



CITY OF RIALTO, CALIFORNIA
FOR THE YEAR ENDED JUNE 30, 2024

ANNUAL FINANCIAL REPORT

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CITY OF RIALTO, CALIFORNIA

Annual Financial Report

For the Year Ended June 30, 2024

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CITY OF RIALTO, CALIFORNIA

Annual Financial Report

For the Year Ended June 30, 2024

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of 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 Rialto, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the 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, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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



To the Honorable Mayor and Members of the City Council
City of Rialto, 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.



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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

LSL, LLP

Irvine, California
June 27, 2025

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CITY OF RIALTO, CALIFORNIA
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 415,469,335	\$ 28,594,107	\$ 444,063,442
Receivables (net of uncollectibles):			
Accounts	12,579,114	8,205,724	20,784,838
Accrued interest	496,199	23,126	519,325
Due from other governments	16,513,624	-	16,513,624
Notes and loans	4,463,705	661,857	5,125,562
Leases	4,827,873	-	4,827,873
Internal balances	5,688,762	(5,688,762)	-
Restricted assets:			
Cash and investments	-	43,257,400	43,257,400
Cash with fiscal agent	5,091,750	-	5,091,750
Inventories	113,385	-	113,385
Land held for resale	1,690,369	-	1,690,369
Prepaid costs	169,784	-	169,784
Capital assets (not being depreciated)	164,971,239	45,921,275	210,892,514
Capital assets (net of accumulated depreciation/amortization)	190,900,494	72,947,133	263,847,627
Total assets	822,975,633	193,921,860	1,016,897,493
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	52,117,681	343,300	52,460,981
OPEB-related	5,865,392	55,402	5,920,794
Total deferred outflows of resources	57,983,073	398,702	58,381,775
LIABILITIES			
Accounts payable	21,646,580	3,796,917	25,443,497
Accrued liabilities	8,946,499	14,138	8,960,637
Accrued interest	80,930	-	80,930
Deposits payable	2,125,099	2,549,909	4,675,008
Unearned revenue	1,636,459	208,603	1,845,062
Noncurrent liabilities:			
Due within one year: bonds, notes, leases, SBITA, claims, and compensated absences	9,078,805	3,605,798	12,684,603
Due in more than one year:			
Net pension liability	153,769,430	1,156,014	154,925,444
Net OPEB liability	20,002,860	188,937	20,191,797
Bonds, notes, leases, SBITA, claims, and compensated absences	108,200,166	139,027,076	247,227,242
Total liabilities	325,486,828	150,547,392	476,034,220
DEFERRED INFLOWS OF RESOURCES			
Pension-related	408,656	-	408,656
OPEB-related	17,810,462	168,230	17,978,692
Lease-related	4,705,631	-	4,705,631
Total deferred inflows of resources	22,924,749	168,230	23,092,979
NET POSITION			
Net investment in capital assets	336,462,627	118,484,853	454,947,480
Restricted:			
General government	52,084,363	-	52,084,363
Public safety	26,317,199	-	26,317,199
Community development	64,249,344	-	64,249,344
Capital projects	54,507,376	43,257,400	97,764,776
Debt service	571,785	-	571,785
Deposits	16,034,281	-	16,034,281
Unrestricted	(17,679,846)	(118,137,313)	(135,817,159)
Total net position	\$ 532,547,129	\$ 43,604,940	\$ 576,152,069

See Notes to Financial Statements.

CITY OF RIALTO, CALIFORNIA
Statement of Activities
For the Year Ended June 30, 2024

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ 42,194,807	\$ 6,069,891	\$ 9,152,300	\$ -
Public safety	80,853,063	4,761,205	8,480,022	1,308,086
Development services	31,846,744	20,937,925	9,579,427	4,519,701
Interest on long-term debt	2,330,156	-	-	-
Total governmental activities	157,224,770	31,769,021	27,211,749	5,827,787
Business-type activities:				
Water Fund	15,512,077	13,212,882	-	-
Wastewater Fund	28,530,823	32,524,110	-	-
Airport Fund	1,258	151,799	-	-
Cemetery Fund	60,294	171,707	-	-
Total business-type activities	44,104,452	46,060,498	-	-
Total primary government	\$ 201,329,222	\$ 77,829,519	\$ 27,211,749	\$ 5,827,787
General revenues and transfers:				
General revenues:				
Property taxes				
Sales taxes				
Transient occupancy taxes				
Franchise taxes				
Utility users tax				
Other taxes				
Use of money and property				
Other				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position-beginning				
Net position-ending				

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

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (26,972,616)	\$ -	\$ (26,972,616)
(66,303,750)	-	(66,303,750)
3,190,309	-	3,190,309
(2,330,156)	-	(2,330,156)
(92,416,213)	-	(92,416,213)
-	(2,299,195)	(2,299,195)
-	3,993,287	3,993,287
-	150,541	150,541
-	111,413	111,413
-	1,956,046	1,956,046
\$ (92,416,213)	\$ 1,956,046	\$ (90,460,167)

44,336,422	20	44,336,442
68,767,325	-	68,767,325
595,701	-	595,701
4,890,366	-	4,890,366
18,137,784	-	18,137,784
124,297	-	124,297
18,829,331	1,951,188	20,780,519
4,108,251	36,644	4,144,895
(8,220)	8,220	-
159,781,257	1,996,072	161,777,329
67,365,044	3,952,118	71,317,162
465,182,085	39,652,822	504,834,907
\$ 532,547,129	\$ 43,604,940	\$ 576,152,069

CITY OF RIALTO, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2024

		Special Revenue Fund	Capital Projects Funds	
		Park Development Fund	Capital Projects Funds	Police Station Capital Projects Fund
	General			
ASSETS				
Cash and investments	\$ 108,300,632	\$ 9,077,627	\$ 64,286,617	\$ 59,396,312
Receivables (net of allowance for uncollectible):				
Accounts	10,631,713	-	33,059	-
Accrued interest	496,199	-	-	-
Due from other governments	11,570,782	-	-	-
Notes and loans	-	-	-	-
Leases	4,827,873	-	-	-
Due from other funds	2,860,154	-	-	-
Inventories	113,385	-	-	-
Prepaid costs	169,784	-	-	-
Land held for resale	719,969	-	-	-
Advances to other funds	17,492,605	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	3,520,714	-	84,787	-
Total assets	\$ 160,703,810	\$ 9,077,627	\$ 64,404,463	\$ 59,396,312
LIABILITIES				
Accounts payable	\$ 9,274,603	\$ -	\$ 3,894,172	\$ -
Accrued liabilities	7,613,189	-	-	-
Deposits payable	1,023,277	-	-	-
Due to other funds	928,978	-	-	-
Advances from other funds	-	10,892,605	-	-
Unearned revenues	578,004	-	-	-
Total liabilities	19,418,051	10,892,605	3,894,172	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	3,369,111	-	-	-
Lease-related	4,705,631	-	-	-
Total deferred inflows of resources	8,074,742	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	18,495,743	-	-	-
Restricted	6,111,419	-	60,510,291	-
Committed	36,295,841	-	-	59,396,312
Unassigned	72,308,014	(1,814,978)	-	-
Total fund balances (deficits)	133,211,017	(1,814,978)	60,510,291	59,396,312
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 160,703,810	\$ 9,077,627	\$ 64,404,463	\$ 59,396,312

CITY OF RIALTO, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2024

	Total Nonmajor Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 149,581,599	\$ 390,642,787
Receivables (net of allowance for uncollectible):		
Accounts	1,125,592	11,790,364
Accrued interest	-	496,199
Due from other governments	4,942,842	16,513,624
Notes and loans	4,463,705	4,463,705
Leases	-	4,827,873
Due from other funds	-	2,860,154
Inventories	-	113,385
Prepaid costs	-	169,784
Land held for resale	970,400	1,690,369
Advances to other funds	-	17,492,605
Restricted assets:		
Cash and investments with fiscal agents	1,486,249	5,091,750
Total assets	\$ 162,570,387	\$ 456,152,599
LIABILITIES		
Accounts payable	\$ 8,026,431	\$ 21,195,206
Accrued liabilities	1,329,419	8,942,608
Deposits payable	1,101,822	2,125,099
Due to other funds	2,860,154	3,789,132
Advances from other funds	-	10,892,605
Unearned revenues	1,058,455	1,636,459
Total liabilities	14,376,281	48,581,109
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues	3,136,462	6,505,573
Lease-related	-	4,705,631
Total deferred inflows of resources	3,136,462	11,211,204
FUND BALANCES (DEFICITS)		
Nonspendable	-	18,495,743
Restricted	147,142,638	213,764,348
Committed	-	95,692,153
Unassigned	(2,084,994)	68,408,042
Total fund balances (deficits)	145,057,644	396,360,286
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 162,570,387	\$ 456,152,599

CITY OF RIALTO, CALIFORNIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

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

Total fund balances - governmental funds		\$ 396,360,286
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		355,871,733
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	\$ 52,062,465	
Deferred outflows-OPEB related	5,856,480	
Deferred inflows-pension related	(408,656)	
Deferred inflows-OPEB related	(17,783,406)	
Total deferred outflows and inflows related to postemployment benefits		39,726,883
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Long-term receivables	6,505,573	
Total other long-term assets		6,505,573
Internal service funds provide services to other funds on a cost-reimbursement basis. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.		(4,886,282)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Notes payable	(1,706,000)	
Financed purchase agreements	(9,678,135)	
Bonds payable	(61,399,232)	
Leases	(63,286)	
Subscriptions	(2,064,594)	
Compensated absences	(12,482,915)	
Accrued interest payable on long-term debt	(80,930)	
Net pension liability	(153,583,500)	
Net OPEB liability	(19,972,472)	
Total long-term liabilities		(261,031,064)
Net position of governmental activities		\$ 532,547,129

CITY OF RIALTO, CALIFORNIA
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

		Special Revenue Funds	Capital Projects Funds	
		Park Development Fund	Capital Projects Funds	Police Station Capital Projects Fund
	General			
REVENUES				
Taxes	\$ 134,201,542	\$ -	\$ -	\$ -
Licenses and permits	6,764,031	-	-	-
Intergovernmental	6,229,588	-	-	-
Charges for services	10,175,424	1,508,216	-	-
Use of money and property	12,934,560	185,739	266,556	1,992,520
Fines and forfeitures	972,394	-	-	-
Developer participation	-	-	-	-
Miscellaneous	4,222,037	-	-	-
Total revenues	175,499,576	1,693,955	266,556	1,992,520
EXPENDITURES				
Current:				
General government	33,778,243	-	-	-
Public safety	65,380,430	-	952,612	3,405,509
Community development	20,580,281	-	1,025,702	-
Capital outlay	3,477,656	-	12,848,800	-
Debt service:				
Principal	1,025,535	-	-	-
Interest and fiscal charges	335,444	-	-	589,931
Total expenditures	124,577,589	-	14,827,114	3,995,440
Excess (deficiency) of revenues over (under) expenditures	50,921,987	1,693,955	(14,560,558)	(2,002,920)
OTHER FINANCING SOURCES (USES)				
Transfers in	5,311,770	-	24,983,420	-
Transfers out	(31,681,460)	-	(500,000)	-
Debt issuance proceeds	-	-	-	56,525,000
Subscriptions proceeds	2,721,835	-	-	-
Bond Premium	-	-	-	4,874,232
Total other financing sources (uses)	(23,647,855)	-	24,483,420	61,399,232
Net change in fund balances	27,274,132	1,693,955	9,922,862	59,396,312
Fund balances-beginning	105,936,885	(3,508,933)	50,587,429	-
Fund balances-ending	\$ 133,211,017	\$ (1,814,978)	\$ 60,510,291	\$ 59,396,312

CITY OF RIALTO, CALIFORNIA
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Total Nonmajor Funds	Total Governmental Funds
REVENUES		
Taxes	\$ 2,650,353	\$ 136,851,895
Licenses and permits	-	6,764,031
Intergovernmental	24,136,430	30,366,018
Charges for services	427,465	12,111,105
Use of money and property	3,020,407	18,399,782
Fines and forfeitures	-	972,394
Developer participation	11,056,571	11,056,571
Miscellaneous	1,355,237	5,577,274
Total revenues	42,646,463	222,099,070
EXPENDITURES		
Current:		
General government	2,099,946	35,878,189
Public safety	3,253,847	72,992,398
Community development	3,050,238	24,656,221
Capital outlay	28,917,123	45,243,579
Debt service:		
Principal	216,597	1,242,132
Interest and fiscal charges	1,406,120	2,331,495
Total expenditures	38,943,871	182,344,014
Excess (deficiency) of revenues over (under) expenditures	3,702,592	39,755,056
OTHER FINANCING SOURCES (USES)		
Transfers in	2,289,820	32,585,010
Transfers out	(411,770)	(32,593,230)
Debt issuance proceeds	-	56,525,000
Subscriptions proceeds	-	2,721,835
Bond Premium	-	4,874,232
Total other financing sources (uses)	1,878,050	64,112,847
Net change in fund balances	5,580,642	103,867,903
Fund balances-beginning	139,477,002	292,492,383
Fund balances-ending	\$ 145,057,644	\$ 396,360,286

CITY OF RIALTO, CALIFORNIA
Reconciliation of the Statement of Revenues, Expenses and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds:		\$ 103,867,903
Governmental funds report capital outlays are expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.		
Capital outlay	45,197,432	
Depreciation/amortization expense	<u>(11,479,584)</u>	
Total adjustment		33,717,848
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Earned but unavailable grant revenues	<u>2,069,415</u>	
Total adjustment		2,069,415
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.		
Loss/(gain) on disposal of capital assets	<u>(419,492)</u>	
Total adjustment		(419,492)
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Issuance of bonds	(61,399,232)	
Subscriptions issued	(2,004,893)	
Principal payments	<u>1,341,256</u>	
Total adjustment		(62,062,869)
Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.		
		3,161,455
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued interest on long-term debt	1,339	
Compensated absences	(2,004,441)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(12,279,810)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>1,313,696</u>	
Total adjustment		(12,969,216)
Change in net position of governmental activities		<u>\$ 67,365,044</u>

CITY OF RIALTO, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities				Governmental Activities
	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 3,079,837	\$ 15,074,940	\$ 10,439,330	\$ 28,594,107	\$ 24,826,547
Receivables (net of uncollectibles):					
Accounts	1,769,584	6,284,156	151,984	8,205,724	788,750
Notes and loans	292,598	369,259	-	661,857	-
Accrued interest	23,126	-	-	23,126	-
Due from other funds	200,751	710,487	-	911,238	17,740
Restricted:					
Cash and investments	17,616,645	25,640,755	-	43,257,400	-
Total current assets	22,982,541	48,079,597	10,591,314	81,653,452	25,633,037
Noncurrent:					
Advances to other funds	-	3,000,000	-	3,000,000	-
Capital assets, net	28,315,945	90,552,463	-	118,868,408	-
Total noncurrent assets	28,315,945	93,552,463	-	121,868,408	-
Total assets	51,298,486	141,632,060	10,591,314	203,521,860	25,633,037
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related	150,663	184,143	8,494	343,300	55,216
OPEB-related	24,314	29,717	1,371	55,402	8,912
Total deferred outflows of resources	174,977	213,860	9,865	398,702	64,128
LIABILITIES					
Current liabilities:					
Accounts payable	1,362,932	2,425,885	8,166	3,796,983	451,373
Accrued liabilities	4,879	8,568	625	14,072	3,891
Unearned revenue	-	208,603	-	208,603	-
Deposits payable	1,958,390	590,519	1,000	2,549,909	-
Compensated absences	6,641	-	304	6,945	7,579
Claims and judgments	-	-	-	-	5,376,953
Bonds, notes, loans, and leases	1,002,346	2,596,507	-	3,598,853	-
Total current liabilities	4,335,188	5,830,082	10,095	10,175,365	5,839,796
Noncurrent liabilities:					
Advances from other funds	9,600,000	-	-	9,600,000	-
Compensated absences	30,955	-	1,384	32,339	5,267
Claims and judgments	-	-	-	-	24,495,010
Bonds, notes, loans, and leases	29,150,928	109,843,809	-	138,994,737	-
Net pension liability	507,336	620,077	28,601	1,156,014	185,930
Net OPEB liability	82,918	101,345	4,674	188,937	30,388
Total noncurrent liabilities	39,372,137	110,565,231	34,659	149,972,027	24,716,595
Total liabilities	43,707,325	116,395,313	44,754	160,147,392	30,556,391
DEFERRED INFLOWS OF RESOURCES					
OPEB-related	73,830	90,237	4,163	168,230	27,056
Total deferred inflows of resources	73,830	90,237	4,163	168,230	27,056
NET POSITION					
Net investment in capital assets	28,315,945	90,168,908	-	118,484,853	-
Restricted for water stabilization and capital projects trust	17,616,645	25,640,755	-	43,257,400	-
Unrestricted	(38,240,282)	(90,449,293)	10,552,262	(118,137,313)	(4,886,282)
Total net position	\$ 7,692,308	\$ 25,360,370	\$ 10,552,262	\$ 43,604,940	\$ (4,886,282)

CITY OF RIALTO, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities				Governmental Activities
	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Sales and service charges	\$ 13,212,882	\$ 32,524,110	\$ 171,707	\$ 45,908,699	\$ -
Interdepartmental charges for services	-	-	-	-	14,395,587
Miscellaneous	36,644	-	151,799	188,443	-
Total operating revenues	13,249,526	32,524,110	323,506	46,097,142	14,395,587
OPERATING EXPENSES					
Administration and general	3,741,541	-	1,258	3,742,799	93,679
Cost of sales and services	8,867,284	15,857,451	59,977	24,784,712	11,570,002
Depreciation and amortization	946,251	2,373,481	317	3,320,049	-
Total operating expenses	13,555,076	18,230,932	61,552	31,847,560	11,663,681
Operating income (loss)	(305,550)	14,293,178	261,954	14,249,582	2,731,906
NONOPERATING REVENUES (EXPENSES)					
Taxes	-	-	20	20	-
Interest revenue	694,082	1,238,558	18,548	1,951,188	429,549
Interest expense	(1,957,001)	(10,299,891)	-	(12,256,892)	-
Total nonoperating revenues (expenses)	(1,262,919)	(9,061,333)	18,568	(10,305,684)	429,549
Income (loss) before transfers	(1,568,469)	5,231,845	280,522	3,943,898	3,161,455
Transfers in	5,300,000	-	8,220	5,308,220	-
Transfers out	(5,300,000)	-	-	(5,300,000)	-
Change in net position	(1,568,469)	5,231,845	288,742	3,952,118	3,161,455
Net position-beginning	9,260,777	20,128,525	10,263,520	39,652,822	(8,047,737)
Net position-ending	\$ 7,692,308	\$ 25,360,370	\$ 10,552,262	\$ 43,604,940	\$ (4,886,282)

CITY OF RIALTO, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental Activities
	Water Fund	Wastewater Fund	Other Enterprise Funds	Totals
				Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 15,075,517	\$ 32,944,558	\$ 171,522	\$ 48,191,597
Receipts from interfund charges	-	-	-	13,612,053
Payments to suppliers and service providers	(9,888,487)	(17,931,616)	(46,453)	(27,866,556)
Payments to employees for salaries and benefits	(3,668,464)	(112,832)	-	(3,781,296)
Net cash provided by (used for) operating activities	1,518,566	14,900,110	125,069	16,543,745
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	8,220	8,220
Payments from other funds on interfund borrowings	5,300,000	-	-	5,300,000
Taxes	-	-	20	20
Net cash provided by (used for) noncapital financing activities	5,300,000	-	8,240	5,308,240
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(593,791)	(2,739,730)	-	(3,333,522)
Principal paid on capital debt	(942,998)	(2,382,109)	-	(3,325,107)
Interest paid on capital debt	(1,957,003)	(10,299,891)	-	(12,256,893)
Net cash provided by (used for) capital and related financing activities	(3,493,792)	(15,421,730)	-	(18,915,522)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	690,836	1,238,558	18,549	1,947,943
Net cash provided by (used for) investing activities	690,836	1,238,558	18,549	1,947,943
Net increase (decrease) in cash and cash equivalents	4,015,610	716,938	151,858	4,884,406
Cash and cash equivalents-beginning	16,680,872	39,998,757	10,287,472	66,967,101
Cash and cash equivalents-ending	\$ 20,696,482	\$ 40,715,695	\$ 10,439,330	\$ 71,851,507
				\$ 24,826,547

CITY OF RIALTO, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities				Governmental Activities
	Water Fund	Wastewater Fund	Other Enterprise Funds	Totals	Internal Service Funds
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Cash and investments	\$ 3,079,837	\$ 15,074,940	\$ 10,439,330	\$ 28,594,107	\$ 24,826,547
Restricted cash and investments	17,616,645	25,640,755	-	43,257,400	-
Total cash and cash equivalents	\$ 20,696,482	\$ 40,715,695	\$ 10,439,330	\$ 71,851,507	\$ 24,826,547
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ (305,550)	\$ 14,293,178	\$ 261,954	\$ 14,249,582	\$ 2,731,906
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	946,251	2,373,481	317	3,320,049	-
(Increase) decrease in accounts receivable	463,757	228,870	(151,984)	540,643	(783,534)
Increase (decrease) in accounts payable	(1,021,203)	(2,074,165)	7,686	(3,087,682)	124,594
Increase (decrease) in accrued liabilities	1,667	(13,220)	445	(11,108)	2,375
Increase (decrease) in deposits payable	1,362,234	191,578	-	1,553,812	-
Increase (decrease) in compensated absences	(11,095)	-	333	(10,762)	860
Increase (decrease) in claims and judgments	-	-	-	-	2,026,068
Increase (decrease) in net pension liability	65,774	(55,397)	6,976	17,353	2,398
Increase (decrease) in net OPEB liability	16,731	(44,215)	(658)	(28,142)	12,919
Total adjustments	1,824,116	606,932	(136,885)	2,294,163	1,385,680
Net cash provided by (used for) operating activities	\$ 1,518,566	\$ 14,900,110	\$ 125,069	\$ 16,543,745	\$ 4,117,586

CITY OF RIALTO, CALIFORNIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Pension (and Other Employee Benefit) Trust Fund	Private Purpose Trust Funds Successor Agency	Custodial Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 10,081,576	\$ 1,988,361
Cash and cash equivalents held with fiscal agent	-	5,040,791	8,321,500
Investments:			
Mutual funds	29,428,022	-	-
Receivables:			
Accounts	-	10,594	5,793
Accrued interest	-	42,346	-
Notes and loans	-	5,904,379	-
Land held for resale	-	19,689,855	-
Capital assets not being depreciated	-	290,347	-
Capital assets, net of accumulated depreciation/amortization	-	56,570	-
Total assets	29,428,022	41,116,458	10,315,654
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	513,094	-
Total deferred outflows of resources	-	513,094	-
LIABILITIES			
Accounts payable	-	517,848	153,336
Accrued liabilities	-	91	-
Accrued interest	-	1,956,152	-
Unearned revenues	-	255,334	-
Due to Other Governments, Current	-	-	10,162,318
Long-term debt:			
Due in one year	-	5,010,000	-
Due in more than one year	-	100,443,052	-
Total liabilities	-	108,182,477	10,315,654
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	-	160,341	-
Total deferred inflows of resources	-	160,341	-
NET POSITION			
Restricted for:			
Postemployment benefits other than pensions	29,428,022	-	-
RDA dissolution	-	(66,713,266)	-
Total net position	\$ 29,428,022	\$ (66,713,266)	\$ -

CITY OF RIALTO, CALIFORNIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Pension (and Other Employee Benefit) Trust Fund	Private Purpose Trust Funds Successor Agency	Custodial Funds
ADDITIONS			
Interest	3,111,464	491,512	80,516
Taxes	-	10,971,017	1,889,008
Miscellaneous	-	56,702	16,631,639
Total additions	3,111,464	11,519,231	18,601,163
DEDUCTIONS			
Benefits	110,463	-	-
Administrative expenses	-	14,753	9,081,434
G&A - Contract Services	-	-	8,072,609
Interest expenses	-	5,447,880	737,786
Principal expenses	-	-	190,000
Issuance costs	-	-	303,114
Depreciation/amortization	-	1,956	-
Contributions to other governments	-	-	216,220
Total deductions	110,463	5,464,589	18,601,163
Net increase (decrease) in fiduciary net position	3,001,001	6,054,642	-
Net position-beginning	26,427,021	(72,767,908)	-
Net position-ending	\$ 29,428,022	\$ (66,713,266)	\$ -

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Rialto, California (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City’s significant accounting policies are described below.

A. Description of Government-wide 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. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

The City was incorporated in 1911 under the General Laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, parks and recreation, public improvements, planning and zoning, and general administrative services.

As required by accounting principles generally accepted in the United States of America, these financial statements include the financial activities of the City and its component units – the Rialto Public Financing Authority (the Financing Authority), the Rialto Utility Authority (the Utility Authority), the Rialto Nonprofit Public Building Authority (Building Authority), and the Rialto Housing Authority (Housing Authority) – for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City’s operations and, therefore, data of these units are combined with data of the City.

