety Plan. See Note 12 in the notes to financial statements for more information on the City's pension plan obligations.

Analysis of Changes in Net Position: The following table presents condensed information showing how the City's net position changed during the most recent fiscal year. As previously stated, 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.

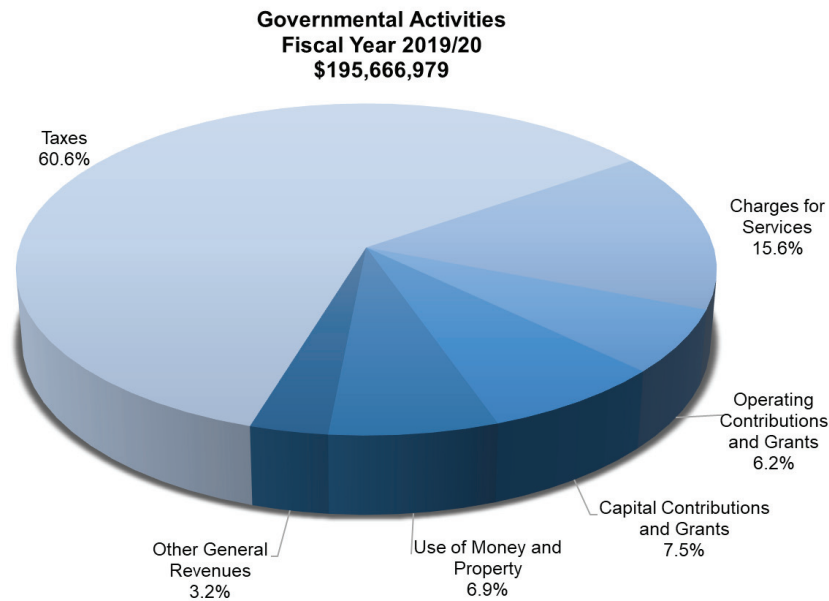
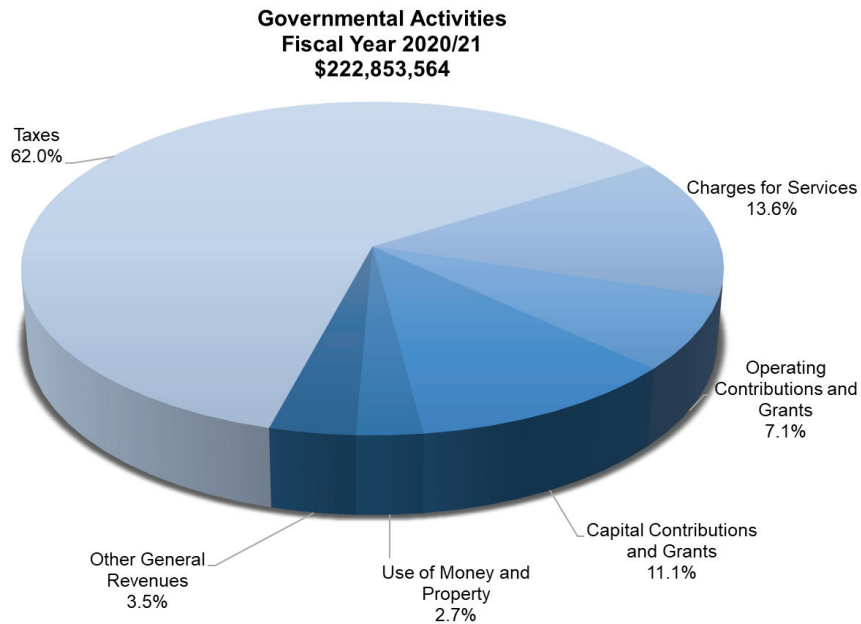
Changes in Net Position
Year Ended June 30, 2021 and 2020
(In Thousands)

	Governmental Activities		Business-Type Activity		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 30,313	\$ 30,593	\$ 13,004	\$ 12,962	\$ 43,317	\$ 43,555
Operating grants and contributions	15,902	12,063	-	-	15,902	12,063
Capital grants and contributions	24,769	14,635	1,443	4,050	26,212	18,685
General Revenues:						
Property taxes	91,686	77,022	-	-	91,686	77,022
Admissions tax	-	4	33	140	33	144
Transient occupancy taxes	2,727	3,511	-	-	2,727	3,511
Sales taxes	34,566	29,480	-	-	34,566	29,480
Franchise taxes	9,229	8,579	-	-	9,229	8,579
Intergovernmental - Motor vehicle in-lieu	129	142	-	-	129	142
Use of money and property	5,957	13,422	(12)	748	5,945	14,170
Other	7,576	6,217	11	-	7,587	6,217
Total Revenues	222,854	195,668	14,479	17,900	237,333	213,568
Expenses:						
General government	22,450	19,287	-	-	22,450	19,287
Public safety - police	44,201	41,859	-	-	44,201	41,859
Public safety - fire protection	43,820	42,714	-	-	43,820	42,714
Public safety - animal center	2,653	3,329	-	-	2,653	3,329
Community development	21,053	18,943	-	-	21,053	18,943
Community services	12,922	17,634	-	-	12,922	17,634
Engineering and public works	33,574	35,467	-	-	33,574	35,467
Interest on long-term debt	270	259	-	-	270	259
Municipal Utility	-	-	10,747	10,642	10,747	10,642
Fiber Optic Network	-	-	1,045	736	1,045	736
Sports Complex	-	-	2,303	2,858	2,303	2,858
Total Expenses	180,943	179,492	14,095	14,236	195,038	193,728
Excess of Revenues Over Expenses	41,911	16,176	384	3,664	42,295	19,840
Transfers	(810)	(1,289)	810	1,289	-	-
Special item	-	-	-	-	-	-
Change in Net Position	41,101	14,887	1,194	4,953	42,295	19,840
Net Position at Beginning of Year	1,239,870	1,224,983	57,096	52,143	1,296,966	1,277,126
Restatement of Net Position	8,618	-	-	-	8,618	-
Net Position at End of Year	\$ 1,289,589	\$ 1,239,870	\$ 58,290	\$ 57,096	\$ 1,347,879	\$ 1,296,966

Governmental Activities

For the fiscal year ended June 30, 2021, total revenues from governmental activities were \$222,853,564, while total expenses were \$181,752,885. Of the \$180,943,128 total functional expenses, 16.1% were directly funded by program revenues, and taxes and other general revenues funded the remaining 83.9%. Program revenues are resources obtained from outside of the City and charges for services. They include, primarily, amounts received from those who purchase, use, or directly benefit from a program or grants and contributions that are restricted to specific programs

The following charts provide a snapshot of revenues from the City's governmental activities for the Fiscal Years 2020/21 and 2019/20, showing the primary revenue sources as percentages. Following the charts is an analysis of the changes in revenues from the prior fiscal year to the current fiscal year.



Revenues from taxes in the amount of \$138,207,651, charges for services in the amount of \$30,313,276, and capital contributions and grants of \$24,768,600 are the largest revenue sources for governmental activities. Taxes consist of property taxes, sales taxes, franchise taxes, transient occupancy taxes, and other taxes, the largest of which are property and sales taxes.

The following table is a condensed summary of the City's governmental tax revenues for Fiscal Years 2020/21 and 2019/20:

	Governmental Activities	
	Taxes	
	2021	2020
Property taxes	\$ 91,685,839	\$ 77,021,958
Sales taxes	34,565,886	29,480,466
Franchise taxes	9,229,371	8,579,436
Transient occupancy taxes	2,726,555	3,511,232
Other taxes	-	3,728
	<u>\$ 138,207,651</u>	<u>\$ 118,596,820</u>

Property taxes increased by \$14,663,881 or 19.0% from the prior year due primarily to a change in the allocation methodology for distributing residual tax increment from former Redevelopment Agencies by the County of San Bernardino. The change in the allocation methodology increases the share of residual receipts available to entities that receive pass-through payments. Going forward, all taxing entities will receive residual receipts in accordance with their pro rata property tax shares. As a result, the Fire District now receives a share of the residual receipts, which resulted in an increase of \$7,538,557. Additionally, there was an increase due to the implementation of GASB Statement No. 84, *Fiduciary Activities*, as funds previously reported as fiduciary funds met the criterion for special revenue funds. This includes PD 85 Maintenance for \$1,163,371; CFD 2000-03 Park Maintenance for \$531,929; CFD 2017-01 No. Etiwanda for \$3,016; and CFD 2018-01 Empire Lakes for \$112,093, which are nonmajor special revenue funds.

Sales taxes increased by \$5,085,420 or 17.3% over the prior year due to loosening health and safety restrictions related to the COVID-19 pandemic stay-at-home orders and business closures. Sales tax during Fiscal Year 2020/21 was greatly improved due to increased distributions from the County of San Bernardino sales tax pool as consumers shifted their purchases to online retailers. Additionally, towards the end of the fiscal year, the City's local economy began to emerge from COVID-19 and experienced positive returns from most of general consumer good businesses including electronic appliances, department and specialty stores, home furnishings, and family and women's apparel. Consumers also began dining out again, which resulted in a boost in casual, fast casual, and quick service restaurant activity. However, there are still negative impacts to transient occupancy taxes, which decreased \$784,677 or 22.3% from the prior year. The impacts on sales and transient occupancy taxes associated with COVID-19 will continue to be monitored.

The net decrease in charges for services of \$279,939 or 0.9% consists of the following:

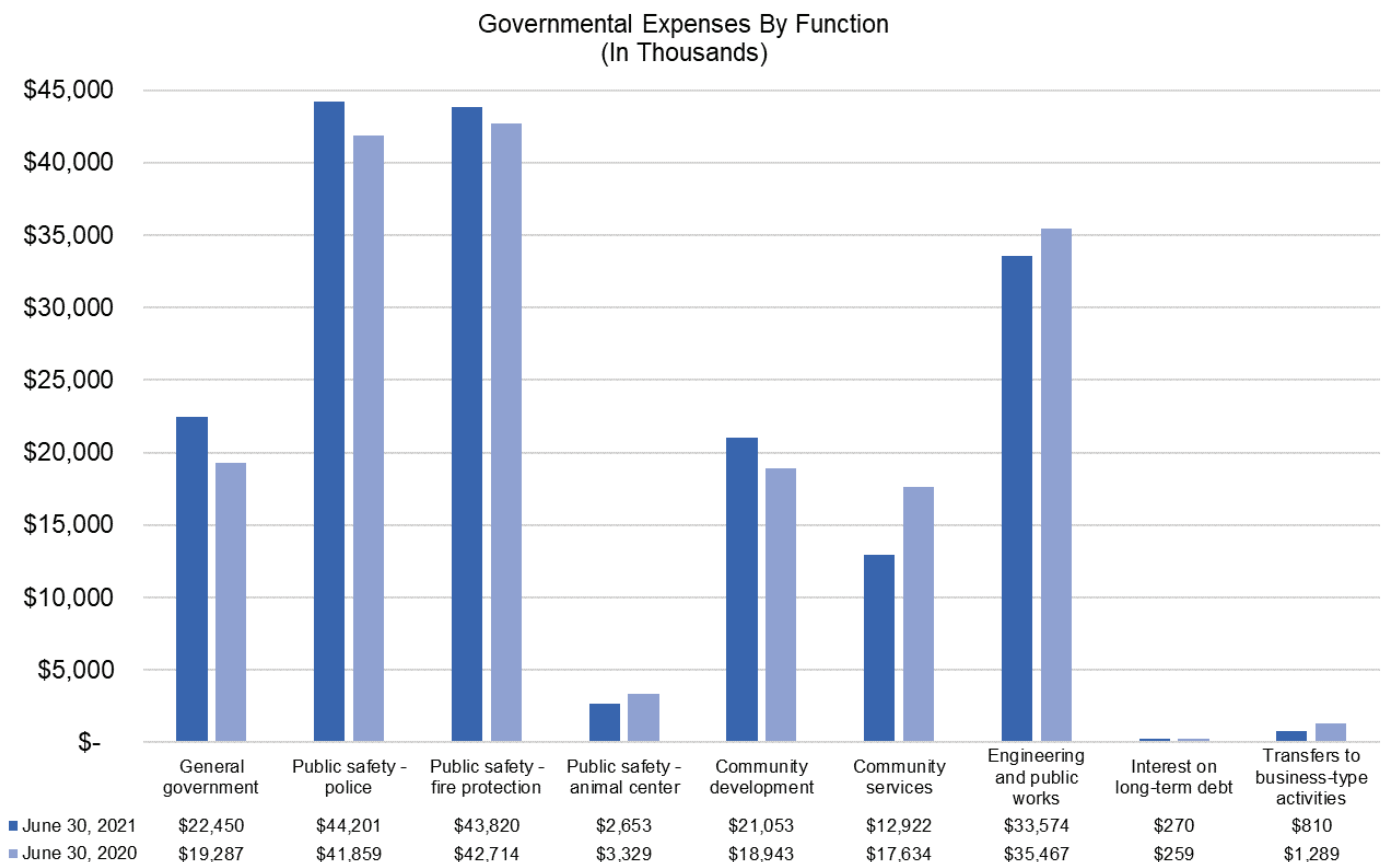
- An increase in general government charges for services primarily related to an increase of \$307,660 in public art in-lieu fees collected from development for the installation and maintenance of public art in the City.
- An increase in public safety-police charges for services of \$579,859 due to the City resuming issuance of vehicle citations which were suspended in the prior fiscal year due to COVID-19.
- A decrease of community services charges for services of \$1,819,822 due to remaining COVID-19 restrictions on programs and activities for library and community services.

The net increase in operating contributions and grants of \$3,839,307 or 31.8%, was primarily attributed to the City receiving \$5,665,791 of Federal grant funding related to the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act. This included \$2,167,193 used to provide rent relief and to support City operations and \$3,498,598 used for eligible capital projects that meet the criterion for the CARES Act.

The net increase in capital contributions and grants of \$10,134,630 or 69.3% consisted of:

- An increase of \$2,149,539 for SB 1 revenues from the State of California related to the construction of the Etiwanda Grade Separation capital project.
- An increase of \$2,192,113 in local and regional transportation impact fees collected to mitigate the impacts of development in the City.
- Capital contributions of \$6,538,500 for City infrastructure, such as fiber optic networks, storm drains, traffic signals, and streets and roads.

The following chart provides a snapshot of the City's governmental activities for Fiscal Years 2020/21 and 2019/20, showing the expenses by function.



The City's governmental activities expenses increased by \$1,451,779 or 0.8% from the prior fiscal year. The total net increase was attributed to increases in the general government of \$3,163,847, public safety-police of \$2,341,728, and community development of \$2,110,832. These increases were offset by decreases in community services of \$4,712,003 and engineering and public works of \$1,893,686. Interest on long-term debt increased by \$11,117, and transfers to business-type activities decreased by \$479,429.

The following is a summary of the changes in governmental activities expenses:

- General government increased by \$3,163,847 or 16.4% from the prior fiscal year due to CARES Act spending of \$2,009,109 in the Federal Grants special revenue fund, which, as previously discussed, was used to provide rental relief to residents and local business.
- Public safety – police increased by \$2,341,728 or 5.6% from the prior fiscal year, mainly due to increases in the public safety contract costs between the City and the San Bernardino County Sheriff's Department.
- Community development increased by \$2,110,832 or 11.1% from the prior fiscal year due to net increases in expenditures in the Landscape Maintenance Districts and Community Development Block Grant nonmajor special revenues funds. Expenditures for the Landscape Maintenance Districts increased by \$1,002,153 primarily due to increased landscaping and park maintenance services with service providers over the prior year. Expenditures for the Community Development Block Grant increased by \$726,084 entirely due to Federal grant funding of \$932,823 from CDBG-CV for rental assistance through the CARES Act.
- Community services decreased by \$4,712,003 or 26.7% from the prior fiscal year due to net decreases in functional expenses from recreation and library services as a result of the impacts of the COVID-19 pandemic.
- Engineering and public works decreased by \$1,893,686 or 5.3% due to a decreased allocation of capital asset expenses primarily due to disposals of capital assets in the prior fiscal year.
- Transfers to business-type activities decreased by \$479,429 or 37.2% from the prior fiscal year due to a decreased General Fund transfer to the Sports Complex nonmajor enterprise fund in the amount of \$541,513 related to closures caused by the COVID-19 health and safety restrictions.

Business-Type Activities

The \$15,288,299 combined revenues, including transfers from the governmental activities, of the City's business-type activities were \$1,193,470 more than the expenses of \$14,094,829. Since the proprietary funds provide the same information found in the government-wide statements, a more detailed discussion of the City's business-type activities is found in the financial analysis of the City's funds.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following financial analysis is performed only for governmental and proprietary funds. The fiduciary funds are excluded from this analysis as they do not represent resources available to the City.

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.

On June 30, 2021, the City's governmental funds reported combined fund balances of \$533,405,518, an increase of \$32,819,053 from the prior fiscal year, including a restatement of \$8,618,122 for the implementation of GASB Statement No. 84, *Fiduciary Activities*. Of the total fund balance, \$14,043,749 was nonspendable, associated with prepaid costs, deposits, and advances to other funds; \$346,580,776 was classified as restricted for specific purposes; \$118,452,854 was committed by the City Council; and \$58,619,058 was assigned by the City Manager for certain uses and functions. The deficit of \$4,290,919 unassigned fund balance gets eliminated with the receipt of future funds, except for the Lighting Districts Fund special revenue fund, which is eliminated as repayment of the interfund advances occurs. See Note 6 in the notes to financial statements for more information on interfund advances.

Governmental functions revenues totaled \$213,381,181, while expenditures were \$187,213,594. Other financing sources, such as transfers in from other funds and proceeds from the sale of capital assets, totaled \$5,785,526 and other financing uses totaled \$7,752,182 in the form of transfers out to other funds.

The General Fund is the general operating fund of the City. On June 30, 2021, the General Fund reported a total fund balance of \$126,756,685, consisting of \$13,690,749 as nonspendable, \$9,631,596 as restricted, \$73,280,103 as committed, and \$30,154,237 as assigned. More detailed information on these fund balance classifications can be found in Notes 1 and 16 in the notes to financial statements.

The following table presents the summary of revenues and expenditures of the General Fund for Fiscal Years 2020/21 and 2019/20:

Revenues and Other Financing Sources			
	2021	2020	% Change
Revenues:			
Property taxes	\$ 31,798,334	\$ 29,813,457	6.7%
Sales taxes	34,565,886	29,480,466	17.3%
Transient occupancy taxes	2,726,555	3,511,232	-22.3%
Franchise taxes	7,511,192	7,065,844	6.3%
Other taxes	-	3,728	-100.0%
Licenses and permits	5,667,304	5,398,038	5.0%
Intergovernmental	688,302	711,951	-3.3%
Charges for services	4,973,242	5,173,453	-3.9%
Use of money and property	814,603	2,725,049	-70.1%
Fines and forfeitures	1,227,698	764,796	60.5%
Contributions	17,698	84,534	-79.1%
Miscellaneous	3,272,491	3,443,205	-5.0%
Total Revenues	93,263,305	88,175,753	5.8%
Other Financing Sources:			
Transfers in	4,265,848	3,861,606	10.5%
Sale of capital assets	23,317	75,954	-69.3%
Total Other Financing Sources	4,289,165	3,937,560	8.9%
Total Revenues and Other Financing Sources	\$ 97,552,470	\$ 92,113,313	5.9%
Expenditures and Other Financing Uses			
	2021	2020	% Change
Expenditures:			
General government	\$ 14,610,180	\$ 13,957,971	4.7%
Public safety - police	43,239,756	40,850,910	5.8%
Public safety - animal center	2,399,155	3,031,419	-20.9%
Community development	6,458,490	6,022,404	7.2%
Community services	3,459,866	4,401,161	-21.4%
Engineering and public works	11,440,332	12,070,604	-5.2%
Capital outlay	6,833,492	5,317,991	28.5%
Debt service - interest and fiscal charges	8,195	9,196	100.0%
Total Expenditures	88,449,466	85,661,656	3.3%
Other Financing Uses:			
Transfers Out	3,605,636	4,395,177	-18.0%
Total Expenditures and Other Financing Uses	\$ 92,055,102	\$ 90,056,833	2.2%

The following is a summary of the significant changes in General Fund revenues, expenditures, and other financing sources and uses:

- Taxes totaled \$76,601,967 and accounted for 78.5% of the total revenues and other financing sources, and they increased by \$6,727,240 from the prior fiscal year. Property taxes have increased by \$1,984,877 due to steady growth in the assessed value of properties, and sales tax has increased by \$5,085,420 after a significant decline in the prior year due to the impacts of the COVID-19 pandemic stay-at-home orders and business closures. Other taxes are relatively unchanged, but transient occupancy taxes decreased \$784,677 as the revenue source was adversely impacted by COVID-19 related issues for most of the Fiscal Year 2020/21.
- Licenses and permits increased by \$269,266 or 5.0% due to development-related activities; however, these revenues are volatile since they depend on the timing and scope of development projects within the City in a given fiscal year.
- Use of money and property decreased by \$1,910,446 or 70.1% due to a temporary adjustment to bring investments to fair value at the end of the fiscal year. These changes are unrealized since no investments were sold.
- Fines and forfeitures increased by \$462,902 or 60.5% due to the suspension of administrative and parking citations issued by the City and the Franchise Tax Board's intercept program for overdue citations by the State ending in the Fiscal Year 2020/21.
- Expenditures for the general government function reported an increase of \$652,209 or 4.7% from the prior fiscal year. This change is primarily due to increases in personnel services costs, which included a COVID-related surge in unemployment insurance of \$329,637.
- Public safety – police increased by \$2,388,846 or 5.8% from the prior fiscal year, mainly due to increases in the public safety contract costs between the City and the San Bernardino County Sheriff's Department.
- Public safety – animal center decreased \$632,264 or 20.9% from the prior fiscal year due to a \$515,401 reduction in personnel costs due to a reduction in part-time staff due to reduced operating hours as a result of the COVID-19 pandemic.
- Community services decreased \$941,295 or 21.4% from the prior fiscal year due to reductions in personnel costs of \$595,098 as well as in operations and maintenance and contractual services of \$307,457 as a result of COVID-19 pandemic restrictions adversely impacting service levels and requiring closure of many Community Services facilities throughout the fiscal year.
- Engineering and public works decreased \$630,272 or 5.2% from the prior fiscal year due to decreases in operations and maintenance and contractual services of \$432,251 due to certain City facilities being closed throughout the fiscal year as a result of the COVID-19 pandemic.
- Capital outlay increased \$1,515,501 or 28.5% from the prior fiscal year due primarily to increased expenditures of \$1,585,870 for the construction of the public safety facility.

The Development Impact Fees Fund accounts for the receipts from development impact fee revenue used to defray all or a portion of the cost of public facilities as a result of development. The fund balance was \$69,635,049, an increase of \$5,221,562 or 8.1% from the prior fiscal year. Total revenues of \$12,121,671 increased by \$1,645,073, and total expenditures of \$6,999,549 increased by \$5,118,924 from the prior fiscal year. Although revenues exceeded expenditures in the current fiscal year, it is normal for the City to accumulate resources to complete identified capital projects over a period of time.

The Lighting Districts Fund accounts for the costs of providing street lighting throughout the City. The fund balance was a deficit of \$4,276,307 due to interfund advances as previously mentioned, which is an increase of \$610,347 or 12.4% from the prior fiscal year. Total revenues of \$2,150,670 consisted primarily of special assessments levied against the benefiting property owners, and total expenditures of \$1,876,552 were primarily electrical utilities. Additionally, there were transfers from the General Fund for \$336,229 that partially support certain street lighting districts' operations.

The Housing Successor Agency Fund accounts for the assets of the former Redevelopment Agency's Low and Moderate Income Housing Fund. The source of revenue in the fund is primarily the interest received from the notes and loans receivable. The fund balance was \$139,198,670, a decrease of \$494,825 or 0.4% from the prior fiscal year. Total revenues of \$108,533 were primarily from investment earnings and were offset by total expenditures of \$603,358 for administration.

The Fire District Fund accounts for the revenues received and disbursements made by the Rancho Cucamonga Fire Protection District while providing emergency and non-emergency services to the community. The fund balance was \$88,134,204, which increased by \$7,791,216 or 9.7% from the prior fiscal year. Total revenues were \$57,664,353, which were predominantly generated by property taxes which were partially enhanced during the current fiscal year due to the change in allocation methodology for residual receipts mentioned earlier. Total expenditures of \$50,144,975 were incurred to provide fire protection and suppression services, including \$28,857,022 in personnel costs, which were the Fire District's largest expenditure. Additionally, the total expenditures included \$5,377,921 of capital outlay expenditures for the new Public Safety Facility that will provide police and fire protection services to the west-side of the City and was completed during Fiscal Year 2020/21.

Proprietary Funds. The City's proprietary funds provide the same type of information as in the business-type activities column of the government-wide financial statements. They consist of four enterprise funds and two internal services funds. The Municipal Utility and Fiber Optic Network enterprise funds are considered to be major funds.

The following table summarizes the operating results of the City's four enterprise funds:

	Business-type Activities Change in Net Position For the Fiscal Year Ended June 30, 2021 and 2020							
	Municipal Utility		Fiber Optic Network		Sports Complex		REGIS Connect	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating revenues	\$ 12,663,515	\$ 12,389,983	\$ 98,625	\$ 86,646	\$ 240,089	\$ 479,896	\$ -	\$ -
Operating expenses	10,747,217	10,641,764	595,946	294,863	2,283,931	2,838,486	-	270
Operating income (loss)	1,916,298	1,748,219	(497,321)	(208,217)	(2,043,842)	(2,358,590)	-	(270)
Net nonoperating revenues (expenses)	(11,742)	626,075	(436,251)	(315,321)	13,698	121,692	-	-
Capital contributions	488,689	3,634,742	954,184	415,493	-	-	-	-
Transfers in	-	-	934,831	939,603	1,197,246	1,738,759	-	18,204
Transfers out	(1,322,320)	(1,407,380)	-	-	-	-	-	-
Change in net position	\$ 1,070,925	\$ 4,601,656	\$ 955,443	\$ 831,558	\$ (832,898)	\$ (498,139)	\$ -	\$ 17,934

Municipal Utility

The Municipal Utility Fund accounts for the costs of labor and materials used in the operation, maintenance, construction, and consumption of electric services to certain residential, commercial, and industrial customers within the City. The operating revenues totaled \$12,663,515, a slight increase of \$273,532 or 2.2% from the prior fiscal year due to an increase in receipts from sales and service charges. The total operating expenditures were \$10,747,217, which increased \$105,453 or 1.0% from the prior fiscal year.

Municipal Utility nonoperating revenues and expenses decreased by \$332,043 due to less investment income received during the fiscal year and a temporary adjustment to bring investments down to fair value

at the end of the fiscal year. Capital contributions decreased by \$3,146,053 due to donated infrastructure from developers in the prior year. Capital contributions are nonrecurring transactions.

Fiber Optic Network

The Fiber Optic Network Fund accounts for receipts from user charges and leases for conduit and fiber access, and costs associated with the City's existing utility, information technology, and traffic fiber conduits. The operating revenues totaled \$98,625, a slight increase of \$11,979 or 13.8% from the prior fiscal year. The increase was due to lease revenues from a subscription agreement between the City and a local internet provider. These revenues have been committed as a revenue source for the repayment of the 2019 Lease Revenue Bonds, which provided bond proceeds to further expand the City's existing Fiber Optic Network.

Operating expenses totaled \$595,496 for the Fiber Optic Network, which is an increase of \$301,083 or 102.1% from the prior fiscal year. This increase is attributed to operational and contractual services which do not meet the criterion for capitalization with the expansion of the Fiber Optic Network.

Nonoperating expenses of \$442,007 consisted of interest payments for the 2019 Lease Revenue Bonds. During the fiscal year, the General Fund transferred \$934,831 to the fund for debt service on these bonds and has assigned \$2,314,213 in fund balance to repay future debt service until lease revenues are projected to be sufficient.

The fund reported \$954,184 in contributed capital for fiber optic infrastructure. This infrastructure expanded the City's existing fiber optic network and provided high-speed internet access to new communities. These infrastructure assets have been placed into service in the current fiscal year.

Other Proprietary Funds

The Sports Complex enterprise fund is nonmajor for financial reporting purposes; however, it is reported individually on the statement of net position and statement of revenues, expenses and changes in fund net position of the proprietary funds in the basic financial statements. Operations for the City's REGIS Connect enterprise fund ceased at the end of the prior fiscal year.

The Equipment and Vehicle Replacement and the Computer Equipment/Technology Replacement internal service funds are reported as a combined total on the statement of net position and statement of revenues, expenses and changes in fund net position of the proprietary funds. More detailed information on these funds can be found in the combining statement of net position and statement of revenues, expenses and changes in fund net position for the internal service funds.

General Fund Budgetary Highlights

During the fiscal year, with the City's staff's recommendation, the City Council may revise the City's budget as needed. Adjustments were made periodically as additional appropriations were necessary to cover the cost of projects that either had required change orders for additional work or the estimated cost at the beginning of the project changed due to external factors. Adjustments were also made through increases or decreases to budgets to maintain the current level of services. For example, increased development activity may result in the need to utilize additional contract inspector services to handle the additional workload. All amendments that the City Council approves either increase or decrease appropriations.

On June 30, 2021, the General Fund's actual revenues and other financing sources were higher than the final adjusted budget, while actual expenditures with encumbrances and other financing uses were lower than the final adjusted budget. The following table summarizes the operating results on a budgetary basis for the City's General Fund:

Budgetary Operating Results - General Fund
Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues and Other Financing Sources:				
Taxes	\$ 69,192,630	\$ 71,070,340	\$ 76,601,967	\$ 5,531,627
Licenses and permits	4,672,200	4,907,470	5,667,304	759,834
Intergovernmental	660,030	830,420	688,302	(142,118)
Charges for services	7,626,520	4,416,490	4,973,242	556,752
Use of money and property	3,290,280	1,312,660	814,603	(498,057)
Fines and forfeitures	1,151,200	1,027,210	1,227,698	200,488
Contributions	109,000	28,100	17,698	(10,402)
Miscellaneous	3,740,280	4,206,360	3,272,491	(933,869)
Transfers in	1,727,040	4,347,600	4,265,848	(81,752)
Sale of capital assets	50,070	25,990	23,317	(2,673)
Total Revenues and Other Financing Sources	<u>\$ 92,219,250</u>	<u>\$ 92,172,640</u>	<u>\$ 97,552,470</u>	<u>\$ 5,379,830</u>
Expenditures with Encumbrances and Other Financing Uses:				
General government	\$ 16,102,760	\$ 15,528,770	\$ 15,056,020	\$ (472,750)
Public safety - police	45,201,630	45,033,580	43,248,201	(1,785,379)
Public safety - animal center	3,151,730	2,604,200	2,399,155	(205,045)
Community development	5,184,460	7,596,440	7,386,196	(210,244)
Community services	8,119,410	3,732,480	3,595,357	(137,123)
Engineering and public works	12,614,970	12,313,320	11,456,405	(856,915)
Capital outlay	3,086,000	8,361,690	7,832,830	(528,860)
Interest and fiscal charges	8,200	8,200	8,195	(5)
Transfers out	3,926,670	4,002,740	3,605,636	(397,104)
Total Expenditures with Encumbrances and Other Financing Uses	<u>\$ 97,395,830</u>	<u>\$ 99,181,420</u>	<u>\$ 94,587,995</u>	<u>\$ (4,593,425)</u>

Major revenue variances at the end of the fiscal year were as follows:

- The total final budget for revenues and other financing sources was \$46,610 less than the original budget. This net decrease reflects increases in budgets for sales and transient occupancy taxes of \$1,877,710, which were significantly impacted by the COVID-19 pandemic economic impacts at the start but improved towards the end of the fiscal year. There were also increases for transfers from the Federal Grants special revenue fund for reimbursements of eligible expenditures related to the CARES Act for operations and capital projects. These increases were largely offset by decreases of \$3,210,030 for charges for services and \$1,977,620 for the use of money and property. The reduction in charges for services is attributed to revenues budgeted for community services being unchanged to start Fiscal Year 2020/21 due to uncertainty with what services might be offered as revised COVID-19 guidelines and plans were implemented throughout the fiscal year. The decrease in the use of money and property is attributed to weakening interest rates on fixed-income investments and securities experienced during Fiscal Year 2020/21.

- Total taxes were \$5,531,627 better than the final budgeted amount of \$71,070,340. This increase is primarily related to sales taxes which is \$4,671,066 more than the budgeted amount due to changes in health and safety restrictions and increases to the County of San Bernardino sales tax pool from online retailers. Property taxes was \$512,354 more than budgeted due to growth in the property tax base.
- Licenses and permits were \$759,834 better than the final budgeted amount of \$4,907,470 due to development-related activities being more than expected. Additionally, charges for services were \$556,752 better than the final budgeted amount of \$4,416,490 due primarily to plan check and engineering fees. These revenues are derived from development-related activities and can be volatile due to the scope and size of the development projects and services in a given fiscal year.
- Use of money and property was \$498,057 less than the final budgeted amount of \$1,312,660 due to the temporary adjustment to bring investments to fair value at the end of the fiscal year. These changes are not budgeted because they do not provide useable resources for the City.
- Miscellaneous revenues were \$933,869 less than the final budgeted amount of \$4,206,360 due to the volatility of the revenue source and the inability to budget for all receipts. Included in the variance is \$352,430 for repayment of interfund advances from the Fire District which are budgeted to show the inflow of resources available for budgeted expenditures.

Major expenditure variances at the end of the fiscal year are as follows:

- The total final budget for expenditures with encumbrances and other financing uses was \$1,785,590 more than the original budget. During the fiscal year, the community development budgets increased by \$2,411,980, mainly due to the General Plan, and capital outlay increased by \$5,275,690 due to the budgeting of the Public Safety Facility. These increases were offset by community services, which decreased by \$4,386,930 due to decreases as previously discussed from reducing budgets as revised COVID-19 guidelines and plans were implemented throughout the fiscal year.
- Public safety – police was \$1,785,379 better than the final budgeted amount of \$45,033,580 due to the actual expenditures related to the public safety contract with the San Bernardino County Sheriff's Department being less than anticipated due to staffing credits resulting from vacancies and staff being out due to injuries.
- Engineering and public works were \$856,915 better than the final budgeted amount of \$12,313,320 due to the actual expenditures related to contractual services, such as landscaping and maintenance services for parks and city facilities, being less than anticipated. Additionally, the City has budgeted contractual and consulting-related services for the formation of a citywide parking district which was not started before the end of the fiscal year.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities amounted to \$844,216,156, net of accumulated depreciation and amortization.

The table below presents summary information on the City's capital assets.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 100,707	\$ 98,139	\$ 5,451	\$ 5,451	\$ 106,158	\$ 103,590
Right-of-way	237,013	237,013	-	-	237,013	237,013
Construction in progress	17,629	17,020	3,407	4,994	21,036	22,014
Buildings improvements	153,732	144,737	5,162	5,594	158,894	150,331
Improvements other than buildings	23,248	24,522	2,104	2,233	25,352	26,755
Equipment and vehicles	11,358	12,076	136	153	11,494	12,229
Furniture and fixtures	124	230	-	-	124	230
Infrastructure	258,306	252,109	25,626	22,374	283,932	274,483
Intangible	213	436	-	-	213	436
Total	<u>\$ 802,330</u>	<u>\$ 786,282</u>	<u>\$ 41,886</u>	<u>\$ 40,799</u>	<u>\$ 844,216</u>	<u>\$ 827,081</u>

Major capital asset activities during the year are as follows:

Governmental Activities

- Land increased by \$2,568,583 from the purchase of vacant land that will be used for future capital projects.
- Construction in progress increased by \$609,596, which is the net of \$24,668,080 in increases and \$24,058,484 of assets placed into service or disposed of during the current fiscal. Significant projects during the fiscal year were the construction of the new Public Safety Facility, a storm drain project on Hellman Avenue, and the Etiwanda Avenue Grade Separation. The new Public Safety Facility and storm drain projects were completed during the fiscal year, placing \$15,885,201 of building improvements and \$3,172,574 of infrastructure capital assets into service, respectively. The Etiwanda Avenue Grade Separation will provide an overcrossing for the SCRRA/BSNF track and improve traffic circulation and vehicle and rail safety in the area and amounted to \$9.5 million in construction in progress in the current fiscal year.
- Total capitalized infrastructure assets amounted to \$258,304,714 net of accumulated depreciation. During the current fiscal year, the City reported \$6,538,500 in contributed capital assets, which were infrastructure assets donated from developers upon completing development projects.
- The City reported \$21,170,948 in depreciation expense.

Business-type Activities:

- Construction in progress decreased by \$1,586,767, which is a net of \$967,478 in additions primarily from progress on the fiber optic network and various municipal utility line extensions and \$2,554,245 being placed into service. The capital assets being placed into service include

completed sections of the fiber optic network totaling \$1,573,292 and various municipal utility line extensions amounting to \$980,953.

