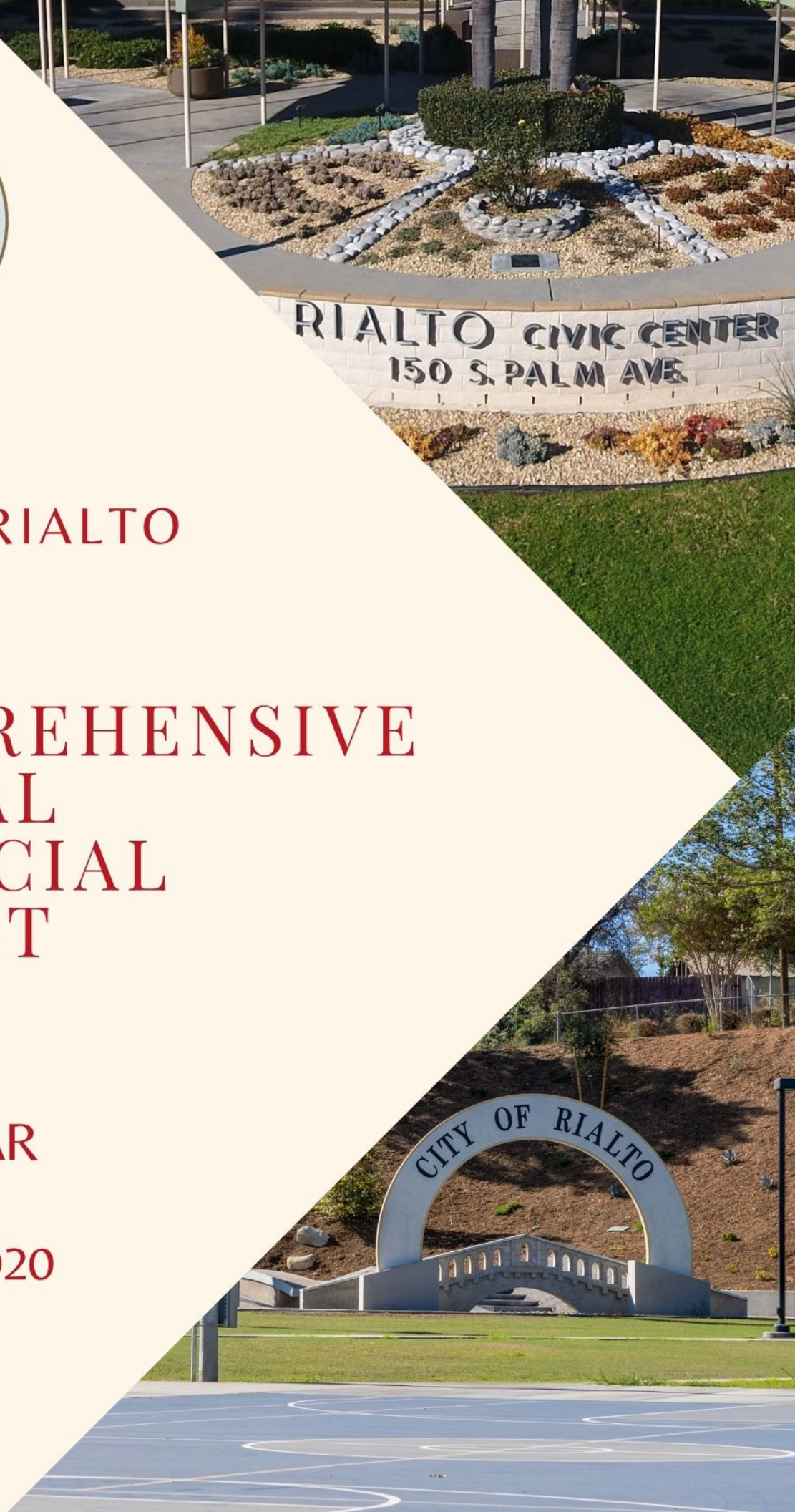




CITY OF RIALTO  
CALIFORNIA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR  
ENDING  
JUNE 30, 2020





**CITY OF RIALTO, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
Year Ended June 30, 2020

**PREPARED BY THE FINANCE DEPARTMENT**





**City of Rialto, California**  
**Comprehensive Annual Financial Report**  
Year Ended June 30, 2020

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**City of Rialto, California**  
**Comprehensive Annual Financial Report**  
Year Ended June 30, 2020

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## **INTRODUCTORY SECTION**





# *City of Rialto*

## *California*

May 3, 2021

**Honorable Mayor, Members of the City Council and Citizens of Rialto:**

We are pleased to present the Comprehensive Annual Financial Report (Annual Report) of the City of Rialto, California (City) for the fiscal year ended June 30, 2020. Responsibility for the accuracy of this data and the completeness and fairness of its presentation, including all disclosures, rests with the City. To the best of our knowledge, the enclosed data are accurate in all material respects and are reported in a manner which presents fairly the financial position and operating results of the City. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City of Rialto, California. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, and misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Teaman, Ramirez & Smith, Inc., a public accounting firm fully licensed and qualified to perform audits of State and local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Rialto, California, for the fiscal year ended June 30, 2020, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that the City of Rialto's financial statements for the year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In addition to the independent audit of the financial statements of the City, Teaman Ramirez & Smith, Inc. also performed a federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair representation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports will be available in the City's separately issued Single Audit Report.

GAAP requires management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City's MD&A can be found immediately following the independent auditor's report in the financial section of the Annual Report.

## **THE REPORTING ENTITY AND ITS SERVICES**

The financial reporting entity includes all the funds of the City as well as all its component units. The City is the primary government. The component units are the Rialto Public Financing Authority (the Financing Authority), the Rialto Utility Authority (the Utility Authority), the Rialto Nonprofit Public Building Authority (the Building Authority) and the Rialto Housing Authority (the Housing Authority).

The City was incorporated in 1911 as a general law city and operates under a Council-Manager form of government.

The Financing Authority was formed in 1988 to provide a financing mechanism for the public projects of the City and the Redevelopment Agency of the City of Rialto (Agency). The Agency is now dissolved but the Authority continues to exist.

The Utility Authority was created on May 1, 2001. The Utility Authority was formed to provide for the lease, ownership, operation, maintenance, construction and financing of the Water and Wastewater Utility systems and any other utility system or service.

The Nonprofit Public Building Authority was established in 1988 to provide financial assistance to the City by financing, refinancing, acquiring, constructing, improving, leasing, selling or otherwise conveying property of any kind to the City.

The Housing Authority was created on November 4, 2003. 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.

## **SUCCESSOR AGENCY to the REDEVELOPMENT AGENCY of the CITY of RIALTO**

The Redevelopment Agency was formed in 1977 with the objective of providing long-term financing of capital improvements designed to eliminate physical and economic blight in the designated project area. On December 29, 2011, the California Supreme Court upheld Assembly Bill x1 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. The Bill provides that upon dissolution of a redevelopment agency, the entity that established the redevelopment agency may elect to serve as the “Successor Agency”. The Successor Agency holds the assets of the former redevelopment agency until they are distributed to other units of state and local government after the payment of enforceable obligations that were in effect as of the signing of the Bill. On September 27, 2011, the City elected to become the Successor Agency. On February 1, 2012, the Agency was dissolved and the Successor Agency to the Redevelopment Agency of the City of Rialto (Successor Agency) was created. The Successor Agency is included as a fiduciary fund (private purpose trust fund).

## **PROFILE OF THE CITY OF RIALTO**

The City of Rialto provides a full range of services to its residents with 396 full-time employees. Major services such as attorney, library, transit, street sweeping, and landscape maintenance are provided through contractual arrangements. The City provides services such as fire, police, affordable housing, economic development, planning, community compliance, recreation programs, humane services, park and facilities maintenance, street maintenance, city engineering, and administrative management services with city employees.

## **HISTORY OF THE CITY OF RIALTO**

In 1851, the Mountain Family purchased part of the Lugo Family’s Rancho San Bernardino and claimed several other portions of the bench which later became known as Rialto. This claim was later amended by the United States Government, permitting them a smaller fraction of the initial purchase.

In the fall of 1888, the first school was built, and Brooke School District was formed. Records show that up until 1920, the Brooke School District was in continuous operation, except for a very short time in 1888. The prominent Rialto Trapp family bought the first schoolhouse in 1921, remodeled the building, and members of the family resided



in it until it was destroyed by fire. The Rialto School District, (today Rialto Unified School District), was formed in 1891. The staff consisted of two teachers and a principal with separate play areas for the boys and girls.

The Chamber of Commerce was established in 1907. The Chamber incorporated in the spring of 1911. By 1911, the population had grown to 1,500 with 40 businesses and a local newspaper. The election results on October 31 of the same year were 135 for the incorporation of the city and 72 against. The City was incorporated with a Council-Manager form of government. The Mayor is elected at large to serve a four-year term. The four Council Members are elected to serve staggered four-year terms. The City of Rialto is 4 miles (6.4 km) wide and 8.5 mile (13.7 km) long and is currently at a population of approximately 104,553 (source: California Department of Finance).

## **BUDGETARY CONTROL**

The City prepares an annual budget consistent with Generally Accepted Accounting Principles (GAAP) for all governmental funds on a modified accrual basis where revenues are recognized when they become measurable and available to finance expenditures of the current period. Expenditures are recorded when the goods or services are received, and the liabilities are incurred.

Department directors are responsible, not only to accomplish particular goals within each program, but also to monitor budget allocations consistent to the funding levels adopted by the City Council prior to July 1 of the budget year. In addition, the City maintains budgetary control through the use of an encumbrance accounting system. As purchase orders are issued, corresponding amounts are encumbered for later payments to ensure that budget amounts are not exceeded.

## **INTERNAL CONTROLS**

The City's management is responsible for developing and establishing an internal control structure to ensure that the assets of the government are protected from loss, theft, misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of the costs and benefits requires estimates and judgements by management.

## **APPROPRIATION LIMIT**

Article XIIB of the California Constitution (Proposition 4), commonly referred to as the "Gann Initiative" was approved by California voters in 1979, which placed limits on the amount of proceeds of taxes that State and Local agencies can appropriate and spend each year. The City's spending limitation is calculated each year and established by a resolution of the City Council as part of the Annual Budget process. Using the population and per capital income data provided by the California Department of Finance, the City's appropriation limits for fiscal year 2019/2020 amounted to \$81,762,887.

## **ECONOMIC CONDITION AND OUTLOOK**

On March 12, 2020 the Rialto City Council adopted Resolution No. 7600 declaring the existence of local emergency throughout the City of Rialto in response to the COVID-19 outbreak. The City of Rialto cancelled all City events and activities and closed all City facilities to the public. Since the City's declaration of local emergency, there have been significant directives from the State of California and the San Bernardino County Department of Public Health. The County of San Bernardino Health Officer ordered the cancellation of gatherings and closing of most businesses. In addition, California Governor Gavin Newsom, issued a Stay-At-Home order for the entire state of California. This order limited the continued operations of businesses and entities to those defined as critical infrastructure by the U.S. Department of Homeland Security.

The COVID-19 pandemic began impacting sales tax revenue during the first quarter of 2020 with the biggest blow coming in the last two weeks in March. Sales tax revenue from food and drugs remained steady, while fast-food

establishments helped to moderately increase revenue in the restaurants/hotels category. Receipts from general consumer goods shifted downward as shoppers were sidelined due to the stay-at-home order. Also during the first quarter of 2020, with many brick and mortar stores closed or restricted due to limited occupancy, consumers shifted to online shopping which increased the City's share of the countywide use tax pool by 19.6% over the first quarter compared to the prior year.

Growth in the number of home sales slowed and even declined by mid-2019. Fewer properties were on the market, compared with 2018 despite declining mortgage rates. In 2020, sale prices have risen as the number of sales declined significantly due to the COVID-19 stay at home orders. Prices have continued to rise in response to lower inventory and lower interest rates. The median price of a detached single family residential home in Rialto from January through November 2020 was \$399,500.

The status of the City's California State Public Employees Retirement System (CalPERS) is considerably underfunded, due to lower than projected investment returns, combined with significant losses during the 2008 Great Recession. In addition, CalPERS Board of Directors voted to lower the discount rate used in its actuarial valuations from 7.5% to 7%. All of these factors, and more, have resulted in increased employer normal costs and unfunded accrued liabilities (UAL). Annual payments to amortize the UAL have grown from \$5.3 million in 2015 to \$9.7 million in 2020 and are projected to grow to \$15.2 million by 2030. The City is currently evaluating cost management strategies to address this escalating liability.

Federal, State, and local governments are working to limit the spread of COVID-19. Orders intended to contain the virus have caused temporary closures of businesses and limited access to retail and service industries. This will continue to have impacts on the economy; however, it remains unclear if these effects are short or long term. In order for the City to successfully manage the unknown impacts, it is recommended that Rialto practice fiscal discipline and establish proactive measures to safely manage upcoming fiscal challenges.

## **AWARD**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2019. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements and we are intending to submit it to the GFOA to determine its eligibility for the certificate.

## **ACKNOWLEDGEMENTS**

We would like to express appreciation to all City staff who assisted in the preparation of this report, particularly to the staff of the Finance Department. We would also like to extend our appreciation to the Mayor and the City Council for their guidance and leadership, and to the auditors, Teaman Ramirez & Smith, Inc., Certified Public Accountants, for their professional assistance and diligence. As in the past, the Annual Report is available online at [www.yourrialto.com](http://www.yourrialto.com).

Respectfully submitted,

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Sean Grayson  
Acting City Manager

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Bob L. Chandler  
Interim Finance Director

# Directory of Officials

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DEBORAH ROBERTSON  
**MAYOR**



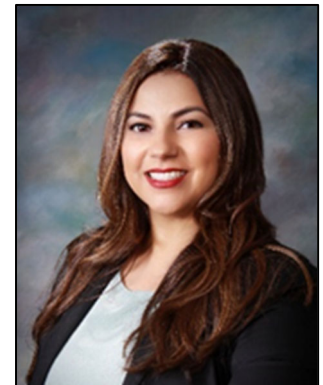
ED SCOTT  
**MAYOR PRO TEM**



RAFAEL TRUJILLO  
**COUNCIL MEMBER**



ANDY CARRIZALES  
**COUNCIL MEMBER**



KARLA PEREZ  
**COUNCIL MEMBER**



BARBARA A. MCGEE  
**CITY CLERK**



EDWARD J. CARRILLO  
**CITY TREASURER**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Rialto  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

The Honorable City Council  
of the City of Rialto  
Rialto, California

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rialto, California (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rialto, California, as of June 30, 2020, 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.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As described in Note 1 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other 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 introductory section, supplementary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

*Teaman Ramirez & Smith, Inc.*

Riverside, California

May 3, 2021

# MANAGEMENT'S DISCUSSION & ANALYSIS

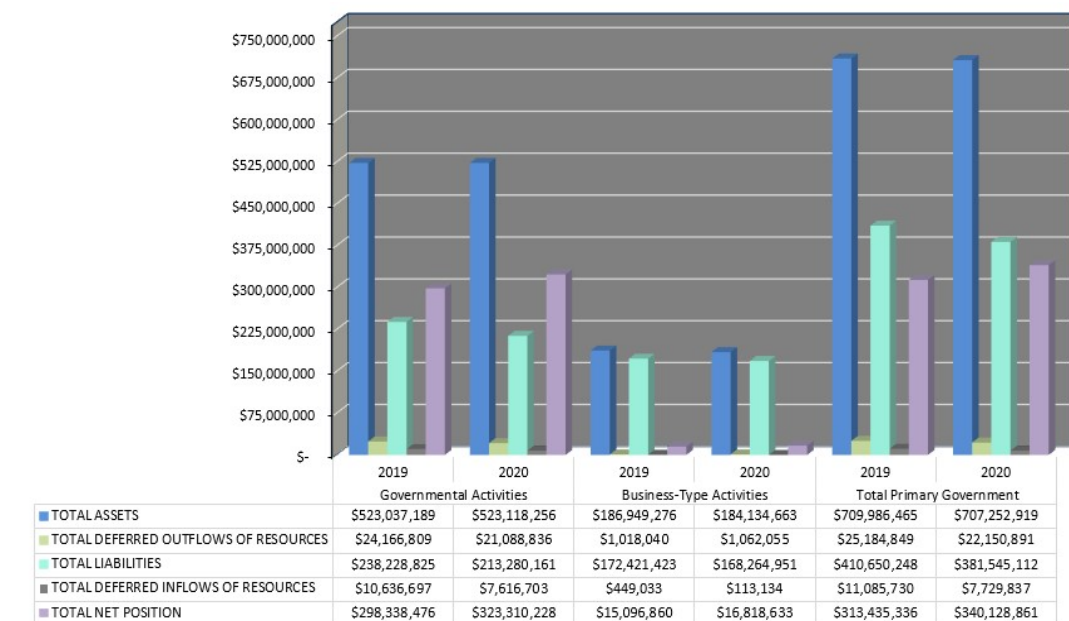
The management of the City of Rialto has prepared this narrative overview and analysis of the financial activities of the City for the Fiscal Year (FY) ended June 30, 2020. This discussion and analysis is intended to serve as an introduction to the City's basic financial statements and to provide financial comparisons with the previous year. Please read this information in conjunction with the City's financial statements, which follow this section.



## FINANCIAL HIGHLIGHTS

- As of June 30, 2020, the City's net position increased to \$340.1 million (see Chart 1). "Net position" represents the difference between the City's resources (total assets) and deferred outflows of resources, totaling \$729 million, versus its obligations (total liabilities) and deferred inflows of resources totaling \$389 million.
- Total assets decreased by \$2.7 million. This was due to decrease of \$27.9 million in Cash and Investments and \$16.5 million in Concessionaire Receivables; these decreases were offset by \$34.8 million and \$2.3 million increase in capital and restricted assets, respectively.
- Total liabilities decreased \$29.1 million attributed to a \$31.5 million decrease in Unearned Revenue, offset by a \$3.6 million increase in OPEB Liability.
- The Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds reported an increase in fund balance of \$5 million. The key contributing factors were an increase of \$1.8 million in the category of "Taxes", \$3.1 million in "Revenue from other agencies".
- Total General Fund revenues for the fiscal year 2020 totaled \$97.5 million, representing a \$2.6 million decrease from the prior year. General Fund expenditures decreased to \$85.1 million from \$86.4 compared from the prior fiscal year.
- Tax Revenues of \$68.6 million, increased by \$1.7 million from last year. This was primarily due to an increase of \$1.7 million from In Lieu Property Tax and \$0.6 million in UUT-Gas/Electric.
- As of June 30, 2020, the General Fund - fund balance totaled \$87.5 million, of which \$24.4 million is considered non-spendable, as it represents prepaid items, deposits, advances to other funds, inventory and property held for resale. The total remaining fund balance after non-spendable fund balances is \$63.1 million of which \$14.3 million has been committed to be used for specific capital projects. The remaining \$48.8 million is unassigned and is available for contingencies. The City's General Fund reserve policy for fiscal year 2020 is to maintain a minimum balance of 50% of the General Fund operating expenditure budget. Fiscal year 2020's unassigned fund balance represents 52% of the City's General Fund operating expenditure budget.

CHART 1—NET POSITION





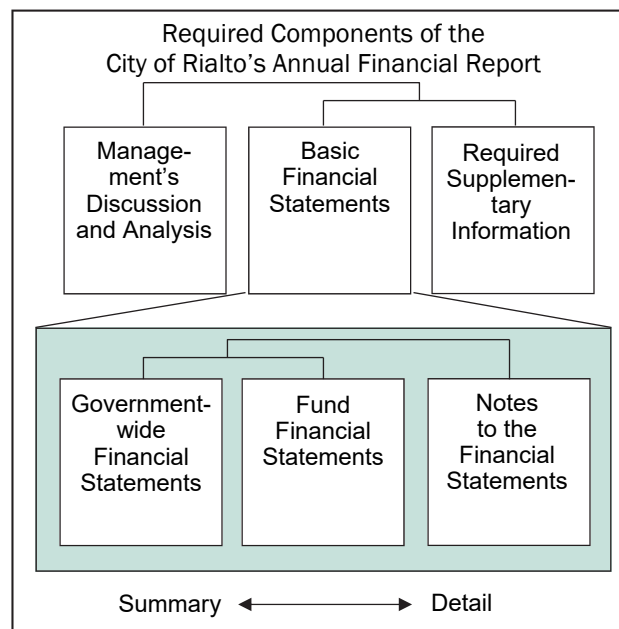
## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: Management's Discussion and Analysis (this section), the basic financial statements, required supplementary information, and supplementary information that present combining statements for non-major governmental funds, non-major enterprise funds, and internal service funds and agency funds. The basic financial statements include two kinds of statements that present different views of the City.

- The government-wide financial statements provide both long-term and short-term information about the City's overall financial status in a manner similar to a private-sector business.
- The fund financial statements focus on individual parts of the City government and report the City's operations in a more detailed format than the government-wide statements.

The fund statements can be divided into three categories:

- *Governmental fund statements* tell how general government services such as police, fire, public works and special revenue funds were financed in the short-term, as well as what remains for future spending.
- *Proprietary fund statements* offer short-term and long-term financial information about the activities the City operates like businesses, such as utilities services, the airport, the cemetery and the community services department.
- *Fiduciary fund statements* provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of other governmental units, private organizations, or individuals to whom the resources belong.



The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. This report also presents certain required supplementary information including budgetary comparison schedules for governmental funds. The notes to the required supplementary information present information concerning the City's budget process.

In addition to these required elements, combining statements and schedules that provide details about non-major governmental funds, and non-major enterprise funds, internal service funds, and agency funds are also presented.



## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

### NET POSITION

Net position represents the difference between the City's resources and its obligations. Over time, net position may serve as an indication of a government's financial position. The City's combined net position as of June 30, 2020, as shown in Table 1, was \$340.1 million.

The City utilizes three classifications for net position: net investment in capital assets, restricted and unrestricted.

Net investment in capital assets: Of the total primary government net position, \$383.2 million net investment in capital assets (i.e., land, buildings, machinery, equipment, and infrastructure). The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Restricted: An additional portion of the City's net position, which equates to \$162.1 million, represents resources subject to external restrictions on how they may be used, such as, transportation, development, grants and debt service reserve requirements for the outstanding bonds.

Unrestricted: The remaining balance represents (\$205.3) million in unrestricted net position. This portion reflects the amount available to meet ongoing obligations to citizens and creditors. Unrestricted net position is (\$78) million and (\$127) million for governmental and business-type activities, respectively.

TABLE 1—SUMMARY OF NET POSITION

	SUMMARY OF NET POSITION AS OF JUNE 30, 2019 AND 2020							
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT		TOT % CHG	
	2019	2020	2019	2020	2019	2020		
CURRENT AND OTHER ASSETS	\$266,167,519	\$243,364,826	\$80,847,243	\$66,115,051	\$347,014,762	\$309,479,877	-10.82%	
CAPITAL ASSETS	256,869,670	279,753,430	106,102,033	118,019,612	362,971,703	397,773,042	9.59%	
<b>TOTAL ASSETS</b>	<b>\$523,037,189</b>	<b>\$523,118,256</b>	<b>\$186,949,276</b>	<b>\$184,134,663</b>	<b>\$709,986,465</b>	<b>\$707,252,919</b>	-0.39%	
DEFERRED LOSS ON REFUNDING, NET OF ACCUMULATED AMORTIZATION	\$5,218	\$2,607	\$0	\$0	\$5,218	\$2,607	-50.04%	
DEFERRED AMOUNT FROM PENSION PLANS	23,551,402	20,094,881	992,331	1,027,216	24,543,733	21,122,097	-13.94%	
OTHER POST EMPLOYMENT BENEFITS	610,189	991,348	25,709	34,839	635,898	1,026,187	61.38%	
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$24,166,809</b>	<b>\$21,088,836</b>	<b>\$1,018,040</b>	<b>\$1,062,055</b>	<b>\$25,184,849</b>	<b>\$22,150,891</b>	-12.05%	
CURRENT LIABILITIES	\$50,983,178	\$20,147,632	\$11,727,838	\$10,314,344	\$62,711,016	\$30,461,976	-51.42%	
NONCURRENT LIABILITIES	189,245,646	193,132,529	160,693,585	157,950,607	349,939,231	351,083,136	0.33%	
<b>TOTAL LIABILITIES</b>	<b>\$240,228,824</b>	<b>\$213,280,161</b>	<b>\$172,421,423</b>	<b>\$168,264,951</b>	<b>\$412,650,247</b>	<b>\$381,545,112</b>	-7.54%	
DEFERRED AMOUNT FROM PENSION PLANS	\$8,338,471	\$7,271,368	\$376,619	\$100,409	\$9,315,090	\$7,371,777	-20.86%	
OTHER PENSION RELATED ITEMS	1,698,226	345,335	72,414	12,725	1,770,640	358,060	-79.78%	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>10,636,697</b>	<b>\$7,616,703</b>	<b>\$449,033</b>	<b>\$113,134</b>	<b>\$11,085,730</b>	<b>\$7,729,837</b>	-30.27%	
NET POSITION:								
NET INVESTMENT IN CAPITAL ASSETS	\$241,566,979	\$265,229,119	\$106,102,033	\$118,019,612	\$347,669,012	\$383,248,731	10.23%	
RESTRICTED FOR:								
COMMUNITY DEVELOPMENT	109,539,370	123,971,032	-	-	109,539,370	123,971,032	13.17%	
PUBLIC SAFETY	8,932,486	11,699,948	-	-	8,932,486	11,699,948	30.98%	
DEBT SERVICE	705,643	682,606	-	-	705,643	682,606	-3.26%	
WATER AND WASTE WATER	-	-	22,453,155	25,476,639	22,453,155	25,476,639	13.47%	
OTHER	-	-	320,915	338,767	320,915	338,767	5.56%	
UNRESTRICTED	(64,406,001)	(78,272,477)	(113,779,243)	(127,016,385)	(178,185,244)	(205,288,862)	15.21%	
<b>TOTAL NET POSITION</b>	<b>\$296,338,477</b>	<b>\$323,310,228</b>	<b>\$15,096,860</b>	<b>\$16,818,633</b>	<b>\$311,435,337</b>	<b>\$340,128,861</b>	9.21%	

### CHANGES IN NET POSITION

The combined net position of the primary government increased this fiscal year from \$313.4 million, at June 30, 2019, to \$340.1 million at June 30, 2020. The governmental activities' total net position has increased by \$25 million while business-type net position increased by \$1.7 million over the prior year.

The most significant changes to the primary government's net position were a result of total liabilities decreasing by \$29.1 million, primarily resulting from a \$32.2 million decrease in current liabilities.

Another factor contributing to the increase in net position is the \$3.4 million or 30% decrease in total deferred inflows of resources.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

### REPORTING THE CITY AS A WHOLE

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The statement of activities reports all of the current year's revenues and expenses regardless of when cash is received or paid.

The two government-wide financial statements report the City's net position and how it has changed during the fiscal year. Over time, increases or decreases in the City's net position is an indicator of whether its financial position is improving.

The two government-wide financial statements of the City are divided as follows:

- *Governmental Activities*—Most of the City's basic services are included here, such as police, fire, public works, redevelopment, and general government. Governmental activities are financed by taxes, revenues

from other government agencies, state/federal grants, and charges for services.

- *Business-type Activities*—Certain services provided by the City are funded by customer fees. Among these are the City's water, wastewater, community services, and cemetery services.

Except for the Successor Agency, the government-wide financial statements include not only the City itself, but also legally separate component units such as: Rialto Non-profit Public Building Authority, the Rialto Public Financing Authority, Rialto Utility Authority and Rialto Housing Authority. These component units, while legally separate from the City, provide services entirely or almost exclusively for the benefit of the City. Therefore, these component units are blended with the City government because of their governance and their financial relationships with the City.



## FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. A fund is an accounting entity with a self-balancing set of accounts that the City uses to keep track of resources that have been segregated for specific activities or objectives.

The City has three types of funds:

- *Governmental funds*—Most of the City's basic services are included in governmental funds, which are used to account for (1) short-term inflows and outflows of spendable resources, and (2) the remaining year-end balances available for spending. Due to the fact that this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation that explains the relationship (or differences) between governmental funds and governmental activities follow each of the governmental funds statements.
- *Proprietary funds*—Services for which customer fees are intended to finance the costs of operations are generally reported in proprietary funds. Proprietary funds and financial statements, like the government-wide statements, provide both long-term and short-term fi-

nancial information.

- ◊ Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.
- ◊ Internal service funds report activities that provide services for the City's other programs and activities, such as the City's Fleet Fund, Worker's Compensation, General Liability, Management Information System, and Building Maintenance Fund.
- *Fiduciary funds*—Fiduciary funds are used to account for resources held for the benefit of parties outside of the City. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

## REVENUES

Revenues for fiscal year ended June 30, 2020 were approximately \$179 million. The largest government-wide source of revenue for fiscal year 2020 comes from charges for services at \$71.2 million. Of this amount, \$43.7 million were derived from Water and Wastewater activities. Property tax, sales tax and grants/contribution are the next largest sources of revenue, making up 41.4% of the total government-wide revenue (see Chart 2).

Compared to fiscal year 2019, total revenues decreased by \$6.5 million, or 3.5%. This resulted primarily from a \$6.9 million decrease in Charges for services. This was due to decrease in community and land development revenues as a result of COVID.

Property taxes increased by \$782 thousand or 2.7% due to increased in lieu property tax.

Sales taxes increased by \$169 thousand or .7% attributed to increased online sales.

Utility users tax revenue increased by \$628 thousand or 4.8% due to increased UUT-Gas/Electric revenue.

Gain on sale of property decreased by \$1.6 million due to prior year sale of the Ayala/Easton property.

RUA contract revenue increase by \$398 thousand due to Water and Wastewater administration contract payments.

Table 2 provides information on the major revenue sources and comparisons between the current and prior

CHART 2—SOURCES OF REVENUE

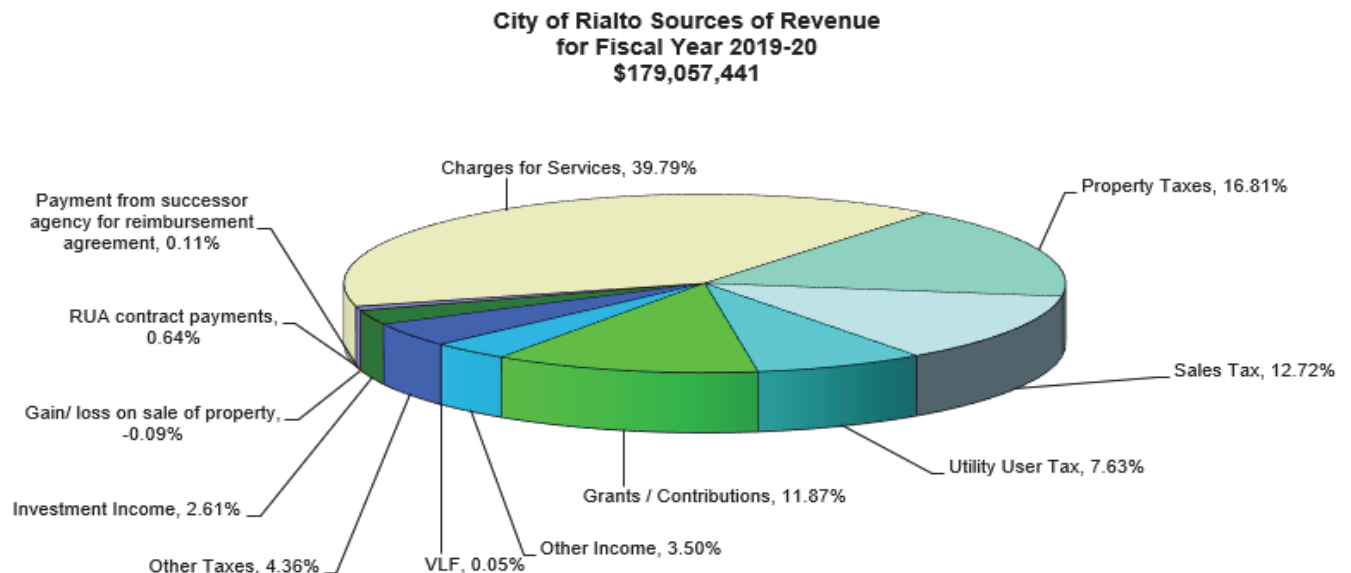


TABLE 2—SOURCES OF REVENUE

Revenues	2019	2020	Increase / (Decrease)	CHG %	% of Total Revenue
Charge for Services	\$78,195,109	\$71,254,920	(\$6,940,189)	-8.9%	39.79%
Property Taxes	29,311,634	30,093,542	781,908	2.7%	16.81%
Sales Tax	22,603,061	22,771,751	168,690	0.7%	12.72%
Utility User Tax	13,035,913	13,664,176	628,263	4.8%	7.63%
Grants / Contributions	21,834,427	21,262,712	(\$571,715)	-2.6%	11.87%
Other Income	5,517,643	6,265,461	747,818	13.6%	3.50%
VLF	51,380	84,900	33,520	65.2%	0.05%
Other Taxes	6,987,451	7,806,822	819,371	11.7%	4.36%
Investment Income	5,654,307	4,679,809	(974,498)	-17.2%	2.61%
Gain sale on property	1,448,039	(155,348)	(1,603,387)	-110.7%	-0.09%
RUA contract payments	742,000	1,140,530	398,530	53.7%	0.64%
Payment from successor agency for reimbursement agreement	187,866	188,166	300	0.2%	0.11%
<b>Total Revenue</b>	<b>\$185,568,830</b>	<b>\$179,057,441</b>	<b>(\$6,511,389)</b>	<b>-3.5%</b>	<b>100%</b>



## EXPENSES

Expenses for the City totaled \$151.3 million, an increase of 6.2% or \$8.8 million from fiscal year 2019 (see Table 3).

Governmental Activities totaled \$107.7 million, or 71% of total expenses. Governmental activities are grouped by functional activity: (1) General Government includes Administration, City Clerk, City Treasurer, Finance and Human Resources; (2) Community Development includes Public Works, Community Compliance, Planning, Building Services and Economic Development functions; (3) Public Safety includes Police and Fire services and lastly (4) Interest on long-term debt.

Business-type activities totaled \$43.6 million, or 28.8% of total expenses. Business-type activities are also grouped by functional activity. These typically represent activities performed in exchange for a fee: (1) Wastewater and Wa-

ter utility services are provided to over 20,000 customers; (2) Community Services are partially paid by those requesting participation in a certain programs. About 77% of the community services activities were subsidized by general revenues and not supported by charges for service; (3) Airport represents residual transactions relating to the former airport; and (4) Business Other includes Cemetery services.

General Government expenses increased by \$2.8 million from the prior fiscal year mainly due to \$1.3 million increased expense for City assessments.

Community Development expenses decreased by \$174 thousand due less capital improvement project expenses.

Public safety expense increased by \$2.99 million attributed to increased personnel costs.

CHART 3—FUNCTIONAL EXPENSES

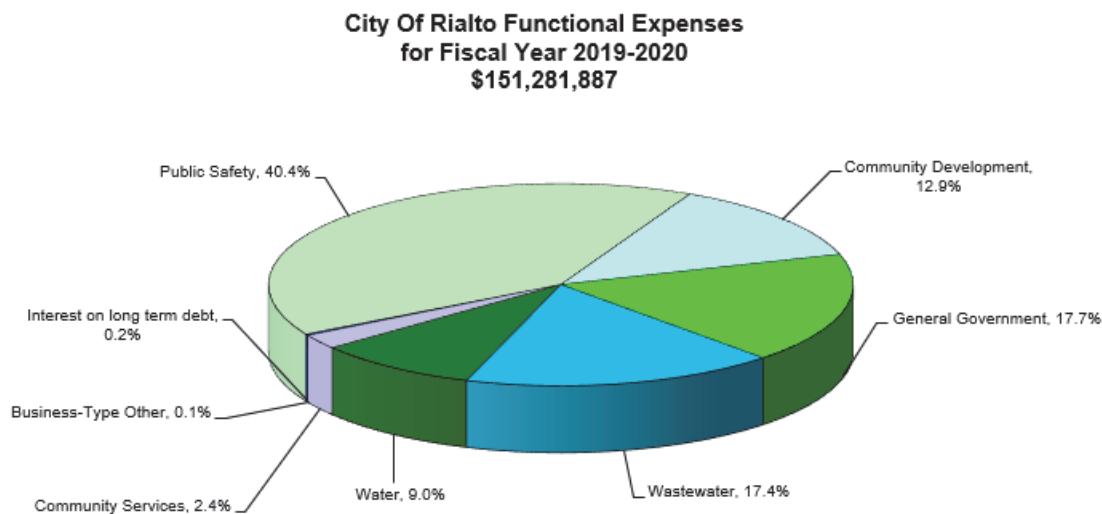


TABLE 3—FUNCTIONAL EXPENSES

Expenses	2019	2020	INCREASE / (DECREASE)	CHG %	% OF TOTAL EXPENSES
<b>Governmental Activities</b>					
General Government	\$23,994,846	\$26,797,603	\$2,802,757	11.7%	18%
Community Development	19,645,409	19,471,093	(174,316)	-0.9%	13%
Public Safety	58,199,682	61,186,234	2,986,552	5.1%	40%
Interest on Long Term Debt	479,445	263,664	(215,781)	-45.0%	0.2%
Government Sub Total	\$102,319,382	\$107,718,594	\$5,399,212	5.3%	71%
<b>Business-Type Activities</b>					
Wastewater	\$23,016,838	\$26,260,393	\$3,243,555	14.1%	17%
Water	13,178,151	13,668,540	490,389	3.7%	9%
Airport	45,491	4,341	(41,150)	-90.5%	0%
Community Services	3,836,329	3,557,900	(278,429)	-7.3%	2%
Business Other	78,817	72,119	(6,698)	-8.5%	0.0%
Business Sub Total	\$40,155,626	\$43,563,293	\$3,407,667	8.5%	29%
<b>Total Expenses</b>	<b>\$142,475,008</b>	<b>\$151,281,887</b>	<b>\$8,806,879</b>	<b>6.2%</b>	<b>100%</b>

## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, CONTINUED

## GOVERNMENTAL ACTIVITIES

Most of the City's basic services are classified as Governmental activities, such as police, fire, public works, community development, and general government. Governmental activities are financed by taxes, revenues from other government agencies, state/federal grants, and charges for services.

Chart 4 compares the total cost of each of the City's major function program revenues versus expenses. In Table 4A, the Governmental Activities net difference of \$58.9 million is funded by general revenues. In Table 4B, the program revenues and major revenues show a decrease of \$5.2 million primarily related to a considerable reduction in Charges for Services (also development related).

