

# **City of Rialto**

Rialto, California

## **Independent Auditor's Report and Basic Financial Statements**

*For the Year Ended June 30, 2025*





**City of Rialto**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Rialto, California (the "City") as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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.

#### *Emphasis of Matters*

##### *Change in Accounting Principles and Error Corrections*

As discussed in Notes 1 and 16 to the financial statements, the City adopted new accounting principle, GASB Statement No. 101, *Compensated Absences* in 2025, and corrected errors related to the capitalization of certain capital outlay previously expensed and the recognition of notes and loans receivable previously reported as unavailable revenue in certain governmental funds, which resulted in restatement of beginning net position and fund balances. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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

***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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

To the Honorable Mayor and the Members of the City Council  
of the City of Rialto  
Rialto, California  
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***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedule of Changes in Net Pension Liability and Related Ratios – Miscellaneous Plan and Safety Plans, the Schedules of Contributions – Pensions, the Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Contributions - Other Postemployment Benefits 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 GAAS, 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 the 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, economical, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***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 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 GAAS. In our opinion, the Combining and Individual Fund Financial Statements are 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 March 26, 2026 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.



Santa Ana, California  
March 26, 2026

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## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**City of Rialto**  
**Statement of Net Position**  
**June 30, 2025**

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Current assets:			
Cash and investments	\$ 311,483,031	\$ 25,605,731	\$ 337,088,762
Accounts receivable, net	11,183,828	11,004,141	22,187,969
Interest receivable	449,998	25,174	475,172
Due from other governments	17,031,866	-	17,031,866
Notes and loans receivable	4,361,654	661,857	5,023,511
Leases receivable, due in one year	349,890	-	349,890
Internal balances	6,600,000	(6,600,000)	-
Inventories	103,121	-	103,121
Prepaid items	3,046,879	-	3,046,879
Total current assets	<u>354,610,267</u>	<u>30,696,903</u>	<u>385,307,170</u>
Noncurrent assets:			
Restricted assets:			
Cash and investments	1,495,821	-	1,495,821
Cash held in escrow	14,924,777	-	14,924,777
Cash held in trust	-	76,616,922	76,616,922
Cash and investments with fiscal agent	46,740,420	-	46,740,420
Lease receivable, due in more than one year	4,083,752	-	4,083,752
Land held for resale	1,690,369	-	1,690,369
Capital assets:			
Capital assets, not being depreciated	201,040,684	46,965,321	248,006,005
Capital assets, being depreciated, net	209,808,163	69,708,531	279,516,694
Capital assets, being amortized, net	2,648,889	-	2,648,889
Total capital assets	<u>413,497,736</u>	<u>116,673,852</u>	<u>530,171,588</u>
Total noncurrent assets	<u>482,432,875</u>	<u>193,290,774</u>	<u>675,723,649</u>
<b>Total assets</b>	<u>837,043,142</u>	<u>223,987,677</u>	<u>1,061,030,819</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pension related	43,706,216	178,752	43,884,968
OPEB related	4,405,367	30,005	4,435,372
<b>Total deferred outflows of resources</b>	<u>48,111,583</u>	<u>208,757</u>	<u>48,320,340</u>

**City of Rialto**  
**Statement of Net Position (Continued)**  
**June 30, 2025**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	17,848,700	3,119,400	20,968,100
Accrued liabilities	5,448,794	27,275	5,476,069
Accrued interest	65,034	-	65,034
Deposits payable	7,218,854	1,635,509	8,854,363
Compensated absences, due within one year	2,249,800	11,053	2,260,853
Claims and judgments, due within one year	6,165,617	-	6,165,617
Bonds, notes, loans, leases, and SBITA, due within one year	1,517,759	3,895,628	5,413,387
Unearned revenue	1,019,413	8,603	1,028,016
Total current liabilities	<u>41,533,971</u>	<u>8,697,468</u>	<u>50,231,439</u>
Noncurrent liabilities:			
Compensated absences, due in more than one year	10,249,086	50,352	10,299,438
Claims and judgments, due in more than one year	24,644,498	-	24,644,498
Bonds, notes, loans, leases, and SBITA, due in more than one year	72,617,201	135,099,110	207,716,311
Net pension liability	160,656,846	834,627	161,491,473
Net OPEB liability	8,669,468	59,047	8,728,515
Total noncurrent liabilities	<u>276,837,099</u>	<u>136,043,136</u>	<u>412,880,235</u>
<b>Total liabilities</b>	<u>318,371,070</u>	<u>144,740,604</u>	<u>463,111,674</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pension related	94,306	-	94,306
OPEB related	22,516,224	153,355	22,669,579
Lease related	4,264,666	-	4,264,666
<b>Total deferred inflows of resources</b>	<u>26,875,196</u>	<u>153,355</u>	<u>27,028,551</u>
<b>NET POSITION:</b>			
Net investment in capital assets	395,977,318	87,779,149	483,756,467
Restricted:			
General government	50,649,081	-	50,649,081
Public safety	26,451,790	-	26,451,790
Community development	66,427,009	-	66,427,009
Debt service	578,243	-	578,243
Capital projects	35,938,727	61,737,676	97,676,403
Deposits	6,418,587	-	6,418,587
Total restricted	<u>186,463,437</u>	<u>61,737,676</u>	<u>248,201,113</u>
Unrestricted (deficit)	<u>(42,532,296)</u>	<u>(70,214,350)</u>	<u>(112,746,646)</u>
<b>Total net position</b>	<u>\$ 539,908,459</u>	<u>\$ 79,302,475</u>	<u>\$ 619,210,934</u>

**City of Rialto**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs</b>				
<b>Primary government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 55,283,873	\$ 6,174,252	\$ 17,031,348	\$ 266,821
Public safety	101,566,865	6,921,424	15,269,142	3,361,623
Community development	30,966,581	7,430,504	19,608,477	2,399,821
Interest on long term debt	3,041,950	-	-	-
<b>Total Governmental Activities</b>	<b>190,859,269</b>	<b>20,526,180</b>	<b>51,908,967</b>	<b>6,028,265</b>
<b>Business-Type Activities:</b>				
Water Fund	18,108,558	16,862,089	-	153,025
Wastewater Fund	29,293,783	32,397,234	-	200,000
Airport Fund	92	-	-	-
Cemetery Fund	35,251	220,260	-	-
<b>Total Business-Type Activities</b>	<b>47,437,684</b>	<b>49,479,583</b>	<b>-</b>	<b>353,025</b>
<b>Total Primary Government</b>	<b>\$ 238,296,953</b>	<b>\$ 70,005,763</b>	<b>\$ 51,908,967</b>	<b>\$ 6,381,290</b>

**City of Rialto**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2025**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs</b>			
<b>Primary government:</b>			
<b>Governmental Activities:</b>			
General government	\$ (31,811,452)	\$ -	\$ (31,811,452)
Public safety	(76,014,676)	-	(76,014,676)
Community development	(1,527,779)	-	(1,527,779)
Interest on long term debt	(3,041,950)	-	(3,041,950)
<b>Total Governmental Activities</b>	<u>(112,395,857)</u>	<u>-</u>	<u>(112,395,857)</u>
<b>Business-Type Activities:</b>			
Water Fund	-	(1,093,444)	(1,093,444)
Wastewater Fund	-	3,303,451	3,303,451
Airport Fund	-	(92)	(92)
Cemetery Fund	-	185,009	185,009
<b>Total Business-Type Activities</b>	<u>-</u>	<u>2,394,924</u>	<u>2,394,924</u>
<b>Total Primary Government</b>	<u>(112,395,857)</u>	<u>2,394,924</u>	<u>(110,000,933)</u>
<b>General revenues, and transfers:</b>			
General revenues:			
Property taxes	43,691,644	881	43,692,525
Sales taxes	66,455,746	-	66,455,746
Transient occupancy taxes	931,169	-	931,169
Franchise taxes	3,911,409	-	3,911,409
Utility users tax	18,638,193	-	18,638,193
Other taxes	163,998	-	163,998
Investment income	11,990,126	3,327,973	15,318,099
Other revenues	9,405	-	9,405
<b>Total General Revenues</b>	<u>145,791,690</u>	<u>3,328,854</u>	<u>149,120,544</u>
<b>Transfers:</b>			
Transfers	(29,976,430)	29,976,430	-
<b>Total Transfers</b>	<u>(29,976,430)</u>	<u>29,976,430</u>	<u>-</u>
<b>Changes in Net Position</b>	<u>3,419,403</u>	<u>35,700,208</u>	<u>39,119,611</u>
<b>Net Position, as previously reported</b>	532,547,129	43,604,940	576,152,069
Change in accounting principle	543,667	(2,673)	540,994
Error correction	3,398,260	-	3,398,260
<b>Net Position - Beginning of year, as restated (Note 16)</b>	<u>536,489,056</u>	<u>43,602,267</u>	<u>580,091,323</u>
<b>Net Position - End of year</b>	<u>\$ 539,908,459</u>	<u>\$ 79,302,475</u>	<u>\$ 619,210,934</u>

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**FUND FINANCIAL STATEMENTS**

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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**City of Rialto**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

	General Fund	Special Revenue Fund	Capital Projects Funds		Nonmajor Governmental Funds
		Park Development Fund	City Capital Projects Fund	Police Station Capital Projects Fund	
<b>ASSETS</b>					
Cash and investments	\$ 93,910,628	\$ 11,041,968	\$ 36,724,183	\$ -	\$ 150,262,389
Accounts receivable	7,296,622	68,859	33,059	-	3,022,637
Interest receivable	449,998	-	-	-	-
Due from other governments	15,191,650	-	-	-	1,840,216
Notes and loans receivable	-	-	-	-	4,361,654
Leases receivable	4,433,642	-	-	-	-
Due from other funds	7,207,180	-	21,848,913	-	-
Advances to other funds	17,492,605	-	-	-	-
Inventories	103,121	-	-	-	-
Prepaid items	84,465	-	56,871	-	2,905,543
Land held for resale	719,969	-	-	-	970,400
Restricted assets:					
Cash and investments	-	-	-	-	1,495,821
Cash held in escrow	14,839,990	-	84,787	-	-
Cash and investment with fiscal agent	-	-	-	46,740,220	200
<b>Total assets</b>	<b>\$ 161,729,870</b>	<b>\$ 11,110,827</b>	<b>\$ 58,747,813</b>	<b>\$ 46,740,220</b>	<b>\$ 164,858,860</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 9,729,786	\$ -	\$ 2,978,248	\$ -	\$ 4,858,871
Accrued liabilities	5,356,922	-	-	-	86,523
Deposits payable	6,481,748	-	-	-	737,106
Due to other funds	-	-	-	21,848,913	7,207,180
Advances from other funds	-	10,892,605	-	-	-
Unearned revenues	657,884	-	-	-	361,125
<b>Total liabilities</b>	<b>22,226,340</b>	<b>10,892,605</b>	<b>2,978,248</b>	<b>21,848,913</b>	<b>13,250,805</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	1,837,693	-	-	-	3,013,849
Lease related	4,264,666	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>6,102,359</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,013,849</b>
<b>Fund balances:</b>					
Nonspendable	18,400,160	-	56,871	-	-
Restricted	6,418,587	218,222	84,787	24,891,307	154,850,534
Committed	36,295,841	-	-	-	-
Assigned	-	-	55,627,907	-	-
Unassigned (deficit)	72,286,583	-	-	-	(6,256,328)
<b>Total fund balances</b>	<b>133,401,171</b>	<b>218,222</b>	<b>55,769,565</b>	<b>24,891,307</b>	<b>148,594,206</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 161,729,870</b>	<b>\$ 11,110,827</b>	<b>\$ 58,747,813</b>	<b>\$ 46,740,220</b>	<b>\$ 164,858,860</b>

**City of Rialto**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2025**

	Total Governmental Funds
<b>ASSETS</b>	
Cash and investments	\$ 291,939,168
Accounts receivable	10,421,177
Interest receivable	449,998
Due from other governments	17,031,866
Notes and loans receivable	4,361,654
Leases receivable	4,433,642
Due from other funds	29,056,093
Advances to other funds	17,492,605
Inventories	103,121
Prepaid items	3,046,879
Land held for resale	1,690,369
Restricted assets:	
Cash and investments	1,495,821
Cash held in escrow	14,924,777
Cash and investment with fiscal agent	46,740,420
<b>Total assets</b>	<b>\$ 443,187,590</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 17,566,905
Accrued liabilities	5,443,445
Deposits payable	7,218,854
Due to other funds	29,056,093
Advances from other funds	10,892,605
Unearned revenues	1,019,009
<b>Total liabilities</b>	<b>71,196,911</b>
<b>Deferred inflows of resources:</b>	
Unavailable revenues	4,851,542
Lease related	4,264,666
<b>Total deferred inflows of resources</b>	<b>9,116,208</b>
<b>Fund balances:</b>	
Nonspendable	18,457,031
Restricted	186,463,437
Committed	36,295,841
Assigned	55,627,907
Unassigned (deficit)	66,030,255
<b>Total fund balances</b>	<b>362,874,471</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 443,187,590</b>

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**City of Rialto**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2025**

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<b>Total Fund Balances - Total Governmental Funds</b>		\$ 362,874,471
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds.		413,497,736
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, net of \$41,918 reported in Internal Service Funds	\$ 43,664,298	
Deferred outflows OPEB related, net of \$7,036 reported in Internal Service Funds	4,398,331	
Deferred inflows pension related	(94,306)	
Deferred inflows OPEB related, net of \$(35,962) reported in Internal Service Funds	<u>(22,480,262)</u>	25,488,061
Revenues earned but not available to pay for current expenditures for governmental funds are reported as unavailable revenue in the Governmental Funds Balance Sheet.		4,851,542
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.		(11,001,295)
Long term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Notes payable	\$ (1,529,000)	
Financed purchase agreements	(9,067,053)	
Bonds payable	(61,138,357)	
Subscriptions payable	(2,400,550)	
Compensated absences, net of \$(13,566) reported in Internal Service Funds	(12,485,320)	
Accrued interest payable on long term debt	(65,034)	
Net pension liability, net of \$(195,726) reported in Internal Service Funds	(160,461,120)	
Net OPEB liability, net of \$(13,846) reported in Internal Service Funds	<u>(8,655,622)</u>	<u>(255,802,056)</u>
<b>Net position of governmental activities</b>		<u><u>\$ 539,908,459</u></u>

**City of Rialto**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	General Fund	Special Revenue Fund	Capital Projects Funds		Nonmajor Governmental Funds
		Park Development Fund	City Capital Projects Fund	Police Station Capital Projects Fund	
<b>Revenues:</b>					
Taxes	\$ 135,715,686	\$ -	\$ -	\$ -	\$ 2,618,373
Licenses and permits	6,415,786	-	-	-	-
Intergovernmental	9,579,278	-	-	-	24,055,422
Charges for services	11,452,643	1,730,543	-	-	1,315,600
Use of money and property	12,100,119	302,657	220,086	3,397,095	3,911,010
Fines and forfeitures	1,145,124	-	-	-	-
Developer participation	-	-	-	-	6,452,410
Miscellaneous	1,818,846	-	-	-	175,827
<b>Total revenues</b>	<b>178,227,482</b>	<b>2,033,200</b>	<b>220,086</b>	<b>3,397,095</b>	<b>38,528,642</b>
<b>Expenditures:</b>					
Current:					
General government	40,064,034	-	-	-	1,099,687
Public safety	77,557,276	-	841,692	-	5,068,771
Community development	24,389,014	-	493,405	-	4,048,977
Capital outlay	403,260	-	11,901,388	37,902,100	23,673,455
Debt service:					
Principal	1,066,041	-	-	-	547,071
Interest and fiscal charges	282,484	-	-	-	3,036,237
<b>Total expenditures</b>	<b>143,762,109</b>	<b>-</b>	<b>13,236,485</b>	<b>37,902,100</b>	<b>37,474,198</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>34,465,373</b>	<b>2,033,200</b>	<b>(13,016,399)</b>	<b>(34,505,005)</b>	<b>1,054,444</b>
<b>Other financing sources (uses):</b>					
Transfers in	385,343	-	8,292,533	-	1,121,289
Transfers out	(35,063,822)	-	(16,860)	-	(1,244,913)
Issuance of debt	403,260	-	-	-	694,440
<b>Total other financing sources (uses)</b>	<b>(34,275,219)</b>	<b>-</b>	<b>8,275,673</b>	<b>-</b>	<b>570,816</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>190,154</b>	<b>2,033,200</b>	<b>(4,740,726)</b>	<b>(34,505,005)</b>	<b>1,625,260</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	133,211,017	(1,814,978)	60,510,291	59,396,312	145,057,644
Error correction	-	-	-	-	1,911,302
Beginning of year, as restated (Note 16)	133,211,017	(1,814,978)	60,510,291	59,396,312	146,968,946
End of year	\$ 133,401,171	\$ 218,222	\$ 55,769,565	\$ 24,891,307	\$ 148,594,206

**City of Rialto**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

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	<u>Total Governmental Funds</u>
<b>Revenues:</b>	
Taxes	\$ 138,334,059
Licenses and permits	6,415,786
Intergovernmental	33,634,700
Charges for services	14,498,786
Use of money and property	19,930,967
Fines and forfeitures	1,145,124
Developer participation	6,452,410
Miscellaneous	1,994,673
<b>Total revenues</b>	<u>222,406,505</u>
<b>Expenditures:</b>	
Current:	
General government	41,163,721
Public safety	83,467,739
Community development	28,931,396
Capital outlay	73,880,203
Debt service:	
Principal	1,613,112
Interest and fiscal charges	3,318,721
<b>Total expenditures</b>	<u>232,374,892</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(9,968,387)</u>
<b>Other financing sources (uses):</b>	
Transfers in	9,799,165
Transfers out	(36,325,595)
Issuance of debt	1,097,700
<b>Total other financing sources (uses)</b>	<u>(25,428,730)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(35,397,117)
<b>FUND BALANCES (DEFICIT):</b>	
Beginning of year, as previously reported	396,360,286
Error correction	1,911,302
Beginning of year, as restated (Note 16)	<u>398,271,588</u>
End of year	<u><u>\$ 362,874,471</u></u>

**City of Rialto**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances to the Government-Wide Statement of Activities**  
**For the Year Ended June 30, 2025**

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**Net change in fund balances - total governmental funds:** \$ (35,397,117)

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

Net change in fund balances total governmental funds:

Governmental funds report capital outlays are expenditures. However, in the Statement of Activities, the portion of the cost attributed to capital assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense. The remaining amounts are expensed and allocated to the programs they support.

Capital outlay expenditures, net of \$1,708,092 in capital contributions and functional expenses of \$116,766	\$ 75,471,529	
Depreciation and amortization expense	(20,467,229)	
Net effect on disposal of capital assets	<u>(776,557)</u>	54,227,743

Revenues in the Government-Wide Statement of Activities that do not provide current financial resources and are not reported as revenue in the governmental funds. 257,271

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.

Subscriptions issued	\$ (1,097,700)	
Principal payments	<u>1,613,112</u>	515,412

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. (6,114,827)

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.

Interest and amortization expense	\$ 276,771	
Compensated absences	(546,258)	
Changes in pension liabilities and related deferrals	(14,961,437)	
Changes in OPEB liabilities and related deferrals	<u>5,161,845</u>	(10,069,079)

**Change in net position of governmental activities** \$ 3,419,403

**PROPRIETARY FUND FINANCIAL STATEMENTS**

**City of Rialto**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water	Wastewater	Nonmajor	Total	Internal Service Funds
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and investments	\$ 1,857,514	\$ 13,118,084	\$ 10,630,133	\$ 25,605,731	\$ 19,543,863
Interest receivable	25,174	-	-	25,174	-
Accounts receivable	3,446,243	7,391,851	166,047	11,004,141	762,651
<b>Total current assets</b>	<b>5,328,931</b>	<b>20,509,935</b>	<b>10,796,180</b>	<b>36,635,046</b>	<b>20,306,514</b>
<b>Noncurrent assets:</b>					
Restricted:					
Cash and investments held in trust	20,928,223	55,688,699	-	76,616,922	-
Notes and loans receivable	292,598	369,259	-	661,857	-
Advances to other funds	-	3,000,000	-	3,000,000	-
Capital assets:					
Capital assets, not being depreciated	8,372,917	38,592,404	-	46,965,321	-
Capital assets, being depreciated, net	19,185,834	50,522,697	-	69,708,531	-
Total capital assets	27,558,751	89,115,101	-	116,673,852	-
<b>Total noncurrent assets</b>	<b>48,779,572</b>	<b>148,173,059</b>	<b>-</b>	<b>196,952,631</b>	<b>-</b>
<b>Total assets</b>	<b>54,108,503</b>	<b>168,682,994</b>	<b>10,796,180</b>	<b>233,587,677</b>	<b>20,306,514</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related	78,172	95,543	5,037	178,752	41,918
OPEB related	13,122	16,037	846	30,005	7,036
<b>Total deferred outflows of resources</b>	<b>91,294</b>	<b>111,580</b>	<b>5,883</b>	<b>208,757</b>	<b>48,954</b>

(Continued)

**City of Rialto**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2025**

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water	Wastewater	Nonmajor	Total	Internal Service Funds
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	1,344,200	1,766,340	8,860	3,119,400	281,795
Accrued liabilities	11,275	15,331	669	27,275	5,349
Deposits payable	1,060,862	573,647	1,000	1,635,509	-
Compensated absences	5,382	5,382	289	11,053	2,442
Claims and judgments	-	-	-	-	6,165,617
Bonds, notes, loans, and leases	1,065,427	2,830,201	-	3,895,628	-
Unearned revenue	-	8,603	-	8,603	404
<b>Total current liabilities</b>	<b>3,487,146</b>	<b>5,199,504</b>	<b>10,818</b>	<b>8,697,468</b>	<b>6,455,607</b>
<b>Noncurrent liabilities:</b>					
Advances from other funds	9,600,000	-	-	9,600,000	-
Compensated absences	24,517	24,517	1,318	50,352	11,124
Claims and judgments	-	-	-	-	24,644,498
Bonds, notes, loans, and leases	28,085,501	107,013,609	-	135,099,110	-
Net pension liability	365,000	446,110	23,517	834,627	195,726
Net OPEB liability	25,822	31,561	1,664	59,047	13,846
<b>Total noncurrent liabilities</b>	<b>38,100,840</b>	<b>107,515,797</b>	<b>26,499</b>	<b>145,643,136</b>	<b>24,865,194</b>
<b>Total liabilities</b>	<b>41,587,986</b>	<b>112,715,301</b>	<b>37,317</b>	<b>154,340,604</b>	<b>31,320,801</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
OPEB related	67,065	81,968	4,322	153,355	35,962
<b>Total deferred inflows of resources</b>	<b>67,065</b>	<b>81,968</b>	<b>4,322</b>	<b>153,355</b>	<b>35,962</b>
<b>NET POSITION</b>					
Net investment in capital assets	24,501,361	63,277,788	-	87,779,149	-
Restricted for water stabilization and capital projects trust	17,714,948	44,022,728	-	61,737,676	-
Unrestricted (deficit)	(29,671,563)	(51,303,211)	10,760,424	(70,214,350)	(11,001,295)
<b>Total net position</b>	<b>\$ 12,544,746</b>	<b>\$ 55,997,305</b>	<b>\$ 10,760,424</b>	<b>\$ 79,302,475</b>	<b>\$ (11,001,295)</b>

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**City of Rialto**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water	Wastewater	Nonmajor	Total	Internal Service Funds
<b>OPERATING REVENUES:</b>					
Sales and service charges	\$ 16,078,254	\$ 32,397,234	\$ 220,260	\$ 48,695,748	\$ -
Interdepartmental charges for services	-	-	-	-	11,783,626
Other revenues	783,835	-	-	783,835	-
<b>Total operating revenues</b>	<b>16,862,089</b>	<b>32,397,234</b>	<b>220,260</b>	<b>49,479,583</b>	<b>11,783,626</b>
<b>OPERATING EXPENSES:</b>					
Administration and general	5,417,931	4,688,513	24,727	10,131,171	149,155
Cost of sales and services	9,852,930	12,148,295	10,616	22,011,841	14,957,987
Depreciation	940,043	2,371,482	-	3,311,525	-
<b>Total operating expenses</b>	<b>16,210,904</b>	<b>19,208,290</b>	<b>35,343</b>	<b>35,454,537</b>	<b>15,107,142</b>
<b>OPERATING INCOME (LOSS)</b>	<b>651,185</b>	<b>13,188,944</b>	<b>184,917</b>	<b>14,025,046</b>	<b>(3,323,516)</b>
<b>NONOPERATING INCOME (EXPENSES):</b>					
Taxes	-	-	881	881	-
Interest revenue	939,905	2,365,680	22,388	3,327,973	658,689
Interest expense	(1,897,654)	(10,085,493)	-	(11,983,147)	-
<b>Total nonoperating income (expenses)</b>	<b>(957,749)</b>	<b>(7,719,813)</b>	<b>23,269</b>	<b>(8,654,293)</b>	<b>658,689</b>
<b>NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>(306,564)</b>	<b>5,469,131</b>	<b>208,186</b>	<b>5,370,753</b>	<b>(2,664,827)</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>					
Contributions	153,025	200,000	-	353,025	-
Transfers in	5,000,000	25,000,000	-	30,000,000	-
Transfers out	(11,497)	(12,073)	-	(23,570)	(3,450,000)
<b>Total contributions and transfers</b>	<b>5,141,528</b>	<b>25,187,927</b>	<b>-</b>	<b>30,329,455</b>	<b>(3,450,000)</b>
<b>Change in Net Position</b>	<b>4,834,964</b>	<b>30,657,058</b>	<b>208,186</b>	<b>35,700,208</b>	<b>(6,114,827)</b>
<b>NET POSITION (DEFICIT):</b>					
Beginning of the year, as previously reported	7,692,308	25,360,370	10,552,262	43,604,940	(4,886,282)
Change in accounting principle	17,474	(20,123)	(24)	(2,673)	(186)
Beginning of the year, as restated (Note 16)	7,709,782	25,340,247	10,552,238	43,602,267	(4,886,468)
End of the year	<b>\$ 12,544,746</b>	<b>\$ 55,997,305</b>	<b>\$ 10,760,424</b>	<b>\$ 79,302,475</b>	<b>\$ (11,001,295)</b>