- In addition to capital projects placed into service from construction in progress, the Municipal Utility increased infrastructure by \$1,152,469, including \$386,738 in donated infrastructure. The Fiber Optic Network fund reported \$954,184 in donated infrastructure.
- Depreciation expense reported for the Municipal Utility is \$1,252,718, Fiber Optic Network is \$174,374, and Sports Complex is \$560,035.

Additional information on the City's capital assets can be found in Note 5 of the notes to financial statements. Furthermore, significant commitments that include construction contracts are identified in Note 15 of the notes to financial statements.

Debt Administration

As of June 30, 2021, the City had \$28,813,452 in debt outstanding, net of unamortized premiums and discounts, not including net pension liabilities.

A summary of outstanding long-term debt with comparative amounts for the prior fiscal year is presented below:

Long-Term Debt
For the Year Ended June 30, 2021 and 2020
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Capital Leases (Note 7)	\$ 996	\$ 1,466	\$ -	\$ -	\$ 996	\$ 1,466
Lease Revenue Bonds (Note 7)	-	-	12,687	13,179	12,687	13,179
Advances from Successor Agency (Note 8)	3,954	3,954	-	-	3,954	3,954
Compensated Absences (Note 9)	8,617	7,755	-	-	8,617	7,755
Claims and Judgments Payable (Note 14)	2,559	2,721	-	-	2,559	2,721
Total	\$ 16,126	\$ 15,896	\$ 12,687	\$ 13,179	\$ 28,813	\$ 29,075

Additional information on the long-term debt of the City can be found in various notes to the financial statements. A reference to the appropriate note is indicated in the table above.

Economic Factors and Next Year's Budgets

The City's Fiscal Year 2021/22 Adopted Budget for all funds is \$267,974,450. Of this amount, \$148,410,140, or 55.4%, is appropriated for the City's operating budgets. The funds which make up the City's operating budget are the General Fund operating fund for \$95,160,410, Fire District operating funds for \$47,644,950, and the Library Fund for \$5,604,780. The total budget increased by \$43,397,720 or 19.3%, and the operating budget increased by \$10,626,590 or 7.7% from the Fiscal Year 2020/21 Adopted Budget.

As a note, the presentation of the General Fund in the basic financial statements is the combination of the General Fund operating fund and other general funds. However, for budgetary purposes, these other general funds are not included in the City's operating budget.

The General Fund operating fund budgeted receipts of \$95,160,410, projecting a decrease of \$243,300 from the Fiscal Year 2020/21 actual receipts, as follows:

	FY 2020/21	FY 2020/21	FY 2021/22	Increase (Decrease)	
	Budget	Actuals	Budget	Amount	Percentage
Revenues and Other Financing Sources:					
Taxes	\$ 69,192,630	\$ 76,601,966	\$ 75,134,610	\$ (1,467,356)	-1.9%
Licenses and permits	4,640,580	5,635,677	4,565,920	(1,069,757)	-19.0%
Intergovernmental	216,130	204,646	214,580	9,934	4.9%
Charges for services	7,056,870	4,222,188	7,365,650	3,143,462	74.5%
Use of money and property	1,809,650	688,558	1,553,990	865,432	125.7%
Fines and forfeitures	1,025,320	1,193,288	1,004,750	(188,538)	-15.8%
Other	3,635,770	2,944,330	3,598,000	653,670	22.2%
Transfers in	1,817,550	3,913,057	1,722,910	(2,190,147)	-56.0%
Total Revenues and Other Financing Sources	\$ 89,394,500	\$ 95,403,710	\$ 95,160,410	\$ (243,300)	-0.3%

The City uses a leading consultant in California for local government property and sales tax projections. Based on these projections, overall sales tax receipts are expected to increase by \$3.2 million or 11.2% from the Fiscal Year 2020/21 Adopted Budget. The significant increase is due to the projected economic impacts of the COVID-19 pandemic that were reflected in the Fiscal Year 2020/21 Adopted Budget being less adverse than originally anticipated combined with robust growth in the share of the countywide sales tax pool. However, projected revenues from sales taxes are still short of the pre-pandemic Fiscal Year 2019/20 Adopted Budget. Additionally, property taxes, including post-Redevelopment Agency property tax revenues, are projected to increase modestly by \$187,940 or 1.9% from the Fiscal Year 2020/21 Adopted Budget. The City is proactively monitoring these revenue sources as more information is available and updating the City Council as appropriate.

Other significant revenue sources for the City are vehicle license fees (VLF and property tax in-lieu of VLF), franchise taxes, and transient occupancy taxes. VLF and franchise taxes are projected to increase \$825,040 or 3.9% and \$127,690 or 1.7%, respectively, from the Fiscal Year 2020/21 Adopted Budget. Transient occupancy taxes are projected to increase by \$1.6 million or 86.3%, which is a considerable improvement over the Fiscal Year 2020/21 Adopted Budget due to the impacts of the COVID-19 pandemic. However, it is roughly \$1.2 million less than collections during the Fiscal Year 2019/20.

Other matters that are affecting or could affect the City's future operations are as follows:

According to the California State Legislative Analyst Office's (LAO) *The 2020-21 Budget: California's Fiscal Outlook Overview*, the consensus among professional economists is that the California economy has undergone rapid but uneven recovery, with most low-income individuals remaining out of work while high-income individuals haven't experienced issues. Furthermore, many unknowns about the economic outlook create uncertainty about the actual fiscal picture for California causing revenues to be above or below forecasts. These uncertainties are reflective of the experiences in the local and regional economies.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Rancho Cucamonga's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department at the City of Rancho Cucamonga, 10500 Civic Center Drive, Rancho Cucamonga, CA 91730.

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CITY OF RANCHO CUCAMONGA

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 391,664,169	\$ 23,965,887	\$ 415,630,056
Receivables:			
Accounts, net of allowances	12,941,399	1,977,351	14,918,750
Taxes	11,398,330	32,500	11,430,830
Notes and loans	168,373,712	30,000	168,403,712
Accrued interest	856,980	64,262	921,242
Other loans	1,339,624	-	1,339,624
Grants	1,807,047	-	1,807,047
Internal balances	2,237,525	(2,237,525)	-
Prepaid costs	945,622	2,108	947,730
Deposits	49,000	-	49,000
Net OPEB asset	5,723,743	-	5,723,743
Net pension asset	3,691,273	185,482	3,876,755
Restricted assets:			
Cash with fiscal agent	4,236,910	9,926,925	14,163,835
Pension rate stabilization program	15,143,575	-	15,143,575
Capital assets, not being depreciated	355,349,668	8,858,100	364,207,768
Capital assets, net of depreciation	446,980,000	33,028,388	480,008,388
Total Assets	1,422,738,577	75,833,478	1,498,572,055
Deferred Outflows of Resources:			
Deferred OPEB related items	32,589	-	32,589
Deferred pension related items	27,830,092	591,108	28,421,200
Total Deferred Outflows of Resources	27,862,681	591,108	28,453,789
Liabilities:			
Accounts payable	9,438,292	1,363,253	10,801,545
Accrued liabilities	3,754,381	89,271	3,843,652
Accrued interest	13,777	81,081	94,858
Unearned revenue	13,913,546	-	13,913,546
Deposits payable	9,793,354	761,476	10,554,830
Due to other governments	550,447	-	550,447
Noncurrent liabilities:			
Due within one year			
Long-term debt	488,350	440,000	928,350
Compensated absences	5,234,000	-	5,234,000
Claims and judgments	645,377	-	645,377
Due in more than one year			
Long-term debt	507,339	12,247,378	12,754,717
Advances from Successor Agency	3,953,624	-	3,953,624
Compensated absences	3,383,777	-	3,383,777
Claims and judgments	1,913,607	-	1,913,607
Net pension liability	98,243,416	2,952,294	101,195,710
Total Liabilities	151,833,287	17,934,753	169,768,040
Deferred Inflows of Resources:			
Deferred OPEB related items	3,894,301	-	3,894,301
Deferred pension related items	5,285,146	200,242	5,485,388
Total Deferred Inflows of Resources	9,179,447	200,242	9,379,689
Net Position:			
Net investment in capital assets	801,333,979	39,126,035	840,460,014
Restricted for:			
Community development projects	185,550,640	-	185,550,640
Public safety	2,220,634	-	2,220,634
Parks and recreation	11,102,293	-	11,102,293
Fire protection	54,248,121	-	54,248,121
Engineering and public works	86,862,008	-	86,862,008
Community services	9,451,853	-	9,451,853
Capital projects	36,716,084	-	36,716,084
Public benefit - Municipal Utility	-	351,851	351,851
Unrestricted	102,102,912	18,811,705	120,914,617
Total Net Position	\$ 1,289,588,524	\$ 58,289,591	\$ 1,347,878,115

CITY OF RANCHO CUCAMONGA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	\$ 22,450,487	\$ 9,475,907	\$ -	\$ 564,769
Public safety - police	44,200,543	1,358,233	481,122	-
Public safety - fire protection	43,819,839	116,648	51,725	-
Public safety - animal center	2,652,789	109,803	-	-
Community development	21,053,431	11,770,864	7,241,933	223,240
Community services	12,922,140	483,665	332,205	-
Engineering and public works	33,574,147	6,998,156	7,794,858	23,980,591
Interest on long-term debt	269,752	-	-	-
Total Governmental Activities	180,943,128	30,313,276	15,901,843	24,768,600
Business-Type Activities:				
Municipal Utility	10,747,217	12,663,515	-	488,689
Fiber Optic Network	1,044,879	103,575	-	954,184
Sports Complex	2,302,733	236,650	-	-
Total Business-Type Activities	14,094,829	13,003,740	-	1,442,873
Total Primary Government	\$ 195,037,957	\$ 43,317,016	\$ 15,901,843	\$ 26,211,473

General Revenues:

- Taxes:
 - Property taxes, levied for general purpose
 - Admissions tax
 - Transient occupancy taxes
 - Sales taxes
 - Franchise taxes
- Motor vehicle in lieu - unrestricted
- Use of money and property
- Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at End of Year

-

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (12,409,811)	\$ -	\$ (12,409,811)
(42,361,188)	-	(42,361,188)
(43,651,466)	-	(43,651,466)
(2,542,986)	-	(2,542,986)
(1,817,394)	-	(1,817,394)
(12,106,270)	-	(12,106,270)
5,199,458	-	5,199,458
(269,752)	-	(269,752)
(109,959,409)	-	(109,959,409)
-	2,404,987	2,404,987
-	12,880	12,880
-	(2,066,083)	(2,066,083)
-	351,784	351,784
(109,959,409)	351,784	(109,607,625)
91,685,839	-	91,685,839
-	32,500	32,500
2,726,555	-	2,726,555
34,565,886	-	34,565,886
9,229,371	-	9,229,371
128,734	-	128,734
5,956,806	(11,742)	5,945,064
7,576,654	11,171	7,587,825
(809,757)	809,757	-
151,060,088	841,686	151,901,774
41,100,679	1,193,470	42,294,149
1,239,869,723	57,096,121	1,296,965,844
8,618,122	-	8,618,122
\$ 1,289,588,524	\$ 58,289,591	\$ 1,347,878,115

CITY OF RANCHO CUCAMONGA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds			
	General	Development Impact Fees	Lighting Districts	Housing Successor Agency
Assets:				
Cash and investments	\$ 103,482,622	\$ 70,113,675	\$ 6,689,413	\$ 2,099,700
Receivables:				
Accounts, net of allowances	1,568,638	358,693	198,585	-
Taxes	9,448,794	-	18,234	-
Notes	-	-	-	168,373,712
Accrued interest	243,288	179,972	15,682	5,479
Other loans	-	-	-	-
Grants	-	-	-	-
Prepaid costs	225,620	-	-	2,898
Deposits	49,000	-	-	-
Due from other funds	8,469,739	-	-	-
Advances to other funds	13,416,129	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	3,522,911
Pension rate stabilization program	4,239,254	-	-	-
Total Assets	\$ 141,143,084	\$ 70,652,340	\$ 6,921,914	\$ 174,004,700
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,294,636	\$ 1,003,566	\$ 172,496	\$ -
Accrued liabilities	1,814,647	13,725	4,476	-
Unearned revenues	483,111	-	12,670	-
Deposits payable	9,793,339	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	10,828,828	-
Total Liabilities	14,385,733	1,017,291	11,018,470	-
Deferred Inflows of Resources:				
Unavailable revenues	666	-	179,751	34,806,030
Total Deferred Inflows of Resources	666	-	179,751	34,806,030
Fund Balances:				
Nonspendable	13,690,749	-	-	2,898
Restricted	9,631,596	69,635,049	-	139,195,772
Committed	73,280,103	-	-	-
Assigned	30,154,237	-	-	-
Unassigned	-	-	(4,276,307)	-
Total Fund Balances	126,756,685	69,635,049	(4,276,307)	139,198,670
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 141,143,084	\$ 70,652,340	\$ 6,921,914	\$ 174,004,700

CITY OF RANCHO CUCAMONGA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>Special Revenue Fund</u>			
	<u>Fire District</u>	<u>Federal Grants Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and investments	\$ 77,887,998	\$ 13,408,733	\$ 113,758,364	\$ 387,440,505
Receivables:				
Accounts, net of allowances	1,382,491	9,032	9,394,940	12,912,379
Taxes	225,375	-	1,705,927	11,398,330
Notes	-	-	-	168,373,712
Accrued interest	120,498	-	282,627	847,546
Other loans	-	-	1,339,624	1,339,624
Grants	-	-	1,807,047	1,807,047
Prepaid costs	347,727	-	2,375	578,620
Deposits	-	-	-	49,000
Due from other funds	-	-	-	8,469,739
Advances to other funds	-	-	-	13,416,129
Restricted assets:				
Cash and investments with fiscal agents	-	-	713,999	4,236,910
Pension rate stabilization program	10,904,321	-	-	15,143,575
Total Assets	\$ 90,868,410	\$ 13,417,765	\$ 129,004,903	\$ 626,013,116
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 367,344	\$ -	\$ 5,520,999	\$ 9,359,041
Accrued liabilities	1,502,531	-	419,002	3,754,381
Unearned revenues	-	13,417,765	-	13,913,546
Deposits payable	-	-	15	9,793,354
Due to other governments	-	-	550,447	550,447
Due to other funds	-	-	7,955,184	7,955,184
Advances from other funds	864,331	-	-	11,693,159
Total Liabilities	2,734,206	13,417,765	14,445,647	57,019,112
Deferred Inflows of Resources:				
Unavailable revenues	-	-	602,039	35,588,486
Total Deferred Inflows of Resources	-	-	602,039	35,588,486
Fund Balances:				
Nonspendable	347,727	-	2,375	14,043,749
Restricted	14,148,905	-	113,969,454	346,580,776
Committed	45,172,751	-	-	118,452,854
Assigned	28,464,821	-	-	58,619,058
Unassigned	-	-	(14,612)	(4,290,919)
Total Fund Balances	88,134,204	-	113,957,217	533,405,518
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 90,868,410	\$ 13,417,765	\$ 129,004,903	\$ 626,013,116

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CITY OF RANCHO CUCAMONGA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Fund balances of governmental funds		\$ 533,405,518
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		796,891,640
Deferred outflows related to pension related items are not included in the governmental fund activity:		
Contributions made after the measurement date	\$ 16,923,801	
Adjustment due to differences in proportions	1,638,024	
Changes in assumptions	993,297	
Differences between expected and actual experiences	5,313,509	
Net difference between projected and actual earning on plan investments	<u>2,961,461</u>	27,830,092
Deferred inflows related to pension related items are not included in the governmental fund activity:		
Changes in assumptions	(1,214,625)	
Differences between expected and actual experiences	(2,792,869)	
Adjustment due to differences in proportions	(4,770)	
Differences between actual contributions and the proportionate share of contributions	(1,272,882)	(5,285,146)
Deferred outflows related to OPEB related items are not included in the governmental fund activity:		
Contributions made after the measurement date	<u>32,589</u>	32,589
Deferred inflows related to OPEB related items are not included in the governmental fund activity:		
Changes in assumptions	(542,920)	
Differences between expected and actual experiences	(2,922,452)	
Net difference between projected and actual earning on plan investments	<u>(428,929)</u>	(3,894,301)
Advances from Successor Agency of the Former RDA, compensated absences and claims and judgments liability are not included in the governmental fund activity:		
Advances from Successor Agency of the Former RDA	(3,953,624)	
Claims and judgments	(2,558,984)	
Compensated absences	<u>(8,617,777)</u>	(15,130,385)
Governmental funds report all pension contributions as expenditures, however, in the statement of net position, the excess of the total pension liability over the plan fiduciary net position is reported as a net pension liability.		(98,243,416)
Net pension assets are not available to pay for current-period expenditures and therefore are not reported in the governmental funds.		3,691,273
Net OPEB assets are not available to pay for current-period expenditures and therefore are not reported in the governmental funds.		5,723,743
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		35,588,486
Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds are added to the statement of net position.		<u>8,978,431</u>
Net Position of Governmental Activities		<u>\$ 1,289,588,524</u>

CITY OF RANCHO CUCAMONGA

STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	General	Development Impact Fees	Lighting Districts	Housing Successor Agency
Revenues:				
Taxes	\$ 76,601,967	\$ -	\$ 2,129,125	\$ -
Licenses and permits	5,667,304	-	-	-
Intergovernmental	688,302	38,727	-	-
Charges for services	4,973,242	385,642	-	-
Use of money and property	814,603	(16,701)	(20,035)	(3,194)
Fines and forfeitures	1,227,698	-	-	-
Contributions	17,698	-	-	-
Developer participation	-	11,458,167	-	-
Miscellaneous	3,272,491	255,836	41,580	111,727
Total Revenues	93,263,305	12,121,671	2,150,670	108,533
Expenditures:				
Current:				
General government	14,610,180	-	1,764,608	-
Public safety - police	43,239,756	610	-	-
Public safety - fire protection	-	-	-	-
Public safety - animal center	2,399,155	368	-	-
Community development	6,458,490	116,569	-	603,358
Community services	3,459,866	29,338	-	-
Engineering and public works	11,440,332	673,884	-	-
Capital outlay	6,833,492	6,178,780	-	-
Debt service:				
Interest and fiscal charges	8,195	-	111,944	-
Total Expenditures	88,449,466	6,999,549	1,876,552	603,358
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,813,839	5,122,122	274,118	(494,825)
Other Financing Sources (Uses):				
Transfers in	4,265,848	99,440	336,229	-
Transfers out	(3,605,636)	-	-	-
Proceeds sale of capital assets	23,317	-	-	-
Total Other Financing Sources (Uses)	683,529	99,440	336,229	-
Net Change in Fund Balances	5,497,368	5,221,562	610,347	(494,825)
Fund Balances:				
Beginning of year	120,837,325	64,413,487	(4,886,654)	139,693,495
Restatements	421,992	-	-	-
Beginning of year, as restated	121,259,317	64,413,487	(4,886,654)	139,693,495
End of Year	\$ 126,756,685	\$ 69,635,049	\$ (4,276,307)	\$ 139,198,670

CITY OF RANCHO CUCAMONGA

STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			Total Governmental Funds
	Fire District	Federal Grants Fund	Other Governmental Funds	
Revenues:				
Taxes	\$ 52,829,035	\$ -	\$ 20,460,038	\$ 152,020,165
Licenses and permits	4,970	-	105,548	5,777,822
Intergovernmental	25,000	5,730,617	19,042,604	25,525,250
Charges for services	2,178	-	191,553	5,552,615
Use of money and property	2,240,078	-	144,203	3,158,954
Fines and forfeitures	93,090	-	-	1,320,788
Contributions	-	-	231,125	248,823
Developer participation	-	-	443,950	11,902,117
Miscellaneous	2,470,002	-	1,723,011	7,874,647
Total Revenues	57,664,353	5,730,617	42,342,032	213,381,181
Expenditures:				
Current:				
General government	-	2,009,109	1,370,302	19,754,199
Public safety - police	-	-	267,061	43,507,427
Public safety - fire protection	42,771,828	-	53,505	42,825,333
Public safety - animal center	-	-	-	2,399,523
Community development	-	-	12,954,899	20,133,316
Community services	-	-	3,625,596	7,114,800
Engineering and public works	-	-	5,940,356	18,054,572
Capital outlay	7,325,588	-	12,918,866	33,256,726
Debt service:				
Interest and fiscal charges	47,559	-	-	167,698
Total Expenditures	50,144,975	2,009,109	37,130,585	187,213,594
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,519,378	3,721,508	5,211,447	26,167,587
Other Financing Sources (Uses):				
Transfers in	379,711	-	675,508	5,756,736
Transfers out	(113,346)	(3,721,508)	(311,692)	(7,752,182)
Proceeds sale of capital assets	5,473	-	-	28,790
Total Other Financing Sources (Uses)	271,838	(3,721,508)	363,816	(1,966,656)
Net Change in Fund Balances	7,791,216	-	5,575,263	24,200,931
Fund Balances:				
Beginning of year	80,342,988	-	100,185,824	500,586,465
Restatements	-	-	8,196,130	8,618,122
Beginning of year, as restated	80,342,988	-	108,381,954	509,204,587
End of Year	\$ 88,134,204	\$ -	\$ 113,957,217	\$ 533,405,518

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CITY OF RANCHO CUCAMONGA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Net change in fund balances - total governmental funds \$ 24,200,931

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 30,389,879	
Depreciation	(19,417,742)	
Contributed capital assets	6,538,500	
Loss on disposal of capital assets	<u>(467,769)</u>	17,042,868

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Change in claims and judgments payable 161,842

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(861,874)

OPEB obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

597,457

Pension obligation expenses are expenditures in the governmental funds, but reduce the Net Pension Liability/(Asset) in the statement of net position.

(2,258,405)

Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

2,865,417

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds are added to the statement of net position.

(647,557)

Change in Net Position of Governmental Activities

\$ 41,100,679

CITY OF RANCHO CUCAMONGA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major Funds		Other Enterprise Funds	Total	
	Municipal Utility	Fiber Optic Network	Sports Complex		
Assets:					
Current:					
Cash and investments	\$ 23,917,537	\$ -	\$ 48,350	\$ 23,965,887	\$ 4,223,664
Receivables:					
Accounts	1,872,347	77,022	27,982	1,977,351	29,020
Taxes	-	-	32,500	32,500	-
Notes and loans	30,000	-	-	30,000	-
Accrued interest	64,262	-	-	64,262	9,434
Prepaid costs	2,108	-	-	2,108	367,002
Net pension asset	57,645	-	127,837	185,482	-
Restricted:					
Cash with fiscal agent	-	9,926,925	-	9,926,925	-
Total Current Assets	25,943,899	10,003,947	236,669	36,184,515	4,629,120
Noncurrent:					
Capital assets - net of accumulated depreciation	19,116,652	10,052,307	12,717,529	41,886,488	5,438,028
Total Noncurrent Assets	19,116,652	10,052,307	12,717,529	41,886,488	5,438,028
Total Assets	45,060,551	20,056,254	12,954,198	78,071,003	10,067,148
Deferred Outflows of Resources:					
Deferred pension related items	229,175	-	361,933	591,108	-
Total Deferred Outflows of Resources	229,175	-	361,933	591,108	-
Total Assets and Deferred Outflows of Resources	\$ 45,289,726	\$ 20,056,254	\$ 13,316,131	\$ 78,662,111	\$ 10,067,148
Liabilities, Deferred Inflows of Resources and Net Position:					
Liabilities:					
Current:					
Accounts payable	\$ 1,144,310	\$ 161,352	\$ 57,591	\$ 1,363,253	\$ 79,251
Accrued liabilities	38,029	-	51,242	89,271	-
Accrued interest	-	81,081	-	81,081	13,777
Deposits payable	761,476	-	-	761,476	-
Due to other funds	-	514,555	-	514,555	-
Capital leases	-	-	-	-	488,350
Revenue bonds	-	440,000	-	440,000	-
Total Current Liabilities	1,943,815	1,196,988	108,833	3,249,636	581,378
Noncurrent:					
Advances from other funds	-	-	1,722,970	1,722,970	-
Capital leases	-	-	-	-	507,339
Revenue bonds	-	12,247,378	-	12,247,378	-
Net pension liability	898,049	-	2,054,245	2,952,294	-
Total Noncurrent Liabilities	898,049	12,247,378	3,777,215	16,922,642	507,339
Total Liabilities	2,841,864	13,444,366	3,886,048	20,172,278	1,088,717
Deferred Inflows of Resources:					
Deferred pension related items	61,730	-	138,512	200,242	-
Total Deferred Inflows of Resources	61,730	-	138,512	200,242	-
Net Position:					
Net investment in capital assets	19,116,650	7,291,855	12,717,530	39,126,035	4,442,339
Restricted for public benefit - Municipal Utility	351,851	-	-	351,851	-
Unrestricted	22,917,631	(679,967)	(3,425,959)	18,811,705	4,536,092
Total Net Position	42,386,132	6,611,888	9,291,571	58,289,591	8,978,431
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 45,289,726	\$ 20,056,254	\$ 13,316,131	\$ 78,662,111	\$ 10,067,148

CITY OF RANCHO CUCAMONGA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				
	Major Funds		Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
	Municipal Utility	Fiber Optic Network	Sports Complex		
Operating Revenues:					
Sales and service charges	\$ 12,663,281	\$ 98,625	\$ 18,180	\$ 12,780,086	\$ -
Interdepartmental charges	-	-	-	-	1,114,190
Rent	-	-	163,429	163,429	-
Miscellaneous	234	-	58,480	58,714	108
Total Operating Revenues	12,663,515	98,625	240,089	13,002,229	1,114,298
Operating Expenses:					
Salaries and benefits	900,276	-	1,334,752	2,235,028	-
Maintenance and operations	7,889,844	416,072	267,480	8,573,396	536,056
Contractual services	704,379	5,500	121,664	831,543	595,904
Depreciation expense	1,252,718	174,374	560,035	1,987,127	1,753,206
Total Operating Expenses	10,747,217	595,946	2,283,931	13,627,094	2,885,166
Operating Income (Loss)	1,916,298	(497,321)	(2,043,842)	(624,865)	(1,770,868)
Nonoperating Revenues (Expenses):					
Admissions tax	-	-	32,500	32,500	-
Interest revenue	294,032	-	-	294,032	39,676
Interest expense	-	(442,007)	(17,907)	(459,914)	(47,428)
Miscellaneous	(305,774)	5,756	(895)	(300,913)	(54,626)
Total Nonoperating Revenues (Expenses)	(11,742)	(436,251)	13,698	(434,295)	(62,378)
Income (Loss) Before Contributions and Transfers	1,904,556	(933,572)	(2,030,144)	(1,059,160)	(1,833,246)
Capital contributions	488,689	954,184	-	1,442,873	-
Transfers in	-	934,831	1,197,246	2,132,077	1,185,689
Transfers out	(1,322,320)	-	-	(1,322,320)	-
Changes in Net Position	1,070,925	955,443	(832,898)	1,193,470	(647,557)
Net Position:					
Beginning of Year	41,315,207	5,656,445	10,124,469	57,096,121	9,625,988
Changes in Net Position	1,070,925	955,443	(832,898)	1,193,470	(647,557)
End of Fiscal Year	\$ 42,386,132	\$ 6,611,888	\$ 9,291,571	\$ 58,289,591	\$ 8,978,431

CITY OF RANCHO CUCAMONGA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2021

	Municipal Utility	Fiber Optic Network	Other Enterprise Funds Sports Complex	Total	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities:					
Cash received from customers and users	\$ 12,542,333	\$ 91,397	\$ 189,187	\$ 12,822,917	\$ -
Cash received from interfund service provided	-	-	-	-	1,114,190
Cash paid to suppliers for goods and services	(8,600,463)	(413,294)	(375,353)	(9,389,110)	(976,910)
Cash paid to employees for services	(793,754)	-	(996,390)	(1,790,144)	-
Cash received from others	-	-	-	-	108
Net Cash Provided (Used) by Operating Activities	3,148,116	(321,897)	(1,182,556)	1,643,663	137,388
Cash Flows from Non-Capital Financing Activities:					
Cash transfers in	-	934,831	1,197,246	2,132,077	1,185,689
Cash transfers out	(1,322,320)	-	-	(1,322,320)	-
Cash received from other funds	(296,623)	(290,390)	-	(587,013)	-
Cash paid from other funds	-	-	(124,653)	(124,653)	-
Admissions tax received	-	-	32,500	32,500	-
Miscellaneous	-	-	-	-	(34,966)
Net Cash Provided (Used) by Non-Capital Financing Activities	(1,618,943)	644,441	1,105,093	130,591	1,150,723
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(1,240,331)	(390,925)	-	(1,631,256)	(758,139)
Principal paid on capital debt	-	(425,000)	-	(425,000)	(470,310)
Interest paid on capital debt	-	(509,831)	-	(509,831)	(76,680)
Interest paid on interfund financing	-	-	(18,803)	(18,803)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,240,331)	(1,325,756)	(18,803)	(2,584,890)	(1,305,129)
Cash Flows from Investing Activities:					
Interest received	303,557	-	-	303,557	44,469
Net Cash Provided (Used) by Investing Activities	303,557	-	-	303,557	44,469
Net Increase (Decrease) in Cash and Cash Equivalents	592,399	(1,003,212)	(96,266)	(507,079)	27,451
Cash and Cash Equivalents at Beginning of Year	23,325,138	10,930,137	144,616	34,399,891	4,196,213
Cash and Cash Equivalents at End of Year	\$ 23,917,537	\$ 9,926,925	\$ 48,350	\$ 33,892,812	\$ 4,223,664
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 1,916,298	\$ (497,321)	\$ (2,043,842)	\$ (624,865)	\$ (1,770,868)
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,252,718	174,374	560,035	1,987,127	1,753,206
(Increase) decrease in accounts receivable	(319,330)	(7,228)	(18,402)	(344,960)	-
(Increase) decrease in taxes receivable	-	-	(32,500)	(32,500)	-
(Increase) decrease in deferred outflows from pensions	(5,971)	-	138,625	132,654	-
(Increase) decrease in notes and loans receivable	40,000	-	-	40,000	-
(Increase) decrease in prepaid cost	14,690	-	-	14,690	140,685
(Increase) decrease in net pension asset	24,887	-	16,909	41,796	-
Increase (decrease) in accounts payable	(20,930)	8,278	13,791	1,139	14,365
Increase (decrease) in accrued liabilities	6,841	-	668	7,509	-
Increase (decrease) in deposits payable	158,148	-	-	158,148	-
Increase (decrease) in net pension liability	103,911	-	211,645	315,556	-
Increase (decrease) in deferred inflows from pensions	(23,146)	-	(29,485)	(52,631)	-
Total Adjustments	1,231,818	175,424	861,286	2,268,528	1,908,256
Net Cash Provided (Used) by Operating Activities	\$ 3,148,116	\$ (321,897)	\$ (1,182,556)	\$ 1,643,663	\$ 137,388
Non-Cash Investing, Capital, and Financing Activities:					
Donated infrastructure	\$ 488,689	\$ 954,184	\$ -	\$ 1,442,873	\$ -
Gain/(Loss) on Investments	-	-	-	-	54,626

CITY OF RANCHO CUCAMONGA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2021

	Custodial Funds	Private- Purpose Trust Fund Successor Agency of the Former RDA
Assets:		
Cash and investments	\$ 7,047,090	\$ 22,819,206
Receivables:		
Accounts	2,016	-
Taxes	54,122	-
Accrued interest	11,766	-
Developer loans	-	10,259,967
Prepaid bond insurance	-	1,253,247
Advances to City	-	3,953,624
Restricted assets:		
Cash and investments with fiscal agents	4,015,348	85
Total Assets	\$ 11,130,342	38,286,129
Deferred Outflows of Resources:		
Deferred charge on refunding	-	2,095,529
Total Deferred Outflows of Resources	-	2,095,529
Liabilities:		
Accrued interest	\$ 845,179	4,137,558
Long-term liabilities:		
Due in one year	3,739,000	13,906,041
Due in more than one year	57,051,000	251,003,324
Total Liabilities	\$ 61,635,179	269,046,923
Deferred Inflows of Resources:		
Deferred charges on refunding	-	1,527,507
Total Deferred Inflows or Resources	-	1,527,507
Net Position:		
Restricted for organizations and other governments	(50,504,837)	(230,192,772)
Total Net Position	\$ (50,504,837)	\$ (230,192,772)

CITY OF RANCHO CUCAMONGA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>	<u>Private- Purpose Trust Fund Successor Agency of the Former RDA</u>
Additions:		
Collection of special taxes	\$ 6,657,104	\$ 27,018,962
Net change in fair value of investments	(92,355)	-
Interest	54,516	14,653
Other revenue	-	162,367
Total Additions	<u>6,619,265</u>	<u>27,195,982</u>
Deductions:		
Administrative expenses	429,649	-
Contractual services	1,500	928,240
Interest expense	3,482,665	11,103,818
Payments to city	338,886	327,990
Total Deductions	<u>4,252,700</u>	<u>12,360,048</u>
Changes in Net Position	<u>2,366,565</u>	<u>14,835,934</u>
Net Position:		
Beginning of year	-	(245,028,706)
Restatements	(52,871,402)	-
Beginning of fiscal year, as restated	(52,871,402)	(245,028,706)
Net Position - End of the Year	<u>\$ (50,504,837)</u>	<u>\$ (230,192,772)</u>

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of Entity

The City of Rancho Cucamonga was incorporated on November 30, 1977, under the laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. The City operates under a council-manager form of government and provides its citizens with a full range of municipal services. It is governed by an elected five-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Rancho Cucamonga (the City) and its component units, entities for which the City is considered financially accountable.

The inclusion of an organization within the scope of the reporting entity of the City of Rancho Cucamonga is based on the provisions of GASB Statement No. 14 and amended with GASB Statement No. 61. The blended component units discussed below, although legally separate entities, are in substance part of the government operation and so data from these component units has been combined herein. The following criteria were used in the determination of the blended component units:

1. The members of the City Council also act as the governing body of the Rancho Cucamonga Public Improvement Corporation (the Improvement Corporation), the Rancho Cucamonga Fire Protection District (the Fire District), the Rancho Cucamonga Library (the Library), and the Rancho Cucamonga Public Financing Authority (the Financing Authority).
2. The Improvement Corporation, the Fire District, the Library, and the Financing Authority are managed by employees of the City. A portion of the City's general overhead costs is allocated to the Fire District and the Library.
3. The City, the Improvement Corporation, the Fire District, the Library, and the Financing Authority are financially interdependent. They provide financial benefit and burden to the City.

Blended Component Units

The Improvement Corporation was incorporated on November 14, 1988, under the Non-Profit Public Benefit Corporation Law of the State of California. The Improvement Corporation was established for charitable purposes including rendering financial assistance to the City by financing, acquiring, constructing, improving and leasing public improvements for the benefit of residents of the City and the surrounding area. Separate financial statements are not available for the Improvement Corporation.

The Fire District (formerly, Foothill Fire Protection District) was a special district formed by the County of San Bernardino for the purpose of fire suppression within its boundaries. Effective July 1, 1989, operations of this district were taken over by the City. The Fire District still operates as a separate special district; however, now it is under the control of the City instead of the County of San Bernardino. Separate financial statements are available for the Fire District.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The Library was part of the San Bernardino County Library System in which the City participated. Effective July 1, 1994, and pursuant to California Code Section 19104, the City withdrew from the County Library System. As of this date, the Library operates as a separate entity under the control of the City. Separate financial statements are not available for the Library.

The Financing Authority was established on April 21, 1999, pursuant to Article I (commencing with Section 6500) of Chapter 5 of Division 7 of Title I of the California Government Code. Its purpose is to facilitate the financing and the refinancing of construction, expansion, upgrading and improvement of the public capital facilities necessary to support the rehabilitation and construction of residential and economic development within the City. Separate financial statements are not available for the Financing Authority.

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 nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements, except for the interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which 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 or segment is 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 or segment. 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.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales tax and grant revenue where the government considers revenue to be available if collected within 180 days of the end of the current fiscal period. The primary revenue sources, which have been susceptible to accrual by the City, are real and personal property tax, other local taxes, franchise fees, forfeitures and penalties, motor license fees, rents and concessions, interest revenue, and state and Federal grants and subventions. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City's fiduciary funds consist of custodial funds and a private purpose trust fund. Custodial funds are used to account for situations where the government's role is purely custodial. Private purpose trust funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The City reports the following major governmental funds:

- The General Fund is the general operating fund of the City. All general tax receipts and fee revenue not allocated by law, Council policy or contractual agreement to other funds are accounted for in the General Fund. General Fund expenditures include operations traditionally associated with activities which are not required to be accounted for or paid by another fund.
- The Development Impact Fees Fund accounts for the receipts from development impact fees which are used to defray all or a portion of the cost of public facilities as a result of development.
- The Lighting Districts Fund accounts for the costs associated with providing street lights throughout the City. Revenues are provided by special assessments levied against the benefiting property owners.
- The Housing Successor Agency Fund accounts for the assets of the former Redevelopment Agency's Low and Moderate Income Housing Fund. The source of revenue in the fund is primarily from interest received from the notes and loans receivable.
- The Fire District Fund accounts for the revenue and disbursement of funds received by the Rancho Cucamonga Fire Protection District in the course of the District's fire protection services. The source of revenue in the fund is primarily from property taxes.
- The Federal Grants Fund accounts for grant funds received directly or in pass-through from the Federal government and the allowable expenditures reported in those programs. The Federal grant programs reported in this special revenue fund are nonrecurring.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The City reports the following major proprietary funds:

- The Municipal Utility Fund accounts for the costs of labor and materials used in the operation, maintenance, construction and consumption of electric services to certain residential, commercial, and industrial customers within the City.
- The Fiber Optic Network Fund accounts for receipts from user charges and leases for conduit and fiber access, costs associated with the City's existing utility, information technology and traffic fiber conduits.

