



City of Rancho Cucamonga

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2022



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City of Rancho Cucamonga, California
Annual Comprehensive Financial Report
For Fiscal Year Ended June 30, 2022

Prepared by the
City of Rancho Cucamonga
Finance Department

Noah Daniels
Finance Director

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CITY OF RANCHO CUCAMONGA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

JUNE 30, 2022

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City of Rancho Cucamonga
Annual Comprehensive Financial Report
June 30, 2022

Introductory Section

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December 12, 2022

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

The Annual Comprehensive Financial Report (ACFR) of the City of Rancho Cucamonga for the Fiscal Year ended June 30, 2022, is submitted herewith.

This report consists of management's representations concerning the finances of the City. Management assumes full responsibility for the completeness and reliability of all information presented in this report, based on a comprehensive internal control framework established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than an absolute, assurance that the financial statements are free of material misstatement.

The City's financial statements have been audited by Lance, Soll & Lunghard, LLP, certified public accountants. The goal of the independent audit was to provide reasonable assurance that the City's financial statement is free of material misstatement. Based upon their audit, the auditors have issued an unmodified ("clean") opinion on these financial statements. Their report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Rancho Cucamonga

The City is located in southern California and the westernmost portion of San Bernardino County. As a geographic location to major cities, the City is approximately 45 miles east of Los Angeles, 20 miles west of San Bernardino, and 115 miles north of San Diego. The City is immediately located between the cities of Upland to the west, Ontario to the south, and Fontana to the east. The City's current estimated population is 174,476, making it the fourth largest of the county's 24 cities and the 29th largest in California.

The City is a 47 square mile city. Although the City was incorporated in 1977, the community was shaped years prior. Alta Loma, Etiwanda, and Cucamonga experienced massive and uncontrolled growth due to Los Angeles and Orange County families seeking affordable housing. In 1975, the Tri-Community Incorporation Committee was created to propose the formation of a new city because citizens were concerned about the future and understood that their vision would allow the area to manage development. The proposal went before the voters in November of 1977, and the incorporation was approved.

The City is a general law city and operates under the Council-Manager form of city government, with a five-member City Council. Council members serve staggered four-year terms. Council elections are held in November of even-numbered years. The Mayor is elected at large, and Council members are elected based on geographic districts. There is no limit on the number of terms an individual can serve as Mayor or Council member.

The City provides a full range of municipal services, including police, public works, planning, building and safety, recreation, library, animal care and control, community improvement, and economic development. The City contracts with other governmental entities, private firms, and individuals to deliver specific services, including police services provided by the San Bernardino Sheriff's Department. Fire services are provided by the Rancho Cucamonga Fire Protection District, a legally separate entity, but are included within the City's reporting entity for financial reporting purposes. A different government agency provides water and sewer services.

The City has included within its reporting entity for financial reporting purposes all agencies for which it 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 activities of these agencies are included in these financial statements.

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 to the City. 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.

The former Redevelopment Agency of the City of Rancho Cucamonga (RDA) was dissolved on February 1, 2012. Upon dissolution, the assets and liabilities of the RDA were transferred to the Successor Agency of the RDA. The City is obligated to report the resources and activities of the Successor Agency in a separate Private-Purpose Trust Fund, which is also included in these financial statements. Additional information on all these agencies can be found in Note 1 to the financial statements.

The City adopts an annual budget, which the City Council adopts by June 30 each year. Each department's budgeted appropriations are controlled at the character of expense level. These levels are categorized as personnel services, operations and maintenance, capital outlay, debt service, cost allocation, and transfers out to other funds. The budget is monitored at the character of expense level, but 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 continuously during the Fiscal Year, with quarterly updates provided to the City Council.

Local Economy

Rancho Cucamonga has a diverse office, light manufacturing and distribution, and retail business, which emphasizes the City's efforts at attracting and retaining sales tax-generating businesses to help provide a stable financial base. The City could be considered a "bedroom community" due to the sprawling suburban development that took place during the 1980 and 1990s; however, unlike other communities of this status, due to post-proposition 13 incorporation, Rancho Cucamonga receives a smaller property tax share than

the Rancho Cucamonga Fire Protection District and neighboring cities, about 5 cents for every dollar. Thus, revenue diversification beyond property and sales tax which comprise a substantial share of the City's general revenue budget is both important and necessary. While property tax is a stable revenue source for the City, sales tax can vary depending on consumer and economic cycles. Other significant revenue sources for the City include franchise fees and transient occupancy taxes.

The commercial section of the City is anchored by Victoria Gardens, the highest taxable value property in Rancho Cucamonga. Approximately 20% of the City's sales tax comes from Victoria Gardens. Tenants include Macy's, JCPenny, H&M, AMC Theatres, and numerous dining establishments. Despite being a sizeable and popular regional mall, Rancho Cucamonga is not the largest sales tax-generating cities in San Bernardino County. Instead, Rancho Cucamonga is relatively modest for sales tax generation for its size, receiving fewer sales tax receipts than larger nearby cities due to their large e-commerce warehouses and/or auto malls. Statewide, these neighboring cities generate sales tax per capita ranging from \$377 to \$625 and are in the top 100 rankings. In comparison, Rancho Cucamonga is a respectable but average sales tax performer; we ranked 238th in sales tax per capita (\$222) out of 539 cities and counties for the calendar year 2021 (up from 258th in the calendar year 2020).

As the City matures, it is taking a more nuanced approach to its revenue needs. As mentioned, Rancho Cucamonga cannot rely on property taxes alone and seeks a combination of property taxes, sales taxes, and other revenue sources. Property and sales taxes comprise approximately 70% of general revenues for the City, and transient occupancy taxes and franchise fees add up to 12%. To that end, City staff evaluates development growth in a revenue per acre framework as an opportunity to maximize and diversify our revenue stream. By being selective and waiting for the suitable types of development which create more value per acre relative to their uses, the City will help grow and develop stable revenue sources over the long term while population, operating, and capital costs increase.

Government agencies, such as the City and K-12 school districts, comprise the majority of the top list of principal employers within the City. Besides governmental employers, two of the largest single employers in the City are Inland Empire Health Plan (IEHP) and Chaffey Community College. IEHP, a joint powers agency, is the county's top ten largest Medicaid health plan and largest not-for-profit Medicare-Medicaid plan. IEHP organizes health care for over 1.5 million members in San Bernardino and Riverside counties and is the most extensive local Initiative plan in the Inland Empire region, serving more than 90% of the Medi-Cal managed care market compared to its commercial counterpart. Chaffey College was founded in 1883, making it one of the oldest community colleges in California, serving students in Rancho Cucamonga and the immediate region. The community college provides students with multiple degrees that transfer to four-year universities and colleges.

Rancho Cucamonga experienced a slow but consistent recovery after the Great Recession. Steady job growth occurred in San Bernardino County, and the City's unemployment rate declined by 7.6% from the 2010 peak of 10.5% to 2.9% by 2019. The pandemic disrupted that trend and briefly caused unemployment to a spike in 2020 to 7.9%. The current unemployment rate has dropped to 3.1% as of August 2022.

Median home prices were not affected by the pandemic. The current median price for detached single-family homes increased by over 18% last year, the largest single-year growth since 2013; although substantial jumps in interest rates relative to recent lows will likely slow or flatten that growth going into next year. Similar to the previous year, the City's market continues to push for more moderate and higher-end apartment projects. There are currently more than 1,200 apartments under construction, and more have been entitled or going through the entitlement process. Despite these recent trends, single-family residential comprises over 44,000 units compared to just under 21,000 multi-family residential units in Rancho Cucamonga.

Long-term financial planning

The City prepares revenue and expenditure projections as part of the annual budget, which is an integral part of the City's budget process. City staff using historical information, expert analysis, and data collected from the state, local, and professional organizations, generates an overall picture of the economic status of the local community. City budget staff then produce a financially conservative picture of the near future. Concurrent with the near-term revenue projections, City budget staff utilize the same data and information to maintain a running five-year forecast to help guide Rancho Cucamonga's medium and long-term planning for revenue and expenditures. Additionally, on an annual basis, the City updates a five-year Capital Improvement Program for projects.

For the significant revenue sources, the City projects an increase in sales tax revenue of 18.79% over the Fiscal Year 2021/22 budget. This significant increase is due to the City's sales tax base rebounding well during the calendar year 2021 from the economic impacts of COVID. Continued, yet decelerating sales tax growth is anticipated into 2023. Property taxes are projected to increase by 5.52% due to the property turnover rate, pricing and appeals exposure, new construction activity, and Proposition 13's annual inflation adjustment. Property tax in lieu of vehicle license fee, categorized with property tax, is expected to increase 8.63% from the Fiscal Year 2021/22 due to growth in assessed valuation for properties within the City. Additionally, the City periodically reviews and updates its user fees to recover the minimum costs of providing services for which a fee is charged.

The City's financial policy requires adopting a balanced operating budget each year. A balanced budgeted means that expenditures are equal to or less than the budgeted revenues and available fund balance. Any one-time revenues received are to be used for one-time costs. Any fund balance reserves are used for non-recurring expenditures, such as capital projects, but not for ongoing operations. The only exception to that policy is the use of reserves for changes in economic circumstances, which the City's fund balance policy governs its usage.

Adequate fund balance, or reserve, levels are necessary for the City's overall financial management strategy. It is the responsibility of the City Council to maintain a sufficient level of reserve funds to provide for the orderly provision of services to the citizens of the City of Rancho Cucamonga. The City Council can decide the circumstances under which the reserves can be used. From time to time, the City Manager and the Finance Director may make recommendations as to the level of reserve funds necessary for prudent fiscal management. Reserve levels shall be reviewed at least annually during the budget process to ensure that they are consistent with the conditions faced by the City.

The City received the GFOA Distinguished Budget Presentation Award for its Fiscal Year 2021/22 annual budget document. A governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device to qualify for the GFOA award. The City believes that the Fiscal Year 2022/23 budget document submitted to the GFOA for award consideration meets these high standards.

Major initiatives/projects

- **Second Story and Beyond® Capital Project** – Second Story and Beyond® is an innovative project, evolving Library Services by blending traditional lifelong learning with child development and informal education. This one-of-a-kind project will create fun, play-based, interactive, and immersive experiences for visitors of all ages by installing museum-quality exhibits. Second Story and Beyond® supports collaboration and 21st-century skills and will help children build an ecosystem of interdependent literacies. It will combine dynamic, interactive exhibits with creative programs engaging visitors as creators and innovators through open-ended play.

- The \$5.3 million tenant improvement stage of the Second Story and Beyond® project will occur early in the Fiscal Year 2022/23. Museum exhibits will be fabricated throughout the year and installed in early 2023. A soft launch of the new service is anticipated in June 2023, followed by an official Grand Opening event in July. Significant project enhancements have been made possible through a \$2 million grant from San Bernardino County and a \$1 million grant from the federal government through its NASA Fund.
- Fire Station 178 – This new two-story station on Town Center Drive and Terra Vista Parkway broke ground in the Fiscal Year 2021/22. Fire Station 178 is located in the southern portion of Rancho Cucamonga, where the City has an extensive office, residential and mixed-use development. This \$15 million project will address systemwide draw-down issues and provide a location for specialized equipment used to access these facilities. This station will be home to the new electric fire truck and one-day the 9/11 Memorial Park. Fire Station 178 will be the first station built using the design-bid-build model, which is anticipated to be used in years to come for the new Fire Station 179 on 8th Street and future replacement stations, including Fire Station 171 on Amethyst Street.

Additionally, Fire Station 178 will provide a centralized, in-house, secure storage location for City records, permitting fast and accurate retrieval and reducing commercial storage costs. Presently, the City's paper records are archived at an offsite commercial storage facility; however, included in the Fire Station 178 project is a new records repository for \$944,000, split between the City and Fire District.

- Etiwanda Grade Separation – The design and right-of-way phases of the Etiwanda Grade Separation Project are planned to continue through the beginning of the Fiscal Year 2022/23, with construction anticipated to begin in Fiscal Year 2023-24. This project will construct a bridge over the railroad tracks that cross Etiwanda Avenue between Arrow Route and Napa Street. The project will eliminate conflicts and congestion currently caused by the existing at-grade crossing and improve connectivity and traffic flow in the southeast industrial area of the City. Though this project has been challenging and complex, it will ultimately result in a significant multi-million investment in infrastructure that will foster development in this area and help to achieve goals set out in the new General Plan.
- Dog Park – Construction of the \$3.9 million Central Park dog park will include three half-acre fenced enclosures for small and large dogs, a paved parking lot area, a new landscape consisting of turf, decomposed granite, various trees, and drought-tolerant planting, and various site amenities for dogs and owners. The dog park will also require constructing a new drive approach and entrance at Base Line Road and Spruce Avenue to allow access to the dog park. The construction of the Dog Park is the next phase of a master-planned Rancho Cucamonga Central Park
- Expansion of municipal broadband – Construction of the Rancho Fiber network will continue in the Fiscal Year 2022/23. Our goal is to expand the program's customer base and provide high-speed internet to businesses and residents in the service area. In the Fiscal Year 2022/23, the City will continue work on extending service along Haven Avenue, opening up the opportunity for approximately 36 new commercial businesses. A new commercial service extension on Arrow Route will serve the industrial development area from Etiwanda Avenue. Development of this area will serve industrial development and is incorporated with the Rancho Cucamonga Municipal Utility's line extension from Etiwanda Avenue. Also, City staff anticipate that approximately 880 new residential customers could be added with the opening of the next phase of The Resort community development.
- Financial Enterprise Application Replacement – A significant project for the Finance Department is replacing our 20+ year financial system software application. This once-in-a-career, multi-million project will increase productivity by digitizing routine transactions, electronically routing requests and approvals via workflows, eliminating paperwork, and capturing more data in everyday transactions to improve data analysis. Although the implementation is a joint project led by Finance, Human Resources, and the Department of Innovation and Technology, the entire organization will evaluate the day-to-day, weekly, monthly, quarterly, and yearly activity changes during implementation.

Awards and acknowledgments

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, 2021. 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-four 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.

In closing, an expression of appreciation for the City Council for their leadership and support and for their continuing efforts to main the City's fiscal health. Lastly, we thank Councilmember Sam Spagnolo, who passed away at the age of 80 with over 50 years of service to the Rancho Cucamonga community and will be remembered as a pillar of the community.

Respectfully submitted,



John R. Gillison
City Manager



Noah Daniels
Finance Director

CITY OF RANCHO CUCAMONGA

CITY OFFICIALS

JUNE 30, 2022

City Council

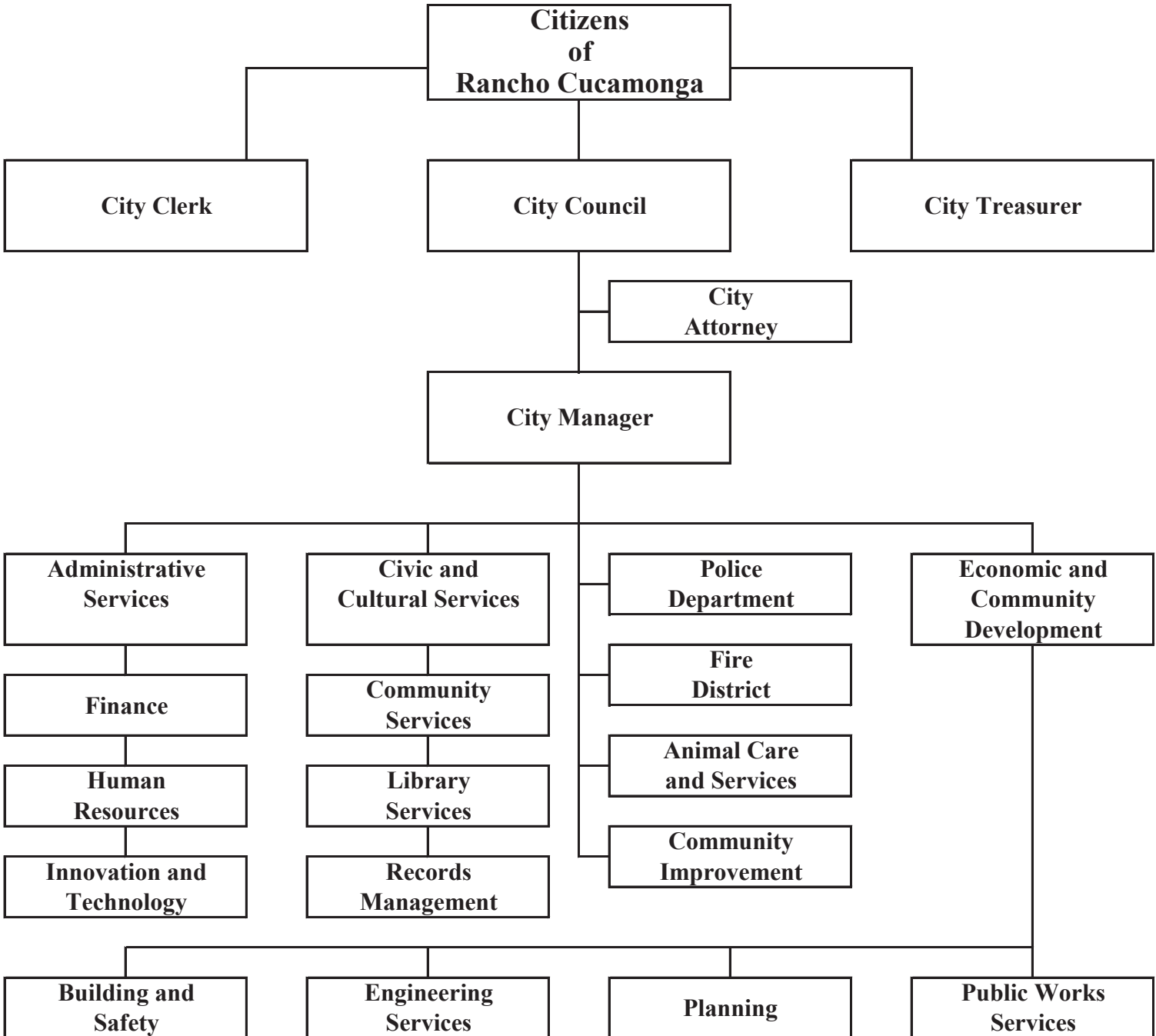
L. Dennis Michael	Mayor
Lynne B. Kennedy	Mayor Pro-Tem
Ryan A. Hutchison	Council Member
Kristine D. Scott	Council Member
Vacant	Council Member

Administration and Department Heads

City Manager	John R. Gillison
Assistant City Manager/Administrative Services	Elisa C. Cox
Deputy City Manager/Civic and Cultural Services (as of August 2022)	Julie Sowles
Deputy City Manager/Economic and Community Development	Matt Burris
City Attorney	Nicholas R. Ghirelli
City Clerk	Janice C. Reynolds
City Treasurer	Jim Harrington
Animal Services Director	Veronica Fincher
City Clerk Services Director	Linda Troyan
Community Services Director	Jennifer Hunt-Gracia
Engineering Services Director/City Engineer	Jason Welday
Finance Director	Tamara L. Oatman
Finance Director	Noah Daniels
Fire Chief	Mike McCliman
Human Resources Director	Robert Neiuber
Innovation and Technology Director	Shelly Munson
Library Director (Acting as of September 2022)	Wess Garcia
Planning and Economic Development Director (as of September 2022)	Matt Marquez
Police Chief	Ernie Perez
Public Works Services Director	Bill Wittkopf

CITY OF RANCHO CUCAMONGA

ORGANIZATION CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Rancho Cucamonga
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

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City of Rancho Cucamonga
Annual Comprehensive Financial Report
June 30, 2022

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, 2022, 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, 2022, 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 opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 5 to the financial statements, in the fiscal year ended June 30, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Honorable Mayor and Members of the City Council
City of 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 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 Funds; 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



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

basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory 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 12, 2022, 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.

A handwritten signature in cursive script that reads "Lance, Soll & Lughard, LLP".

Brea, California
December 12, 2022

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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, 2022. 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 \$1,440,250,887, an increase of \$92,372,772 for the current fiscal year. The total net position consisted of \$842,615,792 as net investment in capital assets; \$465,103,382 as restricted; and \$132,531,713 as unrestricted.
- The total change in net position is \$92,372,772, consisting of governmental activities of \$90,249,834 and business-type activities of \$2,122,938.
- As of June 30, 2022, the aggregate ending fund balance of the City's governmental funds was \$600,119,219, an increase of \$66,713,701 from the prior fiscal year. The combined fund balance consisted of \$23,658,120 as nonspendable, \$381,476,346 as restricted, \$148,122,714 as committed, \$51,346,748 as assigned, and a deficit of \$4,484,709 as unassigned.
- At the end of the fiscal year, the General Fund reported a fund balance of \$173,120,236, of which \$23,311,819 was nonspendable, \$16,162,437 was restricted, \$101,962,810 was committed, and \$31,683,170 was assigned.
- The City's capital assets, net of accumulated depreciation and amortization, were \$843,311,625, a decrease of \$904,531 from the prior fiscal year. The total capital assets, net of depreciation, for governmental activities represented \$800,559,420, and business-type activities represented \$42,752,205.

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. 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. Both statements were prepared using accounting methods like those used by private-sector businesses: the economic resources measurement focus and the accrual basis of accounting.

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 indicate 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 City's governmental activities include general government; public safety for police, fire, and animal center; community development; community services; and engineering and public works. The City's business-type activities 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. 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. Like other state and local governments, the City uses fund accounting to ensure and demonstrate finance-related legal compliance. The City's funds consist of three categories: governmental, proprietary, and fiduciary.

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

The governmental funds financial statements are comprised of 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 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 helpful 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 – 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* report the functions presented as business-type activities in 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* report the costs 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 account for resources held for the benefit of parties outside the City. The City's private-purpose trust fund 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. Accounting for fiduciary funds is much like that used for proprietary funds. Both are prepared using the economic resources measurement focus and the accrual basis of accounting.

Notes to Financial Statements provide additional information essential to a complete 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 the nonmajor governmental and fiduciary funds and presented immediately following the required supplementary information.

Government-wide Financial Analysis

Analysis of Net Position: Net position may serve over time as an indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,440,250,887 at the close of the fiscal year.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 675,361	\$ 610,994	\$ 25,065	\$ 33,762	\$ 700,426	\$ 644,756
Net OPEB asset	9,163	5,724	-	-	9,163	5,724
Net pension asset	9,241	3,691	417	185	9,658	3,876
Capital assets, net of depreciation	800,559	802,330	42,752	41,886	843,311	844,216
Total assets	1,494,324	1,422,739	68,234	75,833	1,562,558	1,498,572
Deferred outflows of resources	23,953	27,863	411	591	24,364	28,454
Liabilities:						
Current and other liabilities	30,359	43,832	2,169	2,735	32,528	46,567
Long-term net pension liabilities	46,126	98,243	1,261	2,952	47,387	101,195
Long-term obligations outstanding	8,523	9,758	-	12,247	8,523	22,005
Total liabilities	85,008	151,833	3,430	17,934	88,438	169,767
Deferred inflows of resources	53,430	9,180	4,803	200	58,233	9,380
Net position:						
Investment in capital assets	799,864	801,334	42,752	39,126	842,616	840,460
Restricted	464,700	386,152	403	352	465,103	386,504
Unrestricted	115,275	102,103	17,257	18,812	132,532	120,915
Total net position	\$ 1,379,839	\$ 1,289,589	\$ 60,412	\$ 58,290	\$ 1,440,251	\$ 1,347,879

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. As of June 30, 2022, net investment in capital assets is reported as \$842,615,792, which makes up 58.5% of the City's total net position. Compared to the prior fiscal year, net investment in capital assets increased by \$2,155,778 or 0.3%. The City uses capital assets to provide services to its residents and businesses; 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.

Restricted net position is reported as \$465,103,382 or 32.3% of the City's total net position, which is an increase of \$78,599,898 or 20.3% from the prior fiscal year. Generally, the increased restricted net position is due to increases in fund balance for the underlying special revenue funds, which restrict how the funds can be used.

The City can use the total unrestricted net position of \$132,531,713 to meet the City's obligations for its governmental and business-type activities. The unrestricted net position makes up 9.2% of the City's total net position. It is an increase of \$11,617,096 or 9.6% from the prior fiscal year. At \$115,274,716, the governmental activities make up most of the total unrestricted net position, and the business-type activities make up the balance of \$17,262,997.

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

- Capital assets are 54.0% of the City's total assets. In the current fiscal year, capital assets decreased by \$904,531, or 0.3%. The net decrease comprises an increase in nondepreciable capital assets of \$11,747,803 and a decrease in depreciable capital assets of \$12,652,334. These changes are analyzed in the capital assets section of the MD&A.

- The City's total current and other assets increased by \$55,670,253 or 8.6%. The net increase comprises a decrease in business-type activities of \$8,696,467 and an increase in governmental activities of \$64,366,720. The fluctuations from the prior fiscal year which account for this net increase are:
 - Cash and investments increased by \$56,421,848 from the prior fiscal year. Generally, this results from increased cash inflows from modest revenue growth and decreased cash outflows from expense containment during the current fiscal year. The majority of the cash and investment growth is due to the increase in governmental activities of \$48,093,037, which can be traced to the increase in the General Fund of \$33,114,730.
 - An increase in notes and loans receivable of \$5,747,357 is the net of an increase in governmental activities of \$5,777,357 and a decrease in business-type activities of \$30,000. The increase in governmental activities is related to loans for low and moderate-income housing, which is addressed with the Housing Successor Agency analysis later in the MD&A.
 - An increase in leases receivable of \$8,234,892 consisting of increases in governmental activities increased by \$4,766,818 and business-type activities by \$3,468,074 from implementing *GASB Statement No. 87, Leases*. More information can be found in Note 5 in the notes to financial statements.
 - Restricted cash with fiscal agent decreased by \$13,750,989 from the prior fiscal year. The decrease consists of governmental activities by \$3,824,064 and business-type activities by \$9,926,925. The change in governmental activities relates to the disbursement of loans from the Housing Successor Agency special revenue fund. The change in business-type activities is due to the defeasance of the 2019 Lease Revenue Bonds and its related cash held with fiscal agent. More information regarding the defeasance can be found in Note 8 in the notes to financial statements.
 - Restricted investments for pension rate stabilization decreased by \$2,022,981 due to losses in the fair value.
- The City reported a net OPEB asset, which increased by \$3,438,815 or 60.1%, and a net pension asset for the PARS Retirement Enhancement Plan, which increased by \$5,780,372 or 149.1%. Both increased due to positive net investment income compared to assumptions. See Note 13 in the notes to financial statements for more information on the City's PARS Retirement Enhancement Plan and Note 14 for the City's Other Post-Employment Benefits.
- The City's current and other liabilities decreased by \$14,038,949 or 30.1%. Governmental activities decreased by \$13,472,325 due primarily to a decrease in unearned revenues of \$11,237,555 in the current fiscal year. In the prior year, the City reported unearned revenues for the American Rescue Plan Act receipts received but not spent yet on eligible expenditures. During the current fiscal year, the City completed the required revenue loss replacement calculations, spent the grant funds on eligible activities, and recognized the revenues. The business-type activities reported a decrease of \$566,624, primarily due to the defeasance of the 2019 Lease Revenue Bonds, which eliminated the reporting of debt due within one year.
- The City's net pension liabilities decreased by \$53,808,377 or 53.2% from the prior fiscal year. This is comprised of a decrease of \$30,316,966 for the City's miscellaneous plan, \$1,268,214 for the Fire District's miscellaneous plan, and \$22,223,197 for the Fire District's safety plan. These decreases are primarily due to positive net investment income. See Note 12 in the notes to financial statements for more information on the City's pension plan obligations.
- The City's long-term obligations decreased by \$13,483,009 or 61.3% from the prior fiscal year. Again, the decrease is due to the defeasance of the 2019 Lease Revenue Bonds. See Note 8 in the notes to the financial statement for more information on the City's long-term debt obligations and the defeasance of the 2019 Lease Revenue Bonds.