**City of Rialto**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water	Wastewater	Nonmajor	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 14,287,902	\$ 31,072,667	\$ 206,197	\$ 45,566,766	\$ -
Receipts from interfund charges	-	-	-	-	11,810,129
Payments to suppliers and service providers	(15,289,593)	(17,496,353)	(34,649)	(32,820,595)	(14,189,413)
Payments to employees for salaries and benefits	(106,341)	(133,201)	(4,014)	(243,556)	(129,829)
<b>Net cash provided by operating activities</b>	<u>(1,108,032)</u>	<u>13,443,113</u>	<u>167,534</u>	<u>12,502,615</u>	<u>(2,509,113)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers from other funds	5,000,000	25,000,000	-	30,000,000	-
Transfers to other funds	(11,497)	(12,073)	-	(23,570)	(3,450,000)
Payments to short-term interfund borrowings	200,751	710,487	-	911,238	17,740
Receipts from contributions	153,025	200,000	-	353,025	-
Receipts from taxes	-	-	881	881	-
<b>Net cash provided by noncapital financing activities</b>	<u>5,342,279</u>	<u>25,898,414</u>	<u>881</u>	<u>31,241,574</u>	<u>(3,432,260)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and construction of capital assets	(182,849)	(934,120)	-	(1,116,969)	-
Principal paid on capital debt	(1,002,346)	(2,596,506)	-	(3,598,852)	-
Interest paid on capital debt	(1,897,654)	(10,085,493)	-	(11,983,147)	-
<b>Net cash (used in) capital and related financing activities</b>	<u>(3,082,849)</u>	<u>(13,616,119)</u>	<u>-</u>	<u>(16,698,968)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest earnings	937,857	2,365,680	22,388	3,325,925	658,689
<b>Net cash provided by investing activities</b>	<u>937,857</u>	<u>2,365,680</u>	<u>22,388</u>	<u>3,325,925</u>	<u>658,689</u>
<b>Net change in cash and cash equivalents</b>	<u>2,089,255</u>	<u>28,091,088</u>	<u>190,803</u>	<u>30,371,146</u>	<u>(5,282,684)</u>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of year	20,696,482	40,715,695	10,439,330	71,851,507	24,826,547
End of year	<u>\$ 22,785,737</u>	<u>\$ 68,806,783</u>	<u>\$ 10,630,133</u>	<u>\$ 102,222,653</u>	<u>\$ 19,543,863</u>
<b>CASH AND CASH EQUIVALENTS:</b>					
Cash and investments	\$ 1,857,514	\$ 13,118,084	\$ 10,630,133	\$ 25,605,731	\$ 19,543,863
Restricted cash and investments	20,928,223	55,688,699	-	76,616,922	-
<b>Total cash and cash equivalents</b>	<u>\$ 22,785,737</u>	<u>\$ 68,806,783</u>	<u>\$ 10,630,133</u>	<u>\$ 102,222,653</u>	<u>\$ 19,543,863</u>

**City of Rialto**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water	Wastewater	Nonmajor	Total	Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to to Net Cash Provided by (Used in)</b>					
<b>Operating Activities:</b>					
Operating income (loss)	\$ 651,185	\$ 13,188,944	\$ 184,917	\$ 14,025,046	\$ (3,323,516)
Adjustments to reconcile operating income (loss) to net cash provided by (used for)					
operating activities:					
Depreciation expense	940,043	2,371,482	-	3,311,525	-
(Increase) decrease in accounts receivable	(1,676,659)	(1,107,695)	(14,063)	(2,798,417)	26,099
(Increase) decrease in pension deferred outflows	72,491	88,600	3,457	164,548	13,298
(Increase) decrease in OPEB deferred outflows	11,192	13,680	525	25,397	1,876
Increase (decrease) in accounts payable	(18,732)	(659,545)	694	(677,583)	(169,578)
Increase (decrease) in accrued liabilities	6,396	6,763	44	13,203	1,458
Increase (decrease) in unearned revenues	(897,528)	(216,872)	-	(1,114,400)	404
Increase (decrease) in compensated absences	9,777	9,776	(105)	19,448	534
Increase (decrease) in claims and judgments	-	-	-	-	938,152
Increase (decrease) in net pension liability	(142,336)	(173,967)	(5,084)	(321,387)	9,796
Increase (decrease) in net OPEB liability	(57,096)	(69,784)	(3,010)	(129,890)	(16,542)
Increase (decrease) in OPEB deferred inflows	(6,765)	(8,269)	159	(14,875)	8,906
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (1,108,032)</b>	<b>\$ 13,443,113</b>	<b>\$ 167,534</b>	<b>\$ 12,502,615</b>	<b>\$ (2,509,113)</b>

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**FIDUCIARY FUNDS FINANCIAL STATEMENTS**

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**City of Rialto**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2025**

	Pension (and Other Employee Benefit) Trust Fund	Private Purpose Trust Fund Successor Agency	Custodial Funds
<b>ASSETS:</b>			
Cash and cash equivalents	\$ -	\$ 10,515,618	\$ 3,576,238
Cash and cash equivalents held with fiscal agents	-	5,013,237	2,399,033
Investments	30,472,821		
Accounts receivable	-	10,575	-
Interest receivable	-	37,723	-
Due from other governments	-	18	237,427
Notes and loans receivable	-	5,721,415	-
Land held for resale	-	19,689,855	-
Capital assets, not being depreciated	-	290,347	-
Capital assets, net of accumulated depreciation/amortization	-	54,614	-
<b>Total assets</b>	<b>30,472,821</b>	<b>41,333,402</b>	<b>6,212,698</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred charge on refunding	-	467,329	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>467,329</b>	<b>-</b>
<b>LIABILITIES:</b>			
Accounts payable	-	2,970	51,603
Accrued liabilities	-	91	-
Accrued interest	-	1,865,439	-
Unearned revenues	-	255,315	-
Due to other government	-	-	5,936,582
Long term liabilities:			
Bonds payable, due in one year	-	5,285,000	-
Bonds payable, due in more than one year	-	94,682,182	-
<b>Total liabilities</b>	<b>-</b>	<b>102,090,997</b>	<b>5,988,185</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred charge on refunding	-	145,765	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>145,765</b>	<b>-</b>
<b>NET POSITION (DEFICIT):</b>			
Restricted for:			
Individuals, organizations, and other governments	30,472,821	(60,436,031)	224,513
<b>Total net position (deficit)</b>	<b>\$ 30,472,821</b>	<b>\$ (60,436,031)</b>	<b>\$ 224,513</b>

**City of Rialto**  
**Statement of Change in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2025**

	Pension (and Other Employee Benefit) Trust Fund	Private Purpose Trust Fund Successor Agency	Custodial Funds
<b>ADDITIONS:</b>			
Redevelopment property tax trust fund	\$ -	\$ 10,990,870	\$ -
Taxes and assessments	-	-	2,913,233
Interest and net increase in fair value of investments	2,844,187	468,099	333,780
Miscellaneous	-	47,051	50,000
<b>Total additions</b>	<u>2,844,187</u>	<u>11,506,020</u>	<u>3,297,013</u>
<b>DEDUCTIONS:</b>			
Benefits	1,799,388	-	-
Administrative expenses	-	10,751	1,346,017
Interest and fiscal charges	-	5,216,078	1,288,233
Principal expense	-	-	210,000
Contributions to other governments	-	-	228,250
Depreciation/amortization	-	1,956	-
<b>Total deductions</b>	<u>1,799,388</u>	<u>5,228,785</u>	<u>3,072,500</u>
<b>Change in net position</b>	1,044,799	6,277,235	224,513
<b>NET POSITION (DEFICIT):</b>			
Beginning of year	29,428,022	(66,713,266)	-
End of year	<u>\$ 30,472,821</u>	<u>\$ (60,436,031)</u>	<u>\$ 224,513</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**City of Rialto**  
**Index to the Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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**City of Rialto**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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**Note 1 – Summary of Significant Accounting Policies**

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

**A. Financial 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.

**Component Units:**

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

Management determined that the following component units should be blended based on the criteria above:

**Rialto Public Financing Authority**

The Rialto Public Financing Authority (the “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 and Police Station Debt Service Funds.

**Rialto Utility Authority**

The Rialto Utility Authority (the “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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**A. Financial Reporting Entity (Continued)**

***Component Units: (Continued)***

*Rialto Nonprofit Public Building Authority*

The Rialto Nonprofit Public Building Authority (the “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.

*Rialto Housing Authority*

The Rialto Housing Authority (the “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.

**B. Basis of Accounting and Measurement Focus**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending *activities* are controlled.

*Government-Wide Financial Statements*

The Government-Wide Financial Statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, including capital assets, as well as infrastructure assets, deferred outflows of resources, liabilities, including long-term liabilities, and deferred inflows of resources, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Fiduciary activities are not included in these statements.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

*Government-Wide Financial Statements (Continued)*

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from and to other funds
- Advances to and from other funds
- Transfers in and out

*Governmental Fund Financial Statements*

A Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances are presented for all major governmental funds and aggregated nonmajor funds. Accompanying schedules are presented to reconcile and explain the differences in fund balances as presented in these statements, to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Change in Fund Balances presents increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both “measurable” and “available” to finance expenditures 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. However, debt service expenditures, expenditures related to compensated absences, pension and other post-employment benefits, and the redemption of district credits are recorded only when payment is due.

Revenues are recorded when received in cash, except those revenues subject to accrual are recognized when due. Property taxes, taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.), net of estimated refunds and uncollectible amounts, and intergovernmental revenues associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period, as defined above.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

*Governmental Fund Financial Statements (Continued)*

The City reports the following major governmental funds:

General Fund – The General Fund is the City’s primary operating fund used to account for resources traditionally associated with governments, which are not legally required or by sound financial management to be accounted for in another fund.

Park Development Special Revenue Fund – This fund is used to account for development fees collected and used for the acquisition of parklands and the construction of new and expansion of park facilities.

City Capital Projects Fund – This fund is used to account for capital projects of the City with resources from bond financing, government grants, and investment income, received to fund expenditures related to City infrastructure and development improvements.

Police Station Capital Projects Fund – This fund is used to account for the funding and construction of the City’s new police station.

*Proprietary Fund Financial Statements*

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues and expenses result from exchange transactions associated with the principal activities of operating and maintaining the fund. The operating revenues consist of charges to customers for the service provided. Operating expenses include the costs of providing these services, administrative expenses and depreciation expense. All revenues and expenses not meeting these definitions and which are not capital in nature are reported as non-operating revenues and expenses.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City’s internal service funds include two individual funds which provide services directly to other City funds, primarily for self-insurance. These funds provide service to other City departments on a cost reimbursement basis.

The City reports the following major proprietary fund:

Water Enterprise Fund – This fund is an enterprise fund used to account for the activities associated with the transmission and distribution of potable water by the City and its users.

Wastewater Enterprise Fund – This fund is an enterprise fund used to account for the activities of the City’s wastewater systems.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**B. Basis of Accounting and Measurement Focus (Continued)**

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary fund represent private-purpose trust fund and custodial funds. The private-purpose trust fund and custodial funds use the economic resources measurement focus and the full accrual basis of accounting where the assets associated with the activity are controlled by the City and the assets are not derived 1) solely from the government's own-source revenues or 2) from government-mandated nonexchange transactions or voluntary nonexchange transactions.

The City reports the following fiduciary fund types:

Pension (and Other Employee Benefit) Trust Fund Accounts – These funds account for the activities of the City's plan for post-retirement medical benefits.

Private-Purpose Trust Fund – This fund accounts for the fiduciary responsibilities that are assigned to the Successor Agency to the Rialto Redevelopment Agency pursuant to the Dissolution Act.

Custodial Funds – 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.

**C. Cash, Cash Equivalents, and Investments**

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents have an original maturity date of three months or less from the date of purchase.

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable, and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***D. Fair Value Measurement***

GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosure about fair value measurement. Investments, unless otherwise specified at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use pricing the assets or liabilities at the measurement date.

***E. 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 Rialto Water Services 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.

***F. 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.

***G. Land Held for Resale***

Land held for resale represents properties acquired for redevelopment, economic development, affordable housing, and airport redevelopment purposes. These properties are reported at the lower of cost or net realizable value.

***H. 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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**H. Capital Assets (Continued)**

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.

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:

The following schedule summarizes capital asset useful lives:

Assets	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 equipments	5-7
Distribution systems	20-50
Wastewater treatment plant	20-50
Vehicles	5-10
Office furniture, computers, and equipment	5-20
Infrastructure	20-60

**I. Deferred Outflows/Inflows of Resources**

The statement of net position and balance sheet reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets that applies to future periods.

Deferred Inflows of Resources represent an acquisition of net assets that apply to future periods.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***J. Leases***

Lessee: the City is a lessee for a noncancellable lease of equipment. 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.

Lessor: the City is a lessor for a noncancellable lease of a building. 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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***K. 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) subscription term, and (3) subscription payments.

The City uses the interest rate charged by the vendor or incremental 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.

***L. Pensions***

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported as fair value.

The following timeframes are used for pension reporting:

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

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**L. Pensions (Continued)**

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. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Net pension liabilities recorded in governmental activities are generally liquidated through the City’s General Fund and Internal Service funds.

**M. Other Postemployment Benefits**

For purposes of measuring the net other postemployment benefits (“OPEB”) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s plan (OPEB Plan), the assets of which are held by CalPERS, and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for OPEB reporting:

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

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Net OPEB liability recorded in Governmental Activities are generally liquidated through the City’s General Fund and Internal Service funds.

**N. Long-Term Liabilities**

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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***O. Compensated Absences***

Compensated absences represent employees' rights to receive compensation for vacation and certain other leave benefits attributable to services already rendered. The liability for compensated absences is recognized as the benefits are earned when the leave accumulates and it is more likely than not that the leave will be used or otherwise paid.

In the governmental funds, compensated absences are recorded as expenditures in the year in which the amount is due and payable, such as upon resignations or retirements. As of year-end, the unpaid portion of compensated absences attributable to governmental funds is reported 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 as the benefits are earned.

***P. Claims and Judgments***

The City is self-insured for certain risks, including workers' compensation and general liability. Liabilities for claims and judgments are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability includes estimates for claims that have been incurred but not reported (IBNR) as well as loss adjustment expenses. The City obtains periodic actuarial studies prepared by an independent actuary to estimate the ultimate cost of claims liabilities.

***Q. 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.

***R. Unbilled Receivables***

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

***S. 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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**S. Net Position (Continued)**

- *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.

**T. 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.
- *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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**T. Fund Balance (Continued)**

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.

**U. Use of Estimates**

The preparation of the basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**V. Implementation of New GASB Pronouncements**

**GASB Statement No. 101** – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Implementation of this Statement resulted in restatement of beginning net position at July 1, 2024 presented in Note 16.

**GASB Statement No. 102** – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints which may limit a government's ability to acquire resources or control spending. Application of this statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2025.

**Note 2 – Stewardship, Compliance, and Accountability**

**A. Deficit Fund Balances and Net Position**

In the Governmental-Wide Financial Statements, the City had a deficit unrestricted net position at June 30, 2025 of \$(42,532,003) for its governmental activities and \$(70,214,350) for its business-type activities. The deficit in the governmental activities was mainly due to the recognition of net pension liability of \$160,656,846 and net OPEB liability of \$8,669,468. The deficit business-type activities was mainly due to the reporting of debt with concessionaire. As of June 30, 2025, the Water Enterprise Fund reported \$29,150,928 in debt with concessionaire, while the Wastewater Enterprise Fund reported \$109,460,255 in debt with concessionaire. Management expects the deficits to decrease over time as the related debt is repaid through future operating revenues and charges for services.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 2 – Stewardship, Compliance, and Accountability (Continued)**

**A. Deficit Fund Balances and Net Position (Continued)**

The following funds had deficit balances and net position as of June 30, 2025:

Funds	Amount
<b>Nonmajor Governmental Funds:</b>	
Street Lighting and Landscape Maintenance Special Revenue Fund	\$ (239,919)
Community Services Grants Special Revenue Fund	(9,104)
CDBG Special Revenue Fund	(275,125)
Neighborhood Stabilization Program Special Revenue Fund	(35,670)
Fire Special Revenue Fund	(209,490)
Transportation Development Act (TDA) Special Revenue Fund	(1,331,340)
Police Station Debt Service Fund	(4,155,387)
<b>Internal Service Funds:</b>	
Workers' Compensation Fund	(5,754,569)
General Liability Fund	(5,246,726)
<b>Fiduciary Fund:</b>	
Successor Agency Private Purpose Trust Fund	(60,436,031)

The deficit in the Special Revenue Funds were due to timing differences between grant receipts and disbursements and is expected to be eliminated through future grant revenues.

The deficit in the Police Station Debt Service Fund was due to a long-term interfund loan from the General Fund, which will eventually be eliminated as the loan is repaid.

The deficits in the Workers' Compensation and General Liability Internal Service Funds were due to the accrual of estimated claims and judgments against the City, including those claims incurred but not reported. These deficits are expected to be reduced through future charges to other City funds and departments as these claims are paid. Management is currently evaluating the long-term funding approach as part of the fiscal year 2027 budget cycle.

The deficit in the Successor Agency Private Purpose Trust Fund was 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.

**B. Compliance with Budgetary Limitations**

The following funds exceeded appropriation amounts for year ended June 30, 2025:

Funds	Final Appropriation	Expenditures	Excess
<b>Nonmajor Governmental Funds:</b>			
Street Lighting and Landscape Maintenance Special Revenue Fund	\$ 2,547,175	\$ 2,746,101	\$ (198,926)
Citizens Option Public Safety Special Revenue Fund	1,384,913	1,500,532	(115,619)

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 3 – Cash and Investments**

The City had the following cash and investments at June 30, 2025:

	Governmental-Wide		Fiduciary	Total
	Statement of Net Position			
	Governmental	Business-Type		
	Activities	Activities	Fund Statement of Net Position	
Unrestricted assets:				
Cash and investments	\$ 311,483,031	\$ 25,605,731	\$ 14,091,856	\$ 351,180,618
Restricted assets:				
Cash and investments	1,495,821	-	-	1,495,821
Cash held in escrow	14,924,777	-	-	14,924,777
Cash and investment held in trust	-	76,616,922	-	76,616,922
Cash and investments with fiscal agent	46,740,420	-	7,412,270	54,152,690
Cash and investments held in OPEB trust	-	-	30,472,821	30,472,821
<b>Total cash and investments</b>	<b>\$ 374,644,049</b>	<b>\$ 102,222,653</b>	<b>\$ 51,976,947</b>	<b>\$ 528,843,649</b>

The City's cash and investments as of June 30, 2025 consist of the following:

Cash on hand	\$ 134,860
Deposits with financial institutions	40,625,670
Investments	488,083,119
<b>Total cash and investments</b>	<b>\$ 528,843,649</b>

**A. Deposits**

The carrying amounts of the City's demand deposits were \$40,625,670 at June 30, 2025. Bank balances at that date were \$43,306,737 the total amount of which was collateralized or insured with accounts held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). The City did not waive the collateral requirement for deposits insured by FDIC.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances.

Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 3 – Cash and Investments (Continued)**

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

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy. The current investment policy was updated in January 2024.

Authorized Investment Type	Maximum Maturity	Maximum Percentage or Value of Portfolio	Credit Rating Requirements
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	100%	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	100%	None
Banker s Acceptances*	180 days	40%	None
Commercial Paper; Non-Pooled Funds (Under 100 Million of Investments)*	270 days	25% of agency's money	Highest Letter and number rating by an NRSRO
Commercial Paper; Non-Pooled Funds (Minimum 100 Million of Investments)*	270 days	40% of agency's money	Highest Letter and number rating by an NRSRO
Commercial Paper; Pooled Funds*	270 days	40% of agency's money	Highest Letter and number rating by an NRSRO
Certificates of Deposit (Negotiable)*	5 years	30%	None
Certificates of Deposit (Nonnegotiable)	5 years	None	None
Repurchase Agreements	1 year	50%	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base portfolio value	None
Medium-Term Notes*	5 years	30%	"A" rating category or its equivalent
Mutual Funds and Money Markey Mutual	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through and Asset-Backed Securities*	5 years	20%	"AA" rating category or its equivalent
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Funds	N/A	\$75,000,000 per account	None
Voluntary Investment Program Fund	N/A	\$200,000,000 Minimum	None
Supranational Obligations	5 years	30%	"AA" rating category or its equivalent
Public Bank Obligations	5 years	None	None

\* Further restricted to percentage of the value of the portfolio in any one issuer name regardless of sector to a maximum of 5%

**C. Risk Disclosures**

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

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 3 – Cash and Investments (Continued)**

**C. Risk Disclosures (Continued)**

Information about the sensitivity of the fair values of the City’s investments (including investments held by bond trustee) 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	\$ 8,204,663	\$ 8,204,663	\$ -	\$ -
U.S. Agency Securities	39,404,867	19,771,115	19,633,752	-
Commercial Paper	21,526,945	21,526,945	-	-
Negotiable Certificates of Deposit	621,483	499,546	121,937	-
Corporate Bonds	109,727,734	5,381,680	70,975,836	33,370,218
Money Market Mutual Funds	165,632,921	165,632,921	-	-
Local Agency Investment Fund	12,781,709	12,781,709	-	-
Held by fiscal agent:				
Money Market Mutual Funds	130,182,797	130,182,797	-	-
<b>Total investments</b>	<b>\$ 488,083,119</b>	<b>\$ 363,981,376</b>	<b>\$ 90,731,525</b>	<b>\$ 33,370,218</b>

**Credit Risk** – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City’s investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Total	Minimum Legal Rating	S&P’s Rating as of Fiscal Year End				
			Aaa	Aa	A	BBB+ to BBB-	Exempt or Not Rated
U.S. Treasury Obligations	\$ 8,204,663	N/A	\$ -	\$ -	\$ 8,204,663	\$ -	\$ -
U.S. Agency Securities	39,404,867	N/A	-	39,404,867	-	-	-
Commercial Paper	21,526,945	AA	-	-	21,526,945	-	-
Negotiable Certificates of Deposit	621,483	N/A	-	621,483	-	-	-
Corporate Bonds	109,727,734	A	-	-	80,815,294	28,912,440	-
Money Market Mutual Funds	165,632,921	AA	-	-	-	-	165,632,921
Local Agency Investment Fund	12,781,709	N/A	-	-	-	-	12,781,709
Held by fiscal agent:							
Money Market Mutual Funds	130,182,797	N/A	130,182,797	-	-	-	-
<b>Total investments</b>	<b>\$ 488,083,119</b>		<b>\$ 130,182,797</b>	<b>\$ 40,026,350</b>	<b>\$ 110,546,902</b>	<b>\$ 28,912,440</b>	<b>\$ 178,414,630</b>

**Custodial Credit Risk** – The Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of a third party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of the third party. At June 30, 2025, none of the City’s deposits or investments were exposed to custodial credit risk.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 3 – Cash and Investments (Continued)**

**C. Risk Disclosures (Continued)**

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, 2025, no investment exceeded 5% of total investments. 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.

**D. Fair Value Measurement**

At June 30, 2025, investments are reported at fair value. The following table presents the fair value measurements of investments on a recurring basis and the levels with GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2025:

Investment Type	Fair Value Measurement			
	Quoted Process in		Uncategorized	Total
	Active Markets	Significant Other		
	for Identical	Observable		
Assets	Inputs			
(Level 1)	(Level 2)			
U.S. Treasury Obligations	\$ 8,204,663	\$ -	\$ -	\$ 8,204,663
U.S. Agency Securities	-	39,404,867	-	39,404,867
Commercial Paper	-	21,526,945	-	21,526,945
Negotiable Certificates of Deposit	-	621,483	-	621,483
Corporate Bonds	-	109,727,734	-	109,727,734
Money Market Mutual Funds	-	-	165,632,921	165,632,921
Local Agency Investment Fund (LAIF)	-	-	12,781,709	12,781,709
Held by fiscal agent:				
Money Market Mutual Funds	-	-	130,182,797	130,182,797
<b>Total investments</b>	<b>\$ 8,204,663</b>	<b>\$ 171,281,029</b>	<b>\$308,597,427</b>	<b>\$ 488,083,119</b>

Deposits and withdrawals related to the investments in LAIF and money market funds are valued on amortized cost, which approximates fair value. Accordingly, under the fair value hierarchy these investments are uncategorized.

Level 2 investments are based on institutional bond quotes or matrix pricing.

**E. Local Agency Investment Fund (“LAIF”)**

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. As of June 30, 2025, the City had \$12,781,709 invested in LAIF. The fair value of the City’s portion in the pool is the same as the value of the pool shares and is reported at amortized cost.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**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

As of June 30, 2025, the cash and investments held in OPEB Trust was in the amount of \$30,472,821.

***G. Cash and Investments Held in Trust***

Cash and investments maintained in the trust are considered restricted for water and wastewater functions. As of June 30, 2025, the City had \$76,616,922 of cash and investments held in trust.

***H. Cash in Escrow***

Cash maintained in escrow accounts are considered restricted for specific City projects and other capital-related activities. As of June 30, 2025, the City had \$14,927,777 of cash in escrow.

***I. Cash and Investments 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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 4 – Accounts Receivable**

Accounts receivable as of June 30, 2025, including allowances for uncollectible accounts, is as follows:

	Accounts Receivable	Allowance for Uncollectible Amounts	Accounts Receivable, Net
<b>Governmental Funds:</b>			
General Fund	\$ 11,956,380	\$ (4,659,758)	\$ 7,296,622
Park Development Special Revenue Fund	68,859	-	68,859
Capital Projects Fund	33,059	-	33,059
Nonmajor Governmental Funds	3,022,637	-	3,022,637
Total Governmental Funds	<u>\$ 15,080,935</u>	<u>\$ (4,659,758)</u>	<u>\$ 10,421,177</u>
<b>Proprietary Funds:</b>			
Water Enterprise Fund	\$ 4,255,855	\$ (809,612)	\$ 3,446,243
Wastewater Enterprise Fund	8,081,106	(689,255)	7,391,851
Nonmajor Enterprise Funds	166,047	-	166,047
Internal Service Funds	762,651	-	762,651
Total Proprietary Funds	<u>\$ 13,265,659</u>	<u>\$ (1,498,867)</u>	<u>\$ 11,766,792</u>
Total Primary Government	<u>\$ 28,346,594</u>	<u>\$ (6,158,625)</u>	<u>\$ 22,187,969</u>
<b>Fiduciary Fund:</b>			
Private Purpose Trust Fund	<u>\$ 12,338</u>	<u>\$ (1,763)</u>	<u>\$ 10,575</u>

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 5 – Notes and Loans Receivable**

The following is a summary of notes and loans receivables as of June 30, 2025:

	Governmental Funds			Proprietary Funds		
	General Fund	Nonmajor Governmental Funds	Total	Water Enterprise Fund	Wastewater Enterprise Fund	Total
<b>Loans receivable:</b>						
Ayala 210 Purchase and Construction						
Loan Agreement	\$ 854,270	\$ -	\$ 854,270	\$ -	\$ -	\$ -
Housing Rehabilitation Loan	-	1,809,251	1,809,251	-	-	-
Neighborhood Stabilization Program	-	414,135	414,135	-	-	-
National Community Renaissance	-	2,522,477	2,522,477	-	-	-
Letter of Credit	-	29,926	29,926	-	-	-
Concessionaire Agreement	-	-	-	292,598	369,259	661,857
<b>Total</b>	<b>854,270</b>	<b>4,775,789</b>	<b>5,630,059</b>	<b>292,598</b>	<b>369,259</b>	<b>661,857</b>
Allowance for uncollectible	(854,270)	(414,135)	(1,268,405)	-	-	-
Loans receivable, net	\$ -	\$ 4,361,654	\$ 4,361,654	\$ 292,598	\$ 369,259	\$ 661,857
<b>Notes receivable:</b>						
Citrus Grove Project Phase I	\$ -	\$ 8,220,800	\$ 8,220,800	\$ -	\$ -	\$ -
Citrus Grove Project Phase II	-	8,626,713	8,626,713	-	-	-
Telacu Housing-Rialto I	-	751,408	751,408	-	-	-
Telacu Housing-Rialto II	-	1,707,241	1,707,241	-	-	-
Telacu Housing-Rialto III	-	3,060,010	3,060,010	-	-	-
Rialto Family Housing I	-	10,386,818	10,386,818	-	-	-
Rialto Family Housing II	-	2,719,891	2,719,891	-	-	-
Rialto Family Housing III	-	1,568,483	1,568,483	-	-	-
<b>Total</b>	<b>-</b>	<b>37,041,364</b>	<b>37,041,364</b>	<b>-</b>	<b>-</b>	<b>-</b>
Allowance for uncollectible	-	(37,041,364)	(37,041,364)	-	-	-
Notes receivable, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total loans and notes receivable, net</b>	<b>\$ -</b>	<b>\$ 4,361,654</b>	<b>\$ 4,361,654</b>	<b>\$ 292,598</b>	<b>\$ 369,259</b>	<b>\$ 661,857</b>

*Ayala 210 Purchase and Construction Loan Agreement*

The City entered into an agreement on April 24, 2018 with Ayala & 210 Partners, LLC to sell six parcels of undeveloped land and enter into a construction loan agreement to develop the property. The note to secure the deeds to the parcels has a base interest rate of 4.0% and the construction loan has a base interest rate of 6.0%, with the payments being consolidated into one schedule. The outstanding balance as of June 30, 2025 was \$854,270 offset by an allowance of \$854,270.