Additionally, the City reports the following fund types:

- Capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).
- Internal service funds account for the financial transactions related to repair, replacement and maintenance of City-owned vehicles and equipment and the City's general information systems and telecommunications hardware and software.
- Custodial funds are used to account for money and property held by the City as trustee or custodian. They are also used to account for various assessment districts and community facilities districts for which the City acts as an agent for debt service activity.
- A private-purpose trust fund is used to account for the assets and liabilities of the former Redevelopment Agency and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former Redevelopment Agency are paid in full and assets have been liquidated.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

d. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

Cash and Investments

All cash and investments, except those that are held by fiscal agents or through a trust, are held in a City pool. These pooled funds are available upon demand and therefore are considered cash and cash equivalents for purposes of the statement of cash flows. Investments held by fiscal agents with an original maturity of three months or less are also considered cash equivalents and are shown as restricted assets for financial statement presentation purposes. Investments for the City, as well as for its component units, are reported at fair value.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of allowance for uncollectibles.

Prepaid Costs

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These are accounted for using the consumption method, and, accordingly, the expenditure is recorded in the period in which the goods or services are received.

Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Investments in the PARS Public Agencies Post-Employment Benefits Trusts are held for the purpose of rate stabilization of future pension obligations. The trusts are Section 115 irrevocable trusts. The investments are reported at fair value.

Capital Assets

Capital assets, which include land, building improvements, improvements other than buildings, computer equipment and software, equipment and vehicles, furniture and fixtures, infrastructure (e.g., roads, bridges, sidewalks and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost when purchased or constructed. Donated capital assets are recorded at the estimated price that would be paid to acquire the asset at the date of acquisition.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The costs of normal maintenance and repairs that do not add to the value of the capital assets or materially extend capital assets' useful lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building improvements	10-50
Improvements other than buildings	10-40
Computer equipment and software	3-15
Equipment and vehicles	3-20
Furniture and fixtures	3-20
Infrastructure	10-75
Intangible assets	10-15

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government reports deferred outflows of resources related to pensions arising from certain changes in the net pension liability, net pension asset, and net OPEB asset.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has several items that qualify for reporting in this category:

1. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for revenues that are measurable but not collected within 60 days of the end of the current fiscal period or 180 days for sales tax and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
2. Pension and OPEB related deferred inflows are reported only on the Statement of Net Position. The government reports deferred inflows of resources related to pensions arising from certain changes in the net pension liability, net pension asset, or net OPEB asset.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Deferred inflows and outflows of resources related to changes in the net pension liability, net pension asset, and net OPEB asset are recognized systematically over time. Amounts are first recognized in the year the change occurs. The remaining amounts are to be recognized in future periods. The recognition period differs depending on the source of the change, and they currently are amortized over 5 years or the average remaining service life time.

Pension

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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 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.

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

PARS Retirement Enhancement Plan

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to the retirement enhancement plan, and retirement enhancement plan expense, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined by an independent actuary.

Contributions are recognized in the period in which the contributions are due and there exists a formal commitment to provide the contributions. Liabilities related to investment and administrative expenses are recognized when incurred. Those related to obligations for employee benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan, the assets of which are held by the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer defined benefit healthcare plan administered by the California Public Employees' Retirement System (CalPERS), and additions to/deductions from the OPEB plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Accrued Employee Benefits

The City's policy permits employees to accumulate earned but unused vacation and sick pay benefits. The total amount of liability for unused vacation and sick pay benefits is accrued when incurred in the government-wide financial statements. The City utilizes the General Fund and the Fire District Special Revenue Fund in the governmental fund financial statements to account for the short-term portion of its liability. The short-term portion is the unused reimbursable leave still outstanding following an employee's resignation or retirement.

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Fire District employees cannot accrue more than one and one-half times their regular annual entitlement.

Sick leave is payable when an employee is unable to work because of illness. For City employees, those who terminate their employment after five years of continuous service and have at least 50% of five years sick leave accrued on the books upon termination may be paid for 120 hours of the accrued leave.

For Fire District employees, sick leave may be accumulated indefinitely or an employee with ten or more years of service is eligible to convert unused sick leave to vacation in accordance with the following and with any remainder of hours to still remain unused sick time:

Employee Type	Accumulated Sick Leave Balance Prior Calendar Year	Vacation Conversion Rate
shift	108 - 144 hours	one-half
shift	72 - 108 hours	one-fourth
40-hour	90 - 120 hours	one-half
40-hour	60 - 90 hours	one-fourth

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Upon service retirement of a public safety employee, the option exists to sell back up to one-half of total accumulated sick leave, have the leave credited toward service in accordance with the Public Retirement Law, or apply the cash value of up to 100% of the leave to the employee's VEBA account. All unused sick leave is forfeited upon termination, other than for normal retirement.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the 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 type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance

Fund balance is essentially the difference between the assets, liabilities, and deferred inflows reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent.

- Non-spendable fund balance (*inherently non-spendable*)
- Restricted fund balance (*externally enforceable limitations on use*)
- Committed fund balance (*self-imposed limitations on use*)
- Assigned fund balance (*limitation resulting from intended use*)
- Unassigned fund balance (*residual net resources*)

The General Fund is the only fund that can report a positive unassigned fund balance amount. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to these purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by the adoption of a resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently. Fund balance commitments are as follows:

Changes in Economic Circumstances

The City's General Fund balance committed for changes in economic circumstances is established at a goal of a nine month reserve, or 75% of the City General Fund operating budget for the upcoming fiscal year. The Fire District's fund balance committed for changes in economic circumstances is established at a goal of a nine month reserve, or 75% of the Fire District's operating budget for the upcoming fiscal year. The specific uses of this commitment include: 1) the declaration of a state or federal state of emergency or a local emergency as defined in Rancho Cucamonga Municipal Code Section 2.36.020; or 2) a change in economic circumstances in a given fiscal year that results in revenues to the City/Fire District being insufficient to cover expenditures for one or more fiscal years. The City Council/Fire Board may, by the affirming vote of four members, change the amount of this commitment and/or the specific uses of these monies.

City Facilities Capital Repair

The City's General Fund balance committed for City facilities capital repair and property acquisition is established at a minimum goal of 50% of capital assets value comprised of construction in progress (excluding infrastructure), building improvements, and improvements other than buildings for governmental activities, excluding assets owned by the Fire District.

Fire District Facilities Capital Repair

The Fire District's fund balance committed for Fire District facilities capital repair to a minimum goal of 50% of capital assets value comprised of construction in progress (excluding infrastructure), building improvements, and improvements other than building for public safety-fire activities.

Working Capital

The City's General Fund balance committed for Working Capital is established at a minimum goal of 5% of the City's General Fund operating budget for the upcoming fiscal year. The Fire District's fund balance committed for Working Capital is established at a minimum goal of 50% of the District's operating budget for the upcoming fiscal year.

Self-Insurance

The City's General Fund balance and the Fire District's fund balance committed for payment of Worker's Compensation, General Liability, and Employment Practices Liability claims is established at a minimum goal of eight times the City's and the Fire District's total yearly SIRs for all types of insurance coverage.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

PASIS Worker's Compensation Tail Claims

The Fire District's fund balance committed for payment of outstanding Worker's Compensation claims remaining after the Fire District's withdrawal from PASIS is established at a goal equal to the most recent fiscal year end Claims Cost Detail Report from the Fire District's third-party administrator plus 15%.

Employee Leave Payouts

The City's General Fund balance and the Fire District's fund balance committed for employee leave payouts is valued in accordance with the City's labor contracts as of the last day of the fiscal year.

Vehicle and Equipment Replacement

The Fire District's fund balance committed for the replacement of fire safety vehicles and equipment as determined based on the Fire District's replacement criteria is established at a minimum goal of 50% of Fire District vehicle and equipment replacement value.

Law Enforcement

The City's General Fund balance committed for public safety purposes, including operations, equipment, capital outlay, personnel, and booking fees. The funding goal for this reserve is the equivalent of 100% of the most recently approved Schedule A from the San Bernardino County Sheriff's Department.

Economic Development Strategic Reserve

The City's General Fund balance committed for the acquisition and development of key properties to promote economic development that will benefit the City as a whole and, potentially, generate ongoing revenues to the City whenever feasible through negotiated agreements with third parties (including but not limited to land leases or public-private partnerships). Establishment of this reserve is a City Council goal, established in the spring of 2021. The funding goal for this reserve is the equivalent of the current value of a 10-acre mixed-use site on Foothill Boulevard as of January 1 of each year.

Seasonal Weather Emergency Reserve

The City's General Fund balance committed for unanticipated costs incurred due to damage resulting from severe weather emergencies such as wind, flood, fire, extreme heat, extreme cold, and other forces of nature. The reserve will provide funding for these costs without impacting the City's operating budget and will be appropriated by the City Council on an as needed basis when extreme seasonal weather emergencies occur.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The City considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

Net Position

In the governmental-wide financial statements and proprietary fund financial statements, net position is classified as follows:

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

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Property Tax

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County of San Bernardino collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January proceeding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Functional Classifications

Expenditures of the governmental funds are classified by function. Functional classifications are defined as follows:

- General Government includes legislative activities, City Clerk, City Attorney, City Manager as well as management or supportive services across more than one functional area.
- Public Safety - Police includes those activities which involve police protection.
- Public Safety - Fire Protection includes activities of the Fire District which involve the protection of people and property from fire as well as emergency preparedness.
- Public Safety - Animal Center includes those activities which involve animal care and services.
- Community Development includes those activities which involve planning and economic development, as well as building and safety.
- Community Services includes activities which provide recreation, cultural and educational services.
- Engineering and Public Works includes all maintenance, engineering and capital improvements which relate to streets, parks, flood control and other public facilities.

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in progress at year-end are completed. They do not constitute expenditures or estimated liabilities.

The following funds have encumbrances at June 30, 2021:

General Fund	\$ 2,532,893
Development Impact Fees	1,188,430
Lighting Districts	114,322
Fire District	2,478,978
Other Governmental Funds	5,844,098

b. Deficit Fund Balances or Net Position

The Lighting Districts Fund has a deficit fund balance of \$4,276,335 at June 30, 2021. The deficit fund balance will be eliminated by the repayment of the interfund advance from the General Fund described in Note 6.

The following nonmajor special revenue funds reported deficits in fund balance at June 30, 2021:

Recreation	\$ 5,279
Pedestrian Grant	9,237
Energy Efficiency and Conservation Block Grant	96

The deficits in the Recreation and Pedestrian Grant special revenue funds will be eliminated by future expected revenue sources.

The deficit in the Energy Efficiency and Conservation Block Grant fund will be eliminated with a final accounting and close-out of the fund.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2021, cash and investments were reported in the accompanying financial statements as follows:

	Governmental activities	Business-Type Activities	Custodial Funds	Private-Purpose Trust Fund	Total Cash and Investments
Cash and Investments	\$ 391,664,169	\$ 23,965,887	\$ 7,047,090	\$ 22,819,206	\$ 445,496,352
Restricted:					
Cash with fiscal agent	4,236,910	9,926,925	4,015,348	85	18,179,268
Pension rate stabilization fund	15,143,575	-	-	-	15,143,575
Total Cash and Investments:	<u>\$ 411,044,654</u>	<u>\$ 33,892,812</u>	<u>\$ 11,062,438</u>	<u>\$ 22,819,291</u>	<u>\$ 478,819,195</u>

Note 3: Cash and Investments (Continued)

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures or funds held in a trust. Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on average daily cash balances. Interest Income from cash and investments with fiscal agents and through a trust are credited directly to the related fund.

Deposits

At June 30, 2021, the carrying amount of the City's deposits was \$35,615,434 and the bank balance was \$34,901,926. The \$713,508 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

Investments

Under provision of the City's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- United States Treasury Securities
- United States Federal Agencies
- Supranational Securities
- Municipals Notes or Bonds
- Negotiable Certificates of Deposit
- Asset-Backed Securities
- Medium-Term Notes
- Bankers' Acceptances
- Commercial Paper
- Repurchase Agreements (Repos)
- State of California Local Agency Investment Fund (LAIF)
- Joint Powers Authority (JPA) Investment Pool
- Money Market Funds
- Bank Deposits

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 3: Cash and Investments (Continued)

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

Credit Risk

As of June 30, 2021, the City's investments in corporate bonds were A3 or better by Moody's. As of June 30, 2021, the City invested in Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and municipal bonds which were all rated "Aaa" by Moody's. All securities were investment grade and were legal under State and City law. As of June 30, 2021, the City's investments in external investment pools and money market mutual funds are unrated.

Custodial Credit Risk

The 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 deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2021, the City's deposits (bank balances) were insured by the FDIC up to \$250,000 and the remaining balances were collateralized under California Law.

Concentration of Credit Risk

The City is in compliance with restrictions imposed by its investment policy, which limits certain types of investments. As of June 30, 2021, in accordance with GASB Statement No. 40, if the City has invested more than 5% of its total investments in any one issuer, it is exposed to credit risk. The following investments are considered exposed to credit risk:

Federal National Mortgage Association	8.26%
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Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 3: Cash and Investments (Continued)

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy establishes a maximum maturity of 180 days for Banker's Acceptances, 270 days for Commercial Paper, one year for Repurchase Agreements and five years for all other individual investments. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2021, the City had the following investments and original maturities:

	Investment Maturities (in Years)				Fair Value
	6 months or less	6 months to 1 year	1 year to 3 years	3 Years to 5 years	
Investments:					
Local Agency Investment Fund	\$ 115,684,289	\$ -	\$ -	\$ -	\$ 115,684,289
Federal Governmental Agencies					
Federal Farm Credit Bank	-	6,592,591	-	2,975,814	9,568,405
Federal Home Loan Mortgage Corp.	-	3,053,913	6,494,801	2,266,576	11,815,290
Federal National Mortgage Assoc.	1,501,523	-	8,653,246	23,688,696	33,843,465
Municipal Bonds	475,366	-	1,014,240	-	1,489,606
Corporate Bonds	-	460,148	13,350,993	14,797,890	28,609,031
Certificate of Deposit	-	-	502,521	1,224,607	1,727,128
US Treasury	-	13,588,360	94,459,302	67,900,321	175,947,983
Supranational	-	4,547,367	3,146,705	3,961,985	11,656,057
Asset-Backed Security	-	-	180,012	3,169,472	3,349,484
Commercial Paper	794,623	1,588,560	-	-	2,383,183
Money Market	13,806,997	-	-	-	13,806,997
Restricted Investments:					
Mutual Fund	15,143,575	-	-	-	15,143,575
Investments with Fiscal Agents:					
Money Market Funds	18,179,268	-	-	-	18,179,268
	<u>\$ 165,585,641</u>	<u>\$ 29,830,939</u>	<u>\$ 127,801,820</u>	<u>\$ 119,985,361</u>	<u>\$ 443,203,761</u>

Fair Value Hierarchy

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

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 3: Cash and Investments (Continued)

The City has the following recurring fair value measurements as of June 30, 2021:

Investments by fair value level	Totals	Level	
		1	2
Local Agency Investment Fund	\$ 115,684,289	\$ 115,684,289	\$ -
Federal Governmental Agencies			
Federal Farm Credit Bank	9,568,405	9,568,405	-
Federal Home Loan Mortgage Corporation	11,815,290	11,815,290	-
Federal National Mortgage Association	33,843,465	33,843,465	-
Municipal Bonds	1,489,606	1,489,606	-
Corporate Bonds	28,609,031	-	28,609,031
Certificate of Deposit	1,727,128	1,727,128	-
US Treasury	175,947,983	175,947,983	-
Supranational	11,656,057	-	11,656,057
Asset-Backed Security	3,349,484	-	3,349,484
Commerical Paper	2,383,183	2,383,183	-
Money Market	13,806,997	13,806,997	-
Restricted Investments			
Mutual Fund	15,143,575	15,143,575	-
Cash with Fiscal Agents			
Money Market Funds	18,179,268	18,179,268	-
Totals	<u>\$ 443,203,761</u>	<u>\$ 399,589,189</u>	<u>\$ 43,614,572</u>

Deposits and securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Local Agency Investment Funds are valued using specified fair value factors. Federal Agency Securities classified in Level 2 of the fair value hierarchy are valued using institutional bond quotes. There are no Level 3 investments.

Note 4: Notes and Loans Receivables

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities				
NHDC (San Sevaine)	\$ 44,778,688	\$ 404,577	\$ (57,307)	\$ 45,125,958
LINC-Pepperwood Housing Investors, LP	27,445,126	385,648	-	27,830,774
HB Housing Partners, L.P.	12,603,008	270,000	-	12,873,008
SCHDC (Rancho Verde)	7,658,821	97,498	(1,542)	7,754,777
SCHDC (Heritage Pointe Senior Apartments)	2,726,465	217,755	-	2,944,220
Rancho Workforce Housing, L.P.	32,569,901	777,117	-	33,347,018
North Town Housing Partners (Villa Del Norte)	10,511,058	177,875	(120,093)	10,568,840
NHDC (Olen Jones Senior Apartments)	4,604,993	128,232	-	4,733,225
Villa Pacifica II LP	9,311,833	260,515	-	9,572,348
Day Creek Senior Housing Partners 2, L.P.	5,172,784	150,582	-	5,323,366
Day Creek Senior Housing Partners, L.P.	5,085,385	147,985	-	5,233,370
First-Time Homebuyer Program	3,146,808	-	(80,000)	3,066,808
	<u>\$ 165,614,870</u>	<u>\$ 3,017,784</u>	<u>\$ (258,942)</u>	<u>\$ 168,373,712</u>

Note 4: Notes and Loans Receivables (Continued)

Notes and loans receivables consist of the following at June 30, 2021:

Governmental activities

1. On September 1, 2005, the Agency entered into a loan agreement with Northtown Housing Development Corporation (NHDC) for the purchase of undeveloped real property and the development of an apartment complex (San Sevaine) which will increase the supply of affordable housing to low and moderate income households for a period of ninety-nine (99) years. This loan is a line of credit not-to-exceed \$40,700,000 with simple interest accruing at 1% per annum from the date of disbursement for a term of 55 years (2060), as modified on May 6, 2009, with Amendment #2. Upon dissolution of the Agency, the loan receivable was transferred to the Housing Successor Agency of the City. As of June 30, 2021, the advances paid against this line of credit amount to \$40,457,658 and accrued interest amounts to \$4,668,300 for a total of \$45,125,958. Accrued interest is offset by deferred revenue.
2. On April 19, 2006, the Agency entered into a loan agreement with LINC-Pepperwood Housing Investors, LP to provide financial assistance from the Low and Moderate Housing Set-aside Fund to purchase and rehabilitate the Pepperwood Apartment Homes, which will increase the supply of affordable housing to low and moderate income households, for not less than ninety-nine (99) years. The loan is in the form of a line of credit not-to-exceed \$21,638,113, which includes the rollover of the BLT Partnership No. 1 loan of \$2,350,000 and an amendment and increase of \$1,288,113 on May 16, 2007. The outstanding principal balance of the loan will accrue simple interest at 2% per annum from the date of disbursement for a term of 56 years (2062). In addition to the extent there are Residual Receipts, the Developer shall pay to the Agency 50% of the Residual Receipts from the preceding year. Upon dissolution of the Agency, the loan receivable was transferred to the Housing Successor Agency of the City. As of June 30, 2021, advances paid against this line of credit amounts to \$21,638,113 and accrued interest amounts to \$6,192,661 for a total balance of \$27,830,774. Accrued interest is offset by deferred revenue.
3. On September 1, 2005, the Agency entered into a loan agreement with HB Housing Partners, L.P. to provide financial assistance from the Low and Moderate Housing Set-aside Fund to purchase and rehabilitate the Woodhaven Manor Apartments, which will increase the supply of affordable housing to low and moderate income households for not less than ninety-nine (99) years. The loan is in the form of a line of credit not-to-exceed \$9,000,000. Simple interest accrues on the advances as follows: 1) 3% per annum from the date of disbursement through and including the date immediately prior to September 21, 2022; and 2) 2% per annum from September 21, 2022 through September 21, 2060. In addition, to the extent there are Residual Receipts, the Developer shall pay to the Agency either 33% or 50% of the Residual Receipts from the preceding year. Upon dissolution of the Agency, the loan receivable was transferred to the Housing Successor Agency of the City. As of June 30, 2021, the advances paid against this line of credit amounted to \$9,000,000 and accrued interest amounts to \$3,873,008 for a total of \$12,873,008. Accrued interest is offset by deferred revenue.

Note 4: Notes and Loans Receivables (Continued)

4. On March 9, 2006, the Agency entered into a loan agreement with The Southern California Housing Development Corporation (SCHDC) for the acquisition, construction and operation of affordable housing apartments, referred to as the Rancho Verde Expansion project, which will increase the supply of very-low, low and moderate income households. This loan is a line of credit not-to-exceed \$6,500,000 with simple interest accruing at 1.5% per annum until June 27, 2035, and 2% per annum thereafter and payable without demand or notice on June 27, 2060. Upon dissolution of the Agency, the loan receivable was transferred to the Housing Successor Agency of the City. As of June 30, 2021, the advances paid against this line of credit amounted to \$6,499,910 and accrued interest amounts to \$1,254,867 for a total of \$7,754,777. Accrued interest is offset by deferred revenue.
5. On December 1, 2001, the Agency entered into a residual receipts promissory note loan agreement in the form of a line of credit not-to-exceed \$4,000,000 with Malvern Housing Partners, L.P. and Southern California Housing Development Corporation (SCHDC) for the acquisition, construction and operation of a 49-unit senior multifamily apartment project, known as Heritage Pointe Senior Apartments. A portion of the necessary funding was provided from proceeds of a \$4,000,000 bond issue by Southern California Housing Development Corporation. Funding provided by the Agency was in the form of semi-annual principal payments toward these bonds from the Agency's low and moderate income housing fund. As advances were made by the Agency, beginning April 1, 2003, these amounts were added to and became the principal balance of this Residual Receipts Note, and are accruing simple interest at 1% per annum from the date of payment through December 2056. Annual payments of principal and accrued interest shall not commence until the operation of the project has generated residual receipts. On December 5, 2007, the residual receipts promissory note was amended and restated in connection with the refunding of the Southern California Housing Development Corporation's bond with the proceed of the Agency Housing Set-Aside Tax Allocation Bonds, Series 2007A and Series 2007B. All residual receipts in excess of fifteen percent of the gross operating income of the project shall be paid to the Agency annually. All principal and accrued interest at the simple interest rate of 1% per annum shall be due and payable in April 2056. Upon dissolution of the Agency, the loan receivable was transferred to the Housing Successor Agency of the City. As of June 30, 2021, the advances paid against this line of credit amounted to \$2,847,233 and accrued interest amounts to \$96,987, for a total of \$2,944,220. Accrued interest is offset by deferred revenue.
6. On September 1, 2008, the Agency entered into a residual receipts promissory note loan agreement in the form of a line of credit not-to-exceed \$27,565,000 with Rancho Workforce Housing, L.P. for the acquisition, construction and development of a 166-unit rental housing development, including 131 residential units for low and moderate income residents. This loan bears simple interest of 2.386% compounded annually from the date of disbursement, with a term commencing on the date of this agreement and continuing for fifty-five (55) years from the date of the recordation of the Certificate of Completion. Commencing after Borrower's fiscal year first ending after the completion of construction of the development, Borrower shall make repayments to the Agency equal to 50% of the Residual Receipts. Upon dissolution of the Agency, the loan receivable was transferred to the Housing Successor Agency of the City. As of June 30, 2021, the advances paid against this line of credit amounted to \$25,868,857 and accrued interest amounts to \$7,478,161 for a total of \$33,347,018.

Note 4: Notes and Loans Receivables (Continued)

7. On September 26, 1994, the Agency entered into a Disposition and Development Agreement (DDA) and loan agreement (as modified on March 22, 1996) for \$5,929,181 with North Town Housing Partners for the acquisition of the 88-unit multifamily rental Villa Del Norte housing project for low and moderate income households. Payments of principal and interest on the loan are due and payable only to the extent that net annual cash flow from the development is available. Upon dissolution of the Agency, the loan receivable was transferred to the Housing Successor Agency of the City. On October 9, 2014, the Loan was modified as a result of a refinancing of the project in order to provide funding for significant rehabilitation improvements to the development. As a result of the refinancing, the term of the Loan and the affordability covenant for the affordable units was extended by 55 years beginning September 1, 2014. The term of the Loan will now terminate on September 1, 2069. The note carries the same interest rate of 3% and the original principal amount of \$5,929,181 remains the same. As of June 30, 2021, the outstanding balance amounts to \$10,568,840, including accrued interest of \$4,639,659. Accrued interest is offset by deferred revenue.
8. On June 6, 2001, the Agency entered into a loan agreement (as updated on December 1, 2002) for \$4,700,000 with Northtown Housing Development Corporation (NHDC) for the development of the Olen Jones Senior Apartments. The term of the loan is 55 years, with zero interest accruing for the first 15 years, then accruing simple interest at 3% per annum for the remainder of the term. Payments of principal and interest on the loan are due and payable only to the extent that net annual cash flow from the development is available. Upon dissolution of the Agency, the loan receivable was transferred to the Housing Successor Agency of the City. As of June 30, 2021, the outstanding balance amounts to \$4,274,400 and accrued interest amounts to including \$458,825 for a total of \$4,733,225. Accrued interest is offset by deferred revenue.
9. On July 11, 2014, the City entered into a loan agreement with 7418 Archibald LLC ("Developer") in the amount of \$42,913 ("City Predevelopment Loan"), pursuant to certain Acquisition, Disposition, Development and Loan Agreement dated February 19, 2014, between Developer and the City (the "ADDLA"), to develop a 60-unit affordable senior housing project at 7418 Archibald Avenue, referred to as Villa Pacifica II. The interest of the loan is zero percent (0%) per annum. The principal and any interest due under this Note shall be repaid or forgiven as set forth in the ADDLA, as amended by a first Implementation and Amendment to Acquisition, Disposition, Development and Loan Agreement dated February 17, 2016 between the Borrower's predecessor-in-interest and City and a Second Implementation and Amendment to Acquisition, Disposition, Development and Loan Agreement dated April 1, 2017. The loan may be prepaid in full or in part, at any time without penalty or premium. On April 1, 2017, the City entered into a Promissory Note Secured By Deed of Trust with Villa Pacifica II LP ("Borrower"), not to exceed the sum of \$8,683,821 consisting of the existing Predevelopment Loan of \$42,913 made by the City to the Developer, a \$2,880,000 purchase money loan in connection with the acquisition of land from City, a \$2,760,908 construction loan that is being partially disbursed on the date of the closing for the City impact fees and to reimburse Villa Pacifica II LP for construction costs accrued prior to the date of the loan, and a permanent loan of up to \$3,000,000 ("Perm Loan Principal") to be disbursed as described in the ADDLA from Villa Pacifica I Funds actually received by the City under the Villa Pacifica I Note. The term of the loan is 55 years, with simple interest accruing at 3% per annum on the outstanding principal balance. Payment of principal and interest is 50% of the Residual Receipts, with payments credited toward accrued interest and then to outstanding principal, on an annual basis on June 1 of each calendar year.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 4: Notes and Loans Receivables (Continued)

As of June 30, 2021, the advances paid against this line of credit amounted to \$8,683,821 and accrued interest amounted of \$888,527, for a total amount of \$9,572,348.

10. On May 4, 2016, the City approved a Disposition, Development, and Loan Agreement (DDLA) with Day Creek Senior Housing Partners, LP, also known as National CORE, for the development of a 140-unit senior rental affordable housing project at west of Day Creek Boulevard and north of Base Line Road. The DDLA was amended in June 2017, June 2018, and March 2019.

On March 6, 2019, the City entered into land and construction loans in connection with the DDLA:

The City Land Loan valued at \$7,700,000, consisting of a purchase money loan for the acquisition of the property from the City, was divided into two separate loans: (1) City Land Loan to Day Creek Senior Housing Partners, LP (9% Tax Credit Owner) in the amount of \$4,896,303 and (2) City Land Loan to Day Creek Senior Housing Partners 2, L.P. (4% Tax Credit Owner) in the amount of \$2,803,697. Both loans bear 2.91% interest compounded annually for 55 years. Payment of principal and interest is 50% of the Residual Receipts, with payments credited toward accrued interest and then to the outstanding principal, on an annual basis on June 1 of each calendar year. As of June 30, 2021, the outstanding balances of the land loans are as follows: (a) Day Creek Senior Housing Partners, LP amounts to \$5,233,370 including \$337,067 accrued interest and (b) Day Creek Senior Housing Partners 2, L.P. amounts to \$2,996,707 including \$193,010 accrued interest. Accrued interest is offset by deferred revenue.

The City Construction Loan valued at \$5,700,000 with Day Creek Senior Housing Partners 2, L.P. (4% Tax Credit Owner) was deposited to JPMorgan Chase Bank, N.A.(Escrow) held and disbursed pursuant to the terms of the Escrow Agreement among the City, 4% Tax Credit Owner, and JPMorgan Chase Bank, N.A. The loan bears simple interest of 3% per annum from the date of disbursement from the Escrow fund for a term of 55 years. Payment of principal and interest is 50% of the Residual Receipts, with payments credited toward accrued interest and then to outstanding principal, on an annual basis on June 1 of each calendar year. As of June 30, 2021, the outstanding balance is \$2,326,659 including accrued interest of \$131,852. Accrued interest is offset by deferred revenue.

11. First-time homebuyer loans represent the loans made under the First Time Homebuyer's Program. The payment of the loan is not due until the property is sold. As of June 30, 2021, the outstanding balance amounts to \$3,066,808 with no interest due.

Total notes and loans receivables for governmental activities at June 30, 2021, including accrued interest of \$30,212,924 amounted to \$168,373,712.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 4: Notes and Loans Receivables (Continued)

Business-type activities

12. In October 2015, the City entered into an unsecured promissory note for the costs of constructing an electric utility line extension related to the development of a hotel on Haven Avenue. The costs to construct the electric utility line extension amounted to \$337,480. The note accrues simple interest at 1.46% per month (17.52% per annum) beginning September 1, 2018 and is fully due and payable on February 1, 2022. Outstanding principal may be prepaid in whole or in part at any time. Principal may be partially reduced on February 1 of each year based on average hotel occupancy for the preceding calendar year exceeding thresholds established in the note. As of June 30, 2021, the outstanding balance amounts to \$30,000.

Total notes and loans receivables for the business-type activities at June 30, 2021, amounted to \$30,000.

Note 5: Capital Assets

Governmental activities capital assets for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 98,138,850	\$ 2,568,583	\$ -	\$ -	\$ 100,707,433
Right of way	237,012,767	-	-	-	237,012,767
Construction-in-progress	17,019,872	24,668,080	(139,890)	(23,918,594)	17,629,468
Total Capital Assets, Not Being Depreciated	<u>352,171,489</u>	<u>27,236,663</u>	<u>(139,890)</u>	<u>(23,918,594)</u>	<u>355,349,668</u>
Capital assets, being depreciated:					
Building improvements	217,898,310	206,786	-	15,926,450	234,031,546
Improvement other than buildings	43,724,150	643,235	-	-	44,367,385
Equipment and vehicles	55,868,960	2,601,444	(67,686)	-	58,402,718
Furniture and fixtures	3,541,887	5,893	-	-	3,547,780
Infrastructure	494,780,040	6,992,497	(507,212)	7,992,144	509,257,469
Intangible	3,328,862	-	-	-	3,328,862
Total Capital Assets, Being Depreciated	<u>819,142,209</u>	<u>10,449,855</u>	<u>(574,898)</u>	<u>23,918,594</u>	<u>852,935,760</u>
Less accumulated depreciation:					
Building improvements	73,161,807	7,137,978	-	-	80,299,785
Improvement other than buildings	19,202,358	1,917,065	-	-	21,119,423
Equipment and vehicles	43,792,696	3,319,738	(67,686)	-	47,044,748
Furniture and fixtures	3,311,645	111,744	-	-	3,423,389
Infrastructure	242,670,686	8,461,402	(179,333)	-	250,952,755
Intangible	2,892,639	223,021	-	-	3,115,660
Total Accumulated Depreciation	<u>385,031,831</u>	<u>21,170,948</u>	<u>(247,019)</u>	<u>-</u>	<u>405,955,760</u>
Total Capital Assets, Being Depreciated, Net	<u>434,110,378</u>	<u>(10,721,093)</u>	<u>(327,879)</u>	<u>23,918,594</u>	<u>446,980,000</u>
Governmental Activities Capital Assets, Net	<u>\$ 786,281,867</u>	<u>\$ 16,515,570</u>	<u>\$ (467,769)</u>	<u>\$ -</u>	<u>\$ 802,329,668</u>

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 5: Capital Assets (Continued)

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

Governmental Activities:	
General government	\$ 362,278
Public safety - police	693,116
Public safety - fire protection	3,168,373
Engineering and public works	10,277,116
Community development	67,210
Community services	4,849,649
Internal service	1,753,206
Total Governmental Activities	<u>\$ 21,170,948</u>

Business-type activities capital assets for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 5,451,015	\$ -	\$ -	\$ -	\$ 5,451,015
Construction-in-progress	4,993,852	967,478	-	(2,554,245)	3,407,085
Total Capital Assets, Not Being Depreciated	<u>10,444,867</u>	<u>967,478</u>	<u>-</u>	<u>(2,554,245)</u>	<u>8,858,100</u>
Capital assets, being depreciated:					
Building improvements	17,225,973	-	-	-	17,225,973
Improvement other than buildings	6,368,130	-	-	-	6,368,130
Equipment and vehicles	702,151	-	-	-	702,151
Furniture and fixtures	6,004	-	-	-	6,004
Infrastructure	34,857,488	2,106,652	-	2,554,245	39,518,385
Intangible	25,858	-	-	-	25,858
Total Capital Assets, Being Depreciated	<u>59,185,604</u>	<u>2,106,652</u>	<u>-</u>	<u>2,554,245</u>	<u>63,846,501</u>
Less accumulated depreciation:					
Building improvements	11,632,446	431,198	-	-	12,063,644
Improvement other than buildings	4,135,109	128,835	-	-	4,263,944
Equipment and vehicles	549,120	17,436	-	-	566,556
Furniture and fixtures	6,004	-	-	-	6,004
Infrastructure	12,482,449	1,409,658	-	-	13,892,107
Intangible	25,858	-	-	-	25,858
Total Accumulated Depreciation	<u>28,830,986</u>	<u>1,987,127</u>	<u>-</u>	<u>-</u>	<u>30,818,113</u>
Total Capital Assets, Being Depreciated, Net	<u>30,354,618</u>	<u>119,525</u>	<u>-</u>	<u>2,554,245</u>	<u>33,028,388</u>
Business-Type Activities Capital Assets, Net	<u>\$ 40,799,485</u>	<u>\$ 1,087,003</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,886,488</u>

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 5: Capital Assets (Continued)

Depreciation expense was charged to funds of the business-type activities as follows:

Business-Type Activities:	
Sports Complex	\$ 560,035
Municipal Utility	1,252,718
Fiber Optic Network	174,374
	<u>174,374</u>
Total Business-Type Activities	<u>\$ 1,987,127</u>

Note 6: Interfund Receivable, Payable and Transfers

The composition of interfund balances as of June 30, 2021, was as follows:

Due To/From Other Funds

Funds	Due to Other Funds		Total
	Nonmajor Governmental Funds	Fiber Optic Network	
Due From Other Funds:			
General Fund	<u>\$ 7,955,184</u>	<u>\$ 514,555</u>	<u>\$ 8,469,739</u>

Due to/from other funds were the results of routine interfund transactions not cleared prior to the end of the fiscal year or to cover negative cash balances at June 30, 2021.

Advances To/From Other Funds

Funds	Advances from Other Funds			Total
	Lighting Districts	Fire District	Sports Complex	
Advances to Other Funds:				
General Fund	<u>\$ 10,828,828</u>	<u>\$ 864,331</u>	<u>\$ 1,722,970</u>	<u>\$ 13,416,129</u>

On August 16, 2017, the City Council authorized an advance of \$14,400,340 from the General Fund to the Lighting Districts Fund to provide funding for the purchase and acquisition of Southern California Edison owned streetlights and the installation of LED lighting to streetlights, intersections, and bridges, and other one-time costs necessary to inventory the streetlights. The advance was completed in phases and bears interest at 1.0% on the outstanding balance. The advance is payable in monthly installments and the final payment will occur in August 2037. At June 30, 2021, the outstanding balance amounted to \$10,828,828.