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, 2022 and 2021
(In Thousands)

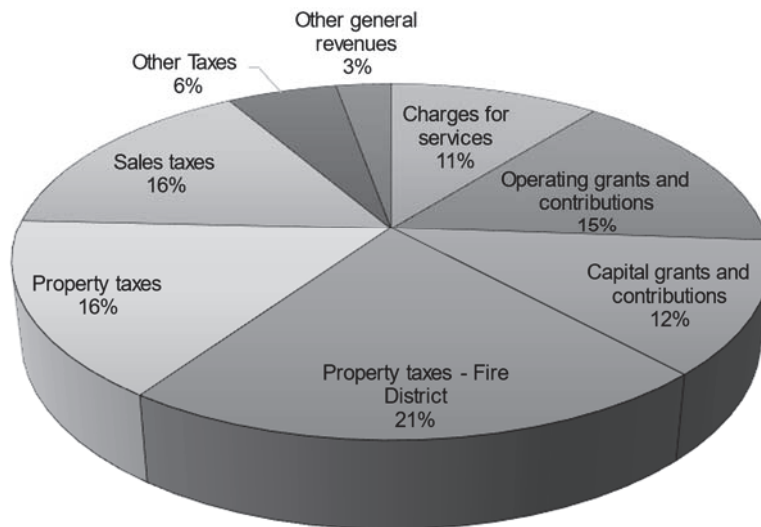
	Governmental Activities		Business-Type Activity		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 27,573	\$ 30,313	\$ 15,125	\$ 13,004	\$ 42,698	\$ 43,317
Operating grants and contributions	39,847	15,902	133	-	39,980	15,902
Capital grants and contributions	30,787	24,769	2,822	1,443	33,609	26,212
General Revenues:						
Property taxes	96,972	91,686	-	-	96,972	91,686
Admissions tax	2	-	152	33	154	33
Transient occupancy taxes	4,423	2,727	-	-	4,423	2,727
Sales taxes	40,768	34,566	-	-	40,768	34,566
Franchise fees	9,991	9,229	-	-	9,991	9,229
Motor vehicle in-lieu	202	129	-	-	202	129
Use of money and property	(12,450)	5,957	(1,152)	(12)	(13,602)	5,945
Other	18,419	7,576	6	11	18,425	7,587
Gain on sale of capital asset	1,062	-	-	-	1,062	-
Total Revenues	257,596	222,854	17,086	14,479	274,682	237,333
Expenses:						
General government	18,945	22,450	-	-	18,945	22,450
Public safety - police	45,827	44,201	-	-	45,827	44,201
Public safety - fire protection	38,906	43,820	-	-	38,906	43,820
Public safety - animal center	2,363	2,653	-	-	2,363	2,653
Community development	17,758	21,053	-	-	17,758	21,053
Community services	13,173	12,922	-	-	13,173	12,922
Engineering and public works	29,237	33,574	-	-	29,237	33,574
Interest on long-term debt	76	270	-	-	76	270
Municipal Utility	-	-	13,504	10,747	13,504	10,747
Fiber Optic Network	-	-	801	1,045	801	1,045
Sports Complex	-	-	1,720	2,303	1,720	2,303
Total Expenses	166,285	180,943	16,025	14,095	182,310	195,038
Excess of Revenues Over Expenses	91,311	41,911	1,061	384	92,372	42,295
Transfers	(1,061)	(810)	1,061	810	-	-
Change in Net Position	90,250	41,101	2,122	1,194	92,372	42,295
Net Position at Beginning of Year	1,289,589	1,239,870	58,290	57,096	1,347,879	1,296,966
Restatement of Net Position	-	8,618	-	-	-	8,618
Net Position at End of Year	\$ 1,379,839	\$ 1,289,589	\$ 60,412	\$ 58,290	\$ 1,440,251	\$ 1,347,879

Governmental Activities

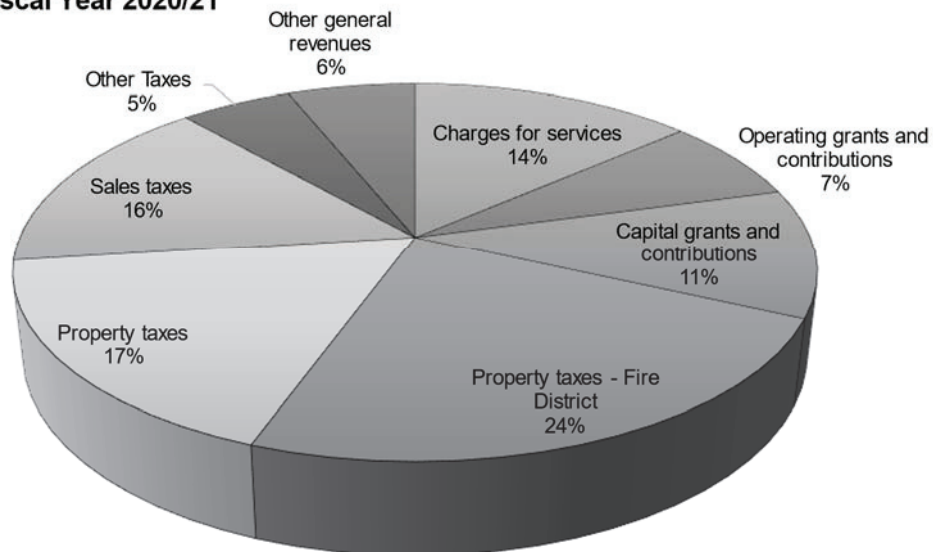
Revenues: For the fiscal year ended June 30, 2022, total revenues from governmental activities were \$257,595,939, total expenses were \$166,284,888, and transfers to business-type activities were \$1,061,217. Functional expenses are funded directly by program revenues, while taxes and other revenues fund the remainder. 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 2021/22 and 2020/21, 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.

**Governmental Activities
Fiscal Year 2021/22**



**Governmental Activities
Fiscal Year 2020/21**



Revenues from taxes in the amount of \$152,155,625, and program revenues, including charges for services in the amount of \$27,573,414, operating contributions and grants in the amount of \$39,846,497, and capital contributions and grants of \$30,787,358, are the largest revenue sources for governmental activities. Taxes consist of property taxes, sales taxes, franchise fees, transient occupancy taxes, and other taxes, the largest of which are property and sales taxes. The Fire District receives a separate share of property taxes restricted for fire suppression and prevention activities.

The following table is a condensed summary of the City's governmental tax revenues for Fiscal Years 2021/22 and 2020/21:

Taxes:	Governmental Activities (In Thousands)	
	2022	2021
Property taxes:		
Property taxes	\$ 41,481	\$ 38,857
Property taxes - Fire District	55,491	52,829
Total property taxes	96,972	91,686
Sales taxes	40,768	34,566
Other taxes:		
Admissions tax	2	-
Franchise fees	9,991	9,229
Transient occupancy taxes	4,423	2,727
Total other taxes	14,416	11,956
Total taxes	\$ 152,156	\$ 138,208

- Property tax is an ad valorem tax imposed on real property such as land, buildings, and tangible personal property. Property tax revenue is collected by the County of San Bernardino and allocated according to State law among cities, counties, school districts, and special districts. The City's property owners pay a basic tax equal to 1% of the assessed value of real property. The City's share of each property tax dollar is approximately \$0.0511 (shared between the City and Rancho Cucamonga Library), and the Fire District's share of this property tax dollar is approximately \$0.1248. Also included in property tax are property taxes in lieu of vehicle license fees (VLF), which the City receives and is based on the growth of gross assessed valuation from the prior year.

Property taxes increased by \$5,285,954 or 5.8% from the prior year due to increases in property tax in lieu of VLF, property transfer tax, and distributions of residual tax increment and pass-through payments from the former redevelopment agency.

Property taxes in lieu of VLF increased by \$1,029,334, and property transfer tax increased by \$727,391 from the prior fiscal year. As previously mentioned, property tax in lieu of VLF increases based on the growth of gross assessed valuation. Property tax transfer tax is assessed at \$0.55 per \$1,000 of property value when properties are transacted. Like other agencies, the City has experienced a large volume of residential property turnover at historically high valuations over the last two fiscal years; the current median price for a detached single-family residence increased the previous calendar year by 18%, which was the largest since 2013. City management expects that secured property taxes will continue to grow, but at a slower pace, in the upcoming years because of the property turnover over the last two fiscal years.

The City and Fire District received a share of residual receipts from the County of San Bernardino, which are remaining tax increment revenues after the former redevelopment agency has paid its obligations. The County of San Bernardino revised the residual receipt calculation in prior years. Due to the revised methodology, the share of residual receipts increased for City and Fire District. Respectively, the City and Fire District received \$388,383 and \$606,676 more residual receipts than in the current fiscal year. Additionally, the Fire District, a pass-through entity for the former redevelopment agency, receives direct payments from the former redevelopment agency. The Fire District received \$727,391 more in pass-through payments in the current year. More information about the dissolution of the former redevelopment can be found in Note 18 of the notes to financial statements.

- California sales tax is imposed on the total retail price of any tangible personal property (excluding a variety of state-mandated exemptions), and use tax is imposed on the purchaser for eligible transactions when sales tax has not been collected. The sales and use tax rate in San Bernardino County is currently 7.75%, of which the City receives 1% from the California Department of Tax and Fee Administration. The City is also allocated a share of the countywide use tax pool based on its proportionate share of the sales tax generated in the County.
- Sales taxes increased by \$6,201,473 or 17.9% due to the City's sales tax base rebounding from the economic impacts of the pandemic. City Management has noted significant growth in specific business categories, including building and construction, fuel and service stations, and general consumer goods. Based on preliminary information and analysis, city management expects continued but decelerating sales tax growth in the upcoming fiscal year as the impacts of record high inflation will continue to negatively impact discretionary consumer spending.
- Transient occupancy taxes is a 10% tax applied to the cost of the hotel or other lodging stays of less than 30 days. Transient occupancy taxes increased by \$1,696,593 or 62.2% as the factors influencing transient occupancy taxes include business and leisure travel, room rate increases, and new hotel development, which were all impacted during the pandemic. City management expects that transient occupancy taxes will increase in the upcoming fiscal year as two new hotels will be opened in the City.

The following table is a condensed summary of the governmental program revenues by functional category for Fiscal Years 2021/22 and 2020/21:

(In Thousands)	Charges for services		Operating contributions and grants		Capital contributions and grants	
	2022	2021	2022	2021	2022	2021
Functions/Programs:						
General government	\$ 10,176	\$ 9,476	\$ -	\$ -	\$ 373	\$ 565
Public safety - police	998	1,358	27,347	481	187	-
Public safety - fire protection	141	117	27	52	-	-
Public safety - animal center	146	110	-	-	-	-
Community development	11,627	11,771	2,304	7,242	109	223
Community services	610	484	2,459	332	-	-
Engineering and public works	3,875	6,998	7,710	7,795	30,118	23,981
Total	\$ 27,573	\$ 30,314	\$ 39,847	\$ 15,902	\$ 30,787	\$ 24,769

Charges for services decreased by \$2,739,862 or 9.0%, a net increase for governmental functions. The significant changes include:

- Increase of \$540,779 for business licenses and business license penalties due to an improving business climate combined with additional staff focused on increasing the number of business inspections for business license compliance.
- Increase of \$349,814 for recreation fees charged to customers for recreational programs and services reopening after closing during the pandemic.
- Increase of \$289,933 for the resumption of administrative citation issuances, which the City Council suspended as those fines impacted individuals and businesses already impacted by the pandemic.
- Decrease of \$3,283,754 to report developer impact fee revenues as capital contributions and grants as their ultimate use is towards capital projects.

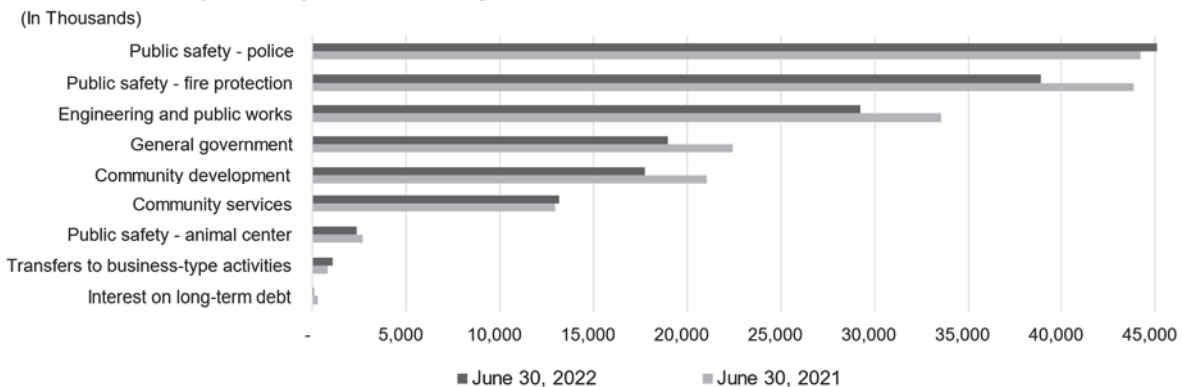
Operating contributions and grants increased by \$23,944,654 or 150.6%, a net increase for the governmental functions. The significant changes include:

- Decrease of \$5,665,791 of Federal grant funding related to the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act.
- Increase of \$1,370,054 in contributions from the Rancho Cucamonga Library Foundation Support to the Rancho Cucamonga Library for general library operations and construction of the Second Story and Beyond®.
- Increase of \$648,982 of Federal grant funding related to the Shuttered Venues grant, which offset operational costs of the Cultural Service Center during its reopening.
- An increase of \$26,835,530 of Federal grant funding related to the American Rescue Plan Act, which was based on the revenue loss replacement category, was used to offset the public safety costs of the San Bernardino Sheriff contract.

Capital contributions and grants increased by \$6,018,758 or 24.3%, a net increase for governmental functions. The growth is primarily due to increased development impact revenue with the Development Impact Fee special revenue fund of \$6,561,294.

Expenses: The following chart provides a snapshot of the City's governmental activities for Fiscal Years 2021/22 and 2020/21, showing the expenses by function.

Governmental Expenses by Functions/Programs



The City's governmental activities expenses decreased by \$14,658,240 or 8.1% from the prior fiscal year. The total net decrease was attributed to increases in public safety – police of \$1,626,192 and community services of \$250,809. These increases were offset by decreases in general government of \$3,505,187, public safety – fire of \$4,913,967, public safety – animal center of \$290,024, community development of \$3,295,601, and engineering and public works of \$4,336,748. Interest on long-term debt decreased by \$193,714, and transfers to business-type activities increased by \$251,460.

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

- Change for the net pension liability for the City's miscellaneous plan and the net pension asset for the PARS Retirement Enhancement Plan resulted in a reduction of functional expenses in the current year. As mentioned, the reduction in the net pension liability and increase in the net pension asset, respectively, were the result of positive investment performance. Accordingly, the calculated proportion of the changes by function resulted in the following:
 - General government decreased by \$2,318,067
 - Public safety – animal center decreased by \$442,018

- Community development decreased by \$1,826,169
 - Community services decreased by \$805,803
 - Engineering and public works decreased by \$2,118,583
- Public safety – police increased by \$1,626,192 or 3.7% from the prior fiscal year due to increased public safety contract costs and additional staffing added by the City with the San Bernardino County Sheriff's Department.
 - Public safety – fire decreased by \$4,913,967 or 11.2% from the prior fiscal year, primarily due to the change in the net pension liabilities for the Fire District's miscellaneous and safety plans and the net OPEB asset. The changes in the net pension liabilities and the net OPEB asset decreased the function by \$10,019,539. That decrease was offset by increases in personnel salaries, overtime, and benefits by \$2,681,055 and depreciation expense of \$3,864,622 attributed to Fire District capital assets.

Business-Type Activities

The \$18,147,854 combined revenues, including transfers from the governmental activities, of the City's business-type activities were \$2,122,938 more than the expenses of \$16,024,916. 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, 2022, the City's governmental funds reported combined fund balances of \$600,119,219, an increase of \$66,713,701 from the prior fiscal year. Of the total fund balance, \$23,658,120 was nonspendable, associated with prepaid costs, deposits, and advances to other funds; \$381,476,346 was classified as restricted for specific purposes; \$148,122,714 was committed by the City Council; and \$51,346,748 was assigned by the City Manager for certain uses and functions. The deficit of \$4,484,709 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 7 in the notes to financial statements for more information on interfund advances.

Governmental revenues totaled \$254,662,217, while expenditures were \$184,596,622. Other financing sources, such as transfers from other funds, leases, and proceeds from the sale of capital assets, totaled \$33,788,039, and other financing uses totaled \$37,129,933 in the form of transfers out to other funds.

The General Fund is the general operating fund of the City. On June 30, 2022, the General Fund reported a total fund balance of \$173,120,236, consisting of \$23,311,819 as nonspendable, \$16,162,437 as restricted, \$101,962,810 as committed, and \$31,683,170 as assigned. More detailed information on these fund balance classifications can be found in Notes 1 and 17 in the notes to financial statements.

The following table presents the summary of revenues and expenditures of the General Fund for Fiscal Years 2021/22 and 2020/21:

Revenues and Other Financing Sources		
	2022	2021
Revenues:		
Taxes	\$ 87,561,737	\$ 76,601,967
Licenses and permits	6,207,356	5,667,304
Intergovernmental	687,958	688,302
Charges for services	5,663,958	4,973,242
Use of money and property	(4,575,630)	814,603
Fines and forfeitures	1,287,454	1,227,698
Contributions	59,070	17,698
Miscellaneous	14,971,128	3,272,491
Total Revenues	111,863,031	93,263,305
Other Financing Sources:		
Transfers in	29,617,859	4,265,848
Leases	226,622	-
Sale of capital assets	3,318,081	23,317
Total Other Financing Sources	33,162,562	4,289,165
Total Revenues and Other Financing Sources	\$ 145,025,593	\$ 97,552,470
Expenditures and Other Financing Uses		
	2021	2020
Expenditures:		
General government	\$ 15,923,699	\$ 14,610,180
Public safety - police	44,999,347	43,239,756
Public safety - animal center	2,772,844	2,399,155
Community development	6,089,377	6,458,490
Community services	4,589,200	3,459,866
Engineering and public works	12,381,485	11,440,332
Capital outlay	3,122,875	6,833,492
Debt service - interest and fiscal charges	7,208	8,195
Total Expenditures	89,886,035	88,449,466
Other Financing Uses:		
Transfers Out	8,776,007	3,605,636
Total Expenditures and Other Financing Uses	\$ 98,662,042	\$ 92,055,102

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

- Taxes totaled \$87,561,737, accounted for 60.4% of the total revenues and other financing sources, and increased by \$10,959,770 or 14.3% from the prior fiscal year. As previously mentioned, taxes consist of property taxes, sales taxes, franchise fees, transient occupancy taxes, and other taxes, the largest of which are property and sales taxes. The General Fund's property taxes increased by \$2,399,163 primarily due to, as previously mentioned, increases in residual receipts from the former redevelopment, growth in the assessed value of properties resulting in increased property tax in lieu of VLF, and the turnover of properties resulting increased property tax transfers. Sales tax has increased by \$6,201,472 due to a rebounding sales tax base as the economic impacts of the pandemic are alleviated. Lastly, transient occupancy taxes increased by \$1,696,593 due to growing business and leisure travel, room rate increases, and new hotel development.
- Licenses and permits increased by \$540,052, or 9.5%, due to increased business licenses and related penalties.
- Charges for services increased by \$690,716 or 13.9%, primarily due to recreation charges for services.

- Use of money and property decreased by \$5,390,233 or 661.7% due to a temporary adjustment to bring investments to fair value at the end of the fiscal year. The City invests excess funds in fixed-income securities, which typically decrease in value when interest rates rise. These changes are unrealized until investments are sold at a loss. City management has sold securities at a loss to purchase securities with higher yields. However, the strategy is reserved only for situations when the returns on the higher-yielding investment offset the loss while still producing excess yields.
- Miscellaneous revenue increased by \$11,698,637 or 357.5% due to two transactions. First, the City received \$5,150,000 from development agreements to address impacts of affordable housing demand, future greenhouse gas emissions, electric vehicle charging, and various other related impacts associated with warehouse, industrial, and commercial developments. Lastly, the City recognized \$5,251,397 in unclaimed property spanning several decades after following State regulations.
- Transfers increased by \$25,352,011 due to the transfer of funding from the American Rescue Plan Act in the amount of \$26,835,530 for allowable public safety costs, as previously discussed.
- The sale of capital assets increased by \$3,318,081 due to the sale of land, which is discussed in the capital assets section of the MD&A.
- Personnel services expenditures increased from the prior year for general government by \$595,808, public safety – animal center by \$299,934, community development by \$288,554, and community services by \$481,223.
- Public safety – police increased by \$1,759,591 or 4.1% from the prior fiscal year due to increased public safety contract costs between the City and the San Bernardino County Sheriff's Department.
- Community services increased by \$1,129,334 or 32.6% from the prior fiscal year due to increases in personnel costs, as previously mentioned, as well as in operations and maintenance and contractual services of \$401,616 as a result of reopening facilities throughout the fiscal year.
- Engineering and public works increased by \$941,153 or 8.2% from the prior fiscal year, primarily due to an increase in the internal service fund user charges for equipment by \$832,680.
- Capital outlay decreased by \$3,710,617 or 54.3% due primarily to the completion of the public safety facility in the prior year.

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 due to development. The fund balance was \$82,350,997, an increase of \$12,715,948 or 8.1% from the prior fiscal year. Total revenues of \$14,960,487 increased by \$2,838,816, and total expenditures of \$2,244,539 decreased by \$4,755,010 from the last 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 \$4,219,819 due to interfund advances, as previously mentioned, which is an increase of \$56,488 from the prior fiscal year. Total revenues of \$2,053,990 consisted primarily of special assessments levied against the benefiting property owners. Total expenditures of \$2,142,664 were predominately electric utilities. During the fiscal year, certain street lighting districts' repaid the outstanding interfund advances as the cost savings due to the streetlight acquisition and energy efficient retrofits created a financial surplus that allowed for it. However, other street lighting districts have not realized the same level of savings and still receive some operational support from the General Fund and were put into abeyance until the street lighting districts are financially capable of resuming payments. Transfers from the General Fund were \$145,162, a decrease of \$191,067 or 56.8%, partially supporting 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 fund's revenue source is primarily the interest received from the notes and loans receivable, as there is no dedicated funding source after the elimination of redevelopment. The fund balance was \$139,673,896, an increase of \$475,226 or 0.3% from the prior fiscal year. Total revenues of \$858,197 were primarily from interest on residual receipt loans from repayment received during the year. Revenues were offset by total expenditures of \$382,971 for administration. Notes and loans receivable increased by \$5,777,357 or 3.4% from the previous year due to accrued interest on outstanding loans. A loan of \$3,505,193 was made to Day Creek Senior Housing Partners 2, LP, for the development of a 140-unit senior rental housing project. More information about the notes and loans receivables of the Housing Successor Agency Fund can be found in Note 4 of the notes to the financial statements.

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 \$93,641,173, which increased by \$5,506,969 or 6.2% from the prior fiscal year. Total revenues were \$54,556,118, predominantly generated by property taxes which increased during the current fiscal year because of residual receipts and pass-through payments from the former redevelopment agency, as mentioned earlier. Total expenditures of \$48,958,544 were incurred to provide fire protection and suppression services, including \$31,538,078 in personnel costs, which were the Fire District's most significant expenditure. Additionally, the total expenditures included \$2,679,346 of capital outlay expenditures for the Town Center Fire Station #178, which will provide fire suppression and preventive services in an area of the City planned for high-density residential and large-scale office building developments. Fire Station #178 is expected to be completed in the Fiscal Year 2022/23.

The Federal Grants Fund accounts for nonrecurring Federal grant funds and the related allowable expenditures. The fund balance was \$2,465 at the end of the current fiscal year, representing receivables at the end of the year. Total revenues were \$27,540,271, predominately the \$26,835,530 of Federal grant funding related to the American Rescue Plan Act. Total expenditures and transfers out to other funds are \$27,537,806 at the end of the current year, of which transfers out to other funds are \$27,499,103. These transfers reimburse allowable expenditures transacted in other funds. More information about interfund transfers can be found in Note 7 of the notes to financial statements.

Proprietary Funds. The City's proprietary funds provide the same 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 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, 2022 and 2021 (In Thousands)						
	Municipal Utility		Fiber Optic Network		Sports Complex	
	2022	2021	2022	2021	2022	2021
Operating revenues	\$ 14,551	\$ 12,664	\$ 327	\$ 99	\$ 247	\$ 240
Operating expenses	13,504	10,747	631	596	1,703	2,284
Operating income (loss)	1,047	1,917	(304)	(497)	(1,456)	(2,044)
Net nonoperating revenues/(expenses)	(785)	(12)	(536)	(436)	274	14
Capital contributions	1,086	489	1,735	954	-	-
Transfers in	-	-	937	935	1,581	1,197
Transfers out	(1,457)	(1,322)	-	-	-	-
Change in net position	\$ (109)	\$ 1,072	\$ 1,832	\$ 956	\$ 399	\$ (833)

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 residential, commercial, and industrial customers within areas of the City. The operating revenues totaled \$14,551,353, an increase of \$1,887,838 or 14.9% from the prior fiscal year due to increased receipts from sales and service charges with commercial and industrial customers rebounding from the pandemic. The total operating expenditures were \$13,503,837, which increased by \$2,756,620 or 25.6% from the prior fiscal year. The increase in operating costs is due to the price per unit of wholesale power purchases increasing by approximately \$1.3 million year over year and real-time energy supply during longer peak hours during heat waves increasing by approximately \$1.5 million.

Municipal Utility nonoperating revenues and expenses decreased by \$773,473 due primarily to the temporary adjustment to bring investments down to fair value at the end of the fiscal year, as previously mentioned. Capital contributions increased by \$597,584 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 \$326,985, an increase of \$228,360 or 231.5% from the prior fiscal year. Operating revenues include lease revenues from cellular towers and fiber optic communications agreements with telecom companies and a local internet provider.

Operating expenses totaled \$630,599 for the Fiber Optic Network, an increase of \$34,653 or 5.8% from the prior fiscal year. This increase in operating expenses is attributed to the increased depreciation expense from expanding the fiber optic infrastructure backbone and last-mile extensions over the last several years. Increasing the fiber optic network improves the customer base for fiber optic subscription revenues.

Nonoperating revenues and expenses decreased by \$100,129 due primarily to the temporary adjustment to bring investments down to fair value at the end of the fiscal year, as previously mentioned. Additionally, a gain on the defeasance of \$178,802 for the 2019 Lease Revenue Bonds was recorded. The defeasance was made possible by an interfund advance from the General Fund to the Fiber Optic Network. The defeasance of the 2019 Lease Revenue Bonds resulted in a savings of \$1.9 million in future interest payments for the Fiber Optic Fund. Additionally, eliminating the recurring debt service repayments gives the fiber optic network more free cash flow to continue expanding its network and customer base, as the interfund advance allows for more favorable repayment terms.

During the fiscal year, the General Fund transferred \$937,291 for debt service payments. Additionally, the Fiber Optic Network reported \$1,735,481 in contributed capital for fiber optic infrastructure from developers in newer communities, providing high-speed internet access to new communities. The infrastructure assets were 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.

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 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 increased or decreased budgets to maintain the current level of services. All amendments that the City Council approves either increase or decrease appropriations.

On June 30, 2022, 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:

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues and Other Financing				
Taxes	\$ 75,134,610	\$ 84,570,040	\$ 87,561,737	\$ 2,991,697
Licenses and permits	4,597,540	4,792,260	6,207,356	1,415,096
Intergovernmental	848,050	739,170	687,958	(51,212)
Charges for services	8,053,070	5,713,310	5,663,958	(49,352)
Use of money and property	2,499,920	1,437,410	(4,575,630)	(6,013,040)
Fines and forfeitures	1,039,850	1,279,580	1,287,454	7,874
Contributions	91,000	84,690	59,070	(25,620)
Miscellaneous	3,932,020	7,498,550	14,971,128	7,472,578
Transfers in	1,632,400	29,619,170	29,617,859	(1,311)
Leases	-	-	226,622	226,622
Sale of capital assets	25,990	3,265,410	3,318,081	52,671
Total Revenues and Other Financing Sources	\$ 97,854,450	\$ 138,999,590	\$ 145,025,593	\$ 6,026,003
Expenditures with				
General government	\$ 16,020,810	\$ 17,473,170	\$ 16,359,212	\$ (1,113,958)
Public safety - police	47,540,230	47,540,940	45,017,346	(2,523,594)
Public safety - animal center	3,179,380	2,958,810	2,772,844	(185,966)
Community development	5,885,100	7,244,320	6,378,983	(865,337)
Community services	8,641,020	5,291,090	4,742,725	(548,365)
Engineering and public works	13,366,690	13,563,640	12,684,837	(878,803)
Capital outlay	4,748,650	6,261,640	5,405,482	(856,158)
Interest and fiscal charges	7,210	7,210	7,208	(2)
Transfers out	4,266,580	9,176,880	8,776,007	(400,873)
Total Expenditures with Encumbrances and Other Financing Uses	\$ 103,655,670	\$ 109,517,700	\$ 102,144,644	\$ (7,373,056)

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

- The final budget for revenues and other financing sources was \$41,145,140 more than the original budget.
- The final budget for taxes increased by \$9,435,430 or 12.6% for updated budgets for sales and transient occupancy taxes of \$6,200,140 and \$1,152,850, respectively, for a total budgetary increase of 7,352,990. The increase in budgets resulted from an improved economic climate coming out of the pandemic, ramping up at the end of the last fiscal year and updated during the midyear budget review for the current fiscal year. Taxes were \$2,991,697 better than the final budgeted amount of \$84,570,040. This increase is primarily related to sales taxes which is \$2,600,068 from a sales tax base rebounding from the economic impacts of the pandemic, as previously mentioned.
- The final budget for charges for services decreased by \$2,339,760 or 29.1% as City management refined the budgets for changes in demand for recreational and other programs offered by community services. Charges for services were approximate to the final budget and were \$49,352 below the final budget of \$5,713,310. The Community Services Department has resumed programs and services coming out of the pandemic and is working to increase the variety and offerings to address service gaps within the community. However, there is a noticeable change in demand from clients previously served, most likely due to finding available services during the pandemic when the City was required to suspend its programs and services.
- Use of money and property was \$6,013,040 less than the final budgeted amount of \$1,437,410 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.
- The final budget for miscellaneous revenues increased by \$3,566,530 or 90.7% due to \$3,000,000 budgeted for community benefit fees sourced from development agreements to offset warehouse, industrial, and commercial development impacts. Miscellaneous revenues were \$7,472,578 more than the final budget as the result of \$2,150,000 more in community benefits fees received from developers near the end of the fiscal year and \$5,251,397 in unclaimed property absorbed by the General Fund.
- The final budget for transfers increased by \$27,986,770 due to the \$26,835,530 of Federal grant funding related to the American Rescue Plan Act budgeted and transferred, as previously discussed.
- The final budget for sale of capital assets increased by \$3,239,420 due to the sale of vacant land during the year, increasing the budget by \$3,185,910.

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

- The final budget for expenditures with encumbrances and other financing uses was \$5,862,030 more than the original budget.
- During the year, changes in personnel services and benefits increased the final budgets for general government by \$539,710 and community development by \$43,640. However, it decreased the final budgets for public safety – animal center by \$226,740, community services by \$1,877,790, and engineering and public works by \$711,320.
- The final budget for general government increased by \$1,452,360, which in addition to the changes in personal services and benefits, was due to increases in contract services for administrative and support services of \$631,530. General government expenditures were \$1,113,958 less than the final budget, primarily due to the unexpended contracts and encumbrances at the end of the year totaling \$536,358, of which \$400,620 were encumbered.

- Public safety – police was \$2,523,594 better than the final budgeted amount of \$47,540,940 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 injuries.
- The final budget for community development increased by \$1,359,220 primarily due to increased contract services for consulting and support services for planning, building and safety, community improvement, and economic development of \$1,351,960. Community development was \$865,337 better than the final budget due to unexpended contractual services and encumbrances totaling \$714,715, of which \$267,655 were encumbered.
- The final budget for community services decreased by \$3,349,930, which in addition to the changes in personal services and benefits, was due to a reduction in operations and maintenance and contract services totaling \$1,433,750. As previously mentioned, community services have resumed programs and services but are adjusting to demands.
- The final budget for transfers out increased by \$4,910,300 due to the increased transfer of \$5,008,320 to the Computer Equipment/Technology Replacement internal service fund for spending on the procurement and implementation of a new financial enterprise resource platform for the City.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities amounted to \$843,311,625, net of accumulated depreciation and amortization.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 99,349	\$ 100,707	\$ 5,451	\$ 5,451	\$ 104,800	\$ 106,158
Right-of-way	237,230	237,230	-	-	237,230	237,230
Construction in progress	32,901	17,630	1,242	3,407	34,143	21,037
Right-to-use land	191	-	-	-	191	-
Buildings improvements	145,870	153,732	4,731	5,162	150,601	158,894
Improvements other than buildings	21,816	23,248	1,975	2,104	23,791	25,352
Equipment and vehicles	8,973	11,358	118	136	9,091	11,494
Furniture and fixtures	45	125	-	-	45	125
Infrastructure	254,175	258,087	29,235	25,626	283,410	283,713
Intangible	9	213	-	-	9	213
Total	<u>\$ 800,559</u>	<u>\$ 802,330</u>	<u>\$ 42,752</u>	<u>\$ 41,886</u>	<u>\$ 843,311</u>	<u>\$ 844,216</u>

Major capital asset activities during the year are as follows:

Governmental Activities

- Land reported a net decrease of \$1,358,401 for the sale and purchase of vacant land during the current fiscal year.