CHART 4—GOVERNMENTAL ACTIVITIES

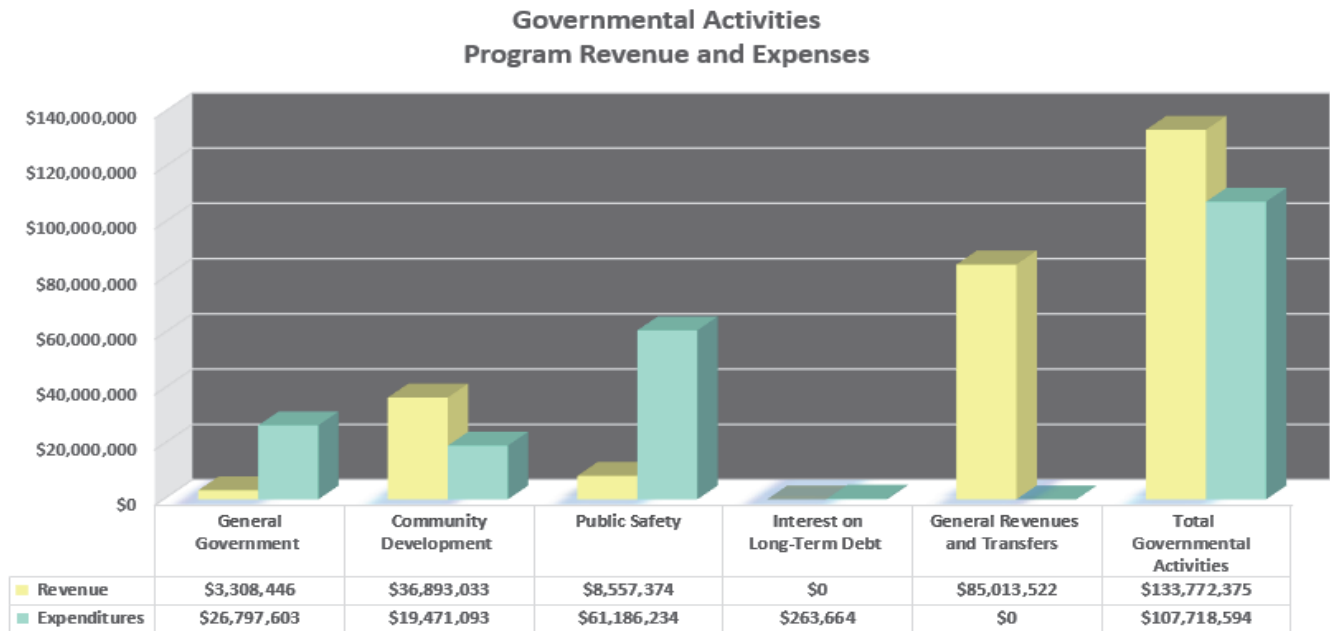


TABLE 4A—GOVERNMENTAL ACTIVITIES

Governmental Activities	Revenue			Expenses			Net Cost		
	2019	2020	% of Chg	2019	2020	% of Chg	2019	2020	% of Chg
General Government	\$5,323,744	\$3,308,446	-37.9%	\$23,994,846	\$26,797,603	11.7%	(\$18,671,102)	(\$23,489,157)	25.8%
Community Development	43,502,963	36,893,033	-15.2%	19,645,409	19,471,093	-0.9%	23,857,554	17,421,940	-27.0%
Public Safety	7,604,639	8,557,374	12.5%	58,199,682	61,186,234	5.1%	(50,595,043)	(52,628,860)	4.0%
Interest on Long-Term Debt	-	-	-	479,445	263,664	-45.0%	(479,445)	(263,664)	-45.0%
<b>Subtotal Governmental Activities</b>	<b>\$56,431,346</b>	<b>\$48,758,853</b>	<b>-13.6%</b>	<b>\$102,319,382</b>	<b>\$107,718,594</b>	<b>5.3%</b>	<b>(\$45,888,036)</b>	<b>(\$58,959,741)</b>	<b>28.5%</b>
<b>General Revenues and Transfers</b>	<b>84,616,433</b>	<b>85,013,522</b>	<b>0.5%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>84,616,433</b>	<b>85,013,522</b>	<b>0.5%</b>
<b>Total Governmental Activities</b>	<b>\$141,047,779</b>	<b>\$133,772,375</b>	<b>-5.2%</b>	<b>\$102,319,382</b>	<b>\$107,718,594</b>	<b>5.3%</b>	<b>\$38,728,397</b>	<b>\$26,053,781</b>	<b>-32.7%</b>

TABLE 4B—GOVERNMENTAL ACTIVITIES—PROGRAM AND GENERAL REVENUES

	2019	2020	Increase / (Decrease)	CHG %	% of Total Revenue
<b>Revenues</b>					
Program revenues					
Charge for Services	\$34,800,572	\$27,523,558	(\$7,277,014)	-20.9%	21%
Operating Grants and Contributions	\$12,996,451	\$15,536,989	\$2,540,538	19.5%	12%
Capital Grants and Contributions	\$6,634,323	\$5,698,306	(\$936,017)	-14.1%	4%
General revenues:					
Property Taxes	\$29,311,614	\$30,093,522	781,908	2.7%	22%
Utility User Tax	\$13,035,913	\$13,664,176	628,263	4.8%	10%
Sales Tax	22,603,061	\$22,771,751	168,690	0.7%	17%
Other Taxes	7,038,831	7,891,722	852,891	12.1%	6%
Other General Revenues	10,087,401	10,400,252	312,851	3.1%	8%
RUA Payments	2,742,000	3,140,530	398,530	14.5%	2%
Transfers	(\$409,255)	(\$3,035,335)	(2,626,080)	-641.7%	-2%
Gain sale on property	\$19,002	(\$101,262)	(120,264)	-632.9%	0%
Payment from successor agency for reimbursement agreement	\$187,866	\$188,166	300	0.2%	0%
<b>Total Revenue</b>	<b>\$139,047,779</b>	<b>\$133,772,375</b>	<b>(\$5,275,404)</b>	<b>-3.8%</b>	<b>100%</b>



## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, CONTINUED

## BUSINESS-TYPE ACTIVITIES

Certain services provided by the City are funded by customer fees. Among these are the City's water, wastewater, airport, community services, and cemetery services.

The increase in net cost for business activities was approximately \$1.7 million. The increase is a result of total expenses of business activities of \$43.6 million coming in under program revenue of \$43.8 million and general revenues and transfers totaling \$1.5 million (discussed below).

The \$43.8 million received in program revenues consists of \$43.7 million in charge for services. This is an increase of \$161 thousand when compared to last year, which is primarily attributable to more water usage. These revenues are depicted in Chart 5.

Business-type general revenues and transfers reported a transfer of \$1.5 million. The \$603 thousand difference between fiscal year 2019 and 2020 was mainly due an increase in subsidiaries for community services.

Wastewater revenues exceeded expenses by \$3 million, which, in comparison to last year's \$6 million, is a decrease of \$3 million. The surplus is primarily a result of an increase in Sewer Collection Fee revenue and Sewer Treatment Fee revenue.

Community Services expenses exceeded revenues which resulted in a \$3 million dollar deficit. The deficit is a primary outcome caused by the COVID-19 disruption to operational services.

CHART 5—BUSINESS-TYPE ACTIVITIES

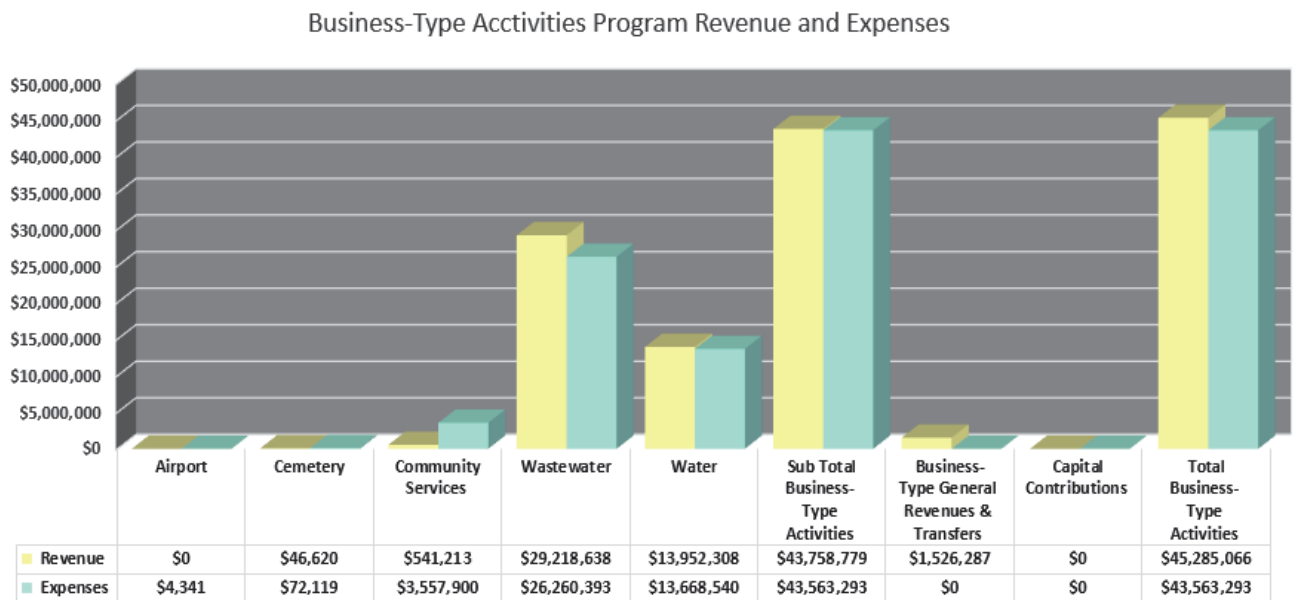


TABLE 5 – BUSINESS-TYPE ACTIVITIES

Business-Type Activities	Revenue			Expenses			Net Cost		
	2019	2020	% of Chg	2019	2020	% of Chg	2019	2020	% of Chg
Airport	\$50,523	\$0	-100.0%	\$45,491	\$4,341	-90.5%	\$5,032	(\$4,341)	-186.3%
Cemetery	56,752	46,620	-17.9%	78,817	72,119	-8.5%	(22,065)	(25,499)	-15.6%
Community Services	825,550	541,213	-34.4%	3,836,329	3,557,900	-7.3%	(3,010,779)	(3,016,687)	-0.2%
Wastewater	29,017,116	29,218,638	0.7%	23,016,838	26,260,393	14.1%	6,000,278	2,958,245	50.7%
Water	13,648,249	13,952,308	2.2%	13,178,151	13,668,540	3.7%	470,098	283,768	39.6%
<b>Sub Total Business-Type Activities</b>	<b>\$43,598,190</b>	<b>\$43,758,779</b>	<b>0.4%</b>	<b>\$40,155,626</b>	<b>\$43,563,293</b>	<b>8.5%</b>	<b>\$3,442,564</b>	<b>\$195,486</b>	<b>94.3%</b>
Business-Type General Revenues & Transfers	922,861	1,526,287	65.4%	-	-	0.0%	922,861	1,526,287	65.4%
Capital Contributions	-	-	0.0%	-	-	0.0%	-	-	0.0%
<b>Total Business-Type Activities</b>	<b>\$44,521,051</b>	<b>\$45,285,066</b>	<b>1.7%</b>	<b>\$40,155,626</b>	<b>\$43,563,293</b>	<b>8.5%</b>	<b>\$4,365,425</b>	<b>\$1,721,773</b>	<b>60.6%</b>

## FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The City uses fund accounting to assure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. The types of Governmental funds reported by the City include the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds. The fund statements provide information on near-term inflows, outflows and balances of spendable resources. These funds represent the reporting structure of the budget and interim council reports.

The City's governmental funds reported combined fund balances at June 30, 2020 of \$210.1 million, which is an increase of \$8.6 million, after a prior period adjustment of \$0.9 million from the previous fiscal year. This consists of a \$19.3 million decrease in total assets and an \$28 million decrease in total liabilities.

In accordance with the Governmental Accounting Standards Board (GASB) Statement No.54, Fund Balance Reporting and Governmental Fund Type Definitions, at June 30, 2020, the City's governmental funds' fund balances include the following classifications and balances based from the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds:

First, non-spendable fund balance is the portion of net resources that cannot be spent because of their form of being a non-cash asset or a receivable. Non-spendable fund balance totaled \$23.4 million, which represents 11% of total fund balance. This includes Prepaid items (\$6 thousand), Deposits (\$4.8 million), Advance to Other Funds (\$18.8 million), Inventory (\$57 thousand), and Property Held for

Resale (\$720 thousand).

Second, restricted fund balance is the portion of net resources that has external enforceable limitations on use; restrictions may be changed or lifted only with the consent of resource providers. Restricted fund balance totaled approximately \$127.2 million, which accounts to 61% of total fund balance. Restrictions are in Debt Service (\$683 thousand), Public Safety (\$11.7 million) and Community Development (\$115 million).

Third, committed fund balance is the portion of net resources to which the City Council has authorized for specific purpose. Committed fund balance of \$14.3 million, comprises 7% of the total fund balance, are attributed to capital projects. Committed fund balances require City Council action to remove.

Lastly, the residual classification for the City's General Fund is unassigned fund balance, which includes all amounts not contained in the other classifications. Total governmental unassigned fund balance is \$44.2 million, which accounts for 21% of total fund balance. The General Fund unassigned balance of \$48.8 million is available for contingencies, while the offsetting \$4.7 million deficit from non-major funds was attributed to grant reimbursements anticipated in the next fiscal year.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The City's Final Budget differs from the Adopted Budget in that it contains carry-forward appropriations and revenues for various programs or projects, supplemental revenues, carry-forward appropriations for open purchase orders from the previous year, and appropriations approved by Council throughout the fiscal year.

After taking into account all the adjustments, actual expenditures were \$6.9 million lower than the final budget amounts.

Capital outlay expenditures were less than the budgeted appropriations by \$226 thousand due to several capital projects/purchases that were not completed or purchased by the end of fiscal year 2020. These included Public Safety, Public Works, and General budget for vehicles and equipment, City maintenance projects for park improvements and City owned buildings which were all carried over to fiscal year 2021.

General Government expenditures were less than the budgeted appropriations by \$2.7 million, mostly due to salary savings.

Public Safety expenditures were less than the budgeted appropriations by \$2.2 million.

Actual revenues received were less than budget by \$1.9 million. Taxes were \$4.3 million over appropriations, and Licenses and Permits were \$420 thousand over appropriations. This was offset by Charges for Services which received \$9.21 million less than budget.

## CAPITAL ASSET & DEBT ADMINISTRATION

### CAPITAL ASSETS

As of June 30, 2020 the City had \$398 million in capital assets, including land and land improvements, construction in progress, buildings, vehicles, police and fire equipment, improvements, water and wastewater transmissions and distribution systems, and infrastructure.

Total Capital Assets increased by \$34.8 million. This increase included construction in progress totaling \$91.7 million, infrastructure of \$209 million and an increase in "Other Improvements" of \$4.2 million. The increase in capital assets was offset by a \$10.9 million increase in accumulated depreciation.

Some of the major capital projects from the Capital Improvement Plan that were completed in fiscal year 2020 were:

#### Street Related Projects

- Annual Street Overlay
- Annual Street Slurry Seal

#### Non-Transportation related projects

- Annual Roof Repair
- Spa and Pool Replaster
- Metrolink Parking Lot

Some major capital projects under construction at the end of fiscal year 2021 and expected to be completed by the next fiscal year are:

- Baseline Storm Drain: Tamarind to Cactus 3 Basin
- Curb, Gutter, Sidewalk Improvements
- Etiwanda Corridor

Other major projects that are in Design, Environmental and Right of Way Acquisition Phases are:

- Cactus Trail/ Parking Lot
- Baseline: Acacia to Meridian Parkway
- Birdsall Park

Additional information pertaining to the City's capital assets can be found in Note 7 in the Notes to the Basic Financial Statements.

TABLE 6 –CAPITAL ASSETS

CITY OF RIALTO Capital Assets								
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT		TOTAL % CHANGE	
	2019	2020	2019	2020	2019	2020		
LAND	\$74,058,111	\$74,410,601	\$1,767,770	\$1,767,770	\$75,825,881	\$76,178,371	0%	
LAND EASEMENTS	7,086,730	7,086,730	-	-	7,086,730	7,086,730	0%	
LAND IMPROVEMENTS	39,159	39,159	7,374,830	8,062,700	7,413,989	8,101,859	9%	
CONSTRUCTION IN PROGRESS	35,611,486	57,954,929	19,479,036	33,755,565	55,090,522	91,710,494	66%	
BUILDINGS	30,081,800	30,081,800	2,336,314	2,336,314	32,418,114	32,418,114	0%	
OTHER IMPROVEMENTS	53,174,760	57,344,389	-	-	53,174,760	57,344,389	8%	
DISTRIBUTION SYSTEMS	-	-	80,414,064	80,586,471	80,414,064	80,586,471	0%	
WASTEWATER TRMT PLANT	-	-	67,976,915	67,976,915	67,976,915	67,976,915	0%	
MACHINERY AND EQUIP.	4,064,860	4,519,204	-	-	4,064,860	4,519,204	11%	
INFRASTRUCTURE	206,657,632	209,123,748	-	-	206,657,632	209,123,748	1%	
VEHICLES	15,554,895	15,819,500	-	-	15,554,895	15,819,500	2%	
OFFICE FURN, COMPUTERS, EQUIP.	3,677,997	4,211,324	1,016,155	1,016,155	4,694,152	5,227,479	11%	
	\$430,007,490	\$460,591,384	\$180,365,084	\$195,501,890	\$610,372,574	\$656,093,274		
ACCUMULATED DEPRECIATION	(173,137,820)	(180,837,954)	(74,263,051)	(77,482,278)	(247,400,871)	(258,320,232)	4%	
<b>TOTAL CAPITAL ASSETS</b>	<b>\$256,869,670</b>	<b>\$279,753,430</b>	<b>\$106,102,033</b>	<b>\$118,019,612</b>	<b>\$362,971,703</b>	<b>\$397,773,042</b>	<b>10%</b>	

## LONG TERM DEBT

The City's long-term debt consists of debt with concessionaire, certificates of participation and other equipment financing, notes payable and advances, due to other governments, compensated absences, claims payable, other post-employment benefits and net pension liability as shown below in Table 7.

At June 30, 2019 and 2020 respectively, the City had \$355.8 million and \$359.4 million in long-term debt outstanding.

Net pension liability increased by \$730 thousand in 2020. Net OPEB liability increased by \$3.6 million in 2020.

Additional information pertaining to the City's long-term liabilities can be found in Note 9, 11 and 12 in the Notes to the Basic Financial Statements.

TABLE 7 –OUTSTANDING DEBT

CITY OF RIALTO OUTSTANDING DEBT							
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT		TOTAL % CHANGE
	2019	2020	2019	2020	2019	2020	
DEBT WITH CONCESSIONAIRE	\$0	\$0	156,499,210	\$154,071,953	\$156,499,210	\$154,071,953	-2%
CERTIFICATES OF PARTICIPATION	\$775,000	525,000	-	-	775,000	525,000	-32%
CAPITAL LEASE	11,795,691	11,485,311	-	-	11,795,691	11,485,311	-3%
NOTES PAYABLE /ADVANCES	732,000	2,514,000	-	-	732,000	2,514,000	243%
DUE TO OTHER GOVERNMENTS	-	-	383,555	383,555	383,555	383,555	0%
MARGIN LOAN	-	-	-	-	-	-	0%
COMPENSATED ABSENCES	8,031,322	8,206,878	100,524	278,862	8,131,846	8,485,740	4%
CLAIMS PAYABLE	15,777,954	15,832,763	-	-	15,777,954	15,832,763	0%
OTHER POST-EMPLOYMENT BENEFITS	39,646,634	43,130,057	1,670,497	1,816,373	41,317,131	44,946,430	9%
NET PENSION LIABILITY	115,551,095	116,691,770	4,868,705	4,458,245	120,419,800	121,150,015	1%
	<b>\$192,309,696</b>	<b>\$198,385,779</b>	<b>\$163,522,491</b>	<b>\$161,008,988</b>	<b>\$355,832,187</b>	<b>\$359,394,767</b>	<b>1%</b>

## ECONOMIC FACTORS & OUTLOOK FOR FUTURE YEARS

The United States' booming economy came to a screeching halt with the COVID-19 pandemic. Consumer spending hit rock bottom during the last two weeks in March 2020. However, severe drops in auto sales, general consumer goods, and service stations and restaurants were largely offset by new revenue from the implementation of the South Dakota v. Wayfair decision that now requires out-of-state retailers to collect and remit California sales and use tax. Also, due to the stay-at-home order, there was a surge in online shopping that boosted receipts from the county use tax allocation pools and from online retailers who maintain and ship their inventory within California.

It is anticipated that the economy will rebound in fiscal year 2021-22, following a wide distribution of COVID-19 vaccines which will prompt a return to a more normalized pre-pandemic lifestyle.

- COVID-19** — On March 12, 2020 the Rialto City Council adopted Resolution No. 7600 declaring the existence of local emergency throughout the City of Rialto in response to COVID-19 outbreak. The City of Rialto cancelled all City events and activities and closed all City facilities to the public. Since the City's declaration of local emergency, there have been significant directives from the State of California and the San Bernardino County Department of Public Health. The County of San Bernardino Health Officer ordered the cancellation of gatherings and closing of most businesses. In addition, California Governor Gavin Newsom, issued a Stay-At-Home order for the entire state of California. This order limited the continued operations of businesses and entities to those defined as critical infrastructure by the U.S. Department of Homeland Security.
- Sales Tax** — Due to the stay-at-home order in response to the COVID-19 pandemic, sales tax receipts from consumer goods initially shifted downwards. Many brick and mortar stores closed or were restricted due to limited occupancy. As an alternative, consumers shifted to online shopping, which increased the City's share of the countywide use tax pool.

- Increase in Public Retirement Costs** — As a result of California Public Employees Retirement System's (CalPERS) significant investment losses during the 2008 Great Recession, including its change in actuarial assumption going down to 7%, CalPERS is considerably underfunded. These contributed to increased employer pension costs and unfunded accrued liabilities (UAL). Annual UAL payment is expected to grow from \$9.7 million in 2020 to \$15.2 million by 2030.
- Deferred Maintenance and Capital Expenditures** — Capital projects are an essential and unavoidable cost of doing business. Over the past few years, the City has been able to use one-time revenue to fund ongoing capital replacement and maintenance projects.



### CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Finance Department, 150 S. Palm Avenue, Rialto, California 92376; (909) 820-2544, or visit us online at [www.yourrialto.com](http://www.yourrialto.com).

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## **BASIC FINANCIAL STATEMENTS**





**City of Rialto, California**  
**Statement of Net Position**  
June 30, 2020

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>ASSETS</b>			
Cash and Investments	\$ 204,906,438	\$ 23,284,332	\$ 228,190,770
Accounts Receivable, Net	6,947,122	4,478,822	11,425,944
Interest Receivable	259,531	79,582	339,113
Unbilled Receivables	-	3,356,581	3,356,581
Prepaid Items	5,753	-	5,753
Loans and Notes Receivable	50,469,717	661,857	51,131,574
Allowance for Uncollectible Notes	(47,821,584)	-	(47,821,584)
Due from Other Governments	10,014,237	-	10,014,237
Due from Successor Agency	141,480	-	141,480
Internal Balances	2,286,671	(2,286,671)	-
Deposit	4,817,803	-	4,817,803
Inventory	95,493	5,443,258	5,538,751
Property Held for Resale	1,690,369	-	1,690,369
Concessionaire Receivable	-	5,620,651	5,620,651
Restricted Assets:			
Cash and Investments in Trust	-	25,476,639	25,476,639
Cash and Investments with Fiscal Agent	9,551,796	-	9,551,796
Capital Assets:			
Not Being Depreciated	139,452,260	35,523,334	174,975,594
Being Depreciated	140,301,170	82,496,278	222,797,448
<b>Total Assets</b>	<b>523,118,256</b>	<b>184,134,663</b>	<b>707,252,919</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Items	20,094,881	1,027,216	21,122,097
OPEB Related Items	991,348	34,839	1,026,187
Deferred Loss on Refunding, Net of Accum. Amort.	2,607	-	2,607
<b>Total Deferred Outflows of Resources</b>	<b>21,088,836</b>	<b>1,062,055</b>	<b>22,150,891</b>

Continued

The accompanying notes are an integral part of this statement.

**City of Rialto, California**  
**Statement of Net Position - Continued**  
June 30, 2020

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ 10,682,852	\$ 5,557,809	\$ 16,240,661
Due to Other Governments	2,487,943	383,555	2,871,498
Deposits	109,801	1,689,551	1,799,352
Unearned Revenue	1,541,052	8,603	1,549,655
Accrued Interest Payable	72,734	-	72,734
Long-term Liabilities:			
Due Within One Year	5,253,250	2,674,826	7,928,076
Due in More Than One Year:			
Long-term Obligations	33,310,702	151,675,989	184,986,691
Net Pension Liability	116,691,770	4,458,245	121,150,015
Net OPEB Liability	43,130,057	1,816,373	44,946,430
Total Liabilities	213,280,161	168,264,951	381,545,112
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related Items	7,271,368	100,409	7,371,777
OPEB Related Items	345,335	12,725	358,060
Total Deferred Inflows of Resources	7,616,703	113,134	7,729,837
<b>NET POSITION</b>			
Net Investment in Capital Assets	265,229,119	118,019,612	383,248,731
Restricted for:			
Community Development	123,971,032	-	123,971,032
Public Safety	11,699,948	-	11,699,948
Debt Service	682,606	-	682,606
Water and Wastewater Capital Projects	-	25,476,639	25,476,639
Other	-	338,767	338,767
Unrestricted	(78,272,477)	(127,016,385)	(205,288,862)
Total Net Position	\$ 323,310,228	\$ 16,818,633	\$ 340,128,861

The accompanying notes are an integral part of this statement.

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**City of Rialto, California**  
**Statement of Activities**  
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 26,797,603	\$ 956,301	\$ 2,352,145	\$ -
Community Development	19,471,093	22,278,219	9,897,812	4,717,002
Public Safety	61,186,234	4,289,038	3,287,032	981,304
Interest on Long-term Debt	263,664	-	-	-
Total Governmental Activities	107,718,594	27,523,558	15,536,989	5,698,306
<b>Business-type Activities:</b>				
Water	13,668,540	13,952,308	-	-
Wastewater	26,260,393	29,191,221	-	27,417
Airport	4,341	-	-	-
Cemetery	72,119	46,620	-	-
Recreation and Community Service	3,557,900	541,213	-	-
Total Business-type Activities	43,563,293	43,731,362	-	27,417
Total Primary Government	\$ 151,281,887	\$ 71,254,920	\$ 15,536,989	\$ 5,725,723

General Revenues:

- Taxes:
  - Property Taxes
  - Franchise Taxes
  - Utility Users Taxes
  - Business License Taxes
- State Shared Revenue:
  - Sales and Use Tax
  - Vehicle License Fees
- Income for Property and Investments
- RUA Lease Payments
- RUA Contract Payments
- Gain (Loss) on Sale of Property
- Payment from Successor Agency for Reimbursement Agreement
- Other General Revenue
- Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year, As Previously Reported

Prior Period Adjustment

Net Position - Beginning, As Restated

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net Revenues (Expense) and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (23,489,157)	\$ -	\$ (23,489,157)
17,421,940	-	17,421,940
(52,628,860)	-	(52,628,860)
<u>(263,664)</u>	<u>-</u>	<u>(263,664)</u>
 (58,959,741)	 -	 (58,959,741)
 -	283,768	283,768
-	2,958,245	2,958,245
-	(4,341)	(4,341)
-	(25,499)	(25,499)
<u>-</u>	<u>(3,016,687)</u>	<u>(3,016,687)</u>
 -	195,486	195,486
<u>(58,959,741)</u>	<u>195,486</u>	<u>(58,764,255)</u>
 30,093,522	20	30,093,542
4,163,993	-	4,163,993
13,664,176	-	13,664,176
3,642,829	-	3,642,829
 22,771,751	-	22,771,751
84,900	-	84,900
4,306,121	373,688	4,679,809
2,000,000	(2,000,000)	-
1,140,530	-	1,140,530
(101,262)	(54,086)	(155,348)
 188,166	-	188,166
6,094,131	171,330	6,265,461
<u>(3,035,335)</u>	<u>3,035,335</u>	<u>-</u>
 85,013,522	1,526,287	86,539,809
<u>26,053,781</u>	<u>1,721,773</u>	<u>27,775,554</u>
 296,338,447	15,096,860	311,435,307
 918,000	-	918,000
<u>297,256,447</u>	<u>15,096,860</u>	<u>312,353,307</u>
 <u>\$ 323,310,228</u>	<u>\$ 16,818,633</u>	<u>\$ 340,128,861</u>

The accompanying notes are an integral part of this statement.

**City of Rialto, California**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	General Fund	Special Revenue Fund Park Development	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 50,769,459	\$ 9,821,703	\$ 126,749,092	\$ 187,340,254
Accounts Receivable, Net	5,782,661	-	1,164,461	6,947,122
Interest Receivable	79,484	22,476	134,710	236,670
Prepaid Items	5,753	-	-	5,753
Deposits	4,817,803	-	-	4,817,803
Loans Receivable	-	-	3,227,068	3,227,068
Notes Receivable	-	-	47,242,649	47,242,649
Allowance for Uncollectible Loans and Notes	-	-	(47,821,584)	(47,821,584)
Due from Other Governments	8,544,137	-	1,470,100	10,014,237
Due from Other Funds	4,732,147	-	-	4,732,147
Due from Successor Agency	141,480	-	-	141,480
Advances to Other Funds	18,799,195	-	-	18,799,195
Inventory	56,754	-	-	56,754
Property Held for Development	719,969	-	970,400	1,690,369
Restricted Assets:				
Cash and Investments	251,221	-	9,300,575	9,551,796
Total Assets	<u>\$ 94,700,063</u>	<u>\$ 9,844,179</u>	<u>\$ 142,437,471</u>	<u>\$ 246,981,713</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 5,449,510	\$ 1,439,889	\$ 3,213,451	\$ 10,102,850
Deposits	99,801	-	10,000	109,801
Due to Other Governments	-	-	2,487,943	2,487,943
Advances from Other Funds	-	17,499,195	-	17,499,195
Unearned Revenues	1,541,052	-	-	1,541,052
Due to Other Funds	-	-	3,745,476	3,745,476
Total Liabilities	<u>7,090,363</u>	<u>18,939,084</u>	<u>9,456,870</u>	<u>35,486,317</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	88,187	-	1,279,455	1,367,642
Total Deferred Inflows of Resources	<u>88,187</u>	<u>-</u>	<u>1,279,455</u>	<u>1,367,642</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Items	5,753	-	-	5,753
Deposits	4,817,803	-	-	4,817,803
Advances to Other Funds	18,799,195	-	-	18,799,195
Inventory	56,754	-	-	56,754
Property Held for Development	719,969	-	-	719,969
Restricted for:				
Debt Service	-	-	682,606	682,606
Public Safety	-	-	11,699,948	11,699,948
Community Development	-	-	123,971,032	123,971,032
Committed for:				
Capital Projects	12,214,045	-	-	12,214,045
Unassigned	50,907,994	(9,094,905)	(4,652,440)	37,160,649
Total Fund Balances	<u>87,521,513</u>	<u>(9,094,905)</u>	<u>131,701,146</u>	<u>210,127,754</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 94,700,063</u>	<u>\$ 9,844,179</u>	<u>\$ 142,437,471</u>	<u>\$ 246,981,713</u>

The accompanying notes are an integral part of this statement.

**City of Rialto, California**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
June 30, 2020

Fund Balances of Governmental Funds	\$ 210,127,754
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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 the governmental funds balance sheet:

Capital Assets	460,591,384
Accumulated Depreciation	(180,837,954)
Less: Internal Service Funds Capital Assets	(587,738)

Internal service funds are used by management to account for goods and services provided by one City department to other City departments. Assets, liabilities, and deferred outflows and inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position:	(3,653,438)
--	-------------

Accrued interest is not due and payable in the current period and, therefore, is not reported in the governmental funds.	(72,734)
--	----------

Certain revenues in the governmental funds are reported as deferred inflows of resources, unavailable revenues, because they are not collected within the prescribed time period after year-end. However, the revenues are included on the accrual basis used in the government-wide statements.	1,367,642
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Deferred losses on refunding, net of accumulated amortization for long-term debt issuance are not reported in the governmental funds.	2,607
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Pension and OPEB related debt applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are only reported in the Statement of Net Position as the changes in these amount, effects only the government-wide statements for governmental activities (excludes internal service funds amounts included above):

Deferred Outflows of Resources - Pension Related	19,820,002
Deferred Inflows of Resources - Pension Related	(7,213,246)
Net Pension Liability	(112,770,988)
Deferred Outflows of Resources - OPEB Related	960,710
Deferred Inflows of Resources - OPEB Related	(338,441)
Net OPEB Liability	(41,532,655)

Long-term liabilities applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.

Long-term Liabilities	(38,563,952)
Less: Internal Service Funds Long-term Liabilities Included Above	16,011,275

Net Position of Governmental Activities	<u>\$ 323,310,228</u>
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**City of Rialto, California**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
Year Ended June 30, 2020

	General Fund	Special Revenue Fund Park Development	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 68,600,527	\$ -	\$ 2,108,383	\$ 70,708,910
Licenses and Permits	5,751,170	-	-	5,751,170
Fines and Forfeitures	504,431	-	-	504,431
Use of Money and Property	1,613,398	349,065	2,343,657	4,306,120
Revenue from Other Agencies	7,581,247	-	18,700,617	26,281,864
Charges for Services	9,316,984	487,752	23,677	9,828,413
Development Impact Fees	-	-	13,181,947	13,181,947
RUA Lease Payments	2,000,000	-	-	2,000,000
Other	2,090,505	-	645,558	2,736,063
Payment from Successor Agency of Bond Proceeds	-	-	188,166	188,166
Total Revenues	<u>97,458,262</u>	<u>836,817</u>	<u>37,192,005</u>	<u>135,487,084</u>
<b>EXPENDITURES</b>				
Current:				
General Government	16,665,951	-	1,329,931	17,995,882
Public Safety	58,704,099	-	427,246	59,131,345
Community Development	9,414,121	11	3,890,196	13,304,328
Capital Outlay	366,554	13,684,856	19,481,556	33,532,966
Debt Service:				
Principal Retirement	-	-	601,548	601,548
Interest and Fiscal Charges	-	-	229,063	229,063
Total Expenditures	<u>85,150,725</u>	<u>13,684,867</u>	<u>25,959,540</u>	<u>124,795,132</u>
Excess of Revenues Over (Under) Expenditures	<u>12,307,537</u>	<u>(12,848,050)</u>	<u>11,232,465</u>	<u>10,691,952</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	16,112	-	-	16,112
Transfers In	1,865,036	-	6,505,232	8,370,268
Transfers Out	(9,166,355)	-	(2,239,248)	(11,405,603)
Total Other Financing Sources (Uses)	<u>(7,285,207)</u>	<u>-</u>	<u>4,265,984</u>	<u>(3,019,223)</u>
Net Change in Fund Balances	<u>5,022,330</u>	<u>(12,848,050)</u>	<u>15,498,449</u>	<u>7,672,729</u>
Fund Balance - Beginning of Year, As Previously Reported	82,499,183	3,753,145	115,284,697	201,537,025
Prior Period Adjustment	-	-	918,000	918,000
Fund Balance - Beginning of Year, As Restated	<u>82,499,183</u>	<u>3,753,145</u>	<u>116,202,697</u>	<u>202,455,025</u>
Fund Balances, End of Year	<u>\$ 87,521,513</u>	<u>\$ (9,094,905)</u>	<u>\$ 131,701,146</u>	<u>\$ 210,127,754</u>

The accompanying notes are an integral part of this statement.



**City of Rialto, California**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 7,672,729

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. These are the amounts by which capital expense and capital contributions exceeded depreciation in the current period.

Capital Expenditures (excludes Internal Service Funds amount of \$6,996)	28,637,283
Contributed Capital	1,247,754
Gain (Loss) on Disposal of Capital Assets	(117,374)
Depreciation Expense (excludes Internal Service Funds amount of \$86,492)	(7,222,037)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal consumes the current financial resources of the governmental funds. Issuance of long-term debt is an other financing source and principal payments are an expenditure in governmental funds, but the issuance increases long-term liabilities and the repayment reduces long-term liabilities in the Statement of Net Position.

Principal Payments	745,880
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Deferred loss on refunding is an expenditure in the governmental funds, but these costs are reported as a deferred outflow of resources on the Statement of Net Position. This is the total amortization of the deferred loss on refunding in the current period. (2,611)

Pension and OPEB expenses reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the Net Pension Liability and Net OPEB Liability and related changes in pension and OPEB amounts for deferred outflows of resources and deferred inflows of resources. 496,912

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.