*Housing Rehabilitation Loan Program*

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 in the Nonmajor Governmental Funds (Cal Home Special Revenue Fund and Housing Authority Special Revenue Fund) at June 30, 2025 was \$1,809,251.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 5 – Notes and Loans Receivable (Continued)**

Neighborhood Stabilization Loan Program

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 Nonmajor Governmental Funds (Neighborhood Stabilization Program Special Revenue Fund, Neighborhood Stabilization Program - Program Income Special Revenue Fund, and the Local Drainage Fund) as of June 30, 2025, was \$414,135 (offset by an allowance of uncollectible of \$414,135).

National Community Renaissance

The Rialto Housing Authority entered into a loan agreement with Rialto Metrolink South Housing Partners, L.P. to provide partial financing for the construction of an affordable housing project within the City to provide Affordable Housing within the Rialto City Limits, the Housing Authority provided partial financing for the construction of this project. Funds are to be repaid out of 50% of residual receipts of the project to the Housing Authority with all amounts unpaid due to be paid at the expiration of the Disposition and Development Agreement. The loan bears interest at a rate of 0.25%. As of June 30, 2025, the outstanding balance of the receivable was \$2,522,477.

Letter of Credit

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

Concessionaire Agreement

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 20 for additional information.

Citrus Grove Project Phase I

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 4.82% 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, 2025, was \$8,220,800. An allowance of \$8,220,800 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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 5 – Notes and Loans Receivable (Continued)**

*Citrus Grove Project Phase II*

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, 2025, 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.

*Telacu Housing-Rialto Phase I*

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, 2025, 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.

*Telacu Housing-Rialto Phase II*

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, 2025, 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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 5 – Notes and Loans Receivable (Continued)**

*Telacu Housing-Rialto Phase III*

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, 2025, 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.

*Rialto Family Housing I*

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, 2025, was \$10,386,818. An allowance of \$10,386,818 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.

*Rialto Family Housing II*

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, 2025, was \$2,719,891. An allowance of \$2,719,891 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.

*Rialto Family Housing III*

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, 2025, was \$1,568,483. An allowance of \$1,568,483 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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 6 – Lease Receivable**

As of June 30, 2025, the City had 14 active leases with remaining lease terms ranging from 1 to 27 years. The leases have receipts that range from \$22,602 to \$76,896 and interest rates that range from 0.5603% to 3.1930%. As of June 30, 2025, the total combined value of the lease receivable is \$4,433,642, the total combined value of the short-term lease receivable is \$349,890, and the combined value of the deferred inflow of resources is \$4,264,666.

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

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 349,890	\$ 83,273	\$ 433,163
2027	339,625	77,003	416,628
2028	349,014	70,533	419,547
2029	330,972	63,901	394,873
2030	231,873	57,929	289,802
2031-2035	849,020	223,685	1,072,705
2036-2040	713,715	153,886	867,601
2041-2045	705,403	87,217	792,620
2046-2050	515,489	29,511	545,000
2051-2052	48,641	1,357	49,998
Total	\$ 4,433,642	\$ 848,295	\$ 5,281,937

**Note 7 – Interfund Transactions**

**A. Advances to/From Other Funds**

At June 30, 2025, the City had the following advances:

	Advances to Other Funds		
	Governmental Fund	Proprietary Fund	Total
	Wastewater Enterprise Fund		
Advances from Other Funds	General Fund	Fund	Total
<b>Governmental Fund:</b>			
Park Development Special Revenue Fund	\$ 10,892,605	\$ -	\$ 10,892,605
<b>Proprietary Fund:</b>			
Water Enterprise Fund	6,600,000	3,000,000	9,600,000
	\$ 17,492,605	\$ 3,000,000	\$ 20,492,605

On February 12, 2019, the General Fund loaned \$17,499,195 to the Park Development Special Revenue Fund to fund the Frisbie Park Expansion Project. The City has waived charging interest on this loan. As of June 30, 2025, \$6,606,590 of the loan has been paid, and the remaining balance of \$10,892,605 will be paid from future revenues in the Park Development Special Revenue Fund.

The General Fund advanced \$6,600,000 to the Water Enterprise Fund for Perchlorate litigation related expenses. Interest on the advance is payable if settlement proceeds are received.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 7 – Interfund Transactions (Continued)**

**A. Advances to/From Other Funds (Continued)**

The Wastewater Enterprise Fund loaned \$4,000,000 to the Water Enterprise Fund to cover Perchlorate litigation–related costs. The City waived the charging of interest on this loan. The Perchlorate lawsuit was settled in fiscal year 2012–13, and \$1,000,000 of the loan had been repaid as of June 30, 2025. The remaining balance of \$3,000,000 will be repaid from future revenues of the Water Enterprise Fund.

**B. Due To/From Other Funds**

At June 30, 2025, the City had the following interfund balances:

	<b>Due to Other Funds</b>		
	<b>Governmental Funds</b>		
	Police Station Capital Projects Fund	Nonmajor Governmental Funds	Total
<b>Due From Other Funds</b>			
<b>Governmental Funds:</b>			
General Fund	\$ -	\$ 7,207,180	\$ 7,207,180
Capital Projects Fund	21,848,913	-	21,848,913
	<u>\$ 21,848,913</u>	<u>\$ 7,207,180</u>	<u>\$ 29,056,093</u>

The interfund payable balances represent routine and temporary cash flow assistance until amounts receivable from the other funds are collected to pay the amounts owed.

**C. Transfers In/Transfers Out**

The following schedule summarizes the City’s transfer activity for the year ended June 30, 2025:

	<b>Transfers In</b>					Total
	<b>Governmental Funds</b>			<b>Proprietary Funds</b>		
	General Fund	City Capital Projects Fund	Nonmajor Governmental Funds	Water Enterprise Fund	Wastewater Enterprise Fund	
<b>Transfers Out</b>						
<b>Governmental Funds:</b>						
General Fund	\$ -	\$ 4,842,533	\$ 221,289	\$ 5,000,000	\$ 25,000,000	\$ 35,063,822
City Capital Projects Fund	16,860	-	-	-	-	16,860
Nonmajor Governmental Funds	344,913	-	900,000	-	-	1,244,913
<b>Proprietary Funds:</b>						
Water Enterprise Fund	11,497	-	-	-	-	11,497
Wastewater Enterprise Fund	12,073	-	-	-	-	12,073
General Liability Internal Service Fund	-	3,450,000	-	-	-	3,450,000
Total	<u>\$ 385,343</u>	<u>\$ 8,292,533</u>	<u>\$ 1,121,289</u>	<u>\$ 5,000,000</u>	<u>\$ 25,000,000</u>	<u>\$ 39,799,165</u>

- a) The General Fund transferred \$4,842,533 to the City Capital Projects Fund to fund capital improvement projects; \$221,289 to Nonmajor Governmental Funds to cover operating expenses for Fire Ground Emergency Transportation, grant-related expenditures for LEAP and SB2, and a subsidy to the Street Lighting District; \$25,000,000 to the Wastewater Enterprise Fund to fund various one-time capital expenditures; and a \$5,000,000 subsidy to the Water Enterprise Fund.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 7 – Interfund Transactions (Continued)**

**C. Transfers In/Transfers Out (Continued)**

- b) The City Capital Projects Fund transferred \$16,860 to the General Fund to fund annual debt service obligations.
- c) The Nonmajor Governmental Funds transferred \$344,913 to the General Fund for to cover interest expenses and various operating expenses and \$900,000 to other Nonmajor Governmental funds for operating subsidies.
- d) The Sewer Enterprise Fund transferred \$12,073 to the General Fund for annual cost allocation plan allocation.
- e) The Water Enterprise Fund transferred 11,497 to the General Fund for annual cost allocation plan allocation.
- f) The General Liability Internal Service Fund transferred 3,450,000 to the City Capital Projects Fund for the Public Works Administration Building Project, City’s Public Works building was damaged due to a fire.

**Note 8 – Land Held for Resale**

At June 30, 2025, land held for resale consisted of the following:

Funds	Location / Address	Amount	Use of Property
<b>Governmental Funds:</b>			
General Fund	136 South Riverside Avenue	\$ 30,000	Vacant property – future downtown redevelopment site
	North side of Santa Ana Avenue	306,820	Land contemplated for contribution for habitat conservation
	Various North Riverside Avenue	181,226	Improved land - currently under lease
	126 South Olive Avenue	75,000	Vacant – future affordable housing development site
	141 S. Riverside Avenue	<u>126,923</u>	Improved land - RDA office property under lease
Total General Fund		<u>719,969</u>	
Nonmajor Governmental	South Orange Parcels	240,400	Vacant land – future redevelopment
	140 South Oliver Avenue	30,000	Vacant land – affordable housing project
	110 East Rialto Avenue	181,000	Vacant land – affordable housing project
	144 South Olive Avenue	30,000	Vacant land – affordable housing project
	Bonnie View Drive	<u>489,000</u>	Vacant land – future redevelopment
Total Nonmajor Governmental Funds		<u>970,400</u>	
<b>Total Governmental</b>		<u><u>\$ 1,690,369</u></u>	
<b>Fiduciary Fund:</b>			
Private Purpose Trust Fund	Ayala/Baseline	\$ 1,248,095	Vacant land for future office and industrial development
	West Side of Cedar Avenue (Ayala Drive)	631,142	Vacant land for future office and industrial development
	SWC Linden & 210 Fwy (Highland)	1,527,737	Airport project - part of Area A Contract of Sale
	148 South Riverside Avenue	2,040	Improved property acquired for redevelopment
	W Side Riverside Ave, N of Valley	3,136,320	Vacant land assembled for future retail development
	1428–1432 South Riverside Avenue	318,184	Property held for future retail redevelopment
	119 North Riverside Avenue	203,776	Improved land - currently under lease
	N Ayala Drive	350,326	Airport area land - industrial assemblage
	Riverside / Rialto	313,296	Vacant land – senior housing project
	141 South Riverside Avenue	148,076	Improved land - currently under lease
	Linden Avenue n/o Airport	360,000	Airport project - part of Area A Contract of Sale
	E of NEC Baseline & Alder	27,916	Vacant land - industrial assemblage
	N Palm Avenue	3,084	Vacant land - industrial development
	W side of Cedar Ave (Ayala Dr) & Fitzgerald	96,000	Vacant land Industrial assemblage
	234 South Orange	56,000	Improved land - future redevelopment
	238 S. Orange Avenue	90,423	Vacant land - for future redevelopment
	274 / 290 W. Jackson St	42,360	Vacant land - future project in West Jackson Street
	1428–1432 South Riverside Avenue	138,325	Vacant land/two homes - retail assemblage
	1485 S Willow	1,792,710	Industrial building - retail redevelopment
	224 South Orange	56,000	Vacant land - future redevelopment
W side Cedar Ave (Ayala Dr), N of Baseline	698,366	Vacant land - industrial assemblage	
237 S Palm	64,669	Vacant land - future redevelopment	
Airport Leasehold Acquisition	<u>8,385,010</u>	Improved land - airport redevelopment	
Total Private Purpose Trust Fund		<u>19,689,855</u>	
<b>Total Fiduciary Fund</b>		<u><u>\$19,689,855</u></u>	

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 9 – Capital Assets**

**A. Governmental Activities**

The summary of changes in governmental activities capital assets for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024 (As Restated)	Additions	Deletions	Transfers	Balance June 30, 2025
<b>Capital assets, not being depreciated:</b>					
Land	\$ 71,016,642	\$ 1,009,684	\$ -	\$ -	\$ 72,026,326
Land easements	7,306,780	-	-	-	7,306,780
Construction in process	90,046,077	65,866,909	(776,557)	(33,428,851)	121,707,578
<b>Total capital assets, not being depreciated</b>	<b>168,369,499</b>	<b>66,876,593</b>	<b>(776,557)</b>	<b>(33,428,851)</b>	<b>201,040,684</b>
<b>Capital assets, being depreciated:</b>					
Buildings and other structures	31,626,553	195,323	-	818,012	32,639,888
Improvements other than buildings	94,883,964	-	-	9,517,031	104,400,995
Machinery and equipment	7,042,964	123,756	-	-	7,166,720
Vehicles	18,454,712	4,555,025	(435,553)	-	22,574,184
Office furniture, computers, and equipment	4,792,131	1,147,975	-	-	5,940,106
Infrastructure	248,430,769	1,475,157	-	23,093,808	272,999,734
<b>Total capital assets, being depreciated</b>	<b>405,231,093</b>	<b>7,497,236</b>	<b>(435,553)</b>	<b>33,428,851</b>	<b>445,721,627</b>
<b>Less accumulated depreciation for:</b>					
Buildings and other structures	(15,917,328)	(602,308)	-	-	(16,519,636)
Improvements other than buildings	(39,423,291)	(3,903,578)	-	-	(43,326,869)
Machinery and equipment	(5,281,026)	(481,313)	-	-	(5,762,339)
Vehicles	(14,629,433)	(1,515,691)	435,553	-	(15,709,571)
Office furniture, computers, and equipment	(3,864,427)	(273,680)	-	-	(4,138,107)
Infrastructure	(137,662,820)	(12,794,122)	-	-	(150,456,942)
<b>Total accumulated depreciation</b>	<b>(216,778,325)</b>	<b>(19,570,692)</b>	<b>435,553</b>	<b>-</b>	<b>(235,913,464)</b>
<b>Total capital assets, being depreciated, net</b>	<b>188,452,768</b>	<b>(12,073,456)</b>	<b>-</b>	<b>33,428,851</b>	<b>209,808,163</b>
<b>Intangible capital assets, being amortized:</b>					
Right-to-use lease assets	240,339	-	(240,339)	-	-
Right-to-use subscription assets	3,603,599	1,097,700	-	-	4,701,299
<b>Total intangible capital assets, net</b>	<b>3,843,938</b>	<b>1,097,700</b>	<b>(240,339)</b>	<b>-</b>	<b>4,701,299</b>
<b>Less accumulated amortization for:</b>					
Right-to-use lease assets	(180,254)	(60,085)	240,339	-	-
Right-to-use subscription assets	(1,215,958)	(836,452)	-	-	(2,052,410)
<b>Total accumulated amortization</b>	<b>(1,396,212)</b>	<b>(896,537)</b>	<b>240,339</b>	<b>-</b>	<b>(2,052,410)</b>
<b>Total intangible capital assets, being amortized, net</b>	<b>2,447,726</b>	<b>201,163</b>	<b>-</b>	<b>-</b>	<b>2,648,889</b>
<b>Total capital assets, net</b>	<b>\$359,269,993</b>	<b>\$ 55,004,300</b>	<b>\$ (776,557)</b>	<b>\$ -</b>	<b>\$413,497,736</b>

Depreciation and amortization expense was charged to functions/programs of governmental activities in the Statement of Activities as follows:

General government	\$ 13,655,708
Public safety	4,726,738
Community development	2,084,783
<b>Total</b>	<b>\$ 20,467,229</b>

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 9 – Capital Assets (Continued)**

**B. Business-Type Activities**

The summary of changes in business-type activities capital assets for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
<b>Capital assets, not being depreciated:</b>					
Land	\$ 1,767,770	\$ -	\$ -	\$ -	\$ 1,767,770
Construction in progress	44,153,505	1,044,046	-	-	45,197,551
<b>Total capital assets, not being depreciated</b>	<b>45,921,275</b>	<b>1,044,046</b>	<b>-</b>	<b>-</b>	<b>46,965,321</b>
<b>Capital assets, being depreciated:</b>					
Land improvements	10,932,826	-	-	-	10,932,826
Buildings and structures	2,336,314	-	-	-	2,336,314
Machinery and equipment	150,205,268	72,923	-	-	150,278,191
<b>Total capital assets, being depreciated</b>	<b>163,474,408</b>	<b>72,923</b>	<b>-</b>	<b>-</b>	<b>163,547,331</b>
<b>Less accumulated depreciation for:</b>					
Land improvements	(6,797,049)	(472,979)	-	-	(7,270,028)
Buildings and structures	(2,151,504)	(18,429)	-	-	(2,169,933)
Machinery and equipment	(81,578,722)	(2,820,117)	-	-	(84,398,839)
<b>Total accumulated depreciation</b>	<b>(90,527,275)</b>	<b>(3,311,525)</b>	<b>-</b>	<b>-</b>	<b>(93,838,800)</b>
<b>Total capital assets, being depreciated, net</b>	<b>72,947,133</b>	<b>(3,238,602)</b>	<b>-</b>	<b>-</b>	<b>69,708,531</b>
<b>Total capital assets, net</b>	<b>\$118,868,408</b>	<b>\$ (2,194,556)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$116,673,852</b>

Depreciation expense was charged in the following business-type activities of the primary government:

Water	\$ 940,042
Wastewater	2,371,483
<b>Total</b>	<b>\$ 3,311,525</b>

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 10 – Long-Term Liabilities**

**A. Governmental Activities**

A summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024 (As Restated)	Additions	Deletions	Balance June 30, 2025	Due within One Year	Due in More Than One Year
<b>Governmental Activities:</b>						
Public Borrowings:						
Bonds Payable, net:						
2023 Lease Revenue Bond, Series A (Police Station Project)	\$ 56,525,000	\$ -	\$ -	\$ 56,525,000	\$ -	\$ 56,525,000
Unamortized premium	4,874,232	-	(260,875)	4,613,357	-	4,613,357
Direct Borrowings:						
Finance Purchase:						
Holman Capital Energy Retrofit Project - Santa Maria	1,411,195	-	(157,978)	1,253,217	160,258	1,092,959
Holman Capital Energy Conservation Project - Megabank	5,766,350	-	(228,534)	5,537,816	253,513	5,284,303
Street Light Acquisition and Conversion Project - Banner Bank	2,500,590	-	(224,570)	2,276,020	232,973	2,043,047
Notes Payable:						
HUD Sec 108	1,706,000	-	(177,000)	1,529,000	93,000	1,436,000
Lease Liability	63,286	-	(63,286)	-	-	-
Subscription Liability	2,064,594	1,097,700	(761,744)	2,400,550	778,015	1,622,535
Compensated Absences*	11,952,094	546,792	-	12,498,886	2,249,800	10,249,086
Claims Payable	29,871,963	8,622,645	(7,684,493)	30,810,115	6,165,617	24,644,498
<b>Total Governmental Activities</b>	<u>\$ 116,735,304</u>	<u>\$ 10,267,137</u>	<u>\$ (9,558,480)</u>	<u>\$ 117,443,961</u>	<u>\$ 9,933,176</u>	<u>\$ 107,510,785</u>

*Lease Revenue Bonds, 2023 Series A (Police Station Project)*

On December 12, 2023, the Financing Authority entered into a bond purchase agreement with Citigroup Global Markets Inc. for the issuance of \$56,525,000 Lease Revenue Bonds, 2023 Series A (Police Station Project). The bonds were issued at a premium of \$4,874,232, resulting in total sources of funds of \$61,399,232. After payment of the underwriter's discount of \$325,019, net proceeds totaled \$61,074,213. Proceeds of the bonds were used to finance the acquisition, construction, and improvement of a new police station facility, to fund a portion of interest on the bonds, and to pay costs of issuance. Interest on the bonds is payable semiannually on June 1 and December 1 at fixed interest rates ranging from 5.00% to 5.25%. The bonds mature through June 1, 2053.

The bonds are special limited obligations of the Authority and are payable solely from revenues pledged under the indenture, which consist primarily of base rental payments to be made by the City pursuant to a lease agreement. As security for the bonds, the Authority assigned to the Trustee certain of its rights under the lease agreement, including the right to receive base rental payments. The City's obligation to make rental payments is subject to annual appropriation by the City Council.

At June 30, 2025, the principal amount outstanding on the bonds was \$56,525,000.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 10 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

Lease Revenue Bonds, 2023 Series A (Police Station Project) (Continued)

The future debt service requirements as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ -	\$ 2,868,175	\$ 2,868,175
2027	1,030,000	2,868,175	3,898,175
2028	1,085,000	2,816,675	3,901,675
2029	1,140,000	2,762,425	3,902,425
2030	1,195,000	2,705,425	3,900,425
2031-2035	6,940,000	12,568,125	19,508,125
2036-2040	8,845,000	10,652,125	19,497,125
2041-2045	11,295,000	8,207,625	19,502,625
2046-2050	14,425,000	5,079,325	19,504,325
2051-2053	10,570,000	1,128,750	11,698,750
Total	<u>\$56,525,000</u>	<u>\$51,656,825</u>	<u>\$108,181,825</u>

Holman Capital Energy Retrofit Project – Santa Maria

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, 2025 was \$1,253,217.

The future debt service requirements as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 160,258	\$ 48,540	\$ 208,798
2027	164,850	42,085	206,935
2028	168,297	35,456	203,753
2029	174,984	28,658	203,642
2030	184,189	21,568	205,757
2031-2032	400,639	20,264	420,903
Total	<u>\$ 1,253,217</u>	<u>\$ 196,571</u>	<u>\$ 1,449,788</u>

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 10 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

Holman Capital Energy Retrofit Project – Megabank

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, 2025 was \$5,537,816.

The future debt service requirements as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 253,513	\$ 187,317	\$ 440,830
2027	280,038	178,425	458,463
2028	308,189	168,612	476,801
2029	338,051	157,822	495,873
2030	369,712	145,996	515,708
2031-2035	2,396,607	511,460	2,908,067
2036-2038	1,591,706	83,644	1,675,350
Total	<u>\$ 5,537,816</u>	<u>\$ 1,433,276</u>	<u>\$ 6,971,092</u>

Street Light Acquisition and Conversion Project - Banner Bank

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, 2025 was \$2,276,020.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 10 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

Street Light Acquisition and Conversion Project - Banner Bank (Continued)

The future debt service requirements as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 232,973	\$ 80,938	\$ 313,911
2027	241,555	72,356	313,911
2028	250,373	63,459	313,832
2029	259,596	54,394	313,990
2030	269,234	44,676	313,910
2031-2033	1,022,289	75,864	1,098,153
Total	<u>\$ 2,276,020</u>	<u>\$ 391,688</u>	<u>\$ 2,667,708</u>

HUD Section 108

On March 28, 2019, the City’s Public Financing Authority entered into a Section 108 loan agreement with the of U.S. Department Housing and Urban Development (HUD) 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, 2025 was \$1,529,000.

The future debt service requirements as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 93,000	\$ 50,437	\$ 143,437
2027	96,000	47,791	143,791
2028	99,000	44,998	143,998
2029	102,000	42,055	144,055
2030	105,000	38,860	143,860
2031-2035	570,000	139,949	709,949
2036-2039	464,000	37,180	501,180
Total	<u>\$ 1,529,000</u>	<u>\$ 401,270</u>	<u>\$ 1,930,270</u>

Lease Liability

As of June 30, 2025 the City has entered into a 48 month lease agreement as lessee for the lease of a building. As of June 30, 2025, the total value of the lease liability was \$0. The lease had an interest rate of 0.5603%. The right-to-use asset at June 30, 2025 of \$240,339 has been fully amortized, as stated in Note 9.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 10 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

Subscription Liabilities

The City has entered into a subscription agreements with various vendors for software. The subscriptions have payments that range from \$15,000 to \$404,268 and interest rates that range from 2.1570% to 2.9010%. As of June 30, 2025, the total combined value of the subscription liability is \$2,400,550, and the total combined value of the short-term subscription liability is \$778,015. The combined value of the right to use asset, as of June 30, 2025 of \$4,701,299 with accumulated amortization of \$2,052,410 is included within the governmental activities capital assets in Note 9.

The future debt service requirements as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 778,015	\$ 52,973	\$ 830,988
2027	706,318	39,479	745,797
2028	333,397	23,132	356,529
2029	351,745	14,785	366,530
2030	231,075	5,953	237,028
Total	<u>\$ 2,400,550</u>	<u>\$ 136,322</u>	<u>\$ 2,536,872</u>

Compensated Absences

The City accounts for compensated absences (unpaid vacation, holiday, compensated time off, and sick leave) for all City employees. The balance for accrued compensated absences at June 30, 2025 for the governmental activities is \$12,498,886.

Claims and Judgments

Refer to Note 13 for more information on claims and judgments.

**B. Business-Type Activities**

Summary of changes in long-term debts for the year ended June 30, 2025 for the business-type activities are as follows:

	Balance July 1, 2024 (As Restated)	Additions	Deletions	Balance June 30, 2025	Due within One Year	Due in More Than One Year
<b>Business-type Activities:</b>						
Debt with Concessionaire:						
Water	\$ 30,153,274	\$ -	\$ (1,002,346)	\$ 29,150,928	\$ 1,065,427	\$ 28,085,501
Wastewater	112,056,761	-	(2,596,506)	109,460,255	2,830,201	106,630,054
Total debt with concessionaire	<u>142,210,035</u>	<u>-</u>	<u>(3,598,852)</u>	<u>138,611,183</u>	<u>3,895,628</u>	<u>134,715,555</u>
Direct Borrowings:						
Notes payable	383,555	-	-	383,555	-	383,555
Compensated Absences*	41,957	19,448	-	61,405	11,053	50,352
<b>Total business-type activities</b>	<u>\$ 142,635,547</u>	<u>\$ 19,448</u>	<u>\$ (3,598,852)</u>	<u>\$ 139,056,143</u>	<u>\$ 3,906,681</u>	<u>\$ 135,149,462</u>

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 10 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

Concessionaire Agreements

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 20 for further information regarding the agreement. The total principal outstanding at June 30, 2025 was \$138,611,181.

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 bonds is \$43,500,000 as of June 30, 2025. 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 \$1,002,346 and \$1,897,654, respectively.

The annual debt service requirements to maturity for the Water Enterprise Fund are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,065,427	\$ 1,834,573	\$ 2,900,000
2027	1,132,478	1,767,522	2,900,000
2028	1,203,749	1,696,251	2,900,000
2026	1,279,505	1,620,495	2,900,000
2030	1,360,029	1,539,971	2,900,000
2031-2035	8,196,965	6,303,035	14,500,000
2036-2040	11,122,023	3,377,977	14,500,000
2041-2043	3,790,752	309,638	4,100,390
Total	<u>\$ 29,150,928</u>	<u>\$ 18,449,462</u>	<u>\$ 43,500,000</u>

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 \$220,742,938 as of June 30, 2025. 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 \$2,596,507 and \$10,085,493, respectively.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 10 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

Concessionaire Agreements (Continued)

The annual debt service requirements to maturity for the Wastewater Enterprise Fund are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 2,830,201	\$ 9,851,799	\$ 12,682,000
2027	3,084,929	9,597,071	12,682,000
2028	3,362,583	9,319,417	12,682,000
2026	3,665,227	9,016,773	12,682,000
2030	3,995,110	8,686,890	12,682,000
2031-2035	26,061,701	37,348,299	63,410,000
2036-2040	40,099,789	23,310,211	63,410,000
2041-2042	26,360,715	4,252,225	30,612,940
Total	<u>\$109,460,255</u>	<u>\$ 111,382,685</u>	<u>\$220,842,940</u>

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

Funds	Wastewater Enterprise Fund	Water Enterprise Fund	Application of Funds
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	Cost of financing
Total	<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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 10 – Long-Term Liabilities (Continued)**

***B. Business-Type Activities (Continued)***

*Notes Payable*

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, 2025 was \$383,555.

*Compensated Absences*

The City accounts for compensated absences (unpaid vacation, holiday, compensated time off, and sick leave) for all City employees. The balance for accrued compensated absences at June 30, 2025 for the business-type activities is \$61,405.