- Construction in progress increased by \$15,271,855, the net of \$20,404,658 in increases and \$5,132,803 of capital assets placed into service or disposed of during the current fiscal. Significant projects during the fiscal year were the construction of the Etiwanda Avenue Grade Separation and Town Center Fire Station #178, totaling \$10,228,272, in addition to construction in progress. The Etiwanda Avenue Grade Separation, which will provide an overcrossing for the SCRRRA/BSNF track and improve traffic circulation and vehicle and rail safety in the area, will wrap up design in FY 2022/23 and construction is expected to start in the Fiscal Year 2023/24. The Town Center Fire Station #178 will be completed in the Fiscal Year 2022/23.
- Total capitalized infrastructure assets amounted to \$254,175,192 net of accumulated depreciation. During the current fiscal year, the City completed the first phase of the Advance Traffic Management System and traffic signal installations at 6th Street and Hellman Avenue, which comprised \$2,856,579 of capital assets transferred from construction in progress.
- The implementation of *GASB Statement No. 87, Leases* added right-to-use land. More information on the lease can be found in Note 5 in the notes to financial statements.
- The City reported \$21,714,323 in depreciation expense for the current fiscal year.

Business-type Activities:

- Construction in progress decreased by \$2,165,651, a net of \$734,614 in additions primarily from progress on the fiber optic network and various municipal utility line extensions, and \$2,900,265 being placed into service. The capital assets being placed into service include completed sections of the fiber optic network totaling \$2,091,765 and various municipal utility line extensions amounting to \$808,500.
- Donated infrastructure from new development to the City is reported in the Municipal Utility as \$411,348 and the Fiber Optic Network as \$1,735,481.
- Depreciation expense reported for the Municipal Utility is \$1,341,460, Fiber Optic Network is \$237,560, and Sports Complex is \$560,032.

Additional information on the City's capital assets can be found in Note 6 of the notes to financial statements. Furthermore, significant commitments that include construction contracts are identified in Note 16 of the notes to financial statements.

Debt Administration

As of June 30, 2022, the City had \$16,406,823 in debt outstanding, not including net pension liabilities.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Capital Leases (Note 8)	\$ 696	\$ 996	\$ -	\$ -	\$ 696	\$ 996
Lease Revenue Bonds (Note 8)	-	-	-	12,687	-	12,687
Advances from Successor Agency (Note 9)	3,954	3,954	-	-	3,954	3,954
Compensated Absences (Note 10)	8,629	8,618	-	-	8,629	8,618
Claims and Judgments Payable (Note 15)	3,128	2,559	-	-	3,128	2,559
Total	<u>\$ 16,407</u>	<u>\$ 16,127</u>	<u>\$ -</u>	<u>\$ 12,687</u>	<u>\$ 16,407</u>	<u>\$ 28,814</u>

Additional information on the City's long-term debt 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 2022/23 Adopted Budget for all funds is \$352,128,240. Of this amount, \$167,817,210, or 47.7% is appropriated for the City's operating budgets. The funds which make up the City's operating budget are the General Fund operating fund of \$107,532,940, the Fire District operating funds of \$53,330,660, and the Library Fund of \$6,953,610. The total budget increased by \$84,153,790 or 31.4%, and the operating budget increased by \$19,407,070 or 13.1% from the Fiscal Year 2021/22 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, these other general funds are not included in the City's operating budget for budgetary purposes.

The General Fund operating fund budgeted receipts of \$107,532,940, projecting an increase of \$12,372,530 from the Fiscal Year 2021/22 adopted budget, as follows:

	FY 2021/22	FY 2021/22	FY 2022/23	Increase (Decrease)	
	Budget	Actuals	Budget	Amount	Percentage
Revenues and Other					
Financing Sources:					
Taxes	\$ 75,134,610	\$ 87,561,737	\$ 86,462,450	\$ (1,099,287)	-1.3%
Licenses and permits	4,565,920	6,175,730	4,993,590	(1,182,140)	-19.1%
Intergovernmental	214,580	268,773	276,940	8,167	3.0%
Charges for services	7,365,650	4,883,992	7,142,230	2,258,238	46.2%
Use of money and property	1,553,990	(1,906,261)	1,578,640	3,484,901	-182.8%
Fines and forfeitures	1,004,750	1,254,745	1,304,280	49,535	3.9%
Other	3,598,000	9,213,150	3,958,680	(5,254,470)	-57.0%
Transfers in	1,722,910	29,708,369	1,816,130	(27,892,239)	-93.9%
Total Revenues and Other					
Financing Sources	\$ 95,160,410	\$137,160,235	\$107,532,940	\$ (29,627,295)	-21.6%

The key revenue sources for the General Fund include sales tax, vehicle license fees (VLF and property tax in lieu of VLF), franchise fees, property tax, development fees, business licenses, and transient occupancy tax.

- The City works closely with its sales tax consultant in projecting sales tax revenue. Based on their analysis of the trend in year-to-date tax receipts, macroeconomic conditions, and an examination of local business data, the consultant anticipates the City will receive sales tax revenue will increase \$6,007,700 or an increase of 18.79% over the FY 2021/22 budget. These revenue estimates will be proactively measured and, as is typically done, will be adjusted after the close of the 2022 calendar year, as the final quarter is the largest receipting period for the City.
- Revenues for vehicle license fees (VLF and Property Tax in lieu of VLF) are projected to be \$23,951,320, which is a \$1,902,590 or 8.63% increase from the FY 2021/22 budget. As previously mentioned, growth in the Property Tax in lieu of VLF changes based on the growth in assessed property value in the City.
- Franchise fee revenues are projected based on estimated population increases, anticipated rate changes, and known changes in activities communicated by the respective service providers. Based on these factors, franchise fees are projected to increase by \$498,520 or 6.58% from FY 2021/22.

- The City works with its property tax consultant to project property tax revenue, an estimate made with four factors in mind: property turnover rate, pricing, and appeals exposure, new construction activity, and Proposition 13's annual inflation adjustment. After considering these factors, the City's consultant has projects that property tax revenue will increase by 5.52% citywide. This equates to property tax revenues for the City General Fund (including post-RDA property tax revenue) increasing by \$1,250,510 or 12.18% from FY 2021/22.
- Development fees are collected through the Community Development Departments and are projected based on known or anticipated development projects within the City. Depending on what phase a project is in for a given fiscal year, the corresponding Building and Safety, Engineering, or Planning Fees are adjusted accordingly. Based on input received from the Community Development departments, development fees are projected to increase by \$160,370 (excluding special services fees) or 3.22% from FY 2021/22.
- The City taxes businesses to conduct business within the City. The amount of the tax is determined based on either gross receipts or gross payroll for the business. Business Licenses revenues are projected to increase by \$362,640 or 13.44% from FY 2021/22 due to the improving business climate combined with the addition of a shared position that will focus on increasing the number of business inspections completed during the fiscal year.
- Transient occupancy tax is projected to increase by \$1,729,180 or 50.56% from FY 2021/22, partially due to projected revenues from two new hotels in the City – one for the entire year and one for a partial year as it is currently under construction.

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 2022-23 Budget: California's Fiscal Outlook Overview*, the consensus among professional economists is that despite the ongoing global pandemic and its disparate health and economic impacts on Californians, revenues are growing at historical rates and the state will have a \$31 billion surplus (resources in excess of current law commitments). Yet, although revenue collections have grown rapidly in recent months, the underlying growth does not appear to be entirely sustainable. To counterbalance the meteoric growth, economists generally advise additional, discretionary deposits into reserves.

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, California 91730.

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CITY OF RANCHO CUCAMONGA

STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 439,757,206	\$ 32,294,698	\$ 472,051,904
Receivables:			
Accounts, net of allowances	12,418,298	2,435,961	14,854,259
Taxes	11,380,222	-	11,380,222
Notes and loans	174,151,069	-	174,151,069
Accrued interest	1,173,297	83,070	1,256,367
Other loans	1,337,228	-	1,337,228
Grants	1,739,342	-	1,739,342
Leases	4,766,818	3,468,074	8,234,892
Internal balances	13,598,855	(13,598,855)	-
Prepaid costs	1,432,838	382,093	1,814,931
Deposits	72,000	-	72,000
Net OPEB asset	9,162,558	-	9,162,558
Net pension asset	9,240,587	416,540	9,657,127
Restricted assets:			
Cash with fiscal agent	412,846	-	412,846
Pension rate stabilization program	13,120,594	-	13,120,594
Capital assets, not being depreciated/amortized	369,480,510	6,692,449	376,172,959
Capital assets, net of depreciation/amortization	431,078,910	36,059,756	467,138,666
Total Assets	1,494,323,178	68,233,786	1,562,556,964
Deferred Outflows of Resources:			
Deferred OPEB related items	15,729	-	15,729
Deferred pension related items	23,937,277	411,088	24,348,365
Total Deferred Outflows of Resources	23,953,006	411,088	24,364,094
Liabilities:			
Accounts payable	11,261,587	1,225,821	12,487,408
Accrued liabilities	2,212,224	45,033	2,257,257
Accrued interest	8,556	-	8,556
Unearned revenue	2,675,991	-	2,675,991
Deposits payable	5,786,215	897,603	6,683,818
Due to other governments	530,519	-	530,519
Noncurrent liabilities:			
Due within one year			
Long-term debt	544,132	-	544,132
Compensated absences	6,572,000	-	6,572,000
Claims and judgments	767,975	-	767,975
Due in more than one year			
Long-term debt	151,701	-	151,701
Advances from Successor Agency	3,953,624	-	3,953,624
Compensated absences	2,056,970	-	2,056,970
Claims and judgments	2,360,421	-	2,360,421
Net pension liability	46,126,250	1,261,083	47,387,333
Total Liabilities	85,008,165	3,429,540	88,437,705
Deferred Inflows of Resources:			
Deferred OPEB related items	6,038,904	-	6,038,904
Deferred pension related items	42,723,543	1,359,055	44,082,598
Deferred lease inflows	4,667,214	3,443,750	8,110,964
Total Deferred Inflows of Resources	53,429,661	4,802,805	58,232,466
Net Position:			
Net investment in capital assets	799,863,587	42,752,205	842,615,792
Restricted for:			
Community development projects	201,636,220	-	201,636,220
Public safety	2,837,136	-	2,837,136
Parks and recreation	21,416,129	-	21,416,129
Fire protection	85,558,800	-	85,558,800
Engineering and public works	96,207,702	-	96,207,702
Community services	14,149,313	-	14,149,313
Capital projects	42,894,755	-	42,894,755
Public benefit - Municipal Utility	-	403,327	403,327
Unrestricted	115,274,716	17,256,997	132,531,713
Total Net Position	\$ 1,379,838,358	\$ 60,412,529	\$ 1,440,250,887

CITY OF RANCHO CUCAMONGA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	\$ 18,945,300	\$ 10,176,185	\$ -	\$ 373,512
Public safety - police	45,826,735	998,096	27,346,792	186,794
Public safety - fire protection	38,905,872	140,675	26,995	-
Public safety - animal center	2,362,765	146,314	-	-
Community development	17,757,830	11,627,478	2,304,017	109,335
Community services	13,172,949	609,768	2,459,033	-
Engineering and public works	29,237,399	3,874,898	7,709,660	30,117,717
Interest on long-term debt	76,038	-	-	-
Total Governmental Activities	166,284,888	27,573,414	39,846,497	30,787,358
Business-Type Activities:				
Municipal Utility	13,503,837	14,551,353	70,036	1,086,273
Fiber Optic Network	801,230	326,985	-	1,735,481
Sports Complex	1,719,849	246,722	63,419	-
Total Business-Type Activities	16,024,916	15,125,060	133,455	2,821,754
Total Primary Government	\$ 182,309,804	\$ 42,698,474	\$ 39,979,952	\$ 33,609,112

General Revenues:

Taxes:

- Property taxes, levied for general purpose
- Admissions tax
- Transient occupancy taxes
- Sales taxes
- Franchise fees
- Motor vehicle in lieu - unrestricted
- Use of money and property
- Other
- Gain on sale of capital asset

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (8,395,603)	\$ -	\$ (8,395,603)
(17,295,053)	-	(17,295,053)
(38,738,202)	-	(38,738,202)
(2,216,451)	-	(2,216,451)
(3,717,000)	-	(3,717,000)
(10,104,148)	-	(10,104,148)
12,464,876	-	12,464,876
(76,038)	-	(76,038)
(68,077,619)	-	(68,077,619)
-	2,203,825	2,203,825
-	1,261,236	1,261,236
-	(1,409,708)	(1,409,708)
-	2,055,353	2,055,353
(68,077,619)	2,055,353	(66,022,266)
96,971,793	-	96,971,793
2,042	152,009	154,051
4,423,148	-	4,423,148
40,767,359	-	40,767,359
9,991,283	-	9,991,283
202,321	-	202,321
(12,450,392)	(1,151,503)	(13,601,895)
18,419,397	5,862	18,425,259
1,061,719	-	1,061,719
(1,061,217)	1,061,217	-
158,327,453	67,585	158,395,038
90,249,834	2,122,938	92,372,772
1,289,588,524	58,289,591	1,347,878,115
\$ 1,379,838,358	\$ 60,412,529	\$ 1,440,250,887

CITY OF RANCHO CUCAMONGA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds			
	General	Development Impact Fees	Lighting Districts	Housing Successor Agency
Assets:				
Cash and investments	\$ 136,597,352	\$ 82,450,621	\$ 4,263,080	\$ 2,592,593
Receivables:				
Accounts, net of allowances	1,815,027	358,693	186,474	-
Taxes	8,806,076	-	18,058	-
Notes	-	-	-	174,151,069
Accrued interest	364,157	224,707	10,321	6,930
Other loans	-	-	-	-
Grants	2,280	-	-	-
Leases	387,545	-	-	-
Prepaid costs	860,220	-	-	1,498
Deposits	72,000	-	-	-
Due from other funds	8,122,775	-	-	-
Advances to other funds	22,379,599	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Pension rate stabilization program	3,671,450	-	-	-
Total Assets	\$ 183,078,481	\$ 83,034,021	\$ 4,477,933	\$ 176,752,090
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,206,079	\$ 666,961	\$ 116,270	\$ -
Accrued liabilities	1,192,752	16,063	1,325	-
Unearned revenues	393,648	-	9,503	-
Deposits payable	5,786,200	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	105,873	-
Advances from other funds	-	-	8,285,030	-
Total Liabilities	9,578,679	683,024	8,518,001	-
Deferred Inflows of Resources:				
Unavailable revenues	666	-	179,751	37,078,194
Deferred lease inflows	378,900	-	-	-
Total Deferred Inflows of Resources	379,566	-	179,751	37,078,194
Fund Balances:				
Nonspendable	23,311,819	-	-	1,498
Restricted	16,162,437	82,350,997	-	139,672,398
Committed	101,962,810	-	-	-
Assigned	31,683,170	-	-	-
Unassigned	-	-	(4,219,819)	-
Total Fund Balances	173,120,236	82,350,997	(4,219,819)	139,673,896
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 183,078,481	\$ 83,034,021	\$ 4,477,933	\$ 176,752,090

CITY OF RANCHO CUCAMONGA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<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	\$ 84,081,179	\$ -	\$ 119,607,371	\$ 429,592,196
Receivables:				
Accounts, net of allowances	1,666,756	2,464	8,359,864	12,389,278
Taxes	487,292	-	2,068,796	11,380,222
Notes	-	-	-	174,151,069
Accrued interest	209,912	-	342,388	1,158,415
Other loans	-	-	1,337,228	1,337,228
Grants	-	38,704	1,698,358	1,739,342
Leases	871,823	-	3,507,450	4,766,818
Prepaid costs	329,264	-	15,539	1,206,521
Deposits	-	-	-	72,000
Due from other funds	-	-	-	8,122,775
Advances to other funds	-	-	-	22,379,599
Restricted assets:				
Cash and investments with fiscal agents	-	-	412,846	412,846
Pension rate stabilization program	9,449,144	-	-	13,120,594
Total Assets	\$ 97,095,370	\$ 41,168	\$ 137,349,840	\$ 681,828,903
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,286,514	\$ 17,484	\$ 6,763,250	\$ 11,056,558
Accrued liabilities	817,288	-	184,796	2,212,224
Unearned revenues	-	-	2,272,840	2,675,991
Deposits payable	-	-	15	5,786,215
Due to other governments	-	-	530,519	530,519
Due to other funds	-	21,219	7,995,683	8,122,775
Advances from other funds	495,714	-	-	8,780,744
Total Liabilities	2,599,516	38,703	17,747,103	39,165,026
Deferred Inflows of Resources:				
Unavailable revenues	-	-	618,833	37,877,444
Deferred lease inflows	854,681	-	3,433,633	4,667,214
Total Deferred Inflows of Resources	854,681	-	4,052,466	42,544,658
Fund Balances:				
Nonspendable	329,264	-	15,539	23,658,120
Restricted	27,488,427	2,465	115,799,622	381,476,346
Committed	46,159,904	-	-	148,122,714
Assigned	19,663,578	-	-	51,346,748
Unassigned	-	-	(264,890)	(4,484,709)
Total Fund Balances	93,641,173	2,465	115,550,271	600,119,219
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 97,095,370	\$ 41,168	\$ 137,349,840	\$ 681,828,903

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CITY OF RANCHO CUCAMONGA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund balances of governmental funds		\$ 600,119,219
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.		796,385,486
Deferred outflows related to pension related items are not included in the governmental fund activity:		
Contributions made after the measurement date	\$ 16,456,584	
Adjustment due to differences in proportions	779,027	
Changes in assumptions	447,693	
Differences between expected and actual experiences	4,420,714	
Differences between actual contributions and the proportionate share of contributions	<u>1,833,259</u>	23,937,277
Deferred inflows related to pension related items are not included in the governmental fund activity:		
Changes in assumptions	(598,885)	
Net difference between projected and actual earning on plan investments	(13,226,865)	
Differences between expected and actual experiences	(2,861,955)	
Adjustment due to differences in proportions	(3,955)	
Change in Proportions	(1,471,671)	
Differences between actual contributions and the proportionate share of contributions	<u>(24,560,212)</u>	(42,723,543)
Deferred outflows related to OPEB related items are not included in the governmental fund activity:		
Contributions made after the measurement date		15,729
Deferred inflows related to OPEB related items are not included in the governmental fund activity:		
Changes in assumptions	(1,099,715)	
Differences between expected and actual experiences	(2,529,595)	
Net difference between projected and actual earning on plan investments	<u>(2,409,594)</u>	(6,038,904)
Advances from Successor Agency of the Former RDA, compensated absences and claims and judgments liability are not included in the governmental fund activity:		
Long-term debt	(188,493)	
Advances from Successor Agency of the Former RDA	(3,953,624)	
Claims and judgments	(3,128,396)	
Compensated absences	<u>(8,628,970)</u>	(15,899,483)
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.		(46,126,250)
Accrued interest payable for the current position of lease liability has not been reported in the governmental funds		(1,491)
Net pension assets are not available to pay for current-period expenditures and therefore are not reported in the governmental funds.		9,240,587
Net OPEB assets are not available to pay for current-period expenditures and therefore are not reported in the governmental funds.		9,162,558
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.		37,877,444
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>13,889,729</u>
Net Position of Governmental Activities		<u>\$ 1,379,838,358</u>

CITY OF RANCHO CUCAMONGA

STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	General	Development Impact Fees	Lighting Districts	Housing Successor Agency
Revenues:				
Taxes	\$ 87,561,737	\$ -	\$ 2,142,744	\$ -
Licenses and permits	6,207,356	-	-	-
Intergovernmental	687,958	-	-	-
Charges for services	5,663,958	-	-	-
Use of money and property	(4,575,630)	(3,058,974)	(151,567)	737,005
Fines and forfeitures	1,287,454	-	-	-
Contributions	59,070	-	-	-
Developer participation	-	18,019,461	-	-
Miscellaneous	14,971,128	-	62,813	121,192
Total Revenues	111,863,031	14,960,487	2,053,990	858,197
Expenditures:				
Current:				
General government	15,923,699	-	2,138,962	-
Public safety - police	44,999,347	200	-	-
Public safety - fire protection	-	-	-	-
Public safety - animal center	2,772,844	60	-	-
Community development	6,089,377	43,443	-	382,971
Community services	4,589,200	4,400	-	-
Engineering and public works	12,381,485	734,871	-	-
Capital outlay	3,122,875	1,461,565	-	-
Debt service:				
Interest and fiscal charges	7,208	-	3,702	-
Total Expenditures	89,886,035	2,244,539	2,142,664	382,971
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,976,996	12,715,948	(88,674)	475,226
Other Financing Sources (Uses):				
Transfers in	29,617,859	-	145,162	-
Transfers out	(8,776,007)	-	-	-
Leases	226,622	-	-	-
Proceeds from sale of capital assets	3,318,081	-	-	-
Total Other Financing Sources (Uses)	24,386,555	-	145,162	-
Net Change in Fund Balances	46,363,551	12,715,948	56,488	475,226
Fund Balances:				
Beginning of year	126,756,685	69,635,049	(4,276,307)	139,198,670
End of Year	\$ 173,120,236	\$ 82,350,997	\$ (4,219,819)	\$ 139,673,896

CITY OF RANCHO CUCAMONGA

STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			Total Governmental Funds
	Fire District	Federal Grants Fund	Other Governmental Funds	
Revenues:				
Taxes	\$ 55,490,495	\$ -	\$ 20,575,458	\$ 165,770,434
Licenses and permits	15,455	-	129,772	6,352,583
Intergovernmental	12,405	27,540,271	23,163,125	51,403,759
Charges for services	819	-	126,455	5,791,232
Use of money and property	(3,275,090)	-	(3,981,345)	(14,305,601)
Fines and forfeitures	119,672	-	-	1,407,126
Contributions	-	-	1,641,149	1,700,219
Developer participation	-	-	24,832	18,044,293
Miscellaneous	2,192,362	-	1,150,677	18,498,172
Total Revenues	54,556,118	27,540,271	42,830,123	254,662,217
Expenditures:				
Current:				
General government	-	38,703	1,676,979	19,778,343
Public safety - police	-	-	213,552	45,213,099
Public safety - fire protection	45,098,082	-	28,018	45,126,100
Public safety - animal center	-	-	-	2,772,904
Community development	-	-	13,094,690	19,610,481
Community services	-	-	4,007,887	8,601,487
Engineering and public works	-	-	6,206,405	19,322,761
Capital outlay	3,829,094	-	15,715,635	24,129,169
Debt service:				
Interest and fiscal charges	31,368	-	-	42,278
Total Expenditures	48,958,544	38,703	40,943,166	184,596,622
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,597,574	27,501,568	1,886,957	70,065,595
Other Financing Sources (Uses):				
Transfers in	14,591	-	465,454	30,243,066
Transfers out	(105,466)	(27,499,103)	(759,357)	(37,139,933)
Leases	-	-	-	226,622
Proceeds from sale of capital assets	270	-	-	3,318,351
Total Other Financing Sources (Uses)	(90,605)	(27,499,103)	(293,903)	(3,351,894)
Net Change in Fund Balances	5,506,969	2,465	1,593,054	66,713,701
Fund Balances:				
Beginning of year	88,134,204	-	113,957,217	533,405,518
End of Year	\$ 93,641,173	\$ 2,465	\$ 115,550,271	\$ 600,119,219

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, 2022**

Net change in fund balances - total governmental funds	\$	66,713,701
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 amortization expense.		
Capital outlay	\$	18,658,518
Amortization		(20,083,599)
Gain on disposal of capital assets		730,434
		<u>(694,647)</u>
Certain 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.		
Change in claims and judgments liability		(569,412)
Change in compensated absences liability		(11,193)
		<u>(580,605)</u>
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.		
		1,277,352
Pension obligation expenses are expenditures in the governmental funds, but reduce the Net Pension Liability/(Asset) in the statement of net position.		
		16,335,268
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.		
		2,288,958
Accrued interest on lease liability. This is the net change in accrued interest for the current period.		
		(1,491)
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>4,911,298</u>
Change in Net Position of Governmental Activities	\$	<u>90,249,834</u>

CITY OF RANCHO CUCAMONGA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				
	Major Funds		Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
	Municipal Utility	Fiber Optic Network	Sports Complex		
Assets:					
Current:					
Cash and investments	\$ 23,928,685	\$ 8,260,015	\$ 105,998	\$ 32,294,698	\$ 10,165,010
Receivables:					
Accounts	2,311,271	54,731	69,959	2,435,961	29,020
Accrued interest	76,353	307	6,410	83,070	14,882
Leases	-	332,876	3,135,198	3,468,074	-
Prepaid costs	382,093	-	-	382,093	226,317
Total Current Assets	<u>26,698,402</u>	<u>8,647,929</u>	<u>3,317,565</u>	<u>38,663,896</u>	<u>10,435,229</u>
Noncurrent:					
Net pension asset	184,357	-	232,183	416,540	-
Capital assets, not being depreciated/amortized	7,730	1,233,704	5,451,015	6,692,449	63,568
Capital assets - net of accumulated depreciation/amortization	18,358,764	10,994,509	6,706,483	36,059,756	4,110,366
Total Noncurrent Assets	<u>18,550,851</u>	<u>12,228,213</u>	<u>12,389,681</u>	<u>43,168,745</u>	<u>4,173,934</u>
Total Assets	<u>45,249,253</u>	<u>20,876,142</u>	<u>15,707,246</u>	<u>81,832,641</u>	<u>14,609,163</u>
Deferred Outflows of Resources:					
Deferred pension related items	171,225	-	239,863	411,088	-
Total Deferred Outflows of Resources	<u>171,225</u>	<u>-</u>	<u>239,863</u>	<u>411,088</u>	<u>-</u>
Liabilities:					
Current:					
Accounts payable	1,038,805	95,298	91,718	1,225,821	205,029
Accrued liabilities	18,188	-	26,845	45,033	-
Accrued interest	-	-	-	-	7,065
Deposits payable	897,603	-	-	897,603	-
Financed purchases	-	-	-	-	507,340
Total Current Liabilities	<u>1,954,596</u>	<u>95,298</u>	<u>118,563</u>	<u>2,168,457</u>	<u>719,434</u>
Noncurrent:					
Advances from other funds	-	12,001,791	1,597,064	13,598,855	-
Net pension liability	573,535	-	687,548	1,261,083	-
Total Noncurrent Liabilities	<u>573,535</u>	<u>12,001,791</u>	<u>2,284,612</u>	<u>14,859,938</u>	<u>-</u>
Total Liabilities	<u>2,528,131</u>	<u>12,097,089</u>	<u>2,403,175</u>	<u>17,028,395</u>	<u>719,434</u>
Deferred Inflows of Resources:					
Deferred pension related items	614,941	-	744,114	1,359,055	-
Deferred lease inflows	-	334,387	3,109,363	3,443,750	-
Total Deferred Inflows of Resources	<u>614,941</u>	<u>334,387</u>	<u>3,853,477</u>	<u>4,802,805</u>	<u>-</u>
Net Position:					
Net investment in capital assets	18,366,494	12,228,213	12,157,498	42,752,205	3,666,594
Restricted for public benefit - Municipal Utility	403,327	-	-	403,327	-
Unrestricted	23,507,585	(3,783,547)	(2,467,041)	17,256,997	10,223,135
Total Net Position	<u>\$ 42,277,406</u>	<u>\$ 8,444,666</u>	<u>\$ 9,690,457</u>	<u>\$ 60,412,529</u>	<u>\$ 13,889,729</u>

CITY OF RANCHO CUCAMONGA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major Funds		Other Enterprise Funds	Total	
	Municipal Utility	Fiber Optic Network	Sports Complex		
Operating Revenues:					
Sales and service charges	\$ 14,550,686	\$ 191,923	\$ 39,362	\$ 14,781,971	\$ -
Interdepartmental charges	-	-	-	-	1,901,590
Rent	-	135,062	207,360	342,422	-
Miscellaneous	667	-	-	667	-
Total Operating Revenues	14,551,353	326,985	246,722	15,125,060	1,901,590
Operating Expenses:					
Salaries and benefits	915,300	-	460,353	1,375,653	-
Maintenance and operations	10,730,526	393,039	482,674	11,606,239	526,275
Contractual services	516,551	-	200,135	716,686	219,719
Depreciation expense	1,341,460	237,560	560,032	2,139,052	1,630,724
Total Operating Expenses	13,503,837	630,599	1,703,194	15,837,630	2,376,718
Operating Income (Loss)	1,047,516	(303,614)	(1,456,472)	(712,570)	(475,128)
Nonoperating Revenues (Expenses):					
Admissions tax	-	-	152,009	152,009	-
Grant subsidy	70,036	-	-	70,036	-
Interest revenue	(855,251)	(371,611)	75,359	(1,151,503)	(416,955)
Interest expense	-	(349,433)	(16,655)	(366,088)	(32,269)
Miscellaneous	-	5,862	63,419	69,281	-
Gain on bond defeasance	-	178,802	-	178,802	-
Total Nonoperating Revenues (Expenses)	(785,215)	(536,380)	274,132	(1,047,463)	(449,224)
Income (Loss) Before Contributions and Transfers	262,301	(839,994)	(1,182,340)	(1,760,033)	(924,352)
Capital contributions	1,086,273	1,735,481	-	2,821,754	-
Transfers in	-	937,291	1,581,226	2,518,517	5,835,650
Transfers out	(1,457,300)	-	-	(1,457,300)	-
Changes in Net Position	(108,726)	1,832,778	398,886	2,122,938	4,911,298
Net Position:					
Beginning of Year	42,386,132	6,611,888	9,291,571	58,289,591	8,978,431
End of Fiscal Year	\$ 42,277,406	\$ 8,444,666	\$ 9,690,457	\$ 60,412,529	\$ 13,889,729

CITY OF RANCHO CUCAMONGA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2022