1. Blended Component Units

The Rialto Public Financing Authority (Financing Authority) was established in 1988 pursuant to California Government Code Section 6500. Although it is legally separate from the City, the Financing Authority is reported as if it were part of the City because its sole purpose is to finance the City’s and the former Redevelopment Agency’s public projects. The financial activity for this entity is blended with the governmental funds of the City in the 1997 COP Debt Service Fund.

The Rialto Utility Authority (Utility Authority) was created on May 1, 2001 pursuant to Joint Powers Law Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code, and the Marks-Roos Local Bond Pooling Act of 1985. The Utility Authority was formed to provide for lease, ownership, operation, maintenance, construction, and financing of the Water and Wastewater Utility systems and any other utility system or service. The City Council acts as the governing board of the Utility Authority and there is a financial benefit/burden relationship between the City and the Utility Authority. The financial activity of the Utility Authority is blended with the City’s proprietary funds in the Water and Wastewater Proprietary Funds.

The Rialto Nonprofit Public Building Authority (Building Authority) was established in 1988. Although it is legally separate from the City, the Building Authority is reported as if it were part of the City because its sole purposes is to finance, refinance, acquire, construct, improve, lease, sell, or otherwise convey property of any kind to the City. The financial activity for this entity is blended with the governmental funds of the City in the 1997 COP Debt Service Fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Rialto Housing Authority (Housing Authority) was created on November 4, 2003 in accordance with the Californian Law Health and Safety Code Sections 34200-34606. The Housing Authority enables the City to engage in more aggressive housing market intervention, including the acquisition of property, rehabilitation, and/or development of affordable housing. The Mayor and City Council act as the governing board of the Housing Authority and there is a financial benefit/burden relationship between the City and the Housing Authority. The financial activity for this entity is blended with the governmental funds of the City in the Housing Authority Special Revenue Fund.

The Financing Authority, Utility Authority, Building Authority, and Housing Authority do not issue separate financial statements.

C. Basis of Presentation – Government-wide Financial Statements

The government-wide financial statements (i.e., the *statement of net position* and the *statement of activities*) report information on all the non-fiduciary activities of the City and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which are normally 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 segments are offset by program revenues. Direct expenses are those that are clearly identifiable to 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 requirement of a particular function or segment. Taxes and other items not properly classified as program revenues are reported as general revenues.

D. Basis of Presentation – Fund Financial Statements

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.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *Park Development Fund* accounts for development fees collected and used for the acquisition of parklands and the construction of new and expansions of park facilities.

The *Capital Projects Fund* is used to account for income received to fund expenditures related to City infrastructure and development improvements.

The *Police Station Capital Projects Fund* is used to account for the funding and construction of the City's new police station.

The City reports the following major enterprise funds:

The *Water Fund* accounts for the activities of the City's water distribution operations.

The *Wastewater Fund* accounts for the activities of the City's wastewater systems.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the City reports the following fund types:

Special revenue funds are used to account for proceeds of specific revenue sources that are legally restricted or otherwise assigned for specific purposes.

Capital project funds are used to account for income received to fund expenditures related to infrastructure and development improvements.

The *debt service fund* is used to account for debt service activity for the 2007 Refunding Certificates of Participation.

Internal service funds account for risk management services (including claims for workers' compensation, general liability, and property damage) provided to other departments or agencies of the City, or to other governments on a cost-reimbursement basis.

The *pension (and other employee benefit) trust fund* accounts for the activities of the City's plan for post-retirement medical benefits..

The *private-purpose trust fund* accounts for the fiduciary responsibilities that are assigned to the Successor Agency to the Rialto Redevelopment Agency pursuant to the Dissolution Act.

The *custodial funds* are used to account for assets held by the City as a custodian for individuals, private organizations, or other governments. The City acts in a custodial capacity for Community Facilities District (CFD) 87-1, CFD 2006-1 Elm Park, CFD 2016-1, CFD 2019-2, CFD 2020-1, and CFD 2022B.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds, and the fiduciary funds financial statements. Under the *economic resources measurement focus*, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Under the *accrual basis of accounting*, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized in the fiscal year for which the taxes have been levied.

NOTE 1: 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*. Under the *current financial resources measurement focus* only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on their balance sheets. Under the *modified accrual basis of accounting*, revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues that are accrued generally include taxes, interest, and state and federal grants and charges for services.

Real property taxes are levied for the period beginning on July 1 to June 30 against property owners of record on January 1. The taxes are due in two installments, on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. Tax liens attach annually as of 12:01 a.m. on the first day of January in the fiscal year for which the taxes are levied. Property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided it is collected within 90 days of the end of the fiscal year in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water, Wastewater, and Other Enterprise Funds are charges to customers for sales and services. The Wastewater fund also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

F. Budgetary Information

The City establishes accounting control through formal adoption of an annual operating budget for all governmental funds. The City Council's policy is to adopt a formal operating budget by June 30 of each year. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America, except for the Capital Project Funds, which adopt project-length budgets. The legal level of budgetary control, that is, the level at which expenditures cannot exceed appropriations, is the fund level for all General, Special Revenue and Debt Service Funds, and by project in the Capital Project Funds. The City did not adopt budgets for the Transportation Enhancement Activities, Retirement Tax, American Rescue Plan Act, Traffic Safety Prop 1B, Neighborhood Stabilization Program, Brownfield Clean Up Grant, Special Deposits, Confiscated Funds, Police Station Capital Projects, 1997 COP, and Police Station Debt Service funds. Department heads are authorized to transfer budget amounts between object codes within the same expense category, except for salaries and capital outlay, which require the approval of the City Manager and Finance Director. The City Manager's, Finance Director's, and department head's approval(s) are required to transfer appropriations from one program to another, and object codes within different expense category within the same fund. However, all increases at the overall fund level must be approved by the City Council. All unencumbered budget appropriations, except for capital projects budgets, lapse at the end of each fiscal year. Throughout the fiscal year, the budget is amended to add supplemental appropriations. All changes to the budget require Council approval.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Investments

The City pools cash and investment resources of some of its funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments are stated at fair value except for certain investments, which have a remaining life of less than one year when purchased and investment contracts, which are stated at amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of the investments is generally based on published market prices and quotations from major investment firms. Investment earnings are allocated based on the source of funds.

2. Restricted Cash and Investments

Certain proceeds of governmental fund certificates of participation and enterprise fund long-term liabilities as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet and statement of net position because their use is limited by applicable bond or debt covenants. The enterprise funds restricted cash and investments includes amounts held in trust for the RWS water and wastewater operations and capital projects. The cemetery (other enterprise fund) restricted cash and investments include amounts held for long-term endowment care required by state law.

3. Inventories and Prepaid Items

Inventory is valued at cost, which approximates fair value, on a first-in, first-out basis. Inventory in the proprietary funds consists of expendable supplies held for consumption. The costs of governmental fund type inventories are recorded as expenditure when consumed rather than when purchased.

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements and are recorded as expenditures when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property, plant, equipment, lease and subscription assets, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements of the proprietary funds and private-purpose trust fund.

Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements with an individual cost of more than \$25,000.

Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets, other than land, land easements, and construction in progress, are depreciated or amortized using the straight-line method using the following lives:

Capital Asset Classes	Useful Lives (in years)
Land improvements	200
Buildings and other structures	25 - 50
Improvements other than buildings	20
Subscription assets	3 - 5
Lease assets	25 - 50
Machinery and equipment	5 - 7
Distributions systems	20 - 50
Wastewater treatment plant	20 - 50
Vehicles	5 - 10
Office furniture, computers, and equipment	5 - 20
Infrastructure	20 - 60

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. 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*. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. They are the deferred amounts related to pension and OPEB reported in the government-wide statement of net position. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the *statement of net position* includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent 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 City has four items that qualify for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: miscellaneous revenues, grants, and long-term receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the City reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

6. Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- *Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

7. Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The City's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- *Nonspendable* fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- *Committed* fund balance includes amounts that can only be used for the specific purposes determined by a formal action (Ordinance) of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally.
- *Assigned* fund balance includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the City Council or (b) an official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The City Council approves assignments of fund balance.
- *Unassigned* fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

When expenditures are incurred, the City's applies the most restrictive funds first; and then the City would use the appropriate funds in the following order: committed, assigned, and lastly unassigned amounts.

The City established encumbrances to record the amount of purchase orders, contracts, and other obligations, which have not yet been fulfilled, cancelled, or discharged. Encumbrances outstanding at year-end are recorded as part of assigned fund balance.

8. Leases

Lessee: The City is a lessee for a noncancellable lease of a building. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lessor: The City is a lessor for noncancellable leases of buildings and land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

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

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

9. Subscription-Based Information Technology Arrangements

The City is a subscriber for a noncancellable subscription of information technology services. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) lease term, and (3) subscription payments.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

10. Pension and Other Postemployment Benefits (OPEB) Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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

11. Long-term Obligations

In the government-wide financial statements, proprietary fund financial statements, and private-purpose trust fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, proprietary fund type statement of net position, or private-purpose trust fund statement of net position. Bond premiums, discounts, and deferred amounts on refunding are deferred and amortized over the life of the bonds using the effective interest method. Amortization of bond premium, discounts, and deferred amounts is included in interest expense. Bonds payable are reported net of the applicable bond premium or discount. The deferred amount on refunding is reported as a deferred outflow or inflow of resources. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

H. Revenues and Expenditures/Expenses

1. Compensated Absences

In the governmental funds, compensated absences are recorded as expenditures in the year in which the amount is due and payable due to resignations or retirements. As of year-end, the entire unpaid liability for the governmental funds is recorded as a long-term liability in the government-wide statement of net position. Compensated absences in the proprietary funds are recorded as liabilities in the applicable funds.

2. Interfund Transactions

Interfund current receivables and payables are classified as either "due to/due from" (i.e., the current portion of interfund loans) or "advance to/from other funds" (i.e., the noncurrent portion of interfund loans). Residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements as a transfer.

3. Unbilled Receivables

Unbilled water and wastewater revenue of the enterprise funds is recognized as earned based on consumption or when service is rendered.

I. Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. New GASB Pronouncements Effective During Fiscal Year

The following Government Accounting Standards Board (GASB) pronouncements were effective for and/or early implemented for the fiscal year ended June 30, 2024:

1. *GASB Statement No. 100, Accounting Changes and Error Corrections*

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Equity

At June 30, 2024, The City reported deficit fund equities in the following funds:

Fund Name	Fund Type	Deficit	Cause
Park Development Fund	Major Special Revenue Fund	\$ (1,814,978)	(b)
Police Grants Fund	Nonmajor Special Revenue Fund	(276,547)	(a)
Community Services Grants Fund	Nonmajor Special Revenue Fund	(202,573)	(a)
CDBG Fund	Nonmajor Special Revenue Fund	(78,002)	(a)
Neighborhood Stabilization Program Fund	Nonmajor Special Revenue Fund	(35,670)	(a)
Fire Grant Fund	Nonmajor Special Revenue Fund	(209,490)	(a)
Police Station Debt Service	Nonmajor Debt Service Fund	(1,282,712)	(a)
Workers' Compensation Fund	Internal Service Fund	(6,515,654)	(c)
Successor Agency	Fiduciary Fund	(66,713,266)	(d)

(a) Deficit due to timing differences between grant receipts and disbursements, and is expected to be eliminated through future grant revenues.

(b) Deficit due to a long-term interfund loan from the General Fund, which will eventually be eliminated as the loan is repaid.

(c) Deficit due to the accrual of estimated claims and judgments against the City, including those claims incurred but not reported. This deficit is expected to be reduced through future charges to other City funds and departments as these claims are paid, but not entirely eliminated.

(d) Deficit due to the tax allocation bonds payable reported in the fund. The deficit will eventually be eliminated as the bonds are repaid, and the Successor Agency's activities inevitably conclude.

NOTE 3: CASH AND INVESTMENTS

Cash and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position

Cash and investments	\$ 444,063,442
Restricted:	
Cash and investments	43,257,400
Cash with fiscal agent	5,091,750

Statement of Fiduciary Net Position

Cash and cash equivalents	12,069,937
Cash with fiscal agent	13,362,291
Investments	29,428,022
Total cash and investments	<u>\$ 547,272,842</u>
Cash on hand	\$ 133,851
Deposits with financial institutions	105,939,827
Investments	<u>441,199,164</u>
Total cash and investments	<u>\$ 547,272,842</u>

CITY OF RIALTO, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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

The City maintains a formal Investment Policy, which is adopted annually by the City Council. The Investment Policy states that "the investment of City funds is governed by the California Government Code Section 53600 et seq."

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. Also identified are certain provisions that address interest rate risk and the concentration of credit risk. Not addressed below are investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the Government Code and Investment Policy and investments of the employer contributions to the other post-employment benefit (OPEB) trust that are governed by the trust agreement.

Investment Types Authorized by State Law	Maximum Maturity	Maximum Percentage of Portfolio	Credit Rating Requirements	Gov. Code Sections
Local agency bonds	5 years	None	None	53601(a)
U.S. Treasury obligations (bonds/notes/bills)	5 years	0 to 100%	None	53061(b)
State obligations -- CA and others	5 years	None	None	53601(c)(d)
CA local agency obligations	5 years	None	None	53601(e)
U.S. agency obligations	5 years	0 to 100%	None	53601(f)
Bankers' acceptances	180 days	0 to 40%	None	53601(g)
Commercial paper non-pooled funds (under \$100M of investments)	270 days or less	25% of the agency's money	Highest letter and number rating by an NRSRO	53601(h)(2)(C)
Commercial paper non-pooled funds (min. \$100M of investments)	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSRO	53601(h)(2)(C)
Commercial paper - pooled funds	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSRO	53635(a)(1)
Negotiable certificates of deposit	5 years	0 to 30%	None	53601(i)
Non-negotiable certificates of deposit	5 years	None	None	53630 et seq.
Repurchase agreements	1 year	0 to 50%	None	53601(j)
Reverse repurchase agreements and securities lending agreements	92 days	20 % of the base value of the portfolio	None	53601(j)
Medium term notes	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County pooled investment funds	N/A	None	None	27133
Local agency investment funds (LAIF)	N/A	\$75,000,000 per account	None	16429.1
Voluntary investment program fund	N/A	\$200,000,000 minimum	None	16340
Supranational obligations	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public bank obligations	5 years	None	None	53601(r) 53635(c) 57603

Banker's acceptances, commercial paper, negotiable certificates of deposit, medium term corporate notes, and mortgage pass-through and asset backed securities are further restricted to percentage of the value of the portfolio in any one issuer name regardless of sector to a maximum of 5%.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 36 Months	37 to 60 Months
U.S. Treasury obligations	\$ 3,236,823	\$ 3,236,823	\$ -	\$ -
U.S. agency securities	61,140,501	25,807,285	28,578,766	16,800,807
Commercial paper	10,874,655	10,874,655	-	-
Certificates of deposit	2,098,932	1,483,353	938,884	109,703
Corporate bonds	133,241,394	75,137,489	78,716,011	22,925,842
Money market mutual funds	218,373,251	218,373,250	-	-
Cash equivalents	35,440	35,440	-	-
Local Agency Investment Fund	12,198,168	12,198,169	-	-
Total	\$ 441,199,164	\$ 347,146,464	\$ 108,233,661	\$ 39,836,352

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating by Standard and Poor's, as of year-end for each investment type.

Investment Type	Total	S&P Rating as of Fiscal Year End				
		AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	Exempt or Not Rated
U.S. Treasury obligations	\$ 3,236,823	\$ -	\$ -	\$ -	\$ -	\$ 3,236,823
U.S. agency securities	61,140,501	-	48,864,036	-	-	12,276,464
Commercial paper	10,874,655	-	-	10,874,655	-	-
Certificates of deposit	2,098,932	-	-	-	-	2,098,933
Corporate bonds	133,241,394	5,946,180	1,966,020	67,177,095	53,228,448	4,923,650
Money market mutual funds	218,373,251	113,824,853	-	-	-	104,548,397
Cash equivalents	35,440	-	-	-	-	35,440
Local Agency Investment Fund	12,198,168	-	-	-	-	12,198,168
Total	\$ 441,199,164	\$ 119,771,033	\$ 50,830,056	\$ 78,051,750	\$ 53,228,448	\$ 139,317,875

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its 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 (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2024, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

The City's Investment Policy requires a third-party bank trust department to hold all investment securities owned by the City. The City's investments in certificates of deposit are held by banks. Accordingly, the certificates are covered by the same collateral requirements as the City's deposits.

D. Concentration of Credit Risk

Concentration of credit risk is the heightened risk of potential loss when investments are concentrated in one issuer. As of June 30, 2024, the City's Federal Home Loan Bank and Goldman Sachs investments exceeded 5% of total investments at 11.1% and 6.2%, respectively. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investments pool, and other pooled investments are excluded from this disclosure requirement.

E. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF does not impose limits or restrictions on participant withdrawals, and the entire balance of the City's investment in the portfolio is available for withdrawal at any time. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made on the basis of \$1 and not fair value. Accordingly, the City's investment in this pool is measured on uncategorized inputs not defined as Level 1, 2, or 3.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

F. Cash and Investments Held in OPEB Trust

The City established a trust account with the Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the City's OPEB health plan. The OPEB Trust's specific cash and investments are managed by a third-party portfolio manager under guidelines approved by the City. Those guidelines are as follows:

Risk Tolerance:	Balanced High Mark Plus
Risk Management:	The portfolio is constructed to control risk through four layers of diversification - asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.
Investment Objective:	To provide growth of principal and income. It is expected that dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return.
Strategic Ranges:	0% - 20% Cash 30% - 50% Fixed Income 50% - 70% Equity

G. Cash and Investments Held in Trust

Cash and investments maintained in the trust are considered restricted for water and wastewater functions.

H. Cash and Investments Held with Fiscal Agents

Cash and investments maintained by fiscal agents are considered restricted and are pledged as collateral for payment of principal and interest on bonds. Provisions of debt agreements, rather than the general provisions of the California Government Code or the City's Investment Policy, govern investments of debt proceeds held by bond fiscal agents. Permitted investments are specified in related trust agreements and include the following:

- Securities of the U.S. Government and its sponsored agencies
- Bankers' Acceptances rated in the single highest classification
- Commercial Paper rated in the single highest classification
- Investments in money market funds rated in the single highest classification
- Municipal obligations rated Aaa/AAA or general obligations of states with ratings of at least A21A or higher by both Moody's and S&P
- Investment contracts

No maximum percentage of the related debt issue or maximum investment in one issuer is specified.

I. 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 utilized by the City to determine fair market value include: matrix pricing, market corroborated pricing, and other inputs such as yield curves and indices. Level 3 inputs are significant unobservable inputs. At June 30, 2024, all of the City's investments are valued using Level 2 inputs, with the exception of investments in LAIF and the OPEB Trust which are not subject to fair value measurements.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Investment Type	Total	Input Category		
		Level 1	Level 2	Uncategorized
U.S. Treasury obligations	\$ 3,236,823	\$ 3,236,823	\$ -	\$ -
U.S. agency securities	61,140,501		61,140,501	-
Commercial paper	10,874,655	-	10,874,655	-
Certificates of deposit	2,098,932	-	2,098,932	-
Corporate bonds	133,241,394	-	133,241,394	-
Money market mutual funds	218,373,251	-	-	218,373,251
Cash equivalents	35,440	-	-	35,440
Local Agency Investment Fund	12,198,168	-	-	12,198,168
Total	<u>\$ 441,199,164</u>	<u>\$ 3,236,823</u>	<u>\$ 207,355,482</u>	<u>\$ 230,606,859</u>

NOTE 4: RECEIVABLES

A. Accounts Receivable

Accounts receivable as of year-end for the City's individual major funds, nonmajor funds, internal service funds, custodial funds and private-purpose trust fund, including the applicable allowances for uncollectible accounts, are as follows:

	Accounts Receivable	Less: Allowance for Uncollectible	Accounts Receivable, Net
Governmental Funds:			
General Fund	\$ 15,313,954	\$ (4,682,241)	\$ 10,631,713
Capital Projects Fund	33,059	-	33,059
Nonmajor governmental funds	1,139,612	(14,020)	1,125,592
Proprietary Funds:			
Water Fund	2,215,492	(445,908)	1,769,584
Wastewater Fund	6,526,289	(242,133)	6,284,156
Nonmajor enterprise funds	151,984	-	151,984
Internal service funds	788,750	-	788,750
Total Primary Government	<u>\$ 26,169,140</u>	<u>\$ (5,384,302)</u>	<u>\$ 20,784,838</u>
Fiduciary Funds			
Private-Purpose Trust Fund	\$ 12,357	\$ (1,763)	\$ 10,594
Custodial Funds	5,793	-	5,793
Total Fiduciary Funds	<u>\$ 18,150</u>	<u>\$ (1,763)</u>	<u>\$ 16,387</u>

CITY OF RIALTO, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 4: RECEIVABLES (CONTINUED)

B. Notes and Loans Receivable

Notes and loans receivable of \$5,558,597 which are reflected in the City's General Fund; Local Drainage, Neighborhood Stabilization Program, Neighborhood Stabilization Program – Program Income, Cal Home, Housing Authority, Special Deposits, and 2008 TABs nonmajor governmental funds; and Water and Wastewater enterprise funds are comprised of the following as of June 30, 2024:

	Loans Receivable	Less: Allowance for Uncollectible	Loans Receivable, Net	Notes Receivable	Less: Allowance for Uncollectible	Notes Receivable, Net	Total Notes and Loans Receivable, Net
Governmental Funds:							
General Fund	\$ 854,270	\$ (854,270)	\$ -	\$ -	\$ -	\$ -	\$ -
Nonmajor governmental funds	4,896,740	(433,035)	4,463,705	50,187,089	(50,187,089)	-	4,463,705
Proprietary Funds:							
Water Fund	292,598	-	292,598	-	-	-	292,598
Wastewater Fund	369,259	-	369,259	-	-	-	369,259
Total Primary Government	<u>\$ 6,412,867</u>	<u>\$ (1,287,305)</u>	<u>\$ 5,125,562</u>	<u>\$ 50,187,089</u>	<u>\$ (50,187,089)</u>	<u>\$ -</u>	<u>\$ 5,125,562</u>

1. Loans Receivable

The City administers a housing rehabilitation loan program, which provides money to certain homeowners to rehabilitate their homes. There are certain criteria which the homeowner must meet prior to receiving approval of the loan, which are based on household income and the need for rehabilitation. The City enters into loan agreements with the homeowners that require the loans to be repaid only if title of the property changes. Therefore, the City has recorded the outstanding loans as loans receivable and due to other governments in the governmental funds. The amount of outstanding rehabilitation loans, net of allowance for uncollectible amounts, in the Cal Home Special Revenue Fund and Housing Authority Special Revenue Fund at June 30, 2024 is \$1,911,302.

The City has provided down payment assistance under the Neighborhood Stabilization Program to eligible middle-income households earning not less than eighty percent and not more than one hundred twenty percent of the area median income in San Bernardino County, California, as determined by the U.S. Department of Housing and Urban Development (HUD). If any of the events described in the loan agreement, like sale or rental of all or any interest in the property without City's prior written consent, has not occurred as of the fifteenth anniversary of the maturity date, then the entire loan amount is forgiven. The total outstanding balance in the Neighborhood Stabilization Program Special Revenue Fund, Neighborhood Stabilization Program - Program Income Special Revenue Fund, and the Local Drainage Fund as of June 30, 2024, was \$433,035 (offset by an allowance of \$433,035).

The Rialto Utility Authority entered into a concessionaire agreement on March 27, 2012 with Rialto Water Services, L.P. (the Concessionaire) to provide services with respect to the Utility Facilities for a term of 30 years. As part of the agreement, the Rialto Utility Authority provided inventory and assets on hand to the Concessionaire for use in providing such utility services. At the end of the 30-year agreement, the Concessionaire must return assets in an equivalent amount of \$292,598 for water utilities and \$369,259 for wastewater utilities. See Note 16 for additional information.

Other loans receivable are reported in the 2008 TABs Fund in the amount of \$2,522,477; no allowance is set up for these receivables, as they are anticipated to be fully collectible.

A letter of credit of \$29,926 is established in the Special Deposits Fund.

NOTE 4: RECEIVABLES (CONTINUED)

2. Notes Receivable

Notes receivable of \$50,187,089, which is reflected in the City's other governmental Housing Authority Special Revenue Fund (allowance of \$50,187,089) is comprised of the following as of June 30, 2024:

The Housing Authority provided development funding to Inland Valley Housing Partners L.P. in accordance with an Affordable Housing Agreement by and between the Authority and Southern California Housing Development Corporation for Phase I of the Citrus Grove Project (Project). Pursuant to a promissory note and the Agreement, the advance funding is to be repaid from the residual receipts generated by the Project at 3% interest rate per annum. The residual receipts were defined as 50% of the net income after all operating expenses and superior debt service payments are made. Based upon a financial analysis of the Project performed by a financial consultant, the repayment is expected to be minimal relative to the total principal and accrued interest. The outstanding balance as of June 30, 2024, was \$21,681,223. An allowance of \$21,681,223 has been recorded in the financial statements because there is no estimate of timing of cash collections on the note. Revenue will be recognized on a cash basis.