**Note 11 – Defined Benefit Pension Plans**

***A. General Information about the Pension Plans***

*Plan Descriptions*

The City contributes to the California Public Employees Retirement System (PERS); to both a miscellaneous agent multiple-employer and safety agent multiple-employer defined benefit pension plans. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of CalPERS' annual financial report may be obtained from CalPERS' website at [www.calpers.gov](http://www.calpers.gov) under Forms and Publications.

*Benefits Provided*

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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 11 – Defined Benefit Pension Plans (Continued)**

**A. General Information about the Pension Plans (Continued)**

Benefits Provided (Continued)

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.

The Plans' provisions and benefits in effect at the measurement date, are summarized as follows:

	Miscellaneous Plans			
	Classic*		PEPRA	
	Prior to January 1, 2013		Prior to January 1, 2013	
Hire date				
Benefit formula	2.7% @ 55		2% @ 62	
Benefit vesting schedule	5 years of service		5 years of service	
Benefit payments	Monthly for life		Monthly for life	
Retirement age	50 - 55		52 - 67	
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%		1.0% to 2.5%	
Required employee contribution rates	8.000%		8.250%	
Required contribution during measurement period	12.620%		12.620%	

  

	Safety Plans			
	Police		Fire	
	Classic*	PEPRA	Classic*	PEPRA
	Prior to July 1, 2012	On or after January 1, 2013	Prior to July 1, 2012	On or after January 1, 2013
Hire date				
Benefit formula	3% @ 50	2.7% @ 57	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	52 - 67	50	52
Monthly benefits, as a % of eligible compensation	3%, 50+ yrs	2%-2.7%, 50 yrs - 57+ yrs,	3%, 50+ yrs	2%-2.7%, 50 yrs - 57+ yrs,
Required employee contribution rates	9.000%	14.750%	9.000%	14.750%
Required contribution during measurement period	26.440%	26.440%	26.440%	26.440%

Employees Covered

At the June 30, 2023, valuation date, the following employees were covered by the benefit terms:

	<b>Miscellaneous Plans</b>	<b>Safety Plans</b>
Active employees	213	148
Transferred and terminated employees	384	119
Retired employees and beneficiaries	447	313
Total	<u>1044</u>	<u>580</u>

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 11 – Defined Benefit Pension Plans (Continued)**

**A. General Information about the Pension Plans (Continued)**

Contribution Description

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2025, the contributions made were in the amount of \$7,014,510 and \$13,774,335 for the miscellaneous and safety plans, respectively.

**B. Net Pension Liability**

The City's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2024 using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard updated procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability.

The June 30, 2023 valuations were rolled forward to determine the June 30, 2024 total pension liabilities, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Price Inflation Salary Increases	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	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

<sup>(1)</sup> The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the *2021 CalPERS Experience Study and Review of Actuarial Assumptions*. Mortality rates incorporate full 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 2021 experience study report from November 2021 that can be found on the CalPERS website.

Change of Assumptions

There were no assumption changes in 2024.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 11 – Defined Benefit Pension Plans (Continued)**

**B. Net Pension Liability (Continued)**

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.

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 <sup>1</sup>	Assumed Asset Allocation	Real Return <sup>1,2</sup>
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 equity	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management Study.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 11 – Defined Benefit Pension Plans (Continued)**

**C. Changes in Net Pension Liability**

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

	<b>Miscellaneous Plan</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability/(Asset) (c) = (a) - (b)</b>
Balance at June 30, 2023 (Valuation Date)	\$ 167,993,346	\$ 116,687,768	\$ 51,305,578
Changes Recognized for the Measurement Period:			
Service Cost	3,211,038	-	3,211,038
Interest on the total pension liability	11,550,211	-	11,550,211
Differences between Expected and Actual Experience	2,360,495	-	2,360,495
Contributions - Employer	-	5,847,651	(5,847,651)
Contributions - Employees	-	1,652,862	(1,652,862)
Net Investment Income	-	11,122,879	(11,122,879)
Benefit Payments, including Refunds of			
Employee Contributions	(9,129,994)	(9,129,994)	-
Administrative Expense	-	(94,949)	94,949
Net Changes during July 1, 2023 to June 30, 2024	7,991,750	9,398,449	(1,406,699)
Balance at June 30, 2024 (Measurement Date)	\$ 175,985,096	\$ 126,086,217	\$ 49,898,879

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

	<b>Safety Plan</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability/(Asset) (c) = (a) - (b)</b>
Balance at June 30, 2023 (Valuation Date)	\$ 372,381,629	\$ 268,761,763	\$ 103,619,866
Changes Recognized for the Measurement Period:			
Service Cost	7,025,484	-	7,025,484
Interest on the total pension liability	26,322,157	-	26,322,157
Differences between Expected and Actual Experience	15,148,891	-	15,148,891
Contributions - Employer	-	11,156,175	(11,156,175)
Contributions - Employees	-	3,929,548	(3,929,548)
Net Investment Income	-	25,656,773	(25,656,773)
Benefit Payments, including Refunds of			
Employee Contributions	(19,125,411)	(19,125,411)	-
Administrative Expense	-	(218,692)	218,692
Net Changes during July 1, 2023 to June 30, 2024	29,371,121	21,398,393	7,972,728
Balance at June 30, 2024 (Measurement Date)	\$ 401,752,750	\$ 290,160,156	\$ 111,592,594

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 11 – Defined Benefit Pension Plans (Continued)**

**C. Changes in Net Pension Liability (Continued)**

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

The following presents the net pension liability of the Plans as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	<b>Plan's Net Pension Liability/(Asset)</b>		
	<b>Discount Rate</b>	<b>Current Discount</b>	<b>Discount Rate</b>
	<b>- 1% (5.90%)</b>	<b>Rate (6.90%)</b>	<b>+ 1% (7.90%)</b>
<b>Miscellaneous Plan</b>	\$ 73,993,385	\$ 49,898,879	\$ 30,287,063
<b>Safety Plan</b>	\$ 169,511,289	\$ 111,592,594	\$ 64,612,041

Pension Plan Fiduciary Net Position

Detailed information about the plans' fiduciary net positions are available in the separately issued CalPERS financial reports.

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

For the year ended June 30, 2025, the City recognized pension expense in the amounts of \$8,489,930 and \$21,564,354 for the Miscellaneous Plan and Safety Plan, respectively.

As of measurement date of June 30, 2024, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

<b>Miscellaneous Plan</b>		
	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
	<b>of Resources</b>	<b>of Resources</b>
Employer contributions subsequent to measurement date	\$ 7,014,510	\$ -
Changes of assumptions	-	-
Difference between expected and actual experience	1,860,729	-
Net difference between projected and actual earning on pension plan investments	1,811,604	-
<b>Total Miscellaneous Plan</b>	<b>\$ 10,686,843</b>	<b>\$ -</b>
<b>Safety Plan</b>		
	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
	<b>of Resources</b>	<b>of Resources</b>
Employer contributions subsequent to measurement date	\$ 13,774,335	\$ -
Changes of assumptions	593,427	-
Difference between expected and actual experience	14,826,886	(94,306)
Net difference between projected and actual earning on pension plan investments	4,003,477	-
<b>Total Miscellaneous Plan</b>	<b>\$ 33,198,125</b>	<b>\$ (94,306)</b>

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 11 – Defined Benefit Pension Plans (Continued)**

**C. Changes in Net Pension Liability (Continued)**

The expected average remaining service lifetime (“EARSL”) for the Miscellaneous and Safety Plans for the measurement period ending June 30, 2024, are 2.5 years and 3.3 years respectively, which were obtained by dividing the total service years of 2,589 and 1,886 (the sums of remaining service lifetimes of the active employees) by 1,044 and 580 (the total numbers of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0 in both plans. Total future service is based on the members’ probability of decrementing due to an event other than receiving a cash refund.

\$7,014,510 and \$13,774,335 reported as deferred outflows of resources related to pensions for Miscellaneous Plan and Safety Plan, respectively, resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability and collectively net pension liability, respectively, in the year ending June 30, 2026.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

Measurement Period Ending June 30	Deferred Outflows/ (Inflows) of Resources Miscellaneous Plan	Deferred Outflows/ (Inflows) of Resources Safety Plan
2025	\$ 1,319,947	\$ 7,981,430
2026	3,459,677	12,582,224
2027	(478,235)	219,637
2028	(629,056)	(1,453,807)
2029	-	-
Thereafter	-	-
	\$ 3,672,333	\$ 19,329,484

**Note 12 – Other Postemployment Benefits (“OPEB”)**

**A. General Information about the OPEB Plan**

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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 12 – Other Postemployment Benefits (“OPEB”) (Continued)**

**A. General Information about the OPEB Plan (Continued)**

Benefits Provided

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 \$157 and \$158 for 2024 and 2025, respectively. Insurance provided by the City will be supplemental to Medicare upon the retiree reaching the age of 65.

Plan Membership

At June 30, 2024 valuation date, membership consisted of the following:

Active members	402
Inactive members currently receiving benefits	243
Inactive members entitled to but not yet receiving benefits	-
	645
	645

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, 2025, the City made employer contributions of \$2,367,420 and \$432,646 in implied subsidy benefit payments.

**B. Net OPEB Liability**

The City’s net OPEB liability was measured as of June 30, 2025 and the total OPEB Liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 12 – Other Postemployment Benefits (“OPEB”) (Continued)**

**B. Net OPEB Liability (Continued)**

Significant Actuarial Assumptions Used for Total OPEB Liability

The total OPEB liability, measured as of June 30, 2024, was determined using the following actuarial assumptions:

Actuarial Assumptions:	
Discount Rate	5.75% per annum as of June 30, 2024
Investment Rate of Return	5.88%, based on the PARS Moderate investment policy net of non-embedded fees.
Inflation	2.50% per annum
Salary Increases	3.00% per annum
Mortality	Pre-Retirement: CalPERS 2021 Mortality pre-retirement Post-Retirement: CalPERS 2021 Mortality post-retirement
Healthcare Cost Trend Rates	Pre-Medicare - 7.74% in 2025, trending down to 3.94% by 2076. Post-Medicare - 5.10% in 2025, trending down to 3.94% by 2076.

Changes in Assumptions

Discount rate changed to 5.75% at June 30, 2024 from 5.70% at June 30, 2023. Healthcare trend rate assumption was updated.

Discount Rate

The discount rate used to measure the total OPEB liability is 5.75%.

Long-Term Expected Rate of Return

As of June 30, 2024, the long-term expected rates of return for each major investment class in the Plan’s portfolio are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	28.50%	7.50%
U.S. Small Cap Equity	1.50%	8.60%
Int'l Development	11.20%	7.10%
Emerging Market	3.80%	7.40%
REITs	2.50%	7.00%
Listed Infrastructure	2.50%	6.80%
Core Bonds	44.50%	4.70%
High Yield Bonds	3.50%	6.80%
Cash	2.00%	2.70%
Total	100%	

Assets (per asset statement) are invested in PARS Moderate Investment Fund. The above table shows the target asset allocation and expected real rate of return for each asset class provided by PARS.

The long term (30 year) expected rate of return for PARS Moderate Fund developed by PFMAM Managed Strategies is 6.30%, fees are estimated to be 0.42% reducing the expected long-term rate of return to 5.88%.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 12 – Other Postemployment Benefits (“OPEB”) (Continued)**

**B. Net OPEB Liability (Continued)**

Long-Term Expected Rate of Return (Continued)

The changes in the net OPEB liability for the plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023	\$ 46,618,817	\$ 26,427,021	\$ 20,191,796
Changes recognized for the measurement period:			
Service cost	1,573,948	-	1,573,948
Interest	2,680,452	-	2,680,452
Changes of Assumptions	(7,875,730)	-	(7,875,730)
Differences between Expected and Actual Experience	(2,473,530)	-	(2,473,530)
Contributions - Employer - City's Contribution	-	2,367,420	(2,367,420)
Contributions - Employer - Implicit Subsidy	-	-	-
Net Investment Income	-	3,001,001	(3,001,001)
Benefit Payments	(2,367,420)	(2,367,420)	-
Implicit Subsidy Credit	-	-	-
Administrative Expense	-	-	-
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during July 1, 2023 to June 30, 2024	(8,462,280)	3,001,001	(11,463,281)
Balance at June 30, 2024 (Measurement Date)	<u>\$ 38,156,537</u>	<u>\$ 29,428,022</u>	<u>\$ 8,728,515</u>

**C. Changes in Net OPEB Liability**

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate, for the measurement period June 30, 2024:

	Plan's Net OPEB Liability/(Asset)		
	Discount Rate - 1% (4.75%)	Current Discount Rate (5.75%)	Discount Rate + 1% (6.75%)
Net OPEB liability (asset)	\$ 14,371,555	\$ 8,728,515	\$ 4,219,475

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Plan's Net OPEB Liability/(Asset)		
	Healthcare Cost Trend Rate - 1%	Healthcare Cost Trend Rate	Healthcare Cost Trend Rate + 1%
Net OPEB liability (asset)	\$ 3,819,771	\$ 8,728,515	\$ 15,011,564

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 12 – Other Postemployment Benefits (“OPEB”) (Continued)**

**C. Changes in Net OPEB Liability (Continued)**

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

For the measurement period ended June 30, 2024, the City recognized OPEB credit of \$(1,738,149). At June 30, 2025, The City reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	<b>OPEB Plan</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
City contributions after the measurement date	\$ 1,993,214	\$ -
Changes in assumptions	2,295,313	(17,541,104)
Differences between expected and actual experience	-	(5,128,475)
Differences between projected and actual return on plan investments	146,845	-
Total	\$ 4,435,372	\$ (22,669,579)

The \$1,993,214 reported as City contributions after the measurement date will be recognized as a reduction of the Net OPEB Liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

Measurement Period Ending June 30	<b>Deferred Outflows /(Inflows) of Resources</b>
2025	\$ (4,823,536)
2026	(4,220,907)
2027	(5,371,869)
2028	(2,349,008)
2029	(1,504,135)
Thereafter	(1,957,966)
	\$ (20,227,421)

**Note 13 – 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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 13 – Risk Management (Continued)**

The City is also a member of the Public Risk Innovation, Solutions, and Management (“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. 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 in the past three fiscal years are as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Fiscal Year Claims and Prior Fiscal Year Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2022-2023	\$ 23,047,370	\$ 11,998,713	\$ (7,200,188)	\$ 27,845,895
2023-2024	27,845,895	6,564,286	(4,538,218)	29,871,963
2024-2025	29,871,963	8,622,645	(7,684,493)	30,810,115

**Note 14 – Net Investment in Capital Assets**

The calculation of net investment in capital assets is calculated as follows:

	Governmental Activities	Business-Type Activities	Enterprise Funds	
			Water	Wastewater
Total capital assets, net	\$ 413,497,736	\$ 116,673,852	\$ 27,558,751	\$ 89,115,101
Unspent capital debt proceeds	42,524,831	14,879,246	3,213,275	11,665,971
Cash held in escrow	14,924,777	-	-	-
Retention payable	(835,066)	-	-	-
Capital related debt	(74,134,960)	(43,773,949)	(6,270,665)	(37,503,284)
Net investment in capital assets	<u>\$ 395,977,318</u>	<u>\$ 87,779,149</u>	<u>\$ 24,501,361</u>	<u>\$ 63,277,788</u>

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 15 – Fund Balance Classifications**

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

	General Fund	Park Development Special Revenue Fund	Capital Projects Fund	Police Station Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>						
Inventories	\$ 103,121	\$ -	\$ -	\$ -	\$ -	\$ 103,121
Prepaid items	84,465	-	56,871	-	-	141,336
Advances to other funds	17,492,605	-	-	-	-	17,492,605
Land held for resale	719,969	-	-	-	-	719,969
<b>Total nonspendable</b>	<b>18,400,160</b>	<b>-</b>	<b>56,871</b>	<b>-</b>	<b>-</b>	<b>18,457,031</b>
<b>Restricted:</b>						
General government	-	-	-	-	50,649,081	50,649,081
Public safety	-	-	-	-	26,451,790	26,451,790
Community development	-	218,222	-	-	66,208,787	66,427,009
Capital projects	-	-	84,787	24,891,307	10,962,633	35,938,727
Debt service	-	-	-	-	578,243	578,243
Deposits	6,418,587	-	-	-	-	6,418,587
<b>Total restricted</b>	<b>6,418,587</b>	<b>218,222</b>	<b>84,787</b>	<b>24,891,307</b>	<b>154,850,534</b>	<b>186,463,437</b>
<b>Committed:</b>						
Economic uncertainty	36,295,841	-	-	-	-	36,295,841
<b>Assigned:</b>						
Capital projects	-	-	55,627,907	-	-	55,627,907
Unassigned (deficit)	72,286,583	-	-	-	(6,256,328)	66,030,255
<b>Total</b>	<b>\$ 133,401,171</b>	<b>\$ 218,222</b>	<b>\$ 55,769,565</b>	<b>\$ 24,891,307</b>	<b>\$ 148,594,206</b>	<b>\$ 362,874,471</b>

**Note 16 – Restatement of Beginning Net Position and Fund Balances**

The beginning net positions and fund balances were restated as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Beginning, as previously reported	\$ 532,547,129	\$ 43,604,940
Change in accounting principle:		
GASB 101 - Compensated Absences	543,667	(2,673)
Error correction:		
Capital assets (a)	3,398,260	-
Beginning, as restated	<b>\$ 536,489,056</b>	<b>\$ 43,602,267</b>

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 16 – Restatement of Beginning Net Position and Fund Balances (Continued)**

	Governmental Funds		Enterprise Funds			Internal Service Funds	
	Cal Home Special Revenue Fund	Housing Authority Special Revenue Fund	Water	Wastewater	Cemetery	Worker's Compensation	General Liability
Beginning, as previously reported	\$ 1,889,793	\$ 3,209,471	\$ 7,692,308	\$ 25,360,370	\$ 835,754	\$ (6,515,654)	\$ 1,629,372
Change in accounting principle: GASB 101 - Compensated Absences	-	-	17,474	(20,123)	(24)	(93)	(93)
Error correction: Unavailable revenue (b)	982,045	929,257	-	-	-	-	-
Beginning, as restated	\$ 2,871,838	\$ 4,138,728	\$ 7,709,782	\$ 25,340,247	\$ 835,730	\$ (6,515,747)	\$ 1,629,279

- a) The increase of the net position of \$3,398,20 for governmental activities was related to the capital outlay of Police Station Capital Projects Fund that were expensed in prior year but met the criteria of capitalization.
- b) The increase in the beginning fund balances of the Cal HOME Special Revenue Fund of \$982,045 and Authority Special Revenue Fund of \$929,257 reflects the reclassification of previously reported unavailable revenue related to the notes and loans receivable to restricted fund balance.

**Note 17 – Joint Power 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.

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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 18 – 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 19 – Tax Abatement Agreement**

The City has negotiated certain tax abatement agreement with an entity in the distribution industry to abate 50 percent of sales taxes due to the City from this entity. The agreement is for twenty years, with no maximum abatement ceiling. The entity have the sole option to extend the agreement at the conclusion of the term. As a result of this tax abatement agreement, the City's sales taxes were reduced by \$5,681,990 in the current fiscal year.

**Note 20 – 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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 20 – Concessionaire Agreement (Continued)**

**A. Wastewater Facility (Continued)**

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 10) 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.

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 2024-25 for the Wastewater Fixed Fee, which is included in the cost of sales and services expense in the Wastewater Fund, totaled \$8,120,102 detailed as follows:

	Actual
Wastewater Fixed Component	\$ 2,776,056
Wastewater Routine R&R Component	285,000
Wastewater Chemical Component	1,029,932
Wastewater Labor Component	4,029,114
Total Wastewater Fixed Fee	\$ 8,120,102

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

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 20 – Concessionaire Agreement (Continued)**

**A. Wastewater Facility (Continued)**

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 10). 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.

**B. 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.

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.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 20 – Concessionaire Agreement (Continued)**

**B. Water Facility (Continued)**

The amount paid in fiscal year 2024-25 for the Water Fixed Fee, which is included in the cost of sales and services expense in the Water Fund, totaled \$6,909,091 detailed as follows:

	Actual
Water Fixed Component	\$ 2,880,911
Water Routine R&R Component	285,000
Water Chemical Component	63,094
Water Labor Component	3,680,086
Total Water Fixed Fee	\$ 6,909,091

The Water Fixed Fee 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.

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 21 – Successor Agency Disclosures**

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

The Bill provides that upon dissolution of a redevelopment agency, either the city or other unit of local government will agree to serve as the “successor agency” to hold the assets units they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 12-001.

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

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 21 – Successor Agency Disclosures (Continued)**

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

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

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

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

Prior to that date, the final seven months of activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of January 31, 2012 from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (current financial resources measurement focus) and the measurement focus of the trust funds (economic resources measurement focus), the extraordinary gain (loss) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

**A. Cash and Investments**

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

Cash and investments pooled with the City	\$ 10,515,618
Cash and investments with fiscal agent	<u>5,013,237</u>
Total	<u><u>\$ 15,528,855</u></u>

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 21 – Successor Agency Disclosures (Continued)**

**B. Notes Receivable**

At June 30, 2025, the Successor Agency’s notes receivable consisted of the following:

Rialto Unified School District Cooperative Agreements	\$ 4,137,934
Ramrod Mobile Home Park	1,328,166
Commercial Loan Program	255,315
Total	\$ 5,721,415

*Rialto Unified School District Cooperative Agreements*

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, 2025, \$2,166,941 of this receivable remains outstanding, bearing interest at variable rates between 3.6% and 4.9%.

*Rialto Unified School District Cooperative Agreements (Continued)*

Effective September 1, 2018, the Agency 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, 2025, \$1,970,993 of this receivable remains outstanding, bearing interest at 5%.

*Ramrod Mobile Home Park*

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 \$1,328,166 at June 30, 2025.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 21 – Successor Agency Disclosures (Continued)**

**B. Notes Receivable (Continued)**

Commercial Loan Program

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, 2025 is \$255,315.

**C. 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, 2025, 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.

**D. Capital Assets**

A summary of changes in the Successor Agency’s capital assets at June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
<b>Capital assets, not being depreciated:</b>					
Land	\$ 290,347	\$ -	\$ -	\$ -	\$ 290,347
<b>Total capital assets, not being depreciated</b>	<b>290,347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>290,347</b>
<b>Capital assets, being depreciated:</b>					
Buildings and other structures	97,647	-	-	-	97,647
Improvements other than buildings	285,647	-	-	-	285,647
<b>Total capital assets, being depreciated</b>	<b>383,294</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>383,294</b>
<b>Less accumulated depreciation for:</b>					
Buildings and other structures	(41,077)	(1,956)	-	-	(43,033)
Improvements other than buildings	(285,647)	-	-	-	(285,647)
<b>Total accumulated depreciation</b>	<b>(326,724)</b>	<b>(1,956)</b>	<b>-</b>	<b>-</b>	<b>(328,680)</b>
<b>Total capital assets, being depreciated, net</b>	<b>56,570</b>	<b>(1,956)</b>	<b>-</b>	<b>-</b>	<b>54,614</b>
<b>Total capital assets, net</b>	<b>\$ 346,917</b>	<b>\$ (1,956)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 344,961</b>

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 21 – Successor Agency Disclosures (Continued)**

**E. Long-Term Liabilities**

Long-term debt of the Successor Agency as of June 30, 2025, consisted of the following:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due within One Year	Due in More Than One Year
<b>Successor Agency Activities:</b>						
Bonds payable, net:						
2008 Tax Allocation Bonds, Series B	\$ 21,650,000	\$ -	\$ (735,000)	\$20,915,000	\$ 790,000	\$20,125,000
2008 Tax Allocation Bonds, Series C	15,720,000	-	(675,000)	15,045,000	730,000	14,315,000
2014 Tax Allocation Revenue Refunding Bonds, Series A	6,245,000	-	(1,445,000)	4,800,000	1,530,000	3,270,000
2015 Tax Allocation Revenue Refunding Bonds, Series A	20,640,000	-	-	20,640,000	-	20,640,000
2015 Tax Allocation Revenue Refunding Bonds, Series B	7,255,000	-	(1,195,000)	6,060,000	1,240,000	4,820,000
2015 Tax Allocation Revenue Refunding Bonds, Series C	5,030,000	-	(460,000)	4,570,000	480,000	4,090,000
2018 Tax Allocation Revenue Refunding Bonds, Series A	25,105,000	-	(500,000)	24,605,000	515,000	24,090,000
Unamortized premiums/(discounts):						
2008 Tax Allocation Bonds, Series B	181,214	-	(20,051)	161,163	-	161,163
2008 Tax Allocation Bonds, Series C	149,393	-	(17,929)	131,464	-	131,464
2014 Tax Allocation Bonds, Series A	252,508	-	(106,154)	146,354	-	146,354
2015 Tax Allocation Bonds, Series A	554,260	-	(65,174)	489,086	-	489,086
2015 Tax Allocation Bonds, Series B	(38,109)	-	11,895	(26,214)	-	(26,214)
2015 Tax Allocation Bonds, Series C	(31,794)	-	6,192	(25,602)	-	(25,602)
2018 Tax Allocation Bonds, Series A	2,740,580	-	(284,649)	2,455,931	-	2,455,931
<b>Total business-type activities</b>	<b>\$105,453,052</b>	<b>\$ -</b>	<b>\$ (5,485,870)</b>	<b>\$99,967,182</b>	<b>\$ 5,285,000</b>	<b>\$94,682,182</b>

2008 Tax Allocation Bonds, Series B

\$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 issue premium of \$161,163 and is payable from redevelopment property tax trust fund revenues received by Successor Agency. The total principal outstanding at June 30, 2025 was \$20,915,000.

The future debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 790,000	\$ 1,539,000	\$ 2,329,000
2027	845,000	1,477,688	2,322,688
2028	910,000	1,411,875	2,321,875
2029	980,000	1,341,000	2,321,000
2030	1,050,000	1,264,875	2,314,875
2031-2035	8,185,000	4,848,563	13,033,563
2036-2038	8,155,000	946,688	9,101,688
Total	<u>\$20,915,000</u>	<u>\$12,829,689</u>	<u>\$33,744,689</u>

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 21 – Successor Agency Disclosures (Continued)**

**E. Long-Term Liabilities (Continued)**

2008 Tax Allocation Bonds, Series C

\$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, 2025 was \$15,045,000.

The future debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 730,000	\$ 1,101,000	\$ 1,831,000
2027	775,000	1,044,563	1,819,563
2028	830,000	984,375	1,814,375
2029	900,000	919,500	1,819,500
2030	965,000	849,563	1,814,563
2031-2035	6,030,000	3,001,875	9,031,875
2036-2038	4,815,000	558,563	5,373,563
Total	<u>\$ 15,045,000</u>	<u>\$ 8,459,439</u>	<u>\$ 23,504,439</u>

2014 Tax Allocation Revenue Refunding Bonds, Series A

\$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, 2025 was \$4,800,000.

The future debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,530,000	\$ 194,100	\$ 1,724,100
2027	1,595,000	123,625	1,718,625
2028	1,675,000	41,875	1,716,875
Total	<u>\$ 4,800,000</u>	<u>\$ 359,600</u>	<u>\$ 5,159,600</u>

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 21 – Successor Agency Disclosures (Continued)**

***E. Long-Term Liabilities (Continued)***

*2015 Tax Allocation Revenue Refunding Bonds Series A*

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, 2025 was \$20,640,000.