	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	\$ 14,278,556	\$ 352,829	\$ 178,910	\$ 14,810,295	\$ -
Cash received from interfund service provided	-	-	-	-	1,901,590
Cash paid to suppliers for goods and services	(11,732,567)	(459,093)	(648,682)	(12,840,342)	(479,531)
Cash paid to employees for services	(775,206)	-	(1,228,121)	(2,003,327)	-
Net Cash Provided (Used) by Operating Activities	1,770,783	(106,264)	(1,697,893)	(33,374)	1,422,059
Cash Flows from Non-Capital Financing Activities:					
Cash transfers in	-	937,291	1,581,226	2,518,517	5,835,650
Cash transfers out	(1,457,300)	-	-	(1,457,300)	-
Cash received from other funds	-	11,487,236	-	11,487,236	-
Cash paid from other funds	-	-	(125,906)	(125,906)	-
Admissions tax received	-	-	184,509	184,509	-
Grant subsidy	70,036	-	-	70,036	-
Miscellaneous non-capital revenues	-	5,862	63,419	69,281	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(1,387,264)	12,430,389	1,703,248	12,746,373	5,835,650
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(179,954)	(677,986)	-	(857,940)	(366,630)
Developer participation	674,925	-	-	674,925	-
Principal paid on capital debt	-	(440,000)	-	(440,000)	(488,349)
Principal paid in defeasance of debt	-	(12,068,576)	-	(12,068,576)	-
Interest paid on capital debt	-	(430,513)	-	(430,513)	(38,981)
Interest paid on interfund financing	-	-	(16,656)	(16,656)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	494,971	(13,617,075)	(16,656)	(13,138,760)	(893,960)
Cash Flows from Investing Activities:					
Interest received	(867,342)	(373,960)	68,949	(1,172,353)	(422,403)
Net Cash Provided (Used) by Investing Activities	(867,342)	(373,960)	68,949	(1,172,353)	(422,403)
Net Increase (Decrease) in Cash and Cash Equivalents	11,148	(1,666,910)	57,648	(1,598,114)	5,941,346
Cash and Cash Equivalents at Beginning of Year	23,917,537	9,926,925	48,350	33,892,812	4,223,664
Cash and Cash Equivalents at End of Year	\$ 23,928,685	\$ 8,260,015	\$ 105,998	\$ 32,294,698	\$ 10,165,010
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 1,047,516	\$ (303,614)	\$ (1,456,472)	\$ (712,570)	\$ (475,128)
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,341,460	237,560	560,032	2,139,052	1,630,724
(Increase) decrease in accounts receivable	(438,924)	24,333	(41,977)	(456,568)	-
(Increase) decrease in leases receivable	-	(332,876)	(3,135,198)	(3,468,074)	-
(Increase) decrease in deferred outflows from pensions	57,950	-	122,070	180,020	-
(Increase) decrease in notes and loans receivable	30,000	-	-	30,000	-
(Increase) decrease in prepaid cost	(379,985)	-	-	(379,985)	140,685
(Increase) decrease in net pension asset	(126,712)	-	(104,346)	(231,058)	-
Increase (decrease) in accounts payable	(105,505)	(66,054)	34,127	(137,432)	125,778
Increase (decrease) in accrued liabilities	(19,841)	-	(24,397)	(44,238)	-
Increase (decrease) in deposits payable	136,127	-	-	136,127	-
Increase (decrease) in net pension liability	(324,514)	-	(1,366,697)	(1,691,211)	-
Increase (decrease) in deferred inflows from pensions	553,211	-	605,602	1,158,813	-
Increase (decrease) in deferred leases revenue inflows	-	334,387	3,109,363	3,443,750	-
Total Adjustments	723,267	197,350	(241,421)	679,196	1,897,187
Net Cash Provided (Used) by Operating Activities	\$ 1,770,783	\$ (106,264)	\$ (1,697,893)	\$ (33,374)	\$ 1,422,059
Non-Cash Investing, Capital, and Financing Activities:					
Donated infrastructure	\$ 411,348	\$ 1,735,481	\$ -	\$ 2,146,829	\$ -

CITY OF RANCHO CUCAMONGA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2022

	Custodial Funds	Private- Purpose Trust Fund Successor Agency of the Former RDA
Assets:		
Cash and investments	\$ 6,385,200	\$ 22,745,691
Receivables:		
Accounts	2,016	-
Taxes	47,266	-
Accrued interest	11,992	-
Developer loans	-	10,259,967
Prepaid bond insurance	-	1,141,824
Advances to City	-	3,953,624
Restricted assets:		
Cash and investments with fiscal agents	3,772,129	43
Total Assets	10,218,603	38,101,149
Deferred Outflows of Resources:		
Deferred charge on refunding	-	1,940,305
Total Deferred Outflows of Resources	-	1,940,305
Liabilities:		
Accrued interest	-	3,895,660
Long-term liabilities:		
Due in one year	-	14,659,580
Due in more than one year	-	234,508,956
Total Liabilities	-	253,064,196
Deferred Inflows of Resources:		
Deferred charges on refunding	-	1,394,667
Total Deferred Inflows or Resources	-	1,394,667
Net Position:		
Restricted for organizations and other governments	10,218,603	(214,417,409)
Total Net Position	\$ 10,218,603	\$ (214,417,409)

CITY OF RANCHO CUCAMONGA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2022

	<u>Custodial Funds</u>	<u>Private- Purpose Trust Fund Successor Agency of the Former RDA</u>
Additions:		
Collection of special taxes	\$ 6,130,070	\$ 27,437,399
Net change in fair value of investments	(258,888)	-
Interest	21,112	59
Total Additions	<u>5,892,294</u>	<u>27,437,458</u>
Deductions:		
Administrative expenses	285,525	-
Contractual services	1,158	1,047,935
Interest expense	2,492,812	10,364,160
Principal expense	3,739,000	-
Payments to city	285,537	250,000
Total Deductions	<u>6,804,032</u>	<u>11,662,095</u>
Changes in Net Position	<u>(911,738)</u>	<u>15,775,363</u>
Net Position:		
Beginning of fiscal year, as originally reported	(50,504,837)	(230,192,772)
Restatements	61,635,178	-
Beginning of fiscal year, as restated	<u>11,130,341</u>	<u>(230,192,772)</u>
Net Position - End of the Year	<u>\$ 10,218,603</u>	<u>\$ (214,417,409)</u>

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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 Statements No. 39, 61 and 80. 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 not 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 lighting 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 repayment of Low and Moderate Income notes and loans receivable, and interest received from the notes and loans receivable.
- The Fire District Fund accounts for the revenue and disbursement of funds received by the Fire 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 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, 2022

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 assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government reports deferred outflows of resources related to certain changes arising from 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 assets 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. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

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

3. A deferred inflow of resources related to leases is reported for the value of lease receivable payments to be recognized as an inflow of resources in a systematic and rational manner over the term of the lease agreements.

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, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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, 2021
Measurement Period	July 1, 2020 to June 30, 2021

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

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, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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 120 hours of 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:

<u>Employee Type</u>	<u>Accumulated Sick Leave Balance Prior Calendar Year</u>	<u>Vacation Conversion Rate</u>
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. In governmental funds financial statements, the face amount of debt when issued is reported as other financing sources. Repayment of debt is 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.

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:

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

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.

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

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

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.

Community Benefit Projects

A portion of the City's General Fund balance, received from projects that include a development agreement, which is committed for addressing projects' expected impacts on affordable housing demand, future greenhouse gas emissions, fire protection services, electric vehicle charging, reduction in vehicle miles traveled, pedestrian safety improvements, carbon capture, alternative energy production, noise reduction, environmental justice, and related impacts typically associated with, but not limited to, large warehouse, industrial, and commercial developments.

Public Safety Personnel Affordable Housing

A portion of the Fire District's fund balance committed to provide additional funding to match the City's contributions to help with the creation of affordable for-sale housing for public safety personnel including but not limited to Fire District employees. Funding may be used for silent seconds, closing costs, assistance with obtaining financing, or to help buy down the cost of design and construction of single-family housing units. The funding goal for this reserve is established as the value of the affordability gap to construct 50 housing units that are affordable at the 60% California Tax Credit Allocation Committee (TCAC) median income with a 4% tax credit scenario per unit, or \$192,600 per unit, for a total funding goal of \$9,630,000. The affordability gap was determined as part of the Non-Residential Linkage Fee Nexus Study dated October 5, 2021, prepared by Keyser Marston Associates, Inc.

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 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, 2022:

General Fund	\$ 3,482,602
Development Impact Fees	275,070
Lighting Districts	437
Fire District	18,164,770
Federal Grants Fund	31,534
Other Governmental Funds	9,139,086

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 2: Stewardship, Compliance and Accountability (Continued)

b. Deficit Fund Balances or Net Position

The Lighting Districts Fund has a deficit fund balance of \$4,219,819 at June 30, 2022. 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, 2022:

Recreation	\$ 5,747
Pedestrian Grant	9,237
State Grants Fund	8,108
Enhanced Infrastructure Financing District	241,798

The deficits in the Recreation, Pedestrian Grant, State Grants, and Enhanced Infrastructure Financing District special revenue funds will be eliminated by future expected revenue sources.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2022, cash and investments were reported in the accompanying financial statements as follows:

	<u>Governmental activities</u>	<u>Business-Type Activities</u>	<u>Custodial Funds</u>	<u>Private- Purpose Trust Fund</u>	<u>Total Cash and Investments</u>
Cash and Investments	\$439,757,206	\$ 32,294,698	\$ 6,385,200	\$ 22,745,691	\$501,182,795
Restricted:					
Cash with fiscal agent	412,846	-	3,772,129	43	4,185,018
Pension rate stabilization fund	13,120,594	-	-	-	13,120,594
Total Cash and Investments:	<u>\$453,290,646</u>	<u>\$ 32,294,698</u>	<u>\$ 10,157,329</u>	<u>\$ 22,745,734</u>	<u>\$518,488,407</u>

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, 2022, the carrying amount of the City's deposits was \$32,974,703 and the bank balance was \$34,867,415. The \$1,892,712 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

Note 3: Cash and Investments (Continued)

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

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.

Note 3: Cash and Investments (Continued)

Credit Risk

As of June 30, 2022, the City's investments in corporate bonds were A3 or better by Moody's. As of June 30, 2022, the City invested in Federal Farm Credit 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, 2022, 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, 2022, 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, 2022, 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	5.39%
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Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this.

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.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 3: Cash and Investments (Continued)

As of June 30, 2022, 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	\$ 97,725,874	\$ -	\$ -	\$ -	\$ 97,725,874
Federal Governmental Agencies					
Federal Farm Credit Bank	-	-	-	2,777,211	2,777,211
Federal Home Loan Mortgage Corporation	-	-	6,288,814	2,110,917	8,399,731
Federal National Mortgage Association	-	-	15,690,013	9,562,239	25,252,252
Municipal Bonds	499,945	-	490,515	-	990,460
Corporate Notes	-	-	22,421,596	41,346,289	63,767,885
Certificate of Deposit	-	489,497	464,297	675,815	1,629,609
Negotiable CD	-	2,970,576	-	-	2,970,576
US Treasury Note	832,256	29,364,467	132,552,620	78,669,357	241,418,700
Supernational	-	-	6,702,714	1,542,130	8,244,844
Money Market	3,438,518	-	-	-	3,438,518
Asset-Backed Security	-	-	1,454,168	10,138,264	11,592,432
Restricted investments					
Mutual Fund	13,120,594	-	-	-	13,120,594
Investment with Fiscal Agents:					
Money Market Fund	4,185,018	-	-	-	4,185,018
Total	<u>\$ 119,802,205</u>	<u>\$ 32,824,540</u>	<u>\$ 186,064,737</u>	<u>\$ 146,822,222</u>	<u>\$ 485,513,704</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.

The City has the following recurring fair value measurements as of June 30, 2022:

	Fair Value	Level 1	Level 2
Investments:			
Local Agency Investment Fund	\$ 97,725,874	\$ 97,725,874	\$ -
Federal Governmental Agencies			
Federal Farm Credit Bank	2,777,211	-	2,777,211
Federal Home Loan Mortgage Corporation	8,399,731	-	8,399,731
Federal National Mortgage Association	25,252,252	-	25,252,252
Municipal Bonds	990,460	-	990,460
Corporate Notes	63,767,885	-	63,767,885
Certificate of Deposit	1,629,609	-	1,629,609
Negotiable CD	2,970,576	-	2,970,576
US Treasury Note	241,418,700	241,418,700	-
Supernational	8,244,844	-	8,244,844
Money Market	3,438,518	3,438,518	-
Asset-Backed Security	11,592,432	-	11,592,432
Restricted investments			
Mutual Fund	13,120,594	13,120,594	-
Investment with Fiscal Agents:			
Money Market Fund	4,185,018	4,185,018	-
Total	<u>\$485,513,704</u>	<u>\$359,888,704</u>	<u>\$125,625,000</u>

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 3: Cash and Investments (Continued)

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)	\$ 45,125,958	\$ 404,577	\$ (247,883)	\$ 45,282,652
LINC-Pepperwood Housing Investors, LP	27,830,774	432,762	(6,248)	28,257,288
HB Housing Partners, L.P.	12,873,008	270,000	-	13,143,008
SCHDC (Rancho Verde)	7,754,777	97,498	(7,470)	7,844,805
SCHDC (Heritage Pointe Senior Apartments)	2,944,220	219,662	-	3,163,882
Rancho Workforce Housing, L.P.	33,347,018	795,660	-	34,142,678
North Town Housing Partners (Villa Del Norte)	10,568,840	177,876	(162,905)	10,583,811
NHDC (Olen Jones Senior Apartments)	4,733,225	128,232	(409,607)	4,451,850
Villa Pacifica II LP	9,572,348	260,515	-	9,832,863
Day Creek Senior Housing Partners 2, L.P.	5,323,366	3,763,397	-	9,086,763
Day Creek Senior Housing Partners, L.P.	5,233,370	152,291	-	5,385,661
First-Time Homebuyer Program	3,066,808	-	(91,000)	2,975,808
	<u>\$ 168,373,712</u>	<u>\$ 6,702,470</u>	<u>\$ (925,113)</u>	<u>\$ 174,151,069</u>

Notes and loans receivables consist of the following at June 30, 2022:

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, 2022, the advances paid against this line of credit amount to \$40,457,658 and accrued interest amounts to \$4,824,994 for a total of \$45,282,652. 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

Note 4: Notes and Loans Receivables (Continued)

preceding year. Upon dissolution of the Agency, the loan receivable was transferred to the Housing Successor Agency of the City. As of June 30, 2022, advances paid against this line of credit amounts to \$21,638,113 and accrued interest amounts to \$6,619,175 for a total balance of \$28,257,288. 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, 2022, the advances paid against this line of credit amounted to \$9,000,000 and accrued interest amounts to \$4,143,008 for a total of \$13,143,008. Accrued interest is offset by deferred revenue.
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, 2022, the advances paid against this line of credit amounted to \$6,499,910 and accrued interest amounts to 1,344,895 for a total of \$7,844,805. 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

Note 4: Notes and Loans Receivables (Continued)

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, 2022, the advances paid against this line of credit amounted to \$3,038,021 and accrued interest amounts to \$125,861 for a total of \$3,163,882. 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, 2022, the advances paid against this line of credit amounted to \$25,868,857 and accrued interest amounts to \$8,273,821 for a total of \$34,142,678.
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, 2022, the outstanding balance amounts to \$10,583,811, including accrued interest of \$4,654,630. 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, 2022, the outstanding balance amounts to \$4,274,400 and accrued interest amounts to including \$177,450 for a total of \$4,451,850. Accrued interest is offset by deferred revenue.

Note 4: Notes and Loans Receivables (Continued)

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.

As of June 30, 2022, the advances paid against this line of credit amounted to \$8,683,821 and accrued interest amounted of \$1,149,042, for a total amount of \$9,832,863.

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 in the amount of \$4,896,303 and (2) City Land Loan to Day Creek Senior Housing Partners 2, L.P. 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, 2022, the outstanding balances of the land loans are as follows: (a) Day Creek Senior Housing Partners, LP amounts to \$5,385,661 including \$489,358 accrued interest and (b) Day Creek Senior Housing Partners 2, L.P. amounts to \$3,083,911 including \$280,214 accrued interest. Accrued interest is offset by deferred revenue.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 4: Notes and Loans Receivables (Continued)

The City Construction Loan valued at \$5,700,000 with Day Creek Senior Housing Partners 2, L.P. was deposited to JPMorgan Chase Bank, N.A.(Escrow) held and disbursed pursuant to the terms of the Escrow Agreement. 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, 2022, the outstanding balance is \$6,002,852 including accrued interest of \$302,852. 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, 2022, the outstanding balance amounts to \$2,975,808 with no interest due.

Total notes and loans receivables for governmental activities at June 30, 2022, including accrued interest of \$32,385,300 amounted to \$174,151,069.

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. The promissory note was paid off during fiscal year 2021-22.

Note 5: Leases

The City implemented GASB Statement No. 87 in the fiscal year ended June 30, 2022. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 5: Leases (Continued)

a. Leases Receivable and Deferred Inflows of Resources

The City leases land to various companies for installation of cellular towers and fiberoptic communications. The terms range from 3 years to 25 years as of the contract commencement date. The City also leases land to Goals Soccer Centers, Inc. to operate a soccer sports complex. The term is 45 years as of the contract commencement date. Some leases have extension options of ranging from five to 20 years. An initial lease receivable was recorded in the amount of \$8,639,000. As of June 30, 2022, the value of the lease receivable is \$8,234,892. The value of the deferred inflow of resources as of June 30, 2022 was \$8,110,964, and the City recognized lease revenue of \$528,038 during the fiscal year. The amount of revenues recognized during the fiscal year for variable and other payments not previously included in the measurement of the lease receivable was \$123,928.

The principal and interest payments that are expected to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 289,259	\$ 90,704	\$ 379,963
2024	305,186	85,503	390,689
2025	315,017	80,037	395,054
2026	311,963	74,430	386,393
2027	328,550	68,626	397,176
2028 - 2032	1,803,378	246,834	2,050,212
2033 - 2037	775,124	112,377	887,501
2038 - 2042	368,759	54,668	423,427
2043 - 2047	269,582	12,188	281,770
	<u>\$ 4,766,818</u>	<u>\$ 825,367</u>	<u>\$ 5,592,185</u>

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 115,235	\$ 84,206	\$ 199,441
2024	117,547	82,295	199,842
2025	119,907	80,340	200,247
2026	95,174	78,341	173,515
2027	82,216	76,538	158,754
2028 - 2032	267,677	361,269	628,946
2033 - 2037	284,149	327,126	611,275
2038 - 2042	325,939	288,140	614,079
2043 - 2047	340,779	244,536	585,315
2048 - 2052	376,305	198,694	574,999
2053 - 2057	428,124	146,876	575,000
2058 - 2062	487,078	87,922	575,000
2063 - 2067	427,944	22,472	450,416
	<u>\$ 3,468,074</u>	<u>\$ 2,078,755</u>	<u>\$ 5,546,829</u>

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 5: Leases (Continued)

b. Lease Payable and Right to Use Lease Assets

On July 1, 2021, the City entered into a 76 month lease as Lessee for the use of land owned by Chaffey Joint Union School District. An initial lease liability was recorded in the amount of \$226,622. As of June 30, 2022, the value of the lease liability is \$188,493. The City is required to make annual fixed payments of \$39,086. The lease has an interest rate of 1.217%.

Right-to-use leased assets include the following at June 30, 2022:

Lease Type	Major Class of Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Land Lease	Right-to-Use Lease - Land	\$ 226,622	\$ 35,704
	Total	\$ 226,622	\$ 35,704

Future principal and interest requirements to maturity for each lease liability are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 36,792	\$ 2,294	\$ 39,086
2024	37,240	1,846	39,086
2025	37,693	1,393	39,086
2026	38,152	934	39,086
2027	38,616	470	39,086
Total	\$ 188,493	\$ 6,937	\$ 195,430

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 6: Capital Assets

Governmental activities capital assets for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 100,707,433	\$ 565,299	\$ (1,923,700)	\$ -	\$ 99,349,032
Right of way	237,230,155	-	-	-	237,230,155
Construction-in-progress	17,629,468	20,404,658	(664,217)	(4,468,586)	32,901,323
Total Capital Assets, Not Being Depreciated	<u>355,567,056</u>	<u>20,969,957</u>	<u>(2,587,917)</u>	<u>(4,468,586)</u>	<u>369,480,510</u>
Capital assets, being depreciated:					
Right-to-use land	-	226,622	-	-	226,622
Building improvements	234,031,546	-	-	-	234,031,546
Improvement other than buildings	44,367,385	72,261	-	428,361	44,868,007
Equipment and vehicles	58,402,718	770,082	(676,741)	-	58,496,059
Furniture and fixtures	3,547,780	-	-	-	3,547,780
Infrastructure	509,040,081	493,070	(6,329)	4,040,225	513,567,047
Intangible	3,328,862	-	-	-	3,328,862
Total Capital Assets, Being Depreciated	<u>852,718,372</u>	<u>1,562,035</u>	<u>(683,070)</u>	<u>4,468,586</u>	<u>858,065,923</u>
Less accumulated depreciation:					
Right-to-use land	-	35,704	-	-	35,704
Building improvements	80,299,785	7,861,506	-	-	88,161,291
Improvement other than buildings	21,119,423	1,932,760	-	-	23,052,183
Equipment and vehicles	47,044,748	3,155,349	(676,741)	-	49,523,356
Furniture and fixtures	3,423,389	79,301	-	-	3,502,690
Infrastructure	250,952,755	8,445,429	(6,329)	-	259,391,855
Intangible	3,115,660	204,274	-	-	3,319,934
Total Accumulated Depreciation	<u>405,955,760</u>	<u>21,714,323</u>	<u>(683,070)</u>	<u>-</u>	<u>426,987,013</u>
Total Capital Assets, Being Depreciated, Net	<u>446,762,612</u>	<u>(20,152,288)</u>	<u>-</u>	<u>4,468,586</u>	<u>431,078,910</u>
Governmental Activities Capital Assets, Net	<u>\$ 802,329,668</u>	<u>\$ 817,669</u>	<u>\$ (2,587,917)</u>	<u>\$ -</u>	<u>\$ 800,559,420</u>

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

Governmental Activities:	
General government	\$ 377,911
Public safety - police	613,636
Public safety - fire protection	3,864,622
Engineering and public works	10,193,615
Community development	67,210
Community services	4,966,605
Internal service	1,630,724
Total Governmental Activities	<u>\$ 21,714,323</u>

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 6: Capital Assets (Continued)

Business-type activities capital assets for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<u>Business-Type Activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 5,451,015	\$ -	\$ -	\$ -	\$ 5,451,015
Construction-in-progress	3,407,085	734,614	-	(2,900,265)	1,241,434
Total Capital Assets, Not Being Depreciated	8,858,100	734,614	-	(2,900,265)	6,692,449
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	39,518,385	2,270,155	-	2,900,265	44,688,805
Intangible	25,858	-	-	-	25,858
Total Capital Assets, Being Depreciated	63,846,501	2,270,155	-	2,900,265	69,016,921
Less accumulated depreciation:					
Building improvements	12,063,644	431,198	-	-	12,494,842
Improvement other than buildings	4,263,944	128,834	-	-	4,392,778
Equipment and vehicles	566,556	17,436	-	-	583,992
Furniture and fixtures	6,004	-	-	-	6,004
Infrastructure	13,892,107	1,561,584	-	-	15,453,691
Intangible	25,858	-	-	-	25,858
Total Accumulated Depreciation	30,818,113	2,139,052	-	-	32,957,165
Total Capital Assets, Being Depreciated, Net	33,028,388	131,103	-	2,900,265	36,059,756
Business-Type Activities Capital Assets, Net	\$ 41,886,488	\$ 865,717	\$ -	\$ -	\$ 42,752,205

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

Business-Type Activities:	
Sports Complex	\$ 560,032
Municipal Utility	1,341,460
Fiber Optic Network	237,560
Total Business-Type Activities	<u>\$ 2,139,052</u>

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 7: Interfund Receivable, Payable and Transfers

The composition of interfund balances as of June 30, 2022, was as follows:

Due To/From Other Funds

Funds	Due to other funds			Total
	Lighting Districts	Federal Grants Fund	Other Governmental Funds	
Due from other funds:				
General Fund	\$ 105,873	\$ 21,219	\$ 7,995,683	\$ 8,122,775

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, 2022.

Advances To/From Other Funds

Funds	Advances to Other Funds				Total
	Lighting Districts	Fire District	Fiber Optic Network	Sports Complex	
Advance from other funds:					
General Fund	\$ 8,285,030	\$ 495,714	\$ 12,001,791	\$ 1,597,064	\$ 22,379,599

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 to be repaid to the General Fund at such time as funds are available by each street lighting district at the end of each fiscal year. At June 30, 2022, the outstanding balance amounted to \$8,285,030.

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, 2022, the outstanding balance amounted to \$495,714.

On June 16, 2022, the General Fund advanced \$12,001,791 to the Fiber Optic Network Fund to provide funding for the repayment of the 2019 lease Revenue Bonds Series A and Series B. The advance will be repaid from service revenues derived from broadband subscriptions over a 17-years period. Any outstanding amount will be converted to a rollover period to allow for an additional 10 years of repayment. The advance accrues interest equal to the quarterly LAIF rate. The entire amount will be due and payable to the General Fund at the end of the rollover period in June 2049.

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, 2022, the outstanding balance amounted to \$1,597,064.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 7: 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	\$ -	\$ -	\$ 27,484,512	\$ 1,457,300	\$ 676,047	\$ 29,617,859
Lighting Districts	118,712	-	-	-	26,450	145,162
Fire District	-	-	14,591	-	-	14,591
Fiber Optic Network	937,291	-	-	-	-	937,291
Internal Service Funds	5,730,184	105,466	-	-	-	5,835,650
Nonmajor Governmental	408,594	-	-	-	56,860	465,454
Nonmajor Enterprise	1,581,226	-	-	-	-	1,581,226
	<u>\$ 8,776,007</u>	<u>\$ 105,466</u>	<u>\$ 27,499,103</u>	<u>\$ 1,457,300</u>	<u>\$ 759,357</u>	<u>\$ 38,597,233</u>

The General Fund transferred \$118,712, \$937,291, \$5,730,184, \$408,594 and \$1,581,226 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 \$105,466 to the Internal Service Funds to cover the cost of operations.

The Federal Grants Fund transferred \$27,848,512 and \$14,591 to the General Fund and Fire District respectively to reimburse for eligible expenditures of Federal grant programs.

The Municipal Utility transferred \$1,457,300 to the General Fund to cover the cost of operations.

The Nonmajor Governmental Funds transferred \$676,047, \$26,450 and \$56,680 to the General Fund, Lighting Districts and other Nonmajor Governmental Funds, respectively, to cover budgeted expenditures for operations.

Note 8: 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, 2022:

	Beginning Balance	Additions	Repayments	Ending Balance	Due Within One Year
Financed Purchase					
Dell Blade Servers	\$ 995,689	\$ -	\$ 488,349	\$ 507,340	\$ 507,340
Lease Liability (Note 5)					
Land Lease - Chaffey Joint USD	-	226,662	38,169	188,493	36,792
Total	<u>\$ 995,689</u>	<u>\$ 226,662</u>	<u>\$ 526,518</u>	<u>\$ 695,833</u>	<u>\$ 544,132</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 8: Long-Term Debt Obligations (Continued)**Financed Purchase**

Dell Blade Servers

On December 5, 2018, the City entered into financed 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 financed obligations and the net present value of these minimum lease payments as of June 30, 2022 are as follows:

Year Ended June 30,	Annual Payment
2023	\$ 527,330
Total Payments	527,330
Interest Portion	(19,990)
Present value of payments	<u>\$ 507,340</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, 2022:

	Beginning Balance	Additions	Repayments	Ending Balance	Due Within One Year
Lease Revenue Bonds					
2019 Series A	\$ 9,875,000	\$ -	\$ 9,875,000	\$ -	\$ -
2019 Series A	1,585,000	-	1,585,000	-	-
Unamortized premium/(discount)	1,227,378	-	1,227,378	-	-
Total	<u>\$ 12,687,378</u>	<u>\$ -</u>	<u>\$ 12,687,378</u>	<u>\$ -</u>	<u>\$ -</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%.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 8: Long-Term Debt Obligations (Continued)

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.

On June 28, 2022, the City with the Public Financing Authority defeased the 2019 Lease Revenue Bonds Series A and Series B by depositing into an Escrow Fund the total amount of \$12,001,795. The amount was used to purchase certain permitted securities, the aggregate principal amount together with all interest earned on such securities will be sufficient to make the payments required on the 2019 lease Revenue bonds Series A and Series B as they become due. As of June 30, 2022, the 2019 Lease Revenue Bonds Series A and Series B is defeased. By accelerating principal and interest payments on the debt, the City will save approximately \$1.9 million in future interest payments with the optional prepayment of the 2019 Lease Revenue Bonds.

Note 9: 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, 2022, the outstanding amount of the advance was \$3,953,624.

Note 10: 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, 2021	Additions	Deletions	Balance June 30, 2022	Due in One Year
Governmental Activities:					
Compensated absences	\$ 8,617,777	\$ 6,573,063	\$ 6,561,870	\$ 8,628,970	\$ 6,572,000

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 11: 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, 2022, were as follows:

	<u>Outstanding Amount at June 30, 2022</u>
City of Rancho Cucamonga:	
Special Tax Refunding Bond, Series 2015:	
Community Facilities District No. 2000-01	\$ 196,000
Community Facilities District No. 2000-02	1,923,000
Community Facilities District No. 2001-01 Series A	5,010,000
Community Facilities District No. 2001-01 Series B	485,000
Community Facilities District No. 2006-01	2,983,000
Community Facilities District No. 2006-02	1,772,000
Community Facilities District No. 2000-03	5,433,000
Community Facilities District No. 2003-01 Series A	11,150,000
Community Facilities District No. 2003-01 Series B	2,153,000
Community Facilities District No. 2004-01	25,946,000
Successor Agency of the Former Rancho Cucamonga Redevelopment Agency:	
Multi-Family Housing Revenue Bond: Series 1997A	<u>1,312,940</u>
Total	<u><u>\$ 58,363,940</u></u>

Note 12: Pension Plan Obligations

	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Deferred Pension Outflows</u>	<u>Deferred Pension Inflows</u>	<u>Pension Expense (Revenue)</u>
CalPERS					
City Miscellaneous Plan	\$ (26,008,806)	\$ -	\$ 7,653,610	\$ (22,703,126)	\$ 245,289
Fire District Miscellaneous Plan	(1,809,262)	-	658,801	(1,655,330)	739,562
Fire District Safety Plan	(19,569,265)	-	15,020,281	(13,736,766)	38,765
Total CalPERS	<u>(47,387,333)</u>	<u>-</u>	<u>23,332,692</u>	<u>(38,095,222)</u>	<u>1,023,616</u>
PARS (see Note 13)	<u>-</u>	<u>9,657,127</u>	<u>1,015,673</u>	<u>(5,987,376)</u>	<u>(1,139,389)</u>
Total Pension Plans	<u><u>\$ (47,387,333)</u></u>	<u><u>\$ 9,657,127</u></u>	<u><u>\$ 24,348,365</u></u>	<u><u>\$ (44,082,598)</u></u>	<u><u>\$ (115,773)</u></u>

Note 12: 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 on the CalPERS' website.