The Housing Authority provided development funding to Citrus Grove Housing Partners L.P. in accordance with an Affordable Housing Agreement by and between the Authority and National Community Renaissance of California for Phase II of the Project. Pursuant to four separate promissory notes and the Agreement, the Authority has advanced funding at 0% interest rate. The principal and accrued interest is to be repaid from the residual receipts generated by the Project. The residual receipts were defined as 50% of the net income after all operating expenses and superior debt service payments are made. Based upon a financial analysis of the Project performed by a financial consultant, the repayment is expected to be minimal relative to the total principal and accrued interest. The total outstanding balance as of June 30, 2024, was \$8,626,713. An allowance of \$8,626,713 has been recorded in the financial statements because there is no estimate for timing of cash collections on the note. Revenue will be recognized on a cash basis.

The Housing Authority provided development funding to Telacu in accordance with an Affordable Housing Agreement by and between the Authority and Telacu Housing-Rialto, Inc., in connection with the development of a 70-unit affordable senior housing rental complex project on a 2.3-acre site on the north side of Merrill Avenue, just westerly of Riverside, referred to Telacu I La Paz Community project. Pursuant to a promissory note and the Agreement, the advance funding in the amount of \$751,408 is to be repaid from the residual receipts generated by the Project as a 0% interest rate. The residual receipts were defined as 50% of the net income after all operating expenses and superior debt service payments are made. Based upon a financial analysis of the Project performed by a financial consultant, the repayment is expected to be minimal relative to the total principal and accrued interest. Provided the developer is in compliance with all of its obligations under the Affordable Housing Agreement, the Regulatory Agreement, and all other documents executed pursuant thereto, any remaining balance of the Housing Authority loan shall be forgiven upon the fifty-fifth (55th) anniversary of the date of the City's issuance of a certificate of occupancy. The outstanding balance as of June 30, 2024, was \$751,408. An allowance of \$751,408 has been recorded in the financial statements because there is no estimate for timing of cash collections on the note. Revenue will be recognized on a cash basis.

The Housing Authority provided development funding to Telacu in accordance with an Affordable Housing Agreement by and between the Authority and Telacu Housing-Rialto II, Inc., in connection with the development of a 75-unit affordable senior housing rental complex project on the south side of Foothill Boulevard and just west of Cactus Avenue ("Telacu 2") project. Pursuant to a promissory note and the Agreement, the advance funding in the amount of \$1,824,155 is to be repaid from the residual receipts generated by the Project at a 0% interest rate. The residual receipts were defined as 50% of the net income after all operating expenses and superior debt service payments are made. Based upon a financial analysis of the Project performed by a financial consultant, the repayment is expected to be minimal relative to the total principal and accrued interest. The outstanding balance as of June 30, 2024, was \$1,707,241. An allowance of \$1,707,241 has been recorded in the financial statements because there is no estimate for timing of cash collection on the note. Revenue will be recognized on a cash basis.

NOTE 4: RECEIVABLES (CONTINUED)

The Housing Authority provided development funding to Telacu in accordance with an Affordable Housing Agreement by and between the Authority and Telacu Housing-Rialto III, Inc., in connection with the development of an affordable housing complex project. Pursuant to a promissory note and the Agreement, the advance funding in the amount of \$3,805,000 is to be repaid from the residual receipts generated by the Project at a 0% interest rate. The residual receipts were defined as 50% of the net income after all operating expenses and superior debt service payments are made. Based upon a financial analysis of the Project performed by a financial consultant, the repayment is expected to be minimal relative to the total principal and accrued interest. The outstanding balance as of June 30, 2024, was \$3,060,010. An allowance of \$3,060,010 has been recorded in the financial statements because there is no estimate for timing of cash collection on the note. Revenue will be recognized on a cash basis.

The Housing Authority provided development funding to Rialto Family Housing Partners, L.P. in accordance with an Affordable Housing Agreement by and between the Authority and Rialto Family Housing Partners, L.P. in connection with the development of an affordable housing complex project. Pursuant to a promissory note and the Agreement, the advance funding in the amount of \$7,385,974 is to be repaid from the residual receipts generated by the Project. The residual receipts were defined as 50% of the net income after all operating expenses and superior debt service payments are made. Based upon a financial analysis of the Project performed by a financial consultant, the repayment is expected to be minimal relative to the total principal and accrued interest. The outstanding balance including unpaid accrued interest as of June 30, 2024, was \$10,165,244. An allowance of \$10,165,244 has been recorded in the financial statements because there is no estimate for timing of cash collection on the note. Revenue will be recognized on a cash basis.

The Housing Authority provided development funding to Rialto Family Housing Partners II, L.P. in accordance with an Affordable Housing Agreement by and between the Authority and Rialto Family Housing Partners II, L.P. in connection with the development of an affordable housing complex project. Pursuant to a promissory note and the Agreement, the advance funding in the amount of \$1,959,400 is to be repaid from the residual receipts generated by the Project. The residual receipts were defined as 50% of the net income after all operating expenses and superior debt service payments are made. Based upon a financial analysis of the Project performed by a financial consultant, the repayment is expected to be minimal relative to the total principal and accrued interest. The outstanding balance including unpaid accrued interest as of June 30, 2024, was \$2,661,109. An allowance of \$2,661,109 has been recorded in the financial statements because there is no estimate for timing of cash collection on the note. Revenue will be recognized on a cash basis.

The Housing Authority provided development funding to Rialto Family Housing Partners II, L.P. in accordance with an Affordable Housing Agreement by and between the Authority and Rialto Family Housing Partners II, L.P. in connection with the development of an affordable housing complex project. Pursuant to a promissory note and the Agreement, the advance funding in the amount of \$1,144,711 is to be repaid from the residual receipts generated by the Project. The residual receipts were defined as 50% of the net income after all operating expenses and superior debt service payments are made. Based upon a financial analysis of the Project performed by a financial consultant, the repayment is expected to be minimal relative to the total principal and accrued interest. The outstanding balance including unpaid accrued interest as of June 30, 2024, was \$1,534,141. An allowance of \$1,534,141 has been recorded in the financial statements because there is no estimate for timing of cash collection on the note. Revenue will be recognized on a cash basis.

NOTE 4: RECEIVABLES (CONTINUED)

C. Leases Receivable

The City leases land and buildings to various companies. The terms by lease type are listed in the table below. Some leases have extension options ranging from five to ten years. An initial lease receivable was recorded in the amount of \$4,857,511. As of June 30, 2024, the value of the lease receivable is \$4,827,873. The value of the deferred inflow of resources as of June 30, 2024 was \$4,705,631, and the amortization of the deferred inflow during the year totaled \$456,492. The City recognized lease revenue of \$481,846 during the fiscal year which included \$457,903 related to the amortization of the deferred inflow and \$23,943 for variable and other payments, including short term leases not included in the measurement of the lease receivable.

Lease Type	Term Range	Lease Receivable	Lease Revenue	Lease Interest
Land - cell towers	3 - 30 years	\$ 4,827,873	\$ 481,846	\$ 95,853

Future receivable principal and interest payments expected to be received through maturity are as follows:

June 30	Governmental Activities	
	Principal	Interest
2025	\$ 394,230	\$ 89,616
2026	349,890	83,273
2027	339,625	77,003
2028	349,014	70,533
2029	330,972	63,901
2030 - 2034	949,333	243,382
2035 - 2039	694,727	166,536
2040 - 2044	738,491	100,259
2045 - 2049	609,290	40,710
2050 - 2052	72,301	2,698
Total	\$ 4,827,873	\$ 937,911

CITY OF RIALTO, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 5: CAPITAL ASSETS

A. Governmental Activities

Governmental activities' capital assets for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Governmental activities:					
Capital assets, not being depreciated/amortized					
Land	\$ 70,972,883	\$ 43,759	\$ -	\$ -	\$ 71,016,642
Land easements	7,306,780	-	-	-	7,306,780
Construction-in-progress	59,499,337	39,353,161	(398,069)	(11,806,612)	86,647,817
Total capital assets, not being depreciated/amortized	137,779,000	39,396,920	(398,069)	(11,806,612)	164,971,239
Capital assets, being depreciated/amortized					
Buildings and other structures	31,581,760	-	-	44,793	31,626,553
Improvements other than buildings	88,206,118	-	-	6,677,846	94,883,964
Lease assets	240,339	-	-	-	240,339
Subscription assets	881,764	2,721,835	-	-	3,603,599
Machinery and equipment	6,033,214	1,026,155	(16,405)	-	7,042,964
Vehicles	17,757,796	1,054,311	(357,395)	-	18,454,712
Office furniture, computers, and equipment	4,451,368	340,763	-	-	4,792,131
Infrastructure	242,689,348	657,448	-	5,083,973	248,430,769
Total capital assets, being depreciated/amortized	391,841,707	5,800,512	(373,800)	11,806,612	409,075,031
Less accumulated depreciation/amortization					
Buildings and other structures	(15,236,926)	(680,402)	-	-	(15,917,328)
Improvements other than buildings	(35,719,279)	(3,704,012)	-	-	(39,423,291)
Lease assets	(120,169)	(60,085)	-	-	(180,254)
Subscription assets	(110,221)	(1,105,737)	-	-	(1,215,958)
Machinery and equipment	(4,889,953)	(407,478)	16,405	-	(5,281,026)
Vehicles	(13,787,120)	(1,178,285)	335,972	-	(14,629,433)
Office furniture, computers, and equipment	(3,581,485)	(282,942)	-	-	(3,864,427)
Infrastructure	(133,602,177)	(4,060,643)	-	-	(137,662,820)
Total accumulated depreciation/amortization	(207,047,330)	(11,479,584)	352,377	-	(218,174,537)
Total capital assets, being depreciated/amortized, net	184,794,377	(5,679,072)	(21,423)	11,806,612	190,900,494
Total governmental activities capital assets	\$ 322,573,377	\$ 33,717,848	\$ (419,492)	\$ -	\$ 355,871,733

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

General government	\$ 5,347,344
Public safety	1,737,869
Highways and streets	4,394,371
Total depreciation/amortization expense	<u>\$ 11,479,584</u>

CITY OF RIALTO, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 5: CAPITAL ASSETS (CONTINUED)

B. Business-type Activities

Business-type activities' capital assets for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Business-type activities:					
Capital assets, not being depreciated/amortized					
Land	\$ 1,767,770	\$ -	\$ -	\$ -	\$ 1,767,770
Construction-in-progress	41,219,564	2,933,941	-	-	44,153,505
Total capital assets, not being depreciated/amortized	42,987,334	2,933,941	-	-	45,921,275
Capital assets, being depreciated/amortized					
Land improvements	10,932,826	-	-	-	10,932,826
Buildings and structures	2,336,314	-	-	-	2,336,314
Machinery and equipment	149,821,720	399,581	(16,033)	-	150,205,268
Total capital assets, being depreciated/amortized	163,090,860	399,581	(16,033)	-	163,474,408
Less accumulated depreciation/amortization					
Land improvements	(6,323,752)	(473,297)	-	-	(6,797,049)
Buildings and structures	(2,123,496)	(28,008)	-	-	(2,151,504)
Machinery and equipment	(78,776,011)	(2,818,744)	16,033	-	(81,578,722)
Total accumulated depreciation/amortization	(87,223,259)	(3,320,049)	16,033	-	(90,527,275)
Total capital assets, being depreciated/amortized, net	75,867,601	(2,920,468)	-	-	72,947,133
Total business-type activities capital assets	\$ 118,854,935	\$ 13,473	\$ -	\$ -	\$ 118,868,408

Depreciation/amortization expense was charged to the functions/programs of the business-type activities of the primary government as follows:

Water	\$ 946,251
Wastewater	2,373,481
Other Enterprise Funds	317
Total depreciation/amortization expense	<u>\$ 3,320,049</u>

NOTE 6: PENSION PLANS

The City contributes to two defined benefit pension plans, the CalPERS Miscellaneous Employees Plan, an agent, multi-employer defined benefit retiree health plan administered by the California Public Employees Retirement System (CalPERS), and the Safety Employees Plan, which is also an agent, multiple-employer plan administered by CalPERS. As of and for the year ended June 30, 2024, the two plans had the following balances reported in the government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Miscellaneous Plan	\$ 51,305,578	\$ 15,236,077	\$ -	\$ 10,403,866
Safety Plan	103,619,866	37,224,904	408,656	18,913,942
Total pension plans	<u>\$ 154,925,444</u>	<u>\$ 52,460,981</u>	<u>\$ 408,656</u>	<u>\$ 29,317,808</u>

NOTE 6: PENSION PLANS (CONTINUED)

A. Miscellaneous Employees Agent, Multiple-Employer Defined Benefit Pension Plan

1. *Plan Description, Benefits Provided, and Employees Covered*

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

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 fulltime employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 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. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formulas	2.7% at 55	2.0% at 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	8.00%	7.25%
Required employer contribution rates	22.85%	14.79%

At June 30, 2024, the following employees were covered by the benefit terms for each Plan:

Inactive members currently receiving benefits	436
Inactive members entitled to but not yet receiving benefits	363
Active members	189
Total	988

2. *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. Plan contributions for the year equaled \$7,514,763.

NOTE 6: PENSION PLANS (CONTINUED)

3. Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2022 valuation was rolled forward to determine the June 30, 2023 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount rate	6.90%
Inflation	2.50%
Salary increases	Varies by entry age and services
Mortality rate table	Derived using CalPERS' membership data for all funds
Post-retirement benefit increase	The lesser of contract COLA or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

4. 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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return ^{1, 2}
Global equity-cap-weighted	30.00%	4.54%
Global equity-non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

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

² Figures are based on the 2022 Asset Liability Management study

NOTE 6: PENSION PLANS (CONTINUED)

5. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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.

6. Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB Statement No. 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

The EARSL for the plan for the measurement period ending June 30, 2023 is 2.3 years, which was obtained by dividing the total service years of 2,258 (the sum of remaining service lifetimes of the active employees) by 988 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

NOTE 6: PENSION PLANS (CONTINUED)

7. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022	<u>\$ 159,284,667</u>	<u>\$ 109,608,626</u>	<u>\$ 49,676,041</u>
Changes recognized for the measurement period:			
Service cost	2,810,889	-	2,810,889
Interest on total pension liability	11,036,170	-	11,036,170
Changes of benefit terms	239,822	-	239,822
Differences between expected and actual experience	3,407,306	-	3,407,306
Net plan to plan resource movement	-	142	(142)
Contributions-employer	-	7,812,395	(7,812,395)
Contributions-employee	-	1,332,851	(1,332,851)
Net investment income	-	6,799,863	(6,799,863)
Benefit payments, including refunds of employee contributions	(8,785,508)	(8,785,508)	-
Administrative expense	-	(80,601)	80,601
Net changes during 2022-23	<u>8,708,679</u>	<u>7,079,142</u>	<u>1,629,537</u>
Balance at June 30, 2023	<u>\$ 167,993,346</u>	<u>\$ 116,687,768</u>	<u>\$ 51,305,578</u>

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

The following presents the net pension liabilities calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	Discount Rate -1 Percent (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1 Percent (7.90%)
Plan's net pension liability/(asset)	<u>\$ 74,154,930</u>	<u>\$ 51,305,578</u>	<u>\$ 32,634,086</u>

NOTE 6: PENSION PLANS (CONTINUED)

9. Pension Expense and Deferred Outflows and Deferred Inflows of Resources

For the fiscal year ended June 30, 2024, City recognized \$10,403,866 in pension expense.

The following table presents deferred outflows and deferred inflows of resources related to pensions as of the June 30, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 7,514,763	\$ -
Changes of assumptions	460,284	-
Differences between expected and actual experience	1,967,992	-
Net difference between projected and actual earnings on pension plan investments	5,293,038	-
Total	<u>\$ 15,236,077</u>	<u>\$ -</u>

The \$7,514,763 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 ending June 30, 2025. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 2,949,057
2026	1,004,804
2027	3,616,633
2028	150,820
Total	<u>\$ 7,721,314</u>

B. Safety Employees Agent, Multiple-Employer Defined Benefit Pension Plan

1. Plan Description, Benefits Provided, and Employees Covered

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

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 fulltime employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the

NOTE 6: PENSION PLANS (CONTINUED)

Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

	Police Safety		Fire Safety	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formulas	3.0% at 50	2.7% at 57	3.0% at 50	2.7% at 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	52 - 67	50	52 - 67
Monthly benefits, as a % of eligible compensation	3.0%	2.0% - 2.7%	3.0%	2.0% - 2.7%
Required employee contribution rates	8.00%	14.25%	8.00%	14.25%
Required employer contribution rates	38.60%	27.32%	33.18%	27.41%

At June 30, 2024, the following employees were covered by the benefit terms for each Plan:

Inactive members currently receiving benefits	294
Inactive members entitled to but not yet receiving benefits	126
Active members	162
Total	582

2. 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. Plan contributions for the year equaled \$15,051,313.

3. Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2022 valuation was rolled forward to determine the June 30, 2023 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount rate	6.90%
Inflation	2.50%
Salary increases	Varies by entry age and services
Mortality rate table	Derived using CalPERS' membership data for all funds
Post-retirement benefit increase	The lesser of contract COLA or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

NOTE 6: PENSION PLANS (CONTINUED)

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

4. 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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset	Real Return ^{1, 2}
	Allocation	
Global equity-cap-weighted	30.00%	4.54%
Global equity-non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

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

² Figures are based on the 2022 Asset Liability Management study

5. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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.

NOTE 6: PENSION PLANS (CONTINUED)

6. Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB Statement No. 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

The EARSL for the plan for the measurement period ending June 30, 2023 is 3.4 years, which was obtained by dividing the total service years of 1,992 (the sum of remaining service lifetimes of the active employees) by 582 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

7. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022	\$ 347,426,238	\$ 251,792,714	\$ 95,633,524
Changes recognized for the measurement period:			
Service cost	7,203,683	-	7,203,683
Interest on total pension liability	24,355,579	-	24,355,579
Changes of benefit terms	140,014	-	140,014
Differences between expected and actual experience	10,366,524	-	10,366,524
Net plan to plan resource movement	-	(142)	142
Contributions-employer	-	14,713,973	(14,713,973)
Contributions-employee	-	3,634,578	(3,634,578)
Net investment income	-	15,916,206	(15,916,206)
Benefit payments, including refunds of employee contributions	(17,110,409)	(17,110,409)	-
Administrative expense	-	(185,157)	185,157
Net changes during 2022-23	24,955,391	16,969,049	7,986,342
Balance at June 30, 2023	\$ 372,381,629	\$ 268,761,763	\$ 103,619,866

NOTE 6: PENSION PLANS (CONTINUED)

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

The following presents the net pension liabilities calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	Discount Rate -1 Percent (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1 Percent (7.90%)
Plan's net pension liability/(asset)	<u>\$ 157,830,369</u>	<u>\$ 103,619,866</u>	<u>\$ 59,677,039</u>

9. Pension Expense and Deferred Outflows and Deferred Inflows of Resources

For the fiscal year ended June 30, 2024, City recognized \$18,913,942 in pension expense.

The following table presents deferred outflows and deferred inflows of resources related to pensions as of the June 30, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 15,051,313	\$ -
Changes of assumptions	2,571,518	-
Differences between expected and actual experience	7,572,157	408,656
Net difference between projected and actual earnings on pension plan investments	12,029,916	-
Total	<u>\$ 37,224,904</u>	<u>\$ 408,656</u>

The \$15,051,313 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 ending June 30, 2025. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 7,178,541
2026	4,844,664
2027	9,445,458
2028	296,272
Total	<u>\$ 21,764,935</u>

NOTE 7: OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

A. Plan Description

The City provides postemployment healthcare benefits through the California Public Employees' Retirement System (CalPERS) healthcare program entitled Public Employees' Medical and Hospital Care Act (PEMHCA), a single employer defined benefit plan, to eligible employees and any qualified family members under the authority of a Memorandum of Understanding with the employee bargaining units. The City contributes toward the health premium based on the Memorandum of Understanding. The City does not provide a retiree contribution for dental, vision, or life insurance benefits.

Upon attainment of a minimum age of 50 (or age 52, if a new miscellaneous employee was hired on or after January 1, 2013) and completion of a minimum State or public agency service requirement of five years, an employee may retire and remain covered at the City's expense for period depending on employment classification. The City is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. Benefits continue to dependents so long as they remain eligible for coverage. The City contributes 100% of medical premiums for the retiree and his or her covered dependents, but not more than the maximum monthly premiums as follows: \$279.25 for single, \$558.49 for two-party, and \$726.04 for family. In addition, the City will not contribute less than the PEMHCA minimum employer contribution of \$149 for 2022 and so on. Insurance provided by the City will be supplemental to Medicare upon the retiree reaching the age of 65.

B. Plan Membership

At June 30, 2024, membership consisted of

Inactive members currently receiving benefits	246
Inactive members entitled to but not yet receiving benefits	91
Active members	<u>355</u>
Total	<u><u>692</u></u>

C. Contributions and Funding Policy

The City generally makes an annual contribution to the Trust and currently pays benefits either directly to retirees or through PEMHCA during the year as pay-as-you-go expenses. The plan does not issue a publicly available financial report. The plan assets are reported as a fiduciary other post-employment benefit trust fund in the City's financial statements.

In fiscal year ended June 30, 2024, the City made employer contributions of \$1,155,096 and \$811,810 in implied subsidy benefit payments.

D. Plan Financial Statements

As of June 30, 2023, the plan's statement of fiduciary net position was as follows:

ASSETS	
Cash and cash equivalents	<u>\$ 26,427,021</u>
Total assets	<u>26,427,021</u>
FIDUCIARY NET POSITION	
Restricted for postemployment benefits other than pensions	<u>26,427,021</u>
Total net position	<u><u>\$ 26,427,021</u></u>

NOTE 7: OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

For the fiscal year ended June 30, 2023, the plan's statement of changes in fiduciary net position was as follows:

ADDITIONS	
Contributions:	
Employer	\$ 1,155,096
Investment earnings:	
Interest and fair value of investments	<u>1,721,903</u>
Total additions	<u>2,876,999</u>
DEDUCTIONS	
Benefits	<u>2,425,536</u>
Total deductions	<u>2,425,536</u>
Net increase (decrease) in fiduciary net position	451,463
Fiduciary net position-beginning	<u>25,975,558</u>
Fiduciary net position-ending	<u>\$ 26,427,021</u>

E. Net OPEB Liability

At June 30, 2024, the City reported a net OPEB liability for the plan of \$20,191,797. The net OPEB liability for the plan was measured as of June 30, 2023, and the total OPEB liability for the plan used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

F. Actuarial Assumptions

The total OPEB liability for the plan, after considering the sharing of benefit-related costs with inactive plan members, based on the established pattern of practice, was determined by an actuarial valuation performed as of June 30, 2023, using the following actuarial methods and assumptions.

Actuarial Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal, level percent of pay
Asset Valuation Method	Market Value
Assumptions	
Inflation	2.50%
Investment Rate of Return	5.80%
Healthcare Cost Trend Rates	5.60% in Fiscal 2023, decreasing to an ultimate trend rate of 3.90% in 2076

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

NOTE 7: OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

G. Long-Term Expected Rates of Return

In April 2022, PARS published an expected return of 6.24% for the Balanced Portfolio, prior to offset for non-imbedded investment related fees. This expected return was determined using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return are summarized in this table:

Asset Class	Expected Return	Weight
Equity		60.00%
Large cap core	6.80%	32.00%
Mid cap core	7.10%	6.00%
Small cap core	7.90%	9.00%
Real estate	6.60%	2.00%
International	7.30%	7.00%
Emerging markets	7.30%	4.00%
Fixed income		35.00%
Short term bond	3.30%	6.75%
Intermediate term bond	3.90%	27.00%
High yield	6.10%	1.25%
Cash	2.40%	5.00%
Expected return		6.24%
Expected standard deviation		10.20%

Non-imbedded fees were estimated to reduce the expected yield above by 44 basis points (0.44%), reducing the net expected return on trust assets to 5.80% per year. The City approved 5.80% as the assumed long-term return on trust assets.

H. Discount Rate

The discount rate used for accounting purposes for the fiscal year end 2023 is 5.70%.