Change in Accrued Interest Payable	(31,990)
Change in Compensated Absences	(187,006)

Revenues in the Statement of Activities that do not meet the "availability" criteria for revenue recognition are reported as deferred inflows of resources, unavailable revenues, in the governmental funds. This is the change in deferred inflows of resources, unavailable revenues, from the prior year. (1,193,538)

The net expense of activities of internal service funds is reported within governmental activities. (3,992,221)

Change in Net Position of Governmental Activities \$ 26,053,781

**City of Rialto, California**  
**Statement of Net Position**  
**Proprietary Funds**  
June 30, 2020

	Business-type Activities Enterprise Funds		
	Water	Wastewater	Airport
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 3,323,561	\$ 18,575,266	\$ 440,015
Accounts Receivable, Net	1,040,973	3,425,742	7,871
Interest Receivable	50,896	28,678	-
Unbilled Receivables	1,072,677	2,283,904	-
Due from Other Governments	-	-	-
Prepaid Items	-	-	-
Due from Other Funds	-	-	-
Due from Successor Agency	-	-	-
Inventory	-	-	5,443,258
Restricted Assets:			
Cash and Investments in Trust	8,364,539	17,112,100	-
Total Current Assets	13,852,646	41,425,690	5,891,144
Noncurrent Assets:			
Advances to Other Funds	-	3,000,000	-
Notes Receivable	292,598	369,259	-
Concessionaire Receivable	5,620,651	-	-
Capital Assets:			
Not Being Depreciated	3,246,695	32,276,639	-
Being Depreciated (Net of Accumulated Depreciation)	22,285,165	60,209,372	-
Total Noncurrent Assets	31,445,109	95,855,270	-
Total Assets	45,297,755	137,280,960	5,891,144
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Items	115,906	158,622	-
OPEB Related Items	2,343	6,069	-
Total Deferred Outflows of Resources	118,249	164,691	-
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	1,720,975	3,674,788	393
Deposits	961,763	726,788	1,000
Unearned Revenue	-	8,603	-
Due to Other Funds	237,540	749,131	-
Claims Payable, Current	-	-	-
Compensated Absences, Current	11,697	7,830	-
Other Long-term Liabilities, Current	785,223	1,839,408	-
Total Current Liabilities	3,717,198	7,006,548	1,393
Long-Term Liabilities:			
Due to Other Governments	-	383,555	-
Advances from Other Funds	4,300,000	-	-
Claims Payable	-	-	-
Compensated Absences	53,992	34,969	-
Net Pension Liability	419,399	657,037	-
Net OPEB Liability	191,208	247,350	-
Other Long-term Liabilities	32,818,080	118,629,242	-
Total Long-term Liabilities	37,782,679	119,952,153	-
Total Liabilities	41,499,877	126,958,701	1,393
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related Items	25,721	24,555	-
OPEB Related Items	834	5,945	-
Total Deferred Inflows of Resources	26,555	30,500	-
<b>NET POSITION</b>			
Net Investment in Capital Assets	25,531,860	92,486,011	-
Restricted for Capital Projects	8,364,539	17,112,100	-
Unrestricted	(30,006,827)	(99,141,661)	5,889,751
Total Net Position	\$ 3,889,572	\$ 10,456,450	\$ 5,889,751

The accompanying notes are an integral part of this statement.

Business-type Activities Enterprise Funds		Governmental Activities
Other Enterprise Funds	Totals	Internal Service Funds
\$ 945,490	\$ 23,284,332	\$ 17,566,184
4,236	4,478,822	-
8	79,582	22,861
-	3,356,581	-
-	-	-
-	-	-
-	-	-
-	-	-
-	5,443,258	38,739
-	25,476,639	-
949,734	62,119,214	17,627,784
-	3,000,000	-
-	661,857	-
-	5,620,651	-
-	35,523,334	-
1,741	82,496,278	587,738
1,741	127,302,120	587,738
951,475	189,421,334	18,215,522
752,688	1,027,216	274,879
26,427	34,839	30,638
779,115	1,062,055	305,517
161,653	5,557,809	580,002
-	1,689,551	-
-	8,603	-
-	986,671	-
-	-	2,849,897
30,668	50,195	19,847
-	2,624,631	27,301
192,321	10,917,460	3,477,047
-	383,555	-
-	4,300,000	-
-	-	12,982,866
139,706	228,667	90,414
3,381,809	4,458,245	3,920,782
1,377,815	1,816,373	1,597,402
-	151,447,322	40,950
4,899,330	162,634,162	18,632,414
5,091,651	173,551,622	22,109,461
50,133	100,409	58,122
5,946	12,725	6,894
56,079	113,134	65,016
1,741	118,019,612	519,487
338,767	25,815,406	-
(3,757,648)	(127,016,385)	(4,172,925)
\$ (3,417,140)	\$ 16,818,633	\$ (3,653,438)

The accompanying notes are an integral part of this statement.

**City of Rialto, California**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
Year Ended June 30, 2020

	Business-type Activities Enterprise Funds		
	Water	Wastewater	Airport
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 13,952,308	\$ 29,191,221	\$ -
Use of Money	-	-	-
Total Operating Revenues	13,952,308	29,191,221	-
<b>OPERATING EXPENSES</b>			
Cost of Sales and Services	7,922,377	12,928,067	-
Administration	2,709,165	-	4,341
Depreciation and Amortization	875,730	2,337,851	-
Total Operating Expenses	11,507,272	15,265,918	4,341
Operating Income (Loss)	2,445,036	13,925,303	(4,341)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Income	121,527	244,649	-
Interest Expense	(2,161,268)	(10,994,475)	-
RUA Lease Payments	(530,855)	(1,469,145)	-
Other Income (Expense)	149,191	-	-
Aircraft Property Taxes	-	-	20
Gain on Sale of Property	-	-	(54,086)
Total Nonoperating Revenues (Expenses)	(2,421,405)	(12,218,971)	(54,066)
Income (Loss) Before Capital Contributions and Transfers	23,631	1,706,332	(58,407)
Capital Contributions	-	27,417	-
Transfers In	-	-	-
Transfers Out	-	(80,937)	(103,118)
Change in Net Position	23,631	1,652,812	(161,525)
Total Net Position - Beginning of Year	3,865,941	8,803,638	6,051,276
Total Net Position - End of Year	\$ 3,889,572	\$ 10,456,450	\$ 5,889,751

The accompanying notes are an integral part of this statement.

Business-type Activities Enterprise Funds		Governmental Activities
Other Enterprise Funds	Totals	Internal Service Funds
\$ 587,820	\$ 43,731,349	\$ 9,679,987
13	13	-
587,833	43,731,362	9,679,987
2,268,261	23,118,705	13,906,823
1,356,112	4,069,618	-
5,646	3,219,227	116,128
3,630,019	30,407,550	14,022,951
(3,042,186)	13,323,812	(4,342,964)
7,512	373,688	355,055
-	(13,155,743)	(4,312)
-	(2,000,000)	-
22,139	171,330	-
-	20	-
-	(54,086)	-
29,651	(14,664,791)	350,743
(3,012,535)	(1,340,979)	(3,992,221)
-	27,417	-
3,224,540	3,224,540	-
(5,150)	(189,205)	-
206,855	1,721,773	(3,992,221)
(3,623,995)	15,096,860	338,783
\$ (3,417,140)	\$ 16,818,633	\$ (3,653,438)

The accompanying notes are an integral part of this statement.

**City of Rialto, California**  
**Statement of Cash Flows**  
**Proprietary Funds**  
Year Ended June 30, 2020

	Business-type Activities Enterprise Funds		
	Water	Wastewater	Airport
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 15,797,119	\$ 43,670,212	\$ -
Cash Payments to Suppliers for Services	(10,826,685)	(14,580,755)	151,558
Cash Payments to Employees for Services	-	-	-
Net Cash Provided (Used) by Operating Activities	4,970,434	29,089,457	151,558
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Received from Other Funds	18,981	143,938	-
Cash Paid to Other Funds	-	-	(103,118)
Aircraft Property Taxes	-	-	20
RUA Lease Payment	(530,855)	(1,469,145)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(511,874)	(1,325,207)	(103,098)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	(504,097)	(14,605,291)	-
Proceeds from Sale of Property	-	-	(54,086)
Principal Paid on Capital Debt	(738,731)	(1,687,526)	-
Interest Paid on Capital Debt	(2,161,268)	(10,994,475)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,404,096)	(27,287,292)	(54,086)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Income	100,847	261,294	-
Net Cash Provided (Used) by Investing Activities	100,847	261,294	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,155,311	738,252	(5,626)
Cash and Cash Equivalents - Beginning of the Year	10,532,789	34,949,114	445,641
Cash and Cash Equivalents - End of the Year	<u>\$ 11,688,100</u>	<u>\$ 35,687,366</u>	<u>\$ 440,015</u>

The accompanying notes are an integral part of this statement.

Other Enterprise Funds	Totals	Governmental Activities
		Internal Service Fund
\$ 596,062	\$ 60,063,393	\$ 9,752,230
(2,325,643)	(27,581,525)	(12,161,060)
(1,405,315)	(1,405,315)	2,147,387
(3,134,896)	31,076,553	(261,443)
3,224,539	3,387,458	-
(5,150)	(108,268)	76,545
-	20	-
-	(2,000,000)	-
3,219,389	1,279,210	76,545
-	(15,109,388)	(9,803)
-	(54,086)	-
-	(2,426,257)	(32,499)
-	(13,155,743)	(448,771)
-	(30,745,474)	(491,073)
7,517	369,658	389,400
7,517	369,658	389,400
92,010	1,979,947	(286,571)
853,480	46,781,024	17,852,755
\$ 945,490	\$ 48,760,971	\$ 17,566,184

Continued

**City of Rialto, California**  
**Statement of Cash Flows - Continued**  
**Proprietary Funds**  
Year Ended June 30, 2020

	Business-type Activities Enterprise Funds		
	Water	Wastewater	Airport
<b>Reconciliation of Operating Income (Loss) to</b>			
<b>Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ 2,445,036	\$ 13,925,303	\$ (4,341)
Adjustments to Reconcile Operating Income (Loss) to net			
Cash Provided (Used) by Operating Activities:			
Depreciation Expense	875,730	2,337,851	-
Other Nonoperating Income (Expense)	149,191	-	-
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	98,898	(146,842)	-
(Increase) Decrease in Prepaid Items	-	-	-
(Increase) Decrease in Unbilled Receivables	(145,612)	(16,246)	-
(Increase) Decrease in Due from Other Governments	-	-	-
(Increase) Decrease in Concessionaire Receivable	1,872,445	14,609,523	-
(Increase) Decrease in Inventory	-	-	157,204
(Increase) Decrease in Deferred Outflows of Resources-Pension Related	(5,391)	(3,032)	-
(Increase) Decrease in Deferred Outflows of Resources-OPEB Related	(972)	(546)	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(197,561)	(1,547,964)	61
Increase (Decrease) in Deposits Payable	19,080	32,555	-
Increase (Decrease) in Unearned Revenue	-	1	(1,366)
Increase (Decrease) in Claims Payable	-	-	-
Increase (Decrease) in Compensated Absences	38,562	21,728	-
Increase (Decrease) in Net Pension Liability	(146,664)	(82,499)	-
Increase (Decrease) in Net OPEB Liability	(6,019)	(3,386)	-
Increase (Decrease) in Deferred Inflows of Resources-Pension Related	(20,106)	(30,613)	-
Increase (Decrease) in Deferred Inflows of Resources-OPEB Related	(6,183)	(6,376)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,970,434</u>	<u>\$ 29,089,457</u>	<u>\$ 151,558</u>
<b>NONCASH INVESTING, CAPITAL AND RELATED</b>			
<b>FINANCING ACTIVITIES:</b>			
Capital Contributions	<u>\$ -</u>	<u>\$ 27,417</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.



Other Enterprise Funds	Totals	Governmental Activities
		Internal Service Fund
\$ (3,042,199)	\$ 13,323,799	\$ (4,342,964)
5,646	3,219,227	116,128
22,139	171,330	-
5,576	(42,368)	-
34,714	34,714	-
-	(161,858)	-
2,666	2,666	72,243
-	16,481,968	-
-	157,204	(6,283)
(26,462)	(34,885)	(30,679)
(7,612)	(9,130)	(24,311)
51,225	(1,694,239)	47,368
-	51,635	-
-	(1,365)	-
-	-	54,809
118,048	178,338	(11,451)
(181,297)	(410,460)	2,722,657
155,281	145,876	1,186,314
(225,491)	(276,210)	(34,559)
(47,130)	(59,689)	(10,715)
<u>\$ (3,134,896)</u>	<u>\$ 31,076,553</u>	<u>\$ (261,443)</u>
<u>\$ -</u>	<u>\$ 27,417</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**City of Rialto, California**  
**Statement of Net Position**  
**Fiduciary Funds**  
June 30, 2020

	Successor Agency Private-Purpose Trust Fund	Other Post-Employment Benefit (OPEB) Trust Fund	Agency Funds
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 13,768,404	\$ -	\$ 4,787,699
Accounts Receivable, Net	17,403	-	633
Interest Receivable	676	-	2,561
Prepaid Items	167,958	-	-
Notes Receivable	6,548,532	-	24,247
Due from Other Governments	13	-	69,169
Property Held for Resale	20,468,708	-	-
Restricted Assets:			
Cash and Investments with Fiscal Agents	4,837,287	-	457,073
Cash and Investments Bond Proceeds	1,352,844	-	-
Cash and Investments Held by Trust	-	18,015,630	-
Total Current Assets	47,161,825	18,015,630	5,341,382
Noncurrent Assets:			
Capital Assets:			
Not Being Depreciated	290,347	-	-
Being Depreciated (Net of Accumulated Depreciation)	78,481	-	-
Total Noncurrent Assets	368,828	-	-
Total Assets	47,530,653	18,015,630	\$ 5,341,382
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Loss on Refunding, Net of Accumulated Amortization	696,155	-	
<b>LIABILITIES</b>			
Current Liabilities:			
Accrued Liabilities	8,160	-	4,063,707
Deposits	-	-	161,019
Unearned Revenue	274,897	-	54
Due to other Governments	-	-	-
Due to City	141,480	-	-
Due to Bondholders	-	-	1,116,602
Interest Payable	2,263,114	-	-
Current Portion of Long-term Liabilities	4,075,000	-	-
Total Current Liabilities	6,762,651	-	5,341,382
Long-term Liabilities:			
Noncurrent Portion of Long-term Liabilities	121,230,334	-	-
Total Long-term Liabilities	121,230,334	-	-
Total Liabilities	127,992,985	-	\$ 5,341,382
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Gain on Refunding, Net of Accumulated Amortization	218,646	-	
<b>NET POSITION</b>			
Restricted for Private Purpose	(79,984,823)	-	
Restricted for Other Post-Employment Benefits	-	18,015,630	
Total Net Position	\$ (79,984,823)	\$ 18,015,630	

The accompanying notes are an integral part of this statement.

**City of Rialto, California**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
Year Ended June 30, 2020

	Successor Agency Private-Purpose Trust Fund	Other Post-Employment Benefit (OPEB) Trust Fund
<b>ADDITIONS</b>		
Taxes	\$ 11,353,263	\$ -
Net Investment Income (Loss)	79,838	614,595
Other Revenue	751,131	
Gain on Sale of Land Held for Resale	20,831	-
	<u>12,205,063</u>	<u>614,595</u>
Total Additions		
	<u>12,205,063</u>	<u>614,595</u>
<b>DEDUCTIONS</b>		
Administrative Expenses	238,770	-
Interest and Fiscal Charges	6,252,832	-
Depreciation	7,785	-
Benefits	-	1,458,927
	<u>6,499,387</u>	<u>1,458,927</u>
Total Deductions		
	<u>6,499,387</u>	<u>1,458,927</u>
Change in Net Position	5,705,676	(844,332)
Net Position - Beginning of Year	<u>(85,690,499)</u>	<u>18,859,962</u>
Net Position - End of Year	<u>\$ (79,984,823)</u>	<u>\$ 18,015,630</u>

The accompanying notes are an integral part of this statement.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A) Description of Reporting Entity**

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

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

**Blended Components Units**

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

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

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

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

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**A) Description of Reporting Entity - Continued**

**Blended Components Units - Continued**

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

**B) Government-wide and Fund Financial Statements**

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

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

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

**C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds, the private-purpose trust fund, and the other post-employment benefit trust fund financial statements. Under the *economic resources measurement focus*, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Under the *accrual basis of accounting*, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized in the fiscal year for which the taxes have been levied. The Agency funds, however, are unlike all other types of funds, reporting only assets and liabilities. Therefore, the Agency funds cannot be said to have a measurement focus. They do, however, use the *accrual basis of accounting* to recognize receivables and payables.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued**

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

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

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

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

**D) Fund Accounting**

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures or expenses, as appropriate.

**Governmental Funds:**

Governmental funds are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of currently available financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets, deferred outflows of resources, liabilities and deferred inflows of resources, the fund equity, is referred to as "fund balance". The measurement focus is upon determination of changes in fund balance, rather than upon net income determination.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**D) Fund Accounting - Continued**

**Governmental Funds:**

The City reports the following major governmental funds:

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

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

The other governmental funds of the City are considered nonmajor.

Additionally, the City reports the following fund types:

The *Special Revenue Funds* are used to account for proceeds of specific revenue sources that are legally restricted or otherwise assigned for specific purposes.

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

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

**Proprietary Funds:**

Proprietary funds are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position, and cash flows. The City reports the following major proprietary funds:

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

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

The *Airport Fund* accounts for the land sales owned by the former airport.

The other proprietary funds of the City are considered nonmajor.

In addition to the major proprietary funds, the City reports internal service funds, which are proprietary funds types, whose purpose is to account for goods and services provided by one City department to other City departments or agencies, or to external organizations. Internal service funds are used to account for workers' compensation, fleet management, information system, general liability, and building maintenance.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**D) Fund Accounting - Continued**

**Fiduciary Funds:**

Fiduciary funds are accounted for on the accrual basis of accounting as are the proprietary funds explained above. The City reports the following fiduciary funds, which are excluded from the government-wide financial statements:

*Successor Agency Private-Purpose Trust Fund* accounts for the custodial responsibilities that are assigned to the Successor Agency to the Rialto Redevelopment Agency pursuant to the Dissolution Act.

*Other Post-Employments Benefit (OPEB) Trust Fund* accounts for the activities of the City's plan for post-retirement medical benefits.

*Agency Funds* are used to account for assets held by the City as an agent for individuals, private organizations, or other governments. The Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City acts in an agency capacity for special deposit activity, confiscated funds due to public safety activities, Community Facilities District (CFD) 87-1, CFD 2006-1 Elm Park, and CFD 2016-1.

**E) New Accounting Pronouncements**

**Current Year Standards:**

In May of 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides which are as follows:

- a. **Statement 83 - Reporting periods beginning after June 15, 2019.**
- b. **Statement 84 and Implementation Guide 2019-2** - Reporting periods beginning after December 15, 2019.
- c. **Statement 87 and Implementation Guide 2019-3** - Fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
- d. **Statement 88** - Reporting periods beginning after June 15, 2019.
- e. **Statement 89** - Reporting periods beginning after December 15, 2020.
- f. **Statement 90** - Reporting periods beginning after December 15, 2019.
- g. **Statement 91** - Reporting periods beginning after December 15, 2021.
- h. **Statement 92, paragraphs 6 and 7** - Fiscal years beginning after June 15, 2021.
- i. **Statement 92, paragraphs 8, 9, and 12** - Reporting periods beginning after June 15, 2021.
- j. **Statement 92, paragraph 10** - Government acquisitions occurring in reporting periods beginning after June 15, 2021.
- k. **Statement 93, paragraphs 13 and 14** - Fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
- l. **Implementation Guide 2017-3, Questions 4.484 and 4.491** - The first reporting period in which the measurement date of the (collective) net OPEB liability is on or after June 15, 2019.



**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E) New Accounting Pronouncements - Continued**

**Current Year Standards: - Continued**

- m) Implementation Guide 2017-3, Questions 4.85, **4.103, 4.108, 4.109, 4.225, 4.239, 4.244, 4.245**, and **5.1-5.4** - Actuarial valuations as of December 15, 2018, or later.
- n) Implementation Guide 2018-1 - Reporting periods beginning after June 15, 2019.
- o) Implementation Guide 2019-1 - Reporting periods beginning after June 15, 2020.

Statement No. 95 is effective immediately. Management has elected to delay certain provisions in the GASB Statements as allowed by GASB Statement No. 95.

**Pending Accounting Standards:**

GASB has issued the following statements, which may impact the City's financial reporting requirements in the future:

- i. GASB 84 - "*Fiduciary Activities*", effective for fiscal years beginning after December 15, 2018.
- ii. GASB 87 - "*Leases*", effective for fiscal years beginning after December 15, 2019.
- iii. GASB 90 - "*Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*" effective for fiscal years beginning after December 15, 2018.
- iv. GASB 91 - "*Conduit Debt Obligations*" effective for fiscal years beginning after December 15, 2020.
- v. GASB 92 - "*Omnibus 2020*" effective for fiscal years beginning after June 15, 2021.
- vi. GASB 93 - "*Replacement of Interbank Offered Rates*" effective for fiscal years beginning after June 15, 2021.
- vii. GASB 94 - "*Public Private and Public-Public Partnerships and Availability Payment Arrangements*" effective for fiscal years beginning after June 15, 2022.
- viii. GASB 96 - "*Subscription Based Information Technology Arrangements* effective for fiscal years beginning after June 15, 2022.

**F) Statement of Cash Flows**

The City's enterprise and internal service funds participate in the pooling of City-wide cash and investments. As amounts are available to these funds on demand, all cash and investments, including restricted cash and investments, in these funds are considered to be cash and cash equivalents for statement of cash flow purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**G) Cash, Investments and Other Investments**

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

Investments are stated at fair value except for certain investments, which have a remaining life of less than one year when purchased and investment contracts, which are stated at amortized cost. Fair value is the price that would be

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**G) Cash, Investments and Other Investments - Continued**

received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of the investments is generally based on published market prices and quotations from major investment firms. Investment earnings are allocated based on the source of funds.

**H) Restricted Cash and Investments**

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

**I) Unbilled Receivables**

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

**J) Prepaid Items**

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.

**K) Inventory**

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.

**L) Capital Assets**

Capital assets, which include property, plant, equipment 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.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**L) Capital Assets - Continued**

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. Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds of tax-exempt debt over the same period.

There was no interest capitalized by the City during the current fiscal year. Capital assets, other than land, land easements, and construction in progress, are depreciated using the straight-line method using the following lives:

Land Improvements	200 years
Buildings and Other Structures	25 - 50 years
Improvements Other than Buildings	20 years
Machinery and Equipment	5 - 7 years
Distribution Systems	20 - 50 years
Wastewater Treatment Plant	20 - 50 years
Vehicles	5 - 10 years
Office Furniture, Computers and Equipment	5 - 20 years
Infrastructure	20 - 60 years

**M) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

- Deferred loss on refunding reported in the government-wide statement of net position and fiduciary funds statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding debt.
- Deferred outflows related to pensions and OPEB equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflows related to pensions resulting from the difference in projected and actual earnings on investments of the pension plans fiduciary net position and changes in actuarially determined assumptions. These amounts are amortized over five years.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**M) Deferred Outflows/Inflows of Resources - Continued**

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

- Deferred inflows from unavailable revenues, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources, which are grants receivable and franchise fees collections. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows related to pensions for differences between expected and actual experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows from pensions and OPEB resulting from the difference in projected and actual earnings on investments of the pension plans fiduciary net position and changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

**N) 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.

**O) Long-Term Obligations**

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

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**O) Long-Term Obligations - Continued**

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

**P) Compensated Absences**

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

**Q) Net Position and Net Position Flow Assumptions**

**Net Position:**

Net position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources. Net position is divided into three captions. These captions are described below and apply only to net position, which is applicable only to the government-wide statements, proprietary fund statements, private-purpose trust fund statements, and other post-employment benefit trust fund statements.

Net Investment in Capital Assets - describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets, unspent bond proceeds from debt, and the deferral on refunding.

Restricted - describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted - describes the portion of net position which is not restricted as to use.

**Net Positions Flow Assumptions:**

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 practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**R) Fund Balances**

The City's governmental funds' fund balances include the following classifications:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restriction may effectively be changed or lifted only with the consent of 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 – is the residual classification and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. The unassigned fund balance classification is where to report negative amounts for all governmental funds, other than the general fund.

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

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

**S) Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expenses, information about the fiduciary net positions 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 at fair value.

**T) Other Post-Employment Benefits (OPEB)**

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

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**U) Use of Estimates**

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

**2) CASH AND INVESTMENTS**

Cash and Investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 228,190,770
Restricted Cash and Investments in Trust	25,476,639
Restricted Cash and Investments with Fiscal Agent	9,551,796
Statement of Fiduciary Net Position:	
Cash and Investments	18,556,103
Restricted Cash and Investments with Fiscal Agents	5,294,360
Restricted Cash and Investments Bond Proceeds	1,352,844
Restricted Cash and Investments Held by Trust	18,015,630
	<hr/>
Total Cash and Investments	\$ 306,438,142
	<hr/>

Cash and Investments held by the City at June 30, 2020 consist of the following:

Cash on Hand	\$ 33,750
Deposits with Financial Institutions	52,217,814
Cash and Investments with Public Agency Retirement Services (PARS) for Other Post-Employment Benefit (OPEB) Trust	18,015,631
Investments	236,170,947
	<hr/>
Total Cash and Investments	\$ 306,438,142
	<hr/>

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

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

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

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**2) CASH AND INVESTMENTS - Continued**

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity <sup>(1)</sup>	Maximum Percentage of Portfolio <sup>(1)</sup>	Maximum Investment In One Issuer <sup>(1)</sup>
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Government Sponsored Agency Securities	Yes	5 years	None	15%
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	15% <sup>(2)</sup>	10% <sup>(2)</sup>
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Money Market Mutual Funds	Yes	5 years	None	None
Medium Term Corporate Notes	Yes	5 years	30%	30%
Repurchase Agreements	Yes	90 days	50% <sup>(2)</sup>	None
Reverse Repurchase Agreements	Yes	90 days	20%	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	*
Joint Powers Authority Pools	Yes	N/A	None	None
Time Deposit	Yes	5 years	25%	None

<sup>(1)</sup> Based on state law requirements or investment policy requirements, whichever is more restrictive.

<sup>(2)</sup> Excluding amounts held by bond trustee that are not subject to California Government Code Restrictions.

\* \$195 million total between City, Utility Authority and Successor Agency.

N/A - Not Applicable

**Disclosures Relating to Interest Rate Risk**

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



**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**2) CASH AND INVESTMENTS - Continued**

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

Investment Type	Remaining Maturity (in Months)				Total
	12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months	
Commercial Paper	\$ 33,526,764	\$ 254,933	\$ -	\$ -	\$ 33,781,697
Negotiable Certificates of Deposit	2,251,541	-	250,661	-	2,502,202
Money Market - CalTRUST					
Short-Term	13,837,885	-	-	-	13,837,885
Money Market Mutual Funds	47,872,223	-	-	-	47,872,223
Local Agency Investment Fund (LAIF)	20,698,762	-	-	-	20,698,762
Medium-Term Corporate Note Held By Trust:	17,611,145	37,176,032	57,396,450	-	112,183,627
PARS Pooled Trust (OPEB)	18,015,631	-	-	-	18,015,631
Held by Fiscal Agents:					
Money Market Funds	5,294,551	-	-	-	5,294,551
Total	<u>\$ 159,108,502</u>	<u>\$ 37,430,965</u>	<u>\$ 57,647,111</u>	<u>\$ -</u>	<u>\$254,186,578</u>

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**2) CASH AND INVESTMENTS - Continued**

**Disclosures Relating to 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 actual rating by Standard and Poor's, as of year end for each investment type.

	Total as of June 30, 2020	Rating as of Year End			
		A+	A	Other	Not Rated
Commercial Paper	\$ 33,781,697	\$ 28,529,634	\$ 5,252,063	\$ -	\$ -
Negotiable Certificates of Deposit	2,502,202	-	-	-	2,502,202
Money Market - CalTRUST					
Short-Term	13,837,885	-	-	-	13,837,885
Money Market Mutual Funds	47,872,223	-	-	-	47,872,223
Local Agency Investment Fund (LAIF)	20,698,762	-	-	-	20,698,762
Medium-term Corporate Notes Held By Bond Trust:	112,183,627	27,680,607	27,614,141	56,888,879	-
PARS Pooled Trust (OPEB)	18,015,631	-	-	-	18,015,631
Held by Fiscal Agents:					
Money Market Fund	5,294,551	-	-	-	5,294,551
<b>Total</b>	<b>\$ 254,186,578</b>	<b>\$ 56,210,241</b>	<b>\$ 32,866,204</b>	<b>\$ 56,888,879</b>	<b>\$108,221,254</b>

The actual ratings for the "Other" category above are as follows:

	A-	BBB- <sup>(1)</sup>	Total
Medium-term Corporate Notes	\$ 53,748,929	\$ 3,139,950	\$ 56,888,879
<b>Total</b>	<b>\$ 53,748,929</b>	<b>\$ 3,139,950</b>	<b>\$ 56,888,879</b>

<sup>(1)</sup> These investments are rated below the City's investment policy as of June 30, 2020, however, were initially purchased at a rating within the City's investment policy. The City subsequently amended their policy to allow for investments based on initial purchase. The City intends to hold the investment until maturity in order to avoid any monetary loss on the investment.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**2) CASH AND INVESTMENTS - Continued**

**Concentration of Credit Risk**

Concentration credit risk is the heightened risk of potential loss when investments are concentrated in one issuer.

As of June 30, 2020, the City had no investments concentrated in one issuer which 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.

**Custodial Credit Risk**

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

As of June 30, 2020, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

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

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

**Investment in Local Agency Investment Fund**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair values provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not rated.

**Investment in CalTRUST Investment Pool**

CalTRUST is a Joint Powers Agency Authority created by local public agencies to provide a convenient method for local public agencies to pool their assets for investment purposes. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. The Board sets overall policies for the program and selects and supervises the activities of the investment manager and other agents. CalTRUST maintains and administers four

**City of Rialto, California**  
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**2) CASH AND INVESTMENTS - Continued**

**Investment in CalTRUST Investment Pool - Continued**

pooled accounts within the program: Money Market, Short-Term, Medium-Term and Long-Term. The Money Market account permits daily transactions, with same-day liquidity (provided redemption requests are received by 1:00 p.m. Pacific time), with no limit on the amount of funds that may be invested. The Short-Term account permits an unlimited number of transactions per month (with prior day notice), with no limit on the amount of funds that may be invested. The Medium- and Long-Term accounts permit investments, withdrawals and transfers once per month, with five days advance notice. All CalTRUST accounts comply with the limits and restrictions placed on local agency investments by the California Government Code. CalTRUST imposes a \$250,000 minimum investment; however, there is no maximum limit. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's percentage interest of the fair value provided by CalTRUST for the CalTRUST accounts (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CalTRUST.

**Cash and Investments - OPEB Trust**

The City established a trust account with 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

**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:

**City of Rialto, California**  
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**2) CASH AND INVESTMENTS - Continued**

**Cash and Investments with Fiscal Agents - Continued**

- 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.

**Cash and Investments Held in Trust**

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

**Fair Value Measurements**

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

The City has the following recurring fair value measurements as of June 30, 2020:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Commercial Paper	\$ -	\$ 33,781,697	\$ -	\$ 33,781,697
Negotiable Certificates of Deposit	-	2,502,202	-	2,502,202
Money Market Mutual Funds	-	47,872,223	-	47,872,223
Medium-term Corporate Notes	-	112,183,627	-	112,183,627
<b>Total Leveled Investments</b>	<b>\$ -</b>	<b>\$ 196,339,749</b>	<b>\$ -</b>	<b>196,339,749</b>
Money Market - CalTRUST Short-Term*				13,837,885
Local Agency Investment Fund (LAIF)*				20,698,762
Held by Trust:				
PARS Pooled Trust (OPEB)*				18,015,631
Held by Fiscal Agents:				
Money Market Funds*				5,294,551
<b>Total Investment Portfolio</b>				<b>\$ 254,186,578</b>

\*Not subject to fair value measurements

**City of Rialto, California**  
**Notes to Financial Statements**  
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**3) ACCOUNTS RECEIVABLE**

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

	Accounts Receivable	Less Allowance for Uncollectible	Net Total Accounts Receivable
Governmental Funds:			
General Fund	\$ 7,998,604	\$ (2,215,943)	5,782,661
Other Governmental Funds	1,199,220	(34,759)	1,164,461
Proprietary Funds:			
Water	1,373,186	(332,213)	1,040,973
Wastewater	3,680,125	(254,383)	3,425,742
Airport	159,670	(151,799)	7,871
Other Enterprise Funds	4,236	-	4,236
Total Primary Government	<u>\$ 14,415,041</u>	<u>\$ (2,989,097)</u>	<u>\$ 11,425,944</u>
Fiduciary Funds:			
Private-Purpose Trust Fund	<u>\$ 36,790</u>	<u>\$ (19,387)</u>	<u>\$ 17,403</u>

**4) LOANS RECEIVABLE**

Loans receivable of \$3,227,068, which is reflected in the City's other governmental Traffic Development Special Revenue Fund, Neighborhood Stabilization Program Special Revenue Fund, Neighborhood Stabilization Program - Program Income Special Revenue Fund, Cal Home Special Revenue Fund, and Housing Authority Special Revenue Fund, is comprised of the following as of June 30, 2020:

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 Cal Home Special Revenue Fund and Housing Authority Special Revenue Fund at June 30, 2020 is \$2,487,943.

The City has provided down payment assistance under the Neighborhood Stabilization Program to eligible middle income households earning not less than eighty percent and not more than one hundred twenty percent of the area median income in San Bernardino County, California, as determined by the U.S. Department of Housing and Urban Development (HUD). If any of the events described in the loan agreement, like sale or rental of all or any interest in the property without City's prior written consent, has not occurred as of the fifteenth anniversary of the maturity date, then the entire loan amount is forgiven. The total outstanding balance in the Neighborhood Stabilization Program Special Revenue Fund and Neighborhood Stabilization Program - Program Income Special Revenue Fund as of June 30, 2020, was \$578,935 (offset by an allowance of \$578,935).

The City established a letter of credit for the beneficiary of the California Department of Fish and Game to obtain a permit for a capital project. Upon the completion of the project, the letter of credit totaling \$160,190 as reported in the Traffic Development Special Revenue Fund will be returned to the City.

**City of Rialto, California**  
**Notes to Financial Statements**  
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**5) NOTES RECEIVABLE**

Notes receivable of \$47,242,649, which is reflected in the City's other governmental Housing Authority Special Revenue Fund (offset by allowance of \$47,242,649) and \$369,259, in the Water Enterprise Fund and the Wastewater Enterprise Fund is comprised of the following as of June 30, 2020:

The Housing Authority provided development funding to Inland Valley Housing Partners L.P. in accordance with an Affordable Housing Agreement by and between the Authority and Southern California Housing Development Corporation for Phase I of the Citrus Grove Project (Project). Pursuant to a promissory note and the Agreement, the advance funding is to be repaid from the residual receipts generated by the Project at 3% interest rate per annum. The residual receipts were defined as 50% of the net income after all operating expenses and superior debt service payments are made. Based upon a financial analysis of the Project performed by a financial consultant, the repayment is expected to be minimal relative to the total principal and accrued interest. The outstanding balance as of June 30, 2020, was \$19,995,578. An allowance of \$19,995,578 has been recorded in the financial statements because there is no estimate of timing of cash collections on the note. Revenue will be recognized on a cash basis.

The Housing Authority provided development funding to Citrus Grove Housing Partners L.P. in accordance with an Affordable Housing Agreement by and between the Authority and National Community Renaissance of California for Phase II of the Project. Pursuant to four separate promissory notes and the Agreement, the Authority has advanced funding at 0% interest rate. The principal and accrued interest is to be repaid from the residual receipts generated by the Project. The residual receipts were defined as 50% of the net income after all operating expenses and superior debt service payments are made. Based upon a financial analysis of the Project performed by a financial consultant, the repayment is expected to be minimal relative to the total principal and accrued interest. The total outstanding balance as of June 30, 2020, was \$8,626,713. An allowance of \$8,626,713 has been recorded in the financial statements because there is no estimate for timing of cash collections on the note. Revenue will be recognized on a cash basis.

The Housing Authority provided development funding to TELACU in accordance with an Affordable Housing Agreement by and between the Authority and TELACU HOUSING-RIALTO, INC., in connection with the development of a 70-unit affordable senior housing rental complex project on a 2.3 acre site on the north side of Merrill Avenue, just westerly of Riverside, referred to TELACU I La Paz Community project. Pursuant to a promissory note and the Agreement, the advance funding in the amount of \$751,408 is to be repaid from the residual receipts generated by the Project as a 0% interest rate. The residual receipts were defined as 50% of the net income after all operating expenses and superior debt service payments are made. Based upon a financial analysis of the Project performed by a financial consultant, the repayment is expected to be minimal relative to the total principal and accrued interest. Provided the developer is in compliance with all of its obligations under the Affordable Housing Agreement, the Regulatory Agreement, and all other documents executed pursuant thereto, any remaining balance of the Housing Authority loan shall be forgiven upon the fifty-fifth (55<sup>th</sup>) anniversary of the date of the City's issuance of a certificate of occupancy. The outstanding balance as of June 30, 2020, was \$751,408. An allowance of \$751,408 has been recorded in the financial statements because there is no estimate for timing of cash collections on the note. Revenue will be recognized on a cash basis.

The Housing Authority provided development funding to TELACU in accordance with an Affordable Housing Agreement by and between the Authority and TELACU HOUSING-RIALTO II, INC., in connection with the development of a 75-unit affordable senior housing rental complex project on the south side of Foothill Boulevard and just west of Cactus Avenue ("TELACU 2") project. Pursuant to a promissory note and the Agreement, the advance funding in the amount of \$1,824,155 is to be repaid from the residual receipts generated by the Project at a 0% interest rate. The residual receipts were defined as 50% of the net income after all operating expenses and superior debt service payments are made. Based upon a financial analysis of the Project performed by a financial consultant, the repayment is

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**5) NOTES RECEIVABLE - Continued**

expected to be minimal relative to the total principal and accrued interest. The outstanding balance as of June 30, 2020, 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.

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, 2020, was \$3,060,010. An allowance of \$3,060,010 has been recorded in the financial statements because there is no estimate for timing of cash collection on the note. Revenue will be recognized on a cash basis.

The Housing Authority provided development funding to RIALTO FAMILY HOUSING PARTNERS, L.P. in accordance with an Affordable Housing Agreement by and between the Authority and RIALTO FAMILY HOUSING PARTNERS L.P. in connection with the development of an affordable housing complex project. Pursuant to a promissory note and the Agreement, the advance funding in the amount of \$7,385,974 is to be repaid from the residual receipts generated by the Project. The residual receipts were defined as 50% of the net income after all operating expenses and superior debt service payments are made. Based upon a financial analysis of the Project performed by a financial consultant, the repayment is expected to be minimal relative to the total principal and accrued interest. The outstanding balance including unpaid accrued interest as of June 30, 2020, was \$9,278,943. An allowance of \$9,278,943 has been recorded in the financial statements because there is no estimate for timing of cash collection on the note. Revenue will be recognized on a cash basis.

The Housing Authority provided development funding to RIALTO FAMILY HOUSING PARTNERS II, L.P. in accordance with an Affordable Housing Agreement by and between the Authority and RIALTO FAMILY HOUSING PARTNERS 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, 2020, was \$2,425,981. An allowance of \$2,425,981 has been recorded in the financial statements because there is no estimate for timing of cash collection on the note. Revenue will be recognized on a cash basis.

The Housing Authority provided development funding to RIALTO FAMILY HOUSING PARTNERS II, L.P. in accordance with an Affordable Housing Agreement by and between the Authority and RIALTO FAMILY HOUSING PARTNERS 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, 2020, was \$1,396,775. An allowance of \$1,396,775 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, California**  
**Notes to Financial Statements**  
June 30, 2020

**5) NOTES RECEIVABLE - Continued**

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 \$365,764 for wastewater utilities. See Note 13 for additional information.