On June 21, 2012, the General Fund advanced \$4,556,198 to the Fire District to provide funding for the prepayment of the Fire District's side fund liability with CalPERS. The advance bears interest at 4.5% and is payable in monthly installments. The final payment will occur in October 2023. At June 30, 2021, the outstanding balance amounted to \$864,331.

On September 2, 2015, the General Fund advanced \$3,215,612 to the Sports Complex to provide funding for the installation of a solar photovoltaic system at the Epicenter. The advance bears interest at 1.0% and is payable in monthly installments. The final payment will occur in February 2035. At June 30, 2021, the outstanding balance amounted to \$1,722,970.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 6: Interfund Receivable, Payable and Transfers (Continued)

Interfund Transfers

Funds	Transfers Out					Total
	General Fund	Fire District	Federal Grants Fund	Municipal Utility	Nonmajor Governmental	
Transfers In						
General Fund	\$ -	\$ -	\$ 2,694,146	\$ 1,322,320	\$ 249,382	\$ 4,265,848
Development Impact Fees	-	-	82,440	-	17,000	99,440
Lighting Districts	333,649	-	-	-	2,580	336,229
Fire District	-	-	379,711	-	-	379,711
Fiber Optic Network	934,831	-	-	-	-	934,831
Internal Service Funds	721,864	113,346	350,479	-	-	1,185,689
Nonmajor Governmental	438,041	-	194,737	-	42,730	675,508
Nonmajor Enterprise	1,177,251	-	19,995	-	-	1,197,246
	<u>\$ 3,605,636</u>	<u>\$ 113,346</u>	<u>\$ 3,721,508</u>	<u>\$ 1,322,320</u>	<u>\$ 311,692</u>	<u>\$ 9,074,502</u>

The General Fund transferred \$333,649, \$934,831, \$721,846, \$438,041, and \$1,177,251 to the Lighting Districts Fund, Fiber Optic Network Fund, Internal Service Funds, Nonmajor Governmental Funds, and Nonmajor Enterprise Funds, respectively, to cover the costs of operations.

The Fire District Fund transferred \$113,346 to the Internal Service Funds to cover the cost of operations.

The Federal Grants Fund transferred \$2,694,146, \$82,440, \$379,711, \$350,479, 194,737, and \$19,995 to the General Fund, Development Impact Fees, Fire District, Internal Services Funds, Nonmajor Governmental Funds, and Nonmajor Enterprise Funds, respectively, to reimburse for eligible expenditures of Federal grant programs.

The Municipal Utility transferred \$1,322,320 to the General Fund to cover the cost of operations.

The Nonmajor Governmental Funds transferred \$249,382, \$17,000, \$2,580, and \$42,730 to the General Fund, Development Impact Fees, Fire District Fund, and other Nonmajor Governmental Funds, respectively, to cover budgeted expenditures for operations.

Note 7: Long-Term Debt Obligations

a. Long-Term Debt – Governmental Activities

The following is a schedule of changes in governmental activities long-term debt for the fiscal year ended June 30, 2021:

	Beginning Balance	Additions	Repayments	Ending Balance	Due Within One Year
Capital Leases:					
Dell Blade Servers	\$ 1,465,999	\$ -	\$ 470,310	\$ 995,689	\$ 488,350

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 7: Long-Term Debt Obligations (Continued)

Capital Leases Payable

On December 5, 2018, the City entered into leased purchase agreements with Dell Financial Services to finance the acquisition of hardware equipment and software for the replacement of the City's data center infrastructure. The total cost of the equipment and related software acquired amounts to \$2,446,503. The agreement requires annual payments of \$527,330 with an interest component of 4.715% per annum due February 1st of each year with the final payment due February 2023.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 are as follows:

Year ended June 30,	Annual Payment
2022	\$ 527,330
2023	527,330
Total payments	1,054,660
Interest portion	(58,971)
Present value of lease payments	<u>\$ 995,689</u>

b. Long-Term Debt – Business-Type Activities

The following is a schedule of changes in business-type activities long-term debt for the fiscal year ended June 30, 2021:

	Beginning Balance	Additions	Repayments	Ending Balance	Due Within One Year
2019 Lease Revenue Bonds	<u>\$ 11,885,000</u>	<u>\$ -</u>	<u>\$ 425,000</u>	\$ 11,460,000	<u>\$ 440,000</u>
		Unamortized bonds premium		1,234,616	
		Unamortized bonds discount		(7,238)	
			Total	<u>\$ 12,687,378</u>	

2019 Lease Revenue Bonds

On January 30, 2019, the Financing Authority issued the 2019 Lease Revenue Bonds Series A (tax-exempt) in the amount of \$9,875,000 and 2019 Lease Revenue Bonds Series B (taxable) in the amount of \$2,320,000 to finance the acquisition, design, construction and equipment of an expansion to the City's existing fiber optic network pursuant to a lease agreement between the City and the Financing Authority. Series A Bonds were issued with a premium of \$1,371,795 and Series B Bonds were issued with a discount of \$10,857.

The Series A and B Bonds mature annually on May 1st, with Series A beginning in 2025 and through 2039 and Series B beginning in 2020 and through 2025. Interest on the Series A and B Bonds is paid on May 1st and November 1st of each year, commencing November 1, 2019 with interest ranging from 2.85% to 5.00%.

The Series A Bonds maturing on or before May 1, 2019 are not subject to redemption prior to their maturities, while the Series A Bonds maturing on or after May 1, 2030 are subject to optional redemption at the option of the Financing Authority as a whole or in part, on any date on or after May 1, 2019, at a redemption price equal to the principal amount of the Bonds. The Series B Bonds are not subject to optional redemption.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 7: Long-Term Debt Obligations (Continued)

The following schedule illustrates the debt service requirements to maturity for the 2019 Lease Revenue Bonds Series A and B as of June 30, 2021:

Year Ending June 30	Series A		Series B	
	Principal	Interest	Principal	Interest
2022	\$ -	\$ 449,456	\$ 440,000	\$ 47,838
2023	-	449,456	450,000	34,638
2024	-	449,456	465,000	21,138
2025	250,000	449,456	230,000	7,188
2026	495,000	439,456	-	-
2027-2031	2,880,000	1,800,031	-	-
2032-2036	3,635,000	1,047,781	-	-
2037-2039	2,615,000	195,838	-	-
Total	\$ 9,875,000	\$ 5,280,930	\$ 1,585,000	\$ 110,802

The Bonds are secured by lease payment revenues, which consist of lease payments for the use and possession of the Central Park facility. The lease payments are anticipated to be realized from private connections to the fiber optic network that will generate revenues for the City.

In the event of default, the Trustee, as the assignee of the Finance Authority under the lease agreement for the Central Park facility, may exercise any remedies available pursuant to the law. However, the Trustee may not accelerate the lease payments or otherwise declare any lease payments not in default to be immediately due and payable, terminate the lease agreement, or cause the leasehold interest of the Finance Authority or of the City in the Central Park facility to be sold. The City in the event of default is liable for the lease payment of the Central Park facility and the performance of the lease agreement.

Note 8: Advances from the Successor Agency

During the formation of Community Facilities District CFD 2000-01 (CFD 2000-01), a number of meetings were held with property owners within the proposed boundaries to discuss participation in CFD 2000-01 and benefits to their property. As a result of those meetings, the approved boundary map was modified at the landowners' request to exclude certain properties from the CFD 2000-01 boundaries. Property owners that were excluded from CFD 2000-01 boundaries, but will be receiving direct benefit from the improvements constructed by CFD 2001-01, were advised that reimbursement would be required when their properties are developed. The Redevelopment Agency advanced the pro-rata share for properties that will receive benefit from the improvements, but are not participating in CFD 2000-01. At June 30, 2021, the outstanding amount of the advance was \$3,953,624.

Note 9: Compensated Absences

The City's policies relating to compensated absences are described in Note 1. The liability will be paid in future years by the General Fund and the Fire District Fund as it becomes due.

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due in One Year
Governmental Activities:					
Compensated Absences	\$ 7,755,903	\$ 5,575,269	\$ 4,713,395	\$ 8,617,777	\$ 5,234,000

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10: Other Special Obligations

The following issues of Residential Mortgage Revenue Bonds, Special Assessment District Bonds, and Community Facility District Bonds are not reflected in the Statement of Net Position because these are special obligations payable solely from and secured by specific revenue sources described in the resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof, is pledged for the payment of these bonds.

The outstanding amounts at June 30, 2021, were as follows:

	Outstanding Amount at June 30, 2021
City of Rancho Cucamonga:	
Assessment District 93-1	\$ 440,000
Special Tax Refunding Bond, Series 2015:	
Community Facilities District No. 2000-01	242,000
Community Facilities District No. 2000-02	2,347,000
Community Facilities District No. 2001-01 Series A	5,419,000
Community Facilities District No. 2001-01 Series B	525,000
Community Facilities District No. 2006-01	3,119,000
Community Facilities District No. 2006-02	1,854,000
Community Facilities District No. 2000-03	5,731,000
Community Facilities District No. 2003-01 Series A	11,675,000
Community Facilities District No. 2003-01 Series B	2,260,000
Community Facilities District No. 2004-01	27,178,000
Successor Agency of the Former Rancho Cucamonga Redevelopment Agency:	
Multi-Family Housing Revenue Bond: Series 1997A	1,484,273
Total	<u>\$ 62,274,273</u>

Note 11: Pension Plan Obligations

	Net Pension Liability	Net Pension Asset	Deferred Pension Outflows	Deferred Pension Inflows	Pension Expense (Revenue)
CalPERS					
City Miscellaneous Plan	\$ (56,325,772)	\$ -	\$ 10,229,838	\$ 1,451,717	\$ 10,830,099
Fire District Miscellaneous Plan	(3,077,476)	-	708,172	103,670	645,998
Fire District Safety Plan	(41,792,462)	-	15,766,851	1,335,144	14,338,163
Total CalPERS	<u>(101,195,710)</u>	<u>-</u>	<u>26,704,861</u>	<u>2,890,531</u>	<u>25,814,260</u>
PARS (see Note 12)	-	3,876,755	1,716,339	2,594,857	579,312
Total Pension Plans	<u>\$ (101,195,710)</u>	<u>\$ 3,876,755</u>	<u>\$ 28,421,200</u>	<u>\$ 5,485,388</u>	<u>\$ 26,393,572</u>

Note 11: Pension Plan Obligations (Continued)**a. City Miscellaneous Employee Pension Plan*****Plan Description***

The City of Rancho Cucamonga contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of PERS' annual financial report may be obtained from its executive office at 400 P Street, Sacramento, California 95814.

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 Miscellaneous Plans			
	Tier 1 *	Tier 2*	Tier 3	PEPRA
Hire date	Prior to September 1, 2010	September 1, 2010 but prior to July 3, 2011	July 4, 2011 and after	January 1, 2013 and after
Benefit formula	2.5% @ 55	2.5% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	2.000% - 2.500%, 50 yrs - 55+ yrs, respectively	2.000% - 2.500%, 50 yrs - 55+ yrs, respectively	1.426% - 2.418%, 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	8.000%	8.000%	7.000%	6.500%
Required employer contribution rates	23.223%	23.223%	23.223%	23.223%

* Plan is closed to new entrants

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 11: Pension Plan Obligations (Continued)

Employees Covered

As of the valuation date of June 30, 2019, the following employees were covered by the benefit terms of the Plan:

<u>Description</u>	<u>Number of Members</u>
	<u>City Miscellaneous Plans</u>
Active members	458
Transferred members	222
Terminated members	342
Retired members and beneficiaries	357
Total	1,379

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2021, the employer contributions recognized as a reduction to the net position liability for the Plan were \$5,862,979.

Net Pension Liability

The net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 11: Pension Plan Obligations (Continued)***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

The June 30, 2019, valuation was rolled forward to determine the June 30, 2020, total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 11: Pension Plan Obligations (Continued)

<u>Asset Class (1)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (2)</u>	<u>Real Return Years 11+ (3)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

(1) In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.0% used for this period.

(3) An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period for the City Miscellaneous Plan.

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: June 30, 2019	\$ 238,247,307	\$ 185,199,228	\$ 53,048,079
Changes Recognized for the Measurement Period:			
Service Cost	4,521,001	-	4,521,001
Interest on the Total Pension Liability	16,720,224	-	16,720,224
Difference between Expected and Actual Experience	(1,248,961)	-	(1,248,961)
Contributions from the Employer	-	5,863,963	(5,863,963)
Contributions from Employees	-	1,971,470	(1,971,470)
Net Investment Income	-	9,140,223	(9,140,223)
Benefit Payments including Refunds of Employee Contributions	(10,819,096)	(10,819,096)	-
Administrative Expense	-	(261,085)	261,085
Other Miscellaneous Expense	-	-	-
Net Changes During 2019/20	<u>9,173,168</u>	<u>5,895,475</u>	<u>3,277,693</u>
Balance at: June 30, 2020	<u>\$ 247,420,475</u>	<u>\$ 191,094,703</u>	<u>\$ 56,325,772</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 11: Pension Plan Obligations (Continued)

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

The following presents the net pension liability of the Plan's as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Net Pension Liability/(Asset)	Discount Rate - 1% 6.15%	Current Discount 7.15%	Discount Rate +1% 8.15%
City Miscellaneous Plan	\$ 90,292,873	\$ 56,325,772	\$ 28,392,515

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB Statement No. 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2019), the net pension liability was \$53,048,079. For the measurement period ending June 30, 2020 (the measurement date), the City incurred a pension expense of \$10,830,099 for the Plan.

As of June 30, 2021, the following were the reported deferred outflows of resources and deferred inflows of resources related to the pension plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions that occurred after the measurement date of June 30, 2020	\$ 6,250,173	\$ -
Change of assumption	304,778	476,008
Difference between expected and actual experiences	2,020,002	975,709
Net difference between projected and actual earnings on pension plan investments	1,654,885	-
Total	\$ 10,229,838	\$ 1,451,717

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 11: Pension Plan Obligations (Continued)

Contributions subsequent to the measurement date in the amount of \$6,250,173 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	Deferred Outflows/(Inflows) of Resources
2021	\$ 34,931
2022	893,467
2023	806,659
2024	792,891
2025	-
Thereafter	-
Total	<u>\$ 2,527,948</u>

b. Fire District Miscellaneous and Safety Employee Pension Plans

Plan Description

All qualified permanent and probationary Fire District’s employees are eligible to participate in the Safety Employee Pension Plan or Miscellaneous Employee Pension Plan, both cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government 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. Copies of PERS’ annual financial report may be obtained from its executive office at 400 P Street, Sacramento, California 95814.

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 RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 11: Pension Plan Obligations (Continued)

Fire District Miscellaneous Cost-Sharing Plans			
	Tier 1 *	Tier 2 *	PEPRA
Hire date	Prior to July 9, 2011	July 9, 2011 but prior to January 1, 2013	January 1, 2013 and after
Benefit formula	2.5% @ 55	2.0% @ 55	2.0% @ 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	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	2.000% - 2.500%, 50 yrs - 55+ yrs, respectively	1.426% - 2.418%, 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	8.000%	7.000%	6.750%
Required employer contribution rates	37.260%	12.183%	8.444%

Fire District Safety Cost-Sharing Plans			
	Tier 1 *	Tier 2 *	PEPRA
Hire date	Prior to July 9, 2011	July 9, 2011 but prior to January 1, 2013	January 1, 2013 and after
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
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	minimum 50 yrs	minimum 50 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible compensation	3.000%, 50+ yrs	2.400% - 3.000%, 50 yrs - 55+ yrs, respectively	2.000% - 2.700%, 50 yrs - 57+ yrs, respectively
Required employee contribution rates	9.000%	9.000%	13.000%
Required employer contribution rates	49.177%	22.460%	13.302%

* Plan is closed to new entrants

Employees Covered

As of the valuation date of June 30, 2019, the following employees were covered by the benefit terms of the Plans:

Description	Number of Members	
	Fire Miscellaneous Plans	Fire Safety Plans
Active members	23	90
Transferred members	7	8
Terminated members	12	3
Retired members and beneficiaries	25	78
Total	67	179

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 11: Pension Plan Obligations (Continued)***Contribution Description***

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plans' allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2021, the employer contributions recognized as a reduction to the net position liability was \$332,407 for the Miscellaneous Plan and \$4,727,134 for the Safety Plan for a total of \$5,059,541 for the plans.

Net Pension Liability

The net pension liability 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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2019 valuation was rolled forward to determine the June 30, 2020 total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 11: Pension Plan Obligations (Continued)***Long-term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

<u>Asset Class (1)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (2)</u>	<u>Real Return Years 11+ (3)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

(1) In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.0% used for this period.

(3) An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 11: Pension Plan Obligations (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 2021, the Fire District reported a net pension liability of \$3,077,476 for its proportionate shares of the Miscellaneous Plan and \$41,792,462 for its proportionate shares of the Safety Plan for a total of \$44,869,938 for the cost-sharing plans.

The Fire District's net pension liability for each rate Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the rate Plans is measured as of June 30, 2020, and the total pension liability for each rate Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. The Fire District's proportion of the net pension liability was based on a projection of the Fire District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Fire District's proportionate share of the net pension liability for each rate Plan as of June 30, 2019 and 2020, was as follows:

	Fire Miscellaneous Plan	Fire Safety Plan
Proportion - June 30, 2019	0.0710%	0.6063%
Proportion - June 30, 2020	0.0730%	0.6273%
Changes - Increase (Decrease)	0.0020%	0.0210%

For the year ended June 30, 2021, the Fire District recognized pension expense of \$645,998 and \$14,338,163 for the Miscellaneous Plan and the Safety Plan, respectively.

As of June 30, 2021, the following were the reported deferred outflows of resources and deferred inflows of resources related to the pension plans:

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions that occurred after the measurement date of June 30, 2020	\$ 372,168	\$ -	\$ 10,065,699	\$ -
Change of Assumptions	-	21,950	-	139,211
Difference between expected and actual experience	158,591	-	3,240,793	-
Net difference between projected and actual earnings on pension plan investments	91,421	-	908,326	-
Adjustment due to difference in proportions	85,992	4,770	1,552,033	-
Difference in actual contribution and proportionate share of contribution calculation	-	76,950	-	1,195,933
Total	\$ 708,172	\$ 103,670	\$ 15,766,851	\$ 1,335,144

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 11: Pension Plan Obligations (Continued)

The Miscellaneous Plan reported \$372,168 and the Safety Plan reported \$10,065,699 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Net Deferred Outflows/ (Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
2021	\$ 27,960	\$ 1,217,437
2022	89,959	1,599,953
2023	70,567	1,093,496
2024	43,848	455,122
2025	-	-
Thereafter	-	-
Total	<u>\$ 232,334</u>	<u>\$ 4,366,008</u>

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

The following presents the net pension liability of the Plan's as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Net Pension Liability	Discount Rate - 1% 6.15%	Current Discount 7.15%	Discount Rate +1% 8.15%
Fire District Miscellaneous Plan	\$ 4,636,276	\$ 3,077,476	\$ 1,789,488
Fire District Safety Plan	62,572,069	41,792,462	24,740,829
	<u>\$ 67,208,345</u>	<u>\$ 44,869,938</u>	<u>\$ 26,530,317</u>

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB Statement No. 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

Note 12: PARS Retirement Enhancement Plan

1. General Information About the Plan

Plan Description

The City of Rancho Cucamonga sponsors the PARS Retirement Enhancement Plan, an agent multiple-employer defined benefit pension plan. The Plan provides pension benefits to miscellaneous members (Tier 1) and city council members (Tier 2). Benefits are equal to a percentage of highest pay multiplied by years of service, with the percentage varying by retirement age based on the total combined CalPERS age factor, but not exceeding 3% at 60. Sample rates are as follows:

<u>Age</u>	<u>Tier 1 and Tier 2</u>
55	0.000%
56	0.100
57	0.200
58	0.300
59	0.400
60+	0.500

The City and the Fire District have the right to amend, modify or terminate the plan at any time. Separate audited financial statements are not prepared.

Benefits are increased by a 2% annual cost of living adjustment after retirement. There are no employee contributions for either tier.

Benefits Provided

PARS provides supplemental retirement benefits to eligible employees of the City. Employees are eligible to receive benefits under the plan if they meet the following requirements: 1) a miscellaneous employee of the City or City Council on or after December 1, 2002, 2) at least 56 years of age, 3) has completed 10 or more years of full-time continuous employment at the City, 4) has terminated employment with the City and has concurrently retired under CalPERS if an active CalPERS member, and 5) has applied for benefits under the plan. Benefits shall be in an amount equal to one-twelfth of the product of the number of full and partial years of full-time continuous employment with the City completed as of the Member's retirement times the Member's final pay, times the PARS benefit factor. The total combined CalPERS age factor and PARS benefit factor at retirement may not exceed three percent.

Hire date	on or after December 1, 2002
Benefit formula	one-twelfth of the product of the number of full and partial years of full-time continuous employment with the City completed as of the Member's retirement times the Member's final pay, times the PARS benefit factor
Benefit vesting schedule	10 years service
Benefit payments	monthly for life
Retirement age	minimum 56 yrs
Monthly benefits, as a % of eligible compensation	N/A - not based on % of eligible compensation
Required employee contribution rates	0.000%
Required employer contribution rates	4.400%

* This plan is closed to new entrants

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 12: PARS Retirement Enhancement Plan (Continued)

Employees Covered

As of the valuation date of June 30, 2020, the following employees were covered by the benefit terms of the Plan:

Description	Number of Members
Active employees	171
Inactives currently receiving benefits	145
Total	316

Contribution Description

The total plan contributions are determined through the PARS' annual actuarial valuation process. 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. Due to the City's pre-funding of its pension liability with PARS, the City's Plan had a net pension asset as of the June 30, 2020, actuarial valuation which positively impacted the actuarially determined rate.

For the year ended June 30, 2021, the employer contributions recognized as a decrease to the pension liability were \$626,595.

2. Net Pension Asset

The net pension asset for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020 using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2020, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.00%
Inflation	2.75% annually
Salary Increases	Aggregate - 3.00%
Investment Rate of Return	6.00% net of pension investment and administrative expenses, including inflation
Mortality Rate Table	CalPERS 1997-2015 Experience Study
Post Retirement Benefit Increase	Post-retirement mortality projected fully generational with Society of Actuaries Scale MP-2020

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 12: PARS Retirement Enhancement Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.00%. The expected long-term rate of return on investments was updated from 5.75% to 6.00%. Future contributions based on the funding policy will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments.

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.

Asset Class	Target Allocation	Real Return
Equity	48.25%	4.82%
Fixed Income	45.00%	1.47%
REITs	1.75%	3.76%
Cash	5.00%	0.06%

Changes in the Net Pension Asset

The following table shows the changes in net pension asset recognized over the measurement period.

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c)=(a)-(b)
Balance at: June 30, 2019	\$ 29,832,033	\$ 33,386,085	\$ (3,554,052)
Changes Recognized for the Measurement Period:			
Service Cost	632,103	-	632,103
Interest on the Total Pension Liability	1,794,641	-	1,794,641
Changes of Benefit Terms	149,388	-	149,388
Difference between Expected and Actual Experience	(933,120)	-	(933,120)
Changes of Assumptions	(283,683)	-	(283,683)
Contributions from the Employer	-	648,386	(648,386)
Contributions from Employees	-	-	-
Net Investment Income	-	1,090,928	(1,090,928)
Benefit Payments including Refunds of Employee Contributions	(1,106,896)	(1,106,896)	-
Administrative Expenses	-	(57,282)	57,282
Net Changes During 2019/20	252,433	575,136	(322,703)
Balance at: June 30, 2020	\$ 30,084,466	\$ 33,961,221	\$ (3,876,755)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 12: PARS Retirement Enhancement Plan (Continued)

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the Plan as of the measurement date, calculated using the discount rate of 6.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.00 percent) or 1 percentage-point higher (7.00 percent) than the current rate:

	Discount Rate - 1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate +1% (7.00%)
Plan's Net Pension Liability (Assets) \$	\$ 384,099	\$ (3,876,755)	\$ (7,393,747)

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

As of the start of the measurement period, July 1, 2019, the net pension asset was \$3,554,052. For the measurement period ending June 30, 2020, (the measurement date) the City incurred a pension expense of \$579,312 for the Plan.

As of June 30, 2021, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions that occurred after the measurement date of June 30, 2020	\$ 563,099	\$ -
Difference between Expected and Actual Experiences	-	1,962,180
Change of Assumption	739,895	632,677
Net Difference between Projected and Actual Earnings on Pension Plan Investments	413,345	-
Total	<u>\$ 1,716,339</u>	<u>\$ 2,594,857</u>

\$563,099 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	Deferred Outflows/(Inflows) of Resources
2021	\$ (414,804)
2022	(158,072)
2023	(203,947)
2024	(391,828)
2025	(233,711)
Thereafter	(39,255)
Total	<u>\$ (1,441,617)</u>

Note 13: Other Post-Employment Benefits

Plan Description

The City does not provide post-employment benefits; however, medical coverage is provided to Fire District personnel and their dependents upon retirement under the Rancho Cucamonga Fire Protection District Memorandum of Understanding. The Fire District provides other post-employment benefits (OPEB) through the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer defined benefit healthcare plan administered by the California Public Employees' Retirement System (CalPERS). For Tier 1 employees, the Fire District pays 100% of the medical insurance premium for the participant and their family. For Tier 2 employees, the Fire District contributes a predetermined monthly maximum for each eligible retiree towards health insurance. These benefits are provided per contract between the Fire District and the employee associations. Separate financial statements for the CERBT may be obtained by writing to CalPERS at Lincoln Plaza North 400 Q Street, Sacramento, California 95814 or by visiting the CalPERS website at www.calpers.ca.gov.

Employees Covered

As of the June 30, 2020, measurement date, the following current and former employees were covered by the benefit terms under the Plan:

<u>Description</u>	<u>Number of Members</u>
Active employees	113
Inactives entitled to but yet receiving benefits	7
Inactives currently receiving benefits	71
Total	<u>191</u>

Funding Policy

The contribution requirement of plan members and the Fire District are established and may be amended by the City Council. Currently, contributions are not required from plan members. Contributions to the Plan include all amounts paid by the City directly to the Plan, cash benefit payments made directly to plan members, and an implied subsidy payment as determined by the June 30, 2020, actuarial valuation. These contributions are netted against the reimbursements received from the CERBT. During the June 30, 2020, measurement period, the City paid \$980,582 in premiums for retiree medical insurance and was reimbursed \$840,883, and the implied subsidy was \$315,000, for a total contribution of \$454,699.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 13: Other Post-Employment Benefits (Continued)

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, that was rolled forward to determine the June 30, 2020, total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	5.50%
Inflation	2.75%
Salary Increases	3.00% per annum, in aggregate
Investment Rate of Return	N/A
Mortality Rate	CalPERS 1997-2015 Experience Study
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2019
Healthcare Trend Rate	Non-Medicare - 7% for 2022, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.1% for 2022, decreasing to an ultimate rate of 4.0% in 2076
Other Assumptions	PEMHCA minimum increases of 4.25% annually; Healthcare participation for future retirees at 100% for Tier 1 and 75% if Tier 2 for currently covered, and 50% for others

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table for the CERBT Strategy 3:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Global Equity	22.00%	4.82%
Fixed income	49.00%	1.47%
TIPS	16.00%	1.29%
Commodities	5.00%	0.84%
REITs	8.00%	3.76%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 5.50 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 13: Other Post-Employment Benefits (Continued)

Changes in Assumptions

In December 2019, the ACA Excise Tax was repealed and removed from the actuarial assumptions.

Changes in the OPEB Liability/(Asset)

The changes in the net OPEB liability/asset for the Plan are as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c)=(a)-(b)
Balance at: June 30, 2019	\$ 26,066,681	\$ 30,768,439	\$ (4,701,758)
Changes Recognized for the Measurement Period:			
Service Cost	362,464	-	362,464
Interest on the Total Pension Liability	1,418,049	-	1,418,049
Difference between Expected and Actual Experience	-	-	-
Changes of Assumptions	(415,987)	-	(415,987)
Contributions from the Employer	-	454,699	(454,699)
Net Investment Income	-	1,949,800	(1,949,800)
Benefit Payments including Refunds of Employee Contributions	(1,292,883)	(1,292,883)	-
Administrative Expenses	-	(17,988)	17,988
Net Changes During 2019/20	71,643	1,093,628	(1,021,985)
Balance at: June 30, 2020	\$ 26,138,324	\$ 31,862,067	\$ (5,723,743)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the net OPEB liability/asset of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Net OPEB Liability / (Asset)	\$ (2,105,078)	\$ (5,723,743)	\$ (8,673,358)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability/(asset) of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	1% Decrease (6.00%/5.10% decreasing to 3.00%)	Current Healthcare Cost Trend Rates (7.00%/6.10% decreasing to 4.00%)	1% Increase (8.00%/7.10% decreasing to 5.00%)
Net OPEB Liability / (Asset)	\$ (8,992,381)	\$ (5,723,743)	\$ (1,700,251)

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 13: Other Post-Employment Benefits (Continued)

OPEB Plan Fiduciary Net Position

CERBT issues a publicly available financial report that includes financial statements and required supplementary information.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the City recognized OPEB expense/(income) of \$597,457. As of June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 32,589	\$ -
Differences between expected and actual experiences	-	2,922,452
Changes of assumptions	-	542,919
Net difference between projected and actual earnings on OPEB plan investments	-	428,930
Total	\$ 32,589	\$ 3,894,301

The \$32,589 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 during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Measurement Period ended June 30:	Deferred Outflows/(Inflows) of Resources
2021	\$ (672,525)
2022	(685,525)
2023	(728,280)
2024	(621,256)
2025	(569,664)
Thereafter	(617,051)
Total	\$ (3,894,301)

Note 14: Summary Disclosure of Self-Insurance Contingencies

The City and the Fire District are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City and Fire District obtains insurance coverage.

The City and the Fire District are a members of the Public Agency Risk Sharing Authority of California-PARSAC (Authority), a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers' compensation, and property claims. Under the program, the City and Fire District have a \$500,000 retention limit for liability, which is similar to a deductible, with the Authority being responsible for losses above that amount up to \$1,000,000. The Authority carries an excess commercial liability policy of \$25,000,000 in excess of its \$1,000,000 retention limit to cover losses through affiliated risk management authorities. The Authority also provides one billion dollars aggregate per occurrence property coverage to its members with such coverage provided by purchased insurance.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 14: Summary Disclosure of Self-Insurance Contingencies (Continued)

Liabilities of the City and the Fire District are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

The City and Fire District have a \$250,000 retention limit for workers compensation. The Authority covers workers' compensation claims in excess of the \$250,000 retention limit up to \$500,000. The Local Agency Workers Compensation Excess Pool provides excess coverage to statutory limits. The City pays an annual premium to the Authority and may share in any surplus revenues or may be required to pay additional assessments based upon the Authority's operating results.

Effective July 1, 2015, the Fire District became a member of the Public Agency Risk Sharing Authority of California (Authority) for its workers compensation insurance and concurrently separated from the Public Agency Self-Insurance System (PASIS) of San Bernardino County. The Fire District will maintain reserves to cover its June 30, 2021, estimated claims liability for workers compensation up to its self-insured retention of \$250,000. Claims in excess of the self-insured amount will be covered by California State Association of Counties- Excess Insurance Authority. All workers compensation coverage from July 1, 2015, forward will be provided by the Authority. Under the program, the Fire District has a \$250,000 retention limit for workers compensation. The Authority covers workers compensation claims in excess of the \$250,000 retention limit up to \$5,000,000. The Local Agency Workers Compensation Excess Pool provides excess coverage to statutory limits. The Fire District pays an annual premium to the Authority and may share in any surplus revenues or may be required to pay additional assessments based upon the Authority's operating results.

Financial statements of the Public Agency Risk Sharing Authority of California (PARSAC) may be obtained from its administrative office located at 1525 Response Road, Suite One, Sacramento, California, 95815; www.parsac.org; or by calling (916) 927-7727.

The City and the Fire District are involved in litigation arising in the normal course of business. Although the legal responsibility and financial impact with respect to such litigation cannot be presently ascertained, based on information from the service agent and others involved with the administration of the programs, the City believes that the self-insurance commitment of \$8,767,965 is adequate to cover such losses. The liability will be paid as it becomes due by the General Fund and the Fire District Fund.

The following is a summary of the changes in the claims liability over the past two fiscal years for the City and the Fire District combined:

Fiscal Year Ended	Beginning Balance	Current Year Claims		Ending Balance
		and Changes in Estimates	Claim Payments	
June 30, 2020	\$ 3,093,644	\$ 971,210	\$ (1,344,028)	\$ 2,720,826
June 30, 2021	2,720,826	1,055,446	(1,217,288)	2,558,984

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 15: Commitments and Contingencies

The following schedule summarizes the major contractual commitments as of June 30, 2021:

Project Name	Contract Amount	Expenditures to date as of June 30, 2021	Remaining Commitments
Fiber Optic Network	\$ 9,151,460	\$ 390,925	\$ 8,760,535
Etiwanda Grade Separation	9,000,000	2,484,395	6,515,605

Note 16: Fund Balance Classifications

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2021, is as follows:

	Special Revenue Funds					Other Governmental Funds	Total
	General Fund	Development Impact Fees	Lighting Districts	Housing Successor Agency	Fire District		
Nonspendable:							
Prepaid costs	\$ 225,620	\$ -	\$ -	\$ 2,898	\$ 347,727	\$ 2,375	\$ 578,620
Deposits	49,000	-	-	-	-	-	49,000
Advances to other funds	13,416,129	-	-	-	-	-	13,416,129
Total Nonspendable	13,690,749	-	-	2,898	347,727	2,375	14,043,749
Restricted for:							
Community development projects	-	7,949,066	-	139,195,772	-	2,826,509	149,971,347
Public safety - police	-	768,792	-	-	-	1,578,125	2,346,917
Parks and recreation	-	10,519,498	-	-	-	582,795	11,102,293
Engineering and public works	-	48,254,685	-	-	-	26,932,349	75,187,034
Capital improvement projects	999,388	886,066	-	-	2,114,915	34,830,630	38,830,999
Underground utilities	-	-	-	-	-	11,732,766	11,732,766
Landscape maintenance	-	-	-	-	-	25,641,543	25,641,543
Library services	-	1,048,855	-	-	-	9,844,737	10,893,592
Technology replacement	2,000,531	-	-	-	25,119	-	2,025,650
General plan update	816,885	208,087	-	-	-	-	1,024,972
Contractual obligations	1,400,524	-	-	-	204,550	-	1,605,074
PERS rate stabilization	4,239,254	-	-	-	11,804,321	-	16,043,575
SB1186 certified access specialist services	175,014	-	-	-	-	-	175,014
Total Restricted	9,631,596	69,635,049	-	139,195,772	14,148,905	113,969,454	346,580,776
Committed to:							
Law enforcement	6,037,243	-	-	-	-	-	6,037,243
Vehicle and equipment replacement	-	-	-	-	4,037,887	-	4,037,887
Working capital	4,758,020	-	-	-	23,822,475	-	28,580,495
City facilities capital repair	29,057,877	-	-	-	-	-	29,057,877
Changes in economic circumstances	19,006,176	-	-	-	8,623,493	-	27,629,669
Employee leave payouts	4,468,744	-	-	-	4,620,852	-	9,089,596
Self insurance	8,767,965	-	-	-	-	-	8,767,965
Economic development strategic reserve	1,084,078	-	-	-	-	-	1,084,078
Seasonal weather emergency reserve	100,000	-	-	-	-	-	100,000
Fire District facilities capital repair	-	-	-	-	3,708,284	-	3,708,284
PASIS worker's compensation tail claims	-	-	-	-	359,760	-	359,760
Total Committed	73,280,103	-	-	-	45,172,751	-	118,452,854
Assigned to:							
800 MHz radio system replacement	550,697	-	-	-	3,005,044	-	3,555,741
City infrastructure	20,265,083	-	-	-	-	-	20,265,083
Capital projects	-	-	-	-	25,300,264	-	25,300,264
Animal Center operations	1,050,354	-	-	-	-	-	1,050,354
special services	2,728,208	-	-	-	-	-	2,728,208
Sphere of influence issues	658,604	-	-	-	-	-	658,604
Mobile home park program	195,607	-	-	-	-	-	195,607
Fiber master plan	2,314,213	-	-	-	-	-	2,314,213
Continuing operations	133,028	-	-	-	159,513	-	292,541
Community services programs	2,258,443	-	-	-	-	-	2,258,443
Total Assigned	30,154,237	-	-	-	28,464,821	-	58,619,058
Unassigned	-	-	(4,276,307)	-	-	(14,612)	(4,290,919)
Totals	\$ 126,756,685	\$ 69,635,049	\$ (4,276,307)	\$ 139,198,670	\$ 88,134,204	\$ 113,957,217	\$ 533,405,518

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Rancho Cucamonga that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 11, 2012, the City elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 12-001.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

a. Cash and investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments	\$ 22,819,206
Cash and investments with fiscal agent	<u>85</u>
	<u>\$ 22,819,291</u>

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

b. Loans Receivable

Notes and loans receivables consist of the following at June 30, 2021:

On July 21, 2003, the Agency entered into a Disposition and Developer Agreement with Victoria Gardens, LLC. The Agency conveyed 147 acres generally located north of Foothill Boulevard, west of the I-15 Freeway and east of Day Creek Road in the City of Rancho Cucamonga in order for the Developer to construct an open air mixed use complex. The Agency conveyed the site to the Developer upon the execution of a promissory note to pay a cumulative sum of \$13,000,000 to the Agency over a term of thirty (30) years. The note stipulates the following payment structure: (1) the Developer shall make annual payments to the Agency equal to the amount required to amortize the excess return at the Agency's cost of funds; (2) the Developer shall pay the Agency fifteen percent (15%) of the difference between the net sale proceeds and the higher of the project cost, or the initial gross proceeds of any loan; and (3) the Developer shall pay the Agency fifteen percent (15%) of any positive net refinance proceeds. As of June 30, 2021, the outstanding balance was \$10,259,967.

c. Long-Term Debt

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2021, follows:

	Balance July 1, 2020	Additions	Repayments	Balance June 30, 2021	Due Within One Year
Tax Allocation Bonds					
Tax Allocation Refunding Bonds - 2007 Issue	\$ 57,730,000	\$ -	\$ 2,685,000	\$ 55,045,000	\$ 2,855,000
Tax Allocation Refunding Bonds - 2014 Issue	140,380,000	-	7,925,000	132,455,000	8,320,000
Tax Allocation Refunding Bonds - 2016 Issue	51,695,000	-	1,735,000	49,960,000	1,800,000
Total Bonds	249,805,000	-	12,345,000	237,460,000	12,975,000
Developer Loans					
Bank of New York	6,423,360	-	854,379	5,568,981	931,041
Total Developer Loans	6,423,360	-	854,379	5,568,981	931,041
Total	<u>\$ 256,228,360</u>	<u>\$ -</u>	<u>\$ 13,199,379</u>	243,028,981	<u>\$ 13,906,041</u>
			Unamortized Premium	<u>21,880,384</u>	
			Total	<u>\$ 264,909,365</u>	

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Tax Allocation Bonds

1. **Rancho Cucamonga Redevelopment Agency, Rancho Redevelopment Project, Housing Set-aside Tax Allocation Bonds, Tax Exempt Series 2007A and Taxable Series 2007B. \$155,620,000.** In November 2007, the Rancho Cucamonga Redevelopment Agency issued \$73,305,000 Rancho Redevelopment Project Housing Set-Aside Tax Allocation Bonds Tax-Exempt Series 2007A and \$82,315,000 Rancho Redevelopment Project Housing Set-Aside Tax Allocation Bonds Taxable series 2007B to (a) refund and redeem the Agency's outstanding Rancho Redevelopment Project 1996 Housing Set-Aside Tax Allocation Bonds, provide for the refunding and defeasance of the California Statewide Communities Development Authority Multifamily Housing Revenue Bonds, (c) extend set-aside and affordability restriction on 558 units within four apartment projects located in the City of Rancho Cucamonga pursuant to an Extended Affordability Agreement, and (d) finance other low and moderate income housing projects in or of benefit to the Project Area.