NOTE 7: OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

I. Changes in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022	\$ 44,904,891	\$ 25,975,558	\$ 18,929,333
Changes recognized for the measurement period:			
Service cost	1,560,087	-	1,560,087
Interest on total OPEB liability	2,579,376	-	2,579,376
Contributions-employer	-	1,155,097	(1,155,097)
Net investment income	-	1,469,740	(1,469,740)
Benefit payments, including refunds of employee contributions	(2,425,536)	(2,425,536)	-
Other miscellaneous (income)/expense	-	252,162	(252,162)
Net changes during 2022-23	1,713,927	451,463	1,262,464
Balance at June 30, 2023	\$ 46,618,818	\$ 26,427,021	\$ 20,191,797

J. Discount Rate and Healthcare Rate Sensitivity Analysis

The following is a sensitivity analysis of the plan net OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the net plan OPEB liability calculated using the discount rate of 5.70% as well as what the plan OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Discount Rate -1 Percent (4.70%)	Current Discount Rate (5.70%)	Discount Rate +1 Percent (6.70%)
Plan's net OPEB liability/(asset)	\$ 26,064,323	\$ 20,191,797	\$ 15,319,251

The table below presents the plan net OPEB liability of the City calculated using the healthcare rate of 5.6% to 3.9% as well as what the plan net OPEB liability would be if it were calculated using a healthcare rate that is one percentage point lower or one percentage point higher than the current rate:

	1 Percent Decrease	Current Heathcare Trend Rate	1 Percent Increase
Plan's net OPEB liability/(asset)	\$ 14,860,780	\$ 20,191,797	\$ 26,723,898

NOTE 7: OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

K. OPEB Expense and Deferred Items Summary

For the year ended June 30, 2024, the City recognized plan OPEB income of \$253,991. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 811,810	\$ -
Changes of assumptions	3,317,701	14,157,669
Differences between expected and actual experience	-	3,821,023
Net difference between projected and actual earnings on OPEB plan investments	1,791,283	-
Total	<u>\$ 5,920,794</u>	<u>\$ 17,978,692</u>

The \$811,810 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 ending June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to plan will be recognized as OPEB expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (2,767,585)
2026	(3,131,342)
2027	(2,528,709)
2028	(3,679,673)
2029	(656,813)
Thereafter	(105,586)
Total	<u>\$ (12,869,708)</u>

NOTE 8: JOINT POWERS AUTHORITY

On October 21, 1985, the Agua Mansa Industrial Growth Association Joint Powers Authority (the AMIGA Joint Powers Authority) was created under a joint exercise of powers agreement. It was formed to undertake projects to stimulate private investment in business and industrial growth in economically depressed areas within the boundaries of the association. The AMIGA Joint Powers Authority shall manage, coordinate, market and administer economic development programs and projects in the Agua Mansa area. The governing board consists of one member appointed from each participating Agency, which include the County of San Bernardino, the County of Riverside, the City of Colton, the City of Rialto and the City of Riverside. The approval of budgets and assumption of financial obligations must be approved by all members.

On February 27, 1992, the AMIGA Joint Powers Authority issued \$16,365,000 of special tax bonds, which is secured by a special tax lien on property in the District under the Community Facilities District No. 1992-1.

NOTE 8: JOINT POWERS AUTHORITY (CONTINUED)

On July 10, 2003, the AMIGA Joint Powers Authority refunded the 1992 bonds with the 2003 Special Tax Bonds, which is secured by a special tax lien on property in the District under the Community Facilities District No. 2002-1.

The City has no equity interest in the AMIGA Joint Powers Authority and does not receive a share of operating results. Accordingly, neither assets nor liabilities of the AMIGA Joint Powers Authority are recorded in the City's financial statements.

Copies of the AMIGA Joint Powers Authority's audited financial statements can be obtained from the Agua Mansa Industrial Growth Association at 157 West Fifth Street, Second Floor, San Bernardino, California 92415.

NOTE 9: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City retains the risk of loss for general liability and workers' compensation claims of up to \$500,000 and \$400,000, respectively, per person per occurrence. The City has established the General Liability and Workers' Compensation Internal Service Funds to account for and finance uninsured risks of loss related to general liabilities and workers' compensation claims, respectively. Liabilities are accrued when incurred, whether or not reported.

The City is also a member of the PRISM for general liability, a public entity risk pool consisting of a consortium of cities in California. PRISM was established to pool resources, share risks, purchase excess insurance and share costs for professional risk management and claims administration. General Liability claims exceeding the self-insured retention (SIR) of \$500,000 are covered by PRISM up to a maximum of \$25,000,000 on an annual aggregate basis. Claims in excess of the \$25,000,000 annual limit are covered by PRISM up to \$35,000,000 on an annual aggregate basis. The City is not a member of a pool for workers' compensation. Workers' Compensation claims exceeding the City's \$400,000 SIR are covered by PRISM up to statutory limits.

The City continues to carry commercial insurance for all other risks of loss, including employee health, property, fire, water, boiler and machinery insurance. Settled claims resulting from these risks have not exceeded commercial insurance covered in any of the past three fiscal years. In addition, there has not been a significant reduction in insurance coverage during the year.

All Funds of the City participate in the risk management program and make payments to the respective Internal Service Fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. Claims liabilities are reported when it is probable that a loss has occurred, and the amount can be reasonably estimated. Claims liabilities are calculated considering the effects of inflation and recent claim settlement awards, including the frequency and amount of payouts.

Changes in the balance of claims liabilities during the past two years are as follows:

	Workers' Compensation	General Liability	Total Claims
Liability - June 30, 2022	\$ 18,071,932	\$ 4,975,438	\$ 23,047,370
Claims incurred and changes to estimates	6,101,889	5,896,824	11,998,713
Claims payments	(2,825,885)	(4,374,303)	(7,200,188)
Liability - June 30, 2023	21,347,936	6,497,959	27,845,895
Claims incurred and changes to estimates	4,136,635	2,427,651	6,564,286
Claims payments	(2,475,988)	(2,062,230)	(4,538,218)
Liability - June 30, 2024	<u>\$ 23,008,583</u>	<u>\$ 6,863,380</u>	<u>\$ 29,871,963</u>

NOTE 9: RISK MANAGEMENT (CONTINUED)

The respective workers' compensation and general liability claims are reported in the Workers' Compensation and General Liability internal service funds, respectively, and will be liquidated by those funds.

NOTE 10: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A. Leases Payable

The City has entered into a lease agreement as lessee for the lease of a building. The term of this leasing arrangement is 48 months. As of June 30, 2024, the total value of the lease liability was \$63,286. The City is required to make fixed monthly principal and interest payments in the amount of \$4,841. The lease has an interest rate of 0.5603%. Information on the lease asset as of June 30, 2024 is as follows:

Governmental Activities		
Asset Class	Lease Asset Value	Accumulated Amortization
Buildings	\$ 240,339	\$ 180,254

The future principal and interest lease payments as of June 30, 2024, were as follows:

Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total Payments
2025	\$ 63,286	\$ 192	\$ 63,478
Total	\$ 63,286	\$ 192	\$ 63,478

B. Subscription-Based Information Technology Arrangements

The City has entered into a SBITA as the subscriber for the use of CAL-ID software. An initial subscription liability was recorded in the amount of \$881,764 during the current fiscal year. The term of this subscription is 96 months. As of June 30, 2024, the total value of the subscription liability was \$2,064,594. The City is required to make variable annual principal and interest payments based on CPI. Information on the subscription assets as of June 30, 2024 are as follows:

Governmental Activities		
Asset Class	Subscription Asset Value	Accumulated Amortization
Software	\$ 3,603,599	\$ 1,215,958

NOTE 10: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

The future principal and interest subscription payments as of June 30, 2024, were as follows:

Governmental Activities		
Fiscal Year Ending June 30,	Principal	Interest
2025	\$ 601,244	\$ 49,244
2026	615,207	35,280
2027	504,256	21,041
2028	111,524	9,505
2029	114,589	6,440
2030	117,774	3,255
Total	<u>\$ 2,064,594</u>	<u>\$ 124,765</u>

NOTE 11: LONG-TERM LIABILITIES

A. Direct Borrowings

1. Financed Purchase Agreements

On May 31, 2017, the City entered into an equipment finance-purchase agreement in the amount of \$2,455,000 to acquire energy efficient equipment including HVAC, lighting retrofits and controls to be repaid over 15 years. The agreement bears interest at a rate of 3.6% multiplied by the margin rate factor provided that the resulting interest rate shall not exceed 4%. The margin rate factor is the greater of (i) 1.0 and (ii) one minus the maximum federal corporate tax rate newly in effect multiplied by (b) one divided by the sum of one minus the maximum federal corporate tax rates as of the commencement date. The effective date of any change in the margin rate factor shall be effective date of the decrease or increase in the maximum federal corporate tax rate resulting in such change. The obligation is secured by a first priority and perfected lien and security interest on the equipment. In the event of default, any amount outstanding could be declared immediately due and the equipment required to be returned to the lessor. The total principal outstanding at June 30, 2024 was \$1,411,195.

On November 30, 2017, the City entered into an equipment finance-purchase agreement by issuance of Clean Renewable Energy Bonds (CREBS) in the amount of \$6,353,963 to acquire solar panels to be repaid over 20 years. The agreement bears interest at a rate of 3.42% multiplied by the margin rate factor provided that the resulting interest rate shall not exceed 6.25%. The margin rate factor is the greater of (i) 1.0 and (ii) one minus the maximum federal corporate tax rate newly in effect multiplied by (b) one divided by the sum of one minus the maximum federal corporate tax rates as of the commencement date. The effective date of any change in the margin rate factor shall be effective date of the decrease or increase in the maximum federal corporate tax rate resulting in such change. The obligation is secured by a first priority and perfected lien and security interest on the equipment. In the event of default, any amount outstanding could be declared immediately due and the equipment required to be returned to the lessor. The total principal outstanding at June 30, 2024 was \$5,766,349.

On October 31, 2018, the City entered into an equipment finance-purchase agreement in the amount of \$3,556,613 to finance the Citywide Street Light Acquisition and Conversion Project. The agreement bears interest at a rate of 3.60% multiplied by the margin rate factor provided that the resulting interest rate shall not exceed 8.00%. The margin rate factor is the greater of (i) 1.0 and (ii) one minus the maximum federal corporate tax rate newly in effect multiplied by (b) one divided by the sum of one minus the maximum federal corporate tax rates as of the commencement date. The effective date of any change in the margin rate factor shall be effective date of the decrease or increase in the maximum federal corporate tax rate resulting in such change. The obligation is secured by a first priority and perfected lien and security interest on the equipment. In the event of default, any amount outstanding could be declared immediately due and retake possession of the property. The total principal outstanding at June 30, 2024 was \$2,500,591.

NOTE 11: LONG-TERM LIABILITIES (CONTINUED)

2. Notes Payable

On March 28, 2019, the City's Public Financing Authority entered into a Section 108 loan agreement with the U.S. Department of Housing and Urban Development in the amount of \$2,000,000, bearing interest at 2.54% to finance improvements to Bud Bender Park. Annual principal payments through August 1, 2038 range from \$81,000 to \$132,000, paid semi-annually. Payments on the loan are made from interest earned on the restricted loan investments and from Community Development Block Grant funds. In the event of default, the loan will continue to be paid through Grant funds and no assets have been collateralized against the loan. The total principal outstanding at June 30, 2024 was \$1,706,000.

The City entered into a non-interest-bearing agreement to reimburse the County of San Bernardino for certain construction costs for the Valley Boulevard wastewater line extension project, not to exceed \$500,000. There are no provisions in the event of default and no assets were held as collateral. Sewer connection fees and treatment plant expansion fees paid by property owners connecting to the sewer line will reimburse the County for the construction costs commencing January 31, 1998. The total principal outstanding at June 30, 2024 was \$383,555.

B. Bonds

On December 12, 2023, the City's Public Financing Authority entered into a bond purchase agreement issuing bonds in the amount of \$61,074,213, consisting of principal of \$56,525,000 plus a premium of \$4,874,231 less an underwriter's discount of \$325,019, bearing interest ranging from 5.00% to 5.25% to finance construction of a new police station. Annual principal payments through June 1, 2048 range from \$1,030,000 to \$2,875,000, paid annually. Payments on the loan are made from rental payments made by the City. The total principal outstanding at June 30, 2024 was \$56,525,000.

C. Collateralized Debt – Concessionaire Agreement

The Rialto Utility Authority entered into an agreement on March 27, 2012 with Rialto Water Services, LP (the Concessionaire) to provide services with respect to the Utility Facilities for a term of 30 years. As part of the agreement, the Concessionaire provided \$41,037,000 of funds restricted to water and wastewater utility capital projects, \$35,000,000 of back-due rent to the City General Fund and defeased the previous debt of the Utility Authority. The City contributed \$5,093,528 to the Concessionaire for the agreement. This resulted in a borrowing totaling \$38,249,443 in the Water Enterprise Fund and \$130,472,604 in the Wastewater Enterprise Fund with interest rates of 6.293% and 8.969%, respectively. Revenue earned in the Water and Wastewater Enterprise Funds is pledged to repay the collateralized debt with the Concessionaire. See Note 16 for further information regarding the agreement. The total principal outstanding at June 30, 2024 was \$142,210,034.

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$38,249,443 in collateralized debt issued in November 2012. Proceeds from the collateralized debt provided financing as shown in the table on the next page. The bonds are payable solely from water customer net revenues and are payable through November 2042. The total principal and interest remaining to be paid on the bonds is \$50,500,388 as of June 30, 2024. Principal and interest paid for the current year and total customer net revenues (expenses) (operating income plus depreciation) available to pay the principal and interest were \$943,000 and \$1,957,000, respectively.

The City has pledged future wastewater customer revenues, net of specified operating expenses, to repay \$130,472,604 in wastewater collateralized debt issued in November 2012. Proceeds from the collateralized debt provided financing as shown in the table on the next page. The bonds are payable solely from wastewater customer net revenues and are payable through November 2042. The total principal and interest remaining to be paid on the bonds is \$233,524,939 as of June 30, 2024. Principal and interest paid for the current year and total customer net revenues (operating income less depreciation) available to pay the principal and interest were \$2,382,110 and \$10,299,891, respectively.

CITY OF RIALTO, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 11: LONG-TERM LIABILITIES (CONTINUED)

As part of the concession agreement, the Concessionaire provided funds to the Authority for the following purposes:

<u>Funds</u>	<u>Wastewater</u>	<u>Water</u>	<u>Application of Funds</u>
Cost estimate for the Utility Facilities improvements	\$ 28,066,000 *	\$ 12,971,000 *	Construction account
Defeased obligations	23,648,443	2,893,669	Defease or repay existing obligations
Initial funding of rate stabilization accounts	22,962,201	8,952,242	Rate stabilization account
Initial working capital deposits to Authority expenses accounts	468,034	509,871	Provide operating funds for expenses
Initial funding of reserve accounts	1,000,000	1,000,000	Provide funds for routine repairs
Provide funding of reserve accounts	5,503,530	2,971,001	Fund reserve accounts
Provide funding to repay General Fund	32,000,000	3,000,000	Pay General Fund lease payments
Cost of financing	16,824,396	5,951,660	
	<u>\$ 130,472,604</u>	<u>\$ 38,249,443</u>	

* The City has received \$3,235,154 of these proceeds from the Concessionaire. The remaining funds are maintained in an investment account in the name of the Concessionaire for the benefit of the City and are recorded as a concessionaire receivable in the Wastewater and Water Enterprise Fund.

In addition, the City contributed \$5,093,528 in fiscal year 2012-2013 to the Concessionaire for the agreement.

The agreement allows the Concessionaire the right to pledge the user fees to obtain the financing. The Authority is to establish user fees in an amount sufficient to pay all expenses of the utility including the payments to the Concessionaire for services, reimbursements and capital charges.

The capital charges to be paid by the Concessionaire are effectively debt service payments for providing the financing. The Authority received proceeds in exchange for pledging specific future revenues from the Utilities. The Authority maintains active involvement in the utilities as the Authority is responsible for setting user fees and will approve and oversee improvements to the facilities.

D. No Commitment Debt

On August 8, 2006, the City issued Special Tax Bonds totaling \$5,035,000 pursuant to the Mello-Roos Community Facilities Act of 1982, as amended. Proceeds of the bonds provided for the construction and acquisition of certain public facilities to serve property located within the Community Facilities District No. 2006-1. On December 12, 2016, these bonds were advance refunded with the 2016 Bonds with a principal amount totaling \$4,905,000. The 2016 Bond proceeds were used to fully repay the 2006-1 Bonds. The bonds are limited obligations of the District, payable solely from the Special Taxes and certain funds described in the Bond Resolution. Neither the credit nor taxing power of the City is pledged to the payment of the bonds. The City accounts for collection of the taxes and the payment of debt service in a fiduciary capacity in its Custodial Funds. At June 30, 2024, bonds outstanding totaled \$3,885,000.

CITY OF RIALTO, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 11: LONG-TERM LIABILITIES (CONTINUED)

On September 26, 2023, the City of Rialto Community Facilities District No 2020-1 entered into a bond purchase agreement issuing bonds in the amount of \$16,631,639, consisting of principal of \$16,840,000 less a discount of \$44,496 and underwriter's discount of \$163,865, bearing interest ranging from 5.00% to 5.75% to finance certain capital facilities of the City and the West Valley Water District. Annual principal payments through June 1, 2048 range from \$20,000 to \$7,035,000, paid annually. The total principal outstanding at June 30, 2024 was \$16,631,639. The bonds are limited obligations of the District, payable solely from the Special Taxes and certain funds described in the Bond Resolution. Neither the credit nor taxing power of the City is pledged to the payment of the bonds. The City accounts for collection of the taxes and the payment of debt service in a fiduciary capacity in its Custodial Funds. At June 30, 2024, bonds outstanding totaled \$16,840,000.

E. Compensated Absences

The City accounts for compensated absences (unpaid vacation, holiday, compensated time off, and sick leave) for all City employees in the governmental activities and business-type activities. The balance for accrued compensated absences at June 30, 2024 for the governmental activities is \$12,495,761 and for the business-type activities is \$38,088. Funding for the liability is expensed to come primarily from the General Fund for governmental and business-type activities, respectively.

F. Change in Long-Term Liabilities

Changes in the City's long-term liabilities for the year ended June 30, 2024, are as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Amount Due Within One Year
Governmental activities					
Direct borrowings					
Financed purchase agreements	\$ 10,257,268	\$ -	\$ 579,133	\$ 9,678,135	\$ 611,085
Notes payable	1,706,000	-	-	1,706,000	177,000
Total direct borrowings	11,963,268	-	579,133	11,384,135	788,085
Bonds	-	56,525,000	-	56,525,000	-
Bond Premium		4,874,232	-	4,874,232	-
Leases	124,376	-	61,090	63,286	63,286
Subscriptions	760,734	2,004,893	701,033	2,064,594	601,244
Compensated absences	10,490,460	4,622,979	2,617,678	12,495,761	2,249,237
Claims	27,845,895	6,564,286	4,538,218	29,871,963	5,376,953
Total governmental activities	\$ 51,184,733	\$ 74,591,390	\$ 8,497,152	\$ 117,278,971	\$ 9,078,805
Business-type activities					
Direct borrowings					
Notes payable	\$ 383,555	\$ -	\$ -	\$ 383,555	\$ -
Total direct borrowings	383,555	-	-	383,555	-
Debt with concessionaire					
Wastewater	114,438,869	-	2,382,108	112,056,761	2,596,507
Water	31,096,273	-	942,999	30,153,274	1,002,346
Total debt with concessionaire	145,535,142	-	3,325,107	142,210,035	3,598,853
Compensated absences	64,406	29,578	54,700	39,284	6,945
Total business-type activities	\$ 145,983,103	\$ 29,578	\$ 3,379,807	\$ 142,632,874	\$ 3,605,798

CITY OF RIALTO, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 11: LONG-TERM LIABILITIES (CONTINUED)

The debt service requirements for the City's debts are as follows:

Governmental Activities								
	Financed Purchase Agreements		Notes Payable		Bonds Payable		Total Governmental Activities	
June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 611,963	\$ 339,685	\$ 177,000	\$ 108,161	\$ -	\$ 2,868,175	\$ 788,963	\$ 3,316,021
2026	646,744	316,795	93,000	50,437	-	2,868,175	739,744	3,235,407
2027	686,443	292,866	96,000	47,791	1,030,000	2,868,175	1,812,443	3,208,832
2028	726,859	267,527	99,000	44,998	1,085,000	2,816,675	1,910,859	3,129,200
2029	772,631	240,874	102,000	42,055	1,140,000	2,762,425	2,014,631	3,045,354
2030-2034	4,083,256	750,920	555,000	158,585	6,610,000	12,898,625	11,248,256	13,808,130
2035-2039	2,150,239	152,553	584,000	57,405	8,425,000	11,073,375	11,159,239	11,283,333
2040-2044	-	-	-	-	10,755,000	8,745,375	10,755,000	8,745,375
2045-2049	-	-	-	-	13,730,000	5,773,375	13,730,000	5,773,375
2050-2054	-	-	-	-	13,750,000	1,850,625	13,750,000	1,850,625
Totals	<u>\$ 9,678,135</u>	<u>\$ 2,361,220</u>	<u>\$ 1,706,000</u>	<u>\$ 509,432</u>	<u>\$ 56,525,000</u>	<u>\$ 54,525,000</u>	<u>\$ 67,909,135</u>	<u>\$ 57,395,652</u>

Business-Type Activities						
	Wastewater Debt with Concessionaire		Water Debt with Concessionaire		Total Business-Type Activities	
June 30	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 2,596,507	\$ 10,085,493	\$ 1,002,346	\$ 1,897,654	\$ 3,598,852	\$ 11,983,148
2026	2,830,201	9,851,799	1,065,427	1,834,573	3,895,628	11,686,372
2027	3,084,929	9,597,071	1,132,478	1,767,522	4,217,407	11,364,593
2028	3,362,583	9,319,417	1,203,749	1,696,251	4,566,332	11,015,668
2029	3,665,227	9,016,773	1,279,505	1,620,495	4,944,732	10,637,268
2030-2034	23,909,742	39,500,258	7,711,644	6,788,356	31,621,386	46,288,614
2035-2039	36,788,681	26,621,319	10,463,516	4,036,484	47,252,197	30,657,803
2040-2043	35,818,891	7,476,048	6,294,608	705,780	42,113,499	8,181,828
Totals	<u>\$ 112,056,761</u>	<u>\$ 121,468,178</u>	<u>\$ 30,153,273</u>	<u>\$ 20,347,115</u>	<u>142,210,034</u>	<u>\$ 141,815,293</u>

Plus: note payable without repayment schedule	<u>383,555</u>
	<u>\$ 142,593,589</u>

CITY OF RIALTO, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 12: FUND BALANCE CLASSIFICATIONS

At June 30, 2024, the governmental funds report the following fund balance classifications:

	General Fund	Park Development Fund	Capital Projects Fund	Police Station Capital Projects	Total Nonmajor Funds	Total Governmental Funds
Nonspendable						
Inventories	\$ 113,385	\$ -	\$ -	\$ -	\$ -	\$ 113,385
Land held for resale	719,969	-	-	-	-	719,969
Prepaid costs	169,784	-	-	-	-	169,784
Advances to other funds	17,492,605	-	-	-	-	17,492,605
Total nonspendable	18,495,743	-	-	-	-	18,495,743
Restricted						
General government	-	-	-	-	52,084,363	52,084,363
Public safety	-	-	-	-	26,317,199	26,317,199
Community development	-	-	-	-	64,249,344	64,249,344
Capital projects	-	-	50,587,429	-	3,919,947	54,507,376
Debt service	-	-	-	-	571,785	571,785
Deposits	6,111,419	-	9,922,862	-	-	16,034,281
Total restricted	6,111,419	-	60,510,291	-	147,142,638	213,764,348
Committed						
Economic uncertainty reserve	36,295,841	-	-	59,396,312	-	95,692,153
Total committed	36,295,841	-	-	59,396,312	-	95,692,153
Unassigned	72,308,014	(1,814,978)	-	-	(2,084,994)	68,408,042
Total fund balances (deficits)	\$ 133,211,017	\$ (1,814,978)	\$ 60,510,291	\$ 59,396,312	\$ 145,057,644	\$ 396,360,286

NOTE 13: INTERFUND ACTIVITIES

A. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2024, is as follows:

1. Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental funds	\$ 2,860,154
Water fund	General fund	200,751
Wastewater Enterprise Fund	General fund	710,487
Internal Service Funds	General fund	17,740
	Total	\$ 3,789,132

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts also include balances of working capital loans made to several nonmajor governmental funds, which the general fund expects to collect in the subsequent year.

CITY OF RIALTO, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 13: INTERFUND ACTIVITIES (CONTINUED)

2. Advances to/from Other Funds

	Receivable Fund	Payable Fund	Amount
Advances			
	General fund	Park Development Fund	\$ 10,892,605
	General fund	Water Enterprise Fund	6,600,000
	Wastewater Enterprise Fund	Water Enterprise Fund	3,000,000
		Total	<u>\$ 20,492,605</u>

The amounts payable to the general fund relate to working capital loans made to several nonmajor governmental funds. None of the balance is scheduled to be collected in the subsequent year.

B. Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2024, is as follows:

	Transfers in				
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Water Enterprise Fund	Nonmajor Enterprise Fund
Transfers out					
General fund	\$ -	\$ 24,983,420	\$ 1,389,820	\$ 5,300,000	\$ 8,220
Capital projects fund	-	-	500,000	-	-
Nonmajor governmental funds	11,770	-	400,000	-	-
Water enterprise fund	5,300,000	-	-	-	-
Total	<u>\$ 5,311,770</u>	<u>\$ 24,983,420</u>	<u>\$ 2,289,820</u>	<u>\$ 5,300,000</u>	<u>\$ 8,220</u>
	Total				
Transfers out					
General fund	\$ 31,681,460				
Capital projects fund	500,000				
Nonmajor governmental funds	411,770				
Water enterprise fund	5,300,000				
Total	<u>\$ 37,893,230</u>				

Transfers from the general fund to the other funds are to finance various programs accounted for in the other funds in accordance with budgetary authorizations. Other transfers to the general fund from the other funds are generally for the refunding of capital or other operating costs incurred by the general fund on behalf of the other funds.