The Rialto Utility Authority entered into an agreement in February 2014 with a business owner to allow the deferral of a development impact fee over a period of 5.5 years. Monthly payments will be \$150 consisting of principal and interest. The outstanding balance reported in the Wastewater Proprietary Fund as of June 30, 2020 was \$3,495.

**6) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivable and payable balances at June 30, 2020 were as follows:

**Due From/To Other Funds**

<u>Due to Funds (Receivable)</u>	<u>Due From Funds (Payable)</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Other Governmental Funds	\$ 3,745,476
	Water Enterprise Fund	237,540
	Wastewater Enterprise Fund	<u>749,131</u>
		<u>\$ 4,732,147</u>

These balances represent short-term borrowings resulting from expenditures incurred prior to receipt of the related revenue source.

**Advances From/To Other Funds**

The following table shows amounts advanced to and from funds within the City at June 30, 2020:

<u>Advances to Other Funds</u>	<u>Advances From Funds</u>	<u>Amount</u>
General Fund	Water Enterprise Fund	\$ 1,300,000
	Park Development Special Revenue Fund	17,499,195
Wastewater Enterprise Fund	Water Enterprise Fund	<u>3,000,000</u>
		<u>\$ 21,799,195</u>

Advances to and from other funds, result primarily from long-term borrowings used to fund capital projects in advance of related financing/assessments.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**6) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued**

**Advances From/To Other Funds - Continued**

The original loan of \$5,000,000 from the General Fund to the Water Enterprise Fund was made to cover Perchlorate lawsuit related costs with an interest rate of 5%. The City has waived charging interest on this advance. The Perchlorate lawsuit was settled in fiscal year 2012-13 and \$2,400,000 of the loan has been repaid as of June 30, 2020. Repayment of the remaining loan balance of \$1,300,000 will be paid through future revenues in the Water Enterprise Fund.

The original loan of \$4,000,000 from the Wastewater Enterprise Fund to the Water Enterprise Fund was made to cover Perchlorate litigation related costs. The City has waived charging interest on this advance. The Perchlorate lawsuit was settled in fiscal year 2012-2013 and \$1,000,000 of the loan has been repaid as of June 30, 2020. Repayment of the remaining loan balance of \$2,000,000 will be paid through future revenues in the Water Enterprise Fund.

On February 12, 2019, the General Fund loaned the Park Development Special Revenue Fund \$17,499,195 to fund the expected cost of the Frisbie Park Expansion Project. The City has waived charging interest on this advance. Repayment of the remaining loan balance of \$17,499,195 will be paid through future revenues in the Park Development Special Revenue Fund.

**Transfers From/To Other Funds**

Interfund transfers in and out at June 30, 2020 were as follows:

<u>Transfers In From Other Funds</u>	<u>Transfers Out to Other Funds</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Other Governmental Funds	\$ 1,761,918
	Airport Enterprise Fund	103,118
Other Government Funds	General Fund	5,975,006
	Other Governmental Funds	444,139
	Wastewater Enterprise Fund	80,937
	Other Enterprise Funds	5,150
Proprietary Funds:		
Other Enterprise Funds	General Fund	3,191,349
	Other Governmental Funds	<u>33,191</u>
		<u>\$ 11,594,808</u>

Transfers are either used to (1) move resources between funds based on Federal or State statute or City budget requirements, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, or (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in the funds in accordance with budgetary authorizations. Airport Enterprise Fund transfers include property sales during the year that were transferred to the General Fund.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**7) CAPITAL ASSETS**

A summary of changes in the Governmental Activities capital assets at June 30, 2020 is as follows:

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020
<b>Governmental Activities:</b>				
Capital Assets, Not Depreciated:				
Land	\$ 74,058,111	\$ 352,490	\$ -	\$ 74,410,601
Land Easements	7,086,730	-	-	7,086,730
Construction in Progress	35,611,486	28,086,323	(5,742,880)	57,954,929
Total Capital Assets, Not Depreciated	116,756,327	28,438,813	(5,742,880)	139,452,260
Capital Assets, Being Depreciated:				
Land Improvements	39,159	-	-	39,159
Building and Other Structures	30,081,800	-	-	30,081,800
Improvements Other than Buildings	53,174,760	4,169,629	-	57,344,389
Machinery and Equipment	4,064,860	469,308	(14,964)	4,519,204
Vehicles	15,554,895	417,624	(153,019)	15,819,500
Office Furniture, Computers and Equipment	3,677,997	533,327	-	4,211,324
Infrastructure	206,657,692	2,466,056	-	209,123,748
Total Capital Assets, Being Depreciated	313,251,163	8,055,944	(167,983)	321,139,124
Less Accumulated Depreciation:				
Land Improvements	(24,074)	(1,016)	-	(25,090)
Building and Other Structures	(12,471,284)	(708,490)	-	(13,179,774)
Improvements Other than Buildings	(24,547,358)	(2,100,721)	-	(26,648,079)
Machinery and Equipment	(2,734,047)	(338,022)	7,108	(3,064,961)
Vehicles	(11,102,325)	(898,630)	110,266	(11,890,689)
Office Furniture, Computers and Equipment	(3,182,928)	(219,739)	-	(3,402,667)
Infrastructure	(119,075,804)	(3,550,890)	-	(122,626,694)
Total Accumulated Depreciation	(173,137,820)	(7,817,508)	117,374	(180,837,954)
Total Capital Assets Being Depreciated, Net	140,113,343	238,436	(50,609)	140,301,170
Total Governmental Activities Capital Assets, Net	\$ 256,869,670	\$ 28,677,249	\$ (5,793,489)	\$ 279,753,430

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**7) CAPITAL ASSETS - Continued**

A summary of changes in Business-type Activities capital assets at June 30, 2020 is as follows:

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020
<b>Business-type Activities:</b>				
Capital Assets, Not Depreciated:				
Land	\$ 1,767,770	\$ -	\$ -	\$ 1,767,770
Construction in Progress	19,479,036	15,109,388	(832,859)	33,755,565
Total Capital Assets, Not Depreciated	21,246,806	15,109,388	(832,859)	35,523,335
Capital Assets, Being Depreciated:				
Land Improvements	7,374,830	687,870	-	8,062,700
Buildings and Other Structures	2,336,314	-	-	2,336,314
Distribution Systems	80,414,064	172,407	-	80,586,471
Wastewater Treatment Plant	67,976,915	-	-	67,976,915
Office Furniture, Computers and Equipment	1,016,155	-	-	1,016,155
Total Capital Assets, Being Depreciated	159,118,278	860,277	-	159,978,555
Less Accumulated Depreciation:				
Land Improvements	(4,674,968)	(356,744)	-	(5,031,712)
Buildings and Other Structures	(2,003,587)	(29,791)	-	(2,033,378)
Distribution Systems	(38,000,425)	(1,493,115)	-	(39,493,540)
Wastewater Treatment Plan	(28,573,456)	(1,334,314)	-	(29,907,770)
Office Furniture, Computers and Equipment	(1,010,615)	(5,263)	-	(1,015,878)
Total Accumulated Depreciation	(74,263,051)	(3,219,227)	-	(77,482,278)
Total Capital Assets, Being Depreciated, Net	84,855,227	(2,358,950)	-	82,496,277
Total Business-type Activities Capital Assets, Net	<u>\$ 106,102,033</u>	<u>\$ 12,750,438</u>	<u>\$ (832,859)</u>	<u>\$ 118,019,612</u>

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**7) CAPITAL ASSETS - Continued**

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

**Governmental Activities:**

General Government	\$ 4,585,019
Community Development	1,767,332
Public Safety	1,349,846
Internal Service Funds	<u>115,311</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 7,817,508</u></u>

**Business-type Activities:**

Water	\$ 875,730
Wastewater	2,337,851
Other Enterprise Funds	<u>5,646</u>
 Total Depreciation Expense - Business-type Activities	 <u><u>\$ 3,219,227</u></u>

**8) JOINT POWERS AUTHORITY**

**Agua Mansa Industrial Growth Association (AMIGA) Joint Powers Authority**

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

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

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, California**  
**Notes to Financial Statements**  
June 30, 2020

**9) LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligations for the year ended June 30, 2020:

**Governmental Activities:**

	Beginning at July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year	Due in More Than One Year
Certificate of Participation	\$ 775,000	\$ -	\$ (250,000)	\$ 525,000	\$ 255,000	\$ 270,000
Direct Borrowings:						
Capital Lease	11,795,691	-	(310,380)	11,485,311	357,115	11,128,196
Notes Payable	2,732,000	-	(218,000)	2,514,000	314,000	2,200,000
Compensated Absences	8,031,322	1,621,194	(1,445,638)	8,206,878	1,445,238	6,729,640
Claims Payable (Note 17)	15,777,954	2,894,840	(2,840,031)	15,832,763	2,849,897	12,982,866
<b>Total</b>	<b>\$ 39,111,967</b>	<b>\$ 4,516,034</b>	<b>\$ (5,064,049)</b>	<b>\$ 38,563,952</b>	<b>\$ 5,253,250</b>	<b>\$ 33,310,702</b>

**Business-type Activities:**

	Beginning at July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year	Due in More Than One Year
Compensated Absences	\$ 100,524	\$ 196,432	\$ (18,094)	\$ 278,862	\$ 50,195	\$ 228,667
Direct Borrowings:						
Debt with Concessionaire:						
Water	34,342,035	-	(738,732)	33,603,303	738,223	32,818,080
Wastewater	122,156,175	-	(1,687,525)	120,468,650	1,839,408	118,629,242
Subtotal	156,498,210	-	(2,426,257)	154,071,953	2,624,631	151,447,322
Due to Other Governments	383,555	-	-	383,555	-	383,555
<b>Total</b>	<b>\$156,982,289</b>	<b>\$ 196,432</b>	<b>\$ (2,444,351)</b>	<b>\$154,734,370</b>	<b>\$ 2,674,826</b>	<b>\$152,059,544</b>

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**9) LONG-TERM OBLIGATIONS - Continued**

**Governmental Activities**

Long-term debt of the governmental activities at June 30, 2020 is comprised of the following:

Certificates of Participation

2007 Refunding Certificates of Participation: On December 19, 2007, the City of Rialto issued \$3,500,000 serial and term certificates of participation bearing interest at a rate of 3.98%. The term certificates mature through January 20, 2022 in amounts ranging from \$185,000 to \$335,000. Proceeds of the certificates of participation were split between governmental funds (87%) and proprietary funds (13%). Each fund type's respective share of the liability is reflected in its long-term debt and is payable from those funds.

The refunding was undertaken to remove restrictive bond covenants associated with the 1997 Certificates of Participation and to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$36,550. This amount is reported as a deferred outflow of resources and is amortized over the refunded debt's life, which is the same as the new debt. The balance of the deferral on refunding is \$2,607 as of June 30, 2020.

\$ 456,750

Reported with Internal Service Funds

2007 Refunding Certificates of Participation: On December 19, 2007, the City of Rialto issued \$3,500,000 serial and term certificates of participation bearing interest at a rate of 3.98%. The term certificates mature through January 20, 2022 in amounts ranging from \$185,000 to \$335,000. Proceeds of the certificates of participation were split between governmental funds (87%) and proprietary funds (13%). Each fund type's respective share of the liability is reflected in its long-term debt and is payable from those funds.

68,250

\$ 525,000

Capital Leases

On May 31, 2017, the City entered into an equipment lease-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 lease 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.

\$ 2,057,337

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**9) LONG-TERM OBLIGATIONS - Continued**

**Governmental Activities - Continued**

Capital Leases - Continued

On November 30, 2017, the City entered into an equipment lease-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 lease 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.

\$ 6,106,778

On October 31, 2018, the City entered into an equipment lease-purchase agreement in the amount of \$3,556,613 to finance the Citywide Street Light Acquisition and Conversion Project. The lease 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.

3,321,196

\$ 11,485,311

Notes Payable

On August 8, 2002, the City entered into a Section 108 loan agreement with U.S. Department of Housing and Urban Development in the amount of \$3,060,000, bearing 6.12% interest to finance the development of the Rialto Senior Center. In May 2015, the City refinanced this loan. The principal amount of the refinanced Section 108 loan was used to repay the entire loan balance of \$1,702,000. Annual principal payments through August 1, 2022, range from \$168,000 to \$257,000. Interest of 1.75% is 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

\$ 514,000



**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**9) LONG-TERM OBLIGATIONS - Continued**

**Governmental Activities - Continued**

Notes Payable (2019A)

On March 28, 2019, the City's Public Financing Authority entered into a Section 108 loan agreement with the U.S. Department of Housing and Urban Development in the amount of \$2,000,000, bearing 2.54% interest 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.

\$ 2,000,000

\$ 2,514,000

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

Year Ending June 30,	Certificates of Participation		
	Principal	Interest	Total
2021	\$ 255,000	\$ 20,895	\$ 275,895
2022	270,000	10,746	280,746
Total	<u>\$ 525,000</u>	<u>\$ 31,641</u>	<u>\$ 556,641</u>

Year Ending June 30,	Capital Lease		
	Principal	Interest	Total
2021	\$ 156,363	\$ 80,744	\$ 237,107
2022	169,398	74,360	243,758
2023	161,990	67,658	229,648
2024	158,392	61,214	219,606
2025	157,978	54,885	212,863
2026-2030	852,577	176,307	1,028,884
2031-2032	400,639	20,264	420,903
Total	<u>\$ 2,057,337</u>	<u>\$ 535,432</u>	<u>\$ 2,592,769</u>

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**9) LONG-TERM OBLIGATIONS - Continued**

**Governmental Activities - Continued**

Year Ending June 30,	Capital Lease (CREBS)		
	Principal	Interest	Total
2021	\$ 6,476	\$ 208,840	\$ 215,316
2022	19,280	208,530	227,810
2023	109,652	207,738	317,390
2024	205,022	202,551	407,573
2025	228,533	195,342	423,875
2026-2030	1,549,501	838,174	2,387,675
2031-2035	2,396,607	511,460	2,908,067
2036-2038	1,591,707	83,644	1,675,351
Total	<u>\$ 6,106,778</u>	<u>\$ 2,456,279</u>	<u>\$ 8,563,057</u>

Year Ending June 30,	Capital Lease (2019)		
	Principal	Interest	Total
2021	\$ 194,276	\$ 119,802	\$ 314,078
2022	201,598	112,312	313,910
2023	209,024	104,886	313,910
2024	216,597	97,187	313,784
2025	224,574	89,461	314,035
2026-2030	1,253,731	315,823	1,569,554
2031-2034	1,021,396	75,862	1,097,258
Total	<u>\$ 3,321,196</u>	<u>\$ 915,333</u>	<u>\$ 4,236,529</u>

Year Ending June 30,	Notes Payable		
	Principal	Interest	Total
2021	\$ 233,000	\$ 8,945	\$ 241,945
2022	249,000	3,679	252,679
2023	32,000	359	32,359
Total	<u>\$ 514,000</u>	<u>\$ 12,983</u>	<u>\$ 526,983</u>

Year Ending June 30,	Notes Payable (2019A)		
	Principal	Interest	Total
2021	\$ 81,000	\$ 61,694	\$ 142,694
2022	83,000	59,595	142,595
2023	84,000	57,459	141,459
2024	87,000	55,250	142,250
2025	90,000	52,911	142,911
2026-2030	495,000	224,141	719,141
2031-2035	570,000	139,949	709,949
2036-2038	510,000	37,180	547,180
Total	<u>\$ 2,000,000</u>	<u>\$ 688,179</u>	<u>\$ 2,688,179</u>

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**9) LONG-TERM OBLIGATIONS - Continued**

**Business-type Activities**

Long-term debt of the business-type activities at June 30, 2020 is comprised of the following:

Collateralized Debt - Concessionaire Agreement

The Rialto Utility Authority has 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 13 for further information regarding the agreement.

\$ 154,071,953

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$38,249,443 in collateralized debt issued in November 2012. Proceeds from the collateralized debt provided financing as shown in the table on the next page. The bonds are payable solely from water customer net revenues and are payable through November 2042. The total principal and interest remaining to be paid on the bonds is \$62,100,388 as of June 30, 2020. 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 \$738,732 and \$2,161,268, respectively.

The City has pledged future wastewater customer revenues, net of specified operating expenses, to repay \$130,472,604 in wastewater collateralized debt issued in November 2012. Proceeds from the collateralized debt provided financing as shown in the table on the next page. The bonds are payable solely from wastewater customer net revenues and are payable through November 2042. The total principal and interest remaining to be paid on the bonds is \$284,252,938 as of June 30, 2020. 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 \$1,687,504 and \$10,994,495, respectively.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**9) LONG-TERM OBLIGATIONS - Continued**

**Business-type Activities**

Collateralized Debt - Concessionaire Agreement - Continued

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

Funds	Wastewater	Water	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 operating routine repair accounts	1,000,000	1,000,000	Provide funds for routine repairs
Initial 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 for financing	16,824,396	5,951,660	
	<u>\$ 130,472,604</u>	<u>\$ 38,249,443</u>	

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

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

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

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**9) LONG-TERM OBLIGATIONS - Continued**

**Business-type Activities**

Collateralized Debt - Concessionaire Agreement - Continued

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.

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

Year Ending June 30,	Water Debt with Concessionaire	Interest	Wastewater Debt with Concessionaire	Interest	Total
2021	\$ 785,223	\$ 2,114,777	\$ 1,839,408	\$ 10,842,592	\$ 15,582,000
2022	834,640	2,065,360	2,004,960	10,677,040	15,582,000
2023	887,167	2,012,833	2,185,414	10,496,586	15,582,000
2024	943,000	1,957,000	2,382,109	10,299,891	15,582,000
2025	1,002,346	1,897,654	2,596,507	10,085,493	15,582,000
2026-2030	6,041,189	8,458,811	16,938,050	46,471,950	77,910,000
2031-2035	8,196,965	6,303,035	26,061,701	37,348,299	77,910,000
2036-2040	11,122,023	3,377,977	40,099,789	23,310,211	77,910,000
2041-2043	3,790,750	309,638	26,360,712	4,252,226	34,713,326
Total	<u>\$ 33,603,303</u>	<u>\$ 28,497,085</u>	<u>\$ 120,468,650</u>	<u>\$ 163,784,288</u>	<u>\$ 346,353,326</u>

Due to Other Governments

County reimbursement agreement: 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 and is expected to be repaid within 20 years.

\$ 383,555

**Compensated Absences**

The City accounts for compensated absences (unpaid vacation, holiday, compensated time off, and sick leave) for all City employees in the governmental activities and business-type activities. The balance for accrued compensated absences at June 30, 2020 for the governmental activities is \$8,206,878 and for the business-type activities is \$278,862. Funding for the liability is expensed to come primarily from the General Fund for governmental and business-type activities, respectively.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**10) NO COMMITMENT DEBT**

2006 Community Facilities District 2006-1 Bonds: On August 8, 2006, the City issued Special Tax Bonds totaling \$5,035,000 pursuant to the Mello-Roos Community Facilities Act of 1982, as amended. Proceeds of the bonds provided for the construction and acquisition of certain public facilities to serve property located within the Community Facilities District No. 2006-1. On December 12, 2016, these bonds were advance refunded the 2016 Bonds with a principal amount totaling \$4,905,000. The 2016 Bond proceeds were used to fully repay the 2006-1 Bonds. The bonds are limited obligations of the District, payable solely from the Special Taxes and certain funds described in the Bond Resolution. Neither the credit nor taxing power of the City is pledged to the payment of the bonds. The City accounts for collection of the taxes and the payment of debt service in a fiduciary capacity in its Agency Funds. At June 30, 2020, bonds outstanding totaled \$4,500,000 and the unamortized bond premium is \$26,985.

**11) PENSION PLANS**

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

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

**Benefits Provided** - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of fulltime employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**11) PENSION PLANS - Continued**

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

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<b>Miscellaneous</b>	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formulas	2.7% at 55	2.0% at 62
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 55	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0% - 2.7%	1.0% - 2.5%
Required Employee Contribution Rates	8%	6.75%
Required Employer Contribution Rates	39.291%	11.471%

	<b>Safety</b>	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formulas	3.0% at 50	2.7% at 57
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3.00%	2.0% - 2.7%
Required Employee Contribution Rates	9%	13%
Required Employer Contribution Rates	23.369%	13%

**Employees Covered** - At June 30, 2020, the following employees were covered by the benefit terms for each Plan:

	<b>Miscellaneous</b>	<b>Safety</b>
Inactive Employees or Beneficiaries		
Currently Receiving Benefits	524	335
Inactive Employees entitled to but not Yet Receiving Benefits	74	31
Active Employees	184	154
Total	782	520

**Contributions** - Section 20814(c) of the California Public Employees' Retirement Law 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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City 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 contributions requirements are classified as plan member contributions.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**11) PENSION PLANS - Continued**

**B. Net Pension Liability**

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions** - The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increase	Varies <sup>(1)</sup>	Varies <sup>(1)</sup>
Mortality Rate Table	CalPERS Membership Data <sup>(2)</sup>	CalPERS Membership Data <sup>(2)</sup>
Post Retirement Benefit Income	See Footnote <sup>(3)</sup>	See Footnote <sup>(3)</sup>

<sup>(1)</sup> Depending on age, service and type of employment.

<sup>(2)</sup> The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

<sup>(3)</sup> Contract COLA up to 2% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

All other actuarial assumptions used in the valuations were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2019 and 2018 measurement dates was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB 68 Crossover Testing Report" that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.



**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**11) PENSION PLANS - Continued**

**B. Net Pension Liability - Continued**

***Discount Rate - Continued***

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employee Retirement Funds' asset classes (which includes the agent plan and two cost sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above the rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class.

Asset Class <sup>(a)</sup>	Assumed Asset Allocation	Real Return Years 1 - 10 <sup>(b)</sup>	Real Return Years 11+ <sup>(c)</sup>
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	-0.92%
Total	100%		

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

(b) An expected inflation of 2.00% used for this period.

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

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**11) PENSION PLANS - Continued**

**C. Changes in the Net Pension Liability**

The changes in the net pension liability for the Miscellaneous Plan, using the measurement date of June 30, 2019, are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c)=(a)-(b)
<b>Balance at June 30, 2018</b>	<u>\$ 132,576,596</u>	<u>\$ 94,008,892</u>	<u>\$ 38,567,704</u>
<b>Changes in the Year:</b>			
Service Cost	1,791,482	-	1,791,482
Interest on the Total Pension Liability	9,347,753	-	9,347,753
Changes in Benefit Terms	-	-	-
Changes in Assumptions	-	-	-
Differences between Expected and Actual Experience	623,582	-	623,582
Net Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	3,600,870	(3,600,870)
Contribution - Employee	-	887,762	(887,762)
Net Investment Income	-	6,111,526	(6,111,526)
Benefit Payments, Including Refunds of Employee Contributions	(6,716,222)	(6,716,222)	-
Administrative Expenses	-	(67,087)	67,087
Other Miscellaneous Income/(Expense)	-	218	(218)
	<u>5,046,595</u>	<u>3,817,067</u>	<u>1,229,528</u>
<b>Net Changes</b>			
	<u>5,046,595</u>	<u>3,817,067</u>	<u>1,229,528</u>
<b>Balance at June 30, 2019 (Measurement Date)</b>	<u>\$ 137,623,191</u>	<u>\$ 97,825,959</u>	<u>\$ 39,797,232</u>

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**11) PENSION PLANS - Continued**

**C. Changes in the Net Pension Liability - Continued**

The changes in the net pension liability for the Safety Plan, using the measurement date of June 30, 2019, are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c)=(a)-(b)
<b>Balance at June 30, 2018</b>	<b>\$ 284,304,869</b>	<b>\$ 202,452,774</b>	<b>\$ 81,852,095</b>
<b>Changes in the Year:</b>			
Service Cost	4,820,128	-	4,820,128
Interest on the Total Pension Liability	19,950,664	-	19,950,664
Changes in Benefit Terms	-	-	-
Changes in Assumptions	-	-	-
Differences between Expected and Actual Experience	(1,417,660)	-	(1,417,660)
Net Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	7,807,973	(7,807,973)
Contribution - Employee	-	2,872,745	(2,872,745)
Net Investment Income	-	13,315,731	(13,315,731)
Benefit Payments, Including Refunds of Employee Contributions	(12,534,003)	(12,534,003)	-
Administrative Expenses	-	(144,475)	144,475
Other Miscellaneous Income/(Expense)	-	470	(470)
<b>Net Changes</b>	<b>10,819,129</b>	<b>11,318,441</b>	<b>(499,312)</b>
<b>Balance at June 30, 2019 (Measurement Date)</b>	<b>\$ 295,123,998</b>	<b>\$ 213,771,215</b>	<b>\$ 81,352,783</b>

**City of Rialto, California**  
**Notes to Financial Statements**  
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**11) PENSION PLANS - Continued**

**C. Changes in the Net Pension Liability - Continued**

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** - The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan of 7.15%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15%) or 1-percentage point higher (8.15%) than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 58,262,582	\$ 124,971,384	\$ 183,233,966
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 39,797,232	\$ 81,352,783	\$ 121,150,015
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 24,624,117	\$ 46,029,153	\$ 70,653,276

***Pension Plan Fiduciary Net Position*** - Detailed information about the Pension Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2020, the City recognized pension expense of \$5,076,423 and \$10,649,461 for the Miscellaneous and Safety Plans, respectively. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each Plan:

	<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Made Subsequent to Measurement Date	\$ 5,064,812	\$ -
Changes in Assumptions	311,791	(72,696)
Difference between Expected and Actual Experience	-	(23,104)
Net Differences between Projected and Actual Earnings on Pension Plan Investments	-	(494,171)
Total	<u>\$ 5,376,603</u>	<u>\$ (589,971)</u>

**City of Rialto, California**  
**Notes to Financial Statements**  
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**11) PENSION PLANS - Continued**

**D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued**

	<b>Safety</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 12,248,971	\$ -
Change in Assumptions	3,289,639	(3,859,854)
Difference between Expected and Actual Experience	206,884	(1,829,733)
Net Differences between Projected and Actual Earnings on Pension Plan Investments	-	(1,092,219)
<b>Total</b>	<b>\$ 15,745,494</b>	<b>\$ (6,781,806)</b>

	<b>Total</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 17,313,783	\$ -
Change in Assumptions	3,601,430	(3,932,550)
Difference between Expected and Actual Experience	206,884	(1,852,837)
Net Differences between Projected and Actual Earnings on Pension Plan Investments	-	(1,586,390)
<b>Total</b>	<b>\$ 21,122,097</b>	<b>\$ (7,371,777)</b>

\$5,064,812 and \$12,248,971 reported as deferred outflows of resources related to contributions subsequent to the measurement date for the Miscellaneous and Safety Plans, respectively, will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense for each Plan as follows:

Year Ending June 30,	<b>Deferred Outflows/(Inflows) of Resources</b>		
	Miscellaneous	Safety	Total
2020	\$ 578,707	\$ 576,851	\$ 1,155,558
2021	(802,463)	(3,659,750)	(4,462,213)
2022	(153,248)	(414,427)	(567,675)
2023	98,824	212,043	310,867
2024	-	-	-
Thereafter	-	-	-
<b>Total</b>	<b>\$ (278,180)</b>	<b>\$ (3,285,283)</b>	<b>\$ (3,563,463)</b>

**E. Payable to the Pension Plans**

At June 30, 2020, the City has no outstanding amount of contributions to the pension plans required for the year ended June 30, 2020.

**City of Rialto, California**  
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**12) OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**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) to eligible employees and any qualified family members under the authority of a Memorandum of Understanding with the employee bargaining units. The City contributes toward the health premium based on the Memorandum of Understanding. The City does not provide a retiree contribution for dental, vision, or life insurance benefits.

Upon attainment of a minimum age of 50 (or age 52, if a new miscellaneous employee was hired on or after January 1, 2013) and completion of a minimum State or public agency service requirement of five years, an employee may retire and remain covered at the City's expense for period depending on employment classification. The City is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. Benefits continue to dependents so long as they remain eligible for coverage. The City contributes 100% of medical premiums for the retiree and his or her covered dependents, but not more than the maximum monthly premiums as follows: \$279.25 for single, \$558.49 for two-party, and \$726.04 for family. In addition, the City will not contribute less than the PEMHCA minimum employer contribution of \$136 for 2020 and \$136 for 2019. Insurance provided by the City will be supplemental to Medicare upon the retiree reaching the age of 65.

**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 and Trust are reported as a fiduciary fund other post-employment benefit trust. The City did not make a contribution for the year ending June 30, 2020.

**Employees Covered**

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

Active employees	305
Inactive employees or beneficiaries currently receiving benefits	233
Inactive employees entitled to, but not yet receiving benefits	<u>0</u>
<b>Total</b>	<u><u>538</u></u>

**Contributions**

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2020, the City made contributions of \$131,312 and \$730,777 implied subsidy benefit payments.

**City of Rialto, California**  
**Notes to Financial Statements**  
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**12) OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued**

***Net OPEB Liability***

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

**Actuarial Assumptions**

Discount Rate	3.25%
Inflation	2.75%
Salary Increases	3.25% plus merit
Investment Rate of Return	6.55%
Mortality Rate <sup>(1)</sup>	Derived using CalPERS Membership Data for all funds
Pre-Retirement Turnover <sup>(2)</sup>	Derived using CalPERS Membership Data for all funds
Healthcare Trend Rate	8.00%
	5.00% (PEMHCA)

Notes:

<sup>(1)</sup> Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be access on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

<sup>(2)</sup> The pre-retirement turnover information was developed based on CalPERS specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

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

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-term Expected Real Rate of Return</u></b>
Global Equity	57.0%	4.82%
Global Fixed Income	27.0%	1.47%
TIPS	5.0%	1.29%
REITS	8.0%	3.76%
Commodities	3.0%	0.84%
<b>Total</b>	<b>100%</b>	

**City of Rialto, California**  
**Notes to Financial Statements**  
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**12) OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued**

***Discount Rate***

The discount rate used to measure the total OPEB liability was 3.25 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projects benefit payments to determine the total OPEB liability.

***Changes in the OPEB Liability***

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)
<b>Balance at June 30, 2019</b> <b><i>(Valuation Date June 30, 2019)</i></b>	<u>\$ 60,507,632</u>	<u>\$ 19,190,501</u>	<u>\$ 41,317,131</u>
<b>Changes in the Year:</b>			
Service Cost	2,094,466	-	2,094,466
Interest	2,080,962	-	2,080,962
Changes of Assumptions	1,193,708	-	1,193,708
Contributions - Employer	-	635,898	(635,898)
Net Investment Income	-	1,144,549	(1,144,549)
Benefit Payments	(2,070,376)	(2,070,376)	-
Administrative Expense	-	(40,610)	40,610
Net Changes	<u>3,298,760</u>	<u>(330,539)</u>	<u>3,629,299</u>
<b>Balance at June 30, 2020</b> <b><i>(Measurement Date June 30, 2019)</i></b>	<u><u>\$ 63,806,392</u></u>	<u><u>\$ 18,859,962</u></u>	<u><u>\$ 44,946,430</u></u>

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

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	1% Decrease (2.25%)	Current Discount Rate (3.25%)	1% Increase (4.25%)
Net OPEB Liability	\$ 55,405,070	\$ 44,946,430	\$ 36,593,864



**City of Rialto, California**  
**Notes to Financial Statements**  
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**12) OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued**

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

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 35,468,226	\$ 44,946,430	\$ 59,013,736

***OPEB Plan Fiduciary Net Position***

PARS issues a publicly available financial report that may be obtained from the California Public Employees Retirement System Executive Office, 400 P Street, Sacramento, California 95814.

***Recognition of Deferred Outflows and Deferred Inflows of Resources***

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first 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 recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARS�)

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

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$2,689,379. As of fiscal year ended June 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following services:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 862,089	\$ -
Changes in assumptions	164,098	-
Net differences between projected and actual earnings on OPEB plan investments	-	(358,060)
Total	<u>\$ 1,026,187</u>	<u>\$ (358,060)</u>

**City of Rialto, California**  
**Notes to Financial Statements**  
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**12) OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued**

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - Continued***

The \$862,089 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 measurement date as the valuation was for the same reporting period. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30,	Deferred Outflow/(Inflows) of Resources
2021	\$ (317,990)
2022	(317,992)
2023	(145,929)
2024	169,151
2025	325,280
Thereafter	93,518

**13) CONCESSIONAIRE AGREEMENT**

The City of Rialto (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.

**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, California**  
**Notes to Financial Statements**  
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**13) CONCESSIONAIRE AGREEMENT - Continued**

**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 9) to pay for concessionaire financing and all other costs to operate and maintain the Wastewater Facility.

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

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 2019-20 for the Wastewater Fixed Fee, which is included in the cost of sales and services expense in the Wastewater Fund, totaled \$6,614,303 detailed as follows:

	<u>Actual</u>
Wastewater Fixed Component	\$ 2,289,147
Wastewater Routine R&R Component	235,012
Wastewater Chemical Component	729,932
Wastewater Labor Component	<u>3,360,212</u>
Total Wastewater Fixed Fee	<u><u>\$ 6,614,303</u></u>

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

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

**City of Rialto, California**  
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**13) CONCESSIONAIRE AGREEMENT - Continued**

**Wastewater Facility - Continued**

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

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

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

**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

**City of Rialto, California**  
**Notes to Financial Statements**  
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**13) CONCESSIONAIRE AGREEMENT - Continued**

**Water Facility - Continued**

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

The amount paid in fiscal year 2019-20 for the Water Fixed Fee, which is included in the cost of sales and services expense in the Water Fund, totaled \$5,810,721 detailed as follows:

	Actual
Water Fixed Component	\$ 2,375,610
Water Routine R&R Component	235,012
Water Chemical Component	63,094
Water Labor Component	3,137,005
	<hr/>
Total Water Fixed Fee	\$ 5,810,721

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

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

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

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

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.

**City of Rialto, California**  
**Notes to Financial Statements**  
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**14) OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

**Accumulated Fund Deficits and Net Position**

The following funds reported deficits in their respective fund balance and net position at June 30, 2020:

	<u>Fund Deficit/ Net Position</u>
Major Governmental Special Revenue Fund:	
Park Development	\$ (9,094,905)
Other Governmental Special Revenue Funds:	
Local Transportation Development	(2,010)
Transportation Enhancement Activities	(11,400)
Fire Development	(3,497,073)
Police Grants	(69,057)
Community Services Grants	(105,702)
CDBG Housing	(581,177)
Transportation Development Act (TDA)	(386,021)
Other Enterprise Funds:	
Recreation and Community Service	(3,782,876)
Internal Service Funds:	
Workers' Compensation	(3,142,061)
Fleet Management	(897,163)
Management Information System	(539,634)
Building Maintenance	(24,776)

These deficits are expected to be relieved from future revenues or transfers from other funds.

**15) RELATED PARTY AGREEMENTS**

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

**16) OTHER INFORMATION**

**Litigation**

At June 30, 2020, the City was a defendant in a number of lawsuits arising in the ordinary course of operations, which allege liability on the part of the City in connection with workers' compensation and general liability matters. Management believes that potential losses related to these lawsuits will not materially affect the financial position of the City.

**City of Rialto, California**  
**Notes to Financial Statements**  
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**16) OTHER INFORMATION**

**Contingent Sale**

On April 1, 2008, the City entered into an Escrow Agreement with the Federal Aviation Administration (FAA), the San Bernardino International Airport Authority (SBIAA), and First American Title Insurance Company. On September 25, 2012, the City of Rialto approved the Amended and Restated Contract of Sale with Lewis-Hillwood Rialto LLC (LHR).

On July 23, 2013 the City and LHR entered into the Protocol Agreement referring Contingent Liability. On February 4, 2014 the City entered into an Amended and Restated Agreement Regarding Transfer of Certain Aviation Assets with the San Bernardino International Airport Authority. On December 13, 2016, the City Council adopted Ordinance 1584 approving a Development Agreement with Lewis-Hillwood Rialto LLC, adopted Resolution No. 7050 approving the First Implementation Agreement referring the Second Amended and Restated Contract of Sale for Areas B, C and D, and adopted other related resolutions. These arrangements grant LHR an option to purchase the Airport Property subject to satisfaction of conditions, with the land sales proceeds distributed between the City, SBIAA, and LHR.

The City conveyed the Airport Property to the former Redevelopment Agency in June 2007. Upon dissolution of redevelopment by the state in 2012, the City rescinded the Purchase and Sale Agreement and demanded title back from the Agency. A quitclaim deed was recorded on September 12, 2012. The Department of Finance originally contested the transfer, but by letter dated October 18, 2013 concurred that the Airport Property could be retained by the City as a governmental use in accordance with Health and Safety Code Section 34181(a).

The Airport has received substantial support from the FAA in the form of grants and awards for land acquisition, runways and other capital improvements. Consequently, upon sale, the FAA and its designee, the San Bernardino International Airport Authority (SBIAA), will be entitled to a share of the proceeds, a closure obligation. The agreement entered into on February 4, 2014 between the City and SBIAA provides for a total release payment of up to \$34.8 million.

In June 2007, the City submitted its closure plan to the FAA and the state government officials notifying them of the pending closure and describing the orderly cessation of aviation operations. In 2014, the City relocated the aviation tenants and closed the Airport to fixed wing aviation activities on September 18, 2014. On April 1, 2015, the City filed Form 7480-1 with the FAA and closed the Airport to all general aviation activities.

Finally, the City negotiated an early release of profit participation. In March 2017, the City and SBIAA each received a payment of \$3,000,000 from LHR as a portion of the Contingent Purchase Price.