Benefits Provided

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

	Miscellaneous Plan			
	Tier I *	Tier 2*	Tier 3	PEPRA
Hire date	Prior to or on September 1, 2010	On or after September 1, 2010 but prior to July 3, 2011	July 4, 2011 and after	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.5% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of 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	26.967%	26.967%	26.967%	26.967%

* Plan is closed to new entrants

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 12: Pension Plan Obligations (Continued)***Employees Covered***

As of June 30, 2021, the following employees were covered by the benefit terms of the Plan:

Description	Number of Members City Miscellaneous Plan
Active members	417
Transferred members	242
Separated members	369
Retired members and beneficiaries	377
Total	1,405

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are 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 CalPERS' 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. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2022, the employer contributions recognized as a reduction to net pension liability for the Plan were \$6,250,129.

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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Note 12: Pension Plan Obligations (Continued)***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

The June 30, 2020 valuation was rolled forward to determine the June 30, 2021 total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
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 of 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:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 12: 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.

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 12: Pension Plan Obligations (Continued)***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.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2020 (Valuation Date)	\$ 247,420,475	\$ 191,094,703	\$ 56,325,772
Changes Recognized for the Measurement Period:			
Service Cost	4,313,387	-	4,313,387
Interest on the Total Pension Liability	17,333,452	-	17,333,452
Changes of Benefit Terms	-	-	-
Changes of Assumptions	-	-	-
Difference between Expected and Actual Experience	(1,220,230)	-	(1,220,230)
Net Plan to Plan Resource Movement	-	-	-
Contribution from the Employer	-	6,250,129	(6,250,129)
Contributions from Employees	-	1,921,495	(1,921,495)
Net Investment Income	-	42,762,843	(42,762,843)
Benefit Payments including Refunds of Employee Contributions	(11,862,100)	(11,862,100)	-
Administrative Expense	-	(190,892)	190,892
Net Changes During 2020-21	8,564,509	38,881,475	(30,316,966)
Balance at: 6/30/2021 (Measurement Date)	\$ 255,984,984	\$ 229,976,178	\$ 26,008,806

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:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Plan's Net Pension Liability/(Assets)	\$ 60,535,307	\$ 26,008,806	\$ (2,431,994)

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 12: Pension Plan Obligations (Continued)

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

As of the start of the measurement period (July 1, 2020), the net pension liability was \$56,325,772. For the measurement period ending June 30, 2021 (the measurement date), the City incurred a pension expense of \$245,289 for the Plan.

As of June 30, 2022, the following were the reported deferred outflows of resources and deferred inflows of resources related to the pension plan:

	Miscellaneous Pension Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions that occurred after the measurement date of June 30, 2021	\$ 6,734,618	\$ -
Changes of assumptions	-	(136,001)
Difference between expected and actual experience	918,992	(1,480,062)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(21,087,063)
Total	<u>\$ 7,653,610</u>	<u>\$ (22,703,126)</u>

Contributions subsequent to the measurement date in the amount of \$6,734,618 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, 2023. 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
2022	\$ (5,306,560)
2023	(5,393,368)
2024	(5,232,818)
2025	(5,851,388)
	<u>\$ (21,784,134)</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 12: Pension Plan Obligations (Continued)

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.

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	69.350%	11.330%	7.930%

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 12: Pension Plan Obligations (Continued)

	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	23.710%	20.640%	13.130%

* Plan is closed to new entrants

Employees Covered

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

Description	Number of Members	
	Fire Miscellaneous Plan	Fire Safety Plan
Active members	23	98
Transferred members	7	11
Separated members	11	3
Retired members and beneficiaries	27	82
Total	68	194

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, 2022, the employer contributions recognized as a reduction to net pension liability was \$372,168 for the Miscellaneous Plan and \$10,065,699 for the Safety Plan for a total of \$10,437,867 for the plans.

Note 12: Pension Plan Obligations (Continued)***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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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 valuation was rolled forward to determine the June 30, 2021 total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
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 of 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:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 12: Pension Plan Obligations (Continued)

<u>Asset Class (1)</u>	<u>Assume Asset Allocation</u>	<u>Real Return Years 1 - 10 (2)</u>	<u>Real Return Years 11+ (3)</u>
Public 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	100.00%		

(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.

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

As of June 30, 2022, the Fire District reported a net pension liability of \$1,809,262 for its proportionate shares of the Miscellaneous Plan and \$19,569,265 for its proportionate shares of the Safety Plan for a total of \$21,378,527 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, 2021, 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, 2020, rolled forward to June 30, 2021, 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, 2020 and 2021, was as follows:

	<u>Miscellaneous Plan</u>	<u>Fire Safety Plan</u>
Proportion - June 30, 2020	0.0730%	0.6273%
Proportion - June 30, 2021	0.0953%	0.5576%
Changes - Increase (Decrease)	0.0223%	-0.0697%

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 12: Pension Plan Obligations (Continued)

For the year ended June 30, 2022, the Fire District recognized pension expense of \$739,562 and \$38,765 for the Miscellaneous Plan and the Safety Plan, respectively.

As of June 30, 2022, 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, 2021	\$ 406,745	\$ -	\$ 9,113,770	\$ -
Change of assumptions	-	-	3,343,392	-
Difference between expected and actual experience	202,889	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,579,390	-	11,647,475
Adjustment due to difference in proportions	49,167	3,955	729,860	1,471,671
Difference in actual contribution and proportionate share of contribution calculation	-	71,985	1,833,259	617,620
Total	\$ 658,801	\$ 1,655,330	\$ 15,020,281	\$ 13,736,766

The Miscellaneous Plan reported \$406,745 and the Safety Plan reported \$9,113,770 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, 2023. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period	Net Deferred Outflows/ (Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
Ended June 30,		
2023	\$ (291,803)	\$ (967,490)
2024	(316,347)	(1,421,903)
2025	(358,662)	(2,235,639)
2026	(436,462)	(3,205,223)
Total	\$ (1,403,274)	\$ (7,830,255)

Note 12: 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	Discount Rate 6.15%	Current Discount 7.15%	Discount Rate 8.15%
Fire District Miscellaneous Plan	\$ 3,455,672	\$ 1,809,262	\$ 448,198
Fire District Safety Plan	41,234,862	19,569,265	1,773,654

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 13: 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:

Age	Tier 1 and Tier 2
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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 13: PARS Retirement Enhancement Plan (Continued)

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.

PARS Retirement Enhancement Plan *

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

Employees Covered

As of the measurement date of June 30, 2021, the following employees were covered by the benefit terms of the Plan:

Description	Number of Members
Active employees	158
Inactives currently receiving benefits	147
Total	305

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, 2021, actuarial valuation which positively impacted the actuarially determined rate.

For the year ended June 30, 2022, the employer contributions recognized as a decrease to the pension liability were \$563,099.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 13: PARS Retirement Enhancement Plan (Continued)**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, 2021 using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, 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, 2021 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

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.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 13: PARS Retirement Enhancement Plan (Continued)***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, 2020 (measurement date)	\$ 30,084,466	\$ 33,961,221	\$ (3,876,755)
Changes Recognized for the Measurement Period:			
Service Cost	561,042	-	561,042
Interest on the Total Pension Liability	1,803,717	-	1,803,717
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions from the Employer	-	563,099	(563,099)
Contributions from Employees	-	-	-
Net Investment Income	-	7,631,818	(7,631,818)
Benefit Payments including Refunds of Employee Contributions	(1,167,119)	(1,167,119)	-
Administrative Expenses	-	(49,786)	49,786
Net Changes During 2020/21	<u>1,197,640</u>	<u>6,978,012</u>	<u>(5,780,372)</u>
Balance at: June 30, 2021 (measurement date)	<u>\$ 31,282,106</u>	<u>\$ 40,939,233</u>	<u>\$ (9,657,127)</u>

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)	\$ (5,307,436)	\$ (9,657,127)	\$ (13,254,825)

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

As of the start of the measurement period, July 1, 2020, the net pension asset was \$3,876,755. For the measurement period ending June 30, 2021, the measurement date, the City incurred a pension income of \$1,139,389 for the Plan.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 13: PARS Retirement Enhancement Plan (Continued)

As of June 30, 2022, 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, 2021	\$ 547,799	\$ -
Difference between Expected and Actual Experiences	-	1,519,182
Change of Assumption	467,874	490,642
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	3,977,552
Total	\$ 1,015,673	\$ 5,987,376

\$547,799 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, 2023. 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
2023	\$ (1,281,244)
2024	(1,327,119)
2025	(1,515,000)
2026	(1,356,883)
2027	(39,256)
Total	\$ (5,519,502)

Note 14: 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 14: Other Post-Employment Benefits (Continued)

Employees Covered

As of the June 30, 2021, measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Description	Number of Members
Active employees	120
Inactives currently receiving benefits	78
Inactives entitled to but not yet receiving benefits	7
Total	205

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, 2021, actuarial valuation. These contributions are netted against the reimbursements received from the CERBT. During the June 30, 2021, measurement period, the City paid \$1,047,840 in premiums for retiree medical insurance and was reimbursed \$1,265,174, and the implied subsidy was \$264,000, for a total contribution of \$46,665.

Net OPEB Asset

The City's net OPEB asset was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2021 based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	5.25% at June 30, 2021
Inflation	2.50%
Salary Increases	Aggregate - 2.75% annually Merit - CalPERS 2000-2019 experience study
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Healthcare Trend Rate	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Other Assumptions	PEMHCA minimum Increases of 4.00% annually Healthcare participation for future retirees: 100% for Tier 1 75% for Tier 2 if currently covered, otherwise 50%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 14: Other Post-Employment Benefits (Continued)

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. CalPERS approved new CERBT asset allocations in March 2022. Estimated impact is an increase to the expected long-term rate of return assumption for CERBT Strategy 3 of 0.50%.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	22%	4.56%
Fixed income	49%	0.78%
TIPS	16%	-0.08%
Commodities	5%	1.22%
REITs	8%	4.06%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.25 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.

Changes in Assumptions

For the measurement date of June 30, 2021, the following changes of assumptions were made:

- Discount rate was updated based on newer capital market assumptions.
- Inflation assumption dropped from 2.75% to 2.50%. which dropped the discount rate, medical trend, and aggregate payroll increase by 0.25%.
- Decreased medical trend rate for Kaiser Senior Advantage.
- New rates from CalPERS Experience Study.
- Updated assumption for medical eligible implied subsidy.
- Mortality improvement scale was updated to Scale MP-2021.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 14: Other Post-Employment Benefits (Continued)

Changes in the OPEB Liability/(Asset)

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c)=(a)-(b)
Balance at June 30, 2020	\$ 26,138,324	\$ 31,862,067	\$ (5,723,743)
Changes Recognized for the Measurement Period:			
Service Cost	351,997	-	351,997
Interest on the Total OPEB Liability	1,421,351	-	1,421,351
Difference between Expected and Annual Experience	(107,488)	-	(107,488)
Changes in Assumptions	(729,439)	-	(729,439)
Contributions from Employer	-	32,589	(32,589)
Net Investment Income	-	4,356,510	(4,356,510)
Benefit Payments	(1,295,174)	(1,295,174)	-
Administrative expenses	-	(13,863)	13,863
Net Changes During Fiscal Year 2020-21	<u>(358,753)</u>	<u>3,080,062</u>	<u>(3,438,815)</u>
Balance at June 30, 2021	<u>\$ 25,779,571</u>	<u>\$ 34,942,129</u>	<u>\$ (9,162,558)</u>

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, 2021:

	Discount Rate		
	1% Decrease (4.25%)	Current Rate (5.25%)	1% Increase (6.25%)
Net OPEB Liability/(Asset)	<u>\$ (5,797,809)</u>	<u>\$ (9,162,558)</u>	<u>\$ (11,943,582)</u>

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, 2021:

	Healthcare Trend Rate		
	1% Decrease to Healthcare Trend Assumption	Current Healthcare Trend Assumption	1% Increase to Healthcare Trend Assumption
Net OPEB Liability/(Asset)	<u>\$ (12,036,980)</u>	<u>\$ (9,162,558)</u>	<u>\$ (5,690,246)</u>

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 14: 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, 2022, the City recognized OPEB income of \$1,261,623. As of June 30, 2022, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 15,729	\$ -
Differences between expected and actual experiences	-	2,529,595
Changes of assumptions	-	1,099,715
Net difference between projected and actual earnings on OPEB plan investments	-	2,409,594
Total	<u><u>\$ 15,729</u></u>	<u><u>\$ 6,038,904</u></u>

The \$15,729 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset during the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

<u>Measurement Period Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2022	\$ (1,309,730)
2023	(1,352,485)
2024	(1,245,461)
2025	(1,193,870)
2026	(672,987)
Thereafter	(264,371)
Total	<u><u>\$ (6,038,904)</u></u>

Note 15: 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 California Intergovernmental Risk Authority (CIRA), 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.

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, 2022, 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 Authority may be obtained from its administrative office located at 2330 East Bidwell, Suite 150, Folsom, California, 95630; www.cira-jpa.org; or by calling (916)927-7727.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 15: Summary Disclosure of Self-Insurance Contingencies (Continued)

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 \$9,722,248 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 and Changes in Estimates	Claim Payments	Ending Balance	Due in One Year
June 30, 2021	\$ 2,720,826	\$ 1,055,446	\$ (1,217,288)	\$ 2,558,984	\$ 645,377
June 30, 2022	2,558,984	1,715,378	(1,145,966)	3,128,396	767,975

Note 16: Commitments and Contingencies

The following schedule summarizes the major contractual commitments as of June 30, 2022:

Project Name	Contract Amount	Expenditures to date as of June 30, 2022	Remaining Commitments
Town Center Station	\$ 18,319,460	\$ 2,729,346	\$ 15,590,114
Fiber Optic Network	8,822,930	677,985	8,144,945
Etiwanda Grade Separation	12,500,000	7,482,075	5,017,925
Etiwanda from Arrow-Whittram	5,005,400	7,730	4,997,670
Community Dog Park	4,383,880	820,325	3,563,555

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 17: 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, 2022, is as follows:

	Special Revenue Funds						Other Governmental Funds	Total
	General Fund	Development Impact Fees	Lighting Districts	Housing Successor Agency	Fire District	Federal Grants Fund		
Nonspendable:								
Prepaid costs	\$ 860,220	\$ -	\$ -	\$ 1,498	\$ 329,264	\$ -	\$ 15,539	\$ 1,206,521
Deposits	72,000	-	-	-	-	-	-	72,000
Advances to other funds	22,379,599	-	-	-	-	-	-	22,379,599
Total Nonspendable	23,311,819	-	-	1,498	329,264	-	15,539	23,658,120
Restricted for:								
Capital improvement projects	2,282,607	-	-	-	17,840,505	-	34,381,258	54,504,370
Community development projects	201,158	-	-	139,672,398	-	2,465	2,805,420	142,681,441
Contractual obligations	1,029,133	-	-	-	119,146	-	-	1,148,279
Engineering and public works	-	58,441,782	-	-	-	-	28,865,639	87,307,421
General plan update	1,015,351	-	-	-	-	-	-	1,015,351
Landscape maintenance	-	-	-	-	-	-	25,385,244	25,385,244
Library services	-	1,311,209	-	-	-	-	10,808,435	12,119,644
Parks and recreation	-	21,416,129	-	-	-	-	558,967	21,975,096
PERS rate stabilization	8,571,450	-	-	-	9,504,321	-	-	18,075,771
Public safety - Police	-	1,181,877	-	-	-	-	1,741,328	2,923,205
Technology replacement	3,062,738	-	-	-	24,455	-	-	3,087,193
Underground utilities	-	-	-	-	-	-	11,253,331	11,253,331
Total Restricted	16,162,437	82,350,997	-	139,672,398	27,488,427	2,465	115,799,622	381,476,346
Committed to:								
Law enforcement	7,536,682	-	-	-	-	-	-	7,536,682
Vehicle and equipment replacement	-	-	-	-	3,500,514	-	-	3,500,514
Working capital	5,376,647	-	-	-	23,538,148	-	-	28,914,795
City facilities capital repair	35,151,402	-	-	-	-	-	-	35,151,402
Changes in economic circumstances	27,006,176	-	-	-	10,150,002	-	-	37,156,178
Employee leave payouts	4,039,761	-	-	-	4,726,268	-	-	8,766,029
Self-insurance	9,722,248	-	-	-	-	-	-	9,722,248
Economic development strategic reserve	7,884,078	-	-	-	-	-	-	7,884,078
Seasonal weather emergency reserve	310,000	-	-	-	-	-	-	310,000
PASIS worker's compensation tail claims	-	-	-	-	344,088	-	-	344,088
Community benefit projects	4,935,816	-	-	-	-	-	-	4,935,816
Public safety personnel affordable housing	-	-	-	-	192,600	-	-	192,600
Fire District facilities capital repair	-	-	-	-	3,708,284	-	-	3,708,284
Total Committed	101,962,810	-	-	-	46,159,904	-	-	148,122,714
Assigned to:								
Radio system acquisition	550,697	-	-	-	3,005,044	-	-	3,555,741
Capital infrastructure projects	22,295,492	-	-	-	-	-	-	22,295,492
Economic development special projects	3,101,008	-	-	-	-	-	-	3,101,008
Animal Center operations	1,500,354	-	-	-	-	-	-	1,500,354
Mobile home park program	197,717	-	-	-	-	-	-	197,717
Continuing operations	170,855	-	-	-	205,120	-	-	375,975
Community services programs	2,258,443	-	-	-	-	-	-	2,258,443
Harrow and Epicenter master plan	500,000	-	-	-	-	-	-	500,000
Capital projects	-	-	-	-	16,453,414	-	-	16,453,414
Sphere of influence	1,108,604	-	-	-	-	-	-	1,108,604
Total Assigned	31,683,170	-	-	-	19,663,578	-	-	51,346,748
Unassigned	-	-	(4,219,819)	-	-	-	(264,890)	(264,890)
Totals	\$ 173,120,236	\$ 82,350,997	\$ (4,219,819)	\$ 139,673,896	\$ 93,641,173	\$ 2,465	\$ 115,550,271	\$ 604,339,038

Note 18: 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	\$ 22,745,691
Cash and investments with fiscal agent	<u>43</u>
	<u>\$ 22,745,734</u>

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

b. Loans Receivable

Notes and loans receivables consist of the following at June 30, 2022:

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, 2022, 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, 2022, follows:

	Balance July 1, 2021	Additions	Repayments	Balance June 30, 2022	Due Within One Year
Tax Allocation Bonds					
Tax Allocation Refunding Bonds - 2007 Issue	\$ 55,045,000	\$ -	\$ 2,855,000	\$ 52,190,000	\$ 3,040,000
Tax Allocation Refunding Bonds - 2014 Issue	132,455,000	-	8,320,000	124,135,000	8,735,000
Tax Allocation Refunding Bonds - 2016 Issue	49,960,000	-	1,800,000	48,160,000	1,870,000
Total Bonds	<u>237,460,000</u>	<u>-</u>	<u>12,975,000</u>	<u>224,485,000</u>	<u>13,645,000</u>
Developer Loans					
Bank of New York	5,568,981	-	931,041	4,637,940	1,014,580
Total Developer Loans	<u>5,568,981</u>	<u>-</u>	<u>931,041</u>	<u>4,637,940</u>	<u>1,014,580</u>
Total	<u>\$ 243,028,981</u>	<u>\$ -</u>	<u>\$ 13,906,041</u>	229,122,940	<u>\$ 14,659,580</u>
			Unamortized Premium	<u>20,045,596</u>	
			Total	<u>\$ 249,168,536</u>	

Note 18: 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, 2022

Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The balance at June 30, 2022, amounted to \$52,190,000 plus unamortized bond premium of \$204,961. The following schedule illustrates the debt service requirements to maturity for the 2007 Tax Allocation Refunding Bonds as of June 30, 2022:

Year Ending		
June 30	Principal	Interest
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	3,870,000	2,311,930
2028-2032	34,985,000	4,577,365
Total	<u>\$ 52,190,000</u>	<u>\$ 18,354,547</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.

- 2. 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, 2022, amounted to \$124,135,000 plus unamortized bond premium of \$14,827,715 and unamortized gain on defeasance of \$1,394,667.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 18: 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, 2022:

Year Ending June 30	Principal	Interest
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	10,620,000	4,058,250
2028-2032	61,620,000	11,561,750
2033	14,235,000	355,875
Total	<u>\$ 124,135,000</u>	<u>\$ 37,151,875</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.

- 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, 2022, amounted to \$48,160,000 plus unamortized bond premium of \$5,012,919 and unamortized loss on defeasance of \$1,940,606.

CITY OF RANCHO CUCAMONGA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 18: 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, 2022:

Year Ending June 30	Principal	Interest
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	2,275,000	1,569,675
2028-2032	8,780,000	7,388,400
2033-2035	29,040,000	1,772,600
Total	<u>\$ 48,160,000</u>	<u>\$ 18,068,250</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, 2022, amounted to \$4,637,940.

The following schedule illustrates the debt service requirements to maturity for the Bank of New York loan as of June 30, 2022:

Year Ending June 30	Principal	Interest
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>\$ 4,637,940</u>	<u>\$ 962,060</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 18: 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 \$303,659,672 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 \$27,437,399 and the debt service obligation on the bonds was \$26,213,078.

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, 2022, is \$1,526,400.

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 15.

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, 2022, the Agency made payments totaling \$694,792.

Note 19: Net Position Restatement

The beginning net position of the Custodial Funds was restated by \$61,635,178 to remove the bond liability and the related interest payable that should not have been recognized in the Custodial Funds per exclusion related to GASB 84 for reporting of debt payable from special assessments against benefited property owners. The City did not incur the debt and is not liable for the repayment of the obligations.

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CITY OF RANCHO CUCAMONGA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

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, 2022, the following funds had no adopted budget due to the timing of the usage of these funds:

- SB 140
- AB 2928 Traffic Congestion Relief
- Energy Efficient and Conservation Block Grant

Money will be budgeted as needed based on specific projects.

For the fiscal year ended June 30, 2022, the following funds had excess expenditures over appropriations:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Special revenue funds			
Library Services Grant	\$ 89,103	\$ 88,080	\$ 1,023
AD 91-2 Redemption-Day Canyon	21,171	20,820	351
Enhanced Infrastructure Financing District	248,932	246,830	2,102

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 126,756,685	\$ 126,756,685	\$ 126,756,685	\$ -
Resources (Inflows):				
Taxes	75,134,610	84,570,040	87,561,737	2,991,697
Licenses and permits	4,597,540	4,792,260	6,207,356	1,415,096
Intergovernmental	848,050	739,170	687,958	(51,212)
Charges for services	8,053,070	5,713,310	5,663,958	(49,352)
Use of money and property	2,499,920	1,437,410	(4,575,630)	(6,013,040)
Fines and forfeitures	1,039,850	1,279,580	1,287,454	7,874
Contributions	91,000	84,690	59,070	(25,620)
Miscellaneous	3,932,020	7,498,550	14,971,128	7,472,578
Transfers in	1,632,400	29,619,170	29,617,859	(1,311)
Leases	-	-	226,622	226,622
Proceeds from sale of capital assets	25,990	3,265,410	3,318,081	52,671
Amounts Available for Appropriations	224,611,135	265,756,275	271,782,278	6,026,003
Charges to Appropriations (Outflow):				
General government				
General overhead	3,542,920	4,235,450	3,675,243	560,207
Personnel overhead	1,066,030	1,516,030	1,580,851	(64,821)
City council	137,600	138,430	133,542	4,888
City management	1,079,110	1,044,910	1,018,341	26,569
City clerk	1,980	2,080	2,073	7
Administrative services	190,750	198,820	196,618	2,202
Business licensing	378,360	369,000	364,902	4,098
City facilities	1,009,270	1,085,000	952,246	132,754
Finance	1,598,930	1,636,950	1,628,840	8,110
Innovation and technology	4,159,040	4,375,530	4,159,948	215,582
Human resources	596,590	611,890	576,197	35,693
Procurement	266,770	229,400	226,377	3,023
Risk management	298,600	328,420	268,155	60,265
Treasury management	6,140	31,620	31,014	606
Community affairs	548,640	595,300	492,372	102,928
Records management	519,850	547,690	533,545	14,145
Healthy RC program	620,230	526,650	518,948	7,702
Public safety - police				
Sheriff contract services	47,540,230	47,540,940	45,017,346	2,523,594
Public safety - animal center				
Animal center	3,179,380	2,958,810	2,772,844	185,966
Community development				
Planning	1,976,590	2,182,190	1,599,322	582,868
Planning commission	20,390	20,420	15,057	5,363
Community improvement	849,820	864,020	782,696	81,324
Administration	1,088,880	2,073,750	1,955,818	117,932
Building and safety	1,949,420	2,103,940	2,026,090	77,850
Community services				
Administration	1,811,190	1,757,760	1,645,778	111,982
Central Park	1,401,760	786,970	685,026	101,944
Lions Center	891,170	166,540	126,946	39,594
RC Family Resource Center	177,830	151,940	132,828	19,112
RC Sports Center	673,810	364,210	346,370	17,840
Special events	277,710	310,030	264,090	45,940
Victoria Gardens Cultural Center	2,412,180	1,205,670	1,024,562	181,108
Contract classes	601,020	279,970	261,016	18,954
Park services	394,350	268,000	256,109	11,891
Engineering and public works				
Engineering administration	587,750	580,250	550,353	29,897
Development management	1,023,390	1,142,520	1,116,795	25,725
NPDES	246,430	196,470	194,505	1,965
Project management	686,180	466,030	410,283	55,747
Traffic management	241,050	248,120	231,312	16,808
Park maintenance	3,016,970	2,794,070	2,577,463	216,607
Vehicle and equipment maintenance	1,181,990	2,071,840	2,006,948	64,892
City facilities maintenance	3,747,020	3,664,440	3,325,046	339,394
Street maintenance	2,263,580	2,026,930	1,918,594	108,336
Fire facilities maintenance	372,330	372,970	353,538	19,432
Capital outlay	4,748,650	6,261,640	5,405,482	856,158
Debt service:				
Interest and fiscal charges	7,210	7,210	7,208	2
Transfers out	4,266,580	9,176,880	8,776,007	400,873
Total Charges to Appropriations	103,655,670	109,517,700	102,144,644	7,373,056
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 120,955,465	\$ 156,238,575	169,637,634	\$ 13,399,059
Encumbrances			3,482,602	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 173,120,236	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
DEVELOPMENT IMPACT FEES
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 69,635,049	\$ 69,635,049	\$ 69,635,049	\$ -
Resources (Inflows):				
Use of money and property	757,220	702,120	(3,058,974)	(3,761,094)
Developer participation	9,037,930	8,664,410	18,019,461	9,355,051
Amounts Available for Appropriations	79,430,199	79,001,579	84,595,536	5,593,957
Charges to Appropriation (Outflow):				
Public safety - police	200	200	200	-
Public safety - animal services	60	60	60	-
Community development	195,600	62,920	43,443	19,477
Community services	4,400	9,080	4,400	4,680
Engineering and public works	730,680	735,050	734,871	179
Capital outlay	10,443,040	3,975,200	1,736,635	2,238,565
Total Charges to Appropriations	11,373,980	4,782,510	2,519,609	2,262,901
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 68,056,219	\$ 74,219,069	82,075,927	\$ 7,856,858
Encumbrances			275,070	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 82,350,997	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
LIGHTING DISTRICTS
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (4,276,307)	\$ (4,276,307)	\$ (4,276,307)	\$ -
Resources (Inflows):				
Taxes	2,134,470	2,134,470	2,142,744	8,274
Use of money and property	63,880	31,870	(151,567)	(183,437)
Miscellaneous	-	-	62,813	62,813
Transfers in	148,380	237,970	145,162	(92,808)
Amounts Available for Appropriations	(1,929,577)	(1,871,997)	(2,077,155)	(205,158)
Charges to Appropriation (Outflow):				
General government	2,088,110	2,293,030	2,139,399	153,631
Debt service:				
Interest and fiscal charges	3,690	3,720	3,702	18
Total Charges to Appropriations	2,091,800	2,296,750	2,143,101	153,649
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ (4,021,377)	\$ (4,168,747)	(4,220,256)	\$ (51,509)
Encumbrances			437	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ (4,219,819)	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 HOUSING SUCCESSOR AGENCY
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 139,198,670	\$ 139,198,670	\$ 139,198,670	\$ -
Resources (Inflows):				
Use of money and property	22,820	852,510	737,005	(115,505)
Miscellaneous	12,000	121,200	121,192	(8)
Amounts Available for Appropriations	139,233,490	140,172,380	140,056,867	(115,513)
Charges to Appropriation (Outflow):				
Community development	387,200	383,600	382,971	629
Capital outlay	-	3,505,200	-	3,505,200
Total Charges to Appropriations	387,200	3,888,800	382,971	3,505,829
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 138,846,290	\$ 136,283,580	139,673,896	\$ 3,390,316
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 139,673,896	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 FIRE DISTRICT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 88,134,204	\$ 88,134,204	\$ 88,134,204	\$ -
Resources (Inflows):				
Taxes	51,964,260	55,128,820	55,490,495	361,675
Licenses and permits	16,500	16,500	15,455	(1,045)
Intergovernmental	-	-	12,405	12,405
Charges for services	1,860	1,900	819	(1,081)
Use of money and property	434,690	548,610	(3,275,090)	(3,823,700)
Fines and forfeitures	148,000	143,000	119,672	(23,328)
Miscellaneous	2,273,630	2,291,040	2,192,362	(98,678)
Transfers in	-	82,390	14,591	(67,799)
Proceeds from sale of capital asset	-	500	270	(230)
Amounts Available for Appropriations	142,973,144	146,346,964	142,705,183	(3,641,781)
Charges to Appropriation (Outflow):				
Public safety - fire protection	45,840,500	48,443,920	45,422,348	3,021,572
Capital outlay	18,243,000	23,171,690	21,669,598	1,502,092
Debt service:				
Interest and fiscal charges	31,370	31,370	31,368	2
Transfers out	105,470	105,470	105,466	4
Total Charges to Appropriations	64,220,340	71,752,450	67,228,780	4,523,670
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 78,752,804	\$ 74,594,514	75,476,403	\$ 881,889
Encumbrances			18,164,770	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 93,641,173	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 FEDERAL GRANTS FUND
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	13,417,770	27,639,420	27,540,271	(99,149)
Use of money and property	15,620	-	-	-
Amounts Available for Appropriations	13,433,390	27,639,420	27,540,271	(99,149)
Charges to Appropriation (Outflow):				
General government	-	72,000	70,237	1,763
Transfers out	-	27,567,420	27,499,103	68,317
Total Charges to Appropriations	-	27,639,420	27,569,340	70,080
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 13,433,390	\$ -	(29,069)	\$ (29,069)
Encumbrances			31,534	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 2,465	

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
TOTAL PENSION LIABILITY				
Service Cost	\$ 4,661,973	\$ 4,342,707	\$ 4,193,507	\$ 4,743,810
Interest	12,370,506	12,931,479	13,651,750	14,301,966
Difference between Expected and Actual Experience	-	(3,882,722)	(1,557,585)	(1,926,722)
Changes in Assumptions	-	(3,352,733)	-	12,495,866
Benefit Payments, Including Refunds of Employee Contributions	(5,229,846)	(5,847,197)	(6,606,205)	(7,626,368)
Net Change in Total Pension Liability	11,802,633	4,191,534	9,681,467	21,988,552
Total Pension Liability - Beginning	165,224,012	177,026,645	181,218,179	190,899,646
Total Pension Liability - Ending (a)	\$ 177,026,645	\$ 181,218,179	\$ 190,899,646	\$ 212,888,198
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 3,520,721	\$ 3,433,074	\$ 3,745,698	\$ 4,207,753
Contributions - Employee	2,156,312	2,074,191	2,120,443	2,150,126
Net Investment Income	21,772,350	3,320,843	782,082	16,691,043
Benefit Payments, Including Refunds of Employee Contributions	(5,229,846)	(5,847,197)	(6,606,205)	(7,626,368)
Administrative Expense	-	(168,508)	(91,249)	(220,985)
Net Plan to Plan Resource Movement	-	-	-	-
Other Miscellaneous Income/(Expense)	-	-	-	-
Net Change in Fiduciary Net Position	22,219,537	2,812,403	(49,231)	15,201,569
Plan Fiduciary Net Position - Beginning	124,692,088	146,911,625	149,724,028	149,674,797
Plan Fiduciary Net Position - Ending (b)	\$ 146,911,625	\$ 149,724,028	\$ 149,674,797	\$ 164,876,366
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 30,115,020	\$ 31,494,151	\$ 41,224,849	\$ 48,011,832
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.99%	82.62%	78.40%	77.45%
Covered Payroll	\$ 25,819,515	\$ 25,082,858	\$ 25,682,090	\$ 26,459,567
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	116.64%	125.56%	160.52%	181.45%

(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 eight 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:

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

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.