NOTE 14: CONTINGENCIES

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 15: TAX ABATEMENTS

The City has negotiated certain tax abatement agreements with two entities in the distribution industry to abate 50 percent of sales taxes due to the City from these entities. These agreements are for twenty years, with no maximum abatement ceiling. The entities have the sole option to extend the agreements at the conclusion of the term. As a result of this tax abatement agreement, the City's sales taxes were reduced by \$5,252,409 in the current fiscal year.

NOTE 16: CONCESSIONAIRE AGREEMENT

The City owns certain revenue producing water and wastewater enterprise facilities (Utility Facilities) which the City leases to the Rialto Utility Authority (Authority) for a term of 55 years ending in 2056. The Authority entered into an agreement dated March 27, 2012 with Rialto Water Services, LP (the Concessionaire) to provide services with respect to the Utility Facilities for a term of 30 years and the City approved such selection as set forth in City Resolution 6095 and Authority Resolution 05-12. The Concessionaire was formed for the sole purpose for arranging for the Authority to engineer, design, construct, operate and maintain the Utility Facilities, provide billing and collection services, and to provide financing for the Utility Facilities subject to the terms of the agreement.

A. Wastewater Facility

The City continues to own the Wastewater Facility and the Authority continues to hold the long-term facility lease under the agreement. The Concessionaire has been afforded long-term nonexclusive access and use of the facilities to perform the services required under the agreement. Section 5.1 of the agreement specifies the services to be performed by the Concessionaire which include operating and performing maintenance of the wastewater facility, wastewater facility improvements, staffing the wastewater facility, monitoring of the influent and effluent, preparing and certifying discharge monitoring reports required under the WDR permit, purchasing supplies for the facilities, billing and collection of fees and other services to operate the facility. The City on behalf of the Authority is responsible for selection of location and facilities for the off-site disposal of the sewage sludge delivered by the Concessionaire to a staging area located at the wastewater facility site. The Authority is responsible for the selection of facilities for the treatment or disposal of solid waste.

The Concessionaire is to bill and collect all user fees related to the Wastewater Facility which include (a) sewer service fees, charges and assessments, (b) wastewater connection charges, wastewater user connection deposits, assessments and fees, (c) wastewater treatment charges, assessments and fees and (d) other revenue or income derived from use and operation of the Wastewater Facility. All Wastewater Facility User Fees are to be deposited in a Lockbox Account in accordance with the trust agreement.

The Authority and the City are to establish all rates with respect to the Wastewater Facility User Fees in an amount sufficient to pay all compensation to the Concessionaire including capital charges (see Note 9) to pay for concessionaire financing and all other costs to operate and maintain the Wastewater Facility.

The Concessionaire is entitled to be reimbursed from an account that is not subject to the trust agreement with respect to the design and construction of the Wastewater Facility Improvements, in an amount that is equal to the actual costs incurred.

NOTE 16: CONCESSIONAIRE AGREEMENT (CONTINUED)

The Concessionaire is also to be paid Wastewater Service Fee which is the sum of (a) Wastewater Fixed Component (b) Wastewater Routine R&R Component (c) Wastewater Chemical Component and (d) Wastewater Labor Component. The Wastewater Fixed Component is to pay for the services of the Concessionaire to operate the Wastewater Facility (excluding, however, the services and compensation that are otherwise expressly provided elsewhere in the agreement) and the costs for maintenance consumables. The Wastewater Fixed Component is adjusted each contract year by a Wastewater Adjustment Escalator. The Wastewater Routine R&R Component is for services related to the routine repair and replacement of the Wastewater Facility which is also adjusted each contract year by a Wastewater Adjustment Escalator.

The Wastewater Chemical Component is to reimburse the Concessionaire for chemicals used in the operation of the Wastewater Facility. Following each contract year, the chemical component is subject to a reconciliation and adjustment process to reimburse the Concessionaire to pay only for actual costs. The Wastewater Labor Component is to pay the Concessionaire for labor costs. After the first year, this amount is adjusted by the Wastewater Labor Adjustment Escalator.

The amount paid in fiscal year 2023-24 for the Wastewater Fixed Fee, which is included in the cost of sales and services expense in the Wastewater Fund, totaled \$7,689,274 detailed as follows:

	Actual
Wastewater Fixed Component	\$ 2,678,613
Wastewater Routine R&R Component	274,996
Wastewater Chemical Component	879,933
Wastewater Labor Component	3,855,732
Total Wastewater Fixed Fee	<u>\$ 7,689,274</u>

The Wastewater Fixed Fee is required annually through November 2042 and will require the above payments annually through November 2018.

The Wastewater Fixed Fee from December 2018 through November 2042 will be based on the above amounts, but may be adjusted for unexpected utility activity and inflation.

The Concessionaire is entitled to a Wastewater Reimbursable Payment in an amount equal to the cost and expense incurred by the Concessionaire plus a mark up to operate the wastewater plant. The Wastewater Reimbursable Payment consists of (a) Wastewater Miscellaneous Expense Reimbursement (b) Wastewater Operating R&R Reimbursement and (c) Wastewater Excess Routine R&R Reimbursement. Section 8.3 of the concession agreement provides additional information of the various components of these reimbursable amounts.

The Authority is required to pay a capital charge of \$12,682,000 annually for a period of 30 years to pay for the financing provided by the Concessionaire (see Note 9). The capital charges for the period are set for a specific amount through June 30, 2043. The capital charge is not adjusted by the Wastewater Adjustment Escalator. However, the capital charges related to the Wastewater Facility may be adjusted in accordance with Section 2.5 or increased as provided in Section 8.8 of the concession agreement.

The Concessionaire is also to be compensated for a specific amount for a specific period for providing services related to the construction of the Wastewater Facility Improvements.

A. Water Facility

The City continues to own the Utility Facility and the Authority continues to hold the long-term facility lease under the agreement. The Concessionaire has been afforded long-term nonexclusive access and use of the facility to perform the services required under the agreement. Section 11.1 of the agreement specifies the services to be performed by the Concessionaire which include operating and performing maintenance of the water facility, water facility improvements, staffing the water facility, monitoring of the quality of the water, purchasing supplies for the facility, billing and collection fees and other services to operate the facility.

NOTE 16: CONCESSIONAIRE AGREEMENT (CONTINUED)

The Concessionaire is to bill and collect all user fees related to the Water Facility which include: (a) water service fees, charges and assessments, (b) water connection charges, water user connection deposits, and assessments and fees, (c) water delivery charges, assessments and fees and (d) other revenue or income derived from use and operation of the Water Facility. All Water Facility user fees are to be deposited in a Lockbox Account in accordance with the trust agreement.

The Authority and the City are to establish all rates with respect to the Water Facility User Fees in an amount sufficient to pay all compensation to the Concessionaire including capital charges to pay for Concessionaire financing and all other costs to operate and maintain the Water Facility.

The Concessionaire is entitled to be reimbursed from an account that is not subject to the trust agreement with respect to the design and construction of the Water Facility Improvements, in an amount that is equal to the actual costs incurred.

The Concessionaire is also to be paid a Water Service Fee which is the sum of (a) Water Fixed Component (b) Water Routine R&R Component (c) Water Chemical Component and (d) Water Labor Component. The Water Fixed Component is to pay for the services of the Concessionaire to operate the Water facility (excluding, however, the services and compensation that are otherwise expressly provided elsewhere in the agreement) and the costs for maintenance consumables. The Water Fixed Component is adjusted each contract year by a Water Adjustment Escalator. The Water Routine R&R Component is for services related to the routine repair and replacement of the Water Facility which is also adjusted each contract year by a Wastewater Adjustment Escalator. The Water Chemical Component is to reimburse the Concessionaire for chemicals used in the operation of the Water Facility. Following each contract year, the chemical component is subject to a reconciliation and adjustment process to reimburse the Concessionaire to pay only for actual costs. The Water Labor Component is to pay the Concessionaire for labor costs. After the first year, this amount is adjusted by the Water Labor Adjustment Escalator.

The amount paid in fiscal year 2023-24 for the Water Fixed Fee, which is included in the cost of sales and services expense in the Water Fund, totaled \$6,648,593 detailed as follows:

	Actual
Water Fixed Component	\$ 2,779,787
Water Routine R&R Component	274,996
Water Chemical Component	63,094
Water Labor Component	3,530,716
Total Water Fixed Fee	<u>\$ 6,648,593</u>

The Water Fixed Fee is required annually through November 2042 and will require the above payments annually through November 2018.

The Water Fixed Fee from December 2018 through November 2042 will be based on the above amounts, but may be adjusted for unexpected utility activity and inflation.

The Concessionaire is entitled to a Water Reimbursable Payment in an amount equal to the cost and expenses incurred by the Concessionaire plus a mark up to operate the Water Facility. The Water Reimbursable Payment consists of (a) Water Miscellaneous Expense Reimbursement (b) Water Operating R&R Reimbursement and (c) Water Excess Routine R&R Reimbursement. Section 4.3 of the concession agreement provides additional information of the various components of these reimbursable amounts.

The Authority is required to pay a capital charge of \$2,900,000 annually for a period of 30 years to pay for the financing provided by the Concessionaire. The capital charges for the period are set for a specific amount through June 30, 2042. The capital charge is not adjusted by the Water Adjustment Escalator. However, the capital charges related to the Water Facility may be adjusted in accordance with Section 2.5 or increased as provided in Section 14.8 of the concession agreement.

NOTE 16: CONCESSIONAIRE AGREEMENT (CONTINUED)

The Concessionaire is also to be compensated for a specific amount for a specific period for providing services related to the construction of the Water Facility Improvements.

NOTE 17: RELATED PARTY AGREEMENTS

On May 1, 2001, the Utility Authority entered into an agreement with the City to lease the Waste and Wastewater Utilities. Payments are to be paid by the Utility Authority to the City from the Water and Wastewater Utility Fund funded by surplus utility revenues. All of the surplus revenues have been irrevocably pledged for these purposes. The annual lease payments are reflected as expenses and income among the respective funds.

NOTE 18: SUCCESSOR AGENCY DISCLOSURES

On June 29, 2011, Assembly Bills x1 26 (the Dissolution Act) and x1 27 were enacted as part of the fiscal year 2011-12 State budget package.

On June 27, 2012, as part of the fiscal year 2012-13 State budget package, the Legislature passed and the Governor signed AB 1484, which made technical and substantive amendments to the Dissolution Act based on experience to date at the State and local level in implementing the Dissolution Act.

In September 2015, the Legislature passed and the Governor signed SB 107, which made additional changes to the Dissolution Act.

Under the Dissolution Act, each California redevelopment agency (each Dissolved RDA) was dissolved as of February 1, 2012, and the sponsoring community that formed the Dissolved RDA, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDA. A Successor Agency was created for each Dissolved RDA which is the sponsoring community of the Dissolved RDA unless it elected not to service as the Successor Agency. On September 27, 2011, the City elected to serve as the Successor Agency of the Rialto Redevelopment Agency.

The Dissolution Act also created oversight boards which monitor the activities of the Successor Agencies. The roles of the Successor Agencies and oversight boards is to administer the wind down of each Dissolved RDA which includes making payments due on enforceable obligations, disposing of the assets (other than housing assets) and remitting the unencumbered balances of the Dissolved RDAs to the County Auditor-Controller for distribution to the affected taxing entities.

The Dissolution Act allowed the sponsoring community that formed the Dissolved RDA to elect to assume the housing functions and take over the certain housing assets of the Dissolved RDA. If the sponsoring community does not elect to become the Successor Housing Agency and assume the Dissolved RDA's housing functions, such housing functions and all related housing assets will be transferred to the local housing authority in the jurisdiction. AB 1484 modified and provided some clarifications on the treatment of housing assets under the Dissolution Act. The Housing Authority elected on January 24, 2012 to serve as the Housing Successor Agency.

After the date of dissolution, the housing assets, obligations and activities of the Dissolved RDA have been transferred and are reported in the Housing Authority Special Revenue Fund in the financial statements of the City. All other assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

In the current and future fiscal years, the Successor Agency will only be allocated revenue from the County of San Bernardino in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the Dissolved RDA until all enforceable obligations of the Dissolved RDA have been paid in full and all assets have liquidated.

NOTE 18: SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

The assets and liabilities of the former Redevelopment Agency (Agency), except for assets related to the low- and moderate-income housing fund, were transferred to the Successor Agency of the City of Rialto Redevelopment Agency on February 1, 2012 as a result of the dissolution of the former Redevelopment Agency. The City is acting in a fiduciary capacity for the assets and liabilities. Disclosure related to assets and liabilities are as follows:

A. Notes Receivable

Effective June 1, 2005, the Agency and the Rialto Unified School District (the District) entered into a Cooperative Agreement whereby the Agency made a portion of the proceeds of the 2005 Series A Tax Allocation Bonds available to the District to assist the District in financing a portion of the cost of the Rialto Unified School District Facilities. These proceeds totaled \$2,717,131. Under the Cooperative Agreement, the District will forego tax increment revenues that otherwise would have been transferred to it by the Agency pursuant to two pass-through agreements by and between the District and the Agency, and pursuant to the statutory requirements for payments to affected taxing agencies. The amount of pass-through payments that was retained by the Agency were calculated to be sufficient to cover the portion of debt service on the 2005 Series A Tax Allocation Bonds allocated to the \$2,717,131 transferred to the District, plus a coverage factor. Upon the dissolution of the former redevelopment agency at February 1, 2002, the outstanding balance of the receivables was transferred to the Successor Agency Private-Purpose Trust Fund and the amount of pass-through amounts to be retained are administered by the County of San Bernardino. As of June 30, 2024, \$2,166,941 of this receivable remains outstanding, bearing interest at variable rates between 3.6% and 4.9%.

Effective September 1, 2018, the Agency and the Rialto Unified School District (the District) entered into a Cooperative Agreement whereby the Agency made a portion of the proceeds of the 2018 Series A Tax Allocation Bonds available to the District to assist the District in financing a portion of the cost of the Rialto Unified School District Facilities. These proceeds totaled \$2,281,402. Under the Cooperative Agreement, the District will forego tax increment revenues that otherwise would have been transferred to it by the Agency pursuant to two pass-through agreements by and between the District and the Agency, and pursuant to the statutory requirements for payments to affect taxing agencies. The amount of pass-through payments that was retained by the Agency were calculated to be sufficient to cover the portion of debt service on the 2018 Series A Tax Allocation Bonds allocable to the \$2,281,402 transferred to the District, plus a coverage factor. As of June 30, 2024, \$2,011,046 of this receivable remains outstanding, bearing interest at 5%

Effective July 1, 1996, the Agency sold the Ramrod Mobile Home Park (the Park) to Ramrod Senior Housing, Inc., a California Nonprofit Benefit Corporation, for a 36-year note receivable in the amount \$3,318,875, bearing interest at approximately 6.19%. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the receivables was transferred to the Successor Agency Private-Purpose Trust Fund. The balance outstanding on the note receivable is \$1,471,077 at June 30, 2024.

The Agency administered a façade improvement loan program, which provided money to certain business owners at 0% interest to enhance the facade of their building. The Agency entered into loan agreements with the business owners that required the loans to be repaid only if the title of the property changes. Therefore, the Agency had recorded the outstanding loans as notes receivable and deferred revenue in the fund financial statements. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the receivables was transferred to the Successor Agency Private-Purpose Trust Fund. The amount of façade improvement loans at June 30, 2024 is \$255,315.

B. Property Held for Resale

Property held for resale was generally acquired in the normal course of the Agency activity and is recorded at the lower of acquisition cost or estimated net realizable value (i.e., estimated selling price less reasonably predicted costs of disposal). Upon the dissolution of the former redevelopment agency at February 1, 2012, the balance of the property held for resale was transferred to the Successor Agency Private-Purpose Trust Fund. As of June 30, 2024, the Successor Agency's property held for resale is valued at a cost basis of \$25,570,079, less an adjustment to the basis in the amount of \$(5,880,224), for a net book value of \$19,689,855.

CITY OF RIALTO, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 18: SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

C. Capital Assets

A summary of changes in the Successor Agency's capital assets at June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Successor Agency activities:				
Capital assets, not being depreciated/amortized				
Land	\$ 290,347	\$ -	\$ -	\$ 290,347
Total capital assets, not being depreciated/amortized	290,347	-	-	290,347
Capital assets, being depreciated/amortized				
Buildings and other structures	97,647	-	-	97,647
Improvements other than buildings	285,647	-	-	285,647
Total capital assets, being depreciated/amortized	383,294	-	-	383,294
Less accumulated depreciation/amortization				
Buildings and other structures	(39,121)	(1,956)	-	(41,077)
Improvements other than buildings	(285,647)	-	-	(285,647)
Total accumulated depreciation/amortization	(324,768)	(1,956)	-	(326,724)
Total capital assets, being depreciated/amortized, net	58,526	(1,956)	-	56,570
Total Successor Agency activities capital assets	\$ 348,873	\$ (1,956)	\$ -	\$ 346,917

D. Long-term Obligations

The following is a summary of the Successor Agency's long-term obligations for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Amount Due Within One Year
Successor Agency activities					
Bonds payable					
Tax allocation bonds	\$ 106,395,000	\$ -	\$ 4,750,000	\$ 101,645,000	\$ 5,010,000
Premiums	4,375,324	-	497,369	3,877,955	-
Discounts	(58,019)	-	11,884	(69,903)	-
Total Successor Agency activities	\$ 110,712,305	\$ -	\$ 5,259,253	\$ 105,453,052	\$ 5,010,000

\$29,600,000 Rialto Redevelopment Agency Tax Allocation Housing Set-Aside Bonds Merged Project Area 2008 Series B, maturing in serial and term fashion through September 1, 2037. The term portion of the bond is subject to mandatory sinking fund payments beginning on September 1 in each year and commencing September 1, 2019. Annual principal payments on the bonds range from \$275,000 to \$2,920,000. Interest is paid semi-annually on March 1 and September 1 of each year at the rate of 7.50%. The reported amount outstanding includes the unamortized original issue premium of \$181,214 and is payable from redevelopment property tax trust fund revenues received by Successor Agency. The total principal outstanding at June 30, 2024 was \$21,650,000.

\$21,965,000 Rialto Redevelopment Agency Tax Allocation Bonds Merged Project Area 2008 Series C, maturing in serial and term fashion through September 1, 2037. The term portion of the bond is subject to mandatory sinking fund payments beginning on September 1 in each year and commencing September 1, 2019. Annual principal payments on the bonds range from \$250,000 to \$1,725,000. Interest is paid semi-annually on March 1 and September 1 of each year at the rate of 7.50%. The reported amount outstanding includes the unamortized original issue premium of \$149,393 and is payable from redevelopment property tax trust fund revenues received by Successor Agency. The total principal outstanding at June 30, 2024 was \$15,720,000.

NOTE 18: SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

\$16,515,000 Successor Agency Tax Allocation Revenue Refunding Bonds 2014 Series A, maturing in serial fashion through September 1, 2027. The 2014 Series A Bonds were used to defease the outstanding Tax Allocation Revenue Refunding Bonds 2003 Series A. The principal amounts of the 2014 Series A Refunding Bonds of \$16,515,000 plus the premium of \$2,465,434 plus the 2003A refunded bonds available funds of \$2,247,219 were used to refund the bonds in the amount of \$20,805,499 and pay for the cost of issuance totaling \$422,154. Annual principal payments on the bonds range from \$985,000 to \$1,675,000. Interest is paid semi-annually on March 1 and September 1 of each year at the rate of 3% to 5%. The reported amount outstanding includes the unamortized original issue premium of \$252,508 and is payable from redevelopment property tax trust fund revenues received by Successor Agency. The total principal outstanding at June 30, 2024 was \$6,245,000.

On July 30, 2015, the Successor Agency issued \$20,640,000 in Tax Allocation Revenue Refunding Bonds, 2015 Series A for the purpose of defeasing \$23,885,000 of outstanding Tax Allocation Bonds 2005 Series A. The principal amount of the 2015 Series A refunding bonds of \$20,640,000 plus the original premium of \$1,113,852 plus the 2005 Series A refunded bonds available funds of \$3,178,113 will be used to refund the bonds in the amount of \$23,885,000, pay for the interest payment due as of September 1, 2015 of \$545,465, and pay for the cost of issuance totaling \$501,500. The advance refunding fully repaid the 2005 Series A bonds. Annual principal payments on the bonds range from \$2,065,000 to \$3,220,000. Interest is paid semi-annually on March 1 and September 1 of each year at the rate of 4% to 5%. The reported amount outstanding includes the unamortized original issue premium of \$554,260 and is payable from redevelopment property tax trust fund revenues received by the Successor Agency. The total principal outstanding at June 30, 2024 was \$20,640,000.

On July 30, 2015, the Successor Agency issued \$15,290,000 in Tax Allocation Revenue Refunding Bonds, 2015 Series B for the purpose of defeasing \$16,635,000 of outstanding Tax Allocation Bonds 2005 Series C. The principal amount of the 2015 Series B refunding bonds of \$15,290,000 less the original discount of \$199,176 plus the 2005 Series C refunded bonds available funds of \$2,250,882 will be used to refund the bonds in the amount of \$16,635,000, pay for the interest payment due as of September 1, 2015 of \$420,680, and pay for the cost of issuance totaling \$286,026. The advance refunding fully repaid the 2005 Series C bonds. Annual principal payments on the bonds range from \$755,000 to \$1,420,000. Interest is paid semi-annually on March 1 and September 1 of each year at the rate of 1.484% to 4%. The reported amount outstanding includes the unamortized original issue discount of \$38,109 and is payable from redevelopment property tax trust fund revenues received by the Successor Agency. The total principal outstanding at June 30, 2024 was \$7,255,000.

On July 30, 2015, the Successor Agency issued \$8,205,000 in Tax Allocation Revenue Refunding Bonds, 2015 Series C for the purpose of defeasing \$9,045,000 of outstanding Tax Allocation Bonds 2005 Series B. The principal amount of the 2015 Series C refunding bonds of \$8,205,000 less the original discount of \$100,864 plus the 2005 Series B refunded bonds available funds of \$1,334,703 will be used to refund the bonds in the amount of \$9,045,000, pay for the interest payment due as of September 1, 2015 of \$227,774, and pay for the cost of issuance totaling \$166,065. The advance refunding fully repaid the 2005 Series B bonds. Annual principal payments on the bonds range from \$340,000 to \$670,000. Interest is paid semi-annually on March 1 and September 1 of each year at the rate of 1.484% to 4.724%. The reported amount outstanding includes the unamortized original issue discount of \$31,794 and is payable from redevelopment property tax trust fund revenues received by the Successor Agency. The total principal outstanding at June 30, 2024 was \$5,030,000.

On January 24, 2018, the Successor Agency issued \$28,480,000 in Tax Allocation Revenue Refunding Bonds, 2018 Series A for the purpose of defeasing \$35,810,000 of outstanding Tax Allocation Bonds 2008 Series A. The principal amount of the 2018 Series A refunding bonds of \$28,480,000 less the original premium of \$4,479,119 plus the 2008 Series A refunded bonds available funds of \$4,235,283 will be used to refund the bonds in the amount of \$38,810,000, pay for the interest payment due as of September 1, 2018 of \$1,076,454, and pay for the cost of issuance totaling \$451,661. The advance refunding fully repaid the 2008 Series A bonds. Annual principal payments on the bonds range from \$420,000 to \$5,055,000. Interest is paid semi-annually on March 1 and September 1 of each year at the rate of 1.570% to 3.200%. The reported amount outstanding includes the unamortized original issue premium of \$2,740,580 and is payable from redevelopment property tax trust fund revenues received by the Successor Agency. The total principal outstanding at June 30, 2024 was \$25,105,000.

The annual requirements to amortize outstanding long-term debt other compensated absences are as follows:

NOTE 18: SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

E. Other Commitments

The Agency had entered into two Cooperative Agreements with the Rialto Unified School District (RUSD) under which the Agency advanced funds from the 2005 and 2008 tax allocation bond issues to pay for school improvements. The RUSD pledged its pass-through payment entitlements under various agreements with the Agency to repay its share of the debt service on the tax allocation bonds. In accordance with the terms of the 2005 Cooperative Agreement, the Agency retained 120% of the upcoming bond year debt service (September 1, 2008 to August 31, 2009) as a debt service reserve and released the balance to the RUSD. Under the terms of the 2008 Cooperative Agreements, which took effect on March 1, 2008, the Agency will retain a lesser amount equaling the District's share of the September 1, 2008 and March 1, 2009 debt service payment on the 2005 and 2008 tax allocation bonds. In 2015, the Successor Agency refinanced the 2005 bonds reducing interest rate and payments. The refinance bonds are known as the 2015 bonds. At June 30, 2024, the amount committed under these agreements totaled \$240,911. The amount includes the 2008 and 2015 bonds. On February 1, 2012, the Successor Agency assumed all responsibilities under the agreements. Future payments, if any, will be requested through the semi-annual Redevelopment Property Tax Trust Fund (FPTTF) distribution process.