The future debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ -	\$ 937,850	\$ 937,850
2027	-	937,850	937,850
2028	-	937,850	937,850
2029	-	937,850	937,850
2030	2,065,000	886,225	2,951,225
2031-2035	15,355,000	2,271,500	17,626,500
2036	3,220,000	128,800	3,348,800
Total	<u>\$20,640,000</u>	<u>\$ 7,037,925</u>	<u>\$27,677,925</u>

*2015 Tax Allocation Revenue Refunding Bonds Series B*

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, 2025 was \$6,060,000.

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 21 – Successor Agency Disclosures (Continued)**

***E. Long-Term Liabilities (Continued)***

The future debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,240,000	\$ 255,300	\$ 1,495,300
2027	1,290,000	198,313	1,488,313
2028	1,355,000	135,494	1,490,494
2029	1,420,000	69,588	1,489,588
2030	755,000	17,931	772,931
Total	<u>\$ 6,060,000</u>	<u>\$ 676,626</u>	<u>\$ 6,736,626</u>

*2015 Tax Allocation Revenue Refunding Bonds Series C*

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, 2025 was \$4,570,000.

The future debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 480,000	\$ 212,010	\$ 692,010
2027	505,000	189,477	694,477
2028	525,000	165,401	690,401
2029	555,000	139,125	694,125
2030	585,000	110,625	695,625
2031-2035	1,920,000	147,000	2,067,000
Total	<u>\$ 4,570,000</u>	<u>\$ 963,638</u>	<u>\$ 5,533,638</u>

**City of Rialto**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 21 – Successor Agency Disclosures (Continued)**

***E. Long-Term Liabilities (Continued)***

*2018 Tax Allocation Revenue Refunding Bonds, Series A*

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, 2025 was \$24,605,000.

The future debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 515,000	\$ 1,217,375	\$ 1,732,375
2027	550,000	1,190,750	1,740,750
2028	570,000	1,162,750	1,732,750
2029	2,160,000	1,094,500	3,254,500
2030	1,205,000	1,010,375	2,215,375
2031-2035	7,775,000	4,008,375	11,783,375
2036-2038	11,830,000	1,038,250	12,868,250
Total	\$24,605,000	\$10,722,375	\$35,327,375

***F. 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.

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

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**City of Rialto**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 122,885,264	\$ 122,885,264	\$ 135,715,686	\$ 12,830,422
Licenses and permits	6,300,000	6,300,000	6,415,786	115,786
Intergovernmental	5,657,090	5,657,090	9,579,278	3,922,188
Charges for services	12,697,530	12,697,530	11,452,643	(1,244,887)
Use of money and property	2,174,000	2,174,000	12,100,119	9,926,119
Fines and forfeitures	1,000,000	1,000,000	1,145,124	145,124
Miscellaneous	1,046,995	1,046,995	1,818,846	771,851
<b>Total Revenues</b>	<u>151,760,879</u>	<u>151,760,879</u>	<u>178,227,482</u>	<u>26,466,603</u>
<b>EXPENDITURES:</b>				
Current:				
General government	44,129,734	45,091,440	40,064,034	5,027,406
Public safety	73,738,308	74,837,967	77,557,276	(2,719,309)
Community development	28,037,295	28,878,887	24,389,014	4,489,873
Capital outlay	-	-	403,260	(403,260)
Debt service:				
Principal	386,515	386,515	1,066,041	(679,526)
Interest	250,230	250,230	282,484	(32,254)
<b>Total Expenditures</b>	<u>146,542,082</u>	<u>149,445,039</u>	<u>143,762,109</u>	<u>5,682,930</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>5,218,797</u>	<u>2,315,840</u>	<u>34,465,373</u>	<u>32,149,533</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	143,710	385,343	385,343	-
Transfers out	(3,077,870)	(34,993,674)	(35,063,822)	(70,148)
Issuance of debt	-	-	403,260	403,260
<b>Total other financing sources (uses)</b>	<u>(2,934,160)</u>	<u>(34,608,331)</u>	<u>(34,275,219)</u>	<u>333,112</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 2,284,637</u>	<u>\$ (32,292,491)</u>	<u>190,154</u>	<u>\$ 32,482,645</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>133,211,017</u>	
End of year			<u>\$ 133,401,171</u>	

**City of Rialto**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule - Park Development Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 400,000	\$ 400,000	\$ 1,730,543	\$ 1,330,543
Use of money and property	94,500	94,500	302,657	208,157
<b>Total Revenues</b>	<u>494,500</u>	<u>494,500</u>	<u>2,033,200</u>	<u>1,538,700</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 494,500</u>	<u>\$ 494,500</u>	2,033,200	<u>\$ 1,538,700</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			<u>(1,814,978)</u>	
End of year			<u>\$ 218,222</u>	

**City of Rialto**  
**Required Supplementary Information**  
**Notes to the Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2025**

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**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 Police Station Capital Projects Fund, Transportation Enhancement Activities Special Revenue Fund, American Rescue Plan Special Revenue Fund, Traffic Safety Special Revenue Fund, Neighborhood Stabilization Special Revenue Fund, Brownfield Clean Up Grant Special Revenue Fund, Fire Grant Special Revenue Fund, Special Deposits Special Revenue Fund, Confiscated Special Revenue Fund, and Police Station Debt Service Fund for the fiscal year 2024-2025. 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 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.

**Note 2 - Excess of Expenditures over Appropriations**

Expenditures exceeded appropriations in the Street Lighting & Landscape Maintenance Special Revenue Fund, and Cal Home Special Revenue Fund.

**City of Rialto**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2025**

	Last Ten Fiscal Years				
	Miscellaneous Plan				
	2016	2017	2018	2019	2020
Measurement period	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
<b>Total pension liability</b>					
Service cost	\$ 1,545,683	\$ 1,621,654	\$ 1,962,464	\$ 2,003,976	\$ 1,791,482
Interest on total pension liability	8,242,200	8,545,451	8,739,244	8,993,449	9,347,753
Changes in benefit terms					
Changes of assumptions	(2,069,469)	-	7,392,961	(799,662)	-
Difference between expected and actual experience	(1,901,232)	(403,816)	(1,503,407)	(254,150)	623,582
Benefit payments, including refunds of employee contributions	(5,329,662)	(5,586,314)	(5,823,917)	(6,402,730)	(6,716,222)
<b>Net change in total pension liability</b>	487,520	4,176,975	10,767,345	3,540,883	5,046,595
<b>Total pension liability - beginning</b>	113,603,873	114,091,393	118,268,368	129,035,713	132,576,596
<b>Total pension liability - ending (a)</b>	<u>\$ 114,091,393</u>	<u>\$ 118,268,368</u>	<u>\$ 129,035,713</u>	<u>\$ 132,576,596</u>	<u>\$ 137,623,191</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 2,257,385	\$ 2,770,673	\$ 3,399,175	\$ 3,194,249	\$ 3,600,870
Contributions - employee	832,233	864,570	924,474	1,013,826	887,762
Net investment income	1,827,857	419,804	8,989,575	7,500,484	6,111,526
Benefit payments, including refunds of employee contributions	(5,329,662)	(5,586,314)	(5,823,917)	(6,402,730)	(6,716,222)
Net Plan to Resource Movement	1,212	28,412	-	(218)	-
Administrative expense	(93,780)	(50,761)	(120,679)	(138,851)	(67,087)
Other miscellaneous income/(expense) <sup>1</sup>	-	-	-	(263,681)	218
<b>Net change in plan fiduciary net position</b>	(504,755)	(1,553,616)	7,368,628	4,903,079	3,817,067
<b>Plan fiduciary net position - beginning<sup>2</sup></b>	83,795,556	83,290,801	81,737,185	89,105,813	94,008,892
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 83,290,801</u>	<u>\$ 81,737,185</u>	<u>\$ 89,105,813</u>	<u>\$ 94,008,892</u>	<u>\$ 97,825,959</u>
<b>Plan net pension liability - ending (a) - (b)</b>	<u>\$ 30,800,592</u>	<u>\$ 36,531,183</u>	<u>\$ 39,929,900</u>	<u>\$ 38,567,704</u>	<u>\$ 39,797,232</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<u>73.00%</u>	<u>69.11%</u>	<u>69.06%</u>	<u>70.91%</u>	<u>71.08%</u>
<b>Covered payroll<sup>3</sup></b>	\$ 8,408,677	\$ 9,138,652	\$ 10,035,098	\$ 10,400,541	\$ 9,074,473
<b>Plan net pension liability as a percentage of covered payroll</b>	<u>366.30%</u>	<u>399.74%</u>	<u>397.90%</u>	<u>370.82%</u>	<u>438.56%</u>

<sup>1</sup>During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup>Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth for fiscal years ended in 2015 through 2017.

**Notes to Schedule:**

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

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

**City of Rialto**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in Net Pension Liability and Related Ratios (Continued)**  
**For the Year Ended June 30, 2025**

	Last Ten Fiscal Years				
	Miscellaneous Plan				
	2021	2022	2023	2024	2025
Measurement period	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
<b>Total pension liability</b>					
Service cost	\$ 2,051,976	\$ 2,090,638	\$ 2,384,818	\$ 2,810,889	\$ 3,211,038
Interest on total pension liability	9,773,601	10,134,642	10,467,478	11,036,170	11,550,211
Changes in benefit terms				239,822	-
Changes of assumptions	-	-	5,063,120	-	-
Difference between expected and actual experience	1,702,384	724,123	463,355	3,407,306	2,360,495
Benefit payments, including refunds of employee contributions	(7,315,654)	(7,723,398)	(8,155,607)	(8,785,508)	(9,129,994)
<b>Net change in total pension liability</b>	6,212,307	5,226,005	10,223,164	8,708,679	7,991,750
<b>Total pension liability - beginning</b>	137,623,191	143,835,498	149,061,503	159,284,667	167,993,346
<b>Total pension liability - ending (a)</b>	<u>\$ 143,835,498</u>	<u>\$ 149,061,503</u>	<u>\$ 159,284,667</u>	<u>\$ 167,993,346</u>	<u>\$ 175,985,096</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 4,154,462	\$ 4,936,398	\$ 4,951,534	\$ 7,812,395	\$ 5,847,651
Contributions - employee	1,030,303	1,183,351	891,608	1,332,851	1,652,862
Net investment income	4,856,489	22,368,446	(9,081,623)	6,799,863	11,122,879
Benefit payments, including refunds of employee contributions	(7,315,654)	(7,723,398)	(8,155,607)	(8,785,508)	(9,129,994)
Net Plan to Resource Movement	-	-	-	142	-
Administrative expense	(137,911)	(100,307)	(75,424)	(80,601)	(94,949)
Other miscellaneous income/(expense) <sup>1</sup>	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	2,587,689	20,664,490	(11,469,512)	7,079,142	9,398,449
<b>Plan fiduciary net position - beginning<sup>2</sup></b>	97,825,959	100,413,648	121,078,138	109,608,626	116,687,768
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 100,413,648</u>	<u>\$ 121,078,138</u>	<u>\$ 109,608,626</u>	<u>\$ 116,687,768</u>	<u>\$ 126,086,217</u>
<b>Plan net pension liability - ending (a) - (b)</b>	<u>\$ 43,421,850</u>	<u>\$ 27,983,365</u>	<u>\$ 49,676,041</u>	<u>\$ 51,305,578</u>	<u>\$ 49,898,879</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<u>69.81%</u>	<u>81.23%</u>	<u>68.81%</u>	<u>69.46%</u>	<u>71.65%</u>
<b>Covered payroll<sup>3</sup></b>	\$ 10,874,276	\$ 11,294,642	\$ 11,765,257	\$ 13,698,288	\$ 16,407,959
<b>Plan net pension liability as a percentage of covered payroll</b>	<u>399.31%</u>	<u>247.76%</u>	<u>422.23%</u>	<u>374.54%</u>	<u>304.11%</u>

<sup>1</sup>During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup>Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth for fiscal years ended in 2015 through 2017.

**Notes to Schedule:**

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

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

**City of Rialto**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2025**

	Last Ten Fiscal Years				
	Safety Plan				
	2016	2017	2018	2019	2020
Measurement period	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
<b>Total pension liability</b>					
Service cost	\$ 4,576,388	\$ 4,790,840	\$ 5,334,644	\$ 5,206,707	\$ 4,820,128
Interest on total pension liability	17,478,960	18,240,547	18,863,603	19,196,158	19,950,664
Changes in benefit terms					
Changes of assumptions	(4,760,201)	-	17,388,091	(8,400,860)	-
Difference between expected and actual experience	(2,396,762)	(2,000,635)	(4,519,766)	450,278	(1,417,660)
Benefit payments, including refunds of employee contributions	(9,966,418)	(10,446,639)	(11,120,451)	(11,944,712)	(12,534,003)
<b>Net change in total pension liability</b>	4,931,967	10,584,113	25,946,121	4,507,571	10,819,129
<b>Total pension liability - beginning</b>	238,335,097	243,267,064	253,851,177	279,797,298	284,304,869
<b>Total pension liability - ending (a)</b>	<u>\$ 243,267,064</u>	<u>\$ 253,851,177</u>	<u>\$ 279,797,298</u>	<u>\$ 284,304,869</u>	<u>\$ 295,123,998</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 6,116,568	\$ 6,139,735	\$ 6,576,775	\$ 6,989,814	\$ 7,807,973
Contributions - employee	2,679,822	2,994,151	3,084,249	2,893,086	2,872,745
Net investment income	3,784,587	857,197	19,120,363	16,082,104	13,315,731
Benefit payments, including refunds of employee contributions	(9,966,418)	(10,446,639)	(11,120,451)	(11,944,712)	(12,534,003)
Net Plan to Resource Movement	(1,048)	(28,412)	-	(470)	-
Administrative expense	(194,077)	(105,111)	(253,771)	(294,963)	(144,475)
Other miscellaneous income/(expense)	-	-	-	(560,140)	470
<b>Net change in plan fiduciary net position</b>	2,419,434	(589,079)	17,407,165	13,164,719	11,318,441
<b>Plan fiduciary net position - beginning</b>	170,050,535	172,469,969	171,880,890	189,288,055	202,452,774
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 172,469,969</u>	<u>\$ 171,880,890</u>	<u>\$ 189,288,055</u>	<u>\$ 202,452,774</u>	<u>\$ 213,771,215</u>
<b>Plan net pension liability - ending (a) - (b)</b>	<u>\$ 70,797,095</u>	<u>\$ 81,970,287</u>	<u>\$ 90,509,243</u>	<u>\$ 81,852,095</u>	<u>\$ 81,352,783</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<u>70.90%</u>	<u>67.71%</u>	<u>67.65%</u>	<u>71.21%</u>	<u>72.43%</u>
<b>Covered payroll (from prior year)</b>	\$ 15,074,241	\$ 15,545,592	\$ 15,522,578	\$ 15,871,203	\$ 14,498,370
<b>Plan net pension liability as a percentage of covered payroll</b>	<u>469.66%</u>	<u>527.29%</u>	<u>583.08%</u>	<u>515.73%</u>	<u>561.12%</u>

<sup>1</sup>During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth for fiscal years ended in 2015 through 2017.

**Notes to Schedule:**

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

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

**City of Rialto**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in Net Pension Liability and Related Ratios (Continued)**  
**For the Year Ended June 30, 2025**

	Last Ten Fiscal Years				
	Safety Plan				
	2021	2022	2023	2024	2025
Measurement period	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
<b>Total pension liability</b>					
Service cost	\$ 5,368,782	\$ 6,068,460	\$ 6,987,480	\$ 7,203,683	\$ 7,025,484
Interest on total pension liability	20,986,672	22,123,384	22,696,112	24,355,579	26,322,157
Changes in benefit terms				140,014	-
Changes of assumptions	-	-	6,527,700	-	-
Difference between expected and actual experience	2,381,715	2,800,717	(1,037,356)	10,366,524	15,148,891
Benefit payments, including refunds of employee contributions	(13,340,458)	(13,875,382)	(15,385,586)	(17,110,409)	(19,125,411)
<b>Net change in total pension liability</b>	15,396,711	17,117,179	19,788,350	24,955,391	29,371,121
<b>Total pension liability - beginning</b>	295,123,998	310,520,709	327,637,888	347,426,238	372,381,629
<b>Total pension liability - ending (a)</b>	<u>\$ 310,520,709</u>	<u>\$ 327,637,888</u>	<u>\$ 347,426,238</u>	<u>\$ 372,381,629</u>	<u>\$ 401,752,750</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 8,902,873	\$ 10,425,758	\$ 10,598,121	\$ 14,713,973	\$ 11,156,175
Contributions - employee	3,347,779	4,241,728	3,368,640	3,634,578	3,929,548
Net investment income	10,639,176	50,593,378	(20,799,581)	15,916,206	25,656,773
Benefit payments, including refunds of employee contributions	(13,340,458)	(13,875,382)	(15,385,586)	(17,110,409)	(19,125,411)
Net Plan to Resource Movement	-	-	-	(142)	-
Administrative expense	(301,365)	(222,783)	(170,799)	(185,157)	(218,692)
Other miscellaneous income/(expense)	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	9,248,005	51,162,699	(22,389,205)	16,969,049	21,398,393
<b>Plan fiduciary net position - beginning</b>	213,771,215	223,019,220	274,181,919	251,792,714	268,761,763
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 223,019,220</u>	<u>\$ 274,181,919</u>	<u>\$ 251,792,714</u>	<u>\$ 268,761,763</u>	<u>\$ 290,160,156</u>
<b>Plan net pension liability - ending (a) - (b)</b>	<u>\$ 87,501,489</u>	<u>\$ 53,455,969</u>	<u>\$ 95,633,524</u>	<u>\$ 103,619,866</u>	<u>\$ 111,592,594</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<u>71.82%</u>	<u>83.68%</u>	<u>72.47%</u>	<u>72.17%</u>	<u>72.22%</u>
<b>Covered payroll (from prior year)</b>	\$ 15,809,135	\$ 18,174,483	\$ 19,382,745	\$ 20,418,603	\$ 20,032,745
<b>Plan net pension liability as a percentage of covered payroll</b>	<u>553.49%</u>	<u>294.13%</u>	<u>493.40%</u>	<u>507.48%</u>	<u>557.05%</u>

<sup>1</sup>During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth for fiscal years ended in 2015 through 2017.

**Notes to Schedule:**

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

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

**City of Rialto**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Plan Contributions**  
**For the Year Ended June 30, 2025**

**Last Ten Fiscal Years**

**Miscellaneous Agent, Multiple-Employer Pension Plan<sup>1</sup>**

Fiscal year end June 30	2016	2017	2018	2019	2020
Actuarially determined contributions <sup>2</sup>	\$ 2,770,673	\$ 3,399,175	\$ 3,194,233	\$ 3,600,870	\$ 4,154,462
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	<u>(2,770,673)</u>	<u>(3,399,175)</u>	<u>(3,194,233)</u>	<u>(3,600,870)</u>	<u>(4,154,462)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered/Covered Employee Payroll <sup>3</sup>	\$ 9,138,652	\$ 10,035,098	\$ 10,400,541	\$ 9,074,473	\$ 10,874,276
Contributions as a percentage of Covered/Covered-Employee Payroll <sup>3</sup>	30.32%	33.87%	30.71%	39.68%	38.20%

<sup>1</sup> As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

<sup>3</sup> Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2024-25 were derived from the June 30, 2022 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	For details, see June 30, 2022 Funding Valuation Report.
Asset valuation method	Fair Value Assets. For details, see June 30, 2022 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll Growth	2.80%
Investment rate of return	6.80% Net of Pension Plan Investment and Administrative Expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

**City of Rialto**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Plan Contributions (Continued)**  
**For the Year Ended June 30, 2025**

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**Last Ten Fiscal Years**

**Miscellaneous Agent, Multiple-Employer Pension Plan<sup>1</sup>**

Fiscal year end June 30	2021	2022	2023	2024	2025
Actuarially determined contributions <sup>2</sup>	\$ 4,936,398	\$ 4,951,534	\$ 5,712,395	\$ 5,847,651	\$ 7,014,510
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(4,936,398)	(4,951,534)	(7,812,395)	(5,847,651)	(7,014,510)
Contribution deficiency (excess)	\$ -	\$ -	\$ (2,100,000)	\$ -	\$ -
Covered/Covered Employee Payroll <sup>3</sup>	\$ 11,294,642	\$ 11,765,257	\$ 13,698,288	\$ 16,407,959	\$ 16,867,382
Contributions as a percentage of Covered/Covered-Employee Payroll <sup>3</sup>	43.71%	42.09%	57.03%	35.64%	41.59%

**City of Rialto**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Plan Contributions**  
**For the Year Ended June 30, 2025**

**Last Ten Fiscal Years**

**Safety Agent, Multiple-Employer Pension Plan<sup>1</sup>**

Fiscal year end June 30	2016	2017	2018	2019	2020
Actuarially determined contributions <sup>2</sup>	\$ 6,139,735	\$ 6,576,775	\$ 6,989,814	\$ 7,807,934	\$ 8,902,873
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(6,139,735)	(6,576,775)	(6,989,814)	(7,807,934)	(8,902,873)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered/Covered Employee Payroll <sup>3</sup>	\$ 15,545,592	\$ 15,522,578	\$ 15,871,203	\$ 14,498,370	\$ 15,809,135
Contributions as a percentage of Covered/Covered-Employee Payroll <sup>3</sup>	39.50%	42.37%	44.04%	53.85%	56.31%

<sup>1</sup> As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

<sup>3</sup> Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2024-25 were derived from the June 30, 2022 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	For details, see June 30, 2022 Funding Valuation Report.
Asset valuation method	Fair Value Assets. For details, see June 30, 2022 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll Growth	2.80%
Investment rate of return	6.80% Net of Pension Plan Investment and Administrative Expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

**City of Rialto**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Plan Contributions (Continued)**  
**For the Year Ended June 30, 2025**

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**Last Ten Fiscal Years**

**Safety Agent, Multiple-Employer Pension Plan<sup>1</sup>**

Fiscal year end June 30	2021	2022	2023	2024	2025
Actuarially determined contributions <sup>2</sup>	\$ 10,425,758	\$ 10,598,121	\$ 11,813,973	\$ 11,156,175	\$ 13,774,335
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(10,425,758)	(10,598,121)	(14,713,973)	(11,156,175)	(13,774,335)
Contribution deficiency (excess)	\$ -	\$ -	\$ (2,900,000)	\$ -	\$ -
Covered/Covered Employee Payroll <sup>3</sup>	\$ 18,174,483	\$ 19,382,745	\$ 20,418,603	\$ 20,032,745	\$ 20,593,662
Contributions as a percentage of Covered/Covered-Employee Payroll <sup>3</sup>	57.36%	54.68%	72.06%	55.69%	66.89%

**City of Rialto**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios**  
**For the Year Ended June 30, 2025**

**Last Ten Fiscal Years<sup>1</sup>**

	2018 <u>6/30/2017</u>	2019 <u>6/30/2018</u>	2020 <u>6/30/2019</u>	2021 <u>6/30/2020</u>	2022 <u>6/30/2021</u>
Measurement period					
<b>Total OPEB liability</b>					
Service cost	\$ 2,083,035	\$ 1,928,465	\$ 2,094,466	\$ 2,226,583	\$ 2,940,821
Interest on total OPEB liability	1,874,471	2,068,297	2,080,962	2,109,724	2,011,797
Changes of assumptions	(3,897,172)	1,811,535	1,193,708	2,813,462	(24,441,690)
Difference between expected and actual experience	-	-	-	(2,268,284)	-
Benefit payments, including refunds of employee contributions	(2,009,296)	(1,969,858)	(2,070,376)	(2,236,759)	(2,390,886)
<b>Net change in total OPEB liability</b>	(1,948,962)	3,838,439	3,298,760	2,644,726	(21,879,958)
<b>Total OPEB liability - beginning</b>	58,618,155	56,669,193	60,507,632	63,806,392	66,451,118
<b>Total OPEB liability - ending (a)</b>	<u>\$ 56,669,193</u>	<u>\$ 60,507,632</u>	<u>\$ 63,806,392</u>	<u>\$ 66,451,118</u>	<u>\$ 44,571,160</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	2,967,326	3,260,163	635,898	862,089	1,075,428
Net investment income	1,806,286	1,243,147	1,144,549	530,339	4,609,016
Benefit payments, including refunds of employee contributions	(2,009,296)	(1,969,858)	(2,070,376)	(2,236,759)	(2,390,886)
Administrative expense	(71,750)	(34,725)	(40,610)	-	-
Other miscellaneous income/(expense)	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	2,692,566	2,498,727	(330,539)	(844,331)	3,293,558
<b>Plan fiduciary net position - beginning</b>	13,999,208	16,691,774	19,190,501	18,859,962	18,015,631
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 16,691,774</u>	<u>\$ 19,190,501</u>	<u>\$ 18,859,962</u>	<u>\$ 18,015,631</u>	<u>\$ 21,309,189</u>
<b>Plan net OPEB liability - ending (a) - (b)</b>	<u>\$ 39,977,419</u>	<u>\$ 41,317,131</u>	<u>\$ 44,946,430</u>	<u>\$ 48,435,487</u>	<u>\$ 23,261,971</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	29.45%	31.72%	29.56%	27.11%	47.81%
<b>Covered-employee payroll (from prior year)</b>	<u>\$ 37,244,900</u>	<u>\$ 24,383,667</u>	<u>\$ 25,076,875</u>	<u>\$ 29,143,307</u>	<u>\$ 30,584,493</u>
<b>Plan net OPEB liability as a percentage of covered-employee payroll</b>	107.34%	169.45%	179.23%	166.20%	76.06%

<sup>1</sup>Historical information presented is only for periods after GASB 75 implementation.

**City of Rialto**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios (Continued)**  
**For the Year Ended June 30, 2025**

Last Ten Fiscal Years<sup>1</sup>

	2023	2024	2025
	6/30/2022	6/30/2023	6/30/2024
Measurement period			
<b>Total pension liability</b>			
Service cost	\$ 1,425,124	\$ 1,560,086	\$ 1,573,948
Interest on total pension liability	2,911,149	2,579,376	2,680,452
Changes of assumptions	2,268,847	-	(7,875,730)
Difference between expected and actual experience	(3,852,637)	-	(2,473,530)
Benefit payments, including refunds of employee contributions	(2,418,752)	(2,425,536)	(2,367,420)
<b>Net change in total pension liability</b>	333,731	1,713,926	(8,462,280)
<b>Total pension liability - beginning</b>	44,571,160	44,904,891	46,618,817
<b>Total pension liability - ending (a)</b>	<u>\$ 44,904,891</u>	<u>\$ 46,618,817</u>	<u>\$ 38,156,537</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	10,848,268	1,155,097	2,367,420
Net investment income	(3,763,147)	1,469,740	3,001,001
Benefit payments, including refunds of employee contributions	(2,418,752)	(2,425,536)	(2,367,420)
Administrative expense	-	-	-
Other miscellaneous income/(expense)	-	252,162	-
<b>Net change in plan fiduciary net position</b>	4,666,369	451,463	3,001,001
<b>Plan fiduciary net position - beginning</b>	21,309,189	25,975,558	26,427,021
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 25,975,558</u>	<u>\$ 26,427,021</u>	<u>\$ 29,428,022</u>
<b>Plan net pension liability - ending (a) - (b)</b>	<u>\$ 18,929,333</u>	<u>\$ 20,191,796</u>	<u>\$ 8,728,515</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	57.85%	56.69%	77.12%
<b>Covered-employee payroll (from prior year)</b>	<u>\$ 33,217,881</u>	<u>\$ 34,214,417</u>	<u>\$ 35,849,036</u>
<b>Plan net OPEB liability as a percentage of covered-employee payroll</b>	56.99%	59.02%	24.35%

<sup>1</sup>Historical information presented is only for periods after GASB 75 implementation.