The Series A issue consists of \$29,950,000 in Serial bonds with maturities beginning September 1, 2008 through September 1, 2026, bearing interest ranging from 3.25% through 5.0%; and \$43,355,000 in Term bonds due September 1, 2034, bearing interest at 5%. The Series B issue consists of \$19,675,000 Term bonds due September 1, 2018, bearing interest at 5.529%; and \$62,640,000 Term bonds due September 1, 2031, bearing interest at 6.262%. Interest on both Series A and B bonds is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2008.

The 2007 bonds are secured and payable from Tax Revenues on a subordinate basis with respect to a Loan Agreement dated as of December 15, 1997, between the Agency, Northtown Housing Development Corporation and Pacific Life Insurance Company (Loan Payable-Bank of New York) – the Senior Loan. The Indenture does not permit additional senior obligations. The Agency is permitted under the Indenture to incur additional obligations – Parity Bonds – secured by a pledge of Tax Revenues on a parity basis with the pledge of Tax Revenues to the 2007 Bonds. Tax Revenues which secure the 2007 Bonds consist solely of the Housing Set-Aside.

On July 20, 2016, the Successor Agency issued Tax Allocation Refunding Bonds, Series 2016 to refund the Series A. The refunding resulted in the recognition of an accounting loss of \$2,716,427. However, it reduced the total debt service payments by \$14 million and an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$11 million.

The Taxable Series B Bonds are subject to optional redemption, on any date prior to their maturity.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The balance at June 30, 2021, amounted to \$55,045,000 plus unamortized bond premium of \$226,536. The following schedule illustrates the debt service requirements to maturity for the 2007 Tax Allocation Refunding Bonds as of June 30, 2021:

Year Ending June 30	Principal	Interest
2022	\$ 2,855,000	\$ 3,357,528
2023	3,040,000	3,172,955
2024	3,225,000	2,976,798
2025	3,430,000	2,768,430
2026	3,640,000	2,547,069
2027-2031	38,660,000	6,883,190
2032	195,000	6,105
Total	<u>\$ 55,045,000</u>	<u>\$ 21,712,075</u>

If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, with the consent of the Insurer and if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding or if directed by the Insurer, the Trustee shall (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding, and (b) subject to the provisions of the Indenture, exercise any other remedies available to the Trustee and the bond owners in law or at equity.

- Rancho Cucamonga Redevelopment Agency, Rancho Redevelopment Project Area Tax Allocation Refunding Bonds, Series 2014. \$174,050,000.** These bonds are dated July 15, 2014, and were issued to refinance certain obligations of the Project Area including the 1999 Tax Allocation Refunding Bonds, 2001 Tax Allocation Bonds and 2004 Tax Allocation Bonds. The Bonds will be payable from and secured by, designated property tax revenues (formerly tax increment revenues) related to the Rancho Redevelopment Project, which will consist of moneys deposited, from time to time, in the Redevelopment Property Tax Trust Fund ("RPTTF") established under the Dissolution Act, defined below, but exclude those amounts which were, prior to the Dissolution Act, required to be deposited into the Former Agency's Low and Moderate Income Housing Fund to the extent required to pay debt service on existing Housing Obligations. Interest is payable semi-annually on March 1 and September 1, of each year commencing March 1, 2015. The bonds mature in annual installments ranging from \$2,750,000 to \$14,235,000 starting September 1, 2015, to September 1, 2032, and bear interest ranging from 3% to 5%.

The balance at June 30, 2021, amounted to \$132,455,000 plus unamortized bond premium of \$16,239,895 and unamortized gain on defeasance of \$1,527,507.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The following schedule illustrates the debt service requirements to maturity for the 2014 Tax Allocation Refunding Bonds as of June 30, 2021:

Year Ending June 30	Principal	Interest
2022	\$ 8,320,000	\$ 6,414,750
2023	8,735,000	5,988,375
2024	9,175,000	5,540,625
2025	9,635,000	5,070,375
2026	10,115,000	4,576,625
2027-2031	58,685,000	14,569,375
2032-2033	27,790,000	1,406,500
Total	<u>\$ 132,455,000</u>	<u>\$ 43,566,625</u>

If an Event of Default has occurred and is continuing, the Trustee may (but only with the consent of the Insurer), and if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, the Trustee shall (but only with the consent of the Insurer), (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding, and (b) exercise any other remedies available to the Trustee and the bond owners in law or at equity.

- 3. Rancho Cucamonga Redevelopment Agency, Rancho Redevelopment Project Area Tax Allocation Refunding Bonds, Series 2016. \$56,860,000.** These bonds are dated October 5, 2016, and were issued to refinance certain obligations of the Rancho Redevelopment Project Housing Set-Aside Tax Allocation Bonds 2007 Series A. The Bonds will be payable from and secured by, designated property tax revenues (formerly tax increment revenues) related to the Rancho Redevelopment Project, which will consist of moneys deposited, from time to time, in the Redevelopment Property Tax Trust Fund ("RPTTF") established under the Dissolution Act, but exclude those amounts which were, prior to the Dissolution Act, required to be deposited into the Former Agency's Low and Moderate Income Housing Fund to the extent required to pay debt service on existing Housing Obligations. Interest is payable semi-annually on March 1 and September 1, of each year commencing March 1, 2017. The bonds mature in annual installments ranging from \$1,615,000 to \$10,060,000 starting September 1, 2017, to September 1, 2034, and bear interest ranging from 2% to 5%.

The balance at June 30, 2021, amounted to \$49,960,000 plus unamortized bond premium of \$5,413,953 and unamortized loss on defeasance of \$2,095,530.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The following schedule illustrates the debt service requirements to maturity for the 2016 Tax Allocation Refunding Bonds as of June 30, 2021:

Year Ending June 30	Principal	Interest
2022	\$ 1,800,000	\$ 2,065,800
2023	1,870,000	1,983,050
2024	1,965,000	1,887,175
2025	2,060,000	1,786,550
2026	2,170,000	1,680,800
2027-2031	2,275,000	7,620,875
2032-2035	37,820,000	3,109,800
Total	<u>\$ 49,960,000</u>	<u>\$ 20,134,050</u>

If an Event of Default has occurred and is continuing, the Trustee may (but only with the consent of the Insurer), and if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall (but only with the consent of the Insurer), (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding, and (b) exercise any other remedies available to the Trustee and the bond owners on law or at equity.

Developer Loans Payable

On August 21, 1996, the Agency executed a note payable to Pacific Life Insurance Company (subsequently assigned to Bank of New York) in the amount of \$9,411,477. The proceeds of the note were paid directly to Northtown Housing Development Corporation for the development of the Northtown Housing project. The outstanding principal bears interest at 8.78% compounding semi-annually from the date of the note until paid. Interest was added to the principal on each March 15 and September 15 through March 15, 2002, amounting to \$4,210,264 in addition to principal. Commencing on September 15, 2002, both principal and interest shall be due and payable semi-annually on March 20 and September 20, of each year through March 2026. The balance at June 30, 2021, amounted to \$5,568,981.

The following schedule illustrates the debt service requirements to maturity for the Bank of New York loan as of June 30, 2021:

Year Ending June 30	Principal	Interest
2022	\$ 931,041	\$ 468,959
2023	1,014,580	385,420
2024	1,105,615	294,385
2025	1,204,820	195,180
2026	1,312,925	87,075
Total	<u>\$ 5,568,981</u>	<u>\$ 1,431,019</u>

All outstanding principal and interest due under this note shall be due and payable in full on the earliest to occur of: March 15, 2026, or the date of an event of default.

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$329,872,750 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the City for the payment of indebtedness incurred by the dissolved redevelopment agency was \$27,018,962 and the debt service obligation on the bonds was \$24,303,197.

In July 1994, the Agency entered into an affordable housing Pledge Agreement with So Cal Housing which they could use to secure affordable housing units. In August 1996, the Agency approved Amendment No. 2 to the 1994 Original Pledge, to commit to pay \$339,200 annually to the California Housing Finance Agency (CHFA) to benefit the required reserves for three affordable family housing developments up to November 2026. The balance of the commitment at June 30, 2021, is \$1,865,600.

d. Insurance

The Successor Agency is covered under the City of Rancho Cucamonga's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 14.

e. Participation Agreements

In August 2005, the Agency entered into a real estate tax, sales tax, tax increment and business license tax participation agreement with Bass Outdoor World, LLC (Bass Pro), 80 VGL, LLC and 20 VGL, LLC (80 VGL, LLC and 20 VGL, LLC are collectively referred to as Landlord). Under the terms of the agreement, the Agency is required to make annual payments equal to one hundred percent (100%) of the tax increment revenues, sales tax revenues and business license tax paid during each year. However, Landlord has the priority for reimbursements of real estate taxes paid for each year prior to any payments being made to Bass Pro. The total amount paid to Landlord and Bass Pro shall not exceed \$1,100,000 in any given year. The agreement terminates in fiscal year 2032-2033. However, due to ERAF payment made, the agreement was extended to December 2034. During the year ended June 30, 2021, the Agency made payments totaling \$576,465.

Note 18: Restatement - GASB Statement No. 84, Fiduciary Activities

For the year ended June 30, 2021, the City adopted the provisions of GASB Statement No. 84, Fiduciary Activities, which established criterion for identifying and reporting fiduciary activities. As a result of the implementation, June 30, 2020 net position was restated by \$8,618,122 to account for the restatement of the June 30, 2020 fund balances for the General Fund by \$421,992 and an aggregated total for nonmajor special revenue funds by \$8,196,130 as of June 30, 2021.

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REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Information

a. Budget Data

General Budget Policies

The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them. The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. The Council conducts budget study sessions prior to holding a public hearing to adopt the budget. When required during the fiscal year, the Council also approves supplemental appropriations. There were several supplemental appropriations required during the year. A comprehensive update to budgeted figures occurs once per year as part of the Amended Budget process which is presented to the Council in May each fiscal year for approval. There were no significant non-budgeted financial activities during the year.

The City Council may transfer funds between funds or activities set forth in the budget. The City Manager may transfer funds between line items within an appropriation as set forth in the budget and may transfer appropriations between activities within any fund. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level within the General Fund, Special Revenue Funds, and Capital Project Funds.

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities.

Basis of Budgeting

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that for budgeting purposes only encumbrances are treated as expenditures. A reconciliation has been provided on the applicable schedule when the basis of budgeting differs from GAAP.

For the fiscal year ended June 30, 2021, the SB 140, the AB 2928 Traffic Congestion Relief fund, the Energy Efficient and Conservation Block Grant special revenue funds had no adopted annual budgets due to the timing of the usage of these funds. Money will be budgeted as needed based on specific projects.

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

GENERAL FUND

YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 121,259,317	\$ 121,259,317	\$ 121,259,317	\$ -
Resources (Inflows):				
Taxes	69,192,630	71,070,340	76,601,967	5,531,627
Licenses and permits	4,672,200	4,907,470	5,667,304	759,834
Intergovernmental	660,030	830,420	688,302	(142,118)
Charges for services	7,626,520	4,416,490	4,973,242	556,752
Use of money and property	3,290,280	1,312,660	814,603	(498,057)
Fines and forfeitures	1,151,200	1,027,210	1,227,698	200,488
Contributions	109,000	28,100	17,698	(10,402)
Miscellaneous	3,740,280	4,206,360	3,272,491	(933,869)
Transfers in	1,727,040	4,347,600	4,265,848	(81,752)
Proceeds from sale of capital asset	50,070	25,990	23,317	(2,673)
Amounts Available for Appropriations	213,478,567	213,431,957	218,811,787	5,379,830
Charges to Appropriations (Outflow):				
General government				
General overhead	3,206,870	3,618,320	3,456,316	162,004
Personnel overhead	1,261,460	1,352,540	1,380,852	(28,312)
City council	132,470	119,280	115,582	3,698
City management	1,016,030	948,150	919,089	29,061
City clerk	1,940	2,040	2,036	4
Administrative services	186,530	189,130	188,069	1,061
Business licensing	369,880	357,290	344,596	12,694
City facilities	1,021,620	876,870	828,885	47,985
Finance	1,520,910	1,440,850	1,433,772	7,078
Innovation and technology	3,784,170	3,861,320	3,708,192	153,128
Human resources	651,090	569,260	561,478	7,782
Procurement	247,010	260,830	258,672	2,158
Risk management	249,480	312,060	272,212	39,848
Treasury management	12,300	10,630	10,207	423
Community affairs	528,120	474,570	445,881	28,689
Records management	1,279,650	562,540	560,601	1,939
Healthy RC program	633,230	573,090	569,580	3,510
Public safety - police				
Sheriff contract services	45,201,630	45,033,580	43,248,201	1,785,379
Public safety - animal center				
Animal center	3,151,730	2,604,200	2,399,155	205,045
Community development				
Planning	1,618,600	1,827,250	1,791,541	35,709
Planning commission	15,170	15,190	9,285	5,905
Community improvement	782,010	711,060	632,402	78,658
Administration	954,150	3,280,150	3,202,173	77,977
Building and safety	1,814,530	1,762,790	1,750,795	11,995
Community services				
Administration	1,579,750	1,188,380	1,127,289	61,091
Central Park	1,383,370	545,150	526,281	18,869
Lions Center	885,410	339,750	332,272	7,478
RC Family Resource Center	175,810	158,780	158,147	633
RC Sports Center	663,220	306,840	296,406	10,434
Special events	246,780	172,630	158,245	14,385
Victoria Gardens Cultural Center	2,404,260	667,610	661,988	5,622
Contract classes	592,420	204,130	201,851	2,279
Park services	188,390	149,210	132,878	16,332
Engineering and public works				
Engineering administration	494,480	718,600	525,206	193,394
Development management	963,370	921,960	917,034	4,926
NPDES	303,650	248,600	246,984	1,616
Project management	529,590	596,230	588,557	7,673
Traffic management	255,590	182,590	175,423	7,167
Park maintenance	2,728,470	2,844,320	2,627,914	216,406
Vehicle and equipment maintenance	1,068,040	1,039,870	1,013,708	26,162
City facilities maintenance	3,610,070	3,378,680	3,096,680	282,000
Street maintenance	2,204,740	2,057,690	1,954,809	102,881
Fire facilities maintenance	456,970	324,780	310,090	14,690
Capital outlay	3,086,000	8,361,690	7,832,830	528,860
Debt service:				
Interest and fiscal charges	8,200	8,200	8,195	5
Transfers out	3,926,670	4,002,740	3,605,636	397,104
Total Charges to Appropriations	97,395,830	99,181,420	94,587,995	4,593,425
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 116,082,737	\$ 114,250,537	124,223,792	\$ 9,973,255
Encumbrances			2,532,893	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 126,756,685	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
DEVELOPMENT IMPACT FEES
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 64,413,487	\$ 64,413,487	\$ 64,413,487	\$ -
Resources (Inflows):				
Intergovernmental	-	38,730	38,727	(3)
Charges for services	232,180	417,930	385,642	(32,288)
Use of money and property	1,092,120	757,220	(16,701)	(773,921)
Developer participation	4,560,730	9,120,000	11,458,167	2,338,167
Miscellaneous	-	126,190	255,836	129,646
Transfers in	-	99,500	99,440	(60)
Amounts Available for Appropriations	70,298,517	74,973,057	76,634,598	1,661,541
Charges to Appropriation (Outflow):				
Public safety - police	-	730	721	9
Public safety - animal services	-	460	451	9
Community development	173,860	165,490	116,569	48,921
Community services	2,020	36,110	36,094	16
Engineering and public works	710,150	691,500	680,233	11,267
Capital outlay	1,890,650	8,495,391	7,353,911	1,141,480
Total Charges to Appropriations	2,776,680	9,389,681	8,187,979	1,201,702
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 67,521,837	\$ 65,583,376	68,446,619	\$ 2,863,243
Encumbrances			1,188,430	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 69,635,049	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
LIGHTING DISTRICTS
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (4,886,654)	\$ (4,886,654)	\$ (4,886,654)	\$ -
Resources (Inflows):				
Taxes	2,131,220	2,131,220	2,129,125	(2,095)
Use of money and property	108,750	63,880	(20,035)	(83,915)
Miscellaneous	-	-	41,580	41,580
Transfers in	408,330	480,400	336,229	(144,171)
Amounts Available for Appropriations	(2,238,354)	(2,211,154)	(2,399,755)	(188,601)
Charges to Appropriation (Outflow):				
General government	1,978,640	2,038,370	1,878,930	159,440
Debt service:				
Interest and fiscal charges	111,990	111,990	111,944	46
Total Charges to Appropriations	2,090,630	2,150,360	1,990,874	159,486
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ (4,328,984)	\$ (4,361,514)	(4,390,629)	\$ (29,115)
Encumbrances			114,322	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ (4,276,307)	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 HOUSING SUCCESSOR AGENCY
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 139,693,495	\$ 139,693,495	\$ 139,693,495	\$ -
Resources (Inflows):				
Use of money and property	46,000	22,820	(3,194)	(26,014)
Miscellaneous	12,000	12,000	111,727	99,727
Amounts Available for Appropriations	139,751,495	139,728,315	139,802,028	73,713
Charges to Appropriation (Outflow):				
Community development	490,500	603,780	603,358	422
Capital outlay	3,505,200	3,505,200	-	3,505,200
Total Charges to Appropriations	3,995,700	4,108,980	603,358	3,505,622
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 135,755,795	\$ 135,619,335	139,198,670	\$ 3,579,335
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 139,198,670	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FIRE DISTRICT
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 80,342,988	\$80,342,988	\$ 80,342,988	\$ -
Resources (Inflows):				
Taxes	44,437,590	50,576,860	52,829,035	2,252,175
Licenses and permits	16,500	1,000	4,970	3,970
Intergovernmental	-	25,000	25,000	-
Charges for services	2,300	2,260	2,178	(82)
Use of money and property	1,289,790	1,813,830	2,240,078	426,248
Fines and forfeitures	118,000	173,360	93,090	(80,270)
Miscellaneous	1,583,130	2,693,720	2,470,002	(223,718)
Transfers in	-	421,100	379,711	(41,389)
Proceeds from sale of capital asset	-	4,500	5,473	973
Amounts Available for Appropriations	127,790,298	136,054,618	138,392,525	2,337,907
Charges to Appropriation (Outflow):				
Public safety - fire protection	40,222,880	45,028,620	43,135,891	1,892,729
Capital outlay	5,204,550	10,591,450	9,440,503	1,150,947
Debt service:				
Interest and fiscal charges	47,560	47,560	47,559	1
Transfers out	117,670	113,350	113,346	4
Total Charges to Appropriations	45,592,660	55,780,980	52,737,299	3,043,681
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 82,197,638	\$80,273,638	85,655,226	\$ 5,381,588
Encumbrances			2,478,978	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 88,134,204	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 FEDERAL GRANTS FUND
 YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	19,341,890	5,730,617	(13,611,273)
Use of money and property	-	15,620	-	(15,620)
Amounts Available for Appropriations	-	19,357,510	5,730,617	(13,626,893)
Charges to Appropriation (Outflow):				
General government	-	2,009,040	2,009,109	(69)
Transfers out	-	3,915,080	3,721,508	193,572
Total Charges to Appropriations	-	5,924,120	5,730,617	193,503
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ -	\$ 13,433,390	-	\$ (13,433,390)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ -	

CITY OF RANCHO CUCAMONGA

MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY							
Service Cost	\$ 4,661,973	\$ 4,342,707	\$ 4,193,507	\$ 4,743,810	\$ 4,869,644	\$ 4,749,046	\$ 4,521,001
Interest	12,370,506	12,931,479	13,651,750	14,301,966	15,134,775	16,072,077	16,720,224
Difference between Expected and Actual Experience	-	(3,882,722)	(1,557,585)	(1,926,722)	(1,496,029)	-	(1,248,961)
Changes in Assumptions	-	(3,352,733)	-	12,495,866	2,212,199	2,512,596	-
Benefit Payments, Including Refunds of Employee Contributions	(5,229,846)	(5,847,197)	(6,606,205)	(7,626,368)	(8,728,016)	(9,967,183)	(10,819,096)
Net Change in Total Pension Liability	11,802,633	4,191,534	9,681,467	21,988,552	11,992,573	13,366,536	9,173,168
Total Pension Liability - Beginning	165,224,012	177,026,645	181,218,179	190,899,646	212,888,198	224,880,771	238,247,307
Total Pension Liability - Ending (a)	\$ 177,026,645	\$ 181,218,179	\$ 190,899,646	\$ 212,888,198	\$ 224,880,771	\$ 238,247,307	\$ 247,420,475
PLAN FIDUCIARY NET POSITION							
Contributions - Employer	\$ 3,520,721	\$ 3,433,074	\$ 3,745,698	\$ 4,207,753	\$ 4,622,851	\$ 5,133,141	\$ 5,863,963
Contributions - Employee	2,156,312	2,074,191	2,120,443	2,150,126	2,032,448	1,976,074	1,971,470
Net Investment Income	21,772,350	3,320,843	782,082	16,691,043	13,809,497	11,584,539	9,140,223
Benefit Payments, Including Refunds of Employee Contributions	(5,229,846)	(5,847,197)	(6,606,205)	(7,626,368)	(8,728,016)	(9,967,183)	(10,819,096)
Administrative Expense	-	(168,508)	(91,249)	(220,985)	(256,923)	(126,024)	(261,085)
Net Plan to Plan Resource Movement	-	-	-	-	(407)	-	-
Other Miscellaneous Income/(Expense)	-	-	-	-	242,458	407	-
Net Change in Fiduciary Net Position	22,219,537	2,812,403	(49,231)	15,201,569	11,721,908	8,600,954	5,895,475
Plan Fiduciary Net Position - Beginning	124,692,088	146,911,625	149,724,028	149,674,797	164,876,366	176,598,274	185,199,228
Plan Fiduciary Net Position - Ending (b)	\$ 146,911,625	\$ 149,724,028	\$ 149,674,797	\$ 164,876,366	\$ 176,598,274	\$ 185,199,228	\$ 191,094,703
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 30,115,020	\$ 31,494,151	\$ 41,224,849	\$ 48,011,832	\$ 48,282,497	\$ 53,048,079	\$ 56,325,772
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.99%	82.62%	78.40%	77.45%	78.53%	77.73%	77.23%
Covered Payroll	\$ 25,819,515	\$ 25,082,858	\$ 25,682,090	\$ 26,459,567	\$ 27,268,038	\$ 27,077,712	\$ 26,743,856
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	116.64%	125.56%	160.52%	181.45%	177.07%	195.91%	210.61%

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

Notes to Schedule:

Benefit Changes:

The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 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:

None in 2019 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF RANCHO CUCAMONGA

MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER
 SCHEDULE OF PLAN CONTRIBUTIONS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 3,433,074	\$ 3,745,756	\$ 4,192,505	\$ 4,642,132	\$ 5,135,066	\$ 5,862,979	\$ 6,250,173
Contribution in Relation to the Actuarially Determined Contribution	(3,433,074)	(3,745,756)	(4,192,505)	(4,642,132)	(5,135,066)	(5,862,979)	(6,250,173)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 25,082,858	\$ 25,682,090	\$ 26,459,567	\$ 27,268,038	\$ 27,077,712	26,743,856	24,764,323
Contributions as a Percentage of Covered Payroll	13.69%	14.59%	15.84%	17.02%	18.96%	21.92%	25.24%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

Note to Schedule:

Valuation Date: June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Asset valuation method	Direct rate smoothing
Inflation	2.500%
Payroll Growth	2.750%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Retirement Age	

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Mortality

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

CITY OF RANCHO CUCAMONGA

**COST SHARING MULTIPLE-EMPLOYER PLAN - MISCELLANEOUS RATE PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2015	2016	2017	2018	2019	2020	2021
Proportion of the Net Pension Liability	0.02166%	0.02652%	0.06568%	0.06723%	0.06897%	0.07095%	0.07296%
Proportionate Share of the Net Pension Liability	\$ 1,348,194	\$ 1,819,909	\$ 2,281,501	\$ 2,650,258	\$ 2,599,301	\$ 2,841,232	\$ 3,077,476
Covered Payroll	\$ 1,474,657	\$ 1,437,227	\$ 1,524,047	\$ 1,577,007	\$ 1,619,191	\$ 1,593,099	\$ 1,771,563
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	91.42%	126.63%	149.70%	168.06%	160.53%	178.35%	173.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	75.87%	75.39%	77.69%	77.73%	77.71%

Notes to Schedule:

Benefit Changes:

The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 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:

None in 2019 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

CITY OF RANCHO CUCAMONGA

**COST SHARING MULTIPLE-EMPLOYER PLAN - MISCELLANEOUS RATE PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 210,430	\$ 219,901	\$ 238,202	\$ 254,681	\$ 283,247	\$ 332,407	\$ 372,168
Contribution in Relation to the Actuarially Determined Contribution	(210,430)	(219,901)	(238,202)	(254,681)	(283,247)	(332,407)	(372,168)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,437,227	\$ 1,524,047	\$ 1,577,007	\$ 1,619,191	\$ 1,593,099	\$ 1,771,563	\$ 1,798,563
Contributions as a Percentage of Covered Payroll	14.64%	14.43%	15.10%	15.73%	17.78%	18.76%	20.69%

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

Note to Schedule:

Valuation Date:	June 30, 2019
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Asset valuation method	Direct rate smoothing
Inflation	2.500%
Payroll Growth	2.750%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Retirement Age	All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.
Mortality	The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

CITY OF RANCHO CUCAMONGA

**COST SHARING MULTIPLE-EMPLOYER PLAN - SAFETY RATE PLAN
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Proportion of the Net Pension Liability	0.31131%	0.33146%	0.57027%	0.57286%	0.59184%	0.60633%	0.62729%
Proportionate Share of the Net Pension Liability	\$ 19,373,864	\$ 22,750,560	\$ 29,535,666	\$ 34,229,524	\$ 34,726,501	\$ 37,850,274	\$ 41,792,462
Covered Payroll	\$ 10,396,960	\$ 10,554,523	\$ 11,373,722	\$ 11,451,394	\$ 11,663,014	\$ 12,029,495	\$ 12,348,120
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	186.34%	215.55%	259.68%	298.91%	297.75%	314.65%	338.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	72.69%	71.74%	73.39%	73.37%	73.12%

Notes to Schedule:

Benefit Changes:

The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 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:

None in 2019 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

CITY OF RANCHO CUCAMONGA

**COST SHARING MULTIPLE-EMPLOYER PLAN - SAFETY RATE PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially Determined Contribution	\$ 2,827,842	\$ 3,007,980	\$ 3,273,056	\$ 3,577,900	\$ 4,101,079	\$ 4,727,134	\$ 10,065,699
Contribution in Relation to the Actuarially Determined Contribution	<u>(2,827,842)</u>	<u>(3,007,980)</u>	<u>(3,273,056)</u>	<u>(3,577,900)</u>	<u>(4,101,079)</u>	<u>(4,727,134)</u>	<u>(10,065,699)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 10,554,523	\$ 11,373,722	\$ 11,451,394	\$ 11,663,014	\$ 12,029,495	\$ 12,348,120	\$ 13,128,489
Contributions as a Percentage of Covered Payroll	26.79%	26.45%	28.58%	30.68%	34.09%	38.28%	76.67%

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only six years are shown.

Note to Schedule:

Valuation Date:	June 30, 2019
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Asset valuation method	Direct rate smoothing
Inflation	2.500%
Payroll Growth	2.750%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Retirement Age	All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.
Mortality	The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

CITY OF RANCHO CUCAMONGA

PARS RETIREMENT ENHANCEMENT PLAN
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY							
Service Cost	\$ 719,000	\$ 743,000	\$ 716,000	\$ 774,673	\$ 736,116	\$ 660,456	\$ 632,103
Interest	1,329,000	1,425,000	1,523,000	1,639,815	1,731,246	1,716,445	1,794,641
Changes of Benefits Terms	-	-	538,000	-	-	-	149,388
Difference Between Expected and Actual Experience	-	-	(110,000)	-	(1,975,546)	-	(933,120)
Changes in Assumptions	-	-	2,100,000	-	(683,589)	-	(283,683)
Changes in Benefit Terms	-	-	-	(4,236)	(323,105)	-	-
Benefit Payments, Including Refunds of Employee Contributions	(495,000)	(546,000)	(631,000)	(719,919)	(837,663)	(983,660)	(1,106,896)
Net Change in Total Pension Liability	1,553,000	1,622,000	4,136,000	1,690,333	(1,352,541)	1,393,241	252,433
Total Pension Liability - Beginning	20,790,000	22,343,000	23,965,000	28,101,000	29,791,333	28,438,792	29,832,033
Total Pension Liability - Ending (a)	\$ 22,343,000	\$ 23,965,000	\$ 28,101,000	\$ 29,791,333	\$ 28,438,792	\$ 29,832,033	\$ 30,084,466
PLAN FIDUCIARY NET POSITION							
Contribution - Employer	\$ 497,000	\$ 467,000	\$ 312,000	\$ 279,830	\$ 657,424	\$ 609,239	\$ 648,386
Net Investment Income	3,177,000	660,000	21,000	2,872,446	1,865,280	1,890,679	1,090,928
Benefit Payments, Including Refunds of Employee Contributions	(495,000)	(546,000)	(631,000)	(719,919)	(837,663)	(983,660)	(1,106,896)
Other Changes in Fiduciary Net Position	(33,000)	(47,000)	(35,000)	(52,639)	(39,500)	(38,432)	(57,282)
Net Change in Fiduciary Net Position	3,146,000	534,000	(333,000)	2,379,718	1,645,541	1,477,826	575,136
Plan Fiduciary Net Position - Beginning	24,536,000	27,682,000	28,216,000	27,883,000	30,262,718	31,908,259	33,386,085
Plan Fiduciary Net Position - Ending (b)	\$ 27,682,000	\$ 28,216,000	\$ 27,883,000	\$ 30,262,718	\$ 31,908,259	\$ 33,386,085	\$ 33,961,221
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	\$ (5,339,000)	\$ (4,251,000)	\$ 218,000	\$ (471,385)	\$ (3,469,467)	\$ (3,554,052)	\$ (3,876,755)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	123.90%	117.74%	99.22%	101.58%	112.20%	111.91%	112.89%
Covered Payroll	\$ 24,363,588	\$ 22,739,613	\$ 21,593,214	\$ 19,909,987	\$ 18,246,690	\$ 16,119,382	\$ 14,750,069
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	-21.91%	-18.69%	1.01%	-2.37%	-19.01%	-22.05%	-26.28%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

Notes to Schedule:

Benefit Changes: In 2020, employer paid member contributions for Fire Management employee group added. There were no benefit changes in 2019. In 2018, the Benefit Factor used to determine the City Manager's benefit was changed to 0.5% beginning at age 55 instead of age 60.

Changes of Assumptions: In 2020, Mortality improvement scale was updated to Scale MP2020. There were no changes of assumptions in 2019. In 2018, the discount rate was updated from 5.75% to 6.00%, the demographic assumptions were updated to CalPERS 1997-2015 Experience Study, and the mortality improvement scale was updated to Society of Actuaries Scale MP-2018.

CITY OF RANCHO CUCAMONGA

PARS RETIREMENT ENHANCEMENT PLAN
 SCHEDULE OF PLAN CONTRIBUTIONS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 467,000	\$ 307,590	\$ 278,740	\$ 657,424	\$ 628,911	\$ 626,595	\$ 563,099
Contribution in Relation to the Actuarially Determined Contribution	(467,000)	(307,590)	(278,740)	(657,424)	(628,911)	(626,595)	(563,099)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 22,739,613	\$ 21,593,214	\$ 19,909,987	\$ 18,246,690	\$ 16,119,382	\$ 14,750,069	\$ 13,301,202
Contributions as a Percentage of Covered Payroll (2)	2.05%	1.42%	1.40%	3.60%	3.90%	4.25%	4.23%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

(2) Due to timing differences for when the plan recognizes contributions and a change in the actuarially determined contribution rate from 1.40% to 3.90% during the fiscal year, the rate does not report the actuarially determined rate of 3.90% for 2018.

Note to Schedule:

Valuation Date:	June 30, 2020
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Amortization period	7-year fixed period
Assets valuation method	Investment gains and losses spread over 5-years
Discount rate	6.00%
Inflation	2.75%
Salary Increases	3.0% annually
Investment rate of return	6.00% net of pension investment and administrative expenses, including inflation.
Retirement age	CalPERS 1997-2015 Experience Study
Mortality	Post-retirement mortality projected fully generational with Scale MP-2020

CITY OF RANCHO CUCAMONGA

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2018	2019	2020	2021
Total OPEB Liability				
Service cost	\$ 400,000	\$ 412,316	\$ 424,685	\$ 362,464
Interest on the total OPEB liability	1,516,000	1,562,020	1,606,264	1,418,049
Actual and expected experience difference	-	-	(3,896,602)	-
Changes in assumptions	-	-	(239,453)	(415,987)
Changes in benefit terms	-	-	-	-
Benefit payments	(1,046,000)	(1,143,902)	(1,216,647)	(1,292,883)
Net change in total OPEB liability	870,000	830,434	(3,321,753)	71,643
Total OPEB liability - beginning	27,688,000	28,558,000	29,388,434	26,066,681
Total OPEB liability - ending (a)	28,558,000	29,388,434	26,066,681	26,138,324
Plan Fiduciary Net Position				
Contribution - employer	281,000	998,969	469,195	454,699
Net investment income	1,429,000	1,339,488	2,114,944	1,949,800
Benefit payments	(1,046,000)	(1,143,902)	(1,216,647)	(1,292,883)
Administrative expense	(14,000)	(52,080)	(8,528)	(17,988)
Net change in plan fiduciary net position	650,000	1,142,475	1,358,964	1,093,628
Plan fiduciary net position - beginning	27,617,000	28,267,000	29,409,475	30,768,439
Plan fiduciary net position - ending (b)	\$ 28,267,000	\$ 29,409,475	\$ 30,768,439	\$ 31,862,067
Net OPEB Liability/(Asset) - ending (a) - (b)	\$ 291,000	\$ (21,041)	\$ (4,701,758)	\$ (5,723,743)
Plan fiduciary net position as a percentage of the total OPEB liability	98.98%	100.07%	118.04%	121.90%
Covered-employee payroll	\$ 15,842,421	\$ 16,635,534	\$ 16,440,813	\$ 17,940,240
Net OPEB asset as a percentage of covered-employee payroll	1.84%	-0.13%	-28.60%	-31.90%

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

Notes to Schedule: None

Changes in assumptions: In 2020, the ACA Excise Tax removed from liabilities.