NOTE 19: SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through June 27, 2025, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2024, that required recognition or disclosure in these financial statements.

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

	2024	2023	2022	2021	2020
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
TOTAL PENSION LIABILITY					
Service cost	\$ 2,810,889	\$ 2,384,818	\$ 2,090,638	\$ 2,051,976	\$ 1,791,482
Interest on total pension liability	11,036,170	10,467,478	10,134,642	9,773,601	9,347,753
Changes of benefit terms	239,822	-	-	-	-
Changes of assumptions	-	5,063,120	-	-	-
Difference between expected and actual experience	3,407,306	463,355	724,123	1,702,384	623,582
Benefit payments, including refunds of employee contributions	(8,785,508)	(8,155,607)	(7,723,398)	(7,315,654)	(6,716,222)
Net change in total pension liability	8,708,679	10,223,164	5,226,005	6,212,307	5,046,595
Total pension liability-beginning	159,284,667	149,061,503	143,835,498	137,623,191	132,576,596
Total pension liability-ending (a)	167,993,346	159,284,667	149,061,503	143,835,498	137,623,191
PLAN FIDUCIARY NET POSITION					
Contributions-employer	7,812,395	4,951,534	4,936,398	4,154,462	3,600,870
Contributions-employee	1,332,851	891,608	1,183,351	1,030,303	887,762
Net investment income	6,799,863	(9,081,623)	22,368,446	4,856,489	6,111,526
Benefit payments, including refunds of employee contributions	(8,785,508)	(8,155,607)	(7,723,398)	(7,315,654)	(6,716,222)
Net plan to plan resource movement	142	-	-	-	-
Administrative expense	(80,601)	(75,424)	(100,307)	(137,911)	(67,087)
Other miscellaneous income/(expense)	-	-	-	-	218
Net change in fiduciary net position	7,079,142	(11,469,512)	20,664,490	2,587,689	3,817,067
Plan fiduciary net position-beginning	109,608,626	121,078,138	100,413,648	97,825,959	94,008,892
Plan fiduciary net position-ending (b)	116,687,768	109,608,626	121,078,138	100,413,648	97,825,959
Net pension liability/(asset) (a) - (b)	\$ 51,305,578	\$ 49,676,041	\$ 27,983,365	\$ 43,421,850	\$ 39,797,232
Plan fiduciary net position as a percentage of the total pension liability	69.5%	68.8%	81.2%	69.8%	71.1%
Covered payroll	\$ 13,394,352	\$ 11,084,467	\$ 8,852,154	\$ 10,122,181	\$ 9,074,473
Plan net pension liability/(asset) as a percentage of covered payroll	383.0%	448.2%	316.1%	429.0%	438.6%

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

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

Changes of Assumptions: None in 2020-2022. In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2018, the discount rate was reduced from 7.65% to 7.15%. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2015, amounts reported were based on the 7.50% discount rate.

2019	2018	2017	2016	2015
6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 2,003,976	\$ 1,962,464	\$ 1,621,654	\$ 1,545,683	\$ 1,736,327
8,993,449	8,739,244	8,545,451	8,242,200	8,043,800
-	-	-	-	-
(799,662)	7,392,961	-	(2,069,469)	-
(254,150)	(1,503,407)	(403,816)	(1,901,232)	-
(6,402,730)	(5,823,917)	(5,586,314)	(5,329,662)	(5,117,502)
3,540,883	10,767,345	4,176,975	487,520	4,662,625
129,035,713	118,268,368	114,091,393	113,603,873	108,941,248
132,576,596	129,035,713	118,268,368	114,091,393	113,603,873
3,194,249	3,399,175	2,770,673	2,257,385	2,027,883
1,013,826	924,474	864,570	832,233	730,622
7,500,484	8,989,575	419,804	1,827,857	12,528,234
(6,402,730)	(5,823,917)	(5,586,314)	(5,329,662)	(5,117,502)
(218)	-	28,412	1,212	-
(138,851)	(120,679)	(50,761)	(93,780)	-
(263,681)	-	-	-	-
4,903,079	7,368,628	(1,553,616)	(504,755)	10,169,237
89,105,813	81,737,185	83,290,801	83,795,556	73,626,319
94,008,892	89,105,813	81,737,185	83,290,801	83,795,556
\$ 38,567,704	\$ 39,929,900	\$ 36,531,183	\$ 30,800,592	\$ 29,808,317
70.9%	69.1%	69.1%	73.0%	73.8%
\$ 10,400,541	\$ 10,035,098	\$ 9,966,210	\$ 9,138,652	\$ 9,062,246
370.8%	397.9%	366.6%	337.0%	328.9%

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

	2024	2023	2022	2021	2020
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
TOTAL PENSION LIABILITY					
Service cost	\$ 7,203,683	\$ 6,987,480	\$ 6,068,460	\$ 5,368,782	\$ 4,820,128
Interest on total pension liability	24,355,579	22,696,112	22,123,384	20,986,672	19,950,664
Changes of benefit terms	140,014	-	-	-	-
Changes of assumptions	-	6,527,700	-	-	-
Difference between expected and actual experience	10,366,524	(1,037,356)	2,800,717	2,381,715	(1,417,660)
Benefit payments, including refunds of employee contributions	(17,110,409)	(15,385,586)	(13,875,382)	(13,340,458)	(12,534,003)
Net change in total pension liability	24,955,391	19,788,350	17,117,179	15,396,711	10,819,129
Total pension liability-beginning	347,426,238	327,637,888	310,520,709	295,123,998	284,304,869
Total pension liability-ending (a)	372,381,629	347,426,238	327,637,888	310,520,709	295,123,998
PLAN FIDUCIARY NET POSITION					
Contributions-employer	14,713,973	10,598,121	10,425,758	8,902,873	7,807,973
Contributions-employee	3,634,578	3,368,640	4,241,728	3,347,779	2,872,745
Net investment income	15,916,206	(20,799,581)	50,593,378	10,639,176	13,315,731
Benefit payments, including refunds of employee contributions	(17,110,409)	(15,385,586)	(13,875,382)	(13,340,458)	(12,534,003)
Net plan to plan resource movement	(142)	-	-	-	-
Administrative expense	(185,157)	(170,799)	(222,783)	(301,365)	(144,475)
Other miscellaneous income/(expense)	-	-	-	-	470
Net change in fiduciary net position	16,969,049	(22,389,205)	51,162,699	9,248,005	11,318,441
Plan fiduciary net position-beginning	251,792,714	274,181,919	223,019,220	213,771,215	202,452,774
Plan fiduciary net position-ending (b)	268,761,763	251,792,714	274,181,919	223,019,220	213,771,215
Net pension liability/(asset) (a) - (b)	\$ 103,619,866	\$ 95,633,524	\$ 53,455,969	\$ 87,501,489	\$ 81,352,783
Plan fiduciary net position as a percentage of the total pension liability	72.2%	72.5%	83.7%	71.8%	72.4%
Covered payroll	\$ 19,151,677	\$ 18,203,551	\$ 17,121,438	\$ 15,446,426	\$ 14,498,370
Plan net pension liability/(asset) as a percentage of covered payroll	541.0%	525.4%	312.2%	566.5%	561.1%

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

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

Changes of Assumptions: None in 2020-2022. In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2018, the discount rate was reduced from 7.65% to 7.15%. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2015, amounts reported were based on the 7.50% discount rate.

2019	2018	2017	2016	2015
<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
\$ 5,206,707	\$ 5,334,644	\$ 4,790,840	\$ 4,576,388	\$ 4,515,927
19,196,158	18,863,603	18,240,547	17,478,960	16,797,046
-	-	-	-	-
(8,400,860)	17,388,091	-	(4,760,201)	-
450,278	(4,519,766)	(2,000,635)	(2,396,762)	-
(11,944,712)	(11,120,451)	(10,446,639)	(9,966,418)	(9,361,045)
4,507,571	25,946,121	10,584,113	4,931,967	11,951,928
279,797,298	253,851,177	243,267,064	238,335,097	226,383,169
284,304,869	279,797,298	253,851,177	243,267,064	238,335,097
6,989,814	6,576,775	6,139,735	6,116,568	6,284,137
2,893,086	3,084,249	2,994,151	2,679,822	1,424,093
16,082,104	19,120,363	857,197	3,784,587	25,296,028
(11,944,712)	(11,120,451)	(10,446,639)	(9,966,418)	(9,361,045)
(470)	-	(28,412)	(1,048)	-
(294,963)	(253,771)	(105,111)	(194,077)	-
(560,140)	-	-	-	-
13,164,719	17,407,165	(589,079)	2,419,434	23,643,213
189,288,055	171,880,890	172,469,969	170,050,535	146,407,322
202,452,774	189,288,055	171,880,890	172,469,969	170,050,535
\$ 81,852,095	\$ 90,509,243	\$ 81,970,287	\$ 70,797,095	\$ 68,284,562
71.2%	67.7%	67.7%	70.9%	71.3%
\$ 15,871,203	\$ 15,522,578	\$ 16,056,944	\$ 15,545,592	\$ 14,083,225
515.7%	583.1%	510.5%	455.4%	484.9%

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

	2024	2023	2022	2021
Measurement Date	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 1,560,087	\$ 1,425,124	\$ 2,940,821	\$ 2,226,583
Interest on total pension liability	2,579,376	2,911,149	2,011,797	2,109,724
Changes of assumptions	-	2,268,847	(24,441,690)	2,813,462
Difference between expected and actual experience	-	(3,852,637)	-	(2,268,284)
Benefit payments, including refunds of employee contributions	(2,425,536)	(2,418,752)	(2,390,886)	(2,236,759)
	<u>-</u>	<u>(2,418,752)</u>	<u>(2,390,886)</u>	<u>(2,236,759)</u>
Net change in total OPEB liability	1,713,927	333,731	(21,879,958)	2,644,726
Total OPEB liability-beginning	<u>44,904,891</u>	<u>44,571,160</u>	<u>66,451,118</u>	<u>63,806,392</u>
Total OPEB liability-ending (a)	<u>46,618,818</u>	<u>44,904,891</u>	<u>44,571,160</u>	<u>66,451,118</u>
PLAN FIDUCIARY NET POSITION				
Contributions-employer	1,155,097	10,848,268	1,075,428	862,089
Net investment income	1,469,740	(3,763,147)	4,609,016	530,339
Benefit payments, including refunds of employee contributions	(2,425,536)	(2,418,752)	(2,390,886)	(2,236,759)
Administrative expense	-	-	-	-
Other miscellaneous income/(expense)	252,162	-	-	-
	<u>252,162</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fiduciary net position	451,463	4,666,369	3,293,558	(844,331)
Plan fiduciary net position-beginning	<u>25,975,558</u>	<u>21,309,189</u>	<u>18,015,631</u>	<u>18,859,962</u>
Plan fiduciary net position-ending (b)	<u>26,427,021</u>	<u>25,975,558</u>	<u>21,309,189</u>	<u>18,015,631</u>
Net OPEB liability/(asset) (a) - (b)	<u>\$ 20,191,797</u>	<u>\$ 18,929,333</u>	<u>\$ 23,261,971</u>	<u>\$ 48,435,487</u>
Plan fiduciary net position as a percentage of the total OPEB liability	56.7%	57.8%	47.8%	27.1%
Covered-employee payroll	\$ 34,214,417	\$ 33,217,881	\$ 30,584,493	\$ 29,143,307
Plan net OPEB liability/(asset) as a percentage of covered-employee payroll	59.0%	57.0%	76.1%	166.2%

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

Benefit Changes : None

Changes of Assumptions : None

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

2020	2019	2018
6/30/2019	6/30/2018	6/30/2017
\$ 2,094,466	\$ 1,928,465	\$ 2,083,035
2,080,962	2,068,297	1,874,471
1,193,708	1,811,535	(3,897,172)
-	-	-
<u>(2,070,376)</u>	<u>(1,969,858)</u>	<u>(2,009,296)</u>
3,298,760	3,838,439	(1,948,962)
60,507,632	56,669,193	58,618,155
63,806,392	60,507,632	56,669,193
635,898	3,260,163	2,967,326
1,144,549	1,243,147	1,806,286
(2,070,376)	(1,969,858)	(2,009,296)
(40,610)	(34,725)	(71,750)
-	-	-
(330,539)	2,498,727	2,692,566
19,190,501	16,691,774	13,999,208
18,859,962	19,190,501	16,691,774
\$ 44,946,430	\$ 41,317,131	\$ 39,977,419
29.6%	31.7%	29.5%
\$ 25,076,875	\$ 24,383,667	\$ 37,244,900
179.2%	169.4%	107.3%

CITY OF RIALTO, CALIFORNIA
Schedules of Plan Contributions
As of June 30, for the Last Ten Fiscal Years ¹

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered/ Covered- Employee Payroll	Contribution as a % of Covered/ Covered Employee Payroll
<u>Miscellaneous Agent, Multiple-Employer Pension Plan</u>					
2024	\$ 7,514,763	\$ 7,514,763	\$ -	\$ 14,111,334	53.3%
2023	9,306,167	9,306,167	-	13,394,352	69.5%
2022	6,239,612	6,239,612	-	11,084,467	56.3%
2021	5,583,492	5,583,492	-	8,852,154	63.1%
2020	5,064,812	5,064,812	-	10,122,181	50.0%
2019	4,450,956	4,450,956	-	9,074,473	49.0%
2018	4,025,277	4,025,277	-	10,400,541	38.7%
2017	3,388,812	3,388,812	-	10,035,098	33.8%
2016	2,241,922	2,241,922	-	9,966,210	22.5%
2015	2,252,080	2,252,080	-	9,138,652	24.6%
<u>Safety Agent, Multiple-Employer Pension Plan</u>					
2024	\$ 15,051,313	\$ 15,051,313	\$ -	\$ 19,868,535	75.8%
2023	18,768,033	18,768,033	-	19,151,677	98.0%
2022	14,678,684	14,678,684	-	18,203,551	80.6%
2021	13,413,121	13,413,121	-	17,121,438	78.3%
2020	12,248,971	12,248,971	-	15,446,426	79.3%
2019	10,754,325	10,754,325	-	14,498,370	74.2%
2018	9,921,278	9,921,278	-	15,871,203	62.5%
2017	6,593,836	6,593,836	-	15,522,578	42.5%
2016	6,693,398	6,693,398	-	16,056,944	41.7%
2015	6,119,336	6,119,336	-	15,545,592	39.4%
<u>Single Employer OPEB Plan</u>					
2024	\$ 3,142,763	\$ 811,810	\$ 2,330,953	\$ 32,608,928	2.5%
2023	3,511,344	896,978	2,614,366	34,214,417	2.6%
2022	3,417,101	10,848,268	(7,431,167)	33,217,881	32.7%
2021	3,232,616	1,075,428	2,157,188	30,584,493	3.5%
2020	2,820,893	862,089	1,958,804	29,143,307	3.0%
2019	2,607,829	635,898	1,971,931	25,076,875	2.5%
2018	2,588,874	3,260,163	(671,289)	24,383,667	13.4%

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

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 100,759,606	\$ 100,759,606	\$ 134,201,542	\$ 33,441,936
Licenses and permits	5,774,700	5,774,700	6,764,031	989,331
Intergovernmental	5,230,840	5,230,840	6,229,588	998,748
Charges for services	11,673,610	11,713,110	10,175,424	(1,537,686)
Use of money and property	3,354,500	3,354,500	12,934,560	9,580,060
Fines and forfeitures	825,000	825,000	972,394	147,394
Other Income	1,831,550	2,930,982	4,222,037	1,291,055
Total revenues	129,449,806	130,588,738	175,499,576	44,910,838
EXPENDITURES				
Current:				
General government	33,041,386	37,366,275	33,778,243	3,588,032
Public safety	66,292,453	67,726,995	65,380,430	2,346,565
Community development	26,010,502	26,882,624	20,580,281	6,302,343
Capital outlay	61,100	69,620	3,477,656	(3,408,036)
Debt service:				
Principal	268,100	268,100	1,025,535	(757,435)
Interest	268,990	268,990	335,444	(66,454)
Total expenditures	125,942,531	132,582,604	124,577,589	8,005,015
Excess (deficiency) of revenues over (under) expenditures	3,507,275	(1,993,866)	50,921,987	52,915,853
OTHER FINANCING SOURCES (USES)				
Transfers in	11,770	11,770	5,311,770	5,300,000
Transfers out	(3,348,300)	(31,681,460)	(31,681,460)	-
Subscription proceeds	-	-	2,721,835	2,721,835
Total other financing sources (uses)	(3,336,530)	(31,669,690)	(23,647,855)	8,021,835
Net change in fund balances	\$ 170,745	\$ (33,663,556)	27,274,132	\$ 60,937,688
Fund balances (deficit)-beginning			105,936,885	
Fund balances (deficit)-ending			\$ 133,211,017	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Park Development Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 400,000	\$ 400,000	\$ 1,508,216	\$ 1,108,216
Use of money and property	139,460	139,460	185,739	46,279
Total revenues	539,460	539,460	1,693,955	1,154,495
EXPENDITURES				
Capital outlay	-	640,434	-	640,434
Total expenditures	-	640,434	-	640,434
Net change in fund balances	\$ 539,460	\$ (100,974)	1,693,955	\$ 1,794,929
Fund balances (deficit)-beginning			(3,508,933)	
Fund balances (deficit)-ending			\$ (1,814,978)	

NOTE 1: BUDGETS AND BUDGETARY ACCOUNTING

The City establishes accounting control through formal adoption of an annual operating budget for all governmental funds. The City Council's policy is to adopt a formal operating budget by June 30 of each year. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America, except for the Capital Project Funds, which adopt project-length budgets. The legal level of budgetary control, that is, the level at which expenditures cannot exceed appropriations, is the fund level for all General, Special Revenue and Debt Service Funds, and by project in the Capital Project Funds. The City does not adopt a budget for the Traffic Safety Prop 1B Special Revenue Fund, Brownfield Clean up Grant Special Revenue Fund, and the Street Medians Development Special Revenue Fund, American Rescue Plan Act Special Revenue Fund. Department heads are authorized to transfer budget amounts between object codes within the same expense category, except for salaries and capital outlay, which require the approval of the City Manager and Finance Director. City Manager, Finance Director, and department head approval are required to transfer appropriations from one program to another, and object codes within different expense categories within the same fund. However, all increases at the overall fund level must be approved by the City Council. All unencumbered budget appropriations, except for capital projects budgets, lapse at the end of each fiscal year. Throughout the fiscal year, the budget is amended to add supplemental appropriations. All changes to the budget require Council approval.

NOTE 2: EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

The following funds had excess expenditures over budget:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund			
Capital outlay	\$ 69,620	\$ 3,477,656	\$ (3,408,036)
Principal	268,100	1,025,535	(757,435)
Interest	268,990	335,444	(66,454)

CITY OF RIALTO, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Gas Tax Fund	Transportation Enhancement Activities Fund	Street Lighting and Landscape Maintenance Fund	Landscape Lighting District No. 2 Fund
ASSETS				
Cash and investments	\$ 10,602,448	\$ 197,199	\$ 1,330,898	\$ 1,210,303
Receivables (net of allowance for uncollectible):				
Accounts	101,957	-	-	8,920
Due from other governments	714,183	-	12,029	8,272
Notes and loans	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	11,418,588	197,199	1,342,927	1,227,495
LIABILITIES				
Accounts payable	3,053,057	-	1,743	349,887
Accrued liabilities	1,469	-	341,711	3,600
Deposits payables	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	101,957	-	-	-
Total liabilities	3,156,483	-	343,454	353,487
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	208,537	-	-	-
Total deferred inflows of resources	208,537	-	-	-
FUND BALANCES (DEFICITS)				
Restricted	8,053,568	197,199	999,473	874,008
Unassigned	-	-	-	-
Total fund balances (deficits)	8,053,568	197,199	999,473	874,008
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 11,418,588	\$ 197,199	\$ 1,342,927	\$ 1,227,495

CITY OF RIALTO, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

(Continued)

	Special Revenue Funds			
	Traffic Development Fund	Office of Traffic Safety Fund	Retirement Tax Fund	American Rescue Plan Act
ASSETS				
Cash and investments	\$ 31,969,128	\$ 212,282	\$ 129	\$ 59,258
Receivables (net of allowance for uncollectible):				
Accounts	-	89,964	-	-
Due from other governments	-	9,742	32	-
Notes and loans	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	31,969,128	311,988	161	59,258
LIABILITIES				
Accounts payable	199,407	-	-	-
Accrued liabilities	-	30,164	-	-
Deposits payables	-	-	-	-
Due to other funds	-	-	-	57,261
Unearned revenues	-	50,966	-	-
Total liabilities	199,407	81,130	-	57,261
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	9,742	-	-
Total deferred inflows of resources	-	9,742	-	-
FUND BALANCES (DEFICITS)				
Restricted	31,769,721	221,116	161	1,997
Unassigned	-	-	-	-
Total fund balances (deficits)	31,769,721	221,116	161	1,997
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 31,969,128	\$ 311,988	\$ 161	\$ 59,258

CITY OF RIALTO, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Open Space Development Fund	General Facilities Development Fund	Library Facilities Development Fund	Major Grant Funding Fund
ASSETS				
Cash and investments	\$ 2,489,123	\$ 4,384,414	\$ 366,061	\$ 10,060,815
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	250,306
Due from other governments	-	-	-	431,532
Notes and loans	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	2,489,123	4,384,414	366,061	10,742,653
LIABILITIES				
Accounts payable	580	1,035	-	420,124
Accrued liabilities	-	-	-	-
Deposits payables	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	431,532
Total liabilities	580	1,035	-	851,656
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	975,828
Total deferred inflows of resources	-	-	-	975,828
FUND BALANCES (DEFICITS)				
Restricted	2,488,543	4,383,379	366,061	8,915,169
Unassigned	-	-	-	-
Total fund balances (deficits)	2,488,543	4,383,379	366,061	8,915,169
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 2,489,123	\$ 4,384,414	\$ 366,061	\$ 10,742,653

	Special Revenue Funds			
	Police Development Fund	Fire Development Fund	Waste Management Fund	South Coast Air Quality Management (SCAQMD) Fund
ASSETS				
Cash and investments	\$ 3,622,425	\$ 1,295,233	\$ 7,594,360	\$ 798,433
Receivables (net of allowance for uncollectible):				
Accounts	-	-	68,210	34,648
Due from other governments	-	-	-	-
Notes and loans	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	3,622,425	1,295,233	7,662,570	833,081
LIABILITIES				
Accounts payable	737	1,202	705,269	2,883
Accrued liabilities	-	-	8,936	2,847
Deposits payables	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	34,648
Total liabilities	737	1,202	714,205	40,378
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Restricted	3,621,688	1,294,031	6,948,365	792,703
Unassigned	-	-	-	-
Total fund balances (deficits)	3,621,688	1,294,031	6,948,365	792,703
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 3,622,425	\$ 1,295,233	\$ 7,662,570	\$ 833,081

CITY OF RIALTO, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Asset Forfeiture Fund	Police Grants Fund	Community Services Grant Fund	Citizens Option for Public Safety Fund
ASSETS				
Cash and investments	\$ 3,961,895	\$ -	\$ -	\$ 1,015,175
Receivables (net of allowance for uncollectible):				
Accounts	-	39,258	14,865	151,624
Due from other governments	-	111,552	-	-
Notes and loans	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	3,961,895	150,810	14,865	1,166,799
LIABILITIES				
Accounts payable	63,749	-	-	-
Accrued liabilities	5,526	2,257	-	-
Deposits payables	-	-	-	-
Due to other funds	-	282,495	217,438	-
Unearned revenues	-	111,552	-	151,624
Total liabilities	69,275	396,304	217,438	151,624
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	31,053	-	-
Total deferred inflows of resources	-	31,053	-	-
FUND BALANCES (DEFICITS)				
Restricted	3,892,620	-	-	1,015,175
Unassigned	-	(276,547)	(202,573)	-
Total fund balances (deficits)	3,892,620	(276,547)	(202,573)	1,015,175
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 3,961,895	\$ 150,810	\$ 14,865	\$ 1,166,799

	Special Revenue Funds			
	Local Law Enforcement Block Grant Fund	CDBG Fund	Traffic Safety Prop 1B Fund	Neighborhood Stabilization Program Fund
ASSETS				
Cash and investments	\$ 85,312	\$ -	\$ 442	\$ -
Receivables (net of allowance for uncollectible):				
Accounts	-	259,577	-	-
Due from other governments	-	350,369	-	-
Notes and loans	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	85,312	609,946	442	-
LIABILITIES				
Accounts payable	14,604	102,491	-	-
Accrued liabilities	-	-	-	-
Deposits payables	-	-	-	-
Due to other funds	-	585,457	-	35,670
Unearned revenues	67,564	-	-	-
Total liabilities	82,168	687,948	-	35,670
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Restricted	3,144	-	442	-
Unassigned	-	(78,002)	-	(35,670)
Total fund balances (deficits)	3,144	(78,002)	442	(35,670)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 85,312	\$ 609,946	\$ 442	\$ -