Upon closure, the City will be required to repay the FAA for certain grants received that are not considered fully amortized. At June 30, 2020, all FAA grants have been fully amortized.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**17) RISK MANAGEMENT**

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

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

The City is also a member of the PRISM for general liability, a public entity risk pool consisting of a consortium of cities in California. PRISM was established to pool resources, share risks, purchase excess insurance and share costs for professional risk management and claims administration. General Liability claims exceeding the self-insured retention (SIR) of \$500,000 are covered by PRISM up to a maximum of \$25,000,000 on an annual aggregate basis. Claims in excess of the \$25,000,000 annual limit are covered by PRISM up to \$35,000,000 on an annual aggregate basis. The City is not a member of a pool for workers' compensation. Workers Compensation claims exceeding 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 Workers' Compensation and the General Liability Internal Service Funds' claims liability amounts in fiscal years 2020 and 2019 were as follows:

	Workers' Compensation Internal Service Fund		General Liability Internal Service Fund	
	2020	2019	2020	2019
Claims Payable, Beginning of Year	\$ 12,830,918	\$ 10,110,351	\$ 2,947,036	\$ 3,178,856
Current Year Claims and Changes in Estimates	2,804,042	5,099,860	871,911	254,064
Claim Payments	(2749,020)	(2,379,293)	(872,124)	(485,884)
Claims Payable, End of Year	<u>\$ 12,885,940</u>	<u>\$ 12,830,918</u>	<u>\$ 2,946,823</u>	<u>\$ 2,947,036</u>



**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**18) SUCCESSOR AGENCY DISCLOSURES**

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

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

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

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

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

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

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

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

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

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**18) SUCCESSOR AGENCY DISCLOSURES - Continued**

**Notes Receivable**

Effective June 1, 2005, the Agency and the Rialto Unified School District (the District) entered into a Cooperative Agreement whereby the Agency made a portion of the proceeds of the 2005 Series A Tax Allocation Bonds available to the District to assist the District in financing a portion of the cost of the Rialto Unified School District Facilities. These proceeds totaled \$2,717,131. Under the Cooperative Agreement, the District will forego tax increment revenues that otherwise would have been transferred to it by the Agency pursuant to two pass-through agreements by and between the District and the Agency, and pursuant to the statutory requirements for payments to affected taxing agencies.

The amount of pass-through payments that was retained by the Agency were calculated to be sufficient to cover the portion of debt service on the 2005 Series A Tax Allocation Bonds allocated to the \$2,717,131 transferred to the District, plus a coverage factor. Upon the dissolution of the former redevelopment agency at February 1, 2002, the outstanding balance of the receivables was transferred to the Successor Agency Private-Purpose Trust Fund and the amount of pass-through amounts to be retained are administered by the County of San Bernardino. As of June 30, 2020, \$2,166,941 of this receivable remains outstanding, bearing interest at variable rates between 3.6% and 4.9%.

Effective September 1, 2018, the Agency and the Rialto Unified School District (the District) entered into a Cooperative Agreement whereby the Agency made a portion of the proceeds of the 2018 Series A Tax Allocation Bonds available to the District to assist the District in financing a portion of the cost of the Rialto Unified School District Facilities. These proceeds totaled \$2,281,402. Under the Cooperative Agreement, the District will forego tax increment revenues that otherwise would have been transferred to it by the Agency pursuant to two pass-through agreements by and between the District and the Agency, and pursuant to the statutory requirements for payments to affect taxing agencies.

The amount of pass-through payments that was retained by the Agency were calculated to be sufficient to cover the portion of debt service on the 2018 Series A Tax Allocation Bonds allocable to the \$2,281,402 transferred to the District, plus a coverage factor. As of June 30, 2020, \$2,157,639 of this receivable remains outstanding, bearing interest at 5%.

Effective July 1, 1996, the Agency sold the Ramrod Mobile Home Park (the Park) to Ramrod Senior Housing, Inc., a California Nonprofit Benefit Corporation, for a 36-year note receivable in the amount \$3,318,875, bearing interest at approximately 6.19%. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the receivables was transferred to the Successor Agency Private-Purpose Trust Fund. The balance outstanding on the note receivable is \$1,950,818 at June 30, 2020.

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, 2020 is \$273,134.

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**18) SUCCESSOR AGENCY DISCLOSURES - Continued**

**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, 2020, the Successor Agency's property held for resale is valued as follows:

Cost	\$ 26,622,967
Adjustment to Basis	<u>(6,154,259)</u>
Net Book Value	<u>\$ 20,468,708</u>

**Capital Assets**

A summary of changes in the Successor Agency's capital assets at June 30, 2020 is as follows:

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020
Capital Assets, Not Depreciated:				
Land	\$ 290,347	\$ -	\$ -	\$ 290,347
Total Capital Assets Not Depreciated	<u>290,347</u>	<u>-</u>	<u>-</u>	<u>290,347</u>
Capital Assets Being Depreciated:				
Buildings and Other Structures	97,647	-	-	97,647
Improvements Other than Buildings	285,647	-	-	285,647
Vehicles	25,646	-	-	25,646
Total Capital Assets Being Depreciated	<u>408,940</u>	<u>-</u>	<u>-</u>	<u>408,940</u>
Less Accumulated Depreciation for:				
Buildings and Other Structures	(31,298)	(1,956)	-	(33,254)
Improvements Other than Buildings	(265,730)	(5,829)	-	(271,559)
Vehicles	(25,646)	-	-	(25,646)
Total Accumulated Depreciation	<u>(322,674)</u>	<u>(7,785)</u>	<u>-</u>	<u>(330,459)</u>
Total Capital Assets Being Depreciated, Net	<u>86,266</u>	<u>(7,785)</u>	<u>-</u>	<u>78,481</u>
Capital Assets, Net	<u>\$ 376,613</u>	<u>\$ (7,785)</u>	<u>\$ -</u>	<u>\$ 368,828</u>

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**18) SUCCESSOR AGENCY DISCLOSURES - Continued**

**Long-Term Obligations**

The following is a summary of the Successor Agency's long-term obligations for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year	Due in More Than One Year
Tax Allocation Bonds	\$ 123,165,000	\$ -	\$ (3,890,000)	\$119,275,000	\$ 4,075,000	\$115,200,000
Premiums	6,850,474	-	(656,117)	6,194,357	-	6,194,357
Discounts	(191,937)	-	27,914	(164,023)	-	(164,023)
Total Tax Allocation Bonds	<u>\$ 129,823,537</u>	<u>\$ -</u>	<u>\$ (4,518,203)</u>	<u>\$125,305,334</u>	<u>\$ 4,075,000</u>	<u>\$121,230,334</u>

Tax Allocation Bonds

\$29,600,000 Rialto Redevelopment Agency Tax Allocation Housing Set-Aside Bonds Merged Project Area 2008 Series B, maturing in serial and term fashion through September 1, 2037. The term portion of the bond is subject to mandatory sinking fund payments beginning on September 1 in each year and commencing September 1, 2019. Annual principal payments on the bonds range from \$275,000 to \$2,920,000. Interest is paid semi-annually on March 1 and September 1 of each year at the rate of 7.50%. The reported amount outstanding includes the unamortized original issue premium of \$267,630 and is payable from redevelopment property tax trust fund revenues received by Successor Agency. \$ 24,100,000

\$21,965,000 Rialto Redevelopment Agency Tax Allocation Bonds Merged Project Area 2008 Series C, maturing in serial and term fashion through September 1, 2037. The term portion of the bond is subject to mandatory sinking fund payments beginning on September 1 in each year and commencing September 1, 2019. Annual principal payments on the bonds range from \$250,000 to \$1,725,000. Interest is paid semi-annually on March 1 and September 1 of each year at the rate of 7.50%. The reported amount outstanding includes the unamortized original issue premium of \$228,165 and is payable from redevelopment property tax trust fund revenues received by Successor Agency. 17,970,000

\$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 \$949,858 and is payable from redevelopment property tax trust fund revenues received by Successor Agency. 11,340,000

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**18) SUCCESSOR AGENCY DISCLOSURES - Continued**

**Long-Term Obligations - Continued**

Tax Allocation Bonds - Continued

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 \$814,956 and is payable from redevelopment property tax trust fund revenues received by the Successor Agency. \$ 20,640,000

On July 30, 2015, the Successor Agency issued \$15,290,000 in Tax Allocation Revenue Refunding Bonds, 2015 Series B for the purpose of defeasing \$16,635,000 of outstanding Tax Allocation Bonds 2005 Series C. The principal amount of the 2015 Series B refunding bonds of \$15,290,000 less the original discount of \$199,176 plus the 2005 Series C refunded bonds available funds of \$2,250,882 will be used to refund the bonds in the amount of \$16,635,000, pay for the interest payment due as of September 1, 2015 of \$420,680, and pay for the cost of issuance totaling \$286,026. The advance refunding fully repaid the 2005 Series C bonds. Annual principal payments on the bonds range from \$755,000 to \$1,420,000. Interest is paid semi-annually on March 1 and September 1 of each year at the rate of 1.484% to 4%. The reported amount outstanding includes the unamortized original issue discount of \$102,832 and is payable from redevelopment property tax trust fund revenues received by the Successor Agency. 11,570,000

On July 30, 2015, the Successor Agency issued \$8,205,000 in Tax Allocation Revenue Refunding Bonds, 2015 Series C for the purpose of defeasing \$9,045,000 of outstanding Tax Allocation Bonds 2005 Series B. The principal amount of the 2015 Series C refunding bonds of \$8,205,000 less the original discount of \$100,864 plus the 2005 Series B refunded bonds available funds of \$1,334,703 will be used to refund the bonds in the amount of \$9,045,000, pay for the interest payment due as of September 1, 2015 of \$227,774, and pay for the cost of issuance totaling \$166,065. The advance refunding fully repaid the 2005 Series B bonds. Annual principal payments on the bonds range from \$340,000 to \$670,000. Interest is paid semi-annually on March 1 and September 1 of each year at the rate of 1.484% to 4.724%. The reported amount outstanding includes the unamortized original issue discount of \$61,191 and is payable from redevelopment property tax trust fund revenues received by the Successor Agency. 6,720,000

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**18) SUCCESSOR AGENCY DISCLOSURES - Continued**

**Long-Term Obligations - Continued**

Tax Allocation Bonds - Continued

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 \$3,933,745 and is payable from redevelopment property tax trust fund revenues received by the Successor Agency.

\$ 26,935,000

Total Tax Allocation Bonds

\$ 119,275,000

Future Debt Service Payments

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

Year Ending June 30,	Tax Allocation Bonds	Interest	Total
2021	\$ 4,075,000	\$ 6,686,875	\$ 10,761,875
2022	4,295,000	6,471,905	10,766,905
2023	4,510,000	6,243,068	10,753,068
2024	4,750,000	5,995,593	10,745,593
2025	5,010,000	5,731,385	10,741,385
2026-2030	29,350,000	24,100,675	53,450,675
2031-2035	39,265,000	14,341,712	53,606,712
2036-2038	28,020,000	2,607,900	30,627,900
Total	<u>\$ 119,275,000</u>	<u>\$ 72,179,113</u>	<u>\$ 191,454,113</u>

**City of Rialto, California**  
**Notes to Financial Statements**  
June 30, 2020

**18) SUCCESSOR AGENCY DISCLOSURES - Continued**

**Other Commitment**

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, 2020, the amount committed under these agreements totaled \$240,390. 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.

**19) TAX ABATEMENT AGREEMENTS**

The City of Rialto negotiates tax abatement agreements on an individual basis. The City of Rialto has tax abatement agreements with two entities as of June 30, 2020.

	Type of Tax Abated	Percentage of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Distribution Center - Construct Center and Establish "Point of Sale" in Rialto (1)	Sales Tax	50%	\$ 3,532,460

- (1) The City entered into a twenty-year sales tax reimbursement agreement. There is no up to amount and the Distribution Center has the sole option to extend the agreement.

**20) CONTINGENCY**

On March 19, 2020, the Governor of the State of California issued a Stay at Home Order for all California residences and nonessential services until further notice. This order was in response to the COVID-19 outbreak which the World Health Organization has characterized as pandemic. The impact of COVID-19 on the City's operational and financial performance is uncertain at this time.

**21) PRIOR PERIOD ADJUSTMENT**

The City recorded a prior period adjustment of \$918,000 in the Housing Authority (Special Revenue Fund), in the Other Governmental Funds for two properties that were purchased in a previous fiscal year that were not previously recorded as Property Held for Resale.

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## **REQUIRED SUPPLEMENTARY INFORMATION**



**City of Rialto, California**  
**Schedule of Changes in the Net Pension Liability and Related Ratios -**  
**Miscellaneous Plan**  
**Last Ten Years\***  
**As of June 30, 2020**

	2020	2019	2018
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 1,791,482	\$ 2,003,976	\$ 1,962,464
Interest on Total Pension Liability	9,347,753	8,993,449	8,739,244
Change in Benefit Terms	-	-	-
Changes in Assumptions	-	(799,662)	7,392,961
Difference Between Expected and Actual Experience	623,582	(254,150)	(1,503,407)
Benefit Payments	(6,716,222)	(6,402,730)	(5,823,917)
<b>Net Change in Total Pension Liability</b>	<b>5,046,595</b>	<b>3,540,883</b>	<b>10,767,345</b>
<b>Total Pension Liability - Beginning</b>	<b>132,576,596</b>	<b>129,035,713</b>	<b>118,035,713</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 137,623,191</b>	<b>\$ 132,576,596</b>	<b>\$ 129,035,713</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Plan to Plan Resource Management	\$ -	\$ (218)	\$ -
Contributions - Employer	3,600,870	3,194,249	3,399,175
Contributions - Employee	887,762	1,013,826	924,474
Net Investment Income	6,111,526	7,500,484	8,989,575
Benefit Payments	(6,716,222)	(6,402,730)	(5,823,917)
Administrative Expense	(67,087)	(138,851)	(120,679)
Other Miscellaneous Income/(Expense)	218	(263,681)	-
<b>Net Change in Fiduciary Net Position</b>	<b>3,817,067</b>	<b>4,903,079</b>	<b>7,368,628</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>94,008,892</b>	<b>89,105,813</b>	<b>81,737,185</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 97,825,959</b>	<b>\$ 94,008,892</b>	<b>\$ 89,105,813</b>
<b>Plan Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ 39,797,232</b>	<b>\$ 38,567,704</b>	<b>\$ 39,929,900</b>
<b>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</b>	<b>71.08%</b>	<b>70.91%</b>	<b>69.06%</b>
<b>Covered Payroll</b>	<b>\$ 9,074,473</b>	<b>\$ 10,400,541</b>	<b>\$ 10,035,098</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>438.56%</b>	<b>370.82%</b>	<b>397.90%</b>

**City of Rialto, California**  
**Schedule of Changes in the Net Pension Liability and Related Ratios -**  
**Miscellaneous Plan**  
**Last Ten Years\***  
**As of June 30, 2020 (Cont.)**

	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 1,621,654	\$ 1,545,683	\$ 1,736,327
Interest on Total Pension Liability	8,545,451	8,242,200	8,043,800
Change in Benefit Terms	-	-	-
Changes in Assumptions	-	(2,069,469)	-
Difference Between Expected and Actual Experience	(403,816)	(1,901,232)	-
Benefit Payments	(5,586,314)	(5,329,662)	(5,117,502)
<b>Net Change in Total Pension Liability</b>	4,176,975	487,520	4,662,625
<b>Total Pension Liability - Beginning</b>	114,091,393	113,603,873	108,941,248
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 118,268,368</u>	<u>\$ 114,091,393</u>	<u>\$ 113,603,873</u>
<b>PLAN FIDUCIARY NET POSITION</b>			
Plan to Plan Resource Management	\$ 28,412	\$ 1,212	\$ -
Contributions - Employer	2,770,673	2,257,385	2,027,883
Contributions - Employee	864,570	832,233	730,622
Net Investment Income	369,043	1,734,077	12,528,234
Benefit Payments	(5,586,314)	(5,329,662)	(5,117,502)
Administrative Expense	-	-	-
Other Miscellaneous Income/(Expense)	-	-	-
<b>Net Change in Fiduciary Net Position</b>	(1,553,616)	(504,755)	10,169,237
<b>Plan Fiduciary Net Position - Beginning</b>	83,290,801	83,795,556	73,626,319
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 81,737,185</u>	<u>\$ 83,290,801</u>	<u>\$ 83,795,556</u>
<b>Plan Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<u>\$ 36,531,183</u>	<u>\$ 30,800,592</u>	<u>\$ 29,808,317</u>
<b>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</b>	69.11%	73.00%	73.76%
<b>Covered Payroll</b>	\$ 9,138,652	\$ 8,408,677	\$ 9,062,246
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	399.74%	366.30%	328.93%

**Notes to Schedule:**

**Benefit Changes.** In 2020, there was no benefit terms modified.

**Changes in Assumptions.** Fiscal year June 30, 2015 to June 30, 2016 - GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

In 2016 and 2017 there were no changes in assumptions.

In 2018, the accounting discount reduced from 7.65% to 7.15%.

\*- Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only six years are shown.

**City of Rialto, California**  
**Schedule of Changes in the Net Pension Liability and Related Ratios -**  
**Safety Plan**  
**Last Ten Years\***  
**As of June 30, 2020**

	2020	2019	2018
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 4,820,128	\$ 5,206,707	\$ 5,334,644
Interest on Total Pension Liability	19,950,664	19,196,158	18,863,603
Change in Benefit Terms	-	-	-
Changes in Assumptions	-	(8,400,860)	17,388,091
Difference Between Expected and Actual			
Experience	(1,417,660)	450,278	(4,519,766)
Benefit Payments	(12,534,003)	(11,944,712)	(11,120,451)
<b>Net Change in Total Pension Liability</b>	<b>10,819,129</b>	<b>4,507,571</b>	<b>25,946,121</b>
<b>Total Pension Liability - Beginning</b>	<b>284,304,869</b>	<b>279,797,298</b>	<b>253,851,177</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 295,123,998</b>	<b>\$ 284,304,869</b>	<b>\$279,797,298</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Plan to Plan Resource Management	\$ -	\$ (470)	\$ -
Contributions - Employer	7,807,973	6,989,814	6,576,775
Contributions - Employee	2,872,745	2,893,086	3,084,249
Net Investment Income	13,315,731	16,082,104	19,120,363
Benefit Payments	(12,534,003)	(11,944,712)	(11,120,451)
Administrative Expense	(144,475)	(294,963)	(253,771)
Other Miscellaneous Income/(Expense)	470	(560,140)	-
<b>Net Change in Fiduciary Net Position</b>	<b>11,318,441</b>	<b>13,164,719</b>	<b>17,407,165</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>202,452,774</b>	<b>189,288,055</b>	<b>171,880,890</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 213,771,215</b>	<b>\$ 202,452,774</b>	<b>\$189,288,055</b>
<b>Plan Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ 81,352,783</b>	<b>\$ 81,852,095</b>	<b>\$ 90,509,243</b>
<b>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</b>	<b>72.43%</b>	<b>71.21%</b>	<b>67.65%</b>
<b>Covered Payroll</b>	<b>\$ 14,498,370</b>	<b>\$ 15,871,203</b>	<b>\$ 15,522,578</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>561.12%</b>	<b>515.73%</b>	<b>583.08%</b>

**City of Rialto, California**  
**Schedule of Changes in the Net Pension Liability and Related Ratios -**  
**Safety Plan**  
**Last Ten Years\***  
**As of June 30, 2020 (Cont.)**

	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 4,790,840	\$ 4,576,388	\$ 4,515,927
Interest on Total Pension Liability	18,240,547	17,478,960	16,797,046
Change in Benefit Terms	-	-	-
Changes in Assumptions	-	(4,760,201)	-
Difference Between Expected and Actual			
Experience	(2,000,635)	(2,396,762)	-
Benefit Payments	(10,446,639)	(9,966,418)	(9,361,045)
<b>Net Change in Total Pension Liability</b>	<b>10,584,113</b>	<b>4,931,967</b>	<b>11,951,928</b>
<b>Total Pension Liability - Beginning</b>	<b>243,267,064</b>	<b>238,335,097</b>	<b>226,383,169</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$253,851,177</b>	<b>\$243,267,064</b>	<b>\$238,335,097</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Plan to Plan Resource Management	\$ (28,412)	\$ (1,048)	\$ -
Contributions - Employer	6,139,735	6,116,568	6,284,137
Contributions - Employee	2,994,151	2,679,822	1,424,093
Net Investment Income	752,086	3,590,510	25,296,028
Benefit Payments	(10,446,639)	(9,966,418)	(9,361,045)
Administrative Expense	-	-	-
Other Miscellaneous Income/(Expense)	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>(589,079)</b>	<b>2,419,434</b>	<b>23,643,213</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>172,469,969</b>	<b>170,050,535</b>	<b>146,407,322</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$171,880,890</b>	<b>\$172,469,969</b>	<b>\$170,050,535</b>
<b>Plan Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ 81,970,287</b>	<b>\$ 70,797,095</b>	<b>\$ 68,284,562</b>
<b>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</b>	<b>67.71%</b>	<b>70.90%</b>	<b>71.35%</b>
<b>Covered Payroll</b>	<b>\$ 15,545,592</b>	<b>\$ 15,074,241</b>	<b>\$ 14,083,225</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>527.29%</b>	<b>469.66%</b>	<b>484.86%</b>

**Notes to Schedule:**

**Benefit Changes.** In 2019, there was no benefit terms modified.

**Changes in Assumptions.** Fiscal year June 30, 2015 to June 30, 2016 - GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

In 2016 and 2017 there were no changes in assumptions.

In 2018, the accounting discount rate reduced from 7.65% to 7.15%.

\*- Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only six years are shown.

**City of Rialto, California**  
**Schedule of Contributions**  
**CalPERS Pension Plans**  
**Last Ten Years\***  
**As of June 30, 2020**

**Miscellaneous**

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 2,252,080	\$ (2,252,080)	\$ -	\$ 9,138,652	26.78%
2016	\$ 2,241,922	\$ (2,241,922)	\$ -	\$ 9,966,210	24.53%
2017	\$ 3,388,812	\$ (3,388,812)	\$ -	\$ 10,035,098	34.00%
2018	\$ 4,025,277	\$ (4,025,277)	\$ -	\$ 10,400,541	40.11%
2019	\$ 4,450,956	\$ (4,450,956)	\$ -	\$ 9,074,473	42.80%
2020	\$ 5,064,812	\$ (5,064,812)	\$ -	\$ 10,122,181	55.81%

**Safety**

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 6,119,336	\$ (6,119,336)	\$ -	\$ 15,545,592	40.59%
2016	\$ 6,693,398	\$ (6,693,398)	\$ -	\$ 16,056,944	43.06%
2017	\$ 6,593,836	\$ (6,593,836)	\$ -	\$ 15,522,578	41.07%
2018	\$ 9,921,278	\$ (9,921,278)	\$ -	\$ 15,871,203	63.92%
2019	\$ 10,754,325	\$ (10,754,325)	\$ -	\$ 14,498,370	67.76%
2020	\$ 12,248,971	\$ (12,248,971)	\$ -	\$ 15,446,426	84.49%

**All Plans**

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 8,371,416	\$ (8,371,416)	\$ -	\$ 24,684,244	35.65%
2016	\$ 8,935,320	\$ (8,935,320)	\$ -	\$ 26,023,154	36.20%
2017	\$ 9,982,648	\$ (9,982,648)	\$ -	\$ 25,557,676	38.36%
2018	\$ 13,946,555	\$ (13,946,555)	\$ -	\$ 26,271,744	54.57%
2019	\$ 15,205,281	\$ (15,205,281)	\$ -	\$ 23,572,843	57.88%
2020	\$ 17,313,783	\$ (17,313,783)	\$ -	\$ 25,568,607	73.45%

**City of Rialto, California**  
**Schedule of Contributions**  
**CalPERS Pension Plans - Continued**  
**Last Ten Years\***  
**As of June 30, 2020**

**Notes to Schedule:**

Valuation Date: 6/30/2019

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal**
Amortization Method	Level Percentage of Payroll, Closed**
Asset Valuation Method	Market Value***
Inflation	2.50%
Salary Increases	Depending on age, service and type of employment**
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation**
Retirement Age	50 years (2% @55 and 2.7 @55) 52 years (2% @ 62)**
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board**

\* Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only six years are shown.

\*\* The valuation for June 30, 2012 and 2013 (applicable to fiscal year ended June 30, 2015 and 2016, respectively) included the same actuarial assumptions.

\*\*\* The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15-year Smooth Market method. The market value asset valuation method was utilized for the June 30, 2013 and 2014 valuations (applicable to fiscal years ended June 30, 2016 and 2017, respectively).



**City of Rialto, California**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios for**  
**Measurement Periods Ended June 30**  
As of June 30, 2020

Measurement Period	2019	2018	2017
<b>Total OPEB Liability</b>			
Service Cost	\$ 2,094,466	\$ 1,928,465	\$ 2,083,035
Interest on the Total OPEB Liability	2,080,962	2,068,297	1,874,471
Changes in Assumptions	1,193,708	1,811,535	(3,897,172)
Changes in Benefit Terms	-	-	-
Benefit Payments	(2,070,376)	(1,969,858)	(2,009,296)
<b>Net Change in Total OPEB Liability</b>	3,298,760	3,838,439	(1,948,962)
<b>Total OPEB Liability - Beginning</b>	60,507,632	56,669,193	58,618,155
<b>Total OPEB Liability - Ending (a)</b>	63,806,392	60,507,632	\$ 56,669,193
<b>Plan Fiduciary Net Position</b>			
Contribution - Employer	\$ 635,898	\$ 3,260,163	\$ 2,967,326
Net Investment Income	1,144,549	1,243,147	1,806,286
Benefit Payments	(2,070,376)	(1,969,858)	(2,009,296)
Administrative Expense	(40,610)	(34,725)	(71,750)
<b>Net Change in Plan Fiduciary Net Position</b>	(330,539)	2,498,727	2,692,566
<b>Plan Fiduciary Net Position - Beginning</b>	19,190,501	16,691,774	13,999,208
<b>Plan Fiduciary Net Position - Ending (b)</b>	18,859,962	19,190,501	\$ 16,691,774
<b>Net OPEB Liability - Ending (a)-(b)</b>	<u>\$ 44,946,430</u>	<u>\$ 41,317,131</u>	<u>\$ 39,977,419</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	29.56%	31.72%	29.5%
Covered-employee Payroll	\$ 25,076,875	\$ 24,383,667	\$ 37,244,900
Net OPEB Liability as a Percentage of Covered-employee Payroll	179.23%	169.45%	107.34%

**Notes to Schedule:**

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**City of Rialto, California**  
**Schedule of Contributions - OPEB**  
**Last Ten Fiscal Years\***

Fiscal Year Ended June 30,	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution (ADC)	\$ 2,820,893	\$ 2,607,829	\$ 2,588,874
Contributions in Relation to the ADC	(862,089)	(635,898)	(3,260,163)
Contribution Deficiency (Excess)	<u>\$ 1,958,804</u>	<u>\$ 1,971,931</u>	<u>\$ (671,289)</u>
Covered-Employee Payroll	\$ 28,234,884	\$ 25,076,875	\$ 34,714,347
Contributions as a percentage of covered-employee payroll	3.05%	2.54%	9.39%

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020 were from the June 30, 2020 actuarial valuation.

**Methods and assumptions used to determine contributions:**

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level percent of payroll over a closed rolling 15-year period
Asset Valuation Method	Market value
Inflation	2.50%
Salary Increases	3.25% plus merit
Investment Rate of Return	6.55% per annum
Healthcare Cost-trend Rates	7.5% (Non-Medicare) and 6.5% (Medicare)
	4.50% (PEMHCA)
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	Pre-retirement mortality probability based on 2014 CalPERS 1997-2011 Experience Study covering CalPERS participants. Post-retirement mortality probability based on CalPERS Experience Study 2007-2011 covering participants in CalPERS.

\* Historical information is required only for measurement periods for which GASB 75 is applicable.  
Future years' information will be displayed up to 10 years as information become available.

**City of Rialto, California**  
**Budgetary Comparison Schedule**  
**General Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Taxes	\$ 64,271,289	\$ 64,271,289	\$ 68,600,527	\$ 4,329,238
Licenses and Permits	5,330,900	5,330,900	5,751,170	420,270
Fines and Forfeitures	626,800	626,800	504,431	(122,369)
Use of Money and Property	956,100	956,100	1,613,398	657,298
Revenue from Other Agencies	5,653,330	5,949,987	7,581,247	1,631,260
Charges for Services	18,025,280	18,525,280	9,316,984	(9,208,296)
RUA Lease Payments	2,000,000	2,000,000	2,000,000	-
Other	1,472,551	1,688,551	2,090,505	401,954
Total Revenues	98,336,250	99,348,907	97,458,262	(1,890,645)
<b>EXPENDITURES</b>				
Current:				
General Government	19,506,557	19,364,184	16,665,951	2,698,233
Public Safety	60,478,496	60,925,173	58,704,099	2,221,074
Community Development	10,745,068	11,154,642	9,414,121	1,740,521
Capital Outlay	97,316	592,670	366,554	226,116
Total Expenditures	90,827,437	92,036,669	85,150,725	6,885,944
Excess (Deficiency) of Revenues over Expenditures	7,508,813	7,312,238	12,307,537	4,995,299
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	16,112	16,112
Transfers In	1,755,001	1,755,001	1,865,036	110,035
Transfers Out	(8,916,559)	(9,162,708)	(9,166,355)	(3,647)
Total Other Financing Sources (Uses)	(7,161,558)	(7,407,707)	(7,285,207)	122,500
Net Change in Fund Balance	347,255	(95,469)	5,022,330	5,117,799
Fund Balance - Beginning of Year	82,499,183	82,499,183	82,499,183	-
Fund Balance - End of Year	\$ 82,846,438	\$ 82,403,714	\$ 87,521,513	\$ 5,117,799

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Park Development Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 140,000	\$ 140,000	\$ 349,065	\$ 209,065
Charges for Services	284,000	284,000	487,752	203,752
Total Revenues	424,000	424,000	836,817	412,817
<b>EXPENDITURES</b>				
Current:				
Community Development	-	-	11	(11)
Capital Outlay	17,493,250	17,493,250	13,684,856	3,808,394
Total Expenditures	17,493,250	17,493,250	13,684,867	3,808,383
Excess (Deficiency) of Revenues over Expenditures	(17,069,250)	(17,069,250)	(12,848,050)	4,221,200
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(17,069,250)	(17,069,250)	(12,848,050)	4,221,200
Fund Balance - Beginning of Year	3,753,145	3,753,145	3,753,145	-
Fund Balance - End of Year	<u>\$ (13,316,105)</u>	<u>\$ (13,316,105)</u>	<u>\$ (9,094,905)</u>	<u>\$ 4,221,200</u>

**City of Rialto, California**  
**Notes to Required Supplementary Information**  
Year Ended June 30, 2020

**1. BUDGETARY DATA**

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

**2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Expenditures did not exceed appropriations in the General Fund and Park Development Fund.

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## **SUPPLEMENTARY SCHEDULES**





## OTHER GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS:

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

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

Local Transportation Development Fund - accounts for revenues and expenditures of money received from San Bernardino County Transportation Authority (SBCTA) 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.

Transportation Enhancement Activities Fund - accounts for monies received and expended in accordance with the Transportation Enhancement Grant.

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

Landscape and Lighting District No. 2 Fund - accounts for revenues and expenditures associated with the maintenance of City-owned street lights, parkways and medians. Benefiting property owners are assessed their proportional share of costs for maintaining these facilities, parkways and medians.

Traffic Development Fund - accounts for development fees collected and used for street and traffic control improvements.

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

Retirement Tax Fund - accounts for a voter approved property tax levy used to pay the City's employee retirement costs. Council has set to 0% as of June 3, 2003. Revenues currently consist of delinquency collections.

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

Open Space Development Fund - accounts 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 - accounts for development fees collected and used for general municipal buildings and equipment needed to serve new development within the City.

Library Facilities Development Fund - accounts for development fees collected and used for general library facilities and equipment needed to serve new development within the City.

Major Grant Funding Fund - accounts for monies received and expected by the City as a participate in Federal and State and other grants for City infrastructure and capital improvements.

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

## **SPECIAL REVENUES FUNDS - Continued**

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

Waste Management Fund - accounts 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 District (SCAQMD) Fund - accounts for the revenues and expenditures associated with the City's employee trip reduction (ride share) plan and incentive program. The revenues source for this fund is a special allocation of motor vehicle registration fees in accordance with AB 2766.

Asset Forfeiture Fund - accounts 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 - accounts for monies received and expended by the Police Department for various grants.

Community Services Grant Fund - accounts for monies received and expended by the City that are for specific community services activities.

Citizens Option for Public Safety Fund - accounts 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 - accounts for monies received and expended by the City as a participant in the Federal Local Law Enforcement Block Grant program.

CDBG Fund - accounts for monies received and expended by the City as a participant in the Federal Community Development Block Grant Program.

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

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

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

Measure I Fund - accounts for revenues and expenditures of money received from San Bernardino County Transportation Authority (SBCTA) 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 - is used to conduct environment cleanup of a portion of the WDJL site, which is located at 1485 S. Willow Street.

Fire Grant Fund - accounts for monies received and expended by the Fire Department for various grants.

## **SPECIAL REVENUES FUNDS - Continued**

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

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

Housing Authority Fund - accounts for monies received and expended for rehabilitation and development of affordable housing. In addition, this fund also services as the Housing Successor fund to account for the receipts and expenditures relating to housing activities in accordance with the California Health and Safety Code.

Public, Educational, and Governmental (PEG) Fees Fund - accounts for Public, Educational, or Governmental access franchise fee activity.

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

Street Medians Development Fund - accounts for development fees collected and used for street medians improvements.

## **CAPITAL PROJECTS FUNDS:**

Capital Projects Fund - is used to account for resources restricted or assigned for capital improvements.

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

2005 TABs Fund - accounts 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 Former Rialto Redevelopment Agency as a result of the Bond Proceeds Expenditure Agreement between the City and the Successor Agency.

2008 TABs Fund - accounts 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 Former Rialto Redevelopment Agency as a result of the Bond Proceeds Expenditure Agreement between the City and the Successor Agency.

## **DEBT SERVICE FUND:**

1997 COP Fund - accounts for the accumulation of funds for the payment of principal and interest on the 1997 Refunding Certificates of Participation.