CITY OF RANCHO CUCAMONGA

**SCHEDULE OF CONTRIBUTIONS - OPEB
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially Determined Contribution	\$ 998,969	\$ 469,195	\$ 454,699	\$ 32,589
Contribution in Relation to the Actuarially Determined Contributions	<u>(998,969)</u>	<u>(469,195)</u>	<u>(454,699)</u>	<u>(32,589)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 16,635,534	\$ 16,440,813	\$ 17,940,240	\$ 18,018,339
Contributions as a percentage of covered-employee payroll	6.01%	2.85%	2.53%	0.18%

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

Methods and assumptions used to determine contributions:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age, level percentage of payroll
Amortization Valuation Method/Period	Level percent of payroll over a closed 30-year period starting 2016/17
Asset Valuation Method	Investment gains/losses spread over 5-year rolling period with 20% market value
Discount Rate	5.50%
General Inflation	2.75%
Payroll Growth	3.00% per annum, in aggregate
Mortality, Disability, Termination, Retirement	CalPERS 1997-2015 Experience Study; Mortality Improvement - Mortality projected fully generational with Scale MP-2019
Medical Trend	Non-Medicare - 7% for 2022, decreasing to an ultimate rate of 4.0% in 2076; Medicare - 6.1% for 2022, decreasing to an ultimate rate of 4.0% in 2076
Other Assumptions	PEMHCA minimum increases of 4.25% annually; Healthcare participation for future retirees at 100% for Tier 1 and 75% if Tier 2 for currently covered, and 50% for others

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CITY OF RANCHO CUCAMONGA
Non-Major Governmental Funds

Special Revenue Funds

Special Revenue Funds account for revenues derived from specific sources which are required by law or administrative regulation to be accounted for in a separated fund. Funds included are:

Gas Tax Fund - Established to account for the receipts and disbursements of the state gas tax allocations to fund road construction and maintenance of the City network system.

Recreation Fund - Established to account for the receipts and disbursements for community classes, special events, and activities that are sponsored by the Community Services Department, as well as, state and local grants which provide funding for related community services or facilities.

Beautification Fund - Established to account for receipts from development projects to provide proper landscaping and irrigation systems after the construction of parkway and median improvements.

Landscape Maintenance Districts Fund - Established to account for receipts of special assessments which are restricted for providing landscape maintenance within specified geographical boundaries.

Pedestrian Grant Fund - Established to account for the receipts and disbursements of county entitlement funds for the construction of public facilities for the exclusive use of pedestrians and bicycles.

Community Development Block Grant Fund - Established to account for Federal grant funding from the Department of Housing and Urban Development under the Housing and Community Development Act of 1974, as amended.

Assessment Administration Fund - Established to account for the administration of the various special districts within the City.

SB 140 Fund - Established to account for the receipt and disbursement of state matching funds that are restricted for the construction of eligible street construction projects.

Air Quality Improvement Fund - Established to account for the receipt and disbursement of funds received from the South Coast Air Quality Management District as a result of Assembly Bill 2766.

Masi Commerce Center Fund - Established to acquire the necessary infrastructure from the developer after the completion and acceptance of the approved improvements. Financing was provided by the sale of bonds pursuant to the provisions of the Improvement Act of 1915.

Measure I Fund - Established to account for the receipts and disbursements of the City's allocation of the half-cent sales tax collected throughout San Bernardino County for local street construction and maintenance.

Library Services Fund - Established to account for the receipts and disbursements for library-related services provided by the City of Rancho Cucamonga Library. Funding for this service is made possible through a transfer of San Bernardino County library property tax revenues to the City of Rancho Cucamonga for library purposes.

CITY OF RANCHO CUCAMONGA
Non-Major Governmental Funds

Special Revenue Funds (Continued)

Public Safety Grants Fund - Established to account for the receipts and disbursements of miscellaneous state, local, and Federal grant monies. These receipts are restricted for law enforcement and public safety-related expenditures.

Used Oil Recycling Fund - Established to account for the receipts and disbursements of the state grant monies for the purpose of establishing and administering used oil collection programs. These receipts are restricted for oil recycling collection and educational programs.

Library Services Grants Fund - Established to account for the receipts and disbursements of miscellaneous state, local, and Federal grant monies not accounted for in other funds. These receipts are restricted for library-related expenditures.

AB 2928 Traffic Congestion Relief Fund - Established fund to account for the receipts and disbursements of funds received as a result of Assembly Bill 2928. These receipts are restricted for transportation projects that relieve congestion, connect transportation systems, and provide better goods movement.

Litter Reduction Grant Fund - Established to account for the receipts and disbursements of the state grant monies that are used for the collection and recycling of beverage containers at large venues, public areas, residential communities or schools.

Energy Efficiency and Conservation Block Grant Fund - Established to account for the receipts and disbursements of Federal grant monies received through the U.S. Department of Energy under the EECBG program. The receipts are restricted for funding projects that reduce energy consumption and promote energy efficiency.

SAFETEA-LU Grant Fund - Established to account for the receipts and disbursements of Federal grant monies received from the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) from the Department of Transportation. The receipts are restricted for funding highways, highway safety, and public transportation projects.

Underground Utilities Fund - Established to account for fees collected from developments for future undergrounding of overhead utilities.

Citywide Infrastructure Improvement Fund - Established to account for capital improvement project reimbursements, primarily from the San Bernardino County Transportation Authority, to provide funds that will be used for general infrastructure throughout the City.

Proposition 1B Fund – Established to account for the receipts and disbursements of Proposition 1B and Proposition 1B State-Local Partnership Program (SLPP) funds which provide for the maintenance and improvement of local transportation facilities. This fund is allocated to the City by the California Transportation Commission.

Public Resource Grants Fund - Established to account for the receipts from various sources for the Healthy Cities concept, which provides an integrated and holistic approach to improving the overall quality of life in the community.

Integrated Waste Management Fund - Established to account for receipts from Assembly Bill 939 which are generated from refuse haulers. These receipts are restricted for providing funding for the disposal of household hazardous waste.

CITY OF RANCHO CUCAMONGA
Non-Major Governmental Funds

Special Revenue Funds (Continued)

SB1 - TCEP Fund – Established to account for the receipts and disbursements of SB 1 Trade Corridor Enhancement Program (TCEP) funds which provide for the design and construction of the Etiwanda Grade Separation Project.

Public Art Trust Fund – Established to account for the receipts of public art in-lieu fees restricted for the selection, purchase, placement, and maintenance of art installed by the City or on City property.

State Grants Fund – Established to account for grant fund received from the State of California and the allowable expenditures for those programs. The State grant programs reported in this special revenue fund are nonrecurring.

Assessment District 91-2 Fund - Established to account for Drainage Area No. 91-2 assessments revenues which are restricted for maintenance and servicing of a Day Canyon Drainage Basin.

Assessment District 85-PD Fund - Established to account for Park and Recreation Improvement District No. PD-85 assessments revenues which are restricted for the maintenance and operations of Heritage and Red Hill Community Parks.

Community Facilities District 2000-03 Park Maintenance Fund - Established to account for Community Facilities District No. 2000-03 special tax revenues which are restricted for the park maintenance and operations of the District.

CFD 2017-01 No. Etiwanda - Established to account for Community Facilities District No. 2017-01 special tax revenues which are restricted for the maintenance and operations of the District.

CFD 2018-01 Empire Lakes - Established to account for Community Facilities District No. 2018-01 special tax revenues which are restricted for the maintenance and operations of the District.

Capital Projects Fund

Capital Projects Fund - Established to account for major capital improvement projects not accounted for in other funds.

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Gas Tax	Recreation	Beautification	Landscape Maintenance Districts
Assets:				
Cash and investments	\$ 16,421,361	\$ 8,266	\$ 595,599	\$ 22,644,132
Receivables:				
Accounts	612,344	-	-	43,927
Taxes	-	-	-	96,458
Accrued interest	41,366	-	1,653	57,123
Other loans	-	-	-	-
Grants	-	-	-	-
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 17,075,071	\$ 8,266	\$ 597,252	\$ 22,841,640
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 116,772	\$ 13,545	\$ -	\$ 939,730
Accrued liabilities	69,696	-	-	119,062
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	186,468	13,545	-	1,058,792
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety - police	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and public works	16,888,603	-	597,252	-
Capital improvement projects	-	-	-	-
Underground utilities	-	-	-	-
Landscape maintenance	-	-	-	21,782,848
Library services	-	-	-	-
Unassigned	-	(5,279)	-	-
Total Fund Balances	16,888,603	(5,279)	597,252	21,782,848
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,075,071	\$ 8,266	\$ 597,252	\$ 22,841,640

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Pedestrian Grant	Community Development Block Grant	Assessment Administration	SB 140
Assets:				
Cash and investments	\$ -	\$ -	\$ 846,654	\$ 36,536
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	-	-	1,516	-
Other loans	-	1,218,204	-	-
Grants	-	1,110,380	-	-
Prepaid costs	-	1,475	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 2,330,059	\$ 848,170	\$ 36,536
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 975	\$ 54,902	\$ 3,174	\$ -
Accrued liabilities	-	11,712	11,554	-
Deposits payable	-	-	-	-
Due to other governments	-	429,027	-	-
Due to other funds	8,262	267,039	-	-
Total Liabilities	9,237	762,680	14,728	-
Deferred Inflows of Resources:				
Unavailable revenues	-	204,777	-	-
Total Deferred Inflows of Resources	-	204,777	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	1,475	-	-
Restricted for:				
Community development projects	-	1,361,127	833,442	-
Public safety - police	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and public works	-	-	-	36,536
Capital improvement projects	-	-	-	-
Underground utilities	-	-	-	-
Landscape maintenance	-	-	-	-
Library services	-	-	-	-
Unassigned	(9,237)	-	-	-
Total Fund Balances	(9,237)	1,362,602	833,442	36,536
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 2,330,059	\$ 848,170	\$ 36,536

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Air Quality Improvement	Masi Commerce Center	Measure I	Library Services
Assets:				
Cash and investments	\$ 517,593	\$ 10,939	\$ 3,791,360	\$ 10,590,586
Receivables:				
Accounts	88,277	-	111,865	246,882
Taxes	-	-	1,144,716	43,227
Accrued interest	1,524	24	9,207	23,544
Other loans	-	-	-	-
Grants	-	-	-	-
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	301,278	-	-
Total Assets	\$ 607,394	\$ 312,241	\$ 5,057,148	\$ 10,904,239
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 27,786	\$ -	\$ 249,928	\$ 255,220
Accrued liabilities	-	-	22,390	122,407
Deposits payable	-	-	-	15
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	27,786	-	272,318	377,642
Deferred Inflows of Resources:				
Unavailable revenues	-	-	397,262	-
Total Deferred Inflows of Resources	-	-	397,262	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted for:				
Community development projects	579,608	-	-	-
Public safety - police	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and public works	-	-	4,387,568	-
Capital improvement projects	-	312,241	-	1,061,446
Underground utilities	-	-	-	-
Landscape maintenance	-	-	-	-
Library services	-	-	-	9,465,151
Unassigned	-	-	-	-
Total Fund Balances	579,608	312,241	4,387,568	10,526,597
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 607,394	\$ 312,241	\$ 5,057,148	\$ 10,904,239

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Public Safety Grants	Used Oil Recycling	Library Services Grants	AB 2928 Traffic Congestion Relief
Assets:				
Cash and investments	\$ 1,151,669	\$ 34,600	\$ 380,016	\$ 292,690
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	284	97	713	-
Other loans	-	-	-	-
Grants	53,505	-	-	-
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,205,458	\$ 34,697	\$ 380,729	\$ 292,690
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 111,678	\$ 13,883	\$ 1,143	\$ -
Accrued liabilities	-	1,832	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	111,678	15,715	1,143	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety - police	1,093,780	-	-	-
Parks and recreation	-	-	-	-
Engineering and public works	-	18,982	-	292,690
Capital improvement projects	-	-	-	-
Underground utilities	-	-	-	-
Landscape maintenance	-	-	-	-
Library services	-	-	379,586	-
Unassigned	-	-	-	-
Total Fund Balances	1,093,780	18,982	379,586	292,690
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,205,458	\$ 34,697	\$ 380,729	\$ 292,690

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Litter Reduction Grant	Energy Efficiency and Conservation Block Grant	SAFETEA-LU Grant	Underground Utilities
Assets:				
Cash and investments	\$ 63,636	\$ -	\$ 483,705	\$ 11,702,164
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	-	-	640	30,920
Other loans	-	121,420	-	-
Grants	-	-	-	-
Prepaid costs	900	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 64,536	\$ 121,420	\$ 484,345	\$ 11,733,084
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 11,304	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	318
Deposits payable	-	-	-	-
Due to other governments	-	121,420	-	-
Due to other funds	-	96	-	-
Total Liabilities	11,304	121,516	-	318
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	900	-	-	-
Restricted for:				
Community development projects	52,332	-	-	-
Public safety - police	-	-	484,345	-
Parks and recreation	-	-	-	-
Engineering and public works	-	-	-	-
Capital improvement projects	-	-	-	-
Underground utilities	-	-	-	11,732,766
Landscape maintenance	-	-	-	-
Library services	-	-	-	-
Unassigned	-	(96)	-	-
Total Fund Balances	53,232	(96)	484,345	11,732,766
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 64,536	\$ 121,420	\$ 484,345	\$ 11,733,084

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Citywide Infrastructure Improvement	Proposition 1B	Public Resource Grants	Integrated Waste Management
Assets:				
Cash and investments	\$ 25,791,584	\$ 280,393	\$ -	\$ 4,038,188
Receivables:				
Accounts	189,663	19,917	-	1,636
Taxes	-	-	-	406,850
Accrued interest	70,333	705	-	10,374
Other loans	-	-	-	-
Grants	-	-	-	-
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 26,051,580	\$ 301,015	\$ -	\$ 4,457,048
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 16,845	\$ -	\$ -	\$ 2,030
Accrued liabilities	58	-	-	45,315
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	16,903	-	-	47,345
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety - police	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and public works	-	301,015	-	4,409,703
Capital improvement projects	26,034,677	-	-	-
Underground utilities	-	-	-	-
Landscape maintenance	-	-	-	-
Library services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	26,034,677	301,015	-	4,409,703
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 26,051,580	\$ 301,015	\$ -	\$ 4,457,048

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	SB1 - TCEP	Public Art Trust Fund	State Grants Fund	AD 91-2 Redemption-Day Canyon
Assets:				
Cash and investments	\$ -	\$ 581,862	\$ -	\$ 78,656
Receivables:				
Accounts	8,073,419	-	-	-
Taxes	-	-	-	667
Accrued interest	-	1,224	-	178
Other loans	-	-	-	-
Grants	419,922	-	223,240	-
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 8,493,341	\$ 583,086	\$ 223,240	\$ 79,501
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,036,794	\$ 291	\$ -	\$ -
Accrued liabilities	-	-	-	628
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	7,456,547	-	223,240	-
Total Liabilities	8,493,341	291	223,240	628
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety - police	-	-	-	-
Parks and recreation	-	582,795	-	-
Engineering and public works	-	-	-	-
Capital improvement projects	-	-	-	-
Underground utilities	-	-	-	-
Landscape maintenance	-	-	-	78,873
Library services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	582,795	-	78,873
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,493,341	\$ 583,086	\$ 223,240	\$ 79,501

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	PD 85	CFD 2000-03	CFD 2017-01	CFD 2018-01
	Maintenance	Park Maintenance	No. Etiwanda	Empire Lakes
Assets:				
Cash and investments	\$ 3,247,061	\$ 524,900	\$ 1,796	\$ 77,193
Receivables:				
Accounts	7,010	-	-	-
Taxes	12,031	1,471	-	507
Accrued interest	8,112	1,135	-	211
Other loans	-	-	-	-
Grants	-	-	-	-
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 3,274,214	\$ 527,506	\$ 1,796	\$ 77,911
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 77,263	\$ 10,312	\$ -	\$ -
Accrued liabilities	5,563	8,467	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	82,826	18,779	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety - police	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and public works	-	-	-	-
Capital improvement projects	-	-	-	-
Underground utilities	-	-	-	-
Landscape maintenance	3,191,388	508,727	1,796	77,911
Library services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	3,191,388	508,727	1,796	77,911
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,274,214	\$ 527,506	\$ 1,796	\$ 77,911

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:		
Cash and investments	\$ 9,565,225	\$ 113,758,364
Receivables:		
Accounts	-	9,394,940
Taxes	-	1,705,927
Accrued interest	21,744	282,627
Other loans	-	1,339,624
Grants	-	1,807,047
Prepaid costs	-	2,375
Restricted assets:		
Cash and investments with fiscal agents	412,721	713,999
Total Assets	<u>\$ 9,999,690</u>	<u>\$ 129,004,903</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 2,577,424	\$ 5,520,999
Accrued liabilities	-	419,002
Deposits payable	-	15
Due to other governments	-	550,447
Due to other funds	-	7,955,184
Total Liabilities	<u>2,577,424</u>	<u>14,445,647</u>
Deferred Inflows of Resources:		
Unavailable revenues	-	602,039
Total Deferred Inflows of Resources	<u>-</u>	<u>602,039</u>
Fund Balances:		
Nonspendable:		
Prepaid costs	-	2,375
Restricted for:		
Community development projects	-	2,826,509
Public safety - police	-	1,578,125
Parks and recreation	-	582,795
Engineering and public works	-	26,932,349
Capital improvement projects	7,422,266	34,830,630
Underground utilities	-	11,732,766
Landscape maintenance	-	25,641,543
Library services	-	9,844,737
Unassigned	<u>-</u>	<u>(14,612)</u>
Total Fund Balances	<u>7,422,266</u>	<u>113,957,217</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,999,690</u>	<u>\$ 129,004,903</u>

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CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Gas Tax	Recreation	Beautification	Landscape Maintenance Districts
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 11,683,389
Licenses and permits	-	-	-	55,348
Intergovernmental	7,094,688	-	-	-
Charges for services	-	-	-	16,624
Use of money and property	(6,106)	(168)	(976)	91,048
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	17,075	-	-	10,000
Total Revenues	7,105,657	(168)	(976)	11,856,409
Expenditures:				
Current:				
General government	-	-	-	-
Public safety - police	-	-	-	-
Public safety - fire protection	-	-	-	-
Community development	-	-	-	11,371,589
Community services	-	-	-	-
Engineering and public works	2,110,315	-	790	-
Capital outlay	3,465,772	-	30,675	410,649
Total Expenditures	5,576,087	-	31,465	11,782,238
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,529,570	(168)	(32,441)	74,171
Other Financing Sources (Uses):				
Transfers in	1,050	-	-	383,098
Transfers out	-	-	-	(30,992)
Total Other Financing Sources (Uses)	1,050	-	-	352,106
Net Change in Fund Balances	1,530,620	(168)	(32,441)	426,277
Fund Balances, Beginning of Year	15,357,983	(5,111)	629,693	21,356,571
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	15,357,983	(5,111)	629,693	21,356,571
Fund Balances, End of Year	\$ 16,888,603	\$ (5,279)	\$ 597,252	\$ 21,782,848

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Pedestrian Grant	Community Development Block Grant	Assessment Administration	SB 140
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	43,575	1,474,651	-	-
Charges for services	-	-	-	-
Use of money and property	-	(601)	(2,934)	(442)
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	180,160	1,009,520	-
Total Revenues	43,575	1,654,210	1,006,586	(442)
Expenditures:				
Current:				
General government	-	-	805,994	-
Public safety - police	-	-	-	-
Public safety - fire protection	-	-	-	-
Community development	-	1,528,060	-	-
Community services	-	-	-	-
Engineering and public works	-	-	-	-
Capital outlay	51,073	-	-	-
Total Expenditures	51,073	1,528,060	805,994	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,498)	126,150	200,592	(442)
Other Financing Sources (Uses):				
Transfers in	-	9,800	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	9,800	-	-
Net Change in Fund Balances	(7,498)	135,950	200,592	(442)
Fund Balances, Beginning of Year	(1,739)	1,226,652	632,850	36,978
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	(1,739)	1,226,652	632,850	36,978
Fund Balances, End of Year	\$ (9,237)	\$ 1,362,602	\$ 833,442	\$ 36,536

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Air Quality Improvement	Masi Commerce Center	Measure I	Library Services
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 5,214,239
Licenses and permits	-	-	-	-
Intergovernmental	564,769	-	3,884,722	26,006
Charges for services	-	-	-	13,065
Use of money and property	(2,308)	29	(8,394)	(14,483)
Contributions	-	-	-	231,125
Developer participation	-	-	-	-
Miscellaneous	-	-	111,865	64,205
Total Revenues	562,461	29	3,988,193	5,534,157
Expenditures:				
Current:				
General government	15,539	180	-	-
Public safety - police	-	-	-	-
Public safety - fire protection	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	3,581,652
Engineering and public works	-	-	1,532,182	-
Capital outlay	760,944	-	2,111,947	576,232
Total Expenditures	776,483	180	3,644,129	4,157,884
Excess (Deficiency) of Revenues Over (Under) Expenditures	(214,022)	(151)	344,064	1,376,273
Other Financing Sources (Uses):				
Transfers in	-	-	-	206,425
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	206,425
Net Change in Fund Balances	(214,022)	(151)	344,064	1,582,698
Fund Balances, Beginning of Year	793,630	312,392	4,043,504	8,943,899
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	793,630	312,392	4,043,504	8,943,899
Fund Balances, End of Year	\$ 579,608	\$ 312,241	\$ 4,387,568	\$ 10,526,597

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Public Safety Grants	Used Oil Recycling	Library Services Grants	AB 2928 Traffic Congestion Relief
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	507,847	19,133	52,294	-
Charges for services	-	-	-	-
Use of money and property	(12,253)	(90)	(1,980)	(3,689)
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	23,834	-	-	-
Total Revenues	519,428	19,043	50,314	(3,689)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety - police	267,061	-	-	-
Public safety - fire protection	53,505	-	-	-
Community development	-	49,577	-	-
Community services	-	-	43,944	-
Engineering and public works	-	-	-	-
Capital outlay	20,558	-	-	-
Total Expenditures	341,124	49,577	43,944	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	178,304	(30,534)	6,370	(3,689)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(37,040)	-
Total Other Financing Sources (Uses)	-	-	(37,040)	-
Net Change in Fund Balances	178,304	(30,534)	(30,670)	(3,689)
Fund Balances, Beginning of Year	915,476	49,516	410,256	296,379
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	915,476	49,516	410,256	296,379
Fund Balances, End of Year	\$ 1,093,780	\$ 18,982	\$ 379,586	\$ 292,690

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Litter Reduction Grant	Energy Efficiency and Conservation Block Grant	SAFETEA-LU Grant	Underground Utilities
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	43,239	-	299,139	-
Charges for services	-	-	-	146,397
Use of money and property	(825)	-	(452)	(6,469)
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	251,674
Total Revenues	42,414	-	298,687	391,602
Expenditures:				
Current:				
General government	-	-	-	-
Public safety - police	-	-	-	-
Public safety - fire protection	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Engineering and public works	55,644	-	-	13,499
Capital outlay	-	-	-	2,793
Total Expenditures	55,644	-	-	16,292
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,230)	-	298,687	375,310
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(13,230)	-	298,687	375,310
Fund Balances, Beginning of Year	66,462	(96)	185,658	11,357,456
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	66,462	(96)	185,658	11,357,456
Fund Balances, End of Year	\$ 53,232	\$ (96)	\$ 484,345	\$ 11,732,766

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Citywide Infrastructure Improvement	Proposition 1B	Public Resource Grants	Integrated Waste Management
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 1,718,179
Licenses and permits	-	-	-	50,200
Intergovernmental	141,520	39,834	-	-
Charges for services	-	-	-	-
Use of money and property	(2,060)	(326)	(52)	(2,490)
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	23,348	-	-	16,145
Total Revenues	162,808	39,508	(52)	1,782,034
Expenditures:				
Current:				
General government	-	-	10,951	-
Public safety - police	-	-	-	-
Public safety - fire protection	-	-	-	-
Community development	-	200	-	-
Community services	-	-	-	-
Engineering and public works	31,261	-	-	1,275,755
Capital outlay	313,437	-	-	-
Total Expenditures	344,698	200	10,951	1,275,755
Excess (Deficiency) of Revenues Over (Under) Expenditures	(181,890)	39,308	(11,003)	506,279
Other Financing Sources (Uses):				
Transfers in	-	-	16,563	-
Transfers out	(17,000)	-	-	(218,390)
Total Other Financing Sources (Uses)	(17,000)	-	16,563	(218,390)
Net Change in Fund Balances	(198,890)	39,308	5,560	287,889
Fund Balances, Beginning of Year	26,233,567	261,707	(5,560)	4,121,814
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	26,233,567	261,707	(5,560)	4,121,814
Fund Balances, End of Year	\$ 26,034,677	\$ 301,015	\$ -	\$ 4,409,703

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	SB1 - TCEP	Public Art Trust Fund	State Grants Fund	AD 91-2 Redemption- Day Canyon
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 33,822
Licenses and permits	-	-	-	-
Intergovernmental	4,627,947	-	223,240	-
Charges for services	-	-	-	-
Use of money and property	-	3,009	-	(91)
Contributions	-	-	-	-
Developer participation	-	443,950	-	-
Miscellaneous	-	-	-	-
Total Revenues	4,627,947	446,959	223,240	33,731
Expenditures:				
Current:				
General government	650	-	-	21,384
Public safety - police	-	-	-	-
Public safety - fire protection	-	-	-	-
Community development	-	2,843	-	-
Community services	-	-	-	-
Engineering and public works	-	-	-	-
Capital outlay	4,627,297	-	223,240	-
Total Expenditures	4,627,947	2,843	223,240	21,384
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	444,116	-	12,347
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	444,116	-	12,347
Fund Balances, Beginning of Year	-	138,679	-	-
Restatements	-	-	-	66,526
Fund Balances, Beginning of Year, as Restated	-	138,679	-	66,526
Fund Balances, End of Year	\$ -	\$ 582,795	\$ -	\$ 78,873

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	PD 85 Maintenance	CFD 2000-03 Park Maintenance	CFD 2017-01 No. Etiwanda	CFD 2018-01 Empire Lakes
Revenues:				
Taxes	\$ 1,163,371	\$ 531,929	\$ 3,016	\$ 112,093
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	14,947	520	-	-
Use of money and property	128,455	(1,524)	-	(1,173)
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	15,185
Total Revenues	1,306,773	530,925	3,016	126,105
Expenditures:				
Current:				
General government	-	454,276	1,220	56,978
Public safety - police	-	-	-	-
Public safety - fire protection	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Engineering and public works	920,910	-	-	-
Capital outlay	113,204	-	-	211,045
Total Expenditures	1,034,114	454,276	1,220	268,023
Excess (Deficiency) of Revenues Over (Under) Expenditures	272,659	76,649	1,796	(141,918)
Other Financing Sources (Uses):				
Transfers in	58,381	191	-	-
Transfers out	-	-	-	(8,270)
Total Other Financing Sources (Uses)	58,381	191	-	(8,270)
Net Change in Fund Balances	331,040	76,840	1,796	(150,188)
Fund Balances, Beginning of Year	-	-	-	-
Restatements	2,860,348	431,887	-	228,099
Fund Balances, Beginning of Year, as Restated	2,860,348	431,887	-	228,099
Fund Balances, End of Year	\$ 3,191,388	\$ 508,727	\$ 1,796	\$ 77,911

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:		
Taxes	\$ -	\$ 20,460,038
Licenses and permits	-	105,548
Intergovernmental	-	19,042,604
Charges for services	-	191,553
Use of money and property	(8,452)	144,203
Contributions	-	231,125
Developer participation	-	443,950
Miscellaneous	-	1,723,011
Total Revenues	(8,452)	42,342,032
Expenditures:		
Current:		
General government	3,130	1,370,302
Public safety - police	-	267,061
Public safety - fire protection	-	53,505
Community development	2,630	12,954,899
Community services	-	3,625,596
Engineering and public works	-	5,940,356
Capital outlay	-	12,918,866
Total Expenditures	5,760	37,130,585
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,212)	5,211,447
Other Financing Sources (Uses):		
Transfers in	-	675,508
Transfers out	-	(311,692)
Total Other Financing Sources (Uses)	-	363,816
Net Change in Fund Balances	(14,212)	5,575,263
Fund Balances, Beginning of Year	2,827,208	100,185,824
Restatements	4,609,270	8,196,130
Fund Balances, Beginning of Year, as Restated	7,436,478	108,381,954
Fund Balances, End of Year	\$ 7,422,266	\$ 113,957,217