2019	2020	2021	2022
\$ 4,869,644	\$ 4,749,046	\$ 4,521,001	\$ 4,313,387
15,134,775	16,072,077	16,720,224	17,333,452
(1,496,029)	-	(1,248,961)	(1,220,230)
2,212,199	2,512,596	-	-
(8,728,016)	(9,967,183)	(10,819,096)	(11,862,110)
11,992,573	13,366,536	9,173,168	8,564,499
212,888,198	224,880,771	238,247,307	247,420,475
\$ 224,880,771	\$ 238,247,307	\$ 247,420,475	\$ 255,984,974
\$ 4,622,851	\$ 5,133,141	\$ 5,863,963	\$ 6,250,129
2,032,448	1,976,074	1,971,470	1,921,495
13,809,497	11,584,539	9,140,223	42,762,843
(8,728,016)	(9,967,183)	(10,819,096)	(11,862,110)
(256,923)	(126,024)	(261,085)	(190,892)
(407)	-	-	-
242,458	407	-	-
11,721,908	8,600,954	5,895,475	38,881,465
164,876,366	176,598,274	185,199,228	191,094,703
\$ 176,598,274	\$ 185,199,228	\$ 191,094,703	\$ 229,976,168
\$ 48,282,497	\$ 53,048,079	\$ 56,325,772	\$ 26,008,806
78.53%	77.73%	77.23%	89.84%
\$ 27,268,038	\$ 27,077,712	\$ 26,743,856	\$ 24,764,323
177.07%	195.91%	210.61%	105.03%

CITY OF RANCHO CUCAMONGA

**MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER
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>
Actuarially Determined Contribution	\$ 3,433,074	\$ 3,745,756	\$ 4,192,505	\$ 4,642,132
Contribution in Relation to the Actuarially Determined Contribution	<u>(3,433,074)</u>	<u>(3,745,756)</u>	<u>(4,192,505)</u>	<u>(4,642,132)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 25,082,858	\$ 25,682,090	\$ 26,459,567	\$ 27,268,038
Contributions as a Percentage of Covered Payroll	13.69%	14.59%	15.84%	17.02%

(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 eight years are shown.

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, closed
Asset valuation method	Fair Value of Assets
Inflation	2.500%
Payroll Growth	2.750%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	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 of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

2019	2020	2021	2022
\$ 5,135,066	\$ 5,862,979	\$ 6,250,173	\$ 6,734,618
<u>(5,135,066)</u>	<u>(5,862,979)</u>	<u>(6,250,173)</u>	<u>(6,734,618)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 27,077,712	26,743,856	24,764,323	24,973,838
18.96%	21.92%	25.24%	26.97%

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)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.02166%	0.02652%	0.06568%	0.06723%
Proportionate Share of the Net Pension Liability	\$ 1,348,194	\$ 1,819,909	\$ 2,281,501	\$ 2,650,258
Covered Payroll	\$ 1,474,657	\$ 1,437,227	\$ 1,524,047	\$ 1,577,007
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	91.42%	126.63%	149.70%	168.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	75.87%	75.39%

(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 eight 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, 2020 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2020 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:

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

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.

2019	2020	2021	2022
0.06897%	0.07095%	0.07296%	0.09528%
\$ 2,599,301	\$ 2,841,232	\$ 3,077,476	\$ 1,809,262
\$ 1,619,191	\$ 1,593,099	\$ 1,771,563	\$ 1,798,563
160.53%	178.35%	173.72%	100.59%
77.69%	77.73%	77.71%	90.49%

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)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 210,430	\$ 219,901	\$ 238,202	\$ 254,681
Contribution in Relation to the Actuarially Determined Contribution	<u>(210,430)</u>	<u>(219,901)</u>	<u>(238,202)</u>	<u>(254,681)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,437,227	\$ 1,524,047	\$ 1,577,007	\$ 1,619,191
Contributions as a Percentage of Covered Payroll	14.64%	14.43%	15.10%	15.73%

(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 eight years are shown.

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, closed
Asset valuation method	Fair Value of Assets
Inflation	2.500%
Payroll Growth	2.750%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	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 of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

2019	2020	2021	2022
\$ 283,247	\$ 332,407	\$ 372,168	\$ 406,745
(283,247)	(332,407)	(372,168)	(406,745)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,593,099	\$ 1,771,563	\$ 1,798,563	\$ 1,851,717
17.78%	18.76%	20.69%	21.97%

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>
Proportion of the Net Pension Liability	0.31131%	0.33146%	0.57027%	0.57286%
Proportionate Share of the Net Pension Liability	\$ 19,373,864	\$ 22,750,560	\$ 29,535,666	\$ 34,229,524
Covered Payroll	\$ 10,396,960	\$ 10,554,523	\$ 11,373,722	\$ 11,451,394
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	186.34%	215.55%	259.68%	298.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	72.69%	71.74%

(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 eight 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, 2020 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2020 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:

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

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.

2019	2020	2021	2022
0.59184%	0.60633%	0.62729%	0.55761%
\$ 34,726,501	\$ 37,850,274	\$ 41,792,462	\$ 19,529,265
\$ 11,663,014	\$ 12,029,495	\$ 12,348,120	\$ 13,128,489
297.75%	314.65%	338.45%	148.75%
73.39%	73.37%	73.12%	86.61%

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>
Actuarially Determined Contribution	\$ 2,827,842	\$ 3,007,980	\$ 3,273,056	\$ 3,577,900
Contribution in Relation to the Actuarially Determined Contribution	(2,827,842)	(3,007,980)	(3,273,056)	(3,577,900)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 10,554,523	\$ 11,373,722	\$ 11,451,394	\$ 11,663,014
Contributions as a Percentage of Covered Payroll	26.79%	26.45%	28.58%	30.68%

(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 eight years are shown.

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, closed
Asset valuation method	Fair Value of Assets
Inflation	2.500%
Payroll Growth	2.750%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	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 of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

2019	2020	2021	2022
\$ 4,101,079	\$ 4,727,134	\$ 10,065,699	\$ 9,113,770
(4,101,079)	(4,727,134)	(10,065,699)	(9,113,770)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 12,029,495	\$ 12,348,120	\$ 13,128,489	\$ 13,129,347
34.09%	38.28%	76.67%	69.42%

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)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 719,000	\$ 743,000	\$ 716,000	\$ 774,673
Interest	1,329,000	1,425,000	1,523,000	1,639,815
Changes of Benefits Terms	-	-	538,000	-
Difference Between Expected and Actual Experience	-	-	(110,000)	-
Changes in Assumptions	-	-	2,100,000	-
Changes in Benefit Terms	-	-	-	(4,236)
Benefit Payments, Including Refunds of Employee Contributions	(495,000)	(546,000)	(631,000)	(719,919)
Net Change in Total Pension Liability	1,553,000	1,622,000	4,136,000	1,690,333
Total Pension Liability - Beginning	20,790,000	22,343,000	23,965,000	28,101,000
Total Pension Liability - Ending (a)	\$ 22,343,000	\$ 23,965,000	\$ 28,101,000	\$ 29,791,333
PLAN FIDUCIARY NET POSITION				
Contribution - Employer	\$ 497,000	\$ 467,000	\$ 312,000	\$ 279,830
Net Investment Income	3,177,000	660,000	21,000	2,872,446
Benefit Payments, Including Refunds of Employee Contributions	(495,000)	(546,000)	(631,000)	(719,919)
Other Changes in Fiduciary Net Position	(33,000)	(47,000)	(35,000)	(52,639)
Net Change in Fiduciary Net Position	3,146,000	534,000	(333,000)	2,379,718
Plan Fiduciary Net Position - Beginning	24,536,000	27,682,000	28,216,000	27,883,000
Plan Fiduciary Net Position - Ending (b)	\$ 27,682,000	\$ 28,216,000	\$ 27,883,000	\$ 30,262,718
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	\$ (5,339,000)	\$ (4,251,000)	\$ 218,000	\$ (471,385)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	123.90%	117.74%	99.22%	101.58%
Covered Payroll	\$ 24,363,588	\$ 22,739,613	\$ 21,593,214	\$ 19,909,987
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	-21.91%	-18.69%	1.01%	-2.37%

(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 eight 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.

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.

2019	2020	2021	2022
\$ 736,116	\$ 660,456	\$ 632,103	\$ 561,042
1,731,246	1,716,445	1,794,641	1,803,717
-	-	149,388	-
(1,975,546)	-	(933,120)	-
(683,589)	-	(283,683)	-
(323,105)	-	-	-
(837,663)	(983,660)	(1,106,896)	(1,167,119)
(1,352,541)	1,393,241	252,433	1,197,640
29,791,333	28,438,792	29,832,033	30,084,466
\$ 28,438,792	\$ 29,832,033	\$ 30,084,466	\$ 31,282,106
\$ 657,424	\$ 609,239	\$ 648,386	\$ 563,099
1,865,280	1,890,679	1,090,928	7,631,818
(837,663)	(983,660)	(1,106,896)	(1,167,119)
(39,500)	(38,432)	(57,282)	(49,786)
1,645,541	1,477,826	575,136	6,978,012
30,262,718	31,908,259	33,386,085	33,961,221
\$ 31,908,259	\$ 33,386,085	\$ 33,961,221	\$ 40,939,233
\$ (3,469,467)	\$ (3,554,052)	\$ (3,876,755)	\$ (9,657,127)
112.20%	111.91%	112.89%	130.87%
\$ 18,246,690	\$ 16,119,382	\$ 14,750,069	\$ 13,301,202
-19.01%	-22.05%	-26.28%	-72.60%

CITY OF RANCHO CUCAMONGA

**PARS RETIREMENT ENHANCEMENT 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>
Actuarially Determined Contribution	\$ 467,000	\$ 307,590	\$ 278,740	\$ 657,424
Contribution in Relation to the Actuarially Determined Contribution	<u>(467,000)</u>	<u>(307,590)</u>	<u>(278,740)</u>	<u>(657,424)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 22,739,613	\$ 21,593,214	\$ 19,909,987	\$ 18,246,690
Contributions as a Percentage of Covered Payroll (2)	2.05%	1.42%	1.40%	3.60%

(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 eight 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

2019	2020	2021	2022
\$ 628,911	\$ 626,595	\$ 563,099	\$ 547,799
(628,911)	(626,595)	(563,099)	(547,799)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,119,382	\$ 14,750,069	\$ 13,301,202	12,451,110
3.90%	4.25%	4.23%	4.40%

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)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
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)
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 was removed from liabilities.

In 2021, the following changes of assumptions were made:

Discount rate was updated based on newer capital market assumptions

Inflation assumption dropped from 2.75% to 2.50%. which dropped the discount rate, medical trend, and aggregate payroll increase by 0.25%.

Decreased medical trend rate for Kaiser Senior Advantage.

New rates from CalPERS Experience Study.

Updated assumption for medical eligible implied subsidy.

Mortality improvement scale was updated to Scale MP-2021.

2022

\$ 351,997
1,421,351
(107,488)
(729,439)
(1,295,174)
(358,753)
26,138,324
25,779,571

32,589
4,356,510
(1,295,174)
(13,863)
3,080,062
31,862,067
\$ 34,942,129

\$ (9,162,558)

135.54%

\$ 18,018,339

-50.85%

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, 2021
Actuarial Cost Method	Entry Age Nomal
Amortization Valuation Method/Period	Level percent of pay over a 17-year fixed period
Asset Valuation Method	Investment gains/losses spread over 5-year rolling period
Discount Rate	5.25%
General Inflation	2.50%
Payroll Growth	2.75% per annum, in aggregate
Mortality, Disability, Termination, Retirement	CalPERS 2000-2019 Experience Study; Mortality Improvement - Mortality projected fully generational with Scale MP-2021
Medical Trend	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076; Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076; Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75 in 2076
Other Assumptions	PEMHCA minimum increases of 4.00% annually; Healthcare participation for future retirees at 100% for Tier 1 and 75% if Tier 2 for currently covered, and 50% for others

2022

\$ 15,729
(15,729)
\$ -

\$ 20,503,652

0.08%

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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.

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.

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.

CITY OF RANCHO CUCAMONGA
Non-Major Governmental Funds

Special Revenue Funds (Continued)

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 Redemption-Day Canyon 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.

Park Improvement District No. 85 Maintenance 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.

Enhanced Infrastructure Financing District (EIFD) - Established to account for the receipt and use of incremental property tax revenue to finance public facilities, maintenance and operations of those public facilities, and administration of the EIFD within a designated district boundary.

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, 2022

	Special Revenue Funds			
	Gas Tax	Recreation	Beautification	Landscape Maintenance Districts
Assets:				
Cash and investments	\$ 16,721,575	\$ 13,065	\$ 574,201	\$ 22,059,097
Receivables:				
Accounts	609,518	-	-	36,573
Taxes	326,772	-	-	86,105
Accrued interest	52,130	-	1,806	66,794
Other loans	-	-	-	-
Grants	-	-	-	-
Leases	-	-	-	1,932,212
Prepaid costs	-	-	-	900
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 17,709,995	\$ 13,065	\$ 576,007	\$ 24,181,681
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,346,886	\$ 13,545	\$ -	\$ 953,518
Accrued liabilities	29,450	-	-	50,286
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	5,267	-	-
Total Liabilities	1,376,336	18,812	-	1,003,804
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred lease revenues inflows	-	-	-	1,886,945
Total Deferred Inflows of Resources	-	-	-	1,886,945
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	900
Restricted for:				
Community development projects	-	-	-	-
Public safety - police	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and public works	16,333,659	-	576,007	-
Capital improvement projects	-	-	-	-
Underground utilities	-	-	-	-
Landscape maintenance	-	-	-	21,290,032
Library services	-	-	-	-
Unassigned	-	(5,747)	-	-
Total Fund Balances	16,333,659	(5,747)	576,007	21,290,932
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,709,995	\$ 13,065	\$ 576,007	\$ 24,181,681

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Pedestrian Grant	Community Development Block Grant	Assessment Administration	SB 140
Assets:				
Cash and investments	\$ -	\$ 258,401	\$ 882,219	\$ 35,104
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	-	-	2,515	-
Other loans	-	1,215,808	-	-
Grants	-	1,081,131	-	-
Leases	-	-	-	-
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 2,555,340	\$ 884,734	\$ 35,104
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 578,306	\$ 9,886	\$ -
Accrued liabilities	-	2,712	5,595	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	409,099	-	-
Due to other funds	9,237	-	-	-
Total Liabilities	9,237	990,117	15,481	-
Deferred Inflows of Resources:				
Unavailable revenues	-	222,309	-	-
Deferred lease revenues inflows	-	-	-	-
Total Deferred Inflows of Resources	-	222,309	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted for:				
Community development projects	-	1,342,914	869,253	-
Public safety - police	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and public works	-	-	-	35,104
Capital improvement projects	-	-	-	-
Underground utilities	-	-	-	-
Landscape maintenance	-	-	-	-
Library services	-	-	-	-
Unassigned	(9,237)	-	-	-
Total Fund Balances	(9,237)	1,342,914	869,253	35,104
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 2,555,340	\$ 884,734	\$ 35,104

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			
	Air Quality Improvement	Masi Commerce Center	Measure I	Library Services
Assets:				
Cash and investments	\$ 479,412	\$ -	\$ 6,115,032	\$ 14,857,753
Receivables:				
Accounts	71,100	-	-	-
Taxes	-	-	1,143,269	61,122
Accrued interest	1,565	-	15,748	31,790
Other loans	-	-	-	-
Grants	9,000	-	-	-
Leases	-	-	-	-
Prepaid costs	-	-	-	11,539
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 561,077	\$ -	\$ 7,274,049	\$ 14,962,204
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 218,897	\$ 200,406
Accrued liabilities	-	-	6,020	58,824
Unearned revenues	-	-	-	2,025,000
Deposits payable	-	-	-	15
Due to other governments	-	-	-	-
Due to other funds	22,405	-	-	-
Total Liabilities	22,405	-	224,917	2,284,245
Deferred Inflows of Resources:				
Unavailable revenues	-	-	396,524	-
Deferred lease revenues inflows	-	-	-	-
Total Deferred Inflows of Resources	-	-	396,524	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	11,539
Restricted for:				
Community development projects	538,672	-	-	-
Public safety - police	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and public works	-	-	6,652,608	-
Capital improvement projects	-	-	-	2,205,948
Underground utilities	-	-	-	-
Landscape maintenance	-	-	-	-
Library services	-	-	-	10,460,472
Unassigned	-	-	-	-
Total Fund Balances	538,672	-	6,652,608	12,677,959
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 561,077	\$ -	\$ 7,274,049	\$ 14,962,204

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Public Safety Grants	Used Oil Recycling	Library Services Grants	AB 2928 Traffic Congestion Relief
Assets:				
Cash and investments	\$ 1,392,405	\$ 25,144	\$ 350,205	\$ 281,335
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	291	52	793	-
Other loans	-	-	-	-
Grants	30,158	-	-	-
Leases	-	-	-	-
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,422,854	\$ 25,196	\$ 350,998	\$ 281,335
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 119,662	\$ -	\$ 3,035	\$ -
Accrued liabilities	-	623	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	30,159	-	-	-
Total Liabilities	149,821	623	3,035	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred lease revenues inflows	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety - police	1,273,033	-	-	-
Parks and recreation	-	-	-	-
Engineering and public works	-	24,573	-	281,335
Capital improvement projects	-	-	-	-
Underground utilities	-	-	-	-
Landscape maintenance	-	-	-	-
Library services	-	-	347,963	-
Unassigned	-	-	-	-
Total Fund Balances	1,273,033	24,573	347,963	281,335
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,422,854	\$ 25,196	\$ 350,998	\$ 281,335

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			
	Litter Reduction Grant	Energy Efficiency and Conservation Block Grant	SAFETEA-LU Grant	Underground Utilities
Assets:				
Cash and investments	\$ 60,538	\$ -	\$ 466,823	\$ 11,234,616
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	-	-	1,472	35,421
Other loans	-	121,420	-	-
Grants	-	-	-	-
Leases	-	-	-	-
Prepaid costs	725	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 61,263	\$ 121,420	\$ 468,295	\$ 11,270,037
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 5,874	\$ -	\$ -	\$ 16,706
Accrued liabilities	83	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	121,420	-	-
Due to other funds	-	-	-	-
Total Liabilities	5,957	121,420	-	16,706
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred lease revenues inflows	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	725	-	-	-
Restricted for:				
Community development projects	54,581	-	-	-
Public safety - police	-	-	468,295	-
Parks and recreation	-	-	-	-
Engineering and public works	-	-	-	-
Capital improvement projects	-	-	-	-
Underground utilities	-	-	-	11,253,331
Landscape maintenance	-	-	-	-
Library services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	55,306	-	468,295	11,253,331
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 61,263	\$ 121,420	\$ 468,295	\$ 11,270,037

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Citywide Infrastructure Improvement	Proposition 1B	Integrated Waste Management	SB1 - TCEP
Assets:				
Cash and investments	\$ 24,857,458	\$ 270,584	\$ 4,249,992	\$ -
Receivables:				
Accounts	183,015	19,917	6,399	7,428,347
Taxes	-	-	435,638	-
Accrued interest	78,221	846	12,524	-
Other loans	-	-	-	-
Grants	-	-	-	474,299
Leases	-	-	-	-
Prepaid costs	-	-	2,375	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 25,118,694	\$ 291,347	\$ 4,706,928	\$ 7,902,646
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 75,363	\$ -	\$ 12,427	\$ 377,249
Accrued liabilities	-	-	21,120	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	1,433	-	-	7,525,397
Total Liabilities	76,796	-	33,547	7,902,646
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred lease revenues inflows	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	2,375	-
Restricted for:				
Community development projects	-	-	-	-
Public safety - police	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and public works	-	291,347	4,671,006	-
Capital improvement projects	25,041,898	-	-	-
Underground utilities	-	-	-	-
Landscape maintenance	-	-	-	-
Library services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	25,041,898	291,347	4,673,381	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,118,694	\$ 291,347	\$ 4,706,928	\$ 7,902,646

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			
	Public Art Trust Fund	State Grants Fund	AD 91-2 Redemption- Day Canyon	PD 85 Maintenance
Assets:				
Cash and investments	\$ 559,703	\$ 178,523	\$ 80,612	\$ 3,391,274
Receivables:				
Accounts	-	-	-	4,995
Taxes	-	-	399	12,252
Accrued interest	1,764	-	230	12,326
Other loans	-	-	-	-
Grants	-	103,770	-	-
Leases	-	-	-	1,575,238
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 561,467	\$ 282,293	\$ 81,241	\$ 4,996,085
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,500	\$ 42,561	\$ -	\$ 111,164
Accrued liabilities	-	-	426	5,992
Unearned revenues	-	247,840	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	2,500	290,401	426	117,156
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred lease revenues inflows	-	-	-	1,546,688
Total Deferred Inflows of Resources	-	-	-	1,546,688
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety - police	-	-	-	-
Parks and recreation	558,967	-	-	-
Engineering and public works	-	-	-	-
Capital improvement projects	-	-	-	-
Underground utilities	-	-	-	-
Landscape maintenance	-	-	80,815	3,332,241
Library services	-	-	-	-
Unassigned	-	(8,108)	-	-
Total Fund Balances	558,967	(8,108)	80,815	3,332,241
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 561,467	\$ 282,293	\$ 81,241	\$ 4,996,085

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	CFD 2000-03 Park Maintenance	CFD 2017-01 No. Etiwanda	CFD 2018-01 Empire Lakes	Enhanced Infrastructure Financing District
Assets:				
Cash and investments	\$ 523,998	\$ 3,591	\$ 190,270	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	3,060	-	179	-
Accrued interest	1,273	-	522	-
Other loans	-	-	-	-
Grants	-	-	-	-
Leases	-	-	-	-
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 528,331	\$ 3,591	\$ 190,971	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 36,282	\$ -	\$ 790	\$ 60,769
Accrued liabilities	3,665	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	181,029
Total Liabilities	39,947	-	790	241,798
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred lease revenues inflows	-	-	-	-
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	488,384	3,591	190,181	-
Library services	-	-	-	-
Unassigned	-	-	-	(241,798)
Total Fund Balances	488,384	3,591	190,181	(241,798)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 528,331	\$ 3,591	\$ 190,971	\$ -

CITY OF RANCHO CUCAMONGA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:		
Cash and investments	\$ 9,494,441	\$ 119,607,371
Receivables:		
Accounts	-	8,359,864
Taxes	-	2,068,796
Accrued interest	24,305	342,388
Other loans	-	1,337,228
Grants	-	1,698,358
Leases	-	3,507,450
Prepaid costs	-	15,539
Restricted assets:		
Cash and investments with fiscal agents	412,846	412,846
Total Assets	<u>\$ 9,931,592</u>	<u>\$ 137,349,840</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 2,577,424	\$ 6,763,250
Accrued liabilities	-	184,796
Unearned revenues	-	2,272,840
Deposits payable	-	15
Due to other governments	-	530,519
Due to other funds	220,756	7,995,683
Total Liabilities	<u>2,798,180</u>	<u>17,747,103</u>
Deferred Inflows of Resources:		
Unavailable revenues	-	618,833
Deferred lease revenues inflows	-	3,433,633
Total Deferred Inflows of Resources	<u>-</u>	<u>4,052,466</u>
Fund Balances:		
Nonspendable:		
Prepaid costs	-	15,539
Restricted for:		
Community development projects	-	2,805,420
Public safety - police	-	1,741,328
Parks and recreation	-	558,967
Engineering and public works	-	28,865,639
Capital improvement projects	7,133,412	34,381,258
Underground utilities	-	11,253,331
Landscape maintenance	-	25,385,244
Library services	-	10,808,435
Unassigned	<u>-</u>	<u>(264,890)</u>
Total Fund Balances	<u>7,133,412</u>	<u>115,550,271</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,931,592</u>	<u>\$ 137,349,840</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, 2022

	Special Revenue Funds			
	Gas Tax	Recreation	Beautification	Landscape Maintenance Districts
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 11,472,065
Licenses and permits	-	-	-	79,972
Intergovernmental	7,666,916	-	-	-
Charges for services	-	-	-	40,298
Use of money and property	(598,603)	(468)	(20,455)	(637,362)
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	294
Total Revenues	7,068,313	(468)	(20,455)	10,955,267
Expenditures:				
Current:				
General government	-	-	-	-
Public safety - police	-	-	-	-
Public safety - fire protection	-	-	-	-
Community development	-	-	-	10,767,496
Community services	-	-	-	-
Engineering and public works	2,159,470	-	790	-
Capital outlay	5,463,787	-	-	1,050,832
Total Expenditures	7,623,257	-	790	11,818,328
Excess (Deficiency) of Revenues Over (Under) Expenditures	(554,944)	(468)	(21,245)	(863,061)
Other Financing Sources (Uses):				
Transfers in	-	-	-	371,145
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	371,145
Net Change in Fund Balances	(554,944)	(468)	(21,245)	(491,916)
Fund Balances, Beginning of Year	16,888,603	(5,279)	597,252	21,782,848
Fund Balances, End of Year	\$ 16,333,659	\$ (5,747)	\$ 576,007	\$ 21,290,932

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Pedestrian Grant	Community Development Block Grant	Assessment Administration	SB 140
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	2,260,694	-	-
Charges for services	-	-	-	-
Use of money and property	-	(11,811)	(31,490)	(1,432)
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	34,764	960,180	-
Total Revenues	-	2,283,647	928,690	(1,432)
Expenditures:				
Current:				
General government	-	-	892,879	-
Public safety - police	-	-	-	-
Public safety - fire protection	-	-	-	-
Community development	-	2,303,335	-	-
Community services	-	-	-	-
Engineering and public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	2,303,335	892,879	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(19,688)	35,811	(1,432)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	(19,688)	35,811	(1,432)
Fund Balances, Beginning of Year	(9,237)	1,362,602	833,442	36,536
Fund Balances, End of Year	\$ (9,237)	\$ 1,342,914	\$ 869,253	\$ 35,104

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Air Quality Improvement	Masi Commerce Center	Measure I	Library Services
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 5,326,550
Licenses and permits	-	-	-	-
Intergovernmental	248,829	-	4,558,998	28,519
Charges for services	-	-	-	51,119
Use of money and property	(16,934)	46	(231,450)	(573,710)
Contributions	-	-	-	1,641,149
Developer participation	-	-	-	-
Miscellaneous	-	-	-	27,122
Total Revenues	231,895	46	4,327,548	6,509,749
Expenditures:				
Current:				
General government	17,792	180	-	-
Public safety - police	-	-	-	-
Public safety - fire protection	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	3,918,784
Engineering and public works	-	-	1,516,376	-
Capital outlay	255,039	-	546,132	290,263
Total Expenditures	272,831	180	2,062,508	4,209,047
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,936)	(134)	2,265,040	2,291,702
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(312,107)	-	(140,340)
Total Other Financing Sources (Uses)	-	(312,107)	-	(140,340)
Net Change in Fund Balances	(40,936)	(312,241)	2,265,040	2,151,362
Fund Balances, Beginning of Year	579,608	312,241	4,387,568	10,526,597
Fund Balances, End of Year	\$ 538,672	\$ -	\$ 6,652,608	\$ 12,677,959

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Public Safety Grants	Used Oil Recycling	Library Services Grants	AB 2928 Traffic Congestion Relief
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	511,262	23,326	70,330	-
Charges for services	-	-	-	-
Use of money and property	(57,470)	(869)	(12,850)	(11,355)
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	453,792	22,457	57,480	(11,355)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety - police	213,552	-	-	-
Public safety - fire protection	28,018	-	-	-
Community development	-	16,866	-	-
Community services	-	-	89,103	-
Engineering and public works	-	-	-	-
Capital outlay	32,969	-	-	-
Total Expenditures	274,539	16,866	89,103	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	179,253	5,591	(31,623)	(11,355)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	179,253	5,591	(31,623)	(11,355)
Fund Balances, Beginning of Year	1,093,780	18,982	379,586	292,690
Fund Balances, End of Year	\$ 1,273,033	\$ 24,573	\$ 347,963	\$ 281,335