**City of Rialto, California**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
June 30, 2020

	Special Revenue Funds			
	Gas Tax	Local Transportation Development	Transportation Enhancement Activities	Street Lighting and Landscape Maintenance
<b>ASSETS</b>				
Cash and Investments	\$ 3,141,595	\$ -	\$ -	\$ 1,388,069
Accounts Receivable, Net	-	-	208,599	-
Interest Receivable	4,223	-	-	1,738
Loans Receivable	-	-	-	-
Notes Receivable	-	-	-	-
Allowance for Uncollectible Loans and Notes	-	-	-	-
Due From Other Governments	283,715	-	-	14,936
Property Held for Development	-	-	-	-
Restricted Assets:				
Cash and Investments	-	-	-	-
Total Assets	<u>\$ 3,429,533</u>	<u>\$ -</u>	<u>\$ 208,599</u>	<u>\$ 1,404,743</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 134,297	\$ -	\$ -	\$ 249,667
Deposits	-	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	2,010	11,400	-
Total Liabilities	<u>134,297</u>	<u>2,010</u>	<u>11,400</u>	<u>249,667</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	-	-	208,599	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>208,599</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted for:				
Debt Service	-	-	-	-
Public Safety	-	-	-	-
Community Development	3,295,236	-	-	1,155,076
Unassigned	-	(2,010)	(11,400)	-
Total Fund Balances	<u>3,295,236</u>	<u>(2,010)</u>	<u>(11,400)</u>	<u>1,155,076</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,429,533</u>	<u>\$ -</u>	<u>\$ 208,599</u>	<u>\$ 1,404,743</u>

Special Revenue Funds

Landscape and Lighting District No. 2	Traffic Development	Office of Traffic Safety	Retirement Tax	Local Drainage	Open Space Development
\$ 621,221	\$ 20,422,122	\$ 99,680	\$ 52	\$ 19,490,844	\$ 2,059,271
-	-	26,586	-	-	-
815	25,848	-	-	24,518	2,651
-	160,190	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,886	-	-	-	-	-
-	-	-	-	-	-
-	1,827,448	-	-	-	-
<u>\$ 628,922</u>	<u>\$ 22,435,608</u>	<u>\$ 126,266</u>	<u>\$ 52</u>	<u>\$ 19,515,362</u>	<u>\$ 2,061,922</u>
\$ 183,707	\$ 328,639	\$ 4,557	\$ 52	\$ 27,444	\$ 23,998
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>183,707</u>	<u>328,639</u>	<u>4,557</u>	<u>52</u>	<u>27,444</u>	<u>23,998</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
445,215	22,106,969	121,709	-	19,487,918	2,037,924
-	-	-	-	-	-
<u>445,215</u>	<u>22,106,969</u>	<u>121,709</u>	<u>-</u>	<u>19,487,918</u>	<u>2,037,924</u>
<u>\$ 628,922</u>	<u>\$ 22,435,608</u>	<u>\$ 126,266</u>	<u>\$ 52</u>	<u>\$ 19,515,362</u>	<u>\$ 2,061,922</u>

Continued

**City of Rialto, California**  
**Combining Balance Sheet - Continued**  
**Other Governmental Funds**  
June 30, 2020

	Special Revenue Funds			
	General Facilities Development	Library Facilities Development	Major Grant Funding	Police Development
<b>ASSETS</b>				
Cash and Investments	\$ 2,689,309	\$ 81,507	\$ 6,195,295	\$ 1,683,915
Accounts Receivable, Net	-	-	41,707	-
Interest Receivable	3,504	174	-	2,049
Loans Receivable	-	-	-	-
Notes Receivable	-	-	-	-
Allowance for Uncollectible Loans and Notes	-	-	-	-
Due From Other Governments	-	-	-	-
Property Held for Development	-	-	-	-
Restricted Assets:				
Cash and Investments	-	-	-	-
Total Assets	<u>\$ 2,692,813</u>	<u>\$ 81,681</u>	<u>\$ 6,237,002</u>	<u>\$ 1,685,964</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 468,136	\$ -
Deposits	-	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>468,136</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	-	-	41,707	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>41,707</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted for:				
Debt Service	-	-	-	-
Public Safety	-	-	-	1,685,964
Community Development	2,692,813	81,681	5,727,159	-
Unassigned	-	-	-	-
Total Fund Balances	<u>2,692,813</u>	<u>81,681</u>	<u>5,727,159</u>	<u>1,685,964</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,692,813</u>	<u>\$ 81,681</u>	<u>\$ 6,237,002</u>	<u>\$ 1,685,964</u>

Special Revenue Funds

Fire Development	Waste Management	SCAQMD	Asset Forfeiture	Police Grants	Community Services Grant
\$ -	\$ 7,801,532	\$ 446,994	\$ 2,738,237	\$ -	\$ -
-	458,403	-	-	15,873	-
-	9,814	575	3,637	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	263	33,451	-	-	39,693
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 8,270,012</u>	<u>\$ 481,020</u>	<u>\$ 2,741,874</u>	<u>\$ 15,873</u>	<u>\$ 39,693</u>
\$ 406,153	\$ 47,533	\$ 10,714	\$ 133,148	\$ -	\$ 82,224
-	-	-	-	-	-
-	-	-	-	-	-
3,090,920	-	-	-	69,057	31,227
<u>3,497,073</u>	<u>47,533</u>	<u>10,714</u>	<u>133,148</u>	<u>69,057</u>	<u>113,451</u>
-	-	-	-	15,873	31,944
-	-	-	-	15,873	31,944
-	-	-	-	-	-
-	-	-	2,608,726	-	-
-	8,222,479	470,306	-	-	-
<u>(3,497,073)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(69,057)</u>	<u>(105,702)</u>
<u>(3,497,073)</u>	<u>8,222,479</u>	<u>470,306</u>	<u>2,608,726</u>	<u>(69,057)</u>	<u>(105,702)</u>
<u>\$ -</u>	<u>\$ 8,270,012</u>	<u>\$ 481,020</u>	<u>\$ 2,741,874</u>	<u>\$ 15,873</u>	<u>\$ 39,693</u>

Continued

**City of Rialto, California**  
**Combining Balance Sheet - Continued**  
**Other Governmental Funds**  
June 30, 2020

	Special Revenue Funds			
	Citizens Option for Public Safety	Local Law Enforcement Block Grant	CDBG Housing	Traffic Safety Prop 1B
<b>ASSETS</b>				
Cash and Investments	\$ 790,117	\$ 3,149	\$ -	\$ 416
Accounts Receivable, Net	-	-	-	-
Interest Receivable	1,050	-	-	-
Loans Receivable	-	-	-	-
Notes Receivable	-	-	-	-
Allowance for Uncollectible Loans and Notes	-	-	-	-
Due From Other Governments	-	-	539,413	-
Property Held for Development	-	-	-	-
Restricted Assets:				
Cash and Investments	-	-	-	-
Total Assets	<u>\$ 791,167</u>	<u>\$ 3,149</u>	<u>\$ 539,413</u>	<u>\$ 416</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 69,124	\$ -	\$ 290,315	\$ -
Deposits	-	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	290,862	-
Total Liabilities	<u>69,124</u>	<u>-</u>	<u>581,177</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	-	-	539,413	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>539,413</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted for:				
Debt Service	-	-	-	-
Public Safety	722,043	3,149	-	-
Community Development	-	-	-	416
Unassigned	-	-	(581,177)	-
Total Fund Balances	<u>722,043</u>	<u>3,149</u>	<u>(581,177)</u>	<u>416</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 791,167</u>	<u>\$ 3,149</u>	<u>\$ 539,413</u>	<u>\$ 416</u>



Special Revenue Funds

Neighborhood Stabilization Program	Neighborhood Stabilization Program - Program Income	Measure I	Brownfield Clean Up Grant	Fire Grant	Fire Ground Emergency Transportation
\$ 564	\$ 938,000	\$ 5,776,655	\$ 17,296	\$ 183,678	\$ 6,527,997
-	-	6,500	-	-	-
-	1,156	8,188	-	-	-
217,850	361,085	-	-	-	-
-	-	-	-	-	-
(217,850)	(361,085)	-	-	-	-
-	-	495,845	-	-	55,898
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 564</u>	<u>\$ 939,156</u>	<u>\$ 6,287,188</u>	<u>\$ 17,296</u>	<u>\$ 183,678</u>	<u>\$ 6,583,895</u>
\$ 213	\$ -	\$ 271,146	\$ -	\$ 12,109	\$ 19,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>213</u>	<u>-</u>	<u>271,146</u>	<u>-</u>	<u>12,109</u>	<u>19,500</u>
-	-	-	-	-	55,898
-	-	-	-	-	55,898
-	-	-	-	-	-
-	-	-	-	-	-
351	939,156	6,016,042	17,296	171,569	6,508,497
-	-	-	-	-	-
<u>351</u>	<u>939,156</u>	<u>6,016,042</u>	<u>17,296</u>	<u>171,569</u>	<u>6,508,497</u>
<u>\$ 564</u>	<u>\$ 939,156</u>	<u>\$ 6,287,188</u>	<u>\$ 17,296</u>	<u>\$ 183,678</u>	<u>\$ 6,583,895</u>

Continued

**City of Rialto, California**  
**Combining Balance Sheet - Continued**  
**Other Governmental Funds**  
June 30, 2020

	Special Revenue Funds			
	Cal Home	Housing Authority	Public, Educational, and Governmental (PEG) Fees	Transportation Development Act (TDA)
<b>ASSETS</b>				
Cash and Investments	\$ 1,209,365	\$ 2,001,811	\$ 255,045	\$ -
Accounts Receivable, Net	2,878	11,659	-	386,021
Interest Receivable	1,567	2,174	367	-
Loans Receivable	1,450,414	1,037,529	-	-
Notes Receivable	-	47,242,649	-	-
Allowance for Uncollectible Loans and Notes	-	(47,242,649)	-	-
Due from Other Governments	-	-	-	-
Property Held for Development	-	970,400	-	-
Restricted Assets:				
Cash and Investments	-	-	-	-
Total Assets	<u>\$ 2,664,224</u>	<u>\$ 4,023,573</u>	<u>\$ 255,412</u>	<u>\$ 386,021</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 9,566	\$ 5,052	\$ 2,151	\$ 136,021
Deposits	-	10,000	-	-
Due to Other Governments	1,450,414	1,037,529	-	-
Due to Other Funds	-	-	-	250,000
Total Liabilities	<u>1,459,980</u>	<u>1,052,581</u>	<u>2,151</u>	<u>386,021</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	-	-	-	386,021
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,021</u>
<b>FUND BALANCES</b>				
Restricted for:				
Debt Service	-	-	-	-
Public Safety	-	-	-	-
Community Development	1,204,244	2,970,992	253,261	-
Unassigned	-	-	-	(386,021)
Total Fund Balances	<u>1,204,244</u>	<u>2,970,992</u>	<u>253,261</u>	<u>(386,021)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,664,224</u>	<u>\$ 4,023,573</u>	<u>\$ 255,412</u>	<u>\$ 386,021</u>

Special Revenue	Capital Projects Funds		
Street Medians Development	Capital Projects	Fair Share Agreement	2005 TABS
\$ 275,529	\$ 13,746,735	\$ 12,131,258	\$ 8,697,116
-	-	-	-
368	13,004	15,156	11,606
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	7,473,127	-	-
\$ 275,897	\$ 21,232,866	\$ 12,146,414	\$ 8,708,722
\$ -	\$ 297,707	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	297,707	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
275,897	20,935,159	12,146,414	8,708,722
-	-	-	-
275,897	20,935,159	12,146,414	8,708,722
\$ 275,897	\$ 21,232,866	\$ 12,146,414	\$ 8,708,722

Continued

**City of Rialto, California**  
**Combining Balance Sheet - Continued**  
**Other Governmental Funds**  
June 30, 2020

	Capital Projects Funds	Debt Service Funds	Total Other Governmental Funds
	2008 TABS	1997 COP	
<b>ASSETS</b>			
Cash and Investments	\$ 4,652,640	\$ 682,078	\$ 126,749,092
Accounts Receivable, Net	6,235	-	1,164,461
Interest Receivable	-	528	134,710
Loans Receivable	-	-	3,227,068
Notes Receivable	-	-	47,242,649
Allowance for Uncollectible Loans and Notes	-	-	(47,821,584)
Due from Other Governments	-	-	1,470,100
Property Held for Development	-	-	970,400
Restricted Assets:			
Cash and Investments	-	-	9,300,575
Total Assets	<u>\$ 4,658,875</u>	<u>\$ 682,606</u>	<u>\$ 142,437,471</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ 278	\$ -	\$ 3,213,451
Deposits	-	-	10,000
Due to Other Governments	-	-	2,487,943
Due to Other Funds	-	-	3,745,476
Total Liabilities	<u>278</u>	<u>-</u>	<u>9,456,870</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenues	-	-	1,279,455
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>1,279,455</u>
<b>FUND BALANCES</b>			
Restricted for:			
Debt Service	-	682,606	682,606
Public Safety	-	-	11,699,948
Community Development	4,658,597	-	123,971,032
Unassigned	-	-	(4,652,440)
Total Fund Balances	<u>4,658,597</u>	<u>682,606</u>	<u>131,701,146</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,658,875</u>	<u>\$ 682,606</u>	<u>\$ 142,437,471</u>

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**City of Rialto, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds**  
Year Ended June 30, 2020

	Special Revenue Funds			
	Gas Tax	Local Transportation Development	Transportation Enhancement Activities	Street Lighting and Landscape Maintenance
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 1,375,902
Use of Money and Property	65,579	-	-	26,984
Revenue from Other Agencies	4,707,198	-	-	-
Charges for Services	-	-	-	-
Development Impact Fees	-	-	-	-
Other	-	-	-	-
Payment from Successor Agency of Bond Proceeds	-	-	-	-
Total Revenues	<u>4,772,777</u>	<u>-</u>	<u>-</u>	<u>1,402,886</u>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-
Community Development	18,688	-	-	1,887,963
Capital Outlay	1,436,931	-	-	18,464
Debt Service:				
Principal Retirement	-	-	-	147,783
Interest and Fiscal Charges	-	-	-	111,498
Total Expenditures	<u>1,455,619</u>	<u>-</u>	<u>-</u>	<u>2,165,708</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,317,158</u>	<u>-</u>	<u>-</u>	<u>(762,822)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	774,700
Transfers Out	(1,500,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(1,500,000)</u>	<u>-</u>	<u>-</u>	<u>774,700</u>
Net Change in Fund Balances	<u>1,817,158</u>	<u>-</u>	<u>-</u>	<u>11,878</u>
Fund Balance - Beginning of Year As Previously Report	1,478,078	(2,010)	(11,400)	1,143,198
Prior Period Adjustment	-	-	-	-
Fund Balance - Beginning of Year, As Restated	<u>1,478,078</u>	<u>(2,010)</u>	<u>(11,400)</u>	<u>1,143,198</u>
Fund Balance - End of Year	<u>\$ 3,295,236</u>	<u>\$ (2,010)</u>	<u>\$ (11,400)</u>	<u>\$ 1,155,076</u>

Special Revenue Funds

Landscape and Lighting District No. 2	Traffic Development	Office of Traffic Safety	Retirement Tax	Local Drainage	Open Space Development
\$ 726,023	\$ -	\$ -	\$ 1,061	\$ -	\$ -
12,654	479,282	-	-	386,011	41,175
-	-	145,302	-	-	-
-	-	22,447	-	-	-
-	6,311,787	-	-	3,912,331	243,464
75,029	-	99,244	-	-	-
-	-	-	-	-	-
813,706	6,791,069	266,993	1,061	4,298,342	284,639
\$ 715,477	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
132,281	-	228,441	-	214	-
2,282	3,742,734	18,745	-	502,464	96,069
18,265	-	-	-	-	-
13,781	-	-	-	-	-
882,086	3,742,734	247,186	-	502,678	96,069
(68,380)	3,048,335	19,807	1,061	3,795,664	188,570
-	-	-	-	-	-
(38,877)	(188,409)	-	(1,061)	(308,252)	-
(38,877)	(188,409)	-	(1,061)	(308,252)	-
(107,257)	2,859,926	19,807	-	3,487,412	188,570
552,472	19,247,043	101,902	-	16,000,506	1,849,354
-	-	-	-	-	-
552,472	19,247,043	101,902	-	16,000,506	1,849,354
\$ 445,215	\$ 22,106,969	\$ 121,709	\$ -	\$ 19,487,918	\$ 2,037,924

Continued

**City of Rialto, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued**  
**Other Governmental Funds**  
Year Ended June 30, 2020

	Special Revenue Funds			
	General Facilities Development	Library Facilities Development	Major Grant Funding	Police Development
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Use of Money and Property	54,424	2,709	-	31,824
Revenue from Other Agencies	-	-	4,373,171	-
Charges for Services	-	-	-	-
Development Impact Fees	530,812	-	-	274,790
Other	-	-	-	-
Payment from Successor Agency of Bond Proceeds	-	-	-	-
Total Revenues	<u>585,236</u>	<u>2,709</u>	<u>4,373,171</u>	<u>306,614</u>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-
Community Development	-	-	149,535	-
Capital Outlay	263,761	-	1,830,888	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>263,761</u>	<u>-</u>	<u>1,980,423</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>321,475</u>	<u>2,709</u>	<u>2,392,748</u>	<u>306,614</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>321,475</u>	<u>2,709</u>	<u>2,392,748</u>	<u>306,614</u>
Fund Balance - Beginning of Year, As Previously Report	2,371,338	78,972	3,334,411	1,379,350
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year, As Restated	<u>2,371,338</u>	<u>78,972</u>	<u>3,334,411</u>	<u>1,379,350</u>
Fund Balance - End of Year	<u>\$ 2,692,813</u>	<u>\$ 81,681</u>	<u>\$ 5,727,159</u>	<u>\$ 1,685,964</u>



Special Revenue Funds

Fire Development	Waste Management	SCAQMD	Asset Forfeiture	Police Grants	Community Services Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	152,410	8,934	56,489	-	-
-	2,528,241	134,078	818,730	-	330,278
-	-	-	-	-	-
319,715	-	-	-	-	-
-	11,445	-	-	16,429	-
-	-	-	-	-	-
<u>319,715</u>	<u>2,692,096</u>	<u>143,012</u>	<u>875,219</u>	<u>16,429</u>	<u>330,278</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	371,233	43,903	-
-	876,939	46,194	-	-	337,900
4,090,897	1,244,876	66,096	232,382	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,090,897</u>	<u>2,121,815</u>	<u>112,290</u>	<u>603,615</u>	<u>43,903</u>	<u>337,900</u>
<u>(3,771,182)</u>	<u>570,281</u>	<u>30,722</u>	<u>271,604</u>	<u>(27,474)</u>	<u>(7,622)</u>
-	-	3,647	-	-	-
(1,440)	(44,004)	(6,704)	-	-	-
(1,440)	(44,004)	(3,057)	-	-	-
<u>(3,772,622)</u>	<u>526,277</u>	<u>27,665</u>	<u>271,604</u>	<u>(27,474)</u>	<u>(7,622)</u>
275,549	7,696,202	442,641	2,337,122	(41,583)	(98,080)
-	-	-	-	-	-
<u>275,549</u>	<u>7,696,202</u>	<u>442,641</u>	<u>2,337,122</u>	<u>(41,583)</u>	<u>(98,080)</u>
<u>\$ (3,497,073)</u>	<u>\$ 8,222,479</u>	<u>\$ 470,306</u>	<u>\$ 2,608,726</u>	<u>\$ (69,057)</u>	<u>\$ (105,702)</u>

Continued

**City of Rialto, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued**  
**Other Governmental Funds**  
Year Ended June 30, 2020

	Special Revenue Funds			
	Citizens Option for Public Safety	Local Law Enforcement Block Grant	CDBG Housing	Traffic Safety Prop 1B
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Use of Money and Property	11,943	-	-	9
Revenue from Other Agencies	258,589	-	901,702	-
Charges for Services	-	-	-	-
Development Impact Fees	-	-	-	-
Other	-	-	-	-
Payment from Successor Agency of Bond Proceeds	-	-	-	-
Total Revenues	<u>270,532</u>	<u>-</u>	<u>901,702</u>	<u>9</u>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ 160,387	\$ -	\$ 252,600	\$ -
Public Safety	-	-	-	-
Community Development	-	-	-	-
Capital Outlay	68,477	-	602,871	-
Debt Service:				
Principal Retirement	-	-	218,000	-
Interest and Fiscal Charges	-	-	66,093	-
Total Expenditures	<u>228,864</u>	<u>-</u>	<u>1,139,564</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>41,668</u>	<u>-</u>	<u>(237,862)</u>	<u>9</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(124,507)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(124,507)</u>	<u>-</u>
Net Change in Fund Balances	<u>41,668</u>	<u>-</u>	<u>(362,369)</u>	<u>9</u>
Fund Balance - Beginning of Year, As Previously Report	680,375	3,149	(218,808)	407
Prior Period Adjustment	-	-	-	-
Fund Balance - Beginning of Year, As Restated	<u>680,375</u>	<u>3,149</u>	<u>(218,808)</u>	<u>407</u>
Fund Balance - End of Year	<u>\$ 722,043</u>	<u>\$ 3,149</u>	<u>\$ (581,177)</u>	<u>\$ 416</u>

Special Revenue Funds

Neighborhood Stabilization Program	Neighborhood Stabilization Program - Program Income	Measure I	Brownfield Clean Up Grant	Fire Grant	Fire Ground Emergency Transportation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	17,951	127,168	-	-	-
-	-	2,007,607	-	15,000	2,480,721
-	-	-	-	-	-
-	-	-	-	-	-
-	139,390	-	-	-	-
-	-	-	-	-	-
-	157,341	2,134,775	-	15,000	2,480,721
\$ 3,451	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	12,110	-
-	-	37,069	-	-	-
-	-	2,354,704	-	20,435	40,051
-	-	-	-	-	-
-	-	-	-	-	-
3,451	-	2,391,773	-	32,545	40,051
(3,451)	157,341	(256,998)	-	(17,545)	2,440,670
6,128	-	-	-	-	-
-	(11,577)	-	-	-	-
6,128	(11,577)	-	-	-	-
2,677	145,764	(256,998)	-	(17,545)	2,440,670
(2,326)	793,392	6,273,040	17,296	189,114	4,067,827
-	-	-	-	-	-
(2,326)	793,392	6,273,040	17,296	189,114	4,067,827
\$ 351	\$ 939,156	\$ 6,016,042	\$ 17,296	\$ 171,569	\$ 6,508,497

Continued

**City of Rialto, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued**  
**Other Governmental Funds**  
Year Ended June 30, 2020

	Special Revenue Funds			
	Cal Home	Housing Authority	Public, Educational, and Governmental (PEG) Fees	Transportation Development Act (TDA)
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 5,397	\$ -
Use of Money and Property	24,332	33,769	5,703	-
Revenue from Other Agencies	-	-	-	-
Charges for Services	-	-	-	-
Development Impact Fees	-	-	-	-
Other	98,686	205,335	-	-
Payment from Successor Agency of Bond Proceeds	-	-	-	-
Total Revenues	<u>123,018</u>	<u>239,104</u>	<u>11,100</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ 82,457	\$ 79,956	\$ 35,603	\$ -
Public Safety	-	-	-	-
Community Development	-	-	-	-
Capital Outlay	-	-	-	136,021
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>82,457</u>	<u>79,956</u>	<u>35,603</u>	<u>136,021</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>40,561</u>	<u>159,148</u>	<u>(24,503)</u>	<u>(136,021)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>40,561</u>	<u>159,148</u>	<u>(24,503)</u>	<u>(136,021)</u>
Fund Balance - Beginning of Year, As Previously Report	1,163,683	1,893,844	277,764	(250,000)
Prior Period Adjustment	-	918,000	-	-
Fund Balance - Beginning of Year, As Restated	<u>1,163,683</u>	<u>2,811,844</u>	<u>277,764</u>	<u>(250,000)</u>
Fund Balance - End of Year	<u>\$ 1,204,244</u>	<u>\$ 2,970,992</u>	<u>\$ 253,261</u>	<u>\$ (386,021)</u>

<u>Special Revenue</u>		<u>Capital Projects Funds</u>	
<u>Streets Medians Development</u>	<u>Capital Projects</u>	<u>Fair Share Agreement</u>	<u>2005 TABs</u>
\$ -	\$ -	\$ -	\$ -
5,723	277,730	235,380	180,239
-	-	-	-
1,230	-	-	-
-	-	1,589,048	-
-	-	-	-
-	-	-	-
6,953	277,730	1,824,428	180,239
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	174,972	-	-
-	2,052,316	-	110,922
-	-	-	-
-	-	-	-
-	2,227,288	-	110,922
6,953	(1,949,558)	1,824,428	69,317
-	5,670,757	-	-
-	-	-	-
-	5,670,757	-	-
6,953	3,721,199	1,824,428	69,317
268,944	17,213,960	10,321,986	8,639,405
-	-	-	-
268,944	17,213,960	10,321,986	8,639,405
\$ 275,897	\$ 20,935,159	\$ 12,146,414	\$ 8,708,722

Continued

**City of Rialto, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued**  
**Other Governmental Funds**  
Year Ended June 30, 2020

	Capital Projects Funds	Debt Service Fund	Total Other Governmental Funds
	2008 TABs	1997 COP	
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 2,108,383
Use of Money and Property	96,830	8,405	2,343,657
Revenue from Other Agencies	-	-	18,700,617
Charges for Services	-	-	23,677
Development Impact Fees	-	-	13,181,947
Other	-	-	645,558
Payment from Successor Agency of Bond Proceeds	-	188,166	188,166
	<u>96,830</u>	<u>196,571</u>	<u>37,192,005</u>
Total Revenues			
<b>EXPENDITURES</b>			
Current:			
General Government	\$ -	\$ -	\$ 1,329,931
Public Safety	-	-	427,246
Community Development	-	-	3,890,196
Capital Outlay	549,170	-	19,481,556
Debt Service:			
Principal Retirement	-	217,500	601,548
Interest and Fiscal Charges	-	37,691	229,063
	<u>549,170</u>	<u>255,191</u>	<u>25,959,540</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>(452,340)</u>	<u>(58,620)</u>	<u>11,232,465</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	50,000	6,505,232
Transfers Out	-	(14,417)	(2,239,248)
	<u>-</u>	<u>35,583</u>	<u>4,265,984</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	<u>(452,340)</u>	<u>(23,037)</u>	<u>15,498,449</u>
Fund Balance - Beginning of Year, As Previously Report	5,110,937	705,643	115,284,697
Prior Period Adjustment	-	-	918,000
Fund Balance - Beginning of Year, As Restated	<u>5,110,937</u>	<u>705,643</u>	<u>116,202,697</u>
Fund Balance - End of Year	<u>\$ 4,658,597</u>	<u>\$ 682,606</u>	<u>\$ 131,701,146</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Gas Tax Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 3,600	\$ 3,600	\$ 65,579	\$ 61,979
Revenue from Other Agencies	9,135,286	10,132,117	4,707,198	(5,424,919)
Total Revenues	9,138,886	10,135,717	4,772,777	(5,362,940)
<b>EXPENDITURES</b>				
Current:				
Community Development	294,705	294,705	18,688	276,017
Capital Outlay	10,505,122	10,505,122	1,436,931	9,068,191
Total Expenditures	10,799,827	10,799,827	1,455,619	9,344,208
Excess (Deficiency) of Revenues over Expenditures	(1,660,941)	(664,110)	3,317,158	3,981,268
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,500,000)	(1,500,000)	(1,500,000)	-
Total Other Financing Sources (Uses)	(1,500,000)	(1,500,000)	(1,500,000)	-
Net Change in Fund Balance	(3,160,941)	(2,164,110)	1,817,158	3,981,268
Fund Balance - Beginning of Year	1,478,078	1,478,078	1,478,078	-
Fund Balance - End of Year	\$ (1,682,863)	\$ (686,032)	\$ 3,295,236	\$ 3,981,268

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Local Transportation Development Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Fund Balance - Beginning of Year	(2,010)	(2,010)	(2,010)	-
Fund Balance - End of Year	<u>\$ (2,010)</u>	<u>\$ (2,010)</u>	<u>\$ (2,010)</u>	<u>\$ -</u>



**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Transportation Enhancement Activities Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from Other Agencies	\$ 20,472	\$ 20,472	\$ -	\$ (20,472)
Total Revenues	20,472	20,472	-	\$ (20,472)
<b>EXPENDITURES</b>				
Capital Outlay	9,072	9,072	-	9,072
Total Expenditures	9,072	9,072	-	9,072
Excess (Deficiency) of Revenues over Expenditures	11,400	11,400	-	(11,400)
Fund Balance - Beginning of Year	(11,400)	(11,400)	(11,400)	-
Fund Balance - End of Year	\$ -	\$ -	\$ (11,400)	\$ (11,400)

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Street Lighting and Landscape Maintenance Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Taxes	\$ 1,392,430	\$ 1,392,430	\$ 1,375,902	\$ (16,528)
Use of Money and Property	16,100	16,100	26,984	10,884
Total Revenues	1,408,530	1,408,530	1,402,886	(5,644)
<b>EXPENDITURES</b>				
Current:				
Community Development	1,979,847	1,979,001	1,887,963	91,038
Capital Outlay	134,590	134,590	18,464	116,126
Debt Service:				
Principal Retirement	147,168	147,168	147,783	(615)
Interest and Fiscal Charges	112,113	112,113	111,498	615
Costs of Debt Issuance	-	846	-	846
Total Expenditures	2,373,718	2,373,718	2,165,708	208,010
Excess (Deficiency) of Revenues over Expenditures	(965,188)	(965,188)	(762,822)	202,366
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	774,700	774,700	774,700	-
Total Other Financing Sources (Uses)	774,700	774,700	774,700	-
Net Change in Fund Balance	(190,488)	(190,488)	11,878	202,366
Fund Balance - Beginning of Year	1,143,198	1,143,198	1,143,198	-
Fund Balance - End of Year	\$ 952,710	\$ 952,710	\$ 1,155,076	\$ 202,366

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Landscape and Lighting District No. 2 Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Taxes	\$ 812,200	\$ 812,200	\$ 726,023	\$ (86,177)
Use of Money and Property	8,000	8,000	12,654	4,654
Other	50,000	50,000	75,029	25,029
Total Revenues	870,200	870,200	813,706	(56,494)
<b>EXPENDITURES</b>				
Current:				
General Government	782,851	842,746	715,477	127,269
Community Development	197,755	197,755	132,281	65,474
Capital Outlay	2,280	2,280	2,282	(2)
Debt Service:				
Principal Retirement	18,189	18,189	18,265	(76)
Interest and Fiscal Charges	13,857	13,857	13,781	76
Costs of Debt Issuance	-	105	-	105
Total Expenditures	1,014,932	1,074,932	882,086	192,846
Excess (Deficiency) of Revenues over Expenditures	(144,732)	(204,732)	(68,380)	136,352
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(38,877)	(38,877)	(38,877)	-
Total Other Financing Sources (Uses)	(38,877)	(38,877)	(38,877)	-
Net Change in Fund Balances	(183,609)	(243,609)	(107,257)	136,352
Fund Balance - Beginning of Year	552,472	552,472	552,472	-
Fund Balance - End of Year	\$ 368,863	\$ 308,863	\$ 445,215	\$ 136,352

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Traffic Development Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 190,900	\$ 190,900	\$ 479,282	\$ 288,382
Development Impact Fees	3,422,000	3,422,000	6,311,787	2,889,787
Total Revenues	3,612,900	3,612,900	6,791,069	3,178,169
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Capital Outlay	6,699,566	6,699,566	3,742,734	2,956,832
Total Expenditures	6,699,566	6,699,566	3,742,734	2,956,832
Excess (Deficiency) of Revenues over Expenditures	(3,086,666)	(3,086,666)	3,048,335	6,135,001
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(58,649)	(58,649)	(188,409)	(129,760)
Total Other Financing Sources (Uses)	(58,649)	(58,649)	(188,409)	(129,760)
Net Change in Fund Balances	(3,145,315)	(3,145,315)	2,859,926	6,005,241
Fund Balance - Beginning of Year	19,247,043	19,247,043	19,247,043	-
Fund Balance - End of Year	\$ 16,101,728	\$ 16,101,728	\$ 22,106,969	\$ 6,005,241

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Office of Traffic Safety Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from Other Agencies	\$ 524,743	\$ 284,743	\$ 145,302	\$ (139,441)
Charges for Services	32,500	32,500	22,447	(10,053)
Other	-	234,000	99,244	(134,756)
Total Revenues	557,243	551,243	266,993	(284,250)
<b>EXPENDITURES</b>				
Current:				
Community Development	481,402	456,657	228,441	228,216
Capital Outlay	-	18,745	18,745	-
Total Expenditures	481,402	475,402	247,186	228,216
Excess (Deficiency) of Revenues over Expenditures	75,841	75,841	19,807	(56,034)
Fund Balance - Beginning of Year	101,902	101,902	101,902	-
Fund Balance - End of Year	<u>\$ 177,743</u>	<u>\$ 177,743</u>	<u>\$ 121,709</u>	<u>\$ (56,034)</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Retirement Tax Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 200	\$ 200	\$ 1,061	\$ 861
Total Revenues	200	200	1,061	861
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	200	200	(1,061)	(1,261)
Total Other Financing Sources (Uses)	200	200	(1,061)	(1,261)
Net Change in Fund Balance	-	-	-	(400)
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (400)</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Local Drainage Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 191,600	\$ 191,600	\$ 386,011	\$ 194,411
Development Impact Fees	2,461,000	2,461,000	3,912,331	1,451,331
Total Revenues	2,652,600	2,652,600	4,298,342	1,645,742
<b>EXPENDITURES</b>				
Current:				
Community Development	210	210	214	(4)
Capital Outlay	13,389,374	13,389,374	502,464	12,886,910
Total Expenditures	13,389,584	13,389,584	502,678	12,886,906
Excess (Deficiency) of Revenues over Expenditures	(10,736,984)	(10,736,984)	3,795,664	14,532,648
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(308,252)	(308,252)
Total Other Financing Sources (Uses)	-	-	(308,252)	(308,252)
Net Change in Fund Balance	(10,736,984)	(10,736,984)	3,487,412	14,224,396
Fund Balance - Beginning of Year	16,000,506	16,000,506	16,000,506	-
Fund Balance - End of Year	\$ 5,263,522	\$ 5,263,522	\$ 19,487,918	\$ 14,224,396

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Open Space Development Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 20,000	\$ 20,000	\$ 41,175	\$ 21,175
Development Impact Fees	179,000	179,000	243,464	64,464
Total Revenues	199,000	199,000	284,639	85,639
<b>EXPENDITURES</b>				
Capital Outlay	1,636,653	1,636,653	96,069	1,540,584
Total Expenditures	1,636,653	1,636,653	96,069	1,540,584
Excess (Deficiency) of Revenues over Expenditures	(1,437,653)	(1,437,653)	188,570	1,626,223
Fund Balance - Beginning of Year	1,849,354	1,849,354	1,849,354	-
Fund Balance - End of Year	<u>\$ 411,701</u>	<u>\$ 411,701</u>	<u>\$ 2,037,924</u>	<u>\$ 1,626,223</u>



**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Facilities Development Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 23,200	\$ 23,200	\$ 54,424	\$ 31,224
Development Impact Fees	253,000	253,000	530,812	277,812
Total Revenues	276,200	276,200	585,236	309,036
<b>EXPENDITURES</b>				
Capital Outlay	2,591,362	2,591,362	263,761	2,327,601
Total Expenditures	2,591,362	2,591,362	263,761	2,327,601
Excess (Deficiency) of Revenues over Expenditures	(2,315,162)	(2,315,162)	321,475	2,636,637
Fund Balance - Beginning of Year	2,371,338	2,371,338	2,371,338	-
Fund Balance - End of Year	\$ 56,176	\$ 56,176	\$ 2,692,813	\$ 2,636,637

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Library Facilities Development Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Development Impact Fees	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Use of Money and Property	-	-	2,709	2,709
Total Revenues	20,000	20,000	2,709	(17,291)
<b>EXPENDITURES</b>				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	20,000	20,000	2,709	(17,291)
Fund Balance - Beginning of Year	78,972	78,972	78,972	-
Fund Balance - End of Year	<u>\$ 98,972</u>	<u>\$ 98,972</u>	<u>\$ 81,681</u>	<u>\$ (17,291)</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Major Grant Funding Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from Other Agencies	\$ 8,803,640	\$ 9,606,830	\$ 4,373,171	\$ (5,233,659)
Total Revenues	8,803,640	9,606,830	4,373,171	(5,233,659)
<b>EXPENDITURES</b>				
Current:				
Community Development	460,644	463,964	149,535	314,429
Capital Outlay	12,201,869	12,201,869	1,830,888	10,370,981
Total Expenditures	12,662,513	12,665,833	1,980,423	10,685,410
Excess (Deficiency) of Revenues over Expenditures	(3,858,873)	(3,059,003)	2,392,748	5,451,751
Net Change in Fund Balance	(3,858,873)	(3,059,003)	2,392,748	5,451,751
Fund Balance - Beginning of Year	3,334,411	3,334,411	3,334,411	-
Fund Balance - End of Year	\$ (524,462)	\$ 275,408	\$ 5,727,159	\$ 5,451,751

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Police Development Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 14,200	\$ 14,200	\$ 31,824	\$ 17,624
Development Impact Fees	177,000	177,000	274,790	97,790
Total Revenues	191,200	191,200	306,614	115,414
<b>EXPENDITURES</b>				
Capital Outlay	446,698	446,698	-	446,698
Total Expenditures	446,698	446,698	-	446,698
Excess (Deficiency) of Revenues over Expenditures	(255,498)	(255,498)	306,614	562,112
Fund Balance - Beginning of Year	1,379,350	1,379,350	1,379,350	-
Fund Balance - End of Year	<u>\$ 1,123,852</u>	<u>\$ 1,123,852</u>	<u>\$ 1,685,964</u>	<u>\$ 562,112</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Fire Development Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 33,600	\$ 33,600	\$ -	\$ (33,600)
Development Impact Fees	304,520	304,520	319,715	15,195
Total Revenues	338,120	338,120	319,715	(18,405)
<b>EXPENDITURES</b>				
Current:				
Capital Outlay	6,511,323	6,511,323	4,090,897	2,420,426
Total Expenditures	6,511,323	6,511,323	4,090,897	2,420,426
Excess (Deficiency) of Revenues over Expenditures	(6,173,203)	(6,173,203)	(3,771,182)	2,402,021
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,441)	(1,441)	(1,440)	1
Total Other Financing Sources (Uses)	(1,441)	(1,441)	(1,440)	1
Net Change in Fund Balances	(6,174,644)	(6,174,644)	(3,772,622)	2,402,022
Fund Balance - Beginning of Year	275,549	275,549	275,549	-
Fund Balance - End of Year	<u>\$ (5,899,095)</u>	<u>\$ (5,899,095)</u>	<u>\$ (3,497,073)</u>	<u>\$ 2,402,022</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Waste Management Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 77,500	\$ 77,500	\$ 152,410	\$ 74,910
Revenue from Other Agencies	2,397,770	2,397,770	2,528,241	130,471
Other	14,610	14,610	11,445	(3,165)
Total Revenues	2,489,880	2,489,880	2,692,096	202,216
<b>EXPENDITURES</b>				
Current:				
Community Development	1,378,301	1,378,301	876,939	501,362
Capital Outlay	6,177,075	6,177,075	1,244,876	4,932,199
Total Expenditures	7,555,376	7,555,376	2,121,815	5,433,561
Excess (Deficiency) of Revenues over Expenditures	(5,065,496)	(5,065,496)	570,281	5,635,777
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(44,004)	(44,004)	(44,004)	-
Total Other Financing Sources (Uses)	(44,004)	(44,004)	(44,004)	-
Net Change in Fund Balances	(5,109,500)	(5,109,500)	526,277	5,635,777
Fund Balance - Beginning of Year	7,696,202	7,696,202	7,696,202	-
Fund Balance - End of Year	\$ 2,586,702	\$ 2,586,702	\$ 8,222,479	\$ 5,635,777

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - SCAQMD Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 4,600	\$ 4,600	\$ 8,934	\$ 4,334
Revenue from Other Agencies	734,200	734,200	134,078	(600,122)
Total Revenues	738,800	738,800	143,012	(595,788)
<b>EXPENDITURES</b>				
Current:				
Community Development	368,675	368,675	46,194	322,481
Capital Outlay	445,249	445,249	66,096	379,153
Total Expenditures	813,924	813,924	112,290	701,634
Excess (Deficiency) of Revenues over Expenditures	(75,124)	(75,124)	30,722	105,846
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	3,647	3,647
Transfers Out	(6,750)	(6,750)	(6,704)	46
Total Other Financing Sources (Uses)	(6,750)	(6,750)	(3,057)	3,693
Net Change in Fund Balances	(81,874)	(81,874)	27,665	109,539
Fund Balance - Beginning of Year	442,641	442,641	442,641	-
Fund Balance - End of Year	\$ 360,767	\$ 360,767	\$ 470,306	\$ 109,539

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Asset Forfeiture Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 36,100	\$ 36,100	\$ 56,489	\$ 20,389
Revenue from Other Agencies	-	-	818,730	818,730
Total Revenues	36,100	36,100	875,219	839,119
<b>EXPENDITURES</b>				
Current:				
Public Safety	198,005	798,005	371,233	426,772
Capital Outlay	177,280	327,280	232,382	94,898
Total Expenditures	375,285	1,125,285	603,615	521,670
Excess (Deficiency) of Revenues over Expenditures	(339,185)	(1,089,185)	271,604	1,360,789
Fund Balance - Beginning of Year	2,337,122	2,337,122	2,337,122	-
Fund Balance - End of Year	<u>\$ 1,997,937</u>	<u>\$ 1,247,937</u>	<u>\$ 2,608,726</u>	<u>\$ 1,360,789</u>



**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Police Grants Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Other	\$ 159,826	\$ 134,201	\$ 16,429	\$ (117,772)
Total Revenues	159,826	134,201	16,429	(117,772)
<b>EXPENDITURES</b>				
Current:				
Public Safety	96,707	91,082	43,903	47,179
Capital Outlay	20,000	-	-	-
Total Expenditures	116,707	91,082	43,903	47,179
Excess (Deficiency) of Revenues over Expenditures	43,119	43,119	(27,474)	(70,593)
Fund Balance - Beginning of Year	(41,583)	(41,583)	(41,583)	-
Fund Balance - End of Year	\$ 1,536	\$ 1,536	\$ (69,057)	\$ (70,593)

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Services Grant Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from Other Agencies	\$ 839,052	\$ 839,052	\$ 330,278	\$ (508,774)
Total Revenues	839,052	839,052	330,278	(508,774)
<b>EXPENDITURES</b>				
Current:				
Community Development	795,907	795,907	337,900	458,007
Total Expenditures	795,907	795,907	337,900	458,007
Excess (Deficiency) of Revenues over Expenditures	43,145	43,145	(7,622)	(50,767)
Net Change in Fund Balance	43,145	43,145	(7,622)	(50,767)
Fund Balance - Beginning of Year	(98,080)	(98,080)	(98,080)	-
Fund Balance - End of Year	<u>\$ (54,935)</u>	<u>\$ (54,935)</u>	<u>\$ (105,702)</u>	<u>\$ (50,767)</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Citizens Option for Public Safety Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 5,400	\$ 5,400	\$ 11,943	\$ 6,543
Revenue from Other Agencies	341,200	503,773	258,589	(245,184)
Total Revenues	346,600	509,173	270,532	(238,641)
<b>EXPENDITURES</b>				
Current:				
General Government	489,760	552,333	160,387	391,946
Capital Outlay	498,430	598,430	68,477	529,953
Total Expenditures	988,190	1,150,763	228,864	921,899
Excess (Deficiency) of Revenues over Expenditures	(641,590)	(641,590)	41,668	683,258
Fund Balance - Beginning of Year	680,375	680,375	680,375	-
Fund Balance - End of Year	<u>\$ 38,785</u>	<u>\$ 38,785</u>	<u>\$ 722,043</u>	<u>\$ 683,258</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Local Law Enforcement Block Grant Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from Other Agencies	\$ 86,230	\$ 57,230	\$ -	\$ (57,230)
Total Revenues	86,230	57,230	-	(57,230)
<b>EXPENDITURES</b>				
Current:				
Public Safety	86,230	57,230	-	57,230
Capital Outlay	-	-	-	-
Total Expenditures	86,230	57,230	-	57,230
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Fund Balance - Beginning of Year	3,149	3,149	3,149	-
Fund Balance - End of Year	\$ 3,149	\$ 3,149	\$ 3,149	\$