CITY OF RIALTO, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Neighborhood Stabilization Program - Program Income Fund	Measure I Fund	Brownfield Clean Up Grant Fund	Fire Grant Fund
ASSETS				
Cash and investments	\$ 1,218,700	\$ 5,018,567	\$ 17,296	\$ -
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Due from other governments	-	663,805	-	-
Notes and loans	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	1,218,700	5,682,372	17,296	-
LIABILITIES				
Accounts payable	-	421,867	-	-
Accrued liabilities	-	2,147	-	-
Deposits payables	-	-	-	-
Due to other funds	-	-	-	100,878
Unearned revenues	-	-	-	108,612
Total liabilities	-	424,014	-	209,490
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Restricted	1,218,700	5,258,358	17,296	-
Unassigned	-	-	-	(209,490)
Total fund balances (deficits)	1,218,700	5,258,358	17,296	(209,490)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,218,700	\$ 5,682,372	\$ 17,296	\$ -

CITY OF RIALTO, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

(Continued)

	Special Revenue Funds			
	Fire Ground Emergency Transportation Fund	Cal Home Fund	Housing Authority Fund	Public, Educational, and Governmental (PEG) Fees Fund
ASSETS				
Cash and investments	\$ 14,926,793	\$ 1,899,359	\$ 2,188,464	\$ 459,639
Receivables (net of allowance for uncollectible):				
Accounts	-	-	64,278	23,244
Due from other governments	2,014,926	-	-	-
Notes and loans	-	982,045	929,257	-
Land held for resale	-	-	970,400	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	16,941,719	2,881,404	4,152,399	482,883
LIABILITIES				
Accounts payable	448,606	9,566	3,671	-
Accrued liabilities	3,014	-	-	-
Deposits payables	-	-	10,000	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	451,620	9,566	13,671	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	982,045	929,257	-
Total deferred inflows of resources	-	982,045	929,257	-
FUND BALANCES (DEFICITS)				
Restricted	16,490,099	1,889,793	3,209,471	482,883
Unassigned	-	-	-	-
Total fund balances (deficits)	16,490,099	1,889,793	3,209,471	482,883
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 16,941,719	\$ 2,881,404	\$ 4,152,399	\$ 482,883

CITY OF RIALTO, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Transportation Development Act (TDA) Fund	Street Medians Development Fund	Special Deposits	Confiscated Funds
ASSETS				
Cash and investments	\$ -	\$ 392,213	\$ -	\$ 815,939
Receivables (net of allowance for uncollectible):				
Accounts	-	-	18,741	-
Due from other governments	181,137	-	75,563	-
Notes and loans	-	-	29,926	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	1,486,249	-
Total assets	181,137	392,213	1,610,479	815,939
LIABILITIES				
Accounts payable	72,199	-	135,906	1,316
Accrued liabilities	-	-	927,748	-
Deposits payables	-	-	277,199	814,623
Due to other funds	28,617	-	269,626	-
Unearned revenues	-	-	-	-
Total liabilities	100,816	-	1,610,479	815,939
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Restricted	80,321	392,213	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	80,321	392,213	-	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 181,137	\$ 392,213	\$ 1,610,479	\$ 815,939

CITY OF RIALTO, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

(Continued)

	Special Revenue Funds	Capital Projects Funds		
	Local Drainage Fund	Fair Share Agreement Fund	2005 TABs Fund	2008 TABs Fund
ASSETS				
Cash and investments	\$ 31,140,517	\$ 8,393,743	\$ 1,060,460	\$ 592,491
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Notes and loans	-	-	-	2,522,477
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	31,140,517	8,393,743	1,060,460	3,114,968
LIABILITIES				
Accounts payable	198,261	1,562,790	255,481	-
Accrued liabilities	-	-	-	-
Deposits payables	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	198,261	1,562,790	255,481	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Restricted	30,942,256	6,830,953	804,979	3,114,968
Unassigned	-	-	-	-
Total fund balances (deficits)	30,942,256	6,830,953	804,979	3,114,968
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 31,140,517	\$ 8,393,743	\$ 1,060,460	\$ 3,114,968

CITY OF RIALTO, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Debt Service Funds		Total Nonmajor
	1997 COP Fund	Police Station Debt Service	Funds
ASSETS			
Cash and investments	\$ 202,085	\$ -	\$ 149,581,599
Receivables (net of allowance for uncollectible):			
Accounts	-	-	1,125,592
Due from other governments	369,700	-	4,942,842
Notes and loans	-	-	4,463,705
Land held for resale	-	-	970,400
Restricted assets:			
Cash and investments with fiscal agents	-	-	1,486,249
Total assets	571,785	-	162,570,387
LIABILITIES			
Accounts payable	-	-	8,026,431
Accrued liabilities	-	-	1,329,419
Deposits payables	-	-	1,101,822
Due to other funds	-	1,282,712	2,860,154
Unearned revenues	-	-	1,058,455
Total liabilities	-	1,282,712	14,376,281
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	3,136,462
Total deferred inflows of resources	-	-	3,136,462
FUND BALANCES (DEFICITS)			
Restricted	571,785	-	147,142,638
Unassigned	-	(1,282,712)	(2,084,994)
Total fund balances (deficits)	571,785	(1,282,712)	145,057,644
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 571,785	\$ -	\$ 162,570,387

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CITY OF RIALTO, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Gas Tax Fund	Transportation Enhancement Activities Fund	Street Lighting and Landscape Maintenance Fund	Landscape Lighting District No. 2 Fund
REVENUES				
Taxes	\$ -	\$ -	\$ 1,412,525	\$ 1,113,466
Intergovernmental	6,174,668	-	-	-
Charges for services	-	-	-	-
Use of money and property	244,037	-	14,411	12,667
Developer participation	-	-	-	-
Miscellaneous	-	-	-	25,025
Total revenues	6,418,705	-	1,426,936	1,151,158
EXPENDITURES				
Current:				
General government	-	-	-	1,068,872
Public safety	-	-	-	-
Community development	28,588	-	1,780,736	107,232
Capital outlay	8,582,546	-	-	-
Debt service:				
Principal	-	-	192,771	23,826
Interest and fiscal charges	-	-	86,497	10,691
Total expenditures	8,611,134	-	2,060,004	1,210,621
Excess (deficiency) of revenues over (under) expenditures	(2,192,429)	-	(633,068)	(59,463)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	950,180	439,640
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	950,180	439,640
Net change in fund balances	(2,192,429)	-	317,112	380,177
Fund balances-beginning	10,245,997	197,199	682,361	493,831
Fund balances-ending	\$ 8,053,568	\$ 197,199	\$ 999,473	\$ 874,008

CITY OF RIALTO, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

(Continued)

	Special Revenue Funds			
	Traffic Development Fund	Office of Traffic Safety Fund	Retirement Tax Fund	American Rescue Plan Act
REVENUES				
Taxes	\$ -	\$ -	\$ 65	\$ -
Intergovernmental	-	462,301	-	-
Charges for services	-	198,155	-	-
Use of money and property	862,790	-	-	1,411
Developer participation	4,087,112	-	-	-
Miscellaneous	-	-	-	-
Total revenues	4,949,902	660,456	65	1,411
EXPENDITURES				
Current:				
General government	34,094	-	-	-
Public safety	-	27,692	-	-
Community development	-	406,351	-	-
Capital outlay	1,290,130	38,000	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,324,224	472,043	-	-
Excess (deficiency) of revenues over (under) expenditures	3,625,678	188,413	65	1,411
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	3,625,678	188,413	65	1,411
Fund balances-beginning	28,144,043	32,703	96	586
Fund balances-ending	\$ 31,769,721	\$ 221,116	\$ 161	\$ 1,997

CITY OF RIALTO, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Open Space Development Fund	General Facilities Development Fund	Library Facilities Development Fund	Major Grant Funding Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	2,354,135
Charges for services	-	-	169,066	-
Use of money and property	56,383	87,739	5,666	-
Developer participation	177,197	921,289	-	-
Miscellaneous	-	-	-	-
Total revenues	233,580	1,009,028	174,732	2,354,135
EXPENDITURES				
Current:				
General government	-	1,035	-	176,946
Public safety	-	-	-	1,120
Community development	580	-	-	9,960
Capital outlay	-	-	-	2,994,774
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	580	1,035	-	3,182,800
Excess (deficiency) of revenues over (under) expenditures	233,000	1,007,993	174,732	(828,665)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	900,000
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	900,000
Net change in fund balances	233,000	1,007,993	174,732	71,335
Fund balances-beginning	2,255,543	3,375,386	191,329	8,843,834
Fund balances-ending	\$ 2,488,543	\$ 4,383,379	\$ 366,061	\$ 8,915,169

CITY OF RIALTO, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

(Continued)

	Special Revenue Funds			
	Police Development Fund	Fire Development Fund	Waste Management Fund	South Coast Air Quality Management (SCAQMD) Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	317,202	103,879
Charges for services	-	-	10,357	-
Use of money and property	73,620	21,663	261,727	17,703
Developer participation	701,125	508,524	-	-
Miscellaneous	-	-	1,065,478	-
Total revenues	774,745	530,187	1,654,764	121,582
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	737	1,202	-	-
Community development	-	-	615,270	31,435
Capital outlay	-	-	4,394,009	7,368
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	737	1,202	5,009,279	38,803
Excess (deficiency) of revenues over (under) expenditures	774,008	528,985	(3,354,515)	82,779
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(6,940)
Total other financing sources (uses)	-	-	-	(6,940)
Net change in fund balances	774,008	528,985	(3,354,515)	75,839
Fund balances-beginning	2,847,680	765,046	10,302,880	716,864
Fund balances-ending	\$ 3,621,688	\$ 1,294,031	\$ 6,948,365	\$ 792,703

CITY OF RIALTO, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Asset Forfeiture Fund	Police Grants Fund	Community Services Grant Fund	Citizens Option for Public Safety Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,308,086	739,346	14,865	309,102
Charges for services	-	-	-	-
Use of money and property	74,784	-	-	17,896
Developer participation	-	-	40	-
Miscellaneous	-	-	-	-
Total revenues	1,382,870	739,346	14,905	326,998
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	383,084	844,504	-	74,505
Community development	-	-	-	-
Capital outlay	-	162,334	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	383,084	1,006,838	-	74,505
Excess (deficiency) of revenues over (under) expenditures	999,786	(267,492)	14,905	252,493
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	999,786	(267,492)	14,905	252,493
Fund balances-beginning	2,892,834	(9,055)	(217,478)	762,682
Fund balances-ending	\$ 3,892,620	\$ (276,547)	\$ (202,573)	\$ 1,015,175

CITY OF RIALTO, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

(Continued)

	Special Revenue Funds			
	Local Law Enforcement Block Grant Fund	CDBG Fund	Traffic Safety Prop 1B Fund	Neighborhood Stabilization Program Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	93,970	1,442,942	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	10	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	93,970	1,442,942	10	-
EXPENDITURES				
Current:				
General government	-	659,065	-	-
Public safety	42,479	-	-	-
Community development	-	158	-	-
Capital outlay	51,496	167,330	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	26,220	-	-
Total expenditures	93,975	852,773	-	-
Excess (deficiency) of revenues over (under) expenditures	(5)	590,169	10	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(5)	590,169	10	-
Fund balances-beginning	3,149	(668,171)	432	(35,670)
Fund balances-ending	\$ 3,144	\$ (78,002)	\$ 442	\$ (35,670)

CITY OF RIALTO, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Neighborhood Stabilization Program - Program Income Fund	Measure I Fund	Brownfield Clean Up Grant Fund	Fire Grant Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,927,093	-	51,831
Charges for services	-	-	-	-
Use of money and property	27,748	100,701	-	-
Developer participation	-	-	-	-
Miscellaneous	61,841	-	-	-
Total revenues	89,589	3,027,794	-	51,831
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	428	-	51,831
Community development	-	69,906	-	-
Capital outlay	-	1,549,298	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	1,619,632	-	51,831
Excess (deficiency) of revenues over (under) expenditures	89,589	1,408,162	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	(4,830)	-	(400,000)
Total other financing sources (uses)	-	(4,830)	-	(400,000)
Net change in fund balances	89,589	1,403,332	-	(400,000)
Fund balances-beginning	1,129,111	3,855,026	17,296	190,510
Fund balances-ending	\$ 1,218,700	\$ 5,258,358	\$ 17,296	\$ (209,490)

CITY OF RIALTO, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

(Continued)

	Special Revenue Funds			
	Fire Ground Emergency Transportation Fund	Cal Home Fund	Housing Authority Fund	Public, Educational, and Governmental (PEG) Fees Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 124,297
Intergovernmental	7,655,873	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	44,776	51,154	11,504
Developer participation	-	-	-	-
Miscellaneous	-	79,973	122,920	-
Total revenues	7,655,873	124,749	174,074	135,801
EXPENDITURES				
Current:				
General government	-	20	28,516	-
Public safety	1,826,265	-	-	-
Community development	-	-	-	-
Capital outlay	1,577,984	-	-	107,979
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	3,404,249	20	28,516	107,979
Excess (deficiency) of revenues over (under) expenditures	4,251,624	124,729	145,558	27,822
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	4,251,624	124,729	145,558	27,822
Fund balances-beginning	12,238,475	1,765,064	3,063,913	455,061
Fund balances-ending	\$ 16,490,099	\$ 1,889,793	\$ 3,209,471	\$ 482,883

CITY OF RIALTO, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Transportation Development Act (TDA) Fund	Street Medians Development Fund	Special Deposits	Confiscated Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	181,137	-	-	-
Charges for services	-	49,887	-	-
Use of money and property	575	8,593	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	181,712	58,480	-	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Capital outlay	122,351	7,677	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	122,351	7,677	-	-
Excess (deficiency) of revenues over (under) expenditures	59,361	50,803	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	59,361	50,803	-	-
Fund balances-beginning	20,960	341,410	-	-
Fund balances-ending	\$ 80,321	\$ 392,213	\$ -	\$ -

CITY OF RIALTO, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

(Continued)

	Special Revenue Funds	Capital Projects Funds		
	Local Drainage Fund	Fair Share Agreement Fund	2005 TABs Fund	2008 TABs Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	690,636	288,049	25,247	14,106
Developer participation	3,190,406	1,470,878	-	-
Miscellaneous	-	-	-	-
Total revenues	3,881,042	1,758,927	25,247	14,106
EXPENDITURES				
Current:				
General government	43,052	88,346	-	-
Public safety	-	-	-	-
Community development	22	-	-	-
Capital outlay	369,764	7,494,083	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	412,838	7,582,429	-	-
Excess (deficiency) of revenues over (under) expenditures	3,468,204	(5,823,502)	25,247	14,106
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	3,468,204	(5,823,502)	25,247	14,106
Fund balances-beginning	27,474,052	12,654,455	779,732	3,100,862
Fund balances-ending	\$ 30,942,256	\$ 6,830,953	\$ 804,979	\$ 3,114,968

CITY OF RIALTO, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Debt Service Funds		Total Nonmajor
	1997 COP Fund	Police Station Debt Service	Funds
REVENUES			
Taxes	\$ -	\$ -	\$ 2,650,353
Intergovernmental	-	-	24,136,430
Charges for services	-	-	427,465
Use of money and property	4,811	-	3,020,407
Developer participation	-	-	11,056,571
Miscellaneous	-	-	1,355,237
Total revenues	4,811	-	42,646,463
EXPENDITURES			
Current:			
General government	-	-	2,099,946
Public safety	-	-	3,253,847
Community development	-	-	3,050,238
Capital outlay	-	-	28,917,123
Debt service:			
Principal	-	-	216,597
Interest and fiscal charges	-	1,282,712	1,406,120
Total expenditures	-	1,282,712	38,943,871
Excess (deficiency) of revenues over (under) expenditures	4,811	(1,282,712)	3,702,592
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	2,289,820
Transfers Out	-	-	(411,770)
Total other financing sources (uses)	-	-	1,878,050
Net change in fund balances	4,811	(1,282,712)	5,580,642
Fund balances-beginning	566,974	-	139,477,002
Fund balances-ending	\$ 571,785	\$ (1,282,712)	\$ 145,057,644