**City of Rialto**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions - Other Postemployment Benefits Plan**  
**For the Year Ended June 30, 2025**

**Last Ten Fiscal Years<sup>1</sup>**

**Other Postemployment Benefits Plan**

Fiscal year end June 30	2018	2019	2020	2021	2022
Actuarially determined contributions (ADC)	\$ 2,588,874	\$ 2,607,829	\$ 2,820,893	\$ 3,232,616	\$ 3,417,101
Contributions in relation to the actuarially determined contribution	(3,260,163)	(635,898)	(862,089)	(1,075,428)	(10,848,268)
Contribution deficiency (excess)	<u>\$ (671,289)</u>	<u>\$ 1,971,931</u>	<u>\$ 1,958,804</u>	<u>\$ 2,157,188</u>	<u>\$ (7,431,167)</u>
Covered-employee payroll	\$ 37,244,900	\$ 24,383,667	\$ 25,076,875	\$ 29,143,307	\$ 30,584,493
Contributions as a percentage of covered-Employee Payroll	8.75%	2.61%	3.44%	3.69%	35.47%

Methods and assumptions used to determine contribution rates:

Contribution valuation date	June 30, 2024
Actuarial cost method	Level percentage of payroll
Amortization method	Straight-line amortization over the Average Future Working Lifetime for assumption changes and experience gains/losses. Asset gains/losses are amortized over 5 years.
Asset valuation method	Market value
Discount rate	5.75%
Inflation rate	2.5% annual inflation
Payroll increases	3.00% annual increases
Medical Trend	Pre-65 participants – 7.74% for 2025, decreasing gradually to an ultimate rate of 3.94% in 2076. Post-65 participants – 5.10% for 2025, decreasing gradually to an ultimate rate of 3.94% in 2076.
Mortality	Pre-Retirement: CalPERS 2021 Mortality pre-retirement Post-Retirement: CalPERS 2021 Mortality post-retirement
Mortality improvement	Mortality projected fully generational with Scale MP-2021

<sup>1</sup>Historical information presented is only for periods after GASB 75 implementation.

**City of Rialto**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions - Other Postemployment Benefits Plan (Continued)**  
**For the Year Ended June 30, 2025**

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**Last Ten Fiscal Years<sup>1</sup>**

**Other Postemployment Benefits Plan**

Fiscal year end June 30	2023	2024	2025
Actuarially determined contributions (ADC)	\$ 3,511,344	\$ 3,142,763	\$ 2,105,460
Contributions in relation to the actuarially determined contribution	(896,978)	(811,810)	(1,993,214)
Contribution deficiency (excess)	\$ 2,614,366	\$ 2,330,953	\$ 112,246
Covered-employee payroll	\$ 33,217,881	\$ 34,214,417	\$ 35,849,036
Contributions as a percentage of covered-Employee Payroll	2.70%	2.37%	5.56%

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**SUPPLEMENTARY INFORMATION**

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**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Capital Projects Funds**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 71,100	\$ 71,100	\$ 220,086	\$ 148,986
<b>Total revenues</b>	<u>71,100</u>	<u>71,100</u>	<u>220,086</u>	<u>148,986</u>
<b>EXPENDITURES:</b>				
Current:				
General government	10,000	10,000	-	10,000
Public safety	500,000	678,040	841,692	(163,652)
Community development	-	265,070	493,405	(228,335)
Capital outlay	6,569,540	39,180,312	11,901,388	27,278,924
<b>Total expenditures</b>	<u>7,079,540</u>	<u>40,133,422</u>	<u>13,236,485</u>	<u>26,896,937</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(7,008,440)</u>	<u>(40,062,322)</u>	<u>(13,016,399)</u>	<u>27,045,923</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	3,008,440	8,832,745	8,292,533	(540,212)
Transfers out	-	(16,860)	(16,860)	-
<b>Total other financing sources (uses)</b>	<u>3,008,440</u>	<u>8,815,885</u>	<u>8,275,673</u>	<u>(540,212)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (4,000,000)</u>	<u>\$ (31,246,437)</u>	<u>(4,740,726)</u>	<u>\$ 26,505,711</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>60,510,291</u>	
End of year			<u>\$ 55,769,565</u>	

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## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

**Gas Tax Fund** - To account for revenues and expenditures of money received from the State Gas Tax allocation. These funds are used for maintenance and construction of City streets.

**Transportation Enhancement Activities Fund** - To account for revenues received under the Transportation Development Act. These funds are used for improvements to City streets.

**Street Lighting and Landscape Maintenance Fund** - To account for the revenues and expenditures associated with the maintenance of City-owned streetlights, parkways and medians. Benefiting property owners are assessed their proportional share of costs for maintaining these facilities, parkways, and medians.

**Landscape Lighting District No. 2 Fund** - To account for the revenues and expenditures associated with the maintenance and operation of landscaping, street lighting, parkways, and medians within Landscape Lighting District No. 2.

**Traffic Development Fund** - To account for development fees collected and used for street and traffic control improvements.

**Office of Traffic Safety Fund** - To account for revenues received under the office of traffic safety. These funds are used to reduce the number of fatal, injury, and DUI related collisions occurring in the community.

**Retirement Tax Fund** - To account for voted approved property tax levy used to pay the City's employee retirement costs.

**American Rescue Plan Act Fund** - To account for federal funding received under the American Rescue Plan Act used to support the City's response to and recovery from the COVID-19 pandemic, in accordance with federal program requirements.

**Open Space Development Fund** - To account for development fees collected and used for the acquisition of land and the turfing of new parks to provide open space for the City.

**General Facilities Development Fund** - To account for development fees collected and used for general municipal buildings and equipment needed to serve new development within the City.

**Library Facilities Development Fund** - To account for development fees collected and used for acquisition, expansion and construction of library facilities.

**Major Grant Funding Fund** - To account for monies received and expended by the City as a participant in Federal and State and other local grants for City infrastructure and capital improvements.

**Police Development Fund** - To account for development fees collected and used for police equipment facilities and the hiring and training of new police officers needed to serve new development.

**Fire Development Fund** - To account for development fees collected and used to acquire fire safety equipment and build new facilities.

**Waste Management Fund** - To account for monies received and expended by the City to meet the State mandate to reduce solid waste generated within the City.

**South Coast Air Quality Management (SCAQMD) Fund** - To account for the revenues and expenditures associated with the City's employee trip reduction (ride share) plan and incentive program. The revenue source for this fund is a special allocation of motor vehicle registration fees in accordance with AB 2766.

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### SPECIAL REVENUE FUNDS (Continued)

**Asset Forfeiture Fund** - This fund is used to account for revenues and expenditures associated with law enforcement drug and gang prevention. Revenues for the fund are derived from the assets seized by law enforcement and determined to be forfeited by the courts.

**Police Grants Fund** - To account for monies received and expended by the Police Department for various grants.

**Community Services Grant Fund** - To account for grant revenues received and expenditures incurred for community service programs in accordance with federal, state, or local grant requirements.

**Citizens Option for Public Safety Fund** - To account for revenues and expenditures associated with the City's front line municipal police services and to include juvenile justice programs. The revenue source for this fund is a special allocation of grant monies from the State of California in accordance with AB3229 and AB1913.

**Local Law Enforcement Block Grant Fund** - To account for monies received and expended by the City as a participant in the Federal Local Law Enforcement Block Grant program.

**Community Development Block Grant ("CDBG") Fund** - To account for monies received and expended by the City as a participant in the Federal Community Development Block Grant Housing Program.

**Traffic Safety Fund** - Accounts for revenues received under the Traffic Safety Proposition 1B. These funds are used for improvements to City streets.

**Neighborhood Stabilization Fund** - To account for monies received by the City as participant in the Neighborhood Stabilization Program 3 (NSP3), which was created by Title XII of the American Recovery and Reinvestment Act of 2009 (ARRA). This program is funded by the Federal Department of Housing & Urban Development (HUD).

**Neighborhood Stabilization Fund - Program Income Fund** - To account for monies received and expended by the City as a participant in the Housing and Economic Recovery Act of 2008.

**Measure I Fund** - To account for revenues and expenditures of money received from San Bernardino Associated Government (SANBAG) of a voter approved sales tax override allocated to cities within the County on a population basis. These funds are used for maintenance and construction of City streets.

**Brownfield Clean Up Grant Fund** - To account for grant revenues and expenditures related to the environmental assessment, cleanup, and redevelopment of brownfield sites in accordance with federal and state grant requirements.

**Fire Grant Fund** - To account for monies received and expended by the Fire Department for various Grants.

**Fire Ground Emergency Transportation Fund** - To account for Ground Emergency Medical Transportation revenues and expenditures used to support the Fire Department Emergency Medical Services program capital needs.

**Cal Home Fund** - To account for City of Rialto's housing improvement or ownership programs for low to moderate income households. The funds may include grants or funding resources received from other government agencies to implement such programs.

**Housing Authority Fund** - To account for various housing programs, which include, acquisitions of residential properties, rehabilitations, management of residential units, and exercise of condemnation powers. In addition, the Authority serves as the Housing Successor Fund.

**Public, Educational, and Governmental (PEG) Fees Fund** - To account for the Public, Educational, or Governmental access franchise fee activity.

**Transportation Development Act (TDA) Fund** - To account for revenues received under the Transportation Development Act. These funds are used for improvements to City streets.

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### SPECIAL REVENUE FUNDS (Continued)

**Street Medians Development Fund** - Accounts for development fees collected and used for street median improvements.

**Special Deposits Fund** - To account for deposits received from developers, contractors, or other parties that are held by the City for specific purposes, such as guarantees, performance deposits, or other refundable deposits, until the related conditions are satisfied.

**Confiscated Funds** - To account for monies received through law enforcement asset forfeitures and seizures, which are restricted for use in law enforcement activities in accordance with applicable laws and regulations.

**Local Drainage Fund** - To account for development fees collected and used for the installation of storm drains and flood control facilities.

### CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition or construction of major capital facilities. Capital project appropriations are for the life of the project. Funds included are:

**Fair Share Agreement Fund** - Accounts for income received to fund expenditures related to City infrastructure and development improvements.

**2005 TABs Fund** - To account for the proceeds of the 2005 TABs and the expenditure of such funds for improvement, reconstruction and redevelopment projects within the specified boundaries of the Rialto Redevelopment Agency as a result of the Bond Proceeds Expenditure Agreement between the City and the Agency.

**2008 TABs Fund** - To account for the proceeds of the 2008 TABs and the expenditure of such funds for improvement, reconstruction and redevelopment projects within the specified boundaries of the Rialto Redevelopment Agency as a result of the Bond Proceeds Expenditure Agreement between the City and the Agency.

### DEBT SERVICE FUNDS

Debt Service Funds account for the payment of principal and interest on general long-term debt of the City. Funds included are:

**1997 COP Fund** - To accumulate funds for the payment of principal and interest on the 1997 Refunding Certificates of Participation.

**Police Station Debt Service** - To accumulate funds for the payment of principal and interest on debt issued for the construction and improvement of the City's police station facilities.

**City of Rialto**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

Special Revenue Funds

	Special Revenue Funds				
	Gas Tax Fund	Transportation Enhancement Activities Fund	Street Lighting and Landscape Maintenance Fund	Landscape and Lighting District No. 2 Fund	Traffic Development Fund
<b>ASSETS</b>					
Cash and investments	\$ 8,100,260	\$ 197,199	\$ 675,140	\$ 975,582	\$ 32,984,422
Accounts receivable, net	53,761	-	-	8,920	28,264
Due from other governments	519,185	-	11,724	5,947	-
Notes and loans receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Land held for resale	-	-	-	-	-
Restricted assets:					
Cash and investments	-	-	-	-	-
Cash with fiscal agents	-	-	-	-	-
<b>Total assets</b>	<b>8,673,206</b>	<b>197,199</b>	<b>686,864</b>	<b>990,449</b>	<b>33,012,686</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	184,940	-	226,389	108,700	214,164
Accrued liabilities	43	-	2,918	5,018	-
Deposits payable	-	-	-	-	-
Due to other funds	687,610	-	697,769	-	-
Unearned revenues	-	-	-	-	-
<b>Total liabilities</b>	<b>872,593</b>	<b>-</b>	<b>927,076</b>	<b>113,718</b>	<b>214,164</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>					
Restricted	7,800,613	197,199	-	876,731	32,798,522
Unassigned (deficit)	-	-	(240,212)	-	-
<b>Total fund balances</b>	<b>7,800,613</b>	<b>197,199</b>	<b>(240,212)</b>	<b>876,731</b>	<b>32,798,522</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 8,673,206</b>	<b>\$ 197,199</b>	<b>\$ 686,864</b>	<b>\$ 990,449</b>	<b>\$ 33,012,686</b>

**City of Rialto**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

Special Revenue Funds

	Office of Traffic Safety Fund	Retirement Tax Fund	American Rescue Plan Act Fund	Open Space Development Fund	General Facilities Development Fund
<b>ASSETS</b>					
Cash and investments	\$ 230,988	\$ 1	\$ 3,890	\$ 2,891,719	\$ 5,052,969
Accounts receivable, net	47,794	-	-	11,141	14,928
Due from other governments	4,792	76	-	-	-
Notes and loans receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Land held for resale	-	-	-	-	-
Restricted assets:					
Cash and investments	-	-	-	-	-
Cash with fiscal agents	-	-	-	-	-
<b>Total assets</b>	<b>283,574</b>	<b>77</b>	<b>3,890</b>	<b>2,902,860</b>	<b>5,067,897</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	-	-	-	-	-
Accrued liabilities	33,321	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenues	3,126	-	-	-	-
<b>Total liabilities</b>	<b>36,447</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>					
Restricted	247,127	77	3,890	2,902,860	5,067,897
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<b>247,127</b>	<b>77</b>	<b>3,890</b>	<b>2,902,860</b>	<b>5,067,897</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 283,574</b>	<b>\$ 77</b>	<b>\$ 3,890</b>	<b>\$ 2,902,860</b>	<b>\$ 5,067,897</b>

**City of Rialto**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

Special Revenue Funds

	Library Facilities Development Fund	Major Grant Funding Fund	Police Development Fund	Fire Development Fund	Waste Management Fund
<b>ASSETS</b>					
Cash and investments	\$ 474,499	\$ 12,214,053	\$ 4,134,289	\$ 1,620,327	\$ 7,378,012
Accounts receivable, net	2,672	1,915,183	10,592	7,792	79,579
Due from other governments	-	199,623	-	-	-
Notes and loans receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Land held for resale	-	-	-	-	-
Restricted assets:					
Cash and investments	-	-	-	-	-
Cash with fiscal agents	-	-	-	-	-
<b>Total assets</b>	<b>477,171</b>	<b>14,328,859</b>	<b>4,144,881</b>	<b>1,628,119</b>	<b>7,457,591</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	-	385,050	-	502	20,764
Accrued liabilities	-	14	-	-	18,373
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>385,064</b>	<b>-</b>	<b>502</b>	<b>39,137</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	-	1,864,500	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>1,864,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>					
Restricted	477,171	12,079,295	4,144,881	1,627,617	7,418,454
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<b>477,171</b>	<b>12,079,295</b>	<b>4,144,881</b>	<b>1,627,617</b>	<b>7,418,454</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 477,171</b>	<b>\$ 14,328,859</b>	<b>\$ 4,144,881</b>	<b>\$ 1,628,119</b>	<b>\$ 7,457,591</b>

**City of Rialto**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

Special Revenue Funds

	South Coast Air Quality Management (SCAQMD) Fund	Asset Forfeiture Fund	Police Grants Fund	Community Services Grant Fund	Citizens Option for Public Safety Fund
<b>ASSETS</b>					
Cash and investments	\$ 1,147,104	\$ 3,616,770	\$ 67,566	\$ 1	\$ 544,505
Accounts receivable, net	-	-	47,654	14,865	-
Due from other governments	35,886	-	30,869	-	-
Notes and loans receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Land held for resale	-	-	-	-	-
Restricted assets:					
Cash and investments	-	-	-	-	-
Cash with fiscal agents	-	-	-	-	-
<b>Total assets</b>	<b>1,182,990</b>	<b>3,616,770</b>	<b>146,089</b>	<b>14,866</b>	<b>544,505</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	-	15,000	-	-	-
Accrued liabilities	2,832	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	23,970	-
Unearned revenues	-	-	2,904	-	-
<b>Total liabilities</b>	<b>2,832</b>	<b>15,000</b>	<b>2,904</b>	<b>23,970</b>	<b>-</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	35,886	-	85,113	-	-
<b>Total deferred inflows of resources</b>	<b>35,886</b>	<b>-</b>	<b>85,113</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>					
Restricted	1,144,272	3,601,770	58,072	-	544,505
Unassigned (deficit)	-	-	-	(9,104)	-
<b>Total fund balances</b>	<b>1,144,272</b>	<b>3,601,770</b>	<b>58,072</b>	<b>(9,104)</b>	<b>544,505</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,182,990</b>	<b>\$ 3,616,770</b>	<b>\$ 146,089</b>	<b>\$ 14,866</b>	<b>\$ 544,505</b>

**City of Rialto**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

Special Revenue Funds

	Local Law Enforcement Block Grant Fund	CDBG Fund	Traffic Safety Fund	Neighborhood Stabilization Fund	Neighborhood Stabilization Program - Program Income Fund
<b>ASSETS</b>					
Cash and investments	\$ 85,761	\$ 2	\$ 456	\$ -	\$ 1,257,644
Accounts receivable, net	-	-	-	-	-
Due from other governments	-	217,003	-	-	-
Notes and loans receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Land held for resale	-	-	-	-	-
Restricted assets:					
Cash and investments	-	-	-	-	-
Cash with fiscal agents	-	-	-	-	-
<b>Total assets</b>	<b>85,761</b>	<b>217,005</b>	<b>456</b>	<b>-</b>	<b>1,257,644</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	-	77,212	-	-	-
Accrued liabilities	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	197,915	-	35,670	-
Unearned revenues	82,617	-	-	-	-
<b>Total liabilities</b>	<b>82,617</b>	<b>275,127</b>	<b>-</b>	<b>35,670</b>	<b>-</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	-	217,003	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>217,003</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>					
Restricted	3,144	-	456	-	1,257,644
Unassigned (deficit)	-	(275,125)	-	(35,670)	-
<b>Total fund balances</b>	<b>3,144</b>	<b>(275,125)</b>	<b>456</b>	<b>(35,670)</b>	<b>1,257,644</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 85,761</b>	<b>\$ 217,005</b>	<b>\$ 456</b>	<b>\$ -</b>	<b>\$ 1,257,644</b>

**City of Rialto**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

Special Revenue Funds

	Measure I Fund	Brownfield Clean Up Grant Fund	Fire Grant Fund	Fire Ground Emergency Transportation Fund	Cal Home Fund
<b>ASSETS</b>					
Cash and investments	\$ 4,520,680	\$ 17,296	\$ -	\$ 13,789,439	\$ 1,960,815
Accounts receivable, net	87,719	-	-	-	150
Due from other governments	499,798	-	-	217,959	20,909
Notes and loans receivable	-	-	-	-	982,043
Prepaid items	-	-	-	2,905,543	-
Land held for resale	-	-	-	-	-
Restricted assets:					
Cash and investments	-	-	-	-	-
Cash with fiscal agents	-	-	-	-	-
<b>Total assets</b>	<b>5,108,197</b>	<b>17,296</b>	<b>-</b>	<b>16,912,941</b>	<b>2,963,917</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	1,326,784	-	-	431,915	13,044
Accrued liabilities	4,206	-	-	9,681	-
Deposits payable	-	-	-	-	-
Due to other funds	102,295	-	100,878	-	17,432
Unearned revenues	-	-	108,612	-	-
<b>Total liabilities</b>	<b>1,433,285</b>	<b>-</b>	<b>209,490</b>	<b>441,596</b>	<b>30,476</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	248,146	-	-	-	20,909
<b>Total deferred inflows of resources</b>	<b>248,146</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,909</b>
<b>Fund balances:</b>					
Restricted	3,426,766	17,296	-	16,471,345	2,912,532
Unassigned (deficit)	-	-	(209,490)	-	-
<b>Total fund balances</b>	<b>3,426,766</b>	<b>17,296</b>	<b>(209,490)</b>	<b>16,471,345</b>	<b>2,912,532</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,108,197</b>	<b>\$ 17,296</b>	<b>\$ -</b>	<b>\$ 16,912,941</b>	<b>\$ 2,963,917</b>

**City of Rialto**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

Special Revenue Funds

	Housing Authority Fund	Public, Educational, and Governmental (PEG) Fees Fund	Transportation Development Act (TDA) Fund	Street Medians Development Fund	Special Deposits Fund
<b>ASSETS</b>					
Cash and investments	\$ 2,479,301	\$ 333,578	\$ -	\$ 221,797	\$ 38,490
Accounts receivable, net	86,035	18,539	542,292	432	3,661
Due from other governments	-	-	-	-	76,445
Notes and loans receivable	827,208	-	-	-	29,926
Prepaid items	-	-	-	-	-
Land held for resale	970,400	-	-	-	-
Restricted assets:					
Cash and investments	-	-	-	-	1,495,821
Cash with fiscal agents	-	-	-	-	-
<b>Total assets</b>	<b>4,362,944</b>	<b>352,117</b>	<b>542,292</b>	<b>222,229</b>	<b>1,644,343</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	912	70,213	521,310	-	736,104
Accrued liabilities	-	-	-	-	10,117
Deposits payable	10,000	-	-	-	354,482
Due to other funds	-	-	810,030	-	379,774
Unearned revenues	-	-	-	-	163,866
<b>Total liabilities</b>	<b>10,912</b>	<b>70,213</b>	<b>1,331,340</b>	<b>-</b>	<b>1,644,343</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	-	-	542,292	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>542,292</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>					
Restricted	4,352,032	281,904	-	222,229	-
Unassigned (deficit)	-	-	(1,331,340)	-	-
<b>Total fund balances</b>	<b>4,352,032</b>	<b>281,904</b>	<b>(1,331,340)</b>	<b>222,229</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,362,944</b>	<b>\$ 352,117</b>	<b>\$ 542,292</b>	<b>\$ 222,229</b>	<b>\$ 1,644,343</b>

**City of Rialto**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	Special Revenue Funds		Capital Projects Funds		
	Confiscated Fund	Local Drainage Fund	Fair Share Agreement Fund	2005 TABs Fund	2008 TABs Fund
<b>ASSETS</b>					
Cash and investments	\$ 372,624	\$ 33,608,059	\$ 6,983,137	\$ 1,094,347	\$ 611,424
Accounts receivable, net	-	33,935	6,729	-	-
Due from other governments	-	-	-	-	-
Notes and loans receivable	-	-	-	-	2,522,477
Prepaid items	-	-	-	-	-
Land held for resale	-	-	-	-	-
Restricted assets:					
Cash and investments	-	-	-	-	-
Cash with fiscal agents	-	-	-	-	-
<b>Total assets</b>	372,624	33,641,994	6,989,866	1,094,347	3,133,901
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	-	268,637	-	255,481	-
Accrued liabilities	-	-	-	-	-
Deposits payable	372,624	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
<b>Total liabilities</b>	372,624	268,637	-	255,481	-
<b>Deferred inflows of resources:</b>					
Unavailable revenues	-	-	-	-	-
<b>Total deferred inflows of resources</b>	-	-	-	-	-
<b>Fund balances:</b>					
Restricted	-	33,373,357	6,989,866	838,866	3,133,901
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	-	33,373,357	6,989,866	838,866	3,133,901
<b>Total liabilities, deferred inflows of resources and fund balances</b>	\$ 372,624	\$ 33,641,994	\$ 6,989,866	\$ 1,094,347	\$ 3,133,901

**City of Rialto**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	Debt Service Funds		Total Nonmajor Governmental Funds
	1997 COP Fund	Police Station Debt Service	
<b>ASSETS</b>			
Cash and investments	\$ 578,243	\$ -	\$ 150,262,389
Accounts receivable, net	-	-	3,022,637
Due from other governments	-	-	1,840,216
Notes and loans receivable	-	-	4,361,654
Prepaid items	-	-	2,905,543
Land held for resale	-	-	970,400
Restricted assets:			
Cash and investments	-	-	1,495,821
Cash with fiscal agents	-	200	200
<b>Total assets</b>	<u>578,243</u>	<u>200</u>	<u>164,858,860</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	-	1,750	4,858,871
Accrued liabilities	-	-	86,523
Deposits payable	-	-	737,106
Due to other funds	-	4,153,837	7,207,180
Unearned revenues	-	-	361,125
<b>Total liabilities</b>	<u>-</u>	<u>4,155,587</u>	<u>13,250,805</u>
<b>Deferred inflows of resources:</b>			
Unavailable revenues	-	-	3,013,849
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>3,013,849</u>
<b>Fund balances:</b>			
Restricted	578,243	-	154,850,534
Unassigned (deficit)	-	(4,155,387)	(6,256,328)
<b>Total fund balances</b>	<u>578,243</u>	<u>(4,155,387)</u>	<u>148,594,206</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 578,243</u>	<u>\$ 200</u>	<u>\$ 164,858,860</u>

**City of Rialto**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2025**

	Special Revenue Funds				
	Gas Tax Fund	Transportation Enhancement Activities Fund	Street Lighting and Landscape Maintenance Fund	Landscape and Lighting District No. 2 Fund	Traffic Development Fund
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ 1,412,710	\$ 1,125,491	\$ -
Intergovernmental	6,135,913	-	-	-	-
Charges for services	-	-	-	30,000	-
Use of money and property	249,178	-	24,644	26,570	1,194,508
Developer participation	-	-	-	-	2,485,970
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>6,385,091</b>	<b>-</b>	<b>1,437,354</b>	<b>1,182,061</b>	<b>3,680,478</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	375,105	74
Public safety	-	-	-	-	-
Community development	105,053	-	2,466,902	769,614	-
Capital outlay	5,621,413	-	-	-	2,605,983
Debt service:					
Principal	-	-	199,868	24,703	-
Interest and fiscal charges	-	-	79,624	9,841	-
<b>Total expenditures</b>	<b>5,726,466</b>	<b>-</b>	<b>2,746,394</b>	<b>1,179,263</b>	<b>2,606,057</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>658,625</b>	<b>-</b>	<b>(1,309,040)</b>	<b>2,798</b>	<b>1,074,421</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	-	-	69,430	-	-
Transfers out	(911,580)	-	(75)	(75)	(45,620)
Issuance of debt	-	-	-	-	-
<b>Total other financing sources</b>	<b>(911,580)</b>	<b>-</b>	<b>69,355</b>	<b>(75)</b>	<b>(45,620)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(252,955)</b>	<b>-</b>	<b>(1,239,685)</b>	<b>2,723</b>	<b>1,028,801</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	8,053,568	197,199	999,473	874,008	31,769,721
Error correction	-	-	-	-	-
Beginning of year, as restated (Note 16)	8,053,568	197,199	999,473	874,008	31,769,721
End of year	<b>\$ 7,800,613</b>	<b>\$ 197,199</b>	<b>\$ (240,212)</b>	<b>\$ 876,731</b>	<b>\$ 32,798,522</b>