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - CDBG Housing Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Revenue from Other Agencies	\$ 2,979,036	\$ 3,693,360	\$ 901,702	\$ (2,791,658)
Total Revenues	2,979,036	3,693,360	901,702	(2,791,658)
<b>EXPENDITURES</b>				
Current:				
General Government	230,017	978,291	252,600	725,691
Capital Outlay	2,010,118	2,010,118	602,871	1,407,247
Debt Service:				
Principal Retirement	356,510	356,510	218,000	138,510
Interest and Fiscal Charges	71,606	71,606	66,093	5,513
Total Expenditures	2,668,251	3,416,525	1,139,564	2,276,961
Excess (Deficiency) of Revenues over Expenditures	310,785	276,835	(237,862)	(514,697)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(188,819)	(188,819)	(124,507)	64,312
Total Other Financing Sources (Uses)	(188,819)	(188,819)	(124,507)	64,312
Net Change in Fund Balances	121,966	88,016	(362,369)	(450,385)
Fund Balance - Beginning of Year	(218,808)	(218,808)	(218,808)	-
Fund Balance - End of Year	\$ (96,842)	\$ (130,792)	\$ (581,177)	\$ (450,385)

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Traffic Safety Prop 1B Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ -	\$ 9	\$ 9
Total Revenues	-	-	9	9
<b>EXPENDITURES</b>	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	9	9
Fund Balance - Beginning of Year	407	407	407	-
Fund Balance - End of Year	<u>\$ 407</u>	<u>\$ 407</u>	<u>\$ 416</u>	<u>\$ 9</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Neighborhood Stabilization Program Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	3,451	(3,451)
Total Expenditures	-	-	3,451	(3,451)
Excess (Deficiency) of Revenues over Expenditures	-	-	(3,451)	(3,451)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	221	221	6,128	5,907
Total Other Financing Sources (Uses)	221	221	6,128	5,907
Net Change in Fund Balances	221	221	2,677	2,456
Fund Balance - Beginning of Year	(2,326)	(2,326)	(2,326)	-
Fund Balance - End of Year	<u>\$ (2,105)</u>	<u>\$ (2,105)</u>	<u>\$ 351</u>	<u>\$ 2,456</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Neighborhood Stabilization Program - Program Income**  
**Special Revenue Fund**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 8,400	\$ 8,400	\$ 17,951	\$ 9,551
Revenue from Other Agencies	-	-	-	-
Other	-	-	139,390	139,390
Total Revenues	8,400	8,400	157,341	148,941
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	8,400	8,400	157,341	148,941
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(221)	(221)	(11,577)	(11,356)
Total Other Financing Sources (Uses)	(221)	(221)	(11,577)	(11,356)
Net Change in Fund Balances	8,179	8,179	145,764	137,585
Fund Balance - Beginning of Year	793,392	793,392	793,392	-
Fund Balance - End of Year	\$ 801,571	\$ 801,571	\$ 939,156	\$ 137,585



**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Measure I Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 75,000	\$ 75,000	\$ 127,168	\$ 52,168
Revenue from Other Agencies	1,907,700	1,907,700	2,007,607	99,907
Total Revenues	1,982,700	1,982,700	2,134,775	152,075
<b>EXPENDITURES</b>				
Current:				
Community Development	1,022,560	1,022,560	37,069	985,491
Capital Outlay	8,181,351	8,181,351	2,354,704	5,826,647
Total Expenditures	9,203,911	9,203,911	2,391,773	6,812,138
Excess (Deficiency) of Revenues over Expenditures	(7,221,211)	(7,221,211)	(256,998)	6,964,213
Fund Balance - Beginning of Year	6,273,040	6,273,040	6,273,040	-
Fund Balance - End of Year	<u>\$ (948,171)</u>	<u>\$ (948,171)</u>	<u>\$ 6,016,042</u>	<u>\$ 6,964,213</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Fire Grant Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from Other Agencies	\$ -	\$ 41,285	\$ 15,000	\$ (26,285)
Total Revenues	-	41,285	15,000	(26,285)
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	17,400	12,110	5,290
Capital Outlay	-	23,885	20,435	3,450
Total Expenditures	-	41,285	32,545	8,740
Excess (Deficiency) of Revenues over Expenditures	-	-	(17,545)	(17,545)
Fund Balance - Beginning of Year	189,114	189,114	189,114	-
Fund Balance - End of Year	\$ 189,114	\$ 189,114	\$ 171,569	\$ (17,545)

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Fire Ground Emergency Transportation Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from Other Agencies	\$ 500,000	\$ 500,000	\$ 2,480,721	\$ 1,980,721
Total Revenues	500,000	500,000	2,480,721	1,980,721
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	-	-	-
Capital Outlay	1,000,000	1,000,000	40,051	959,949
Total Expenditures	1,000,000	1,000,000	40,051	959,949
Excess (Deficiency) of Revenues over Expenditures	(500,000)	(500,000)	2,440,670	1,020,772
Net Change in Fund Balance	(500,000)	(500,000)	2,440,670	1,020,772
Fund Balance - Beginning of Year	4,067,827	4,067,827	4,067,827	-
Fund Balance - End of Year	<u>\$ 3,567,827</u>	<u>\$ 3,567,827</u>	<u>\$ 6,508,497</u>	<u>\$ 1,020,772</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Cal Home Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 16,100	\$ 16,100	\$ 24,332	\$ 8,232
Revenue from Other Agencies	-	-	-	-
Other	50,000	50,000	98,686	48,686
Total Revenues	66,100	66,100	123,018	56,918
<b>EXPENDITURES</b>				
Current:				
General Government	281,534	281,534	82,457	199,077
Total Expenditures	281,534	281,534	82,457	199,077
Excess (Deficiency) of Revenues over Expenditures	(215,434)	(215,434)	40,561	255,995
Fund Balance - Beginning of Year	1,163,683	1,163,683	1,163,683	-
Fund Balance - End of Year	<u>\$ 948,249</u>	<u>\$ 948,249</u>	<u>\$ 1,204,244</u>	<u>\$ 255,995</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Housing Authority Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 23,100	\$ 23,100	\$ 33,769	\$ 10,669
Other	-	-	205,335	205,335
Total Revenues	23,100	23,100	239,104	216,004
<b>EXPENDITURES</b>				
Current:				
General Government	156,730	156,730	79,956	76,774
Total Expenditures	156,730	156,730	79,956	76,774
Excess (Deficiency) of Revenues over Expenditures	(133,630)	(133,630)	159,148	139,230
Fund Balance - Beginning of Year As Previously Reported	1,893,844	1,893,844	1,893,844	-
Prior Period Adjustment	-	-	918,000	918,000
Fund Balance - Beginning of Year, As Restated	1,893,844	1,893,844	2,811,844	918,000
Fund Balance - End of Year	\$ 3,787,688	\$ 3,787,688	\$ 2,970,992	\$ 1,836,000

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Public, Educational, and Governmental (PEG) Fees Special Revenue Fund**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 50,000	\$ 50,000	\$ 5,397	\$ (44,603)
Use of Money and Property	5,100	5,100	5,703	603
Total Revenues	55,100	55,100	11,100	(44,000)
<b>EXPENDITURES</b>				
Current:				
General Government	82,300	82,300	35,603	46,697
Total Expenditures	82,300	82,300	35,603	46,697
Excess (Deficiency) of Revenues over Expenditures	(27,200)	(27,200)	(24,503)	2,697
Fund Balance - Beginning of Year	277,764	277,764	277,764	-
Fund Balance - End of Year	\$ 250,564	\$ 250,564	\$ 253,261	\$ 2,697

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Transportation Development Act (TDA) Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from Other Agencies	\$ 386,021	\$ 612,021	\$ -	\$ (612,021)
Total Revenues	386,021	612,021	-	(612,021)
<b>EXPENDITURES</b>				
Capital Outlay	136,021	362,021	136,021	226,000
Total Expenditures	136,021	362,021	136,021	226,000
Excess (Deficiency) of Revenues over Expenditures	250,000	250,000	(136,021)	(386,021)
Fund Balance - Beginning of Year	(250,000)	(250,000)	(250,000)	-
Fund Balance - End of Year	\$ -	\$ -	\$ (386,021)	\$ (386,021)

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Streets Medians Development Special Revenue Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 3,000	\$ 3,000	\$ 5,723	\$ 2,723
Charges for Services	-	-	1,230	1,230
Total Revenues	3,000	3,000	6,953	3,953
<b>EXPENDITURES</b>				
Current:				
Community Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	3,000	3,000	6,953	3,953
Fund Balance - Beginning of Year	268,944	268,944	268,944	-
Fund Balance - End of Year	\$ 271,944	\$ 271,944	\$ 275,897	\$ 3,953



**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Capital Projects**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Use of Money	\$ 164,000	\$ 164,000	\$ 277,730	\$ 113,730
Total Revenues	164,000	164,000	277,730	113,730
<b>EXPENDITURES</b>				
Current:				
Community Development	133,330	133,330	174,972	41,642
Capital Outlay	15,054,576	15,300,725	2,052,316	(13,248,409)
Total Expenditures	15,054,576	15,300,725	2,227,288	(13,073,437)
Excess (Deficiency) of Revenues over Expenditures	(14,890,576)	(15,136,725)	(1,949,558)	(12,959,707)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	4,905,660	5,151,809	5,670,757	518,948
Total Other Financing Sources (Uses)	4,905,660	5,151,809	5,670,757	518,948
Net Change in Fund Balances	(9,984,916)	(9,984,916)	3,721,199	13,706,115
Fund Balance - Beginning of Year	17,213,960	17,213,960	17,213,960	-
Fund Balance - End of Year	\$ 2,149,788	\$ 2,395,937	\$ 20,935,159	\$ 13,706,115

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Fair Share Agreement Capital Projects Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 87,300	\$ 87,300	\$ 235,380	\$ 148,080
Development Impact Fees	-	-	1,589,048	1,589,048
Total Revenues	87,300	87,300	1,824,428	1,737,128
<b>EXPENDITURES</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay	300,000	300,000	-	300,000
Total Expenditures	300,000	300,000	-	300,000
Excess (Deficiency) of Revenues over Expenditures	(212,700)	(212,700)	1,824,428	2,037,128
Fund Balance - Beginning of Year	10,321,986	10,321,986	10,321,986	-
Fund Balance - End of Year	<u>\$ 10,109,286</u>	<u>\$ 10,109,286</u>	<u>\$ 12,146,414</u>	<u>\$ 2,037,128</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - 2005 TABs Capital Projects Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 109,000	\$ 109,000	\$ 180,239	\$ 71,239
Total Revenues	109,000	109,000	180,239	71,239
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Capital Outlay	-	-	110,922	(110,922)
Total Expenditures	-	-	110,922	(110,922)
Excess (Deficiency) of Revenues over Expenditures	109,000	109,000	69,317	(39,683)
Fund Balance - Beginning of Year	8,639,405	8,639,405	8,639,405	-
Fund Balance - End of Year	<u>\$ 8,748,405</u>	<u>\$ 8,748,405</u>	<u>\$ 8,708,722</u>	<u>\$ (39,683)</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - 2008 TABs Capital Projects Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 62,600	\$ 62,600	\$ 96,830	\$ 34,230
Total Revenues	62,600	62,600	96,830	34,230
<b>EXPENDITURES</b>				
Capital Outlay	16,580	16,580	549,170	(532,590)
Total Expenditures	16,580	16,580	549,170	(532,590)
Excess (Deficiency) of Revenues over Expenditures	46,020	46,020	(452,340)	(498,360)
Net Change in Fund Balance	46,020	46,020	(452,340)	(498,360)
Fund Balance - Beginning of Year	5,110,937	5,110,937	5,110,937	-
Fund Balance - End of Year	<u>\$ 5,156,957</u>	<u>\$ 5,156,957</u>	<u>\$ 4,658,597</u>	<u>\$ (498,360)</u>

**City of Rialto, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - 1997 COP Debt Service Fund**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of Money and Property	\$ 9,800	\$ 9,800	\$ 8,405	\$ (1,395)
Payment from Successor Agency of Bond Proceeds	188,166	188,166	188,166	-
Total Revenues	197,966	197,966	196,571	(1,395)
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	217,500	217,500	217,500	-
Interest and Fiscal Charges	28,735	28,735	37,691	(8,956)
Total Expenditures	246,235	246,235	255,191	(8,956)
Excess (Deficiency) of Revenues over Expenditures	(48,269)	(48,269)	(58,620)	(10,351)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	50,000	50,000	50,000	-
Transfers Out	(14,417)	(14,417)	(14,417)	-
Total Other Financing Sources (Uses)	35,583	35,583	35,583	-
Net Change in Fund Balances	(12,686)	(12,686)	(23,037)	(10,351)
Fund Balance - Beginning of Year	705,643	705,643	705,643	-
Fund Balance - End of Year	\$ 692,957	\$ 692,957	\$ 682,606	\$ (10,351)

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## **OTHER ENTERPRISE FUNDS**

Proprietary funds are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position, and cash flows.

Cemetery Fund - accounts for all activities necessary to provide for the operations and maintenance of the City's cemetery; including administration, operations, maintenance, capital improvements and depreciation.

Recreation and Community Service Fund - accounts for all activities necessary to provide for the operations of the sports center, swimming pool, fitness center, senior center and other recreation facilities and programs; including neighborhood services, child development programs, administration, operations, maintenance, capital improvements and depreciation.

**City of Rialto, California**  
**Combining Statement of Net Position**  
**Other Enterprise Funds**  
**June 30, 2020**

	Cemetery	Recreation and Community Service	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 416,458	\$ 529,032	\$ 945,490
Accounts Receivable, Net	185	4,051	4,236
Interest Receivable	-	8	8
Total Current Assets	<u>416,643</u>	<u>533,091</u>	<u>949,734</u>
Noncurrent Assets:			
Capital Assets:			
Being Depreciated (Net of Accumulated Depreciation)	<u>1,464</u>	<u>277</u>	<u>1,741</u>
Total Noncurrent Assets	<u>1,464</u>	<u>277</u>	<u>1,741</u>
Total Assets	<u>418,107</u>	<u>533,368</u>	<u>951,475</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Items	7,225	745,463	752,688
OPEB Related Items	<u>228</u>	<u>26,199</u>	<u>26,427</u>
Total Deferred Outflows of Resources	<u>7,453</u>	<u>771,662</u>	<u>779,115</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	14,207	147,446	161,653
Deposits	-	-	-
Compensated Absences, Current	<u>734</u>	<u>29,934</u>	<u>30,668</u>
Total Current Liabilities	<u>14,941</u>	<u>177,380</u>	<u>192,321</u>
Long-term Liabilities:			
Compensated Absences	3,342	136,364	139,706
Net Pension Liability	29,171	3,352,638	3,381,809
Net OPEB Liability	<u>11,887</u>	<u>1,365,928</u>	<u>1,377,815</u>
Total Long-term Liabilities	<u>44,400</u>	<u>4,854,930</u>	<u>4,899,330</u>
Total Liabilities	<u>59,341</u>	<u>5,032,310</u>	<u>5,091,651</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related Items	432	49,701	50,133
OPEB Related Items	<u>51</u>	<u>5,895</u>	<u>5,946</u>
Total Deferred Inflows of Resources	<u>483</u>	<u>55,596</u>	<u>56,079</u>
<b>NET POSITION</b>			
Investment in Capital Assets	1,464	277	1,741
Restricted	338,767	-	338,767
Unrestricted	<u>25,505</u>	<u>(3,783,153)</u>	<u>(3,757,648)</u>
Total Net Position	<u>\$ 365,736</u>	<u>\$ (3,782,876)</u>	<u>\$ (3,417,140)</u>



**City of Rialto, California**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Other Enterprise Funds**  
Year Ended June 30, 2020

	Cemetery	Recreation and Community Service	Enterprise Total
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 46,620	\$ 541,200	\$ 587,820
Total Operating Revenues	<u>46,620</u>	<u>541,200</u>	<u>587,820</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales and Services	71,736	2,196,525	2,268,261
Administration	-	1,356,112	1,356,112
Depreciation	<u>383</u>	<u>5,263</u>	<u>5,646</u>
Total Operating Expenses	<u>72,119</u>	<u>3,557,900</u>	<u>3,630,019</u>
Operating Loss	<u>(25,499)</u>	<u>(3,016,700)</u>	<u>(3,042,199)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Income	7,512	13	7,525
Other Income (Expense)	<u>-</u>	<u>22,139</u>	<u>22,139</u>
Total Nonoperating Revenues (Expenses)	<u>7,512</u>	<u>22,152</u>	<u>29,664</u>
Loss Before Transfers	(17,987)	(2,994,548)	(3,012,535)
Transfers In	60,933	3,163,607	3,224,540
Transfers Out	<u>-</u>	<u>(5,150)</u>	<u>(5,150)</u>
Change in Net Position	42,946	163,909	206,855
Total Net Position - Beginning of Year	<u>322,790</u>	<u>(3,946,785)</u>	<u>(3,623,995)</u>
Total Net Position - End of Year	<u><u>\$ 365,736</u></u>	<u><u>\$ (3,782,876)</u></u>	<u><u>\$ (3,417,140)</u></u>

**City of Rialto, California**  
**Combining Statement of Cash Flows**  
**Other Enterprise Funds**  
Year Ended June 30, 2020

	Cemetery	Recreation and Community Service	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 46,435	\$ 549,627	\$ 596,062
Cash Payments to Suppliers for Services	(47,834)	(2,277,809)	(2,325,643)
Cash Payments to Employees for Services	(20,528)	(1,384,787)	(1,405,315)
Net Cash Used by Operating Activities	(21,927)	(3,112,969)	(3,134,896)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Received from Other Funds	60,932	3,163,607	3,224,539
Cash Paid to Other Funds	-	(5,150)	(5,150)
Net Cash Provided by Noncapital Financing Activities	60,932	3,158,457	3,219,389
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Income	7,512	5	7,517
Net Cash Provided by Investing Activities	7,512	5	7,517
Net Increase (Decrease) in Cash and Cash Equivalents	46,517	45,493	92,010
<b>Cash and Cash Equivalents - Beginning of Year</b>	369,941	483,539	853,480
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 416,458</u>	<u>\$ 529,032</u>	<u>\$ 945,490</u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>			
Operating Loss	\$ (25,499)	\$ (3,016,700)	\$ (3,042,199)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	383	5,263	5,646
Other Nonoperating Expense	-	22,139	22,139
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(185)	5,761	5,576
(Increase) Decrease in Prepaid Items	-	34,714	34,714
(Increase) Decrease in Due from Other Governments	-	2,666	2,666
(Increase) Decrease in Deferred Outflows of Resources-Pension	(228)	(26,234)	(26,462)
(Increase) Decrease in Deferred Outflows of Resources-OPEB	(47)	(7,565)	(7,612)
Increase (Decrease) on Accounts Payable and Accrued Liabilities	8,005	43,220	51,225
Increase (Decrease) in Compensated Absences	3,367	114,681	118,048
Increase (Decrease) in Net Pension Liability	(5,156)	(176,141)	(181,297)
Increase (Decrease) in Net OPEB Liability	109	155,172	155,281
Increase (Decrease) in Deferred Inflows of Resources-Pension	(2,223)	(223,268)	(225,491)
Increase (Decrease) in Deferred Inflows of Resources-OPEB	(453)	(46,677)	(47,130)
Net Cash Used by Operating Activities	<u>\$ (21,927)</u>	<u>\$ (3,112,969)</u>	<u>\$ (3,134,896)</u>

## **INTERNAL SERVICE FUNDS**

Internal Service Funds finance and account for goods and services provided by one City department to other City departments, or to other governments, on a cost-reimbursement basis, including depreciation. The City used the following Internal Service Funds:

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

Fleet Management Fund - accounts for the maintenance of the vehicular fleet and equipment utilized by all departments within the City.

Management Information System Fund - accounts for the City's information technology including hardware, software and related infrastructure within the City.

General Liability Fund - accounts for the City's self-insured general liability program.

Building Maintenance Fund - accounts for general maintenance for City owned buildings including historical landmarks, while maintaining the telephone and voice mail systems of these buildings and specialty lights located in the downtown area.

**City of Rialto, California**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
June 30, 2020

	Workers' Compensation	Fleet Management	Management Information System
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 9,846,191	\$ 272,273	\$ 1,196,014
Interest Receivable	12,809	247	1,673
Inventory	-	38,739	-
Total Current Assets	<u>9,859,000</u>	<u>311,259</u>	<u>1,197,687</u>
Noncurrent Assets:			
Capital Assets:			
Being Depreciated (Net of Accumulated Depreciation)	-	75,915	511,823
Total Noncurrent Assets	<u>-</u>	<u>75,915</u>	<u>511,823</u>
Total Assets	<u>9,859,000</u>	<u>387,174</u>	<u>1,709,510</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Items	532	252,322	11,747
OPEB Related Items	531	8,112	11,731
Total Deferred Outflows of Resources	<u>1,063</u>	<u>260,434</u>	<u>23,478</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	19,336	29,932	68,408
Claims Payable, Current	2,319,469	-	-
Compensated Absences, Current	-	5,080	1,209
Other Long-term Liabilities, Current	-	3,384	23,917
Total Current Liabilities	<u>2,338,805</u>	<u>38,396</u>	<u>93,534</u>
Long-term Liabilities:			
Claims Payable	10,566,471	-	-
Compensated Absences	-	23,143	5,508
Net Pension Liability	68,013	1,038,031	1,501,191
Net OPEB Liability	27,707	422,917	611,617
Other Long-term Liabilities	-	5,071	35,879
Total Long-term Liabilities	<u>10,662,191</u>	<u>1,489,162</u>	<u>2,154,195</u>
Total Liabilities	<u>13,000,996</u>	<u>1,527,558</u>	<u>2,247,729</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related Items	1,008	15,388	22,254
OPEB Related Items	120	1,825	2,639
Total Deferred Inflows of Resources	<u>1,128</u>	<u>17,213</u>	<u>24,893</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	67,460	452,027
Unrestricted	<u>(3,142,061)</u>	<u>(964,623)</u>	<u>(991,661)</u>
Total Net Position	<u>\$ (3,142,061)</u>	<u>\$ (897,163)</u>	<u>\$ (539,634)</u>

General Liability	Building Maintenance	Total
\$ 4,220,888	\$ 2,030,818	\$ 17,566,184
5,128	3,004	22,861
-	-	38,739
4,226,016	2,033,822	17,627,784
-	-	587,738
-	-	587,738
4,226,016	2,033,822	18,215,522
532	9,746	274,879
531	9,733	30,638
1,063	19,479	305,517
233,212	229,114	580,002
530,428	-	2,849,897
-	13,558	19,847
-	-	27,301
763,640	242,672	3,477,047
2,416,395	-	12,982,866
-	61,763	90,414
68,013	1,245,534	3,920,782
27,707	507,454	1,597,402
-	-	40,950
2,512,115	1,814,751	18,632,414
3,275,755	2,057,423	22,109,461
1,008	18,464	58,122
120	2,190	6,894
1,128	20,654	65,016
-	-	519,487
950,196	(24,776)	(4,172,925)
\$ 950,196	\$ (24,776)	\$ (3,653,438)

**City of Rialto, California**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
Year Ended June 30, 2020

	Workers' Compensation	Fleet Management	Management Information System
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 3,099,736	\$ 580,866	\$ 1,248,436
Total Operating Revenues	<u>3,099,736</u>	<u>580,866</u>	<u>1,248,436</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales and Services	3,246,308	331,201	3,337,276
Depreciation	<u>-</u>	<u>8,227</u>	<u>107,901</u>
Total Operating Expenses	<u>3,246,308</u>	<u>339,428</u>	<u>3,445,177</u>
Operating Income (Loss)	<u>(146,572)</u>	<u>241,438</u>	<u>(2,196,741)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Income	198,936	3,843	25,979
Interest Expense	<u>-</u>	<u>(534)</u>	<u>(3,778)</u>
Total Nonoperating Revenues (Expenses)	<u>198,936</u>	<u>3,309</u>	<u>22,201</u>
Income (Loss) Before Transfers	<u>52,364</u>	<u>244,747</u>	<u>(2,174,540)</u>
Change in Net Position	52,364	244,747	(2,174,540)
Total Net Position - Beginning of Year	<u>(3,194,425)</u>	<u>(1,141,910)</u>	<u>1,634,906</u>
Total Net Position - End of Year	<u><u>\$ (3,142,061)</u></u>	<u><u>\$ (897,163)</u></u>	<u><u>\$ (539,634)</u></u>

General Liability	Building Maintenance	Total
<u>\$ 2,106,692</u>	<u>\$ 2,644,257</u>	<u>\$ 9,679,987</u>
<u>2,106,692</u>	<u>2,644,257</u>	<u>9,679,987</u>
2,062,078	4,929,960	13,906,823
<u>-</u>	<u>-</u>	<u>116,128</u>
<u>2,062,078</u>	<u>4,929,960</u>	<u>14,022,951</u>
<u>44,614</u>	<u>(2,285,703)</u>	<u>(4,342,964)</u>
79,647	46,650	355,055
<u>-</u>	<u>-</u>	<u>(4,312)</u>
<u>79,647</u>	<u>46,650</u>	<u>350,743</u>
<u>124,261</u>	<u>(2,239,053)</u>	<u>(3,992,221)</u>
124,261	(2,239,053)	(3,992,221)
<u>825,935</u>	<u>2,214,277</u>	<u>338,783</u>
<u>\$ 950,196</u>	<u>\$ (24,776)</u>	<u>\$ (3,653,438)</u>

**City of Rialto, California**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
Year Ended June 30, 2020

	<u>Workers'</u> <u>Compensation</u>	<u>Fleet</u> <u>Management</u>	<u>Management</u> <u>Information</u> <u>System</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 3,171,979	\$ 580,866	\$ 1,248,436
Cash Payments to Suppliers for Services	(3,165,668)	144,405	(2,844,213)
Cash Payments to Employees for Services	<u>66,295</u>	<u>(711,781)</u>	<u>1,564,606</u>
Net Cash Provided (Used) by Operating Activities	<u>72,606</u>	<u>13,490</u>	<u>(31,171)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Received from Other Funds	-	-	-
Cash Paid to Other Funds	<u>-</u>	<u>1,624</u>	<u>3,962</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>1,624</u>	<u>3,962</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	-	(9,803)	-
Principal Paid on Capital Debt	-	(4,025)	(28,474)
Interest Paid on Capital Debt	<u>-</u>	<u>(534)</u>	<u>(448,237)</u>
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(14,362)</u>	<u>(476,711)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Income	<u>217,127</u>	<u>4,200</u>	<u>29,275</u>
Net Cash Provided by Investing Activities	<u>217,127</u>	<u>4,200</u>	<u>29,275</u>
Net Increase (Decrease) in Cash and Cash Equivalents	289,733	4,952	(474,645)
Cash and Cash Equivalents - Beginning of Year	<u>9,556,458</u>	<u>267,321</u>	<u>1,670,659</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 9,846,191</u></u>	<u><u>\$ 272,273</u></u>	<u><u>\$ 1,196,014</u></u>



<u>General Liability</u>	<u>Building Maintenance</u>	<u>Total</u>
\$ 2,106,692	\$ 2,644,257	\$ 9,752,230
(1,959,604)	(4,335,980)	(12,161,060)
<u>66,299</u>	<u>1,161,968</u>	<u>2,147,387</u>
<u>213,387</u>	<u>(529,755)</u>	<u>(261,443)</u>
-	-	-
<u>65,663</u>	<u>5,296</u>	<u>76,545</u>
<u>65,663</u>	<u>5,296</u>	<u>76,545</u>
-	-	(9,803)
-	-	(32,499)
<u>-</u>	<u>-</u>	<u>(448,771)</u>
-	-	(491,073)
<u>87,750</u>	<u>51,048</u>	<u>389,400</u>
<u>87,750</u>	<u>51,048</u>	<u>389,400</u>
366,800	(473,411)	(286,571)
<u>3,854,088</u>	<u>2,504,229</u>	<u>17,852,755</u>
<u>\$ 4,220,888</u>	<u>\$ 2,030,818</u>	<u>\$ 17,566,184</u>

Continued

**City of Rialto, California**  
**Combining Statement of Cash Flows - Continued**  
**Internal Service Funds**  
Year Ended June 30, 2020

	<u>Workers'</u> <u>Compensation</u>	<u>Fleet</u> <u>Management</u>	<u>Management</u> <u>Information</u> <u>System</u>
<b>Reconciliation of Operating (Income) Loss to Net</b>			
<b>Cash Provided (Used) by Operating Activities</b>			
Operating Income (Loss)	\$ (146,572)	\$ 241,438	\$ (2,196,741)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	8,227	107,901
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	-	-
(Increase) Decrease in Prepaid Items	-	-	-
(Increase) Decrease in Due from Other Governments	72,243	-	-
(Increase) Decrease in Inventory	-	(6,283)	-
(Increase) Decrease in Deferred Outflows of Resources-Pension	(532)	(8,122)	(11,747)
(Increase) Decrease in Deferred Outflows of Resources-OPEB	(531)	(1,785)	(11,731)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	143	20,346	(21,081)
Increase (Decrease) in Claims Payable	55,022	-	-
Increase (Decrease) in Compensated Absences	(4,015)	1,011	(35,473)
Increase (Decrease) in Net Pension Liability	68,013	(160,094)	1,501,191
Increase (Decrease) in Net OPEB Liability	27,707	11,829	611,617
Increase (Decrease) in Deferred Inflows of Resources-Pension	1,008	(77,293)	22,254
Increase (Decrease) in Deferred Inflows of Resources-OPEB	120	(15,784)	2,639
	<u>          </u>	<u>          </u>	<u>          </u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 72,606</u>	<u>\$ 13,490</u>	<u>\$ (31,171)</u>

<u>General Liability</u>	<u>Building Maintenance</u>	<u>Total</u>
\$ 44,614	\$ (2,285,703)	\$ (4,342,964)
-	-	116,128
-	-	-
-	-	-
-	-	72,243
-	-	(6,283)
(532)	(9,746)	(30,679)
(531)	(9,733)	(24,311)
77,216	(29,256)	47,368
(213)	-	54,809
(4,015)	31,041	(11,451)
68,013	1,245,534	2,722,657
27,707	507,454	1,186,314
1,008	18,464	(34,559)
120	2,190	(10,715)
<u>\$ 213,387</u>	<u>\$ (529,755)</u>	<u>\$ (261,443)</u>

## **AGENCY FUNDS**

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, or other governments. The Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Special Deposits Fund - accounts for all special deposits held by the City in its fiduciary capacity.

Confiscated Funds Fund - accounts for seized assets obtained by the Police Department in conjunction with the prosecution of alleged criminal activity that are awaiting dispensation by the court system.

Community Facilities District (CFD) 87-1 Fund - accounts 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 Elm Park Fund - The City acts as a custodian for collection of special taxes for the CFD 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 - The City acts as a custodian for collection of special taxes for the CFD 2016-1. 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.

**City of Rialto**  
**Combining Statement of Assets and Liabilities**  
**All Agency Funds**  
June 30, 2020

	Special Deposits	Confiscated Funds	Community Facilities District 87-1	Community Facilities District 2006-1 Elm Park	Community Facilities District 2016-1	Total
<b>ASSETS</b>						
Cash and Investments	\$ 1,612,632	\$ 2,520,353	\$ 66,633	\$ 571,576	\$ 16,505	\$ 4,787,699
Restricted Cash and Investments						
with Fiscal Agents	-	-	-	457,073	-	457,073
Accounts Receivable	98	-	535	-	-	633
Interest Receivable	-	1,864	92	595	10	2,561
Notes Receivable	24,247	-	-	-	-	24,247
Due from Other Governments	65,586	-	-	3,432	151	69,169
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 1,702,563</u>	<u>\$ 2,522,217</u>	<u>\$ 67,260</u>	<u>\$ 1,032,676</u>	<u>\$ 16,666</u>	<u>\$ 5,341,382</u>
<b>LIABILITIES</b>						
Accrued Liabilities	\$ 1,541,490	\$ 2,522,217	\$ -	\$ -	\$ -	\$ 4,063,707
Deposits	161,019	-	-	-	-	161,019
Unearned Revenue	54	-	-	-	-	54
Due to Bondholders	-	-	67,260	1,032,676	16,666	1,116,602
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>\$ 1,702,563</u>	<u>\$ 2,522,217</u>	<u>\$ 67,260</u>	<u>\$ 1,032,676</u>	<u>\$ 16,666</u>	<u>\$ 5,341,382</u>

**City of Rialto**  
**Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>SPECIAL DEPOSITS</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 1,539,648	\$ 6,887,228	\$ 6,814,244	\$ 1,612,632
Accounts Receivable	-	7,990	7,315	675
Notes Receivable	24,247	-	-	24,247
Allowance for Doubtful Accounts	-	-	577	(577)
Due from Other Governments	-	65,586	-	65,586
	<u>-</u>	<u>65,586</u>	<u>-</u>	<u>65,586</u>
Total Assets	<u>\$ 1,563,895</u>	<u>\$ 6,960,804</u>	<u>\$ 6,822,136</u>	<u>\$ 1,702,563</u>
<b>LIABILITIES</b>				
Accrued Liabilities	\$ 1,385,804	\$ 13,467,700	\$ 13,312,014	\$ 1,541,490
Deposits	179,263	155,140	173,384	161,019
Unearned Revenue	260	54	260	54
	<u>260</u>	<u>54</u>	<u>260</u>	<u>54</u>
Total Liabilities	<u>\$ 1,565,327</u>	<u>\$ 13,622,894</u>	<u>\$ 13,485,658</u>	<u>\$ 1,702,563</u>
<b>CONFISCATED FUNDS</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 1,609,389	\$ 2,682,016	\$ 1,771,052	\$ 2,520,353
Interest Receivable	5,638	1,864	5,638	1,864
	<u>5,638</u>	<u>1,864</u>	<u>5,638</u>	<u>1,864</u>
Total Assets	<u>\$ 1,615,027</u>	<u>\$ 2,683,880</u>	<u>\$ 1,776,690</u>	<u>\$ 2,522,217</u>
<b>LIABILITIES</b>				
Accrued Liabilities	\$ 1,615,027	\$ 3,621,199	\$ 2,714,009	\$ 2,522,217
	<u>1,615,027</u>	<u>3,621,199</u>	<u>2,714,009</u>	<u>2,522,217</u>
Total Liabilities	<u>\$ 1,615,027</u>	<u>\$ 3,621,199</u>	<u>\$ 2,714,009</u>	<u>\$ 2,522,217</u>
<b>COMMUNITY FACILITIES DISTRICT 87-1</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 67,255	\$ 1,650	\$ 2,272	\$ 66,633
Accounts Receivables	-	535	-	535
Interest Receivable	104	92	104	92
	<u>104</u>	<u>92</u>	<u>104</u>	<u>92</u>
Total Assets	<u>\$ 67,359</u>	<u>\$ 2,277</u>	<u>\$ 2,376</u>	<u>\$ 67,260</u>
<b>LIABILITIES</b>				
Accrued Liabilities	\$ -	\$ 2,181	\$ 2,181	\$ -
Due to Bondholders	67,359	-	99	67,260
	<u>67,359</u>	<u>-</u>	<u>99</u>	<u>67,260</u>
Total Liabilities	<u>\$ 67,359</u>	<u>\$ 2,181</u>	<u>\$ 2,280</u>	<u>\$ 67,260</u>

Continued

**City of Rialto**  
**Statement of Changes in Assets and Liabilities - Continued**  
**All Agency Funds**  
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>COMMUNITY FACILITIES DISTRICT</b>				
<b>2006-1 ELM PARK</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 545,326	\$ 485,396	\$ 459,146	\$ 571,576
Restricted Cash and Investments with				
Fiscal Agents	457,060	5,023	5,010	457,073
Interest Receivable	1,428	595	1,428	595
Due from Other Governments	-	3,432	-	3,432
	<u>\$ 1,003,814</u>	<u>\$ 494,446</u>	<u>\$ 465,584</u>	<u>\$ 1,032,676</u>
Total Assets				
	<u>\$ 1,003,814</u>	<u>\$ 494,446</u>	<u>\$ 465,584</u>	<u>\$ 1,032,676</u>
<b>LIABILITIES</b>				
Accrued Liabilities	\$ -	\$ 326,239	\$ 326,239	\$ -
Due to Bondholders	1,003,814	163,000	134,138	1,032,676
	<u>\$ 1,003,814</u>	<u>\$ 489,239</u>	<u>\$ 460,377</u>	<u>\$ 1,032,676</u>
Total Liabilities				
	<u>\$ 1,003,814</u>	<u>\$ 489,239</u>	<u>\$ 460,377</u>	<u>\$ 1,032,676</u>
<b>COMMUNITY FACILITIES DISTRICT</b>				
<b>2016-1</b>				
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 35,921	\$ 19,416	\$ 16,505
Interest Receivable	-	10	-	10
Due to Other Governments	-	151	-	151
	<u>\$ -</u>	<u>\$ 36,082</u>	<u>\$ 19,416</u>	<u>\$ 16,666</u>
Total Assets				
	<u>\$ -</u>	<u>\$ 36,082</u>	<u>\$ 19,416</u>	<u>\$ 16,666</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 5,510	\$ 5,510	\$ -
Due to Other Governments	3,871	-	3,871	-
Due to Bondholders	(3,871)	20,537	-	16,666
	<u>\$ -</u>	<u>\$ 26,047</u>	<u>\$ 9,381</u>	<u>\$ 16,666</u>
Total Liabilities				
	<u>\$ -</u>	<u>\$ 26,047</u>	<u>\$ 9,381</u>	<u>\$ 16,666</u>
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 3,761,618	\$ 10,092,211	\$ 9,066,130	\$ 4,787,699
Restricted Cash and Investments with				
Fiscal Agents	457,060	5,023	5,010	457,073
Accounts Receivable	-	8,525	7,892	633
Interest Receivable	7,170	2,561	7,170	2,561
Notes Receivable	24,247	-	-	24,247
Due from Other Governments	-	69,169	-	69,169
	<u>\$ 4,250,095</u>	<u>\$ 10,177,489</u>	<u>\$ 9,086,202</u>	<u>\$ 5,341,382</u>
Total Assets				
	<u>\$ 4,250,095</u>	<u>\$ 10,177,489</u>	<u>\$ 9,086,202</u>	<u>\$ 5,341,382</u>
<b>LIABILITIES</b>				
Accrued Liabilities	\$ 3,000,831	\$ 17,417,319	\$ 16,354,443	\$ 4,063,707
Deposits	179,263	155,140	173,384	161,019
Due to Other Governments	3,871	-	3,871	-
Unearned Revenue	260	54	260	54
Due to Bondholders	1,067,302	183,537	134,237	1,116,602
	<u>\$ 4,251,527</u>	<u>\$ 17,756,050</u>	<u>\$ 16,666,195</u>	<u>\$ 5,341,382</u>
Total Liabilities				
	<u>\$ 4,251,527</u>	<u>\$ 17,756,050</u>	<u>\$ 16,666,195</u>	<u>\$ 5,341,382</u>