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GAS TAX
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 15,357,983	\$ 15,357,983	\$ 15,357,983	\$ -
Resources (Inflows):				
Intergovernmental	7,292,240	7,348,360	7,094,688	(253,672)
Use of money and property	229,840	172,870	(6,106)	(178,976)
Miscellaneous	-	-	17,075	17,075
Transfers in	-	1,050	1,050	-
Amounts Available for Appropriations	22,880,063	22,880,263	22,464,690	(415,573)
Charges to Appropriation (Outflow):				
Engineering and public works	2,411,110	2,356,440	2,139,408	217,032
Capital outlay	3,855,260	4,471,830	3,889,979	581,851
Total Charges to Appropriations	6,266,370	6,828,270	6,029,387	798,883
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 16,613,693	\$ 16,051,993	16,435,303	\$ 383,310
Encumbrances			453,300	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 16,888,603	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 RECREATION
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (5,111)	\$ (5,111)	\$ (5,111)	\$ -
Resources (Inflows):				
Use of money and property	50	-	(168)	(168)
Amounts Available for Appropriations	(5,061)	(5,111)	(5,279)	(168)
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ (5,061)	\$ (5,111)	(5,279)	\$ (168)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ (5,279)	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
BEAUTIFICATION
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 629,693	\$ 629,693	\$ 629,693	\$ -
Resources (Inflows):				
Use of money and property	14,750	7,060	(976)	(8,036)
Amounts Available for Appropriations	644,443	636,753	628,717	(8,036)
Charges to Appropriation (Outflow):				
Engineering and public works	450	790	790	-
Capital outlay	-	30,780	30,675	105
Total Charges to Appropriations	450	31,570	31,465	105
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 643,993	\$ 605,183	597,252	\$ (7,931)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 597,252	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
LANDSCAPE MAINTENANCE DISTRICTS
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 21,356,571	\$ 21,356,571	\$ 21,356,571	\$ -
Resources (Inflows):				
Taxes	11,649,230	11,656,330	11,683,389	27,059
Licenses and permits	220,000	60,000	55,348	(4,652)
Charges for services	30,230	25,470	16,624	(8,846)
Use of money and property	456,630	342,370	91,048	(251,322)
Miscellaneous	3,940	10,440	10,000	(440)
Transfers in	393,110	419,620	383,098	(36,522)
Amounts Available for Appropriations	34,109,711	33,870,801	33,596,078	(274,723)
Charges to Appropriation (Outflow):				
Community development	12,272,220	12,309,730	11,574,177	735,553
Capital outlay	1,070,000	1,665,790	1,587,570	78,220
Transfers out	-	33,900	30,992	2,908
Total Charges to Appropriations	13,342,220	14,009,420	13,192,739	816,681
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 20,767,491	\$ 19,861,381	20,403,339	\$ 541,958
Encumbrances			1,379,509	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 21,782,848	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 PEDESTRIAN GRANT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,739)	\$ (1,739)	\$ (1,739)	\$ -
Resources (Inflows):				
Intergovernmental	401,200	86,420	43,575	(42,845)
Amounts Available for Appropriations	399,461	84,681	41,836	(42,845)
Charges to Appropriation (Outflow):				
Capital outlay	401,200	86,420	51,073	35,347
Total Charges to Appropriations	401,200	86,420	51,073	35,347
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ (1,739)	\$ (1,739)	(9,237)	\$ (7,498)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ (9,237)	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,226,652	\$ 1,226,652	\$ 1,226,652	\$ -
Resources (Inflows):				
Intergovernmental	1,290,010	2,781,870	1,474,651	(1,307,219)
Use of money and property	-	-	(601)	(601)
Miscellaneous	150,000	150,000	180,160	30,160
Transfers in	-	9,800	9,800	-
Amounts Available for Appropriations	2,666,662	4,168,322	2,890,662	(1,277,660)
Charges to Appropriation (Outflow):				
Community development	1,266,530	3,316,755	2,052,158	1,264,597
Total Charges to Appropriations	1,266,530	3,316,755	2,052,158	1,264,597
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 1,400,132	\$ 851,567	838,504	\$ (13,063)
Encumbrances			524,098	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 1,362,602	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
ASSESSMENT ADMINISTRATION
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 632,850	\$ 632,850	\$ 632,850	\$ -
Resources (Inflows):				
Use of money and property	9,920	8,220	(2,934)	(11,154)
Miscellaneous	1,009,520	1,009,520	1,009,520	-
Amounts Available for Appropriations	1,652,290	1,650,590	1,639,436	(11,154)
Charges to Appropriation (Outflow):				
General government	1,014,630	1,335,700	1,094,867	240,833
Total Charges to Appropriations	1,014,630	1,335,700	1,094,867	240,833
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 637,660	\$ 314,890	544,569	\$ 229,679
Encumbrances			288,873	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 833,442	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 793,630	\$ 793,630	\$ 793,630	\$ -
Resources (Inflows):				
Intergovernmental	268,130	565,190	564,769	(421)
Use of money and property	15,790	7,570	(2,308)	(9,878)
Amounts Available for Appropriations	1,077,550	1,366,390	1,356,091	(10,299)
Charges to Appropriation (Outflow):				
General government	20,400	17,770	17,119	651
Capital outlay	330,000	995,750	760,944	234,806
Total Charges to Appropriations	350,400	1,013,520	778,063	235,457
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 727,150	\$ 352,870	578,028	\$ 225,158
Encumbrances			1,580	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 579,608	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 MASI COMMERCE CENTER
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 312,392	\$ 312,392	\$ 312,392	\$ -
Resources (Inflows):				
Use of money and property	3,260	180	29	(151)
Amounts Available for Appropriations	315,652	312,572	312,421	(151)
Charges to Appropriation (Outflow):				
General government	180	180	180	-
Total Charges to Appropriations	180	180	180	-
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 315,472	\$ 312,392	312,241	\$ (151)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 312,241	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
MEASURE I
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,043,504	\$ 4,043,504	\$ 4,043,504	\$ -
Resources (Inflows):				
Intergovernmental	2,617,900	3,470,230	3,884,722	414,492
Use of money and property	48,180	38,340	(8,394)	(46,734)
Miscellaneous	-	120,000	111,865	(8,135)
Amounts Available for Appropriations	6,709,584	7,672,074	8,031,697	359,623
Charges to Appropriation (Outflow):				
Engineering and public works	1,612,190	1,623,800	1,608,250	15,550
Capital outlay	1,290,000	2,814,510	2,214,869	599,641
Total Charges to Appropriations	2,902,190	4,438,310	3,823,119	615,191
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 3,807,394	\$ 3,233,764	4,208,578	\$ 974,814
Encumbrances			178,990	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 4,387,568	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
LIBRARY SERVICES
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,943,899	\$ 8,943,899	\$ 8,943,899	\$ -
Resources (Inflows):				
Taxes	4,914,770	5,002,460	5,214,239	211,779
Intergovernmental	-	26,010	26,006	(4)
Charges for services	185,500	17,820	13,065	(4,755)
Use of money and property	131,860	93,200	(14,483)	(107,683)
Contributions	705,070	235,000	231,125	(3,875)
Miscellaneous	71,920	71,670	64,205	(7,465)
Transfers in	-	258,300	206,425	(51,875)
Amounts Available for Appropriations	14,953,019	14,648,359	14,684,481	36,122
Charges to Appropriation (Outflow):				
Community services	5,245,460	3,920,320	3,618,305	302,015
Capital outlay	930,000	990,590	931,237	59,353
Total Charges to Appropriations	6,175,460	4,910,910	4,549,542	361,368
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 8,777,559	\$ 9,737,449	10,134,939	\$ 397,490
Encumbrances			391,658	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 10,526,597	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
PUBLIC SAFETY GRANTS
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 915,476	\$ 915,476	\$ 915,476	\$ -
Resources (Inflows):				
Intergovernmental	365,020	583,840	507,847	(75,993)
Use of money and property	1,080	1,250	(12,253)	(13,503)
Miscellaneous	-	-	23,834	23,834
Amounts Available for Appropriations	1,281,576	1,500,566	1,434,904	(65,662)
Charges to Appropriation (Outflow):				
Public safety - police	346,530	367,260	267,061	100,199
Public safety - fire protection	26,840	53,860	53,505	355
Capital outlay	66,140	55,920	20,558	35,362
Total Charges to Appropriations	439,510	477,040	341,124	135,916
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 842,066	\$ 1,023,526	1,093,780	\$ 70,254
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 1,093,780	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
USED OIL RECYCLING
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 49,516	\$ 49,516	\$ 49,516	\$ -
Resources (Inflows):				
Intergovernmental	48,830	48,200	19,133	(29,067)
Use of money and property	560	440	(90)	(530)
Amounts Available for Appropriations	98,906	98,156	68,559	(29,597)
Charges to Appropriation (Outflow):				
Community development	49,810	50,200	49,577	623
Total Charges to Appropriations	49,810	50,200	49,577	623
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 49,096	\$ 47,956	18,982	\$ (28,974)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 18,982	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 LIBRARY SERVICES GRANTS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 410,256	\$ 410,256	\$ 410,256	\$ -
Resources (Inflows):				
Intergovernmental	20,000	52,300	52,294	(6)
Use of money and property	5,080	3,020	(1,980)	(5,000)
Amounts Available for Appropriations	435,336	465,576	460,570	(5,006)
Charges to Appropriation (Outflow):				
Community services	26,450	43,950	43,944	6
Transfers out	-	37,050	37,040	10
Total Charges to Appropriations	26,450	81,000	80,984	16
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 408,886	\$ 384,576	379,586	\$ (4,990)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 379,586	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
LITTER REDUCTION GRANT
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 66,462	\$ 66,462	\$ 66,462	\$ -
Resources (Inflows):				
Intergovernmental	59,860	44,100	43,239	(861)
Use of money and property	-	-	(825)	(825)
Amounts Available for Appropriations	126,322	110,562	108,876	(1,686)
Charges to Appropriation (Outflow):				
Engineering and public works	59,620	70,620	55,644	14,976
Total Charges to Appropriations	59,620	70,620	55,644	14,976
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 66,702	\$ 39,942	53,232	\$ 13,290
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 53,232	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
UNDERGROUND UTILITIES
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 11,357,456	\$ 11,357,456	\$ 11,357,456	\$ -
Resources (Inflows):				
Charges for services	90,000	100,000	146,397	46,397
Use of money and property	219,590	131,020	(6,469)	(137,489)
Miscellaneous	-	-	251,674	251,674
Amounts Available for Appropriations	11,667,046	11,588,476	11,749,058	160,582
Charges to Appropriation (Outflow):				
Engineering and public works	4,060	15,430	15,427	3
Capital outlay	40,000	39,480	15,843	23,637
Total Charges to Appropriations	44,060	54,910	31,270	23,640
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 11,622,986	\$ 11,533,566	11,717,788	\$ 184,222
Encumbrances			14,978	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 11,732,766	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
CITYWIDE INFRASTRUCTURE IMPROVEMENT
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 26,233,567	\$ 26,233,567	\$ 26,233,567	\$ -
Resources (Inflows):				
Intergovernmental	900,000	900,000	141,520	(758,480)
Use of money and property	458,200	298,890	(2,060)	(300,950)
Developer participation	2,000	2,000	-	(2,000)
Miscellaneous	-	54,440	23,348	(31,092)
Amounts Available for Appropriations	27,593,767	27,488,897	26,396,375	(1,092,522)
Charges to Appropriation (Outflow):				
Engineering and public works	32,850	85,400	31,261	54,139
Capital outlay	266,890	438,770	313,437	125,333
Transfers out	-	17,000	17,000	-
Total Charges to Appropriations	299,740	541,170	361,698	179,472
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 27,294,027	\$ 26,947,727	26,034,677	\$ (913,050)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 26,034,677	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
PROPOSITION 1B
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 261,707	\$ 261,707	\$ 261,707	\$ -
Resources (Inflows):				
Intergovernmental	-	-	39,834	39,834
Use of money and property	5,100	3,020	(326)	(3,346)
Amounts Available for Appropriations	266,807	264,727	301,215	36,488
Charges to Appropriation (Outflow):				
Community development	100	200	200	-
Total Charges to Appropriations	100	200	200	-
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 266,707	\$ 264,527	301,015	\$ 36,488
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 301,015	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
PUBLIC RESOURCES GRANTS
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (5,560)	\$ (5,560)	\$ (5,560)	\$ -
Resources (Inflows):				
Intergovernmental	14,730	-	-	-
Use of money and property	-	-	(52)	(52)
Contributions	9,510	-	-	-
Miscellaneous	360	-	-	-
Transfers in	-	16,520	16,563	43
Amounts Available for Appropriations	19,040	10,960	10,951	(9)
Charges to Appropriation (Outflow):				
General government	9,740	10,950	10,951	(1)
Total Charges to Appropriations	9,740	10,950	10,951	(1)
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 9,300	\$ 10	-	\$ (10)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ -	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
INTEGRATED WASTE MANAGEMENT
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,121,814	\$ 4,121,814	\$ 4,121,814	\$ -
Resources (Inflows):				
Taxes	1,662,890	1,654,780	1,718,179	63,399
Licenses and permits	40,700	50,700	50,200	(500)
Use of money and property	65,760	42,660	(2,490)	(45,150)
Miscellaneous	100,000	50,000	16,145	(33,855)
Amounts Available for Appropriations	5,991,164	5,919,954	5,903,848	(16,106)
Charges to Appropriation (Outflow):				
Engineering and public works	1,350,070	1,311,540	1,277,871	33,669
Transfers out	218,390	218,390	218,390	-
Total Charges to Appropriations	1,568,460	1,529,930	1,496,261	33,669
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 4,422,704	\$ 4,390,024	4,407,587	\$ 17,563
Encumbrances			2,116	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 4,409,703	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 SB1 - TCEP
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	11,000,650	9,000,650	4,627,947	(4,372,703)
Amounts Available for Appropriations	11,000,650	9,000,650	4,627,947	(4,372,703)
Charges to Appropriation (Outflow):				
General government	650	650	650	-
Capital outlay	11,000,000	9,000,000	7,111,691	1,888,309
Total Charges to Appropriations	11,000,650	9,000,650	7,112,341	1,888,309
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ -	\$ -	(2,484,394)	\$ (2,484,394)
Encumbrances			2,484,394	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ -	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
PUBLIC ART TRUST
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 138,679	\$ 138,679	\$ 138,679	\$ -
Resources (Inflows):				
Use of money and property	2,760	4,690	3,009	(1,681)
Developer participation	-	443,950	443,950	-
Amounts Available for Appropriations	141,439	587,319	585,638	(1,681)
Charges to Appropriation (Outflow):				
Community development	-	30,540	5,343	25,197
Total Charges to Appropriations	-	30,540	5,343	25,197
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 141,439	\$ 556,779	580,295	\$ 23,516
Encumbrances			2,500	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 582,795	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 STATE GRANT FUNDS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	2,686,760	223,240	223,240	-
Amounts Available for Appropriations	2,686,760	223,240	223,240	-
Charges to Appropriation (Outflow):				
Capital outlay	2,686,760	223,240	223,240	-
Total Charges to Appropriations	2,686,760	223,240	223,240	-
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ -	\$ -	-	\$ -
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ -	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 AD 91-2 REDEMPTION-DAY CANYON
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 66,526	\$ 66,526	\$ 66,526	\$ -
Resources (Inflows):				
Taxes	33,660	33,660	33,822	162
Use of money and property	1,100	710	(91)	(801)
Amounts Available for Appropriations	101,286	100,896	100,257	(639)
Charges to Appropriation (Outflow):				
General government	25,850	21,160	21,384	(224)
Total Charges to Appropriations	25,850	21,160	21,384	(224)
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 75,436	\$ 79,736	78,873	\$ (863)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 78,873	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 PD 85 MAINTENANCE
 YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 2,860,348	\$ 2,860,348	\$ 2,860,348	\$ -
Resources (Inflows):				
Taxes	1,162,500	1,162,500	1,163,371	871
Charges for services	22,350	22,350	14,947	(7,403)
Use of money and property	168,430	154,840	128,455	(26,385)
Miscellaneous	500	500	-	(500)
Transfers in	74,340	71,780	58,381	(13,399)
Amounts Available for Appropriations	4,288,468	4,272,318	4,225,502	(46,816)
Charges to Appropriation (Outflow):				
Engineering and public works	1,146,850	1,026,920	921,530	105,390
Capital outlay	100,000	153,330	153,330	-
Transfers out	-	6,180	-	6,180
Total Charges to Appropriations	1,246,850	1,186,430	1,074,860	111,570
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 3,041,618	\$ 3,085,888	3,150,642	\$ 64,754
Encumbrances			40,746	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 3,191,388	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
CFD 2000-03 PARK MAINTENANCE
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 431,887	\$ 431,887	\$ 431,887	\$ -
Resources (Inflows):				
Taxes	529,420	529,420	531,929	2,509
Charges for services	-	500	520	20
Use of money and property	7,530	3,940	(1,524)	(5,464)
Transfers in	-	200	191	(9)
Amounts Available for Appropriations	968,837	965,947	963,003	(2,944)
Charges to Appropriation (Outflow):				
General government	509,570	490,110	535,636	(45,526)
Capital outlay	148,000	81,360	-	81,360
Total Charges to Appropriations	657,570	571,470	535,636	35,834
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 311,267	\$ 394,477	427,367	\$ 32,890
Encumbrances			81,360	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 508,727	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
CFD 2017-01 NO. ETIWANDA
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Taxes	3,020	3,020	3,016	(4)
Amounts Available for Appropriations	3,020	3,020	3,016	(4)
Charges to Appropriation (Outflow):				
General government	1,220	1,220	1,220	-
Total Charges to Appropriations	1,220	1,220	1,220	-
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 1,800	\$ 1,800	1,796	\$ (4)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 1,796	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
CFD 2018-01 EMPIRE LAKES
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 228,099	\$ 228,099	\$ 228,099	\$ -
Resources (Inflows):				
Taxes	123,180	112,100	112,093	(7)
Use of money and property	790	910	(1,173)	(2,083)
Miscellaneous	-	11,180	15,185	4,005
Amounts Available for Appropriations	352,069	352,289	354,204	1,915
Charges to Appropriation (Outflow):				
General government	36,200	57,450	56,978	472
Capital outlay	-	211,050	211,045	5
Transfers out	7,590	8,270	8,270	-
Total Charges to Appropriations	43,790	276,770	276,293	477
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 308,279	\$ 75,519	77,911	\$ 2,392
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 77,911	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 7,436,478	\$ 7,436,478	\$ 7,436,478	\$ -
Resources (Inflows):				
Use of money and property	160,090	92,560	(8,452)	(101,012)
Amounts Available for Appropriations	7,596,568	7,529,038	7,428,026	(101,012)
Charges to Appropriation (Outflow):				
General government	601,530	333,130	3,130	330,000
Community development	1,420	2,630	2,630	-
Total Charges to Appropriations	602,950	335,760	5,760	330,000
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 6,993,618	\$ 7,193,278	7,422,266	\$ 228,988
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 7,422,266	

CITY OF RANCHO CUCAMONGA
Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Equipment and Vehicle Replacement - Established to account for the accumulation of user charges to various City departments and the costs associated with replacing the City's vehicles.

Computer Equipment/Technology Replacement - Established to account for the accumulation of resources and the costs associated with replacing the City's data processing equipment and maintaining current technology.

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	Equipment and Vehicle Replacement	Computer Equipment/ Technology Replacement	Total
Assets:			
Current:			
Cash and investments	\$ 1,555,730	\$ 2,667,934	\$ 4,223,664
Receivables:			
Accounts	-	29,020	29,020
Accrued interest	3,477	5,957	9,434
Prepaid costs	-	367,002	367,002
Total Current Assets	1,559,207	3,069,913	4,629,120
Noncurrent:			
Capital assets - net of accumulated depreciation	3,225,760	2,212,268	5,438,028
Total Noncurrent Assets	3,225,760	2,212,268	5,438,028
Total Assets	\$ 4,784,967	\$ 5,282,181	\$ 10,067,148
Liabilities and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ 65,037	\$ 14,214	\$ 79,251
Accrued interest	-	13,777	13,777
Capital leases	-	488,350	488,350
Total Current Liabilities	65,037	516,341	581,378
Noncurrent:			
Capital leases	-	507,339	507,339
Total Noncurrent Liabilities	-	507,339	507,339
Total Liabilities	65,037	1,023,680	1,088,717
Net Position:			
Net invested in capital assets	3,225,760	1,216,579	4,442,339
Unrestricted	1,494,170	3,041,922	4,536,092
Total Net Position	4,719,930	4,258,501	8,978,431
Total Liabilities and Net Position	\$ 4,784,967	\$ 5,282,181	\$ 10,067,148

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Equipment and Vehicle Replacement</u>	<u>Computer Equipment/ Technology Replacement</u>	<u>Total</u>
Operating Revenues:			
Interdepartmental charges	\$ 530,000	\$ 584,190	\$ 1,114,190
Miscellaneous	108	-	108
Total Operating Revenues	<u>530,108</u>	<u>584,190</u>	<u>1,114,298</u>
Operating Expenses:			
Maintenance and operations	455,957	80,099	536,056
Contractual services	8,800	587,104	595,904
Depreciation expense	924,505	828,701	1,753,206
Total Operating Expenses	<u>1,389,262</u>	<u>1,495,904</u>	<u>2,885,166</u>
Operating Income (Loss)	<u>(859,154)</u>	<u>(911,714)</u>	<u>(1,770,868)</u>
Nonoperating Revenues (Expenses):			
Interest revenue	14,797	24,879	39,676
Interest expense	-	(47,428)	(47,428)
Miscellaneous	(19,660)	(34,966)	(54,626)
Total Nonoperating Revenues (Expenses)	<u>(4,863)</u>	<u>(57,515)</u>	<u>(62,378)</u>
Income (Loss) Before Transfers	<u>(864,017)</u>	<u>(969,229)</u>	<u>(1,833,246)</u>
Transfers in	<u>300,000</u>	<u>885,689</u>	<u>1,185,689</u>
Changes in Net Position	<u>(564,017)</u>	<u>(83,540)</u>	<u>(647,557)</u>
Net Position:			
Beginning of Year	<u>5,283,947</u>	<u>4,342,041</u>	<u>9,625,988</u>
End of Fiscal Year	<u>\$ 4,719,930</u>	<u>\$ 4,258,501</u>	<u>\$ 8,978,431</u>

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Equipment and Vehicle Replacement	Computer Equipment/ Technology Replacement	Total
Cash Flows from Operating Activities:			
Cash received from interfund services provided	\$ 530,000	\$ 584,190	\$ 1,114,190
Cash paid to suppliers for goods and services	(456,711)	(520,199)	(976,910)
Cash received from others	108	-	108
Net Cash Provided (Used) by Operating Activities	73,397	63,991	137,388
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	300,000	885,689	1,185,689
Miscellaneous	-	(34,966)	(34,966)
Net Cash Provided (Used) by Non-Capital Financing Activities	300,000	850,723	1,150,723
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(305,627)	(452,512)	(758,139)
Principal paid on capital debt	-	(470,310)	(470,310)
Interest paid on capital debt	(19,660)	(57,020)	(76,680)
Net Cash Provided (Used) by Capital and Related Financing Activities	(325,287)	(979,842)	(1,305,129)
Cash Flows from Investing Activities:			
Interest received	16,377	28,092	44,469
Net Cash Provided (Used) by Investing Activities	16,377	28,092	44,469
Net Increase (Decrease) in Cash and Cash Equivalents	64,487	(37,036)	27,451
Cash and Cash Equivalents at Beginning of Year	1,491,243	2,704,970	4,196,213
Cash and Cash Equivalents at End of Year	\$ 1,555,730	\$ 2,667,934	\$ 4,223,664
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (859,154)	\$ (911,714)	\$ (1,770,868)
Adjustments to Reconcile Operating Income (loss)			
Net Cash Provided (used) by Operating Activities:			
Depreciation	924,505	828,701	1,753,206
(Increase) decrease in prepaid expense	-	140,685	140,685
Increase (decrease) in accounts payable	8,046	6,319	14,365
Total Adjustments	932,551	975,705	1,908,256
Net Cash Provided (Used) by Operating Activities	\$ 73,397	\$ 63,991	\$ 137,388
Non-Cash Investing, Capital, and Financing Activities:			
Gain/(Loss) on Investments	\$ 19,660	\$ 34,966	\$ 54,626

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CITY OF RANCHO CUCAMONGA
Custodial Funds

Custodial funds are used to account for assets held by the City as trustee or agent for individuals, private organizations, or other governmental units, and/or other funds.

Community Facilities District 2004-01 Fund – Established to account for the Community Facilities District No. 2004-01 special tax revenues which are restricted repayment of the annual principal and semiannual interest payment on the bonds.

Assessment District 93-1 Masi Commerce Center Fund – Established to account for the Assessment District No. 93-1 assessment revenues which are restricted repayment of the annual principal and semiannual interest payment on the bonds.

Community Facilities District 2000-01 South Etiwanda Fund – Established to account for the Community Facilities District No. 2000-01 special tax revenues which are restricted repayment of the annual principal and semiannual interest payment on the bonds.

Community Facilities District 2000-02 Rancho Cucamonga Corporate Park Fund – Established to account for the Community Facilities District No. 2000-02 special tax revenues which are restricted repayment of the annual principal and semiannual interest payment on the bonds.

Community Facilities District 2000-03 Rancho Summit Fund – Established to account for the Community Facilities District No. 2000-03 special tax revenues which are restricted repayment of the annual principal and semiannual interest payment on the bonds.

Community Facilities District 2001-01 Series A Fund – Established to account for the Community Facilities District No. 2001-01 Series A special tax revenues which are restricted repayment of the annual principal and semiannual interest payment on the bonds.

Community Facilities District 2001-01 Series B Fund – Established to account for the Community Facilities District No. 2001-01 Series B special tax revenues which are restricted repayment of the annual principal and semiannual interest payment on the bonds.

Community Facilities District 2003-01 Series A Fund – Established to account for the Community Facilities District No. 2003-01 Series A special tax revenues which are restricted repayment of the annual principal and semiannual interest payment on the bonds.

Community Facilities District 2003-01 Series B Fund – Established to account for the Community Facilities District No. 2003-01 Series B special tax revenues which are restricted repayment of the annual principal and semiannual interest payment on the bonds.

Community Facilities District 2006-01 Fund – Established to account for the Community Facilities District No. 2006-01 special tax revenues which are restricted repayment of the annual principal and semiannual interest payment on the bonds.

Community Facilities District 2006-02 Fund – Established to account for the Community Facilities District No. 2006-02 special tax revenues which are restricted repayment of the annual principal and semiannual interest payment on the bonds.

Assessment District 82-1 Fund - Established to account for assessments revenues for Assessment District No. 82-1. These bonds are fully repaid.

Assessment District 84-2 Fund - Established to account for assessments revenues for Assessment District No. 84-2. These bonds are fully repaid.

Community Facilities District 88-2 Fund – Established to account for special tax revenues for Community Facilities District No. 88-2. These bonds are fully repaid.

CITY OF RANCHO CUCAMONGA
Custodial Funds
(Continued)

Community Facilities District 93-3 Foothill Marketplace Fund – Established to account for special tax revenues for Community Facilities District No. 93-3. These bonds are fully repaid.

Assessment District 1999-1 Fund – Established to account for assessments revenues for Assessment District No. 1999-1. These bonds are fully repaid.

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2021

	CFD 2004-01	AD 93-1 Masi Commerce Center	CFD 2000-01 So Etiwanda	CFD 2000-02 RC Corp Park
Assets:				
Cash and investments	\$ 3,094,501	\$ 494,991	\$ 83,386	\$ 495,109
Receivables:				
Accounts	-	-	-	-
Taxes	24,544	-	263	1,160
Accrued interest	5,673	1,272	186	835
Cash and investments with fiscal agents	1,187,473	242,534	22,752	208,918
Total Assets	\$ 4,312,191	\$ 738,797	\$ 106,587	\$ 706,022
Liabilities:				
Accrued interest	\$ 375,322	\$ 9,042	\$ 2,427	\$ 23,537
Bonds payable:				
Due within one year	1,232,000	440,000	46,000	424,000
Due in more than one year	25,946,000	-	196,000	1,923,000
Total Liabilities	\$ 27,553,322	\$ 449,042	\$ 244,427	\$ 2,370,537
Net Position:				
Restricted for organizations and other governments	(23,241,131)	289,755	(137,840)	(1,664,515)
Total Net Position	\$ (23,241,131)	\$ 289,755	\$ (137,840)	\$ (1,664,515)

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2021

(CONTINUED)

	CFD 2000-03 Rancho Summit	CFD 2001-01 Series A	CFD 2001-01 Series B	CFD 2003-01 Series A
Assets:				
Cash and investments	\$ 521,269	\$ 571,874	\$ 58,391	\$ 969,832
Receivables:				
Accounts	-	-	-	-
Taxes	1,540	9,421	-	13,707
Accrued interest	843	8	-	1,491
Cash and investments with fiscal agents	260,778	303,566	29,473	1,417,126
Total Assets	<u>\$ 784,430</u>	<u>\$ 884,869</u>	<u>\$ 87,864</u>	<u>\$ 2,402,156</u>
Liabilities:				
Accrued interest	\$ 73,491	\$ 63,254	\$ 6,128	\$ 195,854
Bonds payable:				
Due within one year	298,000	409,000	40,000	525,000
Due in more than one year	5,433,000	5,010,000	485,000	11,150,000
Total Liabilities	<u>\$ 5,804,491</u>	<u>\$ 5,482,254</u>	<u>\$ 531,128</u>	<u>\$ 11,870,854</u>
Net Position:				
Restricted for organizations and other governments	(5,020,061)	(4,597,385)	(443,264)	(9,468,698)
Total Net Position	<u>\$ (5,020,061)</u>	<u>\$ (4,597,385)</u>	<u>\$ (443,264)</u>	<u>\$ (9,468,698)</u>

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2021

	<u>CFD 2003-01 Series B</u>	<u>CFD 2006-01</u>	<u>CFD 2006-02</u>	<u>AD 82-1R</u>
Assets:				
Cash and investments	\$ 219,418	\$ 325,801	\$ 212,518	\$ -
Receivables:				
Accounts	-	-	2,016	-
Taxes	-	3,487	-	-
Accrued interest	397	640	421	-
Cash and investments with fiscal agents	132,485	130,771	79,472	-
Total Assets	<u>\$ 352,300</u>	<u>\$ 460,699</u>	<u>\$ 294,427</u>	<u>\$ -</u>
Liabilities:				
Accrued interest	\$ 32,027	\$ 40,201	\$ 23,896	\$ -
Bonds payable:				
Due within one year	107,000	136,000	82,000	-
Due in more than one year	2,153,000	2,983,000	1,772,000	-
Total Liabilities	<u>\$ 2,292,027</u>	<u>\$ 3,159,201</u>	<u>\$ 1,877,896</u>	<u>\$ -</u>
Net Position:				
Restricted for organizations and other governments	(1,939,727)	(2,698,502)	(1,583,469)	-
Total Net Position	<u>\$ (1,939,727)</u>	<u>\$ (2,698,502)</u>	<u>\$ (1,583,469)</u>	<u>\$ -</u>

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2021

(CONTINUED)

	AD 84-2	CFD 88-2 Police	CFD 93-3 Foothill Marketplace	AD 1999-1
Assets:				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ -	\$ -	\$ -
Liabilities:				
Accrued interest	\$ -	\$ -	\$ -	\$ -
Bonds payable:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -
Net Position:				
Restricted for organizations and other governments	-	-	-	-
Total Net Position	\$ -	\$ -	\$ -	\$ -

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS
JUNE 30, 2021

	<u>Total</u>
Assets:	
Cash and investments	\$ 7,047,090
Receivables:	
Accounts	2,016
Taxes	54,122
Accrued interest	11,766
Cash and investments with fiscal agents	4,015,348
Total Assets	<u>\$ 11,130,342</u>
Liabilities:	
Accrued interest	\$ 845,179
Bonds payable:	
Due within one year	3,739,000
Due in more than one year	57,051,000
Total Liabilities	<u>\$ 61,635,179</u>
Net Position:	
Restricted for organizations and other governments	<u>(50,504,837)</u>
Total Net Position	<u>\$ (50,504,837)</u>

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CITY OF RANCHO CUCAMONGA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2021

	CFD 2004-01	AD 93-1 Masi Commerce Center	CFD 2000-01 So Etiwanda	CFD 2000-02 RC Corp Park
Additions:				
Investment earnings:				
Net change in fair value of investments	\$ (37,857)	\$ (7,121)	\$ (1,101)	\$ (6,728)
Interest	26,356	5,707	853	3,733
Net investment earnings	(11,501)	(1,414)	(248)	(2,995)
Collection of special taxes	2,665,575	249,251	73,378	518,440
Total Additions	2,654,074	247,837	73,130	515,445
Deductions:				
Administrative expenses	31,990	98,179	24,940	69,820
Contractual services	-	1,500	-	-
Interest expense	1,541,620	42,793	10,494	101,297
Payments to city	-	-	-	-
Total Deductions	1,573,610	142,472	35,434	171,117
Net Increase (Decrease) in Fiduciary Net Position	1,080,464	105,365	37,696	344,328
Net Position - Beginning, as Originally Reported	-	-	-	-
Restatement of Net Position	(24,321,595)	184,390	(175,536)	(2,008,843)
Net Position - Beginning, as Restated	(24,321,595)	184,390	(175,536)	(2,008,843)
Net Position - End of the Year	\$ (23,241,131)	\$ 289,755	\$ (137,840)	\$ (1,664,515)

CITY OF RANCHO CUCAMONGA, CALIFORNIA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2021**

(CONTINUED)

	<u>CFD 2000-03 Rancho Summit</u>	<u>CFD 2001-01 Series A</u>	<u>CFD 2001-01 Series B</u>	<u>CFD 2003-01 Series A</u>
Additions:				
Investment earnings:				
Net change in fair value of investments	\$ (6,511)	\$ (7,526)	\$ (732)	\$ (12,136)
Interest	3,928	95	6	7,195
Net investment earnings	(2,583)	(7,431)	(726)	(4,941)
Collection of special taxes	568,916	674,957	61,467	1,178,052
Total Additions	566,333	667,526	60,741	1,173,111
Deductions:				
Administrative expenses	30,930	83,070	1,070	38,650
Contractual services	-	-	-	-
Interest expense	302,499	262,675	25,440	801,010
Payments to city	-	-	-	-
Total Deductions	333,429	345,745	26,510	839,660
Net Increase (Decrease) in Fiduciary Net Position	232,904	321,781	34,231	333,451
Net Position - Beginning, as Originally Reported	-	-	-	-
Restatement of Net Position	(5,252,965)	(4,919,166)	(477,495)	(9,802,149)
Net Position - Beginning, as Restated	(5,252,965)	(4,919,166)	(477,495)	(9,802,149)
Net Position - End of the Year	\$ (5,020,061)	\$ (4,597,385)	\$ (443,264)	\$ (9,468,698)

CITY OF RANCHO CUCAMONGA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2021

	CFD 2003-01 Series B	CFD 2006-01	CFD 2006-02	AD 82-1R
Additions:				
Investment earnings:				
Net change in fair value of investments	\$ (2,907)	\$ (4,167)	\$ (2,719)	\$ -
Interest	1,790	2,924	1,929	-
Net investment earnings	(1,117)	(1,243)	(790)	-
Collection of special taxes	201,043	284,839	181,186	-
Total Additions	199,926	283,596	180,396	-
Deductions:				
Administrative expenses	11,700	19,550	19,500	-
Contractual services	-	-	-	-
Interest expense	131,545	165,092	98,200	-
Payments to city	-	-	-	47
Total Deductions	143,245	184,642	117,700	47
Net Increase (Decrease) in Fiduciary Net Position	56,681	98,954	62,696	(47)
Net Position - Beginning, as Originally Reported	-	-	-	-
Restatement of Net Position	(1,996,408)	(2,797,456)	(1,646,165)	47
Net Position - Beginning, as Restated	(1,996,408)	(2,797,456)	(1,646,165)	47
Net Position - End of the Year	\$ (1,939,727)	\$ (2,698,502)	\$ (1,583,469)	\$ -

CITY OF RANCHO CUCAMONGA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2021

(CONTINUED)

	<u>AD 84-2</u>	<u>CFD 88-2 Police</u>	<u>CFD 93-3 Foothill Marketplace</u>	<u>AD 1999-1</u>
Additions:				
Investment earnings:				
Net change in fair value of investments	\$ -	\$ (105)	\$ (26)	\$ (2,719)
Interest	-	-	-	-
Net investment earnings	-	(105)	(26)	(2,719)
Collection of special taxes	-	-	-	-
Total Additions	-	(105)	(26)	(2,719)
Deductions:				
Administrative expenses	-	-	-	250
Contractual services	-	-	-	-
Interest expense	-	-	-	-
Payments to city	46	13,401	4,040	321,352
Total Deductions	46	13,401	4,040	321,602
Net Increase (Decrease) in Fiduciary Net Position	(46)	(13,506)	(4,066)	(324,321)
Net Position - Beginning, as Originally Reported	-	-	-	-
Restatement of Net Position	46	13,506	4,066	324,321
Net Position - Beginning, as Restated	46	13,506	4,066	324,321
Net Position - End of the Year	\$ -	\$ -	\$ -	\$ -

CITY OF RANCHO CUCAMONGA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2021

	<u>Totals</u>
Additions:	
Investment earnings:	
Net change in fair value of investments	\$ (92,355)
Interest	<u>54,516</u>
Net investment earnings	(37,839)
Collection of special taxes	<u>6,657,104</u>
Total Additions	<u>6,619,265</u>
Deductions:	
Administrative expenses	429,649
Contractual services	1,500
Interest expense	3,482,665
Payments to city	<u>338,886</u>
Total Deductions	<u>4,252,700</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>2,366,565</u>
Net Position - Beginning, as Originally Reported	-
Restatement of Net Position	<u>(52,871,402)</u>
Net Position - Beginning, as Restated	<u>(52,871,402)</u>
Net Position - End of the Year	<u>\$ (50,504,837)</u>

City of Rancho Cucamonga
Annual Comprehensive Financial Report

June 30, 2021

Statistical Section

Certain schedules recommended for inclusion in Annual Comprehensive Financial Reports of Municipalities by the Government Finance Officers Association have been omitted from this report. The omission of such schedules was made only after careful consideration of the merits of each recommended schedule by City management.

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This part of the City of Rancho Cucamonga's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

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 is derived from the annual comprehensive financial reports for the relevant year.

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CITY OF RANCHO CUCAMONGA

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
Investment in capital assets	\$ 801,333,979	\$ 784,815,868	\$ 786,942,172	\$ 819,589,002	\$ 791,849,229	\$ 738,555,693	\$ 723,399,215	\$ 718,539,205	\$ 687,839,504	\$ 683,206,928
Restricted	386,151,633	362,202,181	347,133,366	314,706,032	376,102,366	343,261,614	294,289,084	292,367,349	340,219,852	284,653,397
Unrestricted	102,102,912	92,851,674	90,907,741	86,031,110	58,567,782	101,752,275	119,693,433	164,042,159	101,236,260	81,192,537
Total governmental activities net position	\$ 1,289,588,524	\$ 1,239,869,723	\$ 1,224,983,279	\$ 1,220,326,144	\$ 1,226,519,377	\$ 1,183,569,582	\$ 1,137,381,732	\$ 1,174,948,713	\$ 1,129,295,616	\$ 1,049,052,862
Business-type activities:										
Investment in capital assets	\$ 39,126,035	\$ 38,550,464	\$ 34,506,531	\$ 33,679,139	\$ 32,434,369	\$ 28,183,314	\$ 25,869,537	\$ 25,457,466	\$ 26,158,620	\$ 27,166,018
Restricted	351,851	584,719	629,390	733,900	770,383	717,336	718,571	858,497	827,164	19,230
Unrestricted	18,811,705	17,960,938	17,007,191	15,096,398	12,073,232	10,145,015	10,875,224	10,380,836	7,668,810	6,305,053
Total business-type activities net position	\$ 58,289,591	\$ 57,096,121	\$ 52,143,112	\$ 49,509,437	\$ 45,277,984	\$ 39,045,665	\$ 37,463,332	\$ 36,696,799	\$ 34,654,594	\$ 33,490,301
Primary government:										
Investment in capital assets	\$ 840,460,014	\$ 823,366,332	\$ 821,448,703	\$ 853,268,141	\$ 824,283,598	\$ 766,739,007	\$ 749,268,752	\$ 743,996,671	\$ 713,998,124	\$ 710,372,946
Restricted	386,503,484	362,786,900	347,762,756	315,439,932	376,872,749	343,978,950	295,007,655	293,225,846	341,047,016	284,672,627
Unrestricted	120,914,617	110,812,612	107,914,932	101,127,508	70,841,014	111,897,290	130,568,657	174,422,995	108,905,070	87,497,590
Total primary government net position	\$ 1,347,878,115	\$ 1,296,965,844	\$ 1,277,126,391	\$ 1,269,835,581	\$ 1,271,797,361	\$ 1,222,615,247	\$ 1,174,845,064	\$ 1,211,645,512	\$ 1,163,950,210	\$ 1,082,543,163

CITY OF RANCHO CUCAMONGA

Statement of Activities (Condensed)

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental activities:										
General government	\$ 22,450,487	\$ 19,286,640	\$ 19,670,962	\$ 31,792,123	\$ 19,738,312	\$ 18,418,827	\$ 17,955,450	\$ 16,643,829	\$ 18,009,415	\$ 38,658,739
Public safety-police	44,200,543	41,858,815	40,689,664	38,576,433	36,753,481	34,083,785	32,076,421	30,849,283	29,750,436	28,116,587
Public safety-fire protection	43,819,839	42,713,637	37,963,605	34,557,791	32,821,186	29,524,711	30,277,795	29,127,968	28,126,113	33,196,194
Public safety-animal center	2,652,789	3,329,047	3,307,736	3,263,155	3,414,315	2,697,430	2,721,890	2,569,847	2,795,585	2,532,280
Community development	21,053,431	18,942,599	17,684,128	16,675,413	16,799,089	14,653,176	14,899,940	15,772,923	15,781,913	16,244,217
Community services	12,922,140	17,634,143	18,442,135	19,060,285	16,437,565	13,852,277	14,995,308	13,690,338	13,193,275	12,452,334
Engineering and public works	33,574,147	35,467,833	30,443,979	31,573,819	35,926,739	36,298,028	29,180,515	29,600,137	26,363,913	29,999,633
Interest on long-term debt	269,752	258,635	232,919	213,912	172,041	806,322	239,368	234,057	202,737	4,402,503
Total governmental activities expenses	180,943,128	179,491,349	168,435,128	175,712,911	162,062,728	150,334,556	142,346,687	138,488,382	134,223,387	165,602,487
Business-type activities:										
Municipal Utility	10,747,217	10,641,764	9,407,567	8,419,196	7,904,738	8,436,122	8,341,877	8,173,924	8,524,944	8,447,347
Fiber Optic Network	1,044,879	736,499	658,291	144,924	-	-	-	33,853	-	-
Sports Complex	2,302,733	2,857,684	2,746,411	2,851,970	2,981,392	2,663,119	2,536,440	2,186,016	2,229,025	2,357,022
REGIS Connect	-	270	19,284	104,969	167,618	65,042	57,003	33,853	-	-
Total business-type activities expenses	14,094,829	14,236,217	12,831,553	11,521,059	11,053,748	11,164,283	10,935,320	10,427,646	10,753,969	10,804,369
Total primary government expenses	195,037,957	193,727,566	181,266,681	187,233,970	173,116,476	161,498,839	153,282,007	148,916,028	144,977,356	176,406,856
Program revenues:										
Governmental activities:										
Charges for services:										
General government	9,475,907	8,984,984	8,576,190	7,298,350	7,017,166	7,129,716	6,903,116	6,987,387	6,076,402	6,110,594
Public safety-police	1,358,233	778,374	1,541,582	1,525,700	1,444,596	1,040,776	1,203,718	1,152,805	939,077	999,851
Public safety-fire protection	116,648	330,210	552,486	314,507	-	242,620	1,465,438	1,065,852	1,811,862	1,817,225
Public safety-animal center	109,803	186,283	215,137	211,865	191,073	215,147	206,941	186,434	206,758	199,778
Community development	11,770,864	11,391,312	11,281,208	10,807,270	10,726,558	10,764,422	12,842,242	10,814,827	10,990,432	10,169,052
Community services	483,665	2,302,821	3,329,478	3,329,478	3,251,353	3,316,077	3,162,413	3,295,354	3,317,910	3,254,444
Engineering and public works	6,998,156	6,619,231	8,778,764	5,896,355	5,211,940	3,455,200	4,332,873	4,841,725	3,660,502	3,908,462
Operating contributions and grants	15,901,843	12,062,536	10,961,729	8,845,496	5,326,579	14,464,379	8,216,190	9,237,651	6,572,325	9,857,896
Capital contributions and grants	24,768,600	14,633,970	17,347,427	16,584,193	8,184,228	31,356,340	12,145,954	6,241,838	13,439,525	4,500,872
Total governmental activities program revenues	70,983,719	57,289,721	62,514,767	54,813,214	41,353,493	71,984,677	50,478,885	43,823,873	47,014,793	40,818,174
Business-type activities:										
Charges for services:										
Municipal Utility	12,663,515	12,389,983	12,777,773	12,317,610	11,713,175	11,336,608	11,973,419	11,276,531	11,085,315	11,523,731
Fiber Optic Network	103,575	91,596	81,605	58,857	23,750	-	-	-	-	-
Sports Complex	236,650	479,896	540,972	248,828	218,220	169,099	262,818	300,379	319,764	327,490
REGIS Connect	-	25,470	25,470	42,990	114,120	82,300	82,490	58,949	-	-
Capital contributions and grants	1,442,873	4,050,235	662,677	679,410	4,560,732	-	-	-	-	-
Total business-type activities program revenues	14,446,613	17,011,710	14,088,497	13,347,635	16,629,997	11,588,007	12,318,727	11,635,859	11,405,079	11,851,221
Total primary government program revenues	85,430,332	74,301,431	76,603,264	68,160,849	57,983,490	83,572,684	62,797,612	55,459,732	58,419,872	52,669,395