**City of Rialto**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2025**

Special Revenue Funds

	Office of Traffic Safety Fund	Retirement Tax Fund	American Rescue Plan Act	Open Space Development Fund	General Facilities Development Fund
<b>REVENUES:</b>					
Taxes	\$ -	\$ 116	\$ -	\$ -	\$ -
Intergovernmental	501,339	-	-	-	-
Charges for services	72,844	-	-	-	-
Use of money and property	-	-	1,893	81,593	145,149
Developer participation	-	-	-	337,074	539,369
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>574,183</b>	<b>116</b>	<b>1,893</b>	<b>418,667</b>	<b>684,518</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	383,956	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	164,216	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>548,172</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>26,011</b>	<b>116</b>	<b>1,893</b>	<b>418,667</b>	<b>684,518</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	-	-	-	-	-
Transfers out	-	(200)	-	(4,350)	-
Issuance of debt	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>(200)</b>	<b>-</b>	<b>(4,350)</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>26,011</b>	<b>(84)</b>	<b>1,893</b>	<b>414,317</b>	<b>684,518</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	221,116	161	1,997	2,488,543	4,383,379
Error correction	-	-	-	-	-
Beginning of year, as restated (Note 16)	221,116	161	1,997	2,488,543	4,383,379
End of year	<b>\$ 247,127</b>	<b>\$ 77</b>	<b>\$ 3,890</b>	<b>\$ 2,902,860</b>	<b>\$ 5,067,897</b>

**City of Rialto**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2025**

Special Revenue Funds

	Library Facilities Development Fund	Major Grant Funding Fund	Police Development Fund	Fire Development Fund	Waste Management Fund
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	5,077,576	-	-	41,059
Charges for services	98,351	-	-	-	1,084,543
Use of money and property	12,759	-	119,716	43,794	227,773
Developer participation	-	-	403,477	294,908	-
Miscellaneous	-	-	-	-	25,899
<b>Total revenues</b>	<b>111,110</b>	<b>5,077,576</b>	<b>523,193</b>	<b>338,702</b>	<b>1,379,274</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	26,850	-	-	-
Public safety	-	55	-	-	-
Community development	-	177	-	-	636,165
Capital outlay	-	2,872,401	-	5,106	254,270
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>2,899,483</b>	<b>-</b>	<b>5,106</b>	<b>890,435</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>111,110</b>	<b>2,178,093</b>	<b>523,193</b>	<b>333,596</b>	<b>488,839</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	-	986,033	-	-	-
Transfers out	-	-	-	(10)	(18,750)
Issuance of debt	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>986,033</b>	<b>-</b>	<b>(10)</b>	<b>(18,750)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>111,110</b>	<b>3,164,126</b>	<b>523,193</b>	<b>333,586</b>	<b>470,089</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	366,061	8,915,169	3,621,688	1,294,031	6,948,365
Error correction	-	-	-	-	-
Beginning of year, as restated (Note 16)	366,061	8,915,169	3,621,688	1,294,031	6,948,365
End of year	<b>\$ 477,171</b>	<b>\$ 12,079,295</b>	<b>\$ 4,144,881</b>	<b>\$ 1,627,617</b>	<b>\$ 7,418,454</b>

**City of Rialto**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2025**

	Special Revenue Funds				
	South Coast Air Quality Management (SCAQMD) Fund	Asset Forfeiture Fund	Police Grants Fund	Community Services Grant Fund	Citizens Option for Public Safety Fund
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	380,691	65,016	398,407	193,449	311,000
Charges for services	-	-	-	-	-
Use of money and property	27,784	118,140	-	-	24,422
Developer participation	-	-	-	20	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>408,475</b>	<b>183,156</b>	<b>398,407</b>	<b>193,469</b>	<b>335,422</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	158,601	40,635	-	45,992
Community development	50,156	-	-	-	-
Capital outlay	-	315,405	23,153	-	1,309,040
Debt service:					
Principal	-	-	-	-	145,500
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>50,156</b>	<b>474,006</b>	<b>63,788</b>	<b>-</b>	<b>1,500,532</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>358,319</b>	<b>(290,850)</b>	<b>334,619</b>	<b>193,469</b>	<b>(1,165,110)</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	-	-	-	-	-
Transfers out	(6,750)	-	-	-	-
Issuance of debt	-	-	-	-	694,440
<b>Total other financing sources</b>	<b>(6,750)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>694,440</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>351,569</b>	<b>(290,850)</b>	<b>334,619</b>	<b>193,469</b>	<b>(470,670)</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	792,703	3,892,620	(276,547)	(202,573)	1,015,175
Error correction	-	-	-	-	-
Beginning of year, as restated (Note 16)	792,703	3,892,620	(276,547)	(202,573)	1,015,175
End of year	<b>\$ 1,144,272</b>	<b>\$ 3,601,770</b>	<b>\$ 58,072</b>	<b>\$ (9,104)</b>	<b>\$ 544,505</b>

**City of Rialto**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2025**

	Special Revenue Funds				
	Local Law Enforcement Block Grant Fund	CDBG Fund	Traffic Safety Fund	Neighborhood Stabilization Fund	Neighborhood Stabilization Program - Program Income Fund
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	27,788	2,316,963	-	-	-
Charges for services	-	-	-	-	-
Use of money and property	-	-	14	-	38,944
Developer participation	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>27,788</b>	<b>2,316,963</b>	<b>14</b>	<b>-</b>	<b>38,944</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	487,716	-	-	-
Public safety	20,466	-	-	-	-
Community development	-	49	-	-	-
Capital outlay	7,322	1,770,724	-	-	-
Debt service:					
Principal	-	177,000	-	-	-
Interest and fiscal charges	-	78,597	-	-	-
<b>Total expenditures</b>	<b>27,788</b>	<b>2,514,086</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(197,123)</b>	<b>14</b>	<b>-</b>	<b>38,944</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Issuance of debt	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>(197,123)</b>	<b>14</b>	<b>-</b>	<b>38,944</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	3,144	(78,002)	442	(35,670)	1,218,700
Error correction	-	-	-	-	-
Beginning of year, as restated (Note 16)	3,144	(78,002)	442	(35,670)	1,218,700
End of year	<u>\$ 3,144</u>	<u>\$ (275,125)</u>	<u>\$ 456</u>	<u>\$ (35,670)</u>	<u>\$ 1,257,644</u>

**City of Rialto**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2025**

Special Revenue Funds

	Measure I Fund	Brownfield Clean Up Grant Fund	Fire Grant Fund	Fire Ground Emergency Transportation Fund	Cal Home Fund
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,560,726	-	-	5,798,000	16,538
Charges for services	-	-	-	-	-
Use of money and property	139,924	-	-	-	60,700
Developer participation	-	-	-	-	-
Miscellaneous	-	-	-	-	3,565
<b>Total revenues</b>	<b>2,700,650</b>	<b>-</b>	<b>-</b>	<b>5,798,000</b>	<b>80,803</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	37,449
Public safety	-	-	-	4,414,566	-
Community development	20,822	-	-	-	-
Capital outlay	4,505,190	-	-	1,243,391	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>4,526,012</b>	<b>-</b>	<b>-</b>	<b>5,657,957</b>	<b>37,449</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,825,362)</b>	<b>-</b>	<b>-</b>	<b>140,043</b>	<b>43,354</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	-	-	-	65,826	-
Transfers out	(6,230)	-	-	(224,623)	(2,660)
Issuance of debt	-	-	-	-	-
<b>Total other financing sources</b>	<b>(6,230)</b>	<b>-</b>	<b>-</b>	<b>(158,797)</b>	<b>(2,660)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(1,831,592)</b>	<b>-</b>	<b>-</b>	<b>(18,754)</b>	<b>40,694</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	5,258,358	17,296	(209,490)	16,490,099	1,889,793
Error correction	-	-	-	-	982,045
Beginning of year, as restated (Note 16)	5,258,358	17,296	(209,490)	16,490,099	2,871,838
End of year	<b>\$ 3,426,766</b>	<b>\$ 17,296</b>	<b>\$ (209,490)</b>	<b>\$ 16,471,345</b>	<b>\$ 2,912,532</b>

**City of Rialto**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2025**

	Special Revenue Funds				
	Housing Authority Fund	Public, Educational, and Governmental (PEG) Fees Fund	Transportation Development Act (TDA) Fund	Street Medians Development Fund	Special Deposits Fund
<b>REVENUES:</b>					
Taxes	\$ -	\$ 80,056	\$ -	\$ -	\$ -
Intergovernmental	-	-	230,957	-	-
Charges for services	-	-	-	29,862	-
Use of money and property	73,977	13,089	827	9,953	-
Developer participation	-	-	-	-	-
Miscellaneous	146,363	-	-	-	-
<b>Total revenues</b>	<b>220,340</b>	<b>93,145</b>	<b>231,784</b>	<b>39,815</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Current:					
General government	4,536	167,957	-	-	-
Public safety	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	126,167	1,643,385	207,399	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>4,536</b>	<b>294,124</b>	<b>1,643,385</b>	<b>207,399</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>215,804</b>	<b>(200,979)</b>	<b>(1,411,601)</b>	<b>(167,584)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	-	-	-	-	-
Transfers out	(2,500)	-	(60)	(2,400)	-
Issuance of debt	-	-	-	-	-
<b>Total other financing sources</b>	<b>(2,500)</b>	<b>-</b>	<b>(60)</b>	<b>(2,400)</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>213,304</b>	<b>(200,979)</b>	<b>(1,411,661)</b>	<b>(169,984)</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	3,209,471	482,883	80,321	392,213	-
Error correction	929,257	-	-	-	-
Beginning of year, as restated (Note 16)	4,138,728	482,883	80,321	392,213	-
End of year	<b>\$ 4,352,032</b>	<b>\$ 281,904</b>	<b>\$ (1,331,340)</b>	<b>\$ 222,229</b>	<b>\$ -</b>

**City of Rialto**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2025**

	Special Revenue Funds		Capital Projects Funds		
	Confiscated Fund	Local Drainage Fund	Fair Share Agreement Fund	2005 TABs Fund	2008 TABs Fund
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Use of money and property	-	994,452	221,929	33,887	18,933
Developer participation	-	1,908,944	482,648	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	-	2,903,396	704,577	33,887	18,933
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	39	-	-	-
Capital outlay	-	453,226	545,664	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	-	453,265	545,664	-	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	2,450,131	158,913	33,887	18,933
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	-	-	-	-	-
Transfers out	-	(19,030)	-	-	-
Issuance of debt	-	-	-	-	-
<b>Total other financing sources</b>	-	(19,030)	-	-	-
<b>NET CHANGES IN FUND BALANCES</b>	-	2,431,101	158,913	33,887	18,933
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	-	30,942,256	6,830,953	804,979	3,114,968
Error correction	-	-	-	-	-
Beginning of year, as restated (Note 16)	-	30,942,256	6,830,953	804,979	3,114,968
End of year	\$ -	\$ 33,373,357	\$ 6,989,866	\$ 838,866	\$ 3,133,901

**City of Rialto**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2025**

	Debt Service Funds		Total Nonmajor Governmental Funds
	1997 COP Fund	Police Station Debt Service	
<b>REVENUES:</b>			
Taxes	\$ -	\$ -	\$ 2,618,373
Intergovernmental	-	-	24,055,422
Charges for services	-	-	1,315,600
Use of money and property	6,458	-	3,911,010
Developer participation	-	-	6,452,410
Miscellaneous	-	-	175,827
<b>Total revenues</b>	<b>6,458</b>	<b>-</b>	<b>38,528,642</b>
<b>EXPENDITURES:</b>			
Current:			
General government	-	-	1,099,687
Public safety	-	4,500	5,068,771
Community development	-	-	4,048,977
Capital outlay	-	-	23,673,455
Debt service:			
Principal	-	-	547,071
Interest and fiscal charges	-	2,868,175	3,036,237
<b>Total expenditures</b>	<b>-</b>	<b>2,872,675</b>	<b>37,474,198</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6,458</b>	<b>(2,872,675)</b>	<b>1,054,444</b>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	-	-	1,121,289
Transfers out	-	-	(1,244,913)
Issuance of debt	-	-	694,440
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>570,816</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>6,458</b>	<b>(2,872,675)</b>	<b>1,625,260</b>
<b>FUND BALANCES (DEFICIT):</b>			
Beginning of year, as previously reported	571,785	(1,282,712)	145,057,644
Error correction	-	-	1,911,302
Beginning of year, as restated (Note 16)	571,785	(1,282,712)	146,968,946
End of year	\$ 578,243	\$ (4,155,387)	\$ 148,594,206

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Gas Tax Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 5,526,041	\$ 5,526,041	\$ 6,135,913	\$ 609,872
Use of money and property	102,100	102,100	249,178	147,078
<b>Total revenues</b>	<u>5,628,141</u>	<u>5,628,141</u>	<u>6,385,091</u>	<u>756,950</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	200,000	200,000	105,053	94,947
Capital outlay	5,850,000	15,371,301	5,621,413	9,749,888
<b>Total expenditures</b>	<u>6,050,000</u>	<u>15,571,301</u>	<u>5,726,466</u>	<u>9,844,835</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(421,859)</u>	<u>(9,943,160)</u>	<u>658,625</u>	<u>10,601,785</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	(11,580)	(2,551,449)	(911,580)	1,639,869
<b>Total other financing (uses)</b>	<u>(11,580)</u>	<u>(2,551,449)</u>	<u>(911,580)</u>	<u>1,639,869</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (433,439)</u>	<u>\$ (12,494,609)</u>	<u>(252,955)</u>	<u>\$ 12,241,654</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>8,053,568</u>	
End of year			<u>\$ 7,800,613</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Street Lighting & Landscape Maintenance Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 1,399,664	\$ 1,399,664	\$ 1,412,710	\$ 13,046
Use of money and property	7,700	7,700	24,644	16,944
<b>Total revenues</b>	<u>1,407,364</u>	<u>1,407,364</u>	<u>1,437,354</u>	<u>29,990</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	2,267,758	2,267,683	2,466,902	(199,219)
Debt service:				
Principal	199,871	199,871	199,868	3
Interest and fiscal charges	79,621	79,621	79,624	(3)
<b>Total expenditures</b>	<u>2,547,250</u>	<u>2,547,175</u>	<u>2,746,394</u>	<u>(199,219)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,139,886)</u>	<u>(1,139,811)</u>	<u>(1,309,040)</u>	<u>(169,229)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	69,430	69,430	69,430	-
Transfers out	-	(75)	(75)	-
<b>Total other financing sources (uses)</b>	<u>69,430</u>	<u>69,355</u>	<u>69,355</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,070,456)</u>	<u>\$ (1,070,456)</u>	<u>(1,239,685)</u>	<u>\$ (169,229)</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			<u>999,473</u>	
End of year			<u>\$ (240,212)</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Landscape & Lighting District No. 2 Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 1,116,449	\$ 1,116,449	\$ 1,125,491	\$ 9,042
Charges for services	50,000	50,000	30,000	(20,000)
Use of money and property	4,900	4,900	26,570	21,670
<b>Total revenues</b>	<u>1,171,349</u>	<u>1,171,349</u>	<u>1,182,061</u>	<u>10,712</u>
<b>EXPENDITURES:</b>				
Current:				
General government	290,724	290,724	375,105	(84,381)
Community development	1,176,074	1,175,999	769,614	406,385
Debt service:				
Principal	24,704	24,704	24,703	1
Interest and fiscal charges	9,841	9,841	9,841	-
<b>Total expenditures</b>	<u>1,501,343</u>	<u>1,501,268</u>	<u>1,179,263</u>	<u>322,005</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(329,994)</u>	<u>(329,919)</u>	<u>2,798</u>	<u>332,717</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	-	(75)	(75)	-
<b>Total other financing (uses)</b>	<u>-</u>	<u>(75)</u>	<u>(75)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (329,994)</u>	<u>\$ (329,994)</u>	<u>2,723</u>	<u>\$ 332,717</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>874,008</u>	
End of year			<u>\$ 876,731</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Traffic Development Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 312,800	\$ 312,800	\$ 1,194,508	\$ 881,708
Developer participation	1,600,000	1,600,000	2,485,970	885,970
<b>Total revenues</b>	<u>1,912,800</u>	<u>1,912,800</u>	<u>3,680,478</u>	<u>1,767,678</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	74	(74)
Capital outlay	-	21,517,989	2,605,983	18,912,006
<b>Total expenditures</b>	<u>-</u>	<u>21,517,989</u>	<u>2,606,057</u>	<u>18,911,932</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,912,800</u>	<u>(19,605,189)</u>	<u>1,074,421</u>	<u>20,679,610</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	(45,620)	(45,620)	(45,620)	-
<b>Total other financing (uses)</b>	<u>(45,620)</u>	<u>(45,620)</u>	<u>(45,620)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,867,180</u>	<u>\$ (19,650,809)</u>	1,028,801	<u>\$ 20,679,610</u>
<b>FUND BALANCE:</b>				
Beginning of year			31,769,721	
End of year			<u>\$ 32,798,522</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Office of Traffic Safety Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 445,000	\$ 501,339	\$ 56,339
Charges for services	150,000	150,000	72,844	(77,156)
<b>Total revenues</b>	<u>150,000</u>	<u>595,000</u>	<u>574,183</u>	<u>(20,817)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	50,000	640,120	383,956	256,164
Capital outlay	168,000	305,998	164,216	141,782
<b>Total expenditures</b>	<u>218,000</u>	<u>946,118</u>	<u>548,172</u>	<u>397,946</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (68,000)</u>	<u>\$ (351,118)</u>	26,011	<u>\$ 377,129</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>221,116</u>	
End of year			<u>\$ 247,127</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Retirement Tax Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 116	\$ 116
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>116</u>	<u>116</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>116</u>	<u>116</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	(200)	(200)	(200)	-
<b>Total other financing (uses)</b>	<u>(200)</u>	<u>(200)</u>	<u>(200)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (200)</u>	<u>\$ (200)</u>	<u>(84)</u>	<u>\$ 116</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>161</u>	
End of year			<u>\$ 77</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Open Space Development Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 25,900	\$ 25,900	\$ 81,593	\$ 55,693
Developer participation	75,000	75,000	337,074	262,074
<b>Total revenues</b>	<u>100,900</u>	<u>100,900</u>	<u>418,667</u>	<u>317,767</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>100,900</u>	<u>100,900</u>	<u>418,667</u>	<u>317,767</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	(4,350)	(4,350)	(4,350)	-
<b>Total other financing (uses)</b>	<u>(4,350)</u>	<u>(4,350)</u>	<u>(4,350)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 96,550</u>	<u>\$ 96,550</u>	414,317	<u>\$ 317,767</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,488,543</u>	
End of year			<u>\$ 2,902,860</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Facilities Development Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 35,700	\$ 35,700	\$ 145,149	\$ 109,449
Developer participation	400,000	400,000	539,369	139,369
<b>Total revenues</b>	<u>435,700</u>	<u>435,700</u>	<u>684,518</u>	<u>248,818</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u>\$ 435,700</u>	 <u>\$ 435,700</u>	 684,518	 <u>\$ 248,818</u>
 <b>FUND BALANCE:</b>				
Beginning of year			<u>4,383,379</u>	
End of year			<u>\$ 5,067,897</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Library Facilities Development Special Revenue Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 50,000	\$ 50,000	\$ 98,351	\$ 48,351
Use of money and property	1,400	1,400	12,759	11,359
<b>Total revenues</b>	<u>51,400</u>	<u>51,400</u>	<u>111,110</u>	<u>59,710</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u>\$ 51,400</u>	 <u>\$ 51,400</u>	 111,110	 <u>\$ 59,710</u>
 <b>FUND BALANCE:</b>				
Beginning of year			<u>366,061</u>	
End of year			<u>\$ 477,171</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Major Grant Funding Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,544,000	\$ 2,900,732	\$ 5,077,576	\$ 2,176,844
<b>Total revenues</b>	<u>1,544,000</u>	<u>2,900,732</u>	<u>5,077,576</u>	<u>2,176,844</u>
<b>EXPENDITURES:</b>				
Current:				
General government	20,000	225,742	26,850	198,892
Public safety	-	493,707	55	493,652
Community development	-	-	177	(177)
Capital outlay	124,000	18,482,434	2,872,401	15,610,033
<b>Total expenditures</b>	<u>144,000</u>	<u>19,201,883</u>	<u>2,899,483</u>	<u>16,302,400</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,400,000</u>	<u>(16,301,151)</u>	<u>2,178,093</u>	<u>18,479,244</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	995,557	986,033	(9,524)
<b>Total other financing sources</b>	<u>-</u>	<u>995,557</u>	<u>986,033</u>	<u>(9,524)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,400,000</u>	<u>\$ (15,305,594)</u>	3,164,126	<u>\$ 18,469,720</u>
<b>FUND BALANCE:</b>				
Beginning of year			8,915,169	
End of year			<u>\$ 12,079,295</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Police Development Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 28,300	\$ 28,300	\$ 119,716	\$ 91,416
Developer participation	330,000	330,000	403,477	73,477
<b>Total revenues</b>	<u>358,300</u>	<u>358,300</u>	<u>523,193</u>	<u>164,893</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u>\$ 358,300</u>	 <u>\$ 358,300</u>	 <u>\$ 523,193</u>	 <u>\$ 164,893</u>
 <b>FUND BALANCE:</b>				
Beginning of year			<u>3,621,688</u>	
End of year			<u>\$ 4,144,881</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Fire Development Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 5,700	\$ 5,700	\$ 43,794	\$ 38,094
Developer participation	250,000	250,000	294,908	44,908
<b>Total revenues</b>	<u>255,700</u>	<u>255,700</u>	<u>338,702</u>	<u>83,002</u>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	-	472,685	5,106	467,579
<b>Total expenditures</b>	<u>-</u>	<u>472,685</u>	<u>5,106</u>	<u>467,579</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>255,700</u>	<u>(216,985)</u>	<u>333,596</u>	<u>550,581</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	(10)	(10)	(10)	-
<b>Total other financing (uses)</b>	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 255,690</u>	<u>\$ (216,995)</u>	<u>333,586</u>	<u>\$ 550,581</u>
<b>FUND BALANCE:</b>				
Beginning of year			1,294,031	
End of year			<u>\$ 1,627,617</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Waste Management Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 40,715	\$ 40,715	\$ 41,059	\$ 344
Charges for services	788,191	788,191	1,084,543	296,352
Use of money and property	130,700	130,700	227,773	97,073
Miscellaneous	16,000	16,000	25,899	9,899
<b>Total revenues</b>	<u>975,606</u>	<u>975,606</u>	<u>1,379,274</u>	<u>403,668</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	730,883	757,309	636,165	121,144
Capital outlay	-	1,097,574	254,270	843,304
<b>Total expenditures</b>	<u>730,883</u>	<u>1,854,883</u>	<u>890,435</u>	<u>964,448</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>244,723</u>	<u>(879,277)</u>	<u>488,839</u>	<u>1,368,116</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	(18,750)	(18,750)	(18,750)	-
<b>Total other financing (uses)</b>	<u>(18,750)</u>	<u>(18,750)</u>	<u>(18,750)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 225,973</u>	<u>\$ (898,027)</u>	470,089	<u>\$ 1,368,116</u>
<b>FUND BALANCE:</b>				
Beginning of year			6,948,365	
End of year			<u>\$ 7,418,454</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**South Coast Air Quality Management (SCAQMD) Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 135,000	\$ 135,000	\$ 380,691	\$ 245,691
Use of money and property	7,100	7,100	27,784	20,684
<b>Total revenues</b>	<u>142,100</u>	<u>142,100</u>	<u>408,475</u>	<u>266,375</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	60,988	60,988	50,156	10,832
Capital outlay	-	437,841	-	437,841
<b>Total expenditures</b>	<u>60,988</u>	<u>498,829</u>	<u>50,156</u>	<u>448,673</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>81,112</u>	<u>(356,729)</u>	<u>358,319</u>	<u>715,048</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	(6,750)	(6,750)	(6,750)	-
<b>Total other financing (uses)</b>	<u>(6,750)</u>	<u>(6,750)</u>	<u>(6,750)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 74,362</u>	<u>\$ (363,479)</u>	351,569	<u>\$ 715,048</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>792,703</u>	
End of year			<u>\$ 1,144,272</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Asset Forfeiture Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 65,016	\$ 65,016
Use of money and property	26,100	26,100	118,140	92,040
<b>Total revenues</b>	<u>26,100</u>	<u>26,100</u>	<u>183,156</u>	<u>157,056</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	450,746	530,145	158,601	371,544
Capital outlay	600,000	1,054,525	315,405	739,120
<b>Total expenditures</b>	<u>1,050,746</u>	<u>1,584,670</u>	<u>474,006</u>	<u>1,110,664</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,024,646)</u>	<u>\$ (1,558,570)</u>	(290,850)	<u>\$ 1,267,720</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>3,892,620</u>	
End of year			<u>\$ 3,601,770</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Police Grants Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 39,131	\$ 398,407	\$ 359,276
<b>Total revenues</b>	<u>-</u>	<u>39,131</u>	<u>398,407</u>	<u>359,276</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	77,926	225,304	40,635	184,669
Capital outlay	-	23,153	23,153	-
<b>Total expenditures</b>	<u>77,926</u>	<u>248,457</u>	<u>63,788</u>	<u>184,669</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (77,926)</u>	<u>\$ (209,326)</u>	334,619	<u>\$ 543,945</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			(276,547)	
End of year			<u>\$ 58,072</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Community Services Grant Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 1,630,450	\$ 193,449	\$ (1,437,001)
Developer participation	-	-	20	20
<b>Total revenues</b>	<b>-</b>	<b>1,630,450</b>	<b>193,469</b>	<b>(1,436,981)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	10,000	-	10,000
Capital outlay	-	1,617,950	-	1,617,950
<b>Total expenditures</b>	<b>-</b>	<b>1,627,950</b>	<b>-</b>	<b>1,627,950</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 2,500</b>	<b>193,469</b>	<b>\$ 190,969</b>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			(202,573)	
End of year			<u>\$ (9,104)</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Citizens Option Public Safety Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 4,500	\$ 315,334	\$ 311,000	\$ (4,334)
Use of money and property	5,500	5,500	24,422	18,922
<b>Total revenues</b>	<u>10,000</u>	<u>320,834</u>	<u>335,422</u>	<u>14,588</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	343,060	279,677	45,992	233,685
Capital outlay	-	1,105,236	1,309,040	(203,804)
Debt service:				
Principal	-	-	145,500	(145,500)
<b>Total expenditures</b>	<u>343,060</u>	<u>1,384,913</u>	<u>1,500,532</u>	<u>(115,619)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(333,060)</u>	<u>(1,064,079)</u>	<u>(1,165,110)</u>	<u>(101,031)</u>
<b>OTHER FINANCING SOURCES:</b>				
Issuance of debt	-	-	694,440	694,440
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>694,440</u>	<u>694,440</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (333,060)</u>	<u>\$ (1,064,079)</u>	<u>(470,670)</u>	<u>\$ 593,409</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,015,175</u>	
End of year			<u>\$ 544,505</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Local Law Enforcement Block Grant Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 36,200	\$ 27,788	\$ (8,412)
<b>Total revenues</b>	<b>-</b>	<b>36,200</b>	<b>27,788</b>	<b>(8,412)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	67,746	20,466	47,280
Capital outlay	-	79,707	7,322	72,385
<b>Total expenditures</b>	<b>-</b>	<b>147,453</b>	<b>27,788</b>	<b>119,665</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (111,253)</b>	<b>-</b>	<b>\$ 111,253</b>
<b>FUND BALANCE:</b>				
Beginning of year			3,144	
End of year			<u>\$ 3,144</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Community Development Block Grant (CDBG) Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,200,000	\$ 1,200,000	\$ 2,316,963	\$ 1,116,963
<b>Total revenues</b>	<u>1,200,000</u>	<u>1,200,000</u>	<u>2,316,963</u>	<u>1,116,963</u>
<b>EXPENDITURES:</b>				
Current:				
General government	520,996	525,123	487,716	37,407
Community development	-	-	49	(49)
Capital outlay	863,000	2,442,586	1,770,724	671,862
Debt service:				
Principal	90,000	90,000	177,000	(87,000)
Interest and fiscal charges	52,915	52,915	78,597	(25,682)
<b>Total expenditures</b>	<u>1,526,911</u>	<u>3,110,624</u>	<u>2,514,086</u>	<u>596,538</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(326,911)</u>	<u>(1,910,624)</u>	<u>(197,123)</u>	<u>1,713,501</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	483,499	-	(483,499)
<b>Total other financing sources</b>	<u>-</u>	<u>483,499</u>	<u>-</u>	<u>(483,499)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (326,911)</u>	<u>\$ (1,427,125)</u>	<u>(197,123)</u>	<u>\$ 1,230,002</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			<u>(78,002)</u>	
End of year			<u>\$ (275,125)</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Neighborhood Stabilization Program Income Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 12,800	\$ 12,800	\$ 38,944	\$ 26,144
<b>Total revenues</b>	<u>12,800</u>	<u>12,800</u>	<u>38,944</u>	<u>26,144</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 12,800</u>	<u>\$ 12,800</u>	38,944	<u>\$ 26,144</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,218,700</u>	
End of year			<u>\$ 1,257,644</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Measure I Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 2,963,020	\$ 3,460,692	\$ 2,560,726	\$ (899,966)
Use of money and property	71,300	71,300	139,924	68,624
<b>Total revenues</b>	<u>3,034,320</u>	<u>3,531,992</u>	<u>2,700,650</u>	<u>(831,342)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	131,210	437,345	20,822	416,523
Capital outlay	1,768,852	9,562,132	4,505,190	5,056,942
<b>Total expenditures</b>	<u>1,900,062</u>	<u>9,999,477</u>	<u>4,526,012</u>	<u>5,473,465</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,134,258</u>	<u>(6,467,485)</u>	<u>(1,825,362)</u>	<u>4,642,123</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	(6,230)	(6,230)	(6,230)	-
<b>Total other financing (uses)</b>	<u>(6,230)</u>	<u>(6,230)</u>	<u>(6,230)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,128,028</u>	<u>\$ (6,473,715)</u>	<u>(1,831,592)</u>	<u>\$ 4,642,123</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>5,258,358</u>	
End of year			<u>\$ 3,426,766</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Fire Ground Emergency Transportation Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,500,000	\$ 1,500,000	\$ 5,798,000	\$ 4,298,000
<b>Total revenues</b>	<u>1,500,000</u>	<u>1,500,000</u>	<u>5,798,000</u>	<u>4,298,000</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	6,974,152	7,149,628	4,414,566	2,735,062
Capital outlay	275,000	1,297,062	1,243,391	53,671
<b>Total expenditures</b>	<u>7,249,152</u>	<u>8,446,690</u>	<u>5,657,957</u>	<u>2,788,733</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,749,152)</u>	<u>(6,946,690)</u>	<u>140,043</u>	<u>7,086,733</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	65,826	65,826	-
Transfers out	-	(224,623)	(224,623)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(158,797)</u>	<u>(158,797)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (5,749,152)</u>	<u>\$ (7,105,487)</u>	<u>(18,754)</u>	<u>\$ 7,086,733</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>16,490,099</u>	
End of year			<u>\$ 16,471,345</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Cal Home Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 16,538	\$ 16,538
Use of money and property	19,100	393,569	60,700	(332,869)
Miscellaneous	100,000	100,000	3,565	(96,435)
<b>Total revenues</b>	<u>119,100</u>	<u>493,569</u>	<u>80,803</u>	<u>(412,766)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	374,469	37,449	337,020
<b>Total expenditures</b>	<u>-</u>	<u>374,469</u>	<u>37,449</u>	<u>337,020</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>119,100</u>	<u>119,100</u>	<u>43,354</u>	<u>(75,746)</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	(2,660)	(2,660)	(2,660)	-
<b>Total other financing (uses)</b>	<u>(2,660)</u>	<u>(2,660)</u>	<u>(2,660)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 116,440</u>	<u>\$ 116,440</u>	40,694	<u>\$ (75,746)</u>
<b>FUND BALANCE:</b>				
Beginning of year, as restated (Note 16)			<u>2,871,838</u>	
End of year			<u>\$ 2,912,532</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Housing Authority Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 25,300	\$ 25,300	\$ 73,977	\$ 48,677
Miscellaneous	1,000	1,000	146,363	145,363
<b>Total revenues</b>	<u>26,300</u>	<u>26,300</u>	<u>220,340</u>	<u>194,040</u>
<b>EXPENDITURES:</b>				
Current:				
General government	35,955	35,955	4,536	31,419
<b>Total expenditures</b>	<u>35,955</u>	<u>35,955</u>	<u>4,536</u>	<u>31,419</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(9,655)</u>	<u>(9,655)</u>	<u>215,804</u>	<u>225,459</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	(2,500)	(2,500)	(2,500)	-
<b>Total other financing (uses)</b>	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (12,155)</u>	<u>\$ (12,155)</u>	213,304	<u>\$ 225,459</u>
<b>FUND BALANCE:</b>				
Beginning of year, as restated (Note 16)			4,138,728	
End of year			<u>\$ 4,352,032</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Public, Educational and Governmental (PEG) Fees Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 65,000	\$ 65,000	\$ 80,056	\$ 15,056
Use of money and property	4,300	4,300	13,089	8,789
<b>Total revenues</b>	<u>69,300</u>	<u>69,300</u>	<u>93,145</u>	<u>23,845</u>
<b>EXPENDITURES:</b>				
Current:				
General government	250,000	250,000	167,957	82,043
Capital outlay	250,000	254,579	126,167	128,412
<b>Total expenditures</b>	<u>500,000</u>	<u>504,579</u>	<u>294,124</u>	<u>210,455</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (430,700)</u>	<u>\$ (435,279)</u>	(200,979)	<u>\$ 234,300</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>482,883</u>	
End of year			<u>\$ 281,904</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Transportation Development Act (TDA) Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 230,957	\$ 230,957
Use of money and property	200	200	827	627
<b>Total revenues</b>	<u>200</u>	<u>200</u>	<u>231,784</u>	<u>231,584</u>
<b>EXPENDITURES:</b>				
Capital outlay	-	3,265,875	1,643,385	1,622,490
<b>Total expenditures</b>	<u>-</u>	<u>3,265,875</u>	<u>1,643,385</u>	<u>1,622,490</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>200</u>	<u>(3,265,675)</u>	<u>(1,411,601)</u>	<u>1,854,074</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	407,873	-	(407,873)
Transfers out	<u>(60)</u>	<u>(60)</u>	<u>(60)</u>	<u>-</u>
<b>Total other financing sources</b>	<u>(60)</u>	<u>407,813</u>	<u>(60)</u>	<u>(407,873)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 140</u>	<u>\$ (2,857,862)</u>	<u>(1,411,661)</u>	<u>\$ 1,446,201</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			<u>80,321</u>	
End of year			<u>\$ (1,331,340)</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Street Medians Development Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 20,000	\$ 20,000	\$ 29,862	\$ 9,862
Use of money and property	3,600	3,600	9,953	6,353
<b>Total revenues</b>	<u>23,600</u>	<u>23,600</u>	<u>39,815</u>	<u>16,215</u>
<b>EXPENDITURES:</b>				
Capital outlay	-	207,399	207,399	-
<b>Total expenditures</b>	<u>-</u>	<u>207,399</u>	<u>207,399</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>23,600</u>	<u>(183,799)</u>	<u>(167,584)</u>	<u>16,215</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	(2,400)	(2,400)	(2,400)	-
<b>Total other financing (uses)</b>	<u>(2,400)</u>	<u>(2,400)</u>	<u>(2,400)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 21,200</u>	<u>\$ (186,199)</u>	<u>(169,984)</u>	<u>\$ 16,215</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>392,213</u>	
End of year			<u>\$ 222,229</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Local Drainage Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 290,400	\$ 290,400	\$ 994,452	\$ 704,052
Developer participation	1,800,000	1,800,000	1,908,944	108,944
<b>Total revenues</b>	<u>2,090,400</u>	<u>2,090,400</u>	<u>2,903,396</u>	<u>812,996</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	3,830	39	3,791
Capital outlay	-	14,625,403	453,226	14,172,177
<b>Total expenditures</b>	<u>-</u>	<u>14,629,233</u>	<u>453,265</u>	<u>14,175,968</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,090,400</u>	<u>(12,538,833)</u>	<u>2,450,131</u>	<u>14,988,964</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	(19,030)	(19,030)	(19,030)	-
<b>Total other financing (uses)</b>	<u>(19,030)</u>	<u>(19,030)</u>	<u>(19,030)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 2,071,370</u>	<u>\$ (12,557,863)</u>	2,431,101	<u>\$ 14,988,964</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>30,942,256</u>	
End of year			<u>\$ 33,373,357</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Fair Share Agreement Capital Projects Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 144,700	\$ 144,700	\$ 221,929	\$ 77,229
Developer participation	-	-	482,648	482,648
<b>Total revenues</b>	<u>144,700</u>	<u>144,700</u>	<u>704,577</u>	<u>559,877</u>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	-	706,668	545,664	161,004
<b>Total expenditures</b>	<u>-</u>	<u>706,668</u>	<u>545,664</u>	<u>161,004</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>144,700</u>	<u>(561,968)</u>	<u>158,913</u>	<u>720,881</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	128,614	-	(128,614)
<b>Total other financing sources</b>	<u>-</u>	<u>128,614</u>	<u>-</u>	<u>(128,614)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 144,700</u>	<u>\$ (433,354)</u>	<u>158,913</u>	<u>\$ 592,267</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>6,830,953</u>	
End of year			<u>\$ 6,989,866</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**2005 TABS Fund Capital Projects Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 56,200	\$ 56,200	\$ 33,887	\$ (22,313)
<b>Total revenues</b>	56,200	56,200	33,887	(22,313)
<b>NET CHANGE IN FUND BALANCE</b>	\$ 56,200	\$ 56,200	33,887	\$ (22,313)
<b>FUND BALANCE:</b>				
Beginning of year			804,979	
End of year			\$ 838,866	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**2008 TABs Capital Projects Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 23,500	\$ 23,500	\$ 18,933	\$ (4,567)
<b>Total revenues</b>	<u>23,500</u>	<u>23,500</u>	<u>18,933</u>	<u>(4,567)</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u>\$ 23,500</u>	 <u>\$ 23,500</u>	 18,933	 <u>\$ (4,567)</u>
 <b>FUND BALANCE:</b>				
Beginning of year			<u>3,114,968</u>	
End of year			<u>\$ 3,133,901</u>	