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Litter Reduction Grant	Energy Efficiency and Conservation Block Grant	SAFETEA-LU Grant	Underground Utilities
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	43,482	-	-	-
Charges for services	-	-	-	-
Use of money and property	(2,367)	-	(16,050)	(401,320)
Contributions	-	-	-	-
Developer participation	-	-	-	24,832
Miscellaneous	-	96	-	-
Total Revenues	41,115	96	(16,050)	(376,488)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety - police	-	-	-	-
Public safety - fire protection	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Engineering and public works	39,041	-	-	9,361
Capital outlay	-	-	-	93,586
Total Expenditures	39,041	-	-	102,947
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,074	96	(16,050)	(479,435)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	2,074	96	(16,050)	(479,435)
Fund Balances, Beginning of Year	53,232	(96)	484,345	11,732,766
Fund Balances, End of Year	\$ 55,306	\$ -	\$ 468,295	\$ 11,253,331

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Citywide Infrastructure Improvement	Proposition 1B	Integrated Waste Management	SB1 - TCEP
Revenues:				
Taxes	\$ -	\$ -	\$ 1,819,593	\$ -
Licenses and permits	-	-	49,800	-
Intergovernmental	197,413	-	-	7,482,725
Charges for services	-	-	-	-
Use of money and property	(890,848)	(9,468)	(154,501)	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	128,093	-
Total Revenues	(693,435)	(9,468)	1,842,985	7,482,725
Expenditures:				
Current:				
General government	-	-	-	650
Public safety - police	-	-	-	-
Public safety - fire protection	-	-	-	-
Community development	-	200	-	-
Community services	-	-	-	-
Engineering and public works	43,638	-	1,360,917	-
Capital outlay	255,706	-	-	7,482,075
Total Expenditures	299,344	200	1,360,917	7,482,725
Excess (Deficiency) of Revenues Over (Under) Expenditures	(992,779)	(9,668)	482,068	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(218,390)	-
Total Other Financing Sources (Uses)	-	-	(218,390)	-
Net Change in Fund Balances	(992,779)	(9,668)	263,678	-
Fund Balances, Beginning of Year	26,034,677	301,015	4,409,703	-
Fund Balances, End of Year	\$ 25,041,898	\$ 291,347	\$ 4,673,381	\$ -

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Public Art Trust Fund	State Grants Fund	AD 91-2 Redemption- Day Canyon	PD 85 Maintenance
Revenues:				
Taxes	\$ -	\$ -	\$ 25,881	\$ 1,163,122
Licenses and permits	-	-	-	-
Intergovernmental	-	70,631	-	-
Charges for services	-	-	-	34,998
Use of money and property	(19,665)	(8,108)	(2,768)	39,616
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	128
Total Revenues	(19,665)	62,523	23,113	1,237,864
Expenditures:				
Current:				
General government	-	12,154	21,171	-
Public safety - police	-	-	-	-
Public safety - fire protection	-	-	-	-
Community development	4,163	-	-	-
Community services	-	-	-	-
Engineering and public works	-	-	-	1,076,812
Capital outlay	-	58,477	-	114,508
Total Expenditures	4,163	70,631	21,171	1,191,320
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,828)	(8,108)	1,942	46,544
Other Financing Sources (Uses):				
Transfers in	-	-	-	94,309
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	94,309
Net Change in Fund Balances	(23,828)	(8,108)	1,942	140,853
Fund Balances, Beginning of Year	582,795	-	78,873	3,191,388
Fund Balances, End of Year	\$ 558,967	\$ (8,108)	\$ 80,815	\$ 3,332,241

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			Enhanced Infrastructure Financing District
	CFD 2000-03 Park Maintenance	CFD 2017-01 No. Etiwanda	CFD 2018-01 Empire Lakes	
Revenues:				
Taxes	\$ 549,209	\$ 3,015	\$ 216,023	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	40	-	-	-
Use of money and property	(19,315)	-	(7,191)	(53)
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	529,934	3,015	208,832	(53)
Expenditures:				
Current:				
General government	478,016	1,220	13,252	236,535
Public safety - police	-	-	-	-
Public safety - fire protection	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Engineering and public works	-	-	-	-
Capital outlay	72,261	-	-	-
Total Expenditures	550,277	1,220	13,252	236,535
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,343)	1,795	195,580	(236,588)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(83,310)	(5,210)
Total Other Financing Sources (Uses)	-	-	(83,310)	(5,210)
Net Change in Fund Balances	(20,343)	1,795	112,270	(241,798)
Fund Balances, Beginning of Year	508,727	1,796	77,911	-
Fund Balances, End of Year	\$ 488,384	\$ 3,591	\$ 190,181	\$ (241,798)

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:		
Taxes	\$ -	\$ 20,575,458
Licenses and permits	-	129,772
Intergovernmental	-	23,163,125
Charges for services	-	126,455
Use of money and property	(283,094)	(3,981,345)
Contributions	-	1,641,149
Developer participation	-	24,832
Miscellaneous	-	1,150,677
Total Revenues	<u>(283,094)</u>	<u>42,830,123</u>
Expenditures:		
Current:		
General government	3,130	1,676,979
Public safety - police	-	213,552
Public safety - fire protection	-	28,018
Community development	2,630	13,094,690
Community services	-	4,007,887
Engineering and public works	-	6,206,405
Capital outlay	-	15,715,635
Total Expenditures	<u>5,760</u>	<u>40,943,166</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(288,854)</u>	<u>1,886,957</u>
Other Financing Sources (Uses):		
Transfers in	-	465,454
Transfers out	-	(759,357)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(293,903)</u>
Net Change in Fund Balances	(288,854)	1,593,054
Fund Balances, Beginning of Year	7,422,266	113,957,217
Fund Balances, End of Year	<u>\$ 7,133,412</u>	<u>\$ 115,550,271</u>

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 GAS TAX
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 16,888,603	\$ 16,888,603	\$ 16,888,603	\$ -
Resources (Inflows):				
Intergovernmental	8,071,100	8,198,140	7,666,916	(531,224)
Use of money and property	172,870	168,690	(598,603)	(767,293)
Amounts Available for Appropriations	25,132,573	25,255,433	23,956,916	(1,298,517)
Charges to Appropriation (Outflow):				
Engineering and public works	2,380,160	2,246,770	2,205,120	41,650
Capital outlay	9,159,960	10,147,050	8,597,649	1,549,401
Total Charges to Appropriations	11,540,120	12,393,820	10,802,769	1,591,051
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 13,592,453	\$ 12,861,613	13,154,147	\$ 292,534
Encumbrances			3,179,512	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 16,333,659	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 RECREATION
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (5,279)	\$ (5,279)	\$ (5,279)	\$ -
Resources (Inflows):				
Use of money and property	-	10	(468)	(478)
Amounts Available for Appropriations	(5,279)	(5,269)	(5,747)	(478)
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ (5,279)	\$ (5,269)	(5,747)	\$ (478)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ (5,747)	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 BEAUTIFICATION
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 597,252	\$ 597,252	\$ 597,252	\$ -
Resources (Inflows):				
Use of money and property	7,060	5,610	(20,455)	(26,065)
Amounts Available for Appropriations	604,312	602,862	576,797	(26,065)
Charges to Appropriation (Outflow):				
Engineering and public works	790	790	790	-
Capital outlay	15,000	-	-	-
Total Charges to Appropriations	15,790	790	790	-
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 588,522	\$ 602,072	576,007	\$ (26,065)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 576,007	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 LANDSCAPE MAINTENANCE DISTRICTS
 YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 21,782,848	\$ 21,782,848	\$ 21,782,848	\$ -
Resources (Inflows):				
Taxes	11,412,080	11,412,080	11,472,065	59,985
Licenses and permits	60,000	60,000	79,972	19,972
Charges for services	26,130	26,130	40,298	14,168
Use of money and property	327,600	287,390	(637,362)	(924,752)
Miscellaneous	300	300	294	(6)
Transfers in	(414,350)	419,400	371,145	(48,255)
Amounts Available for Appropriations	33,194,608	33,988,148	33,109,260	(878,888)
Charges to Appropriation (Outflow):				
Community development	12,241,820	12,084,490	10,819,621	1,264,869
Capital outlay	2,232,870	1,474,210	1,192,689	281,521
Total Charges to Appropriations	14,474,690	13,558,700	12,012,310	1,546,390
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 18,719,918	\$ 20,429,448	21,096,950	\$ 667,502
Encumbrances			193,982	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 21,290,932	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 PEDESTRIAN GRANT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (9,237)	\$ (9,237)	\$ (9,237)	\$ -
Resources (Inflows):				
Intergovernmental	398,550	-	-	-
Amounts Available for Appropriations	389,313	(9,237)	(9,237)	-
Charges to Appropriation (Outflow):				
Capital outlay	398,550	-	-	-
Total Charges to Appropriations	398,550	-	-	-
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ (9,237)	\$ (9,237)	(9,237)	\$ -
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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,362,602	\$ 1,362,602	\$ 1,362,602	\$ -
Resources (Inflows):				
Intergovernmental	1,688,390	3,511,310	2,260,694	(1,250,616)
Use of money and property	-	-	(11,811)	(11,811)
Miscellaneous	150,000	75,000	34,764	(40,236)
Amounts Available for Appropriations	3,200,992	4,948,912	3,646,249	(1,302,663)
Charges to Appropriation (Outflow):				
Community development	1,838,390	3,586,310	3,486,890	99,420
Total Charges to Appropriations	1,838,390	3,586,310	3,486,890	99,420
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 1,362,602	\$ 1,362,602	159,359	\$ (1,203,243)
Encumbrances			1,183,555	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 1,342,914	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 ASSESSMENT ADMINISTRATION
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 833,442	\$ 833,442	\$ 833,442	\$ -
Resources (Inflows):				
Use of money and property	8,220	6,720	(31,490)	(38,210)
Miscellaneous	960,180	960,180	960,180	-
Amounts Available for Appropriations	1,801,842	1,800,342	1,762,132	(38,210)
Charges to Appropriation (Outflow):				
General government	1,064,140	1,065,270	892,879	172,391
Total Charges to Appropriations	1,064,140	1,065,270	892,879	172,391
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 737,702	\$ 735,072	869,253	\$ 134,181
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 869,253	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 AIR QUALITY IMPROVEMENT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 579,608	\$ 579,608	\$ 579,608	\$ -
Resources (Inflows):				
Intergovernmental	232,440	252,670	248,829	(3,841)
Use of money and property	7,570	5,330	(16,934)	(22,264)
Amounts Available for Appropriations	819,618	837,608	811,503	(26,105)
Charges to Appropriation (Outflow):				
General government	20,780	20,550	19,402	1,148
Capital outlay	313,740	343,740	325,039	18,701
Total Charges to Appropriations	334,520	364,290	344,441	19,849
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 485,098	\$ 473,318	467,062	\$ (6,256)
Encumbrances			71,610	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 538,672	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 MASI COMMERCE CENTER
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 312,241	\$ 312,241	\$ 312,241	\$ -
Resources (Inflows):				
Use of money and property	180	1,970	46	(1,924)
Amounts Available for Appropriations	312,421	314,211	312,287	(1,924)
Charges to Appropriation (Outflow):				
General government	180	180	180	-
Transfers out	-	312,900	312,107	793
Total Charges to Appropriations	180	313,080	312,287	793
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 312,241	\$ 1,131	-	\$ (1,131)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ -	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 MEASURE I
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,387,568	\$ 4,387,568	\$ 4,387,568	\$ -
Resources (Inflows):				
Intergovernmental	3,570,290	3,570,290	4,558,998	988,708
Use of money and property	38,340	43,880	(231,450)	(275,330)
Amounts Available for Appropriations	7,996,198	8,001,738	8,715,116	713,378
Charges to Appropriation (Outflow):				
Engineering and public works	1,638,400	1,629,530	1,626,583	2,947
Capital outlay	1,460,000	1,433,740	831,458	602,282
Total Charges to Appropriations	3,098,400	3,063,270	2,458,041	605,229
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 4,897,798	\$ 4,938,468	6,257,075	\$ 1,318,607
Encumbrances			395,533	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 6,652,608	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
LIBRARY SERVICES
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 10,526,597	\$ 10,526,597	\$ 10,526,597	\$ -
Resources (Inflows):				
Taxes	5,167,540	5,355,950	5,326,550	(29,400)
Intergovernmental	18,000	2,219,950	28,519	(2,191,431)
Charges for services	84,480	55,580	51,119	(4,461)
Use of money and property	98,200	89,160	(573,710)	(662,870)
Contributions	573,080	570,030	1,641,149	1,071,119
Miscellaneous	57,500	74,400	27,122	(47,278)
Amounts Available for Appropriations	16,525,397	18,891,667	17,027,346	(1,864,321)
Charges to Appropriation (Outflow):				
Community services	5,055,490	4,570,350	3,943,369	626,981
Capital outlay	1,275,000	663,920	359,185	304,735
Transfers out	-	140,340	140,340	-
Total Charges to Appropriations	6,330,490	5,374,610	4,442,894	931,716
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 10,194,907	\$ 13,517,057	12,584,452	\$ (932,605)
Encumbrances			93,507	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 12,677,959	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
PUBLIC SAFETY GRANTS
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,093,780	\$ 1,093,780	\$ 1,093,780	\$ -
Resources (Inflows):				
Intergovernmental	550,180	514,080	511,262	(2,818)
Use of money and property	910	1,020	(57,470)	(58,490)
Amounts Available for Appropriations	1,644,870	1,608,880	1,547,572	(61,308)
Charges to Appropriation (Outflow):				
Public safety - police	314,280	472,710	213,552	259,158
Public safety - fire protection	26,730	28,020	28,018	2
Capital outlay	98,820	56,220	35,782	20,438
Total Charges to Appropriations	439,830	556,950	277,352	279,598
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 1,205,040	\$ 1,051,930	1,270,220	\$ 218,290
Encumbrances			2,813	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 1,273,033	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
USED OIL RECYCLING
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 18,982	\$ 18,982	\$ 18,982	\$ -
Resources (Inflows):				
Intergovernmental	19,100	19,100	23,326	4,226
Use of money and property	440	160	(869)	(1,029)
Amounts Available for Appropriations	38,522	38,242	41,439	3,197
Charges to Appropriation (Outflow):				
Community development	50,200	20,020	16,866	3,154
Total Charges to Appropriations	50,200	20,020	16,866	3,154
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ (11,678)	\$ 18,222	24,573	\$ 6,351
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 24,573	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 LIBRARY SERVICES GRANTS
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 379,586	\$ 379,586	\$ 379,586	\$ -
Resources (Inflows):				
Intergovernmental	20,000	78,150	70,330	(7,820)
Use of money and property	3,020	2,480	(12,850)	(15,330)
Amounts Available for Appropriations	402,606	460,216	437,066	(23,150)
Charges to Appropriation (Outflow):				
Community services	37,430	88,080	89,103	(1,023)
Total Charges to Appropriations	37,430	88,080	89,103	(1,023)
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 365,176	\$ 372,136	347,963	\$ (24,173)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 347,963	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 LITTER REDUCTION GRANT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 53,232	\$ 53,232	\$ 53,232	\$ -
Resources (Inflows):				
Intergovernmental	43,240	43,240	43,482	242
Use of money and property	-	-	(2,367)	(2,367)
Amounts Available for Appropriations	96,472	96,472	94,347	(2,125)
Charges to Appropriation (Outflow):				
Engineering and public works	59,690	54,180	39,041	15,139
Total Charges to Appropriations	59,690	54,180	39,041	15,139
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 36,782	\$ 42,292	55,306	\$ 13,014
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 55,306	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 SAFETEA-LU GRANT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 484,345	\$ 484,345	\$ 484,345	\$ -
Resources (Inflows):				
Use of money and property	2,140	4,560	(16,050)	(20,610)
Amounts Available for Appropriations	486,485	488,905	468,295	(20,610)
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 486,485	\$ 488,905	468,295	\$ (20,610)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 468,295	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 UNDERGROUND UTILITIES
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 11,732,766	\$ 11,732,766	\$ 11,732,766	\$ -
Resources (Inflows):				
Use of money and property	131,020	117,510	(401,320)	(518,830)
Developer participation	90,000	-	24,832	24,832
Amounts Available for Appropriations	11,953,786	11,850,276	11,356,278	(493,998)
Charges to Appropriation (Outflow):				
Engineering and public works	8,330	9,370	9,361	9
Capital outlay	-	93,630	93,586	44
Total Charges to Appropriations	8,330	103,000	102,947	53
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 11,945,456	\$ 11,747,276	11,253,331	\$ (493,945)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 11,253,331	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 CITYWIDE INFRASTRUCTURE IMPROVEMENT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 26,034,677	\$ 26,034,677	\$ 26,034,677	\$ -
Resources (Inflows):				
Intergovernmental	900,000	75,000	197,413	122,413
Use of money and property	298,890	259,530	(890,848)	(1,150,378)
Developer participation	2,000	-	-	-
Amounts Available for Appropriations	27,235,567	26,369,207	25,341,242	(1,027,965)
Charges to Appropriation (Outflow):				
Engineering and public works	43,800	78,910	47,143	31,767
Capital outlay	120,000	276,300	256,766	19,534
Total Charges to Appropriations	163,800	355,210	303,909	51,301
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 27,071,767	\$ 26,013,997	25,037,333	\$ (976,664)
Encumbrances			4,565	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 25,041,898	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 PROPOSITION 1B
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 301,015	\$ 301,015	\$ 301,015	\$ -
Resources (Inflows):				
Use of money and property	3,020	2,650	(9,468)	(12,118)
Amounts Available for Appropriations	304,035	303,665	291,547	(12,118)
Charges to Appropriation (Outflow):				
Community development	200	200	200	-
Total Charges to Appropriations	200	200	200	-
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 303,835	\$ 303,465	291,347	\$ (12,118)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 291,347	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 INTEGRATED WASTE MANAGEMENT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,409,703	\$ 4,409,703	\$ 4,409,703	\$ -
Resources (Inflows):				
Taxes	1,675,160	1,675,160	1,819,593	144,433
Licenses and permits	40,700	40,700	49,800	9,100
Use of money and property	42,660	37,410	(154,501)	(191,911)
Miscellaneous	75,000	75,000	128,093	53,093
Amounts Available for Appropriations	6,243,223	6,237,973	6,252,688	14,715
Charges to Appropriation (Outflow):				
Engineering and public works	1,375,700	1,402,820	1,360,917	41,903
Transfers out	218,390	218,390	218,390	-
Total Charges to Appropriations	1,594,090	1,621,210	1,579,307	41,903
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 4,649,133	\$ 4,616,763	4,673,381	\$ 56,618
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 4,673,381	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 SB1 - TCEP
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	12,500,650	12,500,650	7,482,725	(5,017,925)
Amounts Available for Appropriations	12,500,650	12,500,650	7,482,725	(5,017,925)
Charges to Appropriation (Outflow):				
General government	650	650	650	-
Capital outlay	12,500,000	12,500,000	8,798,082	3,701,918
Total Charges to Appropriations	12,500,650	12,500,650	8,798,732	3,701,918
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ -	\$ -	(1,316,007)	\$ (1,316,007)
Encumbrances			1,316,007	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ -	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 PUBLIC ART TRUST
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 582,795	\$ 582,795	\$ 582,795	\$ -
Resources (Inflows):				
Use of money and property	4,680	5,480	(19,665)	(25,145)
Developer participation	100,000	50,000	-	(50,000)
Amounts Available for Appropriations	687,475	638,275	563,130	(75,145)
Charges to Appropriation (Outflow):				
Community development	45,040	47,540	17,714	29,826
Total Charges to Appropriations	45,040	47,540	17,714	29,826
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 642,435	\$ 590,735	545,416	\$ (45,319)
Encumbrances			13,551	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 558,967	

CITY OF RANCHO CUCAMONGA

**BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
STATE GRANT FUNDS
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	2,686,760	3,062,490	70,631	(2,991,859)
Use of money and property	-	-	(8,108)	(8,108)
Amounts Available for Appropriations	2,686,760	3,062,490	62,523	(2,999,967)
Charges to Appropriation (Outflow):				
General government	-	375,720	12,154	363,566
Capital outlay	2,686,760	2,686,770	2,686,761	9
Total Charges to Appropriations	2,686,760	3,062,490	2,698,915	363,575
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ -	\$ -	(2,636,392)	\$ (2,636,392)
Encumbrances			2,628,284	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ (8,108)	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 AD 91-2 REDEMPTION-DAY CANYON
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 78,873	\$ 78,873	\$ 78,873	\$ -
Resources (Inflows):				
Taxes	26,640	26,640	25,881	(759)
Use of money and property	710	680	(2,768)	(3,448)
Amounts Available for Appropriations	106,223	106,193	101,986	(4,207)
Charges to Appropriation (Outflow):				
General government	26,170	20,820	21,171	(351)
Total Charges to Appropriations	26,170	20,820	21,171	(351)
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 80,053	\$ 85,373	80,815	\$ (4,558)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 80,815	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 PD 85 MAINTENANCE
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,191,388	\$ 3,191,388	\$ 3,191,388	\$ -
Resources (Inflows):				
Taxes	1,162,090	1,162,090	1,163,122	1,032
Charges for services	21,590	21,590	34,998	13,408
Use of money and property	156,000	129,070	39,616	(89,454)
Miscellaneous	100	100	128	28
Transfers in	122,470	120,480	94,309	(26,171)
Amounts Available for Appropriations	4,653,638	4,624,718	4,523,561	(101,157)
Charges to Appropriation (Outflow):				
Engineering and public works	1,191,360	1,174,190	1,076,812	97,378
Capital outlay	1,080,000	530,130	163,488	366,642
Total Charges to Appropriations	2,271,360	1,704,320	1,240,300	464,020
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 2,382,278	\$ 2,920,398	3,283,261	\$ 362,863
Encumbrances			48,980	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 3,332,241	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 CFD 2000-03 PARK MAINTENANCE
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 508,727	\$ 508,727	\$ 508,727	\$ -
Resources (Inflows):				
Taxes	550,180	550,180	549,209	(971)
Charges for services	-	-	40	40
Use of money and property	3,940	3,570	(19,315)	(22,885)
Amounts Available for Appropriations	1,062,847	1,062,477	1,038,661	(23,816)
Charges to Appropriation (Outflow):				
General government	516,720	497,420	478,016	19,404
Capital outlay	-	72,270	72,261	9
Total Charges to Appropriations	516,720	569,690	550,277	19,413
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 546,127	\$ 492,787	488,384	\$ (4,403)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 488,384	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 CFD 2017-01 NO. ETIWANDA
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,796	\$ 1,796	\$ 1,796	\$ -
Resources (Inflows):				
Taxes	3,020	3,020	3,015	(5)
Amounts Available for Appropriations	4,816	4,816	4,811	(5)
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)	\$ 3,596	\$ 3,596	3,591	\$ (5)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 3,591	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 CFD 2018-01 EMPIRE LAKES
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 77,911	\$ 77,911	\$ 77,911	\$ -
Resources (Inflows):				
Taxes	216,730	216,730	216,023	(707)
Use of money and property	910	1,620	(7,191)	(8,811)
Amounts Available for Appropriations	295,551	296,261	286,743	(9,518)
Charges to Appropriation (Outflow):				
General government	36,350	36,850	13,252	23,598
Transfers out	83,310	83,310	83,310	-
Total Charges to Appropriations	119,660	120,160	96,562	23,598
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 175,891	\$ 176,101	190,181	\$ 14,080
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 190,181	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 ENHANCED INFRASTRUCTURE FINANCING DISTRICT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Use of money and property	-	-	(53)	(53)
Amounts Available for Appropriations	-	-	(53)	(53)
Charges to Appropriation (Outflow):				
General government	-	241,620	243,722	(2,102)
Transfers out	-	5,210	5,210	-
Total Charges to Appropriations	-	246,830	248,932	(2,102)
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ -	\$ (246,830)	(248,985)	\$ (2,155)
Encumbrances			7,187	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ (241,798)	

CITY OF RANCHO CUCAMONGA

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,422,266	\$ 7,422,266	\$ 7,422,266	\$ -
Resources (Inflows):				
Use of money and property	92,560	75,360	(283,094)	(358,454)
Amounts Available for Appropriations	7,514,826	7,497,626	7,139,172	(358,454)
Charges to Appropriation (Outflow):				
General government	3,130	3,130	3,130	-
Community development	2,630	2,630	2,630	-
Total Charges to Appropriations	5,760	5,760	5,760	-
Budgetary Fund Balance, June 30 (Budgetary Basis)	\$ 7,509,066	\$ 7,491,866	7,133,412	\$ (358,454)
Encumbrances			-	
Budgetary Fund Balance, June 30 (GAAP Basis)			\$ 7,133,412	

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, 2022

	Equipment and Vehicle Replacement	Computer Equipment/ Technology Replacement	Total
Assets:			
Current:			
Cash and investments	\$ 2,368,487	\$ 7,796,523	\$ 10,165,010
Receivables:			
Accounts	-	29,020	29,020
Accrued interest	5,093	9,789	14,882
Prepaid costs	-	226,317	226,317
Total Current Assets	2,373,580	8,061,649	10,435,229
Noncurrent:			
Capital assets, not being depreciated/amortized	-	63,568	63,568
Capital assets, net of accumulated depreciation/amortization	2,689,051	1,421,315	4,110,366
Total Noncurrent Assets	2,689,051	1,484,883	4,173,934
Total Assets	5,062,631	9,546,532	14,609,163
Liabilities:			
Current:			
Accounts payable	108,901	96,128	205,029
Accrued interest	-	7,065	7,065
Financed purchases	-	507,340	507,340
Total Current Liabilities	108,901	610,533	719,434
Total Liabilities	108,901	610,533	719,434
Net Position:			
Net invested in capital assets	2,689,051	977,543	3,666,594
Unrestricted	2,264,679	7,958,456	10,223,135
Total Net Position	\$ 4,953,730	\$ 8,935,999	\$ 13,889,729

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Equipment and Vehicle Replacement	Computer Equipment/ Technology Replacement	Total
Operating Revenues:			
Interdepartmental charges	\$ 1,149,270	\$ 752,320	\$ 1,901,590
Total Operating Revenues	1,149,270	752,320	1,901,590
Operating Expenses:			
Maintenance and operations	348,444	177,831	526,275
Contractual services	-	219,719	219,719
Depreciation expense	775,313	855,411	1,630,724
Total Operating Expenses	1,123,757	1,252,961	2,376,718
Operating Income (Loss)	25,513	(500,641)	(475,128)
Nonoperating Revenues (Expenses):			
Interest revenue	(91,713)	(325,242)	(416,955)
Interest expense	-	(32,269)	(32,269)
Total Nonoperating Revenues (Expenses)	(91,713)	(357,511)	(449,224)
Income (Loss) Before Transfers	(66,200)	(858,152)	(924,352)
Transfers in	300,000	5,535,650	5,835,650
Changes in Net Position	233,800	4,677,498	4,911,298
Net Position:			
Beginning of Year	4,719,930	4,258,501	8,978,431
End of Fiscal Year	\$ 4,953,730	\$ 8,935,999	\$ 13,889,729

CITY OF RANCHO CUCAMONGA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Equipment and Vehicle Replacement	Computer Equipment/ Technology Replacement	Total
Cash Flows from Operating Activities:			
Cash received from interfund services provided	\$ 1,149,270	\$ 752,320	\$ 1,901,590
Cash paid to suppliers for goods and services	(304,580)	(174,951)	(479,531)
Net Cash Provided (Used) by Operating Activities	844,690	577,369	1,422,059
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	300,000	5,535,650	5,835,650
Net Cash Provided (Used) by Non-Capital Financing Activities	300,000	5,535,650	5,835,650
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(238,604)	(128,026)	(366,630)
Principal paid on capital debt	-	(488,349)	(488,349)
Interest paid on capital debt	-	(38,981)	(38,981)
Net Cash Provided (Used) by Capital and Related Financing Activities	(238,604)	(655,356)	(893,960)
Cash Flows from Investing Activities:			
Interest received	(93,329)	(329,074)	(422,403)
Net Cash Provided (Used) by Investing Activities	(93,329)	(329,074)	(422,403)
Net Increase (Decrease) in Cash and Cash Equivalents	812,757	5,128,589	5,941,346
Cash and Cash Equivalents at Beginning of Year	1,555,730	2,667,934	4,223,664
Cash and Cash Equivalents at End of Year	\$ 2,368,487	\$ 7,796,523	\$ 10,165,010
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 25,513	\$ (500,641)	\$ (475,128)
Adjustments to Reconcile Operating Income (loss)			
Net Cash Provided (used) by Operating Activities:			
Depreciation	775,313	855,411	1,630,724
(Increase) decrease in prepaid expense	-	140,685	140,685
Increase (decrease) in accounts payable	43,864	81,914	125,778
Total Adjustments	819,177	1,078,010	1,897,187
Net Cash Provided (Used) by Operating Activities	\$ 844,690	\$ 577,369	\$ 1,422,059

Non-Cash Investing, Capital, and Financing Activities:

There was no non-cash investing, capital and financing activities in the current fiscal year.

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.