CITY OF RANCHO CUCAMONGA

Statement of Activities (Condensed)

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net revenues (expenses):										
Governmental activities	(109,959,409)	(122,201,628)	(105,920,361)	(120,899,697)	(120,709,235)	(78,349,879)	(91,867,802)	(94,664,509)	(87,208,594)	(124,784,313)
Business-type activities	351,784	2,775,493	1,256,944	1,826,576	5,576,249	423,724	1,383,407	1,208,213	651,110	1,046,852
Total net revenues (expenses)	(109,607,625)	(119,426,135)	(104,663,417)	(119,073,121)	(115,132,986)	(77,926,155)	(90,484,395)	(93,456,296)	(86,557,484)	(123,737,461)
General revenues and other changes in net assets:										
Governmental activities:										
Taxes:										
Property taxes	91,685,839	77,021,958	75,479,699	72,760,297	67,294,479	65,542,841	63,237,623	58,911,798	125,719,032	100,711,408
Admissions tax	-	3,728	7,493	6,008	4,810	4,063	27,642	55,258	78,508	11,649
Transient occupancy taxes	2,726,555	3,511,232	4,054,058	3,578,006	3,282,360	3,055,397	2,729,270	2,554,570	2,056,597	1,927,812
Sales taxes	34,565,886	29,480,466	32,803,372	31,478,294	29,288,386	28,231,405	28,043,495	26,277,429	25,281,021	25,547,933
Franchise taxes	9,229,371	8,579,436	8,000,389	7,997,948	7,538,415	7,678,384	7,753,103	7,515,229	7,037,905	5,812,817
Motor vehicle in lieu, unrestricted	128,734	141,996	84,803	93,340	84,510	70,457	73,316	75,900	91,710	88,508
Use of money and property	5,956,806	13,421,654	19,113,374	5,781,295	5,735,054	7,644,579	6,691,150	7,933,441	2,872,457	20,205,266
Other	7,576,654	6,216,788	7,764,377	7,955,074	6,811,380	10,570,641	10,087,638	8,820,348	4,550,772	4,751,712
Contributions from other governments	-	-	-	-	-	-	-	29,851,545	-	-
Gain on sale of capital assets	-	-	57,563	-	-	-	-	100,301	-	-
Extraordinary item	-	-	-	-	-	-	(295,169)	58,427	-	-
Extraordinary item on dissolution of Redevelopment Agency	-	-	-	-	-	-	-	-	-	-
Special Item	-	-	(36,406,951)	-	38,257,705	-	-	-	-	(11,296,301)
Transfers	(809,757)	(1,289,186)	(380,681)	(676,159)	(222,537)	(534,114)	(200,980)	(332,830)	(236,654)	(166,110)
Total governmental activities	151,060,088	137,088,072	110,577,496	128,974,103	158,074,562	122,263,653	118,147,088	141,821,416	167,451,348	147,594,694
Business-type activities:										
Admission tax	32,500	140,277	146,181	62,195	127,934	196,385	70,278	103,308	105,839	69,581
Use of money and property	(11,742)	748,053	849,869	390,833	256,370	375,435	310,644	304,113	156,824	310,237
Other	11,171	-	-	601,075	49,229	52,675	17,306	59,888	13,866	11,452
Transfers	809,757	1,289,186	380,681	676,159	222,537	534,114	200,980	332,830	236,654	166,110
Total business-type activities	841,686	2,177,516	1,376,731	1,730,262	656,070	1,158,609	599,208	800,139	513,183	557,380
Total primary government	151,901,774	139,265,588	111,954,227	130,704,365	158,730,632	123,422,262	118,746,296	142,621,555	167,964,531	148,152,074
Changes in net position:										
Governmental activities	41,100,679	14,886,444	4,657,135	8,074,406	37,365,327	43,913,774	26,279,286	47,156,907	80,242,754	22,810,381
Business-type activities	1,193,470	4,953,009	2,633,675	3,556,838	6,232,319	1,582,333	1,982,615	2,008,352	1,164,293	1,604,232
Total primary government	\$ 42,294,149	\$ 19,839,453	\$ 7,290,810	\$ 11,631,244	\$ 43,597,646	\$ 45,496,107	\$ 28,261,901	\$ 49,165,259	\$ 81,407,047	\$ 24,414,613

CITY OF RANCHO CUCAMONGA

Fund Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Nonspendable	\$ 13,690,749	\$ 14,898,477	\$ 15,996,672	\$ 16,980,622	\$ 6,035,467	\$ 6,304,659	\$ 4,024,826	\$ 14,266,118	\$ 14,516,414	\$ 15,006,552
Restricted	9,631,596	12,720,339	10,000,336	6,351,268	8,152,268	4,256,949	3,091,255	1,527,198	1,853,526	1,331,926
Committed	73,280,103	68,240,058	72,103,374	71,335,361	69,939,616	75,193,291	74,310,635	68,857,871	66,508,246	52,707,232
Assigned	30,154,237	24,978,451	20,680,463	20,414,553	27,837,965	24,762,041	24,724,037	24,541,289	17,248,317	4,659,235
Total General Fund	\$ 126,756,685	\$ 120,837,325	\$ 118,780,845	\$ 115,082,093	\$ 111,965,316	\$ 110,516,940	\$ 106,150,753	\$ 109,192,476	\$ 100,126,503	\$ 73,704,945
All other governmental funds:										
Nonspendable	\$ 353,000	\$ 210,875	\$ 273,968	\$ 333,012	\$ 152,628	\$ 143,987	\$ 121,898,056	\$ 119,252,242	\$ 123,138,331	\$ 123,034,481
Restricted	336,949,180	322,090,080	300,217,925	276,926,931	295,093,183	270,307,985	129,495,612	109,579,369	96,921,657	97,589,375
Committed	45,172,750	41,474,853	41,633,706	40,295,153	41,954,990	43,026,277	41,239,963	40,846,591	43,796,727	21,901,192
Assigned	28,464,822	20,872,492	22,798,449	15,287,695	9,290,502	25,606,377	23,778,666	22,697,507	20,982,247	1,677,804
Unassigned	(4,290,919)	(4,899,160)	(5,587,201)	(7,096,108)	(142,352)	(1,131,670)	(514,340)	(576,924)	(576,360)	(620,730)
Total all other governmental funds	\$ 406,648,833	\$ 379,749,140	\$ 359,336,847	\$ 325,746,683	\$ 346,348,951	\$ 337,952,956	\$ 315,897,957	\$ 291,798,785	\$ 284,262,602	\$ 243,582,122

CITY OF RANCHO CUCAMONGA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Taxes	\$ 152,020,165	\$ 131,914,339	\$ 133,377,533	\$ 128,469,600	\$ 119,970,717	\$ 119,703,685	\$ 113,149,656	\$ 107,276,318	\$ 173,570,492	\$ 145,260,709
Licenses and permits	5,777,822	5,597,387	4,941,123	4,639,219	4,274,825	4,353,727	4,245,688	3,876,449	3,896,973	3,877,269
Intergovernmental	25,525,250	17,265,617	15,990,890	12,960,734	16,859,643	24,000,432	15,156,829	12,808,079	11,636,537	14,533,427
Charges for services	5,552,615	7,561,050	8,953,709	7,240,417	6,470,452	6,822,557	6,722,125	7,918,741	6,322,317	6,941,778
Use of money and property	3,158,954	10,425,355	16,310,820	3,519,828	4,036,737	5,675,579	4,917,234	6,002,756	423,663	14,102,161
Fines and forfeitures	1,320,788	959,003	1,828,096	1,688,965	1,249,351	1,161,894	1,441,231	1,177,803	1,135,815	1,073,312
Contributions	248,823	432,035	514,193	575,123	662,854	4,717,131	762,415	784,540	1,081,330	2,724,115
Developer participation	11,902,117	8,399,023	13,473,699	9,924,665	7,117,954	7,795,528	12,051,237	4,929,192	3,295,120	2,197,474
Miscellaneous	7,874,647	6,386,915	8,671,089	9,162,631	6,819,525	10,545,310	12,276,817	10,475,281	25,131,589	5,739,953
Total revenues	213,381,181	188,940,724	204,061,152	178,181,182	167,462,058	184,775,843	170,723,232	155,249,159	226,493,836	196,450,198
Expenditures										
Current:										
General government	19,754,199	16,939,055	18,012,280	30,564,911	16,022,855	17,891,520	16,056,022	14,326,672	16,025,746	32,711,300
Public safety-police	43,507,427	41,110,280	40,006,374	37,899,533	36,138,669	33,524,295	31,553,594	30,411,403	29,331,461	27,656,575
Public safety-fire protection	42,825,333	35,465,674	32,264,246	32,280,716	30,336,949	33,176,658	29,526,901	28,462,817	45,796,870	31,901,079
Public safety-animal center	2,399,523	3,031,587	3,230,781	3,113,889	3,007,643	2,924,840	2,745,903	2,569,847	2,518,831	2,532,280
Community development	20,133,316	17,817,804	17,522,679	16,030,847	15,449,447	14,945,240	14,646,602	15,167,284	15,656,282	15,024,831
Community services	7,114,800	11,837,246	13,869,406	14,086,226	13,179,568	12,575,734	12,239,617	11,881,755	11,621,182	12,151,003
Engineering and public works	18,054,572	17,452,234	20,472,914	18,925,102	19,920,719	26,420,727	16,984,218	17,616,297	16,437,903	16,917,057
Capital outlay	33,256,726	20,759,403	18,772,606	41,757,957	27,736,389	17,151,712	19,486,586	12,204,148	18,387,329	22,863,638
Debt service:										
Principal retirement	-	-	-	18,759	21,901	21,260	20,104	20,021	3,803	9,884,677
Interest and fiscal charges	167,698	191,382	202,647	199,747	139,598	756,224	181,682	197,935	201,373	11,092,047
Pass-through agreement payments	-	-	-	-	-	-	-	-	-	3,030,962
Total expenditures	187,213,594	164,604,665	164,353,933	194,877,687	162,553,738	159,388,210	143,441,229	132,858,179	155,980,780	185,765,449
Excess (deficiency) of revenues over (under) expenditures	26,167,587	24,336,059	39,707,219	(16,696,505)	4,908,320	25,387,633	27,282,003	22,390,980	70,513,056	10,684,749
Other financing sources (uses):										
Transfers in	5,756,736	5,052,697	2,804,478	2,770,399	2,446,170	2,323,725	2,060,144	2,161,845	2,339,457	1,280,073
Transfers out	(7,752,182)	(7,019,213)	(5,283,519)	(3,629,498)	(3,259,107)	(3,589,579)	(3,107,795)	(3,073,328)	(6,104,811)	(3,191,663)
Long-term debt issued	-	-	-	-	-	-	-	-	-	57,242
Capital leases	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital asset	28,790	99,230	60,738	70,113	164,520	25,331	24,178	100,301	57,701	52,819
Total other financing sources (uses)	(1,966,656)	(1,867,286)	(2,418,303)	(788,986)	(648,417)	(1,240,523)	(1,023,473)	(811,182)	(3,601,905)	(1,801,529)
Extraordinary item	-	-	-	-	-	-	(5,201,081)	(3,473,832)	-	(315,804,995)
Net change in fund balances	\$ 24,200,931	\$ 22,468,773	\$ 37,288,916	\$ (17,485,491)	\$ 4,259,903	\$ 24,147,110	\$ 21,057,449	\$ 18,105,966	\$ 66,911,251	\$ (306,921,775)
Debt service as a percentage of noncapital expenditures*	0.10%	0.13%	0.14%	0.12%	0.11%	0.55%	0.16%	0.24%	0.15%	12.77%

CITY OF RANCHO CUCAMONGA

Assessed Value and Estimated Value of Taxable Property
(in thousands of dollars)

Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Residential	\$ 20,468,775	\$19,563,158	\$18,747,242	\$17,775,114	\$16,641,454	\$16,063,674	\$15,244,895	\$13,988,519	\$13,346,484	\$13,121,710
Commercial	2,927,439	2,824,976	2,680,215	2,559,971	2,354,367	2,261,894	2,229,715	2,221,814	2,318,264	2,385,782
Industrial	3,653,660	3,406,909	3,235,492	2,976,956	2,802,918	2,667,060	2,504,695	2,402,218	2,279,456	2,244,509
Dry Farm	973	954	936	977	957	943	920	920	902	884
Gov't Owned	2,831	3,882	3,806	3,659	3,587	7,839	7,745	7,732	4,613	4,080
Institutional	51,853	46,328	45,436	45,531	43,495	42,113	41,023	49,286	43,504	42,727
Irrigated	3,768	3,694	3,686	3,552	3,483	3,433	3,366	3,439	3,372	3,306
Miscellaneous	58,616	60,464	50,481	55,920	294,036	18,964	23,805	27,365	29,486	17,908
Recreational	34,823	35,309	32,926	32,634	44,814	40,343	41,663	47,757	47,419	52,076
Vacant	509,897	509,018	501,443	408,907	374,179	350,353	327,609	330,538	348,323	387,514
SBE Nonunitary	875	875	7,994	24,483	24,173	28,682	22,485	26,591	36,691	54,451
Unsecured	1,202,802	1,186,787	1,109,392	1,075,088	1,154,119	1,233,623	1,190,416	1,111,254	1,125,986	1,092,355
Unknown	-	-	-	-	-	-	-	-	16,326	49,698
TOTALS	\$ 28,916,312	\$27,642,354	\$26,419,049	\$24,962,792	\$23,741,582	\$22,718,921	\$21,638,337	\$20,217,433	\$19,600,826	\$19,457,000
Total Direct Rate	0.17792%	0.17794%	0.17794%	0.17794%	0.17795%	0.17790%	0.17775%	0.17772%	0.47780%	0.48250%

Notes:

Exempt values are not included in Total.

In 1978, the voters of the State of California passed Proposition 13 which limited 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 of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

¹ Beginning in 2017, the net taxable value per HdL, Coren & Cone (HdL) was utilized in lieu of the Agency Net Valuation provided by the County of San Bernardino Auditor-Controller's database, as HdL's net taxable value includes parcels from the County Assessor's database that were inadvertently excluded by the Auditor-Controller. The City believes that the data from HdL provides a more accurate picture for the financial statement reader.

Data Source: San Bernardino County Assessor 2011/12 - 2020/21 Combined Tax Rolls; HdL, Coren & Cone

CITY OF RANCHO CUCAMONGA

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

Agency	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Alta Loma Elementary Bond	0.04570	0.06530	0.06800	0.05640	0.04080	0.04170	0.04370	0.04500	0.04580	0.04530
Central Elementary Bond	0.04890	0.05020	0.04650	0.06700	0.06880	0.06500	0.06600	0.07110	0.07270	0.06880
Chaffey Community College Bond	0.01110	0.02410	0.01530	0.00880	0.01160	0.01130	0.01090	0.01570	0.01110	0.01530
Chaffey High School Bond	0.03520	0.03750	0.04020	0.02790	0.03190	0.04090	0.02940	0.03710	0.01010	0.01940
Etiwanda Elementary Bond	0.02830	0.00340	0.02860	0.01690	-	-	-	-	-	-
Fontana Unified School Bond	0.06710	0.04200	0.08900	0.11130	0.11170	0.11450	0.13840	0.15160	0.15010	0.14600
Metropolitan Water Agency	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00370
Upland Unified School Bond	0.05150	0.05600	0.05870	0.05510	0.06070	0.05250	0.04620	0.04840	0.05240	0.04740
Total Direct & Overlapping² Tax Rates	1.29130	1.28200	1.34980	1.34690	1.32900	1.32940	1.33810	1.37240	1.34570	1.34590
City Share of 1% levy per Prop 13³	0.17591	0.17591	0.17591	0.17591	0.17591	0.17591	0.17591	0.17591	0.17591	0.17591
Redevelopment Rate⁴	-	-	-	-	-	-	-	-	-	1.00370
Total Direct Rate⁵	0.17792	0.17794	0.17794	0.17794	0.17795	0.17790	0.17775	0.17772	0.47780	0.48250

Notes:

¹ In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

² Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.

³ City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.

⁴ Redevelopment Rate is based on the largest RDA tax rate area (TRA) and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the Fiscal Year 2012/13 and years thereafter.

⁵ Total Direct Rate is the weighted average of all individual direct rates applied by the City preparing the statistical section information and excludes revenues derived from aircraft. Beginning in Fiscal Year 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during Fiscal Year 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Data Source: San Bernardino County Assessor 2011/12 - 2020/21 Tax Rate Table; HdL, Coren & Cone

CITY OF RANCHO CUCAMONGA

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2021		2012	
	Assessed Value	Percent of Total City Assessed Value	Assessed Value	Percent of Total City Assessed Value
Rancho Mall LLC	353,848,702	1.22%	-	0.00%
Homecoming at Terra Vista LLC	284,990,990	0.99%	-	0.00%
Prologis/Catellus	192,119,070	0.66%	-	0.00%
Frito Lay Inc	174,031,858	0.60%	-	0.00%
Schlosser Forge Company	158,780,504	0.55%	-	0.00%
CH Realty VIII MF Rancho Cucamonga	148,806,481	0.51%	-	0.00%
MFREVF II-Empire Lakes LLC	140,302,303	0.49%	-	0.00%
GS Rancho LLC	129,244,065	0.45%	-	0.00%
Goodman Rancho SPE LLC	118,024,239	0.41%	-	0.00%
EQR-Fanwell 2007 LP	111,065,941	0.38%	-	0.00%
Victoria Gardens Mall	-	0.00%	238,513,828	1.23%
Homecoming I At Terra Vista LLC	-	0.00%	118,951,269	0.61%
T-Napf Meritage Ownership LLC	-	0.00%	117,364,505	0.60%
Catellus Development	-	0.00%	101,216,200	0.52%
EQR-Fanwell 2007 LP	-	0.00%	95,229,844	0.49%
Knickerbocker Properties Inc XLVII	-	0.00%	83,117,847	0.43%
PPF MF 9200 Milliken Avenue LP	-	0.00%	77,757,982	0.40%
UDR Rancho Cucamonga LP	-	0.00%	76,567,075	0.39%
ARI-AOB 29 LLC	-	0.00%	70,938,548	0.36%
YTC Investments LLC	-	0.00%	70,065,100	0.36%
	<u>1,811,214,153</u>	<u>6.26%</u>	<u>\$ 1,049,722,198</u>	<u>5.40%</u>

CITY OF RANCHO CUCAMONGA

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years ¹	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2012	93,318,030	86,742,369	92.95%	N/A	86,742,369	92.95%
2013	93,235,913	85,131,812	91.31%	N/A	85,131,812	91.31%
2014	95,016,035	93,063,071	97.94%	N/A	93,063,071	97.94%
2015	100,428,866	98,457,115	98.04%	N/A	98,457,115	98.04%
2016	105,120,614	103,112,427	98.09%	N/A	103,112,427	98.09%
2017	108,069,418	107,991,619	99.93%	N/A	107,991,619	99.93%
2018	112,950,393	114,778,741	101.62%	N/A	114,778,741	101.62%
2019	119,970,594	122,206,002	101.86%	N/A	122,206,002	101.86%
2020	126,916,757	128,333,882	101.12%	N/A	128,333,882	101.12%
2021	136,728,688	135,393,834	99.02%	N/A	135,393,834	99.02%

Note:

¹ Data provided by the San Bernardino County Auditor-Controller for collection of prior year taxes does not segregate the information by fiscal year. Therefore, the City is not able to provide this information in the above schedule.

Source: San Bernardino County Auditor-Controller/Treasurer/Tax Collector

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CITY OF RANCHO CUCAMONGA

Principal Sales Tax Remitters ¹

Current Year and Nine Years Ago

2021 ²		2012	
<u>Business Name</u>	<u>Business Category</u>	<u>Business Name</u>	<u>Business Category</u>
Bass Pro Shops Outdoor World	Sports Goods/Bike Stores	Ameron International	Contractors
Best Buy	Electronics/Appliance Stores	Apple	Electronics/Appliance Stores
Carbon 38	Women's Apparel	Bass Pro Shops Outdoor World	Sporting Goods/Bike Stores
Cmc Steel California	Heavy Industrial	Best Buy	Electronics/Appliance Stores
Costco	Discount Department Stores	Chevron	Service Stations
Crossroads Equipment Lease & Fin	Trailers/Auto Parts	Circle K	Service Stations
Home Depot	Building Materials	Circle K 76	Service Stations
Huttig	Building Materials	Costco	Discount Department Stores
ICL Performance Products	Drugs/Chemicals	Day Creek Arco	Service Stations
Jerome's	Home Furnishings	Day Creek Shell	Service Stations
Living Spaces Furniture	Home Furnishings	Haven Mobil	Service Stations
Lowe's	Building Materials	Home Depot	Building Materials
Macys	Department Stores	JC Penney	Department Stores
Monoprice	Fulfillment Centers	Living Spaces Furniture	Home Furnishings
Parallon Supply Chain Solutions	Medical/Biotech	Lowe's	Building Materials
Ralphs	Grocery Stores	Macys	Department Stores
Schwarz Paper Company	Light Industrial/Printers	Monoprice	Fulfillment Centers
Scientific Games	Light Industrial/Printers	NIC Partners	Electrical Equipment
Shell	Service Stations	Novartis Animal Health	Medical/Biotech
Stater Bros	Grocery Stores	Sears	Department Stores
Target	Discount Department Stores	Sharp Electronics	Office Equipment
Tesla Motors	New Motor Vehicle Dealers	Shell	Service Stations
Total Wine & More	Convenience Stores/Liquor	Southwire	Energy/Utilities
Walmart	Discount Department Stores	Target	Discount Dept Stores
Walters Wholesale Electric	Plumbing/Electrical Supplies	Walmart	Discount Dept Stores

Notes:

¹ Firms listed alphabetically

CITY OF RANCHO CUCAMONGA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities				Total Governmental Activities
	General Obligation Bonds	Capital Leases	Tax Allocation Bonds ¹	Loans	
2012 ²	-	-	-	-	-
2013	-	2,615,708	-	-	2,615,708
2014	-	2,083,890	-	-	2,083,890
2015	-	1,564,076	-	-	1,564,076
2016	-	1,034,303	-	-	1,034,303
2017	-	486,229	-	-	486,229
2018	-	-	-	-	-
2019	-	1,919,173	-	-	1,919,173
2020	-	1,465,999	-	-	1,465,999
2021	-	995,689	-	-	995,689

Notes:

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

¹ This ratio is calculated using personal income and population for the prior calendar year.

² As a result of the dissolution of the Redevelopment Agency on January 31, 2012, Tax Allocation Bonds and Loans indebtedness were transferred to the Successor Agency.

CITY OF RANCHO CUCAMONGA

Ratios of Outstanding Debt by Type (Continued)

Last Ten Fiscal Years

Business-type Activities			Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita ¹
Lease Revenue Bonds	Certificates of Participation	Total Business-type Activities			
-	-	-	-	0.00%	-
-	-	-	2,615,708	0.05%	15
-	-	-	2,083,890	0.04%	12
-	-	-	1,564,076	0.03%	9
-	-	-	1,034,303	0.02%	6
-	-	-	486,229	0.01%	3
-	-	-	-	0.00%	-
13,555,938	-	13,555,938	15,475,111	0.27%	86
13,179,158	-	13,179,158	14,645,157	0.24%	83
12,687,378	-	12,687,378	13,683,067	0.22%	78

CITY OF RANCHO CUCAMONGA

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value ¹	Percentage of Personal Income ²	Per Capita ²
	General Obligation Bonds	Tax Allocation Bonds	Total			
2012 ³	-	-	-	0.00%	0.00%	-
2013	-	-	-	0.00%	0.00%	-
2014	-	-	-	0.00%	0.00%	-
2015	-	-	-	0.00%	0.00%	-
2016	-	-	-	0.00%	0.00%	-
2017	-	-	-	0.00%	0.00%	-
2018	-	-	-	0.00%	0.00%	-
2019	-	-	-	0.00%	0.00%	-
2020	-	-	-	0.00%	0.00%	-
2021	-	-	-	0.00%	0.00%	-

Notes:

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

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

² These ratios are calculated using personal income and population for the prior calendar year.

³ As a result of the dissolution of the Redevelopment Agency on January 31, 2012, indebtedness was transferred to the Successor Agency.

CITY OF RANCHO CUCAMONGA

Direct and Overlapping Debt

June 30, 2021

City Net Taxable Assessed Value	\$ 28,916,312,421 ²		City Share of Debt
	Percentage Applicable ¹	Total Debt 6/30/21	Debt
<u>Overlapping Tax and Assessment Debt:</u>			
Metropolitan Water District	0.886%	\$ 26,830,000.00	237,714
Chaffey Community College District	22.686%	315,490,000	71,572,061
Chaffey Union High School District	42.986%	530,528,431	228,052,951
Alta Loma School District	98.807%	54,982,209	54,326,271
Central School District	98.042%	71,496,410	70,096,510
Cucamonga School District Community Facilities District No. 97-1	100.000%	4,110,000	4,110,000
Etiwanda School District	68.604%	88,691,760	60,846,095
Etiwanda School District CFD No. 7	25.417%	7,600,000	1,931,692
Etiwanda School District CFD No. 8	64.507%	4,180,000	2,696,393
Etiwanda School District CFD No. 9	69.668%	7,025,000	4,894,177
Etiwanda School District CFD Nos. 2004-2, 2007-1, 2018-1	100.000%	21,240,000	21,240,000
Etiwanda School District Rancho Etiwanda Public Facilities Authority CFD No. 1	100.000%	10,310,000	10,310,000
Fontana Unified School District	0.546%	278,934,841	1,522,984
Upland Unified School District	0.121%	90,918,463	110,011
City of Rancho Cucamonga CFDs	100.000%	60,350,000	60,350,000
City of Rancho Cucamonga 1915 Act Bonds	100.000%	440,000	440,000
Total overlapping tax and assessment debt		1,573,127,114	592,736,859
<u>Direct and Overlapping General Fund Debt</u>			
San Bernardino County General Fund Obligations	11.552%	214,095,000	24,732,254
San Bernardino County Pension Obligations	11.552%	180,825,585	20,888,972
San Bernardino County Flood Control District General Fund Obligations	11.552%	51,360,000	5,933,107
Chaffey Community College District General Fund Obligations	22.686%	28,935,000	6,564,194
Cucamonga School District Certificates of Participation	40.228%	4,207,000	1,692,392
Fontana Unified School District Certificates of Participation	0.546%	22,110,000	120,721
West Valley Vector Control District Certificates of Participation	31.510%	2,046,710	644,918
Total gross direct and overlapping general fund debt		503,579,295	60,576,558
<u>Overlapping Tax Increment Debt (Successor Agency)</u>	100.000%	237,460,000	237,460,000
Total overlapping debt		\$ 2,314,166,409	890,773,417
City direct debt			995,689
Total direct and overlapping debt ³			\$ 891,769,106

Notes:

¹ The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

² Includes aircraft values. For 2021, the net taxable value per HdL Coren & Cone (HdL) was utilized in lieu of the Agency Net Valuation provided by the County of San Bernardino Auditor-Controller's database, as HdL's net taxable value includes parcels from the County Assessor's database that were inadvertently excluded by the Auditor-Controller. The City believes that the data from HdL provides a more accurate picture for the financial statement reader.

³ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations.

⁴ Qualified Zone Academy Bonds are included based on principal due at maturity.

Source: California Municipal Statistics, HdL Coren & Cone

CITY OF RANCHO CUCAMONGA

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012 ¹
Debt limit	\$ 1,084,361,716	\$ 1,036,588,356	\$ 990,714,408	\$ 936,104,692	\$ 890,309,325	\$ 851,959,538	\$ 811,437,638	\$ 758,153,738	\$ 735,030,975	\$ 399,497,598
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 1,084,361,716	\$ 1,036,588,356	\$ 990,714,408	\$ 936,104,692	\$ 890,309,325	\$ 851,959,538	\$ 811,437,638	\$ 758,153,738	\$ 735,030,975	\$ 399,497,598
Total net debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Legal Debt Margin Calculation for Fiscal Year 2020/21:										
Net taxable assessed value			\$ 28,916,312,421							
Debt limit (3.75% of assessed value)			1,084,361,716							
Debt applicable to limit:										
General obligation bonds			-							
Legal debt margin			\$ 1,084,361,716							

Notes:

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 Fiscal Year 1981-82, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). Although the statutory debt limit has not been amended by the State since this change, the percentages presented in the above computations have been proportionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the State's establishment of the limit.

¹ As a result of the dissolution of the Redevelopment Agency on January 31, 2012, total assessed value for the City is no longer reduced by the incremental value of the redevelopment project areas.

Source: California Municipal Statistics, HdL Coren & Cone

CITY OF RANCHO CUCAMONGA

Pledged-Revenue Coverage

Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment ¹	Debt Service		Coverage
		Principal	Interest	
2012 ²	51,609	9,520	9,950	2.65
2013	n/a	n/a	n/a	n/a
2014	n/a	n/a	n/a	n/a
2015	n/a	n/a	n/a	n/a
2016	n/a	n/a	n/a	n/a
2017	n/a	n/a	n/a	n/a
2018	n/a	n/a	n/a	n/a
2019	n/a	n/a	n/a	n/a
2020	n/a	n/a	n/a	n/a
2021	n/a	n/a	n/a	n/a

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

¹ Tax increment figures are net of related pass-through payments.

² As a result of the dissolution of the Redevelopment Agency on January 31, 2012 indebtedness was transferred to the Successor Agency.

CITY OF RANCHO CUCAMONGA

Demographic and Economic Statistics

Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2011	169,498	5,190,707	30,624	8.7%
2012	171,058	5,341,115	31,224	6.2%
2013	172,299	5,335,755	30,968	5.4%
2014	174,064	5,402,772	31,039	6.0%
2015	175,251	5,365,133	30,613	4.8%
2016	177,324	5,317,032	29,984	4.2%
2017	176,671	5,586,992	31,623	3.9%
2018	179,412	5,767,788	32,148	3.1%
2019	175,522	5,982,230	34,082	2.9%
2020	175,131	6,320,248	36,088	7.7%

Sources: (1) California State Department of Finance
(2) U.S. Census Bureau
(3) California Employment Development Department

CITY OF RANCHO CUCAMONGA

Principal Employers

Current Year and Nine Years Ago*

Employer	2021			2012		
	Number of Employees ¹	Rank	Percent of Total Employment	Number of Employees ¹	Rank	Percent of Total Employment
Inland Empire Health Plan	2,450	1	2.71%	n/a	n/a	n/a
Chaffey Community College	1,335	2	1.48%	1,300	2	1.85%
Etiwanda School District	1,025	3	1.14%	1,312	1	1.86%
Amphastar Pharmaceutical	880	4	0.97%	999	3	1.42%
Alta Loma School District	660	5	0.73%	880	5	1.11%
Central School District	545	6	0.60%	783	7	0.97%
West Valley Detention Center	520	7	0.58%	509	8	0.95%
City of Rancho Cucamonga	491	8	0.54%	680	4	1.25%
Walmart	375	9	0.42%	n/a	n/a	n/a
Coca-Cola Bottling Co.	354	10	0.39%	n/a	n/a	n/a
Kindred Hospital Rancho	343	11	0.38%	n/a	n/a	n/a
Macy's	335	12	0.37%	750	6	1.07%
Western Liquidators/Big Lots	n/a	n/a	n/a	521	9	0.74%
Mercury Insurance Company	n/a	n/a	n/a	509	10	0.72%

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

¹ Includes full-time and part-time employees.

*Only the top ten employers for each year presented have data displayed. If a company did not rank in the top ten employers for both years presented, then one of the two years will state "n/a".

Source: ESRI, Infogroup, Economic and Community Development Department

CITY OF RANCHO CUCAMONGA

Full-time and Part-time City Employees
by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government	86	86	88	91	90	93	86	86	85	82
Public safety ^{1,2}	157	147	180	175	175	165	159	145	153	153
Engineering and public works	169	171	191	192	204	208	214	193	201	207
Community development	39	38	36	41	42	42	42	46	49	52
Community services ³	87	71	325	366	371	347	348	389	353	346
Redevelopment	-	-	-	-	-	-	-	-	-	3
Total	538	513	820	865	882	855	849	859	841	843

NOTES:

¹ Police services are provided by a contract with the San Bernardino County Sheriff's Department which provided 141 sworn and 41 non-sworn employees for 2021.

² Includes Fire Protection and Animal Center

³ Includes Community Services and Library Services

Source: City Finance Department

CITY OF RANCHO CUCAMONGA

Operating Indicators
by Function
Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government:										
Building permits issued ¹	4,976	4,196	4,679	4,173	4,061	4,891	5,126	2,989	2,917	2,424
Building inspections conducted	13,422	13,136	14,236	12,897	12,718	17,118	18,326	19,451	20,076	16,452
Police:										
Arrests	3,531	3,947	4,762	3,027	4,442	4,968	4,534	4,497	4,617	4,344
Parking citations issued	4,275	2,840	8,693	6,438	6,354	5,151	5,946	5,603	4,806	3,460
Traffic citations issued	9,308	15,050	14,082	9,742	10,881	18,056	18,935	13,569	19,349	16,135
Fire:										
Number of emergency calls	16,907	16,545	15,861	16,762	15,670	15,158	14,212	13,674	13,477	12,761
Inspections	4,308	5,080	4,071	2,277	2,294	2,162	1,758	2,206	2,501	2,558
Public works:										
Number of potholes repaired	3,419	4,866	5,784	3,060	3,701	3,423	3,284	2,030	2,606	3,250
Parks and recreation:										
Number of recreation classes	422	2,684	2,483	5,350	5,055	6,048	6,865	6,688	8,321	8,301
Number of program registrations	3,577	27,763	33,511	24,278	25,912	30,648	35,477	41,807	42,196	37,564
Number of facility rentals	353	2,241	4,100	3,980	2,703	2,069	2,424	1,536	1,385	2,325
Library:										
Volumes in collection	259,622	226,580	274,993	300,462	295,619	302,689	314,390	310,896	301,939	298,985
Total volumes borrowed	326,345	754,690	987,448	898,037	985,474	1,085,020	1,067,070	1,069,335	1,107,211	1,163,021
Municipal utility:										
Number of customers	2,126	1,744	1,247	945	899	896	887	686	510	488
Peak demand (MW)	19	18	18	18	17	17	17	17	16	18

Notes:

¹ Effective Fiscal Year 2015, building permits are segregated into more detailed subcategories resulting in a higher total count than prior years.

Source: Various City departments

CITY OF RANCHO CUCAMONGA

Capital Asset Statistics by Function

Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	63	67	67	65	65	63	63	60	58	58
Fire:										
Fire stations	7	7	7	7	7	7	7	7	7	7
Public works:										
Streets (miles)	537	537	533	532	532	532	531	524	523	523
Streetlights	17,019	17,027	16,950	16,721	16,792	16,744	16,669	16,334	16,262	16,085
Traffic signals	238	238	238	235	226	224	222	220	219	213
Parks and recreation:										
Parks	30	30	30	30	30	29	29	29	29	29
Acreage	346	346	346	346	346	343	343	343	343	343
Community centers	6	6	6	6	6	6	6	6	6	6

Source: Various City departments