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Gas Tax Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 5,539,045	\$ 5,539,045	\$ 6,174,668	\$ 635,623
Use of money and property	67,070	67,070	244,037	176,967
Total revenues	<u>5,606,115</u>	<u>5,606,115</u>	<u>6,418,705</u>	<u>812,590</u>
EXPENDITURES				
Current:				
Public safety	-	580,826	-	580,826
Community development	200,000	200,579	28,588	171,991
Capital outlay	5,800,000	15,856,746	8,582,546	7,274,200
Total expenditures	<u>6,000,000</u>	<u>16,638,151</u>	<u>8,611,134</u>	<u>8,027,017</u>
Net change in fund balances	<u>\$ (393,885)</u>	<u>\$ (11,032,036)</u>	<u>(2,192,429)</u>	<u>\$ 8,839,607</u>
Fund balances (deficit)-beginning			<u>10,245,997</u>	
Fund balances (deficit)-ending			<u>\$ 8,053,568</u>	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Street and Lightning Maintenance Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 1,623,345	\$ 1,623,345	\$ 1,412,525	\$ (210,820)
Use of money and property	-	-	14,411	14,411
Total revenues	1,623,345	1,623,345	1,426,936	(196,409)
EXPENDITURES				
Current:				
Community development	1,976,631	2,136,555	1,780,736	355,819
Debt service:				
Principal	192,780	192,780	192,771	9
Interest	86,500	86,500	86,497	3
Total expenditures	2,255,911	2,415,835	2,060,004	355,831
Excess (deficiency) of revenues over (under) expenditures	(632,566)	(792,490)	(633,068)	159,422
OTHER FINANCING SOURCES (USES)				
Transfers in	632,490	632,490	950,180	317,690
Total other financing sources (uses)	632,490	632,490	950,180	317,690
Net change in fund balances	\$ (76)	\$ (160,000)	317,112	\$ 477,112
Fund balances (deficit)-beginning			682,361	
Fund balances (deficit)-ending			\$ 999,473	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Landscape and Lighting Distruct No. 2 Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 1,127,199	\$ 1,127,199	\$ 1,113,466	\$ (13,733)
Use of money and property	-	-	12,667	12,667
Miscellaneous	50,000	50,000	25,025	(24,975)
Total revenues	1,177,199	1,177,199	1,151,158	(26,041)
EXPENDITURES				
Current:				
General government	1,206,899	1,568,953	1,068,872	500,081
Community development	138,799	138,799	107,232	31,567
Debt service:				
Principal	23,830	23,837	23,826	11
Interest	130,110	234,013	10,691	223,322
Total expenditures	1,499,638	1,965,602	1,210,621	754,981
Excess (deficiency) of revenues over (under) expenditures	(322,439)	(788,403)	(59,463)	728,940
OTHER FINANCING SOURCES (USES)				
Transfers in	322,250	322,250	439,640	117,390
Total other financing sources (uses)	322,250	322,250	439,640	117,390
Net change in fund balances	\$ (189)	\$ (466,153)	380,177	\$ 846,330
Fund balances (deficit)-beginning			493,831	
Fund balances (deficit)-ending			\$ 874,008	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Traffic Development Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 235,780	\$ 235,780	\$ 862,790	\$ 627,010
Developer participation	1,700,000	1,700,000	4,087,112	2,387,112
Total revenues	1,935,780	1,935,780	4,949,902	3,014,122
EXPENDITURES				
Current:				
General government	-	-	34,094	(34,094)
Capital outlay	-	18,925,315	1,290,130	17,635,185
Total expenditures	-	18,925,315	1,324,224	17,601,091
Net change in fund balances	\$ 1,935,780	\$ (16,989,535)	3,625,678	\$ 20,615,213
Fund balances (deficit)-beginning			28,144,043	
Fund balances (deficit)-ending			\$ 31,769,721	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Office of Traffic Safety Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 454,000	\$ 462,301	\$ 8,301
Charges for services	-	-	198,155	198,155
Total revenues	-	454,000	660,456	206,456
EXPENDITURES				
Current:				
General government	-	447,387	-	447,387
Public safety	-	626,848	27,692	599,156
Community development	-	83,000	406,351	(323,351)
Capital outlay	-	28,000	38,000	(10,000)
Total expenditures	-	1,185,235	472,043	713,192
Net change in fund balances	\$ -	\$ (731,235)	188,413	\$ 919,648
Fund balances (deficit)-beginning			32,703	
Fund balances (deficit)-ending			\$ 221,116	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Open Space Development Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 24,040	\$ 24,040	\$ 56,383	\$ 32,343
Capital contributions	100,000	100,000	177,197	77,197
Total revenues	124,040	124,040	233,580	109,540
EXPENDITURES				
Current:				
Community development	-	-	580	(580)
Capital outlay	-	769,890	-	769,890
Total expenditures	-	769,890	580	769,310
Net change in fund balances	\$ 124,040	\$ (645,850)	233,000	\$ 878,850
Fund balances (deficit)-beginning			2,255,543	
Fund balances (deficit)-ending			\$ 2,488,543	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Facilities Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 31,830	\$ 31,830	\$ 87,739	\$ 55,909
Developer participation	450,000	450,000	921,289	471,289
Total revenues	481,830	481,830	1,009,028	527,198
EXPENDITURES				
Current:				
General government	-	-	1,035	(1,035)
Capital outlay	-	835,390	-	835,390
Total expenditures	-	835,390	1,035	834,355
Net change in fund balances	\$ 481,830	\$ (353,560)	1,007,993	\$ 1,361,553
Fund balances (deficit)-beginning			3,375,386	
Fund balances (deficit)-ending			\$ 4,383,379	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Library Facilities Development Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 80,000	\$ 80,000	\$ 169,066	\$ 89,066
Use of money and property	1,280	1,280	5,666	4,386
Total revenues	81,280	81,280	174,732	93,452
Net change in fund balances	\$ 81,280	\$ 81,280	174,732	\$ 93,452
Fund balances (deficit)-beginning			191,329	
Fund balances (deficit)-ending			\$ 366,061	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Major Grant Funding Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 1,432,263	\$ 9,150,508	\$ 2,354,135	\$ (6,796,373)
Total revenues	<u>1,432,263</u>	<u>9,150,508</u>	<u>2,354,135</u>	<u>(6,796,373)</u>
EXPENDITURES				
Current:				
General government	40,600	2,124,608	176,946	1,947,662
Public safety	-	-	1,120	(1,120)
Community development	-	427,346	9,960	417,386
Capital outlay	-	22,299,108	2,994,774	19,304,334
Total expenditures	<u>40,600</u>	<u>24,851,062</u>	<u>3,182,800</u>	<u>21,668,262</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,391,663</u>	<u>(15,700,554)</u>	<u>(828,665)</u>	<u>14,871,889</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	900,000	900,000	-
Total other financing sources (uses)	<u>-</u>	<u>900,000</u>	<u>900,000</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,391,663</u>	<u>\$ (14,800,554)</u>	<u>71,335</u>	<u>\$ 14,871,889</u>
Fund balances (deficit)-beginning			<u>8,843,834</u>	
Fund balances (deficit)-ending			<u>\$ 8,915,169</u>	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Police Development Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 21,960	\$ 21,960	\$ 73,620	\$ 51,660
Developer participation	350,000	350,000	701,125	351,125
Total revenues	371,960	371,960	774,745	402,785
EXPENDITURES				
Current:				
Public safety	-	-	737	(737)
Total expenditures	-	-	737	(737)
Net change in fund balances	\$ 371,960	\$ 371,960	774,008	\$ 402,048
Fund balances (deficit)-beginning			2,847,680	
Fund balances (deficit)-ending			\$ 3,621,688	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Fire Development Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 2,320	\$ 2,320	\$ 21,663	\$ 19,343
Developer participation	250,000	250,000	508,524	258,524
Total revenues	252,320	252,320	530,187	277,867
EXPENDITURES				
Current:				
Public safety	-	-	1,202	(1,202)
Capital outlay	-	1,712,138	-	1,712,138
Total expenditures	-	1,712,138	1,202	1,710,936
Net change in fund balances	\$ 252,320	\$ (1,459,818)	528,985	\$ 1,988,803
Fund balances (deficit)-beginning			765,046	
Fund balances (deficit)-ending			\$ 1,294,031	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Waste Management Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 300	\$ 317,167	\$ 317,202	\$ 35
Charges for services	-	-	10,357	10,357
Use of money and property	105,690	105,690	261,727	156,037
Miscellaneous	1,045,920	1,045,920	1,065,478	19,558
Total revenues	1,151,910	1,468,777	1,654,764	185,987
EXPENDITURES				
Current:				
Community development	768,222	857,434	615,270	242,164
Capital outlay	50,000	8,890,656	4,394,009	4,496,647
Total expenditures	818,222	9,748,090	5,009,279	4,738,811
Net change in fund balances	\$ 333,688	\$ (8,279,313)	(3,354,515)	\$ 4,924,798
Fund balances (deficit)-beginning			10,302,880	
Fund balances (deficit)-ending			\$ 6,948,365	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
South Coast Air Quality Management District (AQMD)
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 130,000	\$ 130,000	\$ 103,879	\$ (26,121)
Use of money and property	5,770	5,770	17,703	11,933
Total revenues	135,770	135,770	121,582	(14,188)
EXPENDITURES				
Current:				
Community development	30,360	176,309	31,435	144,874
Capital outlay	-	394,969	7,368	387,601
Total expenditures	30,360	571,278	38,803	532,475
Excess (deficiency) of revenues over (under) expenditures	105,410	(435,508)	82,779	518,287
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,940)	(6,940)	(6,940)	-
Total other financing sources (uses)	(6,940)	(6,940)	(6,940)	-
Net change in fund balances	\$ 98,470	\$ (442,448)	75,839	\$ 518,287
Fund balances (deficit)-beginning			716,864	
Fund balances (deficit)-ending			\$ 792,703	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Asset Forfeiture Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,308,086	\$ 1,308,086
Use of money and property	7,570	7,570	74,784	67,214
Total revenues	7,570	7,570	1,382,870	1,375,300
EXPENDITURES				
Current:				
Public safety	269,628	496,441	383,084	113,357
Capital outlay	-	417,134	-	417,134
Total expenditures	269,628	913,575	383,084	530,491
Net change in fund balances	\$ (262,058)	\$ (906,005)	999,786	\$ 1,905,791
Fund balances (deficit)-beginning			2,892,834	
Fund balances (deficit)-ending			\$ 3,892,620	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Police Grants Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 40,868	\$ 739,346	\$ 698,478
Total revenues	-	40,868	739,346	698,478
EXPENDITURES				
Current:				
Public safety	65,671	915,384	844,504	70,880
Capital outlay	-	246,334	162,334	84,000
Total expenditures	65,671	1,161,718	1,006,838	154,880
Net change in fund balances	\$ (65,671)	\$ (1,120,850)	(267,492)	\$ 853,358
Fund balances (deficit)-beginning			(9,055)	
Fund balances (deficit)-ending			\$ (276,547)	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Community Services Grant Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 14,865	\$ 14,865
Developer participation	-	-	40	40
Total revenues	<u>-</u>	<u>-</u>	<u>14,905</u>	<u>14,905</u>
EXPENDITURES				
Current:				
Community development	-	433,028	-	433,028
Total expenditures	<u>-</u>	<u>433,028</u>	<u>-</u>	<u>433,028</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(433,028)</u>	<u>14,905</u>	<u>447,933</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (433,028)</u>	<u>14,905</u>	<u>\$ 447,933</u>
Fund balances (deficit)-beginning			<u>(217,478)</u>	
Fund balances (deficit)-ending			<u>\$ (202,573)</u>	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Citizens Option for Public Safety Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,190	\$ 162,312	\$ 309,102	\$ 146,790
Use of money and property	6,920	6,920	17,896	10,976
Total revenues	9,110	169,232	326,998	157,766
EXPENDITURES				
Current:				
Public safety	17,000	1,139,133	74,505	1,064,628
Capital outlay	-	2,313	-	2,313
Total expenditures	17,000	1,141,446	74,505	1,066,941
Excess (deficiency) of revenues over (under) expenditures	(7,890)	(972,214)	252,493	1,224,707
Net change in fund balances	\$ (7,890)	\$ (972,214)	252,493	\$ 1,224,707
Fund balances (deficit)-beginning			762,682	
Fund balances (deficit)-ending			\$ 1,015,175	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Local Law Enforcement Block Grant Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 42,841	\$ 93,970	\$ 51,129
Total revenues	<u>-</u>	<u>42,841</u>	<u>93,970</u>	<u>51,129</u>
EXPENDITURES				
Current:				
Public safety	-	112,478	42,479	69,999
Capital outlay	-	56,728	51,496	5,232
Total expenditures	<u>-</u>	<u>169,206</u>	<u>93,975</u>	<u>75,231</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(126,365)</u>	<u>(5)</u>	<u>126,360</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (126,365)</u>	<u>(5)</u>	<u>\$ 126,360</u>
Fund balances (deficit)-beginning			<u>3,149</u>	
Fund balances (deficit)-ending			<u>\$ 3,144</u>	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
CDBG Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,419,560	\$ 1,419,560	\$ 1,442,942	\$ 23,382
Total revenues	1,419,560	1,419,560	1,442,942	23,382
EXPENDITURES				
Current:				
General government	426,770	1,041,234	659,065	382,169
Community development	-	-	158	(158)
Capital outlay	734,590	1,261,158	167,330	1,093,828
Debt service:				
Principal	87,000	343,000	-	343,000
Interest	55,260	93,473	26,220	67,253
Total expenditures	1,303,620	2,738,865	852,773	1,886,092
Net change in fund balances	\$ 115,940	\$ (1,319,305)	590,169	\$ 1,909,474
Fund balances (deficit)-beginning			(668,171)	
Fund balances (deficit)-ending			\$ (78,002)	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Neighborhood Stabilization Program - Program Income Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 11,240	\$ 11,240	\$ 27,748	\$ 16,508
Miscellaneous	-	-	61,841	61,841
Total revenues	11,240	11,240	89,589	78,349
Net change in fund balances	\$ 11,240	\$ 11,240	89,589	\$ 78,349
Fund balances (deficit)-beginning			1,129,111	
Fund balances (deficit)-ending			\$ 1,218,700	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Measure I Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 2,880,773	\$ 3,665,773	\$ 2,927,093	\$ (738,680)
Use of money and property	75,740	75,740	100,701	24,961
Total revenues	<u>2,956,513</u>	<u>3,741,513</u>	<u>3,027,794</u>	<u>(713,719)</u>
EXPENDITURES				
Current:				
General government	26,790	26,790	-	26,790
Public safety	-	-	428	(428)
Community development	234,350	507,090	69,906	437,184
Capital outlay	2,601,280	7,275,307	1,549,298	5,726,009
Total expenditures	<u>2,862,420</u>	<u>7,809,187</u>	<u>1,619,632</u>	<u>6,189,555</u>
Excess (deficiency) of revenues over (under) expenditures	<u>94,093</u>	<u>(4,067,674)</u>	<u>1,408,162</u>	<u>5,475,836</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,830)	(4,830)	(4,830)	-
Total other financing sources (uses)	<u>(4,830)</u>	<u>(4,830)</u>	<u>(4,830)</u>	<u>-</u>
Net change in fund balances	<u>\$ 89,263</u>	<u>\$ (4,072,504)</u>	<u>1,403,332</u>	<u>\$ 5,475,836</u>
Fund balances (deficit)-beginning			<u>3,855,026</u>	
Fund balances (deficit)-ending			<u>\$ 5,258,358</u>	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Fire Grant Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 51,839	\$ 51,831	\$ (8)
Total revenues	<u>-</u>	<u>51,839</u>	<u>51,831</u>	<u>(8)</u>
EXPENDITURES				
Current:				
Public safety	-	51,839	51,831	8
Total expenditures	<u>-</u>	<u>51,839</u>	<u>51,831</u>	<u>8</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(400,000)	(400,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (400,000)</u>	<u>(400,000)</u>	<u>\$ -</u>
Fund balances (deficit)-beginning			190,510	
Fund balances (deficit)-ending			<u>\$ (209,490)</u>	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Fire Ground Transportation Emergency Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 500,000	\$ 1,463,034	\$ 7,655,873	\$ 6,192,839
Total revenues	<u>500,000</u>	<u>1,463,034</u>	<u>7,655,873</u>	<u>6,192,839</u>
EXPENDITURES				
Current:				
Public safety	2,085,110	2,587,544	1,826,265	761,279
Capital outlay	-	3,033,751	1,577,984	1,455,767
Total expenditures	<u>2,085,110</u>	<u>5,621,295</u>	<u>3,404,249</u>	<u>2,217,046</u>
Net change in fund balances	<u>\$ (1,585,110)</u>	<u>\$ (4,158,261)</u>	<u>4,251,624</u>	<u>\$ 8,409,885</u>
Fund balances (deficit)-beginning			12,238,475	
Fund balances (deficit)-ending			<u>\$ 16,490,099</u>	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Cal Home Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 15,890	\$ 15,890	\$ 44,776	\$ 28,886
Miscellaneous	100,000	100,000	79,973	(20,027)
Total revenues	115,890	115,890	124,749	8,859
EXPENDITURES				
Current:				
General government	100,000	558,930	20	558,910
Total expenditures	100,000	558,930	20	558,910
Net change in fund balances	\$ 15,890	\$ (443,040)	124,729	\$ 567,769
Fund balances (deficit)-beginning			1,765,064	
Fund balances (deficit)-ending			\$ 1,889,793	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Housing Authority Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 21,580	\$ 21,580	\$ 51,154	\$ 29,574
Miscellaneous	51,000	51,000	122,920	71,920
Total revenues	72,580	72,580	174,074	101,494
EXPENDITURES				
Current:				
General government	20,000	22,224	28,516	(6,292)
Public safety	-	150,000	-	150,000
Total expenditures	20,000	172,224	28,516	143,708
Net change in fund balances	\$ 52,580	\$ (99,644)	145,558	\$ 245,202
Fund balances (deficit)-beginning			3,063,913	
Fund balances (deficit)-ending			\$ 3,209,471	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Public Educational, and Governmental (PEG) Fees Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 80,000	\$ 80,000	\$ 124,297	\$ 44,297
Use of money and property	3,500	3,500	11,504	8,004
Total revenues	<u>83,500</u>	<u>83,500</u>	<u>135,801</u>	<u>52,301</u>
EXPENDITURES				
Current:				
Capital outlay	-	137,034	107,979	29,055
Total expenditures	<u>-</u>	<u>137,034</u>	<u>107,979</u>	<u>29,055</u>
Net change in fund balances	<u>\$ 83,500</u>	<u>\$ (53,534)</u>	<u>27,822</u>	<u>\$ 81,356</u>
Fund balances (deficit)-beginning			455,061	
Fund balances (deficit)-ending			<u>\$ 482,883</u>	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Transportation Development Act (TDA) Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ 1,811,836	\$ 181,137	\$ (1,630,699)
Use of money and property	-	-	575	575
Total revenues	<u>-</u>	<u>1,811,836</u>	<u>181,712</u>	<u>(1,630,124)</u>
EXPENDITURES				
Capital outlay	-	2,994,785	122,351	2,872,434
Total expenditures	<u>-</u>	<u>2,994,785</u>	<u>122,351</u>	<u>2,872,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,182,949)</u>	<u>59,361</u>	<u>1,242,310</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (1,182,949)</u>	<u>59,361</u>	<u>\$ 1,242,310</u>
Fund balances (deficit)-beginning			<u>20,960</u>	
Fund balances (deficit)-ending			<u>\$ 80,321</u>	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Street Medians Development Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 35,000	\$ 35,000	\$ 49,887	\$ 14,887
Use of money and property	3,260	3,260	8,593	5,333
Total revenues	38,260	38,260	58,480	20,220
EXPENDITURES				
Capital outlay	-	746,999	7,677	739,322
Total expenditures	-	746,999	7,677	739,322
Net change in fund balances	\$ 38,260	\$ (708,739)	50,803	\$ 759,542
Fund balances (deficit)-beginning			341,410	
Fund balances (deficit)-ending			\$ 392,213	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Local Drainage Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 242,940	\$ 242,940	\$ 690,636	\$ 447,696
Developer participants	2,000,000	2,000,000	3,190,406	1,190,406
Total revenues	2,242,940	2,242,940	3,881,042	1,638,102
EXPENDITURES				
Current:				
General government	-	-	43,052	(43,052)
Community development	-	6,410	22	6,388
Capital outlay	-	15,829,150	369,764	15,459,386
Total expenditures	-	15,835,560	412,838	15,422,722
Net change in fund balances	\$ 2,242,940	\$ (13,592,620)	3,468,204	\$ 17,060,824
Fund balances (deficit)-beginning			27,474,052	
Fund balances (deficit)-ending			\$ 30,942,256	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Capital Projects Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ -	\$ -	\$ 266,556	\$ 266,556
Total revenues	<u>-</u>	<u>-</u>	<u>266,556</u>	<u>266,556</u>
EXPENDITURES				
Current:				
General government	-	15,239	-	15,239
Public safety	191,000	1,782,347	952,612	829,735
Community development	1,000,000	1,067,318	1,025,702	41,616
Capital outlay	622,260	68,985,390	12,848,800	56,136,590
Total expenditures	<u>1,813,260</u>	<u>71,850,294</u>	<u>14,827,114</u>	<u>57,023,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,813,260)</u>	<u>(71,850,294)</u>	<u>(14,560,558)</u>	<u>57,289,736</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,950,260	24,983,420	24,983,420	-
Transfers out	-	(500,000)	(500,000)	-
Total other financing sources (uses)	<u>1,950,260</u>	<u>24,483,420</u>	<u>24,483,420</u>	<u>-</u>
Net change in fund balances	<u>\$ 137,000</u>	<u>\$ (47,366,874)</u>	<u>9,922,862</u>	<u>\$ 57,289,736</u>
Fund balances (deficit)-beginning			50,587,429	
Fund balances (deficit)-ending			<u>\$ 60,510,291</u>	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Fair Share Agreement Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 135,110	\$ 135,110	\$ 288,049	\$ 152,939
Developer participants	-	-	1,470,878	1,470,878
Total revenues	135,110	135,110	1,758,927	1,623,817
EXPENDITURES				
Current:				
General government	-	-	88,346	(88,346)
Capital outlay	-	7,863,320	7,494,083	369,237
Total expenditures	-	7,863,320	7,582,429	280,891
Net change in fund balances	\$ 135,110	\$ (7,728,210)	(5,823,502)	\$ 1,904,708
Fund balances (deficit)-beginning			12,654,455	
Fund balances (deficit)-ending			\$ 6,830,953	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
2005 TABs Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 84,620	\$ 84,620	\$ 25,247	\$ (59,373)
Total revenues	<u>84,620</u>	<u>84,620</u>	<u>25,247</u>	<u>(59,373)</u>
Net change in fund balances	<u>\$ 84,620</u>	<u>\$ 84,620</u>	<u>25,247</u>	<u>\$ (59,373)</u>
Fund balances (deficit)-beginning			<u>779,732</u>	
Fund balances (deficit)-ending			<u>\$ 804,979</u>	

CITY OF RIALTO, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
2008 TABs Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 40,380	\$ 40,380	\$ 14,106	\$ (26,274)
Total revenues	40,380	40,380	14,106	(26,274)
Net change in fund balances	\$ 40,380	\$ 40,380	14,106	\$ (26,274)
Fund balances (deficit)-beginning			3,100,862	
Fund balances (deficit)-ending			\$ 3,114,968	

CITY OF RIALTO, CALIFORNIA
Combining Statement of Net Position
Other Enterprise Funds
June 30, 2024

	Airport	Cemetery	Total Other Enterprise Funds
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 9,566,044	\$ 873,286	\$ 10,439,330
Receivables (net of uncollectibles):			
Accounts	151,799	185	151,984
Total current assets	9,717,843	873,471	10,591,314
Total assets	9,717,843	873,471	10,591,314
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	-	8,494	8,494
OPEB-related	-	1,371	1,371
Total deferred outflows of resources	-	9,865	9,865
LIABILITIES			
Current liabilities:			
Accounts payable	335	7,831	8,166
Accrued liability	-	625	625
Deposits payable	1,000	-	1,000
Compensated absences	-	304	304
Total current liabilities	1,335	8,760	10,095
Noncurrent liabilities:			
Compensated absences	-	1,384	1,384
Net pension liability	-	28,601	28,601
Net OPEB liability	-	4,674	4,674
Total noncurrent liabilities	-	34,659	34,659
Total liabilities	1,335	43,419	44,754
DEFERRED INFLOWS OF RESOURCES			
OPEB-related	-	4,163	4,163
Total deferred inflows of resources	-	4,163	4,163
NET POSITION			
Unrestricted	9,716,508	835,754	10,552,262
Total net position	\$ 9,716,508	\$ 835,754	\$ 10,552,262

CITY OF RIALTO,CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Other Enterprise Funds
For the Year Ended June 30, 2024

	Airport	Cemetery	Total Other Enterprise Funds
OPERATING REVENUES			
Sales and service charges	\$ -	\$ 171,707	\$ 171,707
Miscellaneous	151,799	-	151,799
Total operating revenues	151,799	171,707	323,506
OPERATING EXPENSES			
Administration and general	1,258	-	1,258
Cost of sales and services	-	59,977	59,977
Depreciation	-	317	317
Total operating expenses	1,258	60,294	61,552
Operating income (loss)	150,541	111,413	261,954
NONOPERATING REVENUES (EXPENSES)			
Taxes	20	-	20
Interest revenue	-	18,548	18,548
Total nonoperating revenues (expenses)	20	18,548	18,568
Income (loss) before transfers	150,561	129,961	280,522
Transfers In	-	8,220	8,220
Change in net position	150,561	138,181	288,742
Net position-beginning	9,565,947	697,573	10,263,520
Net position-ending	\$ 9,716,508	\$ 835,754	\$ 10,552,262

CITY OF RIALTO, CALIFORNIA
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities		
	Airport	Cemetery	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ -	\$ 171,522	\$ 171,522
Payments to suppliers and service providers	(978)	(45,475)	(46,453)
Net cash provided by (used for) operating activities	(978)	126,047	125,069
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	8,220	8,220
Taxes	20	-	20
Net cash provided by (used for) noncapital financing activities	20	8,220	8,240
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	-	18,549	18,549
Net cash provided by (used for) investing activities	-	18,549	18,549
Net increase (decrease) in cash and cash equivalents	(958)	152,816	151,858
Cash and cash equivalents-beginning	9,567,002	720,470	10,287,472
Cash and cash equivalents-ending	\$ 9,566,044	\$ 873,286	\$ 10,439,330
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 150,541	\$ 111,413	\$ 261,954
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	-	317	317
(Increase) decrease in accounts receivable	(151,799)	(185)	(151,984)
Increase (decrease) in accounts payable	280	7,406	7,686
Increase (decrease) in accrued liabilities	-	445	445
Increase (decrease) in compensated absences	-	333	333
Increase (decrease) in net pension liability	-	6,976	6,976
Increase (decrease) in net OPEB liability	-	(658)	(658)
Total adjustments	(151,519)	14,634	\$ (136,885)
Net cash provided by (used for) operating activities	\$ (978)	\$ 126,047	\$ 125,069

CITY OF RIALTO. CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 15,803,341	\$ 9,023,206	\$ 24,826,547
Receivables (net of uncollectibles):			
Accounts	788,250	500	788,750
Due from other funds	-	17,740	17,740
Total current assets	16,591,591	9,041,446	25,633,037
Total assets	16,591,591	9,041,446	25,633,037
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	27,608	27,608	55,216
OPEB-related	4,456	4,456	8,912
Total deferred outflows of resources	32,064	32,064	64,128
LIABILITIES			
Current liabilities:			
Accounts payable	833	450,540	451,373
Accrued liabilities	1,783	2,108	3,891
Compensated absences	6,423	1,156	7,579
Claims and judgments	4,141,545	1,235,408	5,376,953
Total current liabilities	4,150,584	1,689,212	5,839,796
Noncurrent liabilities:			
Compensated absences	-	5,267	5,267
Claims and judgments	18,867,038	5,627,972	24,495,010
Net pension liability	92,965	92,965	185,930
Net OPEB liability	15,194	15,194	30,388
Total noncurrent liabilities	18,975,197	5,741,398	24,716,595
Total liabilities	23,125,781	7,430,610	30,556,391
DEFERRED INFLOWS OF RESOURCES			
OPEB-related	13,528	13,528	27,056
Total deferred inflows of resources	13,528	13,528	27,056
NET POSITION			
Unrestricted	(6,515,654)	1,629,372	(4,886,282)
Total net position	\$ (6,515,654)	\$ 1,629,372	\$ (4,886,282)

CITY OF RIALTO. CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
OPERATING REVENUES			
Interdepartmental charges for services	\$ 4,377,833	\$ 10,017,754	\$ 14,395,587
Total operating revenues	4,377,833	10,017,754	14,395,587
OPERATING EXPENSES			
Administration and general	46,005	47,674	93,679
Cost of sales and service	4,788,476	6,781,526	11,570,002
Total operating expenses	4,834,481	6,829,200	11,663,681
Operating income (loss)	(456,648)	3,188,554	2,731,906
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	366,859	62,690	429,549
Total nonoperating revenues (expenses)	366,859	62,690	429,549
Change in net position	(89,789)	3,251,244	3,161,455
Net position-beginning	(6,425,865)	(1,621,872)	(8,047,737)
Net position-ending	\$ (6,515,654)	\$ 1,629,372	\$ (4,886,282)

CITY OF RIALTO, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Workers' Compensation Fund	General Liability Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund charges	\$ 3,594,299	\$ 10,017,754	\$ 13,612,053
Payments to suppliers and service providers	(3,221,753)	(6,197,587)	(9,419,340)
Payments to employees for salaries and benefits	(36,892)	(38,235)	(75,127)
Net cash provided by (used for) operating activities	335,654	3,781,932	4,117,586
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	366,859	62,690	429,549
Net cash provided by (used for) investing activities	366,859	62,690	429,549
Net increase (decrease) in cash and cash equivalents	702,513	3,844,622	4,547,135
Cash and cash equivalents-beginning	15,100,828	5,178,584	20,279,412
Cash and cash equivalents-ending	\$ 15,803,341	\$ 9,023,206	\$ 24,826,547
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ (456,648)	\$ 3,188,554	\$ 2,731,906
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
(Increase) decrease in accounts receivable	(783,534)	-	(783,534)
Increase (decrease) in accounts payable	(93,924)	218,518	124,594
Increase (decrease) in accrued liabilities	1,025	1,350	2,375
Increase (decrease) in compensated absences	430	430	860
Increase (decrease) in claims and judgments	1,660,647	365,421	2,026,068
Increase (decrease) in pension and related items	1,199	1,199	2,398
Increase (decrease) in OPEB and related items	6,459	6,460	12,919
Total adjustments	792,302	593,378	\$ 1,385,680
Net cash provided by (used for) operating activities	\$ 335,654	\$ 3,781,932	\$ 4,117,586

CITY OF RIALTO, CALIFORNIA
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2024

	Community Facilities District (CFD) 87-1 Fund	Community Facilities District (CFD) 2006-1	Community Facilities District (CFD) 2016-1	Community Facilities District (CFD) 2019-2
ASSETS				
Cash and cash equivalents	\$ 73,688	\$ 766,338	\$ 121,593	\$ 411,772
Cash and cash equivalents held with fiscal agent	-	472,529	-	406,275
Receivables:				
Accounts	-	-	506	-
Total assets	73,688	1,238,867	122,099	818,047
LIABILITIES				
Accounts payable	-	1,750	-	-
Due to external parties/other agencies	73,688	1,237,117	122,099	818,047
Total liabilities	73,688	1,238,867	122,099	818,047
NET POSITION	-	-	-	-
Total net position	\$ -	\$ -	\$ -	\$ -

CITY OF RIALTO, CALIFORNIA
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2024

	Community Facilities District (CFD) 2022	Community Facilities District (CFD) 2020-1	Total Custodial Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 614,970	\$ 1,988,361
Cash and cash equivalents held with fiscal agent	186,268	7,256,428	8,321,500
Receivables:			
Accounts	-	5,287	5,793
Total assets	186,268	7,876,685	10,315,654
LIABILITIES			
Accounts payable	151,586	-	153,336
Due to external parties/other agencies	34,682	7,876,685	10,162,318
Total liabilities	186,268	7,876,685	10,315,654
NET POSITION	-	-	-
Total net position	\$ -	\$ -	\$ -

CITY OF RIALTO, CALIFORNIA
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2024

	Community Facilities District (CFD) 87-1 Fund	Community Facilities District (CFD) 2006-1	Community Facilities District (CFD) 2016-1	Community Facilities District (CFD) 2019-2
ADDITIONS				
Interest	\$ 1,754	\$ 42,726	\$ 2,623	\$ 25,382
Taxes	-	506,984	84,145	326,173
Miscellaneous	-	-	-	-
Total additions	1,754	549,710	86,768	351,555
DEDUCTIONS				
Administrative expenses	-	3,499	-	2,750
Payments to external parties/other agencies	1,754	100,253	31,768	62,149
Interest expense	-	169,738	-	211,656
Principal expense	-	165,000	-	25,000
Issuance costs	-	-	-	-
Contributions to other governments	-	111,220	55,000	50,000
Total deductions	1,754	549,710	86,768	351,555
Net increase (decrease) in fiduciary net position	-	-	-	-
Net position-beginning	-	-	-	-
Net position-ending	\$ -	\$ -	\$ -	\$ -

CITY OF RIALTO, CALIFORNIA
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2024

	Community Facilities District (CFD) 2022	Community Facilities District (CFD) 2020-1	Total Custodial Funds
ADDITIONS			
Interest	\$ -	\$ 8,031	\$ 80,516
Taxes	-	971,706	1,889,008
Miscellaneous	-	16,631,639	16,631,639
Total additions	-	17,611,376	18,601,163
DEDUCTIONS			
Administrative expenses	-	9,075,185	9,081,434
Payments to external parties/other agencies	-	7,876,685	8,072,609
Interest expense	-	356,392	737,786
Principal expense	-	-	190,000
Issuance costs	-	303,114	303,114
Contributions to other governments	-	-	216,220
Total deductions	-	17,611,376	18,601,163
Net increase (decrease) in fiduciary net position	-	-	-
Net position-beginning	-	-	-
Net position-ending	\$ -	\$ -	\$ -