**City of Rialto**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**1997 COP Fund Debt Service Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 3,400	\$ 3,400	\$ 6,458	\$ 3,058
<b>Total revenues</b>	<u>3,400</u>	<u>3,400</u>	<u>6,458</u>	<u>3,058</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 3,400</u>	<u>\$ 3,400</u>	6,458	<u>\$ 3,058</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>571,785</u>	
End of year			<u>\$ 578,243</u>	

**NONMAJOR ENTERPRISE FUND FINANCIAL STATEMENTS**

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## NONMAJOR ENTERPRISE FUNDS

Enterprise Funds account for City operations that are financed and operated in a manner similar to private business enterprises where the costs of providing goods or services to the general public are financed primarily through user charges. Funds included are:

***Airport Enterprise Fund*** - All activities necessary to provide operations and maintenance of the City's airport are accounted for in this fund, including administration, operations, maintenance, capital improvement and depreciation.

***Cemetery Enterprise Fund*** - All activities necessary to provide the operations and maintenance of the City's cemetery are accounted for in this fund, including administration, operations, maintenance, capital improvements and depreciation.

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**City of Rialto**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**June 30, 2025**

ASSETS	Business-Type Activities		
	Airport	Cemetery	Totals
<b>Current assets:</b>			
Cash and investments	\$ 9,566,590	\$ 1,063,543	\$ 10,630,133
Accounts receivables	151,799	14,248	166,047
<b>Total assets</b>	9,718,389	1,077,791	10,796,180
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pension related	-	5,037	5,037
OPEB related	-	846	846
<b>Total deferred outflows of resources</b>	-	5,883	5,883
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	92	8,768	8,860
Accrued liabilities	-	669	669
Deposits payable	1,000	-	1,000
Compensated absences	-	289	289
<b>Total current liabilities</b>	1,092	9,726	10,818
<b>Noncurrent liabilities:</b>			
Compensated absences	-	1,318	1,318
Net pension liability	-	23,517	23,517
Net OPEB liability	-	1,664	1,664
<b>Total noncurrent liabilities</b>	-	26,499	26,499
<b>Total liabilities</b>	1,092	36,225	37,317
<b>DEFERRED INFLOW OF RESOURCES</b>			
OPEB related	-	4,322	4,322
<b>Total deferred inflows of resources</b>	-	4,322	4,322
<b>NET POSITION:</b>			
Unrestricted	9,717,297	1,043,127	10,760,424
<b>Total net position</b>	\$ 9,717,297	\$ 1,043,127	\$ 10,760,424

**City of Rialto**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2025**

	Business-Type Activities		Totals
	Airport	Cemetery	
<b>OPERATING REVENUES:</b>			
Sales and service charges	\$ -	\$ 220,260	\$ 220,260
<b>Total operating revenues</b>	<u>-</u>	<u>220,260</u>	<u>220,260</u>
<b>OPERATING EXPENSES:</b>			
Administration and general	92	24,635	24,727
Cost of sales and services	-	10,616	10,616
<b>Total operating expenses</b>	<u>92</u>	<u>35,251</u>	<u>35,343</u>
<b>OPERATING INCOME</b>	<u>(92)</u>	<u>185,009</u>	<u>184,917</u>
<b>NONOPERATING INCOME (EXPENSES):</b>			
Taxes	881	-	881
Interest revenue	-	22,388	22,388
<b>Total nonoperating income</b>	<u>881</u>	<u>22,388</u>	<u>23,269</u>
<b>CHANGES IN NET POSITION</b>	789	207,397	208,186
<b>NET POSITION:</b>			
Beginning of year, as previously reported	9,716,508	835,754	10,552,262
Change in accounting principle	-	(24)	(24)
Beginning of year, as restated (Note 16)	<u>9,716,508</u>	<u>835,730</u>	<u>10,552,238</u>
End of the year	<u>\$ 9,717,297</u>	<u>\$ 1,043,127</u>	<u>\$ 10,760,424</u>

**City of Rialto**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2025**

	Airport Fund	Cemetery Fund	Total Other Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ -	\$ 206,197	\$ 206,197
Payments to suppliers and service providers	(335)	(34,314)	(34,649)
Payments to employees for salaries and benefits	-	(4,014)	(4,014)
<b>Net cash provided by (used in) operating activities</b>	<b>(335)</b>	<b>167,869</b>	<b>167,534</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Property taxes	881	-	881
<b>Net cash provided by noncapital financing activities</b>	<b>881</b>	<b>-</b>	<b>881</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on investments	-	22,388	22,388
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>22,388</b>	<b>22,388</b>
<b>Net change in cash and cash equivalents</b>	<b>\$ 546</b>	<b>\$ 190,257</b>	<b>\$ 190,803</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	9,566,044	873,286	10,439,330
End of year	<u>\$ 9,566,590</u>	<u>\$ 1,063,543</u>	<u>\$ 10,630,133</u>
<b>CASH AND CASH EQUIVALENTS:</b>			
Cash and investments	<u>\$ 9,566,590</u>	<u>\$ 1,063,543</u>	<u>\$ 10,630,133</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:</b>			
Operating income (loss)	\$ (92)	\$ 185,009	\$ 184,917
Adjustments to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in accounts receivable	-	(14,063)	(14,063)
(Increase) decrease in pension related deferred outflows	-	3,457	3,457
(Increase) decrease in OPEB related deferred outflows	-	525	525
Increase (decrease) in accounts payable	(243)	937	694
Increase (decrease) in accrued liabilities	-	44	44
Increase (decrease) in compensated absences	-	(105)	(105)
Increase (decrease) in net pension liability	-	(5,084)	(5,084)
Increase (decrease) in net OPEB liability	-	(3,010)	(3,010)
Increase (decrease) in OPEB related deferred inflows	-	159	159
Total adjustments	<u>\$ (243)</u>	<u>\$ (17,140)</u>	<u>\$ (17,383)</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ (335)</u></b>	<b><u>\$ 167,869</u></b>	<b><u>\$ 167,534</u></b>

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**INTERNAL SERVICE FUND FINANCIAL STATEMENTS**

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## INTERNAL SERVICE FUNDS

Internal Service Funds account for goods and services provided by one City department to other City departments or agencies. Funds included are:

***Workers' Compensation Fund*** - To account for the City's self-insured workers' compensation claims program.

***General Liability Fund*** - To account for the City's self-insured general liability program.

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**City of Rialto**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2025**

	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 16,992,920	\$ 2,550,943	\$ 19,543,863
Accounts receivable	1,310	761,341	762,651
<b>Total current assets</b>	16,994,230	3,312,284	20,306,514
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension-related	20,959	20,959	41,918
OPEB-related	3,518	3,518	7,036
<b>Total deferred outflows of resources</b>	24,477	24,477	48,954
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	-	281,795	281,795
Accrued liabilities	2,427	2,922	5,349
Unearned revenue	404	-	404
Compensated absences	1,221	1,221	2,442
Claims and judgments	3,583,105	2,582,512	6,165,617
<b>Total current liabilities</b>	3,587,157	2,868,450	6,455,607
<b>Noncurrent liabilities:</b>			
Compensated absences	5,562	5,562	11,124
Claims and judgments	19,057,790	5,586,708	24,644,498
Net pension liability	97,863	97,863	195,726
Net OPEB liability	6,923	6,923	13,846
<b>Total noncurrent liabilities</b>	19,168,138	5,697,056	24,865,194
<b>Total liabilities</b>	22,755,295	8,565,506	31,320,801
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB-related	17,981	17,981	35,962
<b>Total deferred inflows of resources</b>	17,981	17,981	35,962
<b>NET POSITION</b>			
Unrestricted (deficit)	(5,754,569)	(5,246,726)	(11,001,295)
<b>Total net position</b>	\$ (5,754,569)	\$ (5,246,726)	\$ (11,001,295)

**City of Rialto**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2025**

	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
<b>OPERATING REVENUES:</b>			
Interdepartmental charges for services	\$ 3,576,395	\$ 8,207,231	\$ 11,783,626
<b>Total operating revenues</b>	<u>3,576,395</u>	<u>8,207,231</u>	<u>11,783,626</u>
<b>OPERATING EXPENSES:</b>			
Personnel services	73,087	76,068	149,155
Cost of sales and services	3,262,671	11,695,316	14,957,987
<b>Total operating expenses</b>	<u>3,335,758</u>	<u>11,771,384</u>	<u>15,107,142</u>
<b>OPERATING INCOME (LOSS)</b>	<u>240,637</u>	<u>(3,564,153)</u>	<u>(3,323,516)</u>
<b>NONOPERATING INCOME:</b>			
Interest revenue	520,541	138,148	658,689
<b>Total nonoperating income</b>	<u>520,541</u>	<u>138,148</u>	<u>658,689</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	761,178	(3,426,005)	(2,664,827)
<b>TRANSFERS:</b>			
Transfers out	-	(3,450,000)	(3,450,000)
<b>Total transfers</b>	<u>-</u>	<u>(3,450,000)</u>	<u>(3,450,000)</u>
<b>CHANGES IN NET POSITION</b>	761,178	(6,876,005)	(6,114,827)
<b>NET POSITION (DEFICIT):</b>			
Beginning of year, as previously reported	(6,515,654)	1,629,372	(4,886,282)
Change in accounting principle	(93)	(93)	(186)
Beginning of year, as restated (Note 16)	<u>(6,515,747)</u>	<u>1,629,279</u>	<u>(4,886,468)</u>
End of the year	<u>\$ (5,754,569)</u>	<u>\$ (5,246,726)</u>	<u>\$ (11,001,295)</u>

**City of Rialto**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2025**

	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from interfund charges	\$ 4,363,739	\$ 7,446,390	\$ 11,810,129
Payments to suppliers and service providers	(3,631,192)	(10,558,221)	(14,189,413)
Payments to employees for salaries and benefits	(63,509)	(66,320)	(129,829)
<b>Net cash provided by (used in) operating activities</b>	<b>669,038</b>	<b>(3,178,151)</b>	<b>(2,509,113)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers to other funds	-	(3,450,000)	(3,450,000)
Payments from other funds on interfund borrowings	-	17,740	17,740
<b>Net cash provided by noncapital financing activities</b>	<b>-</b>	<b>(3,432,260)</b>	<b>(3,432,260)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on investments	520,541	138,148	658,689
<b>Net cash provided by investing activities</b>	<b>520,541</b>	<b>138,148</b>	<b>658,689</b>
<b>Net change in cash and cash equivalents</b>	<b>1,189,579</b>	<b>(6,472,263)</b>	<b>(5,282,684)</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	15,803,341	9,023,206	24,826,547
End of year	<u>\$ 16,992,920</u>	<u>\$ 2,550,943</u>	<u>\$ 19,543,863</u>
<b>CASH AND CASH EQUIVALENTS:</b>			
Cash and investments	<u>\$ 16,992,920</u>	<u>\$ 2,550,943</u>	<u>\$ 19,543,863</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:</b>			
Operating income (loss)	\$ 240,637	\$ (3,564,153)	\$ (3,323,516)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in accounts receivable	786,940	(760,841)	26,099
(Increase) decrease in pension related deferred outflows	6,649	6,649	13,298
(Increase) decrease in OPEB related deferred outflows	938	938	1,876
Increase (decrease) in accounts payable	(833)	(168,745)	(169,578)
Increase (decrease) in accrued liabilities	644	814	1,458
Increase (decrease) in unearned revenue	404	-	404
Increase (decrease) in compensated absences	267	267	534
Increase (decrease) in claims and judgments	(367,688)	1,305,840	938,152
Increase (decrease) in net pension liability	4,898	4,898	9,796
Increase (decrease) in net OPEB liability	(8,271)	(8,271)	(16,542)
Increase (decrease) in OPEB related deferred inflows	4,453	4,453	8,906
Total adjustments	<u>\$ 428,401</u>	<u>\$ 386,002</u>	<u>\$ 814,403</u>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 669,038</b>	<b>\$ (3,178,151)</b>	<b>\$ (2,509,113)</b>

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**CUSTODIAL FUND FINANCIAL STATEMENTS**

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## CUSTODIAL FUNDS

The custodial funds are used to account for assets held by the City as a custodian for other governmental units.

***Community Facilities District (CFD) 87-1 Fund*** - To account for the City's fiduciary capacity as custodian for the collection of special taxes for the CFD 87-1 and the retirement of limited tax obligation bonds.

***Community Facilities District (CFD) 2006-1 Fund*** - The City acts as a custodian for collection of special taxes for the Community Facility District 2006-1. The special tax is used for retirement of limited obligation bonds. The City acts in a fiduciary capacity as custodian for any monies available in this fund.

***Community Facilities District (CFD) 2016-1 Fund*** - The special tax is used to recover the cost of new residential development.

***Community Facilities District (CFD) 2019-2 Fund*** - The City acts as a custodian for collection of special taxes for the Community Facility District 2019-2.

***Community Facilities District (CFD) 2022 Fund*** - The City acts as a custodian for collection of special taxes for the Community Facility District 2022.

***Community Facilities District (CFD) 2020-1 Fund*** - The City acts as a custodian for collection of special taxes for the Community Facility District 2020-1.

***Community Facilities District (CFD) 2024-1 Fund*** - The City acts as a custodian for collection of special taxes for the Community Facility District 2024-1.

**City of Rialto**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**June 30, 2025**

	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
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 76,043	\$ 1,099,310	\$ 171,407	\$ 455,279
Cash and cash equivalents held with fiscal agents	-	469,859	-	422,387
Due from other governments	-	228,430	521	3,774
<b>Total assets</b>	<u>76,043</u>	<u>1,797,599</u>	<u>171,928</u>	<u>881,440</u>
<b>LIABILITIES:</b>				
Accounts payable	-	-	-	-
Due to external parties/other agencies	73,688	1,690,106	122,099	818,047
<b>Total current liabilities</b>	<u>73,688</u>	<u>1,690,106</u>	<u>122,099</u>	<u>818,047</u>
<b>NET POSITION (DEFICIT):</b>				
<b>Restricted for:</b>				
Individuals, organizations, and other governments	<u>\$ 2,355</u>	<u>\$ 107,493</u>	<u>\$ 49,829</u>	<u>\$ 63,393</u>

**City of Rialto**  
**Combining Statement of Fiduciary Net Position (Continued)**  
**Fiduciary Funds - Custodial Funds**  
**June 30, 2025**

	Community Facilities District (CFD) 2022	Community Facilities District (CFD) 2020-1	Community Facilities District (CFD) 2024-1	Total Custodial Funds
<b>ASSETS:</b>				
Cash and cash equivalents	\$ -	\$ 1,721,153	\$ 53,046	\$ 3,576,238
Cash and cash equivalents held with fiscal agents	186,268	1,320,519	-	2,399,033
Due from other governments	-	4,702	-	237,427
<b>Total assets</b>	<u>186,268</u>	<u>3,046,374</u>	<u>53,046</u>	<u>6,212,698</u>
<b>LIABILITIES:</b>				
Accounts payable	-	-	51,603	51,603
Due to external parties/other agencies	186,268	3,046,374	-	5,936,582
<b>Total current liabilities</b>	<u>186,268</u>	<u>3,046,374</u>	<u>51,603</u>	<u>5,988,185</u>
<b>NET POSITION (DEFICIT):</b>				
<b>Restricted for:</b>				
Individuals, organizations, and other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,443</u>	<u>\$ 224,513</u>

**City of Rialto**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Year Ended June 30, 2025**

	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
<b>ADDITIONS:</b>				
Taxes and assessments	\$ -	\$ 519,915	\$ 110,018	\$ 338,262
Interest and net increase in fair value of investments	2,355	48,865	4,811	18,563
Miscellaneous	-	-	-	-
<b>Total additions</b>	<u>2,355</u>	<u>568,780</u>	<u>114,829</u>	<u>356,825</u>
<b>DEDUCTIONS:</b>				
Administrative expenses	-	6,924	-	2,750
Interest expense	-	161,113	-	210,682
Principal payments	-	180,000	-	30,000
Contributions to other governments	-	113,250	65,000	50,000
<b>Total deductions</b>	<u>-</u>	<u>461,287</u>	<u>65,000</u>	<u>293,432</u>
<b>CHANGE IN NET POSITION</b>	2,355	107,493	49,829	63,393
<b>Net Position:</b>				
Beginning of year	-	-	-	-
End of year	<u>\$ 2,355</u>	<u>\$ 107,493</u>	<u>\$ 49,829</u>	<u>\$ 63,393</u>

**City of Rialto**  
**Combining Statement of Changes in Fiduciary Net Position (Continued)**  
**Custodial Funds**  
**For the Year Ended June 30, 2025**

	Community Facilities District (CFD) 2022	Community Facilities District (CFD) 2020-1	Community Facilities District (CFD) 2024-1	Total Custodial Funds
<b>ADDITIONS:</b>				
Taxes and assessments	\$ -	\$ 1,945,038	\$ -	\$ 2,913,233
Interest and net increase in fair value of investments	-	257,743	1,443	333,780
Miscellaneous	-	50,000	-	50,000
<b>Total additions</b>	<b>-</b>	<b>2,252,781</b>	<b>1,443</b>	<b>3,297,013</b>
<b>DEDUCTIONS:</b>				
Administrative expenses	-	1,336,343	-	1,346,017
Interest expense	-	916,438	-	1,288,233
Principal payments	-	-	-	210,000
Contributions to other governments	-	-	-	228,250
<b>Total deductions</b>	<b>-</b>	<b>2,252,781</b>	<b>-</b>	<b>3,072,500</b>
<b>CHANGE IN NET POSITION</b>	<b>-</b>	<b>-</b>	<b>1,443</b>	<b>224,513</b>
<b>Net Position:</b>				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,443</u>	<u>\$ 224,513</u>

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