CITY OF RANCHO CUCAMONGA, CALIFORNIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2022

	<u>CFD 2004-01</u>	AD 93-1 Masi Commerce Center	<u>CFD 2000-01</u>	<u>CFD 2000-02</u>
Assets:				
Cash and investments	\$ 2,953,561	\$ -	\$ 82,854	\$ 454,713
Receivables:				
Accounts	-	-	-	-
Taxes	32,310	-	667	577
Accrued interest	6,794	-	167	731
Restricted assets:				
Cash and investments with fiscal agents	1,187,701	-	22,758	208,975
Total Assets	<u>4,180,366</u>	<u>-</u>	<u>106,446</u>	<u>664,996</u>
Net Position:				
Restricted for organizations and other governments	4,180,366	-	106,446	664,996
Total Net Position	<u>\$ 4,180,366</u>	<u>\$ -</u>	<u>\$ 106,446</u>	<u>\$ 664,996</u>

CITY OF RANCHO CUCAMONGA, CALIFORNIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2022

(CONTINUED)

	<u>CFD 2000-03</u>	<u>CFD 2001-01 Series A</u>	<u>CFD 2001-01 Series B</u>	<u>CFD 2003-01 Series A</u>
Assets:				
Cash and investments	\$ 517,946	\$ 570,371	\$ 57,859	\$ 996,858
Receivables:				
Accounts	-	-	-	-
Taxes	3,081	7,145	-	546
Accrued interest	960	10	-	1,732
Restricted assets:				
Cash and investments with fiscal agents	260,827	303,647	29,481	1,417,397
Total Assets	<u>782,814</u>	<u>881,173</u>	<u>87,340</u>	<u>2,416,533</u>
Net Position:				
Restricted for organizations and other governments	782,814	881,173	87,340	2,416,533
Total Net Position	<u><u>\$ 782,814</u></u>	<u><u>\$ 881,173</u></u>	<u><u>\$ 87,340</u></u>	<u><u>\$ 2,416,533</u></u>

CITY OF RANCHO CUCAMONGA, CALIFORNIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2022

	<u>CFD 2003-01 Series B</u>	<u>CFD 2006-01</u>	<u>CFD 2006-02</u>	<u>Total Custodial Funds</u>
Assets:				
Cash and investments	\$ 203,135	\$ 330,759	\$ 217,144	\$ 6,385,200
Receivables:				
Accounts	-	-	2,016	2,016
Taxes	-	1,932	1,008	47,266
Accrued interest	397	731	470	11,992
Restricted assets:				
Cash and investments with fiscal agents	132,511	130,519	78,313	3,772,129
Total Assets	336,043	463,941	298,951	10,218,603
Net Position:				
Restricted for organizations and other governments	336,043	463,941	298,951	10,218,603
Total Net Position	\$ 336,043	\$ 463,941	\$ 298,951	\$ 10,218,603

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CITY OF RANCHO CUCAMONGA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2022

	CFD 2004-01	AD 93-1 Masi Commerce Center	CFD 2000-01	CFD 2000-02
Additions:				
Collection of special taxes	\$ 2,356,765	\$ -	\$ 74,920	\$ 517,806
Investment earnings:				
Net change in fair value of investments	(120,883)	2,257	(3,333)	(18,367)
Interest	11,886	-	265	1,096
Total Additions	2,247,768	2,257	71,852	500,535
Deductions:				
Administrative expenses	31,990	610	19,314	52,444
Contractual services	-	1,158	-	-
Interest expense	1,115,604	13,747	6,679	65,117
Principal expense	1,232,000	440,000	46,000	424,000
Payments to city	-	285,537	-	-
Total Deductions	2,379,594	741,052	71,993	541,561
Net Increase (Decrease) in Fiduciary Net Position	(131,826)	(738,795)	(141)	(41,026)
Net Position:				
Beginning of fiscal year, as originally reported	(23,241,131)	289,755	(137,840)	(1,664,515)
Restatements	27,553,323	449,040	244,427	2,370,537
Beginning of fiscal year, as restated	4,312,192	738,795	106,587	706,022
Net Position - End of the Year	\$ 4,180,366	\$ -	\$ 106,446	\$ 664,996

CITY OF RANCHO CUCAMONGA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	CFD 2000-03	CFD 2001-01 Series A	CFD 2001-01 Series B	CFD 2003-01 Series A
Additions:				
Collection of special taxes	\$ 564,585	\$ 671,477	\$ 61,467	\$ 1,200,915
Investment earnings:				
Net change in fair value of investments	(21,240)	(23,302)	(2,383)	(41,056)
Interest	1,667	138	14	3,324
Total Additions	545,012	648,313	59,098	1,163,183
Deductions:				
Administrative expenses	30,930	57,894	1,694	38,650
Contractual services	-	-	-	-
Interest expense	217,697	185,115	17,928	585,156
Principal expense	298,000	409,000	40,000	525,000
Payments to city	-	-	-	-
Total Deductions	546,627	652,009	59,622	1,148,806
Net Increase (Decrease) in Fiduciary Net Position	(1,615)	(3,696)	(524)	14,377
Net Position:				
Beginning of fiscal year, as originally reported	(5,020,061)	(4,597,385)	(443,264)	(9,468,698)
Restatements	5,804,490	5,482,254	531,128	11,870,854
Beginning of fiscal year, as restated	784,429	884,869	87,864	2,402,156
Net Position - End of the Year	\$ 782,814	\$ 881,173	\$ 87,340	\$ 2,416,533

CITY OF RANCHO CUCAMONGA, CALIFORNIA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2022**

	CFD 2003-01 Series B	CFD 2006-01	CFD 2006-02	Total Custodial Funds
Additions:				
Collection of special taxes	\$ 205,064	\$ 291,253	\$ 185,818	\$ 6,130,070
Investment earnings:				
Net change in fair value of investments	(8,168)	(13,509)	(8,904)	(258,888)
Interest	647	1,271	804	21,112
Total Additions	197,543	279,015	177,718	5,892,294
Deductions:				
Administrative expenses	11,700	20,174	20,125	285,525
Contractual services	-	-	-	1,158
Interest expense	95,100	119,599	71,070	2,492,812
Principal expense	107,000	136,000	82,000	3,739,000
Payments to city	-	-	-	285,537
Total Deductions	213,800	275,773	173,195	6,804,032
Net Increase (Decrease) in Fiduciary Net Position	(16,257)	3,242	4,523	(911,738)
Net Position:				
Beginning of fiscal year, as originally reported	(1,939,727)	(2,698,502)	(1,583,469)	(50,504,837)
Restatements	2,292,027	3,159,201	1,877,897	61,635,178
Beginning of fiscal year, as restated	352,300	460,699	294,428	11,130,341
Net Position - End of the Year	\$ 336,043	\$ 463,941	\$ 298,951	\$ 10,218,603

City of Rancho Cucamonga
Annual Comprehensive Financial Report
June 30, 2022

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.

CITY OF RANCHO CUCAMONGA

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
Investment in capital assets	\$ 799,863,587	\$ 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
Restricted	464,700,055	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
Unrestricted	115,274,716	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
Total governmental activities net position	\$ 1,379,838,358	\$ 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
Business-type activities:										
Investment in capital assets	\$ 42,752,205	\$ 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
Restricted	403,327	351,851	584,719	629,390	733,900	770,383	717,336	718,571	858,497	827,164
Unrestricted	17,256,997	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
Total business-type activities net position	\$ 60,412,529	\$ 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
Primary government:										
Investment in capital assets	\$ 842,615,792	\$ 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
Restricted	465,103,382	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
Unrestricted	132,531,713	120,914,617	110,812,612	107,914,932	101,127,508	70,641,014	111,897,290	130,568,657	174,422,995	108,905,070
Total primary government net position	\$ 1,440,250,887	\$ 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

CITY OF RANCHO CUCAMONGA

Statement of Activities (Condensed)

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental activities:										
General government	\$ 18,945,300	\$ 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
Public safety-police	45,826,735	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
Public safety-fire protection	38,905,872	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
Public safety-animal center	2,362,765	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
Community development	17,172,949	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
Community services	13,172,949	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
Engineering and public works	29,237,399	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
Interest on long-term debt	76,038	269,752	258,635	232,919	213,912	172,041	806,322	239,368	234,057	202,737
Total governmental activities expenses	166,284,888	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
Business-type activities:										
Municipal Utility	13,503,837	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
Fiber Optic Network	801,230	1,044,879	736,499	658,291	144,924	-	-	-	33,853	-
Sports Complex	1,719,849	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
REGIS Connect	-	-	270	19,284	104,969	167,618	65,042	57,003	33,853	-
Total business-type activities expenses	16,024,916	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
Total primary government expenses	182,309,804	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
Program revenues:										
Governmental activities:										
Charges for services:										
General government	10,176,185	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
Public safety-police	988,096	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
Public safety-fire protection	140,675	116,648	330,210	552,486	314,507	-	242,620	1,465,438	1,065,852	1,811,862
Public safety-animal center	146,314	109,803	186,283	215,137	211,865	191,073	215,147	206,941	186,434	206,758
Community development	11,627,478	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
Community services	609,768	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
Engineering and public works	3,874,898	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
Operating contributions and grants	39,846,497	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
Capital contributions and grants	30,787,358	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
Total governmental activities program revenues	98,207,269	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
Business-type activities:										
Charges for services:										
Municipal Utility	14,551,353	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
Fiber Optic Network	326,985	103,575	91,596	81,605	58,857	23,750	-	-	-	-
Sports Complex	246,722	236,650	479,896	540,972	248,828	218,220	169,099	262,818	300,379	319,764
REGIS Connect	-	-	-	25,470	42,930	114,120	82,300	82,490	58,949	-
Operating contributions and grants	133,455	-	-	-	-	-	-	-	-	-
Capital contributions and grants	2,821,754	1,442,873	4,050,235	662,677	679,410	4,560,732	-	-	-	-
Total business-type activities program revenues	18,080,269	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
Total primary government program revenues	116,287,538	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

CITY OF RANCHO CUCAMONGA

Statement of Activities (Condensed)

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net revenues (expenses):										
Governmental activities	(68,077,619)	(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)
Business-type activities	2,055,353	351,784	2,775,493	1,256,944	1,826,576	5,576,249	423,724	1,383,407	1,208,213	651,110
Total net revenues (expenses)	<u>(66,022,266)</u>	<u>(109,607,625)</u>	<u>(119,426,135)</u>	<u>(104,663,417)</u>	<u>(119,073,121)</u>	<u>(115,132,986)</u>	<u>(77,926,155)</u>	<u>(90,484,395)</u>	<u>(93,456,296)</u>	<u>(86,557,484)</u>
General revenues and other changes in net assets:										
Governmental activities:										
Taxes:										
Property taxes	96,971,793	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
Admissions tax	2,042	-	3,728	7,493	6,008	4,810	4,063	27,642	55,258	78,508
Transient occupancy taxes	4,423,148	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
Sales taxes	40,767,359	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
Franchise taxes	9,991,283	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
Motor vehicle in lieu, unrestricted	202,321	128,734	141,996	84,803	93,340	84,510	70,457	73,316	75,900	91,710
Use of money and property	(12,450,392)	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
Other	18,419,397	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
Contributions from other governments	-	-	-	-	-	-	-	-	29,851,545	-
Gain on sale of capital assets	1,061,719	-	-	57,563	-	-	-	-	100,301	-
Extraordinary item	-	-	-	-	-	-	-	(295,169)	58,427	-
Special Item	-	-	-	(36,406,951)	-	38,257,705	-	-	-	-
Transfers	(1,061,217)	(809,757)	(1,289,186)	(380,681)	(676,159)	(222,537)	(534,114)	(200,980)	(332,830)	(236,654)
Total governmental activities	<u>158,327,453</u>	<u>151,060,088</u>	<u>137,088,072</u>	<u>110,577,496</u>	<u>128,974,103</u>	<u>158,074,562</u>	<u>122,283,653</u>	<u>118,147,088</u>	<u>141,821,416</u>	<u>167,451,348</u>
Business-type activities:										
Admission tax	152,009	32,500	140,277	146,181	62,195	127,934	196,385	70,278	103,308	105,839
Use of money and property	(1,151,503)	(11,742)	748,053	849,869	390,833	256,370	375,435	310,644	304,113	156,824
Other	5,862	11,171	-	-	601,075	49,229	52,675	17,306	59,888	13,866
Transfers	1,061,217	809,757	1,289,186	380,681	676,159	222,537	534,114	200,980	332,830	236,654
Total business-type activities	<u>67,585</u>	<u>841,686</u>	<u>2,177,516</u>	<u>1,376,731</u>	<u>1,730,262</u>	<u>656,070</u>	<u>1,158,609</u>	<u>599,208</u>	<u>800,139</u>	<u>513,183</u>
Total primary government	<u>158,395,038</u>	<u>151,901,774</u>	<u>139,265,588</u>	<u>111,954,227</u>	<u>130,704,365</u>	<u>158,730,632</u>	<u>123,422,262</u>	<u>118,746,296</u>	<u>142,621,555</u>	<u>167,964,531</u>
Changes in net position:										
Governmental activities	90,249,834	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
Business-type activities	2,122,938	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
Total primary government	<u>\$ 92,372,772</u>	<u>\$ 42,294,149</u>	<u>\$ 19,839,453</u>	<u>\$ 7,290,810</u>	<u>\$ 11,631,244</u>	<u>\$ 43,597,646</u>	<u>\$ 45,496,107</u>	<u>\$ 28,261,901</u>	<u>\$ 49,165,259</u>	<u>\$ 81,407,047</u>

CITY OF RANCHO CUCAMONGA

Fund Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Nonspendable	\$ 23,311,819	\$ 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
Restricted	16,162,437	9,631,596	12,720,339	10,000,336	6,351,557	8,152,268	4,256,949	3,091,255	1,527,198	1,853,526
Committed	101,962,810	73,280,103	68,240,058	72,103,374	71,335,361	69,939,616	75,193,291	74,310,635	66,857,871	66,508,246
Assigned	31,683,170	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
Total General Fund	\$ 173,120,236	\$ 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
All other governmental funds:										
Nonspendable	\$ 346,301	\$ 353,000	\$ 210,875	\$ 273,988	\$ 333,012	\$ 152,628	\$ 143,987	\$ 121,898,056	\$ 119,252,242	\$ 123,138,331
Restricted	365,313,909	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
Committed	46,159,904	45,172,751	41,474,853	41,633,706	40,295,153	41,954,990	43,026,277	41,239,963	40,846,591	43,796,727
Assigned	19,663,578	28,464,821	20,872,492	22,798,449	15,287,695	9,290,502	25,606,377	23,778,666	22,697,507	20,982,247
Unassigned	(4,484,709)	(4,290,919)	(4,899,160)	(5,587,201)	(7,096,108)	(142,352)	(1,131,670)	(514,340)	(576,924)	(576,360)
Total all other governmental funds	\$ 426,998,983	\$ 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

CITY OF RANCHO CUCAMONGA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Taxes	\$ 165,770,434	\$ 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
Licenses and permits	6,352,583	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
Intergovernmental	51,403,759	25,525,250	17,265,617	15,990,890	12,960,432	16,859,643	24,000,432	15,156,829	12,808,079	11,636,537
Charges for services	5,791,232	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
Use of money and property	(14,305,601)	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
Fines and forfeitures	1,407,126	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
Contributions	1,700,219	248,823	432,035	514,193	575,123	662,854	4,717,131	762,415	784,540	1,081,330
Developer participation	18,044,293	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
Miscellaneous	18,498,172	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
Total revenues	254,662,217	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
Expenditures										
Current:										
General government	19,778,343	19,754,199	16,939,055	18,012,280	30,564,911	16,622,855	17,891,520	16,056,022	14,326,672	16,025,746
Public safety-police	45,213,099	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
Public safety-fire protection	45,126,100	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
Public safety-animal center	2,772,904	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
Community development	19,610,481	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
Community services	8,601,487	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
Engineering and public works	19,322,761	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
Capital outlay	24,129,169	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
Debt service:										
Principal retirement	-	-	-	-	18,759	21,901	21,260	20,104	20,021	3,803
Interest and fiscal charges	42,278	167,698	191,382	202,647	199,747	139,598	756,224	181,682	197,935	201,373
Total expenditures	184,596,622	187,213,594	164,604,665	164,353,933	194,877,687	162,553,738	159,388,210	143,441,229	132,858,179	155,980,760
Excess (deficiency) of revenues over (under) expenditures	70,065,595	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
Other financing sources (uses):										
Transfers in	30,243,066	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
Transfers out	(37,139,933)	(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)
Leases	226,622	-	-	-	-	-	-	-	-	105,848
Proceeds from sale of capital asset	3,318,351	28,790	99,230	60,738	70,113	164,520	25,331	24,178	100,301	57,701
Total other financing sources (uses)	(3,351,894)	(1,966,656)	(1,867,286)	(2,418,303)	(788,986)	(648,417)	(1,240,523)	(1,023,473)	(811,182)	(3,601,805)
Extraordinary item	-	-	-	-	-	-	-	(5,201,081)	(3,473,832)	-
Net change in fund balances	\$ 66,713,701	\$ 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
Debt service as a percentage of noncapital expenditures*	0.03%	0.10%	0.13%	0.14%	0.12%	0.11%	0.55%	0.16%	0.24%	0.15%

CITY OF RANCHO CUCAMONGA

Assessed Value and Estimated Value of Taxable Property
(in thousands of dollars)

Last Ten Fiscal Years

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Residential	\$ 21,273,133	\$ 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
Commercial	3,037,908	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
Industrial	4,205,142	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
Dry Farm	983	973	954	936	977	957	943	920	920	902
Gov't Owned	2,872	2,831	3,882	3,806	3,659	3,587	7,839	7,745	7,732	4,613
Institutional	45,260	51,853	46,328	45,436	45,531	43,495	42,113	41,023	49,286	43,504
Irrigated	3,807	3,768	3,694	3,686	3,552	3,483	3,433	3,366	3,439	3,372
Miscellaneous	94,915	58,616	60,464	50,481	55,920	294,036	18,964	23,805	27,365	29,486
Recreational	38,103	34,823	35,309	32,926	32,634	44,814	40,343	41,663	47,757	47,419
Vacant	474,478	509,897	509,018	501,443	408,907	374,179	350,353	327,609	330,538	348,323
SBE Nonunitary	875	875	875	7,994	24,483	24,173	28,682	22,485	26,591	36,691
Unsecured	1,168,905	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
Unknown	-	-	-	-	-	-	-	-	-	16,326
TOTALS	\$ 30,346,381	\$ 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
Total Direct Rate	0.17590%	0.17792%	0.17794%	0.17794%	0.17794%	0.17795%	0.17790%	0.17775%	0.17772%	0.47780%

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 2012/13 - 2021/22 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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	0.07300	0.04570	0.06530	0.06800	0.05640	0.04080	0.04170	0.04370	0.04500	0.04580
Central Elementary Bond	0.06140	0.04890	0.05020	0.04650	0.06700	0.06880	0.06500	0.06600	0.07110	0.07270
Chaffey Community College Bond	0.01770	0.01110	0.02410	0.01530	0.00880	0.01160	0.01130	0.01090	0.01570	0.01110
Chaffey High School Bond	0.03710	0.03520	0.03750	0.04020	0.02790	0.03190	0.04090	0.02940	0.03710	0.01010
Etiwanda Elementary Bond	0.02330	0.02830	0.00340	0.02860	0.01690	-	-	-	-	-
Fontana Unified School Bond	0.05200	0.06710	0.04200	0.08900	0.11130	0.11170	0.11450	0.13840	0.15160	0.15010
Metropolitan Water Agency	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Upland Unified School Bond	0.06340	0.05150	0.05600	0.05870	0.05510	0.06070	0.05250	0.04620	0.04840	0.05240
Total Direct & Overlapping² Tax Rates	1.33140	1.29130	1.28200	1.34980	1.34690	1.32900	1.32940	1.33810	1.37240	1.34570
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	-	-	-	-	-	-	-	-	-	-
Total Direct Rate⁵	0.17590	0.17792	0.17794	0.17794	0.17794	0.17795	0.17790	0.17775	0.17772	0.47780

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 2012/13 - 2021/22 Tax Rate Table; HdL, Coren & Cone

CITY OF RANCHO CUCAMONGA

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2022		2013	
	Assessed Value	Percent of Total City Assessed Value	Assessed Value	Percent of Total City Assessed Value
Rancho Mall LLC	\$ 352,982,656	1.16%	\$ -	0.00%
Homecoming at Terra Vista LLC	305,021,464	1.01%	-	0.00%
Prologis/Catellus	194,109,425	0.64%	-	0.00%
Bridge Point Rancho Cucamonga LLC	193,094,042	0.64%	-	0.00%
Frito Lay Inc	170,797,179	0.56%	-	0.00%
Solamonte Owner LLC	141,755,835	0.47%	-	0.00%
GSIC II Cucamonga Owner	130,179,950	0.43%	-	0.00%
Schlosser Forge Company	125,253,665	0.41%	-	0.00%
Goodman Rancho SPE LLC	119,246,969	0.39%	-	0.00%
EQR-Fanwell 2007 LP	112,417,951	0.37%	88,000,000	0.45%
Victoria Gardens Mall LLC	-	0.00%	239,479,427	1.22%
Homecoming I At Terra Vista LLC	-	0.00%	123,791,701	0.63%
T-Napf Meritage Ownership LLC	-	0.00%	117,364,505	0.60%
Catellus Development Corporation	-	0.00%	101,216,200	0.52%
Frito Lay North America Inc	-	0.00%	96,378,370	0.49%
Knickerbocker Properties Inc XLVII	-	0.00%	83,181,598	0.42%
THM ENT LLC	-	0.00%	79,914,830	0.41%
PPF MF 9200 Milliken Avenue LP	-	0.00%	78,646,980	0.40%
WNG Rancho Cucamonga 496 LLC	-	0.00%	76,092,892	0.39%
	<u>\$ 1,844,859,136</u>	<u>6.08%</u>	<u>\$ 1,084,066,503</u>	<u>5.53%</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	
		Received Amount	Percent of Levy		Amount	Percent of Levy
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%
2022	142,994,120	143,427,161	100.30%	N/A	143,427,161	100.30%

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

CITY OF RANCHO CUCAMONGA

Principal Sales Tax Remitters ¹

Current Year and Nine Years Ago

2022		2013	
<u>Business Name</u>	<u>Business Category</u>	<u>Business Name</u>	<u>Business Category</u>
Apple	Electronics/Appliance Stores	Ameron International	Contractors
Bass Pro Shops Outdoor World	Sporting Goods/Bike Stores	Apple	Electronics/Appliance Stores
Best Buy	Electronics/Appliance Stores	Bass Pro Shops Outdoor World	Sporting Goods/Bike Stores
Chevron	Service Stations	Best Buy	Electronics/Appliance Stores
Circle K	Service Stations	Chevron	Service Stations
Costco	Discount Department Stores	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
Living Spaces Furniture	Home Furnishings	Day Creek Shell	Service Stations
Lowes	Building Materials	Haven Mobil	Service Stations
Macys	Department Stores	Home Depot	Building Materials
Macy's	Department Stores	JC Penney	Department Stores
My Goods Market	Service Stations	Living Spaces Furniture	Home Furnishings
Parallon Supply Chain Solutions	Medical/Biotech	Lowes	Building Materials
Ralphs	Grocery Stores	Macys	Department Stores
Schwarz Paper Company	Light Industrial/Printers	Monoprice	Fulfillment Centers
Shell	Service Stations	NIC Partners	Electrical Equipment
Stater Bros	Grocery Stores	Ralphs	Grocery Stores
Stiles Machinery	Heavy Industrial	Ralphs	Grocery Stores
Target	Discount Department Stores	Ross	Family Apparel
Tesla Motors	New Motor Vehicle Dealers	Sears	Department Stores
Total Wine & More	Convenience Stores/Liquor	Southwire	Energy/Utilities
Walmart	Discount Department Stores	Target	Discount Department Stores
Walters Wholesale Electric	Plumbing/Electrical Supplies	Walmart	Discount Department 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				
	General Obligation Bonds	Capital Leases	Tax Allocation Bonds ¹	Loans	Total Governmental Activities
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
2022	-	507,340	-	-	507,340

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.

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			
\$ -	\$ -	\$ -	\$ 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
-	-	-	507,340	0.01%	3

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			
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%	-
2022	-	-	-	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.

CITY OF RANCHO CUCAMONGA

Direct and Overlapping Debt

June 30, 2022

City Net Taxable Assessed Value	\$ 30,346,380,711 ²		
	Percentage Applicable ¹	Total Debt 6/30/22	City Share of Debt
<u>Overlapping Tax and Assessment Debt:</u>			
Metropolitan Water District	0.894%	\$ 20,175,000	\$ 180,365
Chaffey Community College District	22.385%	302,930,000	67,810,881
Chaffey Union High School District	42.306%	513,636,737	217,299,158
Alta Loma School District	98.879%	57,397,978	56,754,547
Central School District	98.087%	67,594,835	66,301,746
Cucamonga School District Community Facilities District No. 97-1	100.000%	3,910,000	3,910,000
Etiwanda School District	68.868%	87,096,760	59,981,797
Etiwanda School District CFD No. 7	25.417%	7,145,000	1,816,045
Etiwanda School District CFD No. 8	64.507%	3,960,000	2,554,477
Etiwanda School District CFD No. 9	69.668%	6,770,000	4,716,524
Etiwanda School District CFD Nos. 2004-2, 2007-1, 2018-1	100.000%	20,730,000	20,730,000
Etiwanda School District Rancho Etiwanda Public Facilities Authority CFD No. 1	100.000%	9,655,000	9,655,000
Fontana Unified School District	0.527%	269,259,841	1,418,999
Upland Unified School District	0.118%	86,283,463	101,814
City of Rancho Cucamonga CFDs	100.000%	57,051,000	57,051,000
City of Rancho Cucamonga 1915 Act Bonds	100.000%	225,000	225,000
Total overlapping tax and assessment debt		1,513,820,614	570,507,353
<u>Direct and Overlapping General Fund Debt</u>			
San Bernardino County General Fund Obligations	11.399%	188,035,000	21,434,110
San Bernardino County Pension Obligation Bonds	11.399%	119,835,000	13,659,992
San Bernardino County Flood Control District General Fund Obligations	11.399%	44,780,000	5,104,472
Chaffey Community College District General Fund Obligations	22.385%	27,675,000	6,195,049
Cucamonga School District Certificates of Participation	40.230%	3,426,000	1,378,280
Fontana Unified School District Certificates of Participation	0.527%	20,515,000	108,114
West Valley Vector Control District Certificates of Participation	31.075%	1,866,938	580,151
Total direct and overlapping general fund debt		406,132,938	48,460,168
<u>Overlapping Tax Increment Debt (Successor Agency)</u>	100.000%	224,485,000	224,485,000
Total overlapping debt		\$ 2,144,438,552	\$ 843,452,521
City direct debt			507,340
Total direct and overlapping debt ³			\$ 843,959,861

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 2022, 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. 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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt limit	\$ 1,137,989,277	\$ 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
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 1,137,989,277	\$ 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
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 2021/22:

Net taxable assessed value	\$ 30,346,380,711
Debt limit (3.75% of assessed value)	1,137,989,277
Debt applicable to limit:	
General obligation bonds	-
Legal debt margin	<u>\$ 1,137,989,277</u>

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.

CITY OF RANCHO CUCAMONGA

Pledged-Revenue Coverage

Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ended June 30, 2022	Tax Allocation Bonds			
	Tax Increment ¹	Debt Service		Coverage
		Principal	Interest	
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
2022	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.

CITY OF RANCHO CUCAMONGA

Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
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%
2021	174,476	6,672,933	38,245	5.4%

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	2022			2013		
	Number of Employees ¹	Rank	Percent of Total Employment	Number of Employees ¹	Rank	Percent of Total Employment
Etiwanda School District	1194	1	1.23%	1058	2	1.49%
Inland Empire Health Plan	1180	2	1.22%	n/a	n/a	n/a
Chaffey Community College	1100	3	1.13%	1229	1	1.73%
West Valley Detention Center	1100	4	1.13%	n/a	n/a	n/a
Frito-Lay	949	5	0.98%	561	9	0.79%
Alta Loma School District	800	6	0.82%	670	6	0.94%
Central School District	715	7	0.74%	527	10	0.74%
City of Rancho Cucamonga	560	8	0.58%	841	4	1.18%
Amphastar Pharmaceutical	550	9	0.57%	880	3	1.24%
National Community Renaissance	500	10	0.52%	n/a	n/a	n/a
Southern California Edison	n/a	n/a	n/a	800	5	1.13%
Mercury Casualty	n/a	n/a	n/a	606	7	0.85%
West Coast Liquidators	n/a	n/a	n/a	565	8	0.80%

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government	86	86	86	88	91	90	93	86	86	85
Public Safety ^{1,2}	154	157	147	180	175	175	165	159	145	153
Engineering and Public Works	154	169	171	191	192	204	208	214	193	201
Community Development	37	39	38	36	41	42	42	42	46	49
Community Services ³	129	87	71	325	366	371	347	348	389	353
Total	560	538	513	820	865	882	855	849	859	841

NOTES:

¹ Police services are provided by a contract with the San Bernardino County Sheriff's Department which provided 143 sworn and 43 non-sworn employees for 2022.

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government:										
Building permits issued ¹	5,010	4,976	4,196	4,679	4,173	4,061	4,891	5,126	2,989	2,917
Building inspections conducted	12,291	13,422	13,136	14,236	12,897	12,718	17,118	18,326	19,451	20,076
Police:										
Arrests	3,793	3,531	3,947	4,762	3,027	4,442	4,968	4,534	4,497	4,617
Parking citations issued	3,709	4,275	2,840	8,693	6,438	6,354	5,151	5,946	5,603	4,806
Traffic citations issued	7,164	9,308	15,050	14,082	9,742	10,881	18,056	18,935	13,569	19,349
Fire:										
Number of emergency calls	18,250	16,907	16,545	15,861	16,762	15,670	15,158	14,212	13,674	13,477
Inspections	5,259	4,308	5,080	4,071	2,277	2,294	2,162	1,758	2,206	2,501
Public works:										
Number of potholes repaired	4,881	3,419	4,866	5,784	3,060	3,701	3,423	3,284	2,030	2,606
Parks and recreation:										
Number of recreation classes	788	422	2,684	2,483	5,350	5,055	6,048	6,865	6,688	8,321
Number of program registrations	8,085	3,577	27,763	33,511	24,278	25,912	30,648	35,477	41,807	42,196
Number of facility rentals	318	353	2,241	4,100	3,980	2,703	2,069	2,424	1,536	1,385
Library:										
Volumes in collection	269,027	259,622	226,580	274,993	300,462	295,619	302,689	314,390	310,896	301,939
Total volumes borrowed	479,395	326,345	754,690	987,448	898,037	985,474	1,085,020	1,067,070	1,069,335	1,107,211
Municipal utility:										
Number of customers	2,503	2,126	1,744	1,247	945	899	896	887	686	510
Peak demand (MW)	22	19	18	18	18	17	17	17	17	16

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	67	63	67	67	65	65	63	63	60	58
Fire:										
Fire stations	7	7	7	7	7	7	7	7	7	7
Public works:										
Streets (miles)	538	537	537	533	532	532	532	531	524	523
Streetlights	17,074	17,019	17,027	16,950	16,721	16,792	16,744	16,669	16,334	16,262
Traffic signals	239	238	238	238	235	226	224	222	220	219
Parks and recreation:										
Parks	30	30	30	30	30	30	29	29	29	29
Acreage	346	346	346	346	346	346	343	343	343	343
Community centers	6	6	6	6	6	6	6	6	6	6

Source: Various City departments