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## **STATISTICAL SECTION**



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## Financial Trends

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

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**City of Rialto**  
**Schedule: 1**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental activities					
Net investment in capital assets	\$ 148,690,370	\$ 163,723,392	\$ 168,193,443	\$ 174,199,279	\$ 182,925,420
Restricted	61,601,597	39,832,021	72,472,077	68,118,579	73,952,529
Unrestricted	(31,625,220)	39,481,946	44,622,614	47,463,243	(54,942,162)
Total governmental activities net position	<u>178,666,747</u>	<u>243,037,359</u>	<u>285,288,134</u>	<u>289,781,101</u>	<u>201,935,787</u>
Business-type activities					
Net investment in capital assets	75,171,230	80,648,318	65,682,237	63,007,943	61,880,161
Restricted	4,451,690	-	-	-	23,103,406
Unrestricted	20,699,745	16,056,356	(17,512,844)	(46,850,667)	(71,217,677)
Total business-type activities net position	<u>100,322,665</u>	<u>96,704,674</u>	<u>48,169,393</u>	<u>16,157,276</u>	<u>13,765,890</u>
Primary government					
Net investment in capital assets	223,861,600	244,371,710	233,875,680	237,207,222	244,805,581
Restricted	66,053,287	39,832,021	72,472,077	68,118,579	97,055,935
Unrestricted	(10,925,475)	55,538,302	27,109,770	612,576	(126,159,839)
Total primary government net position	<u>\$ 278,989,412</u>	<u>\$ 339,742,033</u>	<u>\$ 333,457,527</u>	<u>\$ 305,938,377</u>	<u>\$ 215,701,677</u>

Source: City of Rialto Comprehensive Annual Reports

**City of Rialto**  
**Schedule: 1**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	\$ 203,745,887	\$ 209,841,810	\$ 219,905,555	\$ 241,566,979	\$ 265,229,119
Restricted	75,922,532	96,873,256	110,510,600	119,177,499	136,353,586
Unrestricted	(51,933,755)	(39,451,355)	(70,806,076)	(64,406,001)	(78,272,477)
Total governmental activities net position	<u>227,734,664</u>	<u>267,263,711</u>	<u>259,610,079</u>	<u>296,338,477</u>	<u>323,310,228</u>
Business-type activities					
Net investment in capital assets	62,092,586	62,212,159	90,709,466	106,102,033	118,019,612
Restricted	23,762,159	20,161,874	22,666,881	22,774,070	25,815,406
Unrestricted	(75,195,998)	(71,769,191)	(102,644,912)	(113,779,243)	(127,016,385)
Total business-type activities net position	<u>10,658,747</u>	<u>10,604,842</u>	<u>10,731,435</u>	<u>15,096,860</u>	<u>16,818,633</u>
Primary government					
Net investment in capital assets	265,838,473	272,053,969	310,615,021	347,669,012	383,248,731
Restricted	99,684,691	117,035,130	133,177,481	141,951,569	162,168,992
Unrestricted	(127,129,753)	(111,220,546)	(173,450,988)	(178,185,244)	(205,288,862)
Total primary government net position	<u>\$ 238,393,411</u>	<u>\$ 277,868,553</u>	<u>\$ 270,341,514</u>	<u>\$ 311,435,337</u>	<u>\$ 340,128,861</u>

Source: City of Rialto Comprehensive Annual Reports

**City of Rialto**  
**Schedule: 2**  
**Changes in Net Position**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>Expenses</b>					
Governmental Activities					
General government	\$ 14,861,332	\$ 18,320,228	\$ 11,385,776	\$ 16,831,207	\$ 22,194,069
Community development	36,471,039	16,311,195	7,815,876	14,622,817	18,152,493
Public safety	40,089,330	39,141,965	39,248,802	39,676,536	40,057,540
Payment to successor agency	-	-	921,450	-	1,270,167
Interest on long term debt	9,863,803	2,065,971	249,424	154,834	169,166
Total governmental activities expenses	<u>101,285,504</u>	<u>75,839,359</u>	<u>59,621,328</u>	<u>71,285,394</u>	<u>81,843,435</u>
Business-type activities					
Water	7,807,397	12,141,122	15,596,613	12,750,105	12,999,577
Wastewater	9,618,767	9,076,667	21,111,279	23,015,470	23,463,015
Airport	216,107	254,176	451,183	388,963	4,373,243
Cemetery	46,258	36,559	46,086	49,255	52,738
Utility Billing	-	-	-	-	-
Recreation & Community Service	2,960,934	2,634,024	2,586,330	2,335,258	2,640,280
Total business-type activities expenses	<u>20,649,463</u>	<u>24,142,548</u>	<u>39,791,491</u>	<u>38,539,051</u>	<u>43,528,853</u>
Total primary government expenses	<u>\$ 121,934,967</u>	<u>\$ 99,981,907</u>	<u>\$ 99,412,819</u>	<u>\$ 109,824,445</u>	<u>\$ 125,372,288</u>
<b>Program revenues</b>					
Governmental activities					
Charges for services					
General government	\$ 1,104,974	\$ 891,137	\$ 1,882,740	\$ 811,456	\$ 804,526
Community Development	835,509	2,583,136	1,914,371	12,026,114	14,560,867
Public Safety	2,876,500	2,795,262	4,005,618	2,854,087	3,006,101
Operating grants and contributions	4,360,905	17,890,543	4,587,822	7,032,129	10,480,851
Capital grants and contributions	9,059,443	5,565,842	5,926,508	4,939,898	4,504,424
Total governmental activities program revenues	<u>18,237,331</u>	<u>29,725,920</u>	<u>18,317,059</u>	<u>27,663,684</u>	<u>33,356,769</u>
Business-type activities					
Charges for services					
Water	8,426,108	8,399,411	8,840,946	9,970,145	12,082,146
Wastewater	11,030,430	11,197,115	12,811,692	17,281,060	22,492,901
Airport	105,509	182,456	522,259	485,785	128,387
Cemetery	27,136	36,978	35,334	23,710	32,419
Recreation & community service	914,450	956,929	901,593	898,633	883,489
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total Business-type Activities program revenues	<u>20,503,633</u>	<u>20,772,889</u>	<u>23,111,824</u>	<u>28,659,333</u>	<u>35,619,342</u>
Total primary government program revenues	<u>\$ 38,740,964</u>	<u>\$ 50,498,809</u>	<u>\$ 41,428,883</u>	<u>\$ 56,323,017</u>	<u>\$ 68,976,111</u>

**City of Rialto**  
**Schedule: 2**  
**Changes in Net Position**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Expenses</b>					
Governmental Activities					
General government	\$ 12,838,348	\$ 27,670,283	\$ 19,885,751	\$ 23,994,846	\$ 26,797,603
Community development	20,547,780	28,506,818	29,404,226	19,645,409	19,471,093
Public safety	45,270,584	52,952,706	53,055,098	58,199,681	61,186,234
Payment to successor agency	1,295,583	-	-	-	-
Interest on long term debt	96,659	84,307	323,872	479,445	263,664
Total governmental activities expenses	<u>80,048,954</u>	<u>109,214,114</u>	<u>102,668,947</u>	<u>102,319,381</u>	<u>107,718,594</u>
Business-type activities					
Water	12,069,588	12,740,471	13,832,547	13,178,151	13,668,540
Wastewater	24,350,919	24,200,053	23,397,142	23,016,838	26,260,393
Airport	207,934	10,929	127,653	45,491	4,341
Cemetery	51,758	80,900	65,397	78,817	72,119
Utility Billing	-	-	-	-	-
Recreation & Community Service	3,234,840	3,572,043	3,456,616	3,836,329	3,557,900
Total business-type activities expenses	<u>39,915,039</u>	<u># 40,604,396</u>	<u># 40,879,355</u>	<u>40,155,626</u>	<u>43,563,293</u>
Total primary government expenses	<u>\$ 119,963,993</u>	<u>\$ 149,818,510</u>	<u>\$ 143,548,302</u>	<u>\$ 142,475,007</u>	<u>\$151,281,887</u>
<b>Program revenues</b>					
Governmental activities					
Charges for services					
General government	\$ 1,606,496	\$ 1,122,310	\$ 1,637,935	\$ 4,173,279	\$ 956,301
Community Development	10,906,447	48,620,952	26,054,877	26,778,267	22,278,219
Public Safety	3,023,995	3,111,112	3,439,943	3,849,026	4,289,038
Operating grants and contributions	9,222,678	10,058,467	17,599,694	12,996,451	15,536,989
Capital grants and contributions	4,548,560	3,901,780	5,774,075	6,634,323	5,698,306
Total governmental activities program revenues	<u>29,308,176</u>	<u>66,814,621</u>	<u>54,506,524</u>	<u>54,431,346</u>	<u>48,758,853</u>
Business-type activities					
Charges for services					
Water	12,225,769	13,119,637	14,856,800	13,648,249	13,952,308
Wastewater	22,482,683	25,954,797	28,939,501	28,813,463	29,191,221
Airport	58,785	32,979	159,342	50,523	-
Cemetery	39,624	65,867	46,319	56,752	46,620
Recreation & community service	838,665	895,340	758,012	825,550	541,213
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	353,470	131,896	203,653	27,417
Total Business-type Activities program revenues	<u>35,645,526</u>	<u>40,422,090</u>	<u>44,891,870</u>	<u>43,598,190</u>	<u>43,758,779</u>
Total primary government program revenues	<u>\$ 64,953,702</u>	<u>\$ 107,236,711</u>	<u>\$ 99,398,394</u>	<u>\$ 98,029,536</u>	<u>\$ 92,517,632</u>

**City of Rialto**  
**Schedule: 2**  
**Changes in Net Position**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>General revenues and other changes in net position</b>					
Governmental Activities					
Taxes					
Property taxes	\$ 40,189,401	\$ 25,514,250	\$ 18,808,829	\$ 17,251,658	\$ 19,568,841
Franchise taxes	3,049,661	3,235,911	3,113,227	2,368,377	3,659,305
Utility users taxes	11,204,683	11,082,948	11,253,197	12,191,859	12,634,013
Business license taxes	1,610,311	1,436,800	1,532,412	2,196,779	2,131,574
Sales & use tax	9,072,262	10,736,135	10,310,901	11,523,017	12,023,147
Vehicle license fees	458,055	101,174	42,966	-	41,566
Income for property and investments	1,554,315	591,646	(255,146)	965,960	504,777
Other general revenue	3,001,775	2,701,950	3,780,116	4,698,926	5,260,920
RUA lease payments	-	-	34,000,000	2,000,000	2,568,030
RUA contract payments	-	-	-	824,032	1,230,626
Transfers	14,388,949	631,463	2,551,344	(1,182,645)	3,407,429
Gain on sale of property	-	3,975	208,784	-	-
Payment from successor agency	-	(2,212,501)	-	185,982	572,154
Extra-ordinary gain	-	56,660,300	-	-	-
Capital contribution	-	-	-	-	3,344,082
Total governmental activities program revenues	<u>84,529,412</u>	<u>110,484,051</u>	<u>85,346,630</u>	<u>53,023,945</u>	<u>66,946,464</u>
Business-type activities:					
Property taxes	26,385	16,472	13,361	11,593	45,210
Income for property and investments	338,883	270,502	(403,262)	746,964	88,329
Other general revenue	455,850	96,157	727,209	608,509	117,870
RUA lease payments	-	-	(34,000,000)	(2,000,000)	(2,568,030)
Transfers	(14,388,949)	(631,463)	(2,551,344)	1,182,645	(3,407,429)
Gain on sale of property	766	-	538,870	-	9,854,563
Distribution of airport property from successor agency	-	-	13,764,414	-	-
Capital contribution	-	-	-	-	1,387,612
Total business-type activities	<u>(13,567,065)</u>	<u>(248,332)</u>	<u>(21,910,752)</u>	<u>549,711</u>	<u>5,518,125</u>
Total primary government	<u>70,962,347</u>	<u>110,235,719</u>	<u>63,435,878</u>	<u>53,573,656</u>	<u>72,464,589</u>
Net revenue (expense)					
Governmental activities	\$ (83,048,173)	\$ (46,113,439)	\$ (41,304,269)	\$ (43,621,710)	\$ (48,486,666)
Business-type activities	(145,830)	(3,369,659)	(16,679,667)	(9,879,718)	(7,909,511)
Total primary government	<u>\$ (83,194,003)</u>	<u>\$ (49,483,098)</u>	<u>\$ (57,983,936)</u>	<u>\$ (53,501,428)</u>	<u>\$ (56,396,177)</u>
<b>Change in net position</b>					
Governmental activities	\$ 1,481,239	\$ 64,370,612	\$ 44,042,361	\$ 9,402,235	\$ 18,459,798
Business-type activities	(13,712,895)	(3,617,991)	(38,590,419)	(9,330,007)	(2,391,386)
Total primary government	<u>\$ (12,231,656)</u>	<u>\$ 60,752,621</u>	<u>\$ 5,451,942</u>	<u>\$ 72,228</u>	<u>\$ 16,068,412</u>

Source: City of Rialto Comprehensive Annual Reports



**City of Rialto**  
**Schedule: 2**  
**Changes in Net Position**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>General revenues and other changes in net position</b>					
Governmental Activities					
Taxes					
Property taxes	\$ 20,895,499	\$ 22,306,582	\$ 25,201,016	\$ 29,311,614	\$ 30,093,522
Franchise taxes	3,750,460	3,640,100	3,955,968	3,962,647	4,163,993
Utility users taxes	12,670,892	12,731,020	13,592,657	13,035,913	13,664,176
Business license taxes	2,237,639	2,343,824	2,660,329	3,024,804	3,642,829
Sales & use tax	11,893,381	14,532,085	17,593,261	22,603,061	22,771,751
Vehicle license fees	41,192	48,082	56,075	51,380	84,900
Income for property and investments	1,362,960	267,929	1,228,983	5,175,470	4,306,121
Other general revenue	4,204,699	4,529,579	6,000,699	4,911,931	6,094,131
RUA lease payments	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
RUA contract payments	1,167,530	1,167,530	742,000	742,000	1,140,530
Transfers	(2,140,364)	17,784,644	3,963,598	(409,255)	(3,035,335)
Gain on sale of property	-	2,851	475,967	19,002	(101,262)
Payment from successor agency	185,366	574,314	187,299	187,866	188,166
Extra-ordinary gain	14,289,617	-	-	-	-
Capital contribution	4,296,048	-	-	-	-
Total governmental activities program revenues	<u>76,854,919</u>	<u>81,928,540</u>	<u>77,657,852</u>	<u>84,616,433</u>	<u>85,013,522</u>
Business-type activities:					
Property taxes	1,478	894	198	20	20
Income for property and investments	184,391	85,953	363,912	478,837	373,688
Other general revenue	104,060	1,616,184	543,708	605,712	171,330
RUA lease payments	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Transfers	2,140,364	(17,784,644)	(3,963,598)	409,255	3,035,335
Gain on sale of property	345,213	18,210,014	6,730,559	1,429,037	(54,086)
Distribution of airport property from successor agency	-	-	-	-	-
Capital contribution	386,864	-	-	-	-
Total business-type activities	<u>775,506</u>	<u>128,401</u>	<u>1,674,779</u>	<u>922,861</u>	<u>1,526,287</u>
Total primary government	<u>775,506</u>	<u>131,252</u>	<u>2,150,746</u>	<u>85,539,294</u>	<u>86,539,809</u>
Net revenue (expense)					
Governmental activities	\$ (50,740,778)	\$ (42,399,493)	\$ (48,162,423)	\$ (47,888,035)	\$ (58,959,741)
Business-type activities	(4,269,513)	(182,306)	4,012,515	3,442,564	195,486
Total primary government	<u>\$ (55,010,291)</u>	<u>\$ (42,581,799)</u>	<u>\$ (44,149,908)</u>	<u>\$ (44,445,471)</u>	<u>\$ (58,764,255)</u>
<b>Change in net position</b>					
Governmental activities	\$ 26,114,141	\$ 39,529,047	\$ 29,495,429	\$ 36,728,398	\$ 26,053,781
Business-type activities	(3,494,007)	(53,905)	5,687,294	4,365,425	1,721,773
Total primary government	<u>\$ 22,620,134</u>	<u>\$ 39,475,142</u>	<u>\$ 35,182,723</u>	<u>\$ 41,093,823</u>	<u>\$ 27,775,554</u>

Source: City of Rialto Comprehensive Annual Reports

**City of Rialto**  
**Schedule: 3**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	Fiscal Year				
	2011	2012	2013	2014	2015
General fund					
Nonspendable	\$ 5,060,331	\$ 5,185,796	\$ 7,907,132	\$ 6,511,485	\$ 1,964,366
Assigned	26,306,403	1,372,061	4,066,479	5,082,685	3,285,133
Unassigned	9,156,472	30,994,690	36,564,055	43,778,202	53,786,818
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total general fund	<u>40,523,206</u>	<u>37,552,547</u>	<u>48,537,666</u>	<u>55,372,372</u>	<u>59,036,317</u>
All other governmental fund					
Nonspendable	38,094,549	-	160,190	-	-
Restricted	61,601,597	38,942,322	67,517,079	68,096,181	73,660,309
Assigned	37,719,982	268,290	-	-	-
Unassigned	13,326,942	(807,897)	(110,759)	(227,868)	(1,847,051)
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total all other governmental fund	<u>150,743,070</u>	<u>38,402,715</u>	<u>67,566,510</u>	<u>67,868,313</u>	<u>71,813,258</u>
Total governmental funds	<u>\$ 191,266,276</u>	<u>\$ 75,955,262</u>	<u>\$ 116,104,176</u>	<u>\$ 123,240,685</u>	<u>\$ 130,849,575</u>

Source: City of Rialto Comprehensive Annual Reports

**City of Rialto**  
**Schedule: 3**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	Fiscal Year				
	2016	2017	2018	2019	2020
General fund					
Nonspendable	\$ 1,964,563	\$ 3,527,188	\$ 6,252,083	\$ 24,252,395	\$ 24,399,474
Assigned	4,377,737	5,132,711	23,023,387	14,268,248	12,214,045
Unassigned	50,372,278	60,711,353	43,705,317	43,978,540	50,907,994
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total general fund	<u>56,714,578</u>	<u>69,371,252</u>	<u>72,980,787</u>	<u>82,499,183</u>	<u>87,521,513</u>
All other governmental fund					
Nonspendable	-	1,313	481,406	485,030	-
Restricted	73,272,530	96,816,213	91,753,133	119,177,499	136,353,586
Assigned	-	-	-	-	-
Unassigned	(554,749)	(2,147,038)	(2,249,281)	(624,687)	(13,747,345)
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total all other governmental fund	<u>72,717,781</u>	<u>94,670,488</u>	<u>89,985,258</u>	<u>119,037,842</u>	<u>122,606,241</u>
Total governmental funds	<u>\$ 129,432,359</u>	<u>\$ 164,041,740</u>	<u>\$ 162,966,045</u>	<u>\$ 201,537,025</u>	<u>\$ 210,127,754</u>

Source: City of Rialto Comprehensive Annual Reports

**City of Rialto**  
**Schedule: 4**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>Revenues:</b>					
Taxes	\$ 63,510,171	\$ 50,570,048	\$ 43,675,907	\$ 44,289,183	\$ 47,969,828
License and permits	2,094,146	1,907,240	1,983,341	3,486,675	3,824,815
Fines and forfeitures	426,336	394,716	573,951	733,014	616,694
Use of money and property	1,125,598	591,644	(258,630)	961,747	467,654
Revenue from other agencies	13,506,909	24,833,462	12,364,007	14,957,790	17,521,724
Charges for services	3,124,211	2,779,356	2,840,395	5,455,564	6,464,406
Development impact fees	872,999	1,904,945	1,783,001	7,526,709	8,448,681
RUA lease payments	-	-	34,000,000	2,000,000	2,568,030
Reimbursement from successor agency for expenditures	-	-	441,300	185,981	792,153
Other	3,680,566	2,204,652	3,670,379	3,237,598	2,874,680
Payment from successor agency of bond proceeds	-	-	-	-	-
Total revenues	<u>88,340,936</u>	<u>85,186,063</u>	<u>101,073,651</u>	<u>82,834,261</u>	<u>91,548,665</u>
<b>Expenditures:</b>					
General government	11,576,464	12,840,658	8,949,820	13,807,651	16,572,095
Public safety	38,634,297	36,883,364	36,761,021	38,954,995	40,702,413
Community Development	17,122,555	7,707,566	6,505,080	6,870,797	14,659,256
Payment to successor agency for disallowed items	-	-	921,450	-	1,270,167
Capital outlay	31,868,292	21,287,927	11,305,081	17,520,528	12,266,733
Debt service:					
Principal Retirement	3,038,716	3,237,594	410,493	427,965	449,876
Interest and fiscal charges	10,342,524	5,275,758	222,329	191,701	173,530
Bond issuance cost	-	-	-	-	-
Total Expenditures	<u>112,582,848</u>	<u>87,232,867</u>	<u>65,075,274</u>	<u>77,773,637</u>	<u>86,094,070</u>
<b>Other financing sources/ (uses):</b>					
Proceeds from sale of capital assets	7,495	3,975	26,283	8,652	9,163
Proceeds from Margin Loan	-	-	-	-	-
Payment to refunded note payable escrow agent	-	-	-	-	(1,702,000)
Capital lease	-	438,327	-	-	-
Transfers in	33,914,483	23,360,038	38,153,746	5,740,301	14,513,703
Transfers out	(20,710,621)	(25,297,731)	(34,029,492)	(3,673,068)	(12,572,830)
Transfers to private-purpose trust fund	-	(2,212,501)	-	-	-
Proceeds from note payable issuance	-	-	-	-	1,702,000
Total other financing	<u>13,211,357</u>	<u>(3,707,892)</u>	<u>4,150,537</u>	<u>2,075,885</u>	<u>1,950,036</u>
Extraordinary gain (loss)		<u>(109,556,318)</u>			
Net change in fund balance	<u>\$ (11,030,555)</u>	<u>\$ (115,311,014)</u>	<u>\$ 40,148,914</u>	<u>\$ 7,136,509</u>	<u>\$ 7,404,631</u>
Debt service as a percentage of noncapital expenditures	13.43%	11.60%	1.18%	0.93%	0.82%

Source: City of Rialto Comprehensive Annual Reports

**City of Rialto**  
**Schedule: 4**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Revenues:</b>					
Taxes	\$ 49,351,847	\$ 53,355,191	\$ 60,427,658	\$ 68,925,128	\$ 70,708,910
License and permits	3,808,922	4,024,422	5,324,291	5,489,889	5,751,170
Fines and forfeitures	545,896	555,621	690,784	542,765	504,431
Use of money and property	1,357,158	263,039	1,228,984	5,175,470	4,306,120
Revenue from other agencies	17,481,364	18,783,546	26,053,438	21,214,497	26,281,864
Charges for services	7,577,603	30,707,457	10,466,109	11,961,147	9,828,413
Development impact fees	4,087,903	17,997,408	15,142,316	14,941,991	13,181,947
RUA lease payments	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Reimbursement from successor agency for expenditures	185,367	186,465	1,027,556	566,570	-
Other	4,081,234	2,908,148	2,747,683	4,836,900	2,736,063
Payment from successor agency of bond proceeds	-	387,848	187,299	187,866	188,166
Total revenues	<u>90,477,294</u>	<u>131,169,145</u>	<u>125,296,118</u>	<u>135,842,223</u>	<u>135,487,084</u>
<b>Expenditures:</b>					
General government	15,388,037	21,733,446	17,701,523	16,214,741	17,995,882
Public safety	44,662,648	51,846,210	53,779,614	54,511,656	59,131,345
Community Development	11,317,119	12,518,908	11,328,676	13,263,056	13,304,328
Payment to successor agency for disallowed items	1,295,583	-	-	-	-
Capital outlay	29,951,173	28,242,499	40,900,743	31,791,171	33,532,966
Debt service:					
Principal Retirement	350,700	371,400	514,129	4,454,983	601,548
Interest and fiscal charges	128,156	78,602	335,372	460,562	229,063
Bond issuance cost	-	35,000	38,165	23,901	-
Total Expenditures	<u>103,093,416</u>	<u>114,826,065</u>	<u>124,598,222</u>	<u>120,720,070</u>	<u>124,795,132</u>
<b>Other financing sources/ (uses):</b>					
Proceeds from sale of capital assets	33,147	38,047	503,191	19,002	16,112
Proceeds from Margin Loan	-	-	3,627,382	5,556,613	-
Payment to refunded note payable escrow agent	-	-	-	-	-
Capital lease	-	2,455,000	6,109,580	-	-
Transfers in	13,431,644	27,002,864	13,175,693	133,156,834	8,370,268
Transfers out	(16,240,238)	(11,229,610)	(11,173,981)	(134,041,089)	(11,405,603)
Transfers to private-purpose trust fund	-	-	-	-	-
Proceeds from note payable issuance	-	-	-	-	-
Total other financing	<u>(2,775,447)</u>	<u>18,266,301</u>	<u>12,241,865</u>	<u>4,691,360</u>	<u>(3,019,223)</u>
Extraordinary gain (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (15,391,569)</u>	<u>\$ 34,609,381</u>	<u>\$ 12,939,761</u>	<u>\$ 19,813,513</u>	<u>\$ 7,672,729</u>
Debt service as a percentage of noncapital expenditures	0.46%	0.39%	0.68%	5.25%	0.86%

Source: City of Rialto Comprehensive Annual Reports

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## Revenue Capacity

These schedules contain information to help readers assess the City's most significant local revenue source.

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**City of Rialto**  
**Schedule: 5**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2011	2012	2013	2014	2015
Residential property	\$ 3,162,107,777	\$ 3,195,189,715	\$ 3,255,372,602	\$ 3,460,403,021	\$ 3,706,976,516
Industrial property	1,151,101,897	1,126,462,532	1,115,863,666	1,101,972,851	1,316,782,787
Unsecured	484,337,069	422,947,049	529,395,064	517,585,920	578,031,980
Commercial property	417,633,125	408,012,403	402,250,052	418,964,698	430,855,054
Vacant land	371,996,335	316,971,340	312,032,595	362,960,175	370,078,941
Other property	32,099,280	76,446,218	83,542,480	56,873,342	61,257,108
Less: Tax-exempt property	-	-	-	-	-
<b>Total taxable assessed value</b>	<b>\$ 5,619,275,483</b>	<b>\$ 5,546,029,257</b>	<b>\$ 5,698,456,459</b>	<b>\$ 5,918,760,007</b>	<b>\$ 6,463,982,386</b>
Total direct tax rate	1%	1%	1%	1%	1%
Estimated actual taxable value	\$ 5,619,275,483	\$ 5,546,029,257	\$ 5,698,456,459	\$ 5,918,760,007	\$ 6,463,982,386

NOTE 1: In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

NOTE 2: Other property includes recreational, institutional, government owned, SBE nonunitary, irrigated, dry farm and miscellaneous property

Sources: HdL Coren & Cone ( San Bernardino County Assessor)



Fiscal Year				
2016	2017	2018	2019	2020
\$ 3,916,404,105	\$ 4,071,652,098	\$ 4,271,585,009	\$ 4,529,588,227	\$ 4,787,119,436
1,469,439,116	1,709,081,286	1,774,160,516	2,509,149,092	3,043,673,505
646,168,256	659,303,329	801,999,612	868,370,316	912,396,270
441,266,751	461,815,727	499,561,220	604,256,834	698,917,953
400,090,232	355,270,288	482,573,026	528,378,416	456,048,337
64,591,692	80,484,157	77,873,664	106,523,764	124,029,997
-	-	-	-	-
<b>\$ 6,937,960,152</b>	<b>\$ 7,337,606,885</b>	<b>\$ 7,907,753,047</b>	<b>\$ 9,146,266,649</b>	<b>\$ 10,022,185,498</b>
1%	1%	1%	1%	1%
\$ 6,937,960,152	\$ 7,337,606,885	\$ 7,907,753,047	\$ 9,146,266,649	\$ 10,022,185,498

NOTE 1: In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

NOTE 2: Other property includes recreational, institutional, government owned, SBE nonunitary, irrigated, dry farm and miscellaneous property

Sources: HdL Coren & Cone ( San Bernardino County Assessor)

**City of Rialto**  
**Schedule: 6**  
**Property Tax Rates**  
**Direct & Overlapping Governments**  
**Last Ten Fiscal Years**  
**(rate per \$100 of assessed value)**

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>Basic Levy</b>					
City of Rialto	0.13642	0.13642	0.13642	0.13642	0.13642
County Free Library	0.01441	0.01441	0.01441	0.01441	0.01441
County General Fund	0.14883	0.14883	0.14883	0.14883	0.14883
County Superintendant of Schools	0.01013	0.01013	0.01013	0.01013	0.01013
Education Revenue Augmentation Fund	0.22536	0.22536	0.22536	0.22536	0.22536
Flood Control Admin 1 & 2	0.00186	0.00186	0.00186	0.00186	0.00186
Flood Control Zone 2	0.02642	0.02642	0.02642	0.02642	0.02642
Inland Empire Joint Resource Cons District	0.00053	0.00053	0.00053	0.00053	0.00053
Rialto Unified	0.32757	0.32757	0.32757	0.32757	0.32757
San Bernardino Community College	0.05230	0.05230	0.05230	0.05230	0.05230
San Bernardino Valley Municipal Water	0.02692	0.02692	0.02692	0.02692	0.02692
West San Bernardino Co Water District	0.02925	0.02925	0.02925	0.02925	0.02925
<b>Total direct tax rate</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>
<b>Overlapping rates:</b>					
Rialto Unified School District	0.07880	0.08560	0.07360	0.07040	0.06550
San Bernardino College Board	0.04670	0.03730	0.04590	0.04190	0.03930
San Bernardino Valley Water	0.16500	0.16500	0.16250	0.16250	0.16250
<b>Total Direct &amp; Overlapping Tax Rates</b>	<b>1.29050</b>	<b>1.28790</b>	<b>1.28200</b>	<b>1.27480</b>	<b>1.26730</b>

Sources:

San Bernardino County Auditor-Controller/Treasurer/Tax Collector

<http://www.sbcounty.gov/ATC/Services/Documents?expandID=10#xpan-10>

HdL Coren & Cone ( San Bernardino County Assessor)

Fiscal Year				
2016	2017	2018	2019	2020
0.13642	0.13642	0.13642	0.13642	0.13642
0.01441	0.01441	0.01441	0.01441	0.01441
0.14883	0.14883	0.14883	0.14883	0.14883
0.01013	0.01013	0.01013	0.01013	0.01013
0.22536	0.22536	0.22536	0.22536	0.22536
0.00186	0.00186	0.00186	0.00186	0.00186
0.02642	0.02642	0.02642	0.02642	0.02642
0.00053	0.00053	0.00053	0.00053	0.00053
0.32757	0.32757	0.32757	0.32757	0.32757
0.05230	0.05230	0.05230	0.0523	0.0523
0.02692	0.02692	0.02692	0.02692	0.02692
0.02925	0.02925	0.02925	0.02925	0.02925
<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>
0.11940	0.09920	0.09570	0.07710	0.08480
0.04030	0.03500	0.03790	0.04070	0.05620
0.16250	0.16250	0.15250	0.15250	0.14250
<b>1.32220</b>	<b>1.29670</b>	<b>1.28610</b>	<b>1.27030</b>	<b>1.28350</b>

**City of Rialto**  
**Schedule: 7**  
**Principal Property Tax Payers**  
**Current Year and Ten Years Ago**

	2020			2010		
	Assessed Value	Rank	Percentage of Total City Assessed Value	Assessed Value	Rank	Percentage of Total City Assessed Value
Tax Payer						
Target Corporation	\$ 500,412,779	1	4.99%	\$ 1,790,533	1	5.78%
Prologis-Macquarie U S LLC	385,117,420	2	3.84%	794,697	2	2.57%
Teachers Insurance And Annuity Assoc	191,791,832	3	1.91%			
Rialto Building 6 Project LLC	182,668,654	4	1.82%			
Liberty Property LP	157,484,219	5	1.57%			
GPT BTS Linden Avenue Owner	156,372,239	6	1.56%			
Medline Industries Inc	151,528,179	7	1.51%			
Rialto Renaissance LLC	122,258,455	8	1.22%			
LHR Renaissance Marketplace	113,310,488	9	1.13%			
Fedex Ground Package System Inc	106,713,309	10	1.06%	766,137	3	2.48%
California East Kline Ranch LP				579,799	7	1.87%
Prologis-A4 California II LP				758,405	4	2.45%
Giraffe Properties LLC				717,449	5	2.32%
Rialto II Realty Holding Company Inc				653,944	6	2.11%
Burlingame Industries Inc				358,927	9	1.16%
Staples The Office Superstore Inc				384,115	8	1.24%
AMB Property LP				345,040.11	10	1.11%
<b>Total</b>	<b>2,067,657,574</b>		<b>20.61%</b>	<b>7,149,047</b>		<b>23.09%</b>

Sources: HdL Coren & Cone

**City of Rialto**  
**Schedule: 8**  
**Principal Sales Tax Payers**  
**Current Year and Nine Years Ago**

2020	2011
American Building Supply	American Building Supply
Arco AM PM	Amerigas Propane
Cal Duct	Arco AM PM
Camblin Steel Services	Arco AM PM
CarFAM	Arco AM PM
Chevron	Arco AM PM
Chick Fil A	Chevron
Enterprise Rent A Car	dd's Discounts
Flyers Energy Lubricants	Enterprise Rent A Car
Food 4 Less	FedEx
Goodfellow Crushers	Home Depot
Holliday Rock	Matich
Home Depot	Merit Oil
Medline Industries	Orange County Lumber
Merit Oil	Pacific Chevron
Orange County Lumber	Poma Automated Fueling
Rialto Travel Center	Poma Distribution
Robertsons Ready Mix	Rialto Travel Center
Stator Bros	State Pipe & Supply
Target Food Distribution	Stator Bros
Thompson Pipe Group Los Angeles	Tesoro Refining & Marketing
Walgreens	Thompson Pipe Group Los Angeles
Walmart Neighborhood Market	Thrifty
Yardley Orgill	Walmart Neighborhood Market
Zara Warehouse	Western Refining Wholesale

NOTE: Firms listed alphabetically.

Sources: The HdL Companies; State Board of Equalization

**City of Rialto**  
**Schedule: 9**  
**Property Tax Levies and Collections**  
**Last Ten Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected with the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2011	17,611,622	17,470,784	99.20%	140,838	17,611,622	100.00%
2012	19,467,112	18,698,687	96.05%	768,425	19,467,112	100.00%
2013	22,604,425	22,503,375	99.55%	101,049	22,604,425	100.00%
2014	21,095,830	20,913,162	99.13%	182,668	21,095,830	100.00%
2015	24,231,424	24,045,621	99.23%	185,803	24,231,424	100.00%
2016	23,902,218	23,750,424	99.36%	151,765	23,902,189	100.00%
2017	23,719,160	23,608,043	99.53%	110,730	23,718,773	100.00%
2018	31,445,680	31,292,569	99.51%	152,743	31,445,312	100.00%
2019	34,643,458	34,544,095	99.71%	99,342	34,643,437	100.00%
2020	37,223,333	37,079,154	99.61%	144,179	37,223,333	100.00%

NOTE: Amounts exclude debt service levies and former Redevelopment property tax increments.

Source: County of San Bernardino Auditor-Controller; City of Rialto Finance

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## **Debt Capacity**

These schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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**City of Rialto**  
**Schedule: 10**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					
	Tax Allocation Bonds	Certificate of Participation	Capital Lease	Notes Payable	Other	Total Governmental Activities
2011	167,557,629	2,428,894	-	13,828,186	739,467	184,554,176
2012	- <sup>1</sup>	2,241,504	331,033	2,146,000	-	4,718,538
2013	- <sup>1</sup>	2,054,115	223,840	2,008,000	-	4,285,956
2014	- <sup>1</sup>	1,880,000	113,526	1,860,000	-	3,853,526
2015	- <sup>1</sup>	1,675,000	-	1,702,000	-	3,377,000
2016	- <sup>1</sup>	1,465,000	-	1,534,000	-	2,999,000
2017	- <sup>1</sup>	1,245,000	2,455,000	1,354,000	-	5,054,000
2018	- <sup>1</sup>	1,015,000	8,442,551	1,162,000	3,627,382	14,246,933
2019	- <sup>1</sup>	775,000	11,795,691	2,732,000	-	15,302,691
2020	- <sup>1</sup>	525,000	11,485,311	2,514,000	-	14,524,311

Fiscal Year	Business-type Activities					Total Primary Government	Percentage of Personal Income <sup>2</sup>	Debt per Capita <sup>2</sup>
	Revenue Bonds	Installment Agreement Payable	Notes Payable	Other	Total Business-type Activities			
2011	-	3,613,684	26,535,032	455,029	30,603,745	215,157,921	14.74%	2,169.56
2012	-	3,241,394	24,814,706	455,029	28,511,129	33,229,667	2.34%	329.74
2013	167,706,120	-	-	455,029	168,161,149	172,447,105	10.92%	1,697.03
2014	166,082,170	-	-	455,029	166,537,199	170,390,725	10.83%	1,670.14
2015	164,507,959	-	-	455,029	164,962,988	168,339,988	10.12%	1,640.50
2016	162,733,776	-	-	383,555	163,117,331	166,116,331	9.42%	1,600.50 <sup>3</sup>
2017	160,815,578	-	-	383,555	161,199,133	166,253,133	9.25%	1,581.75 <sup>3</sup>
2018	158,741,386	-	-	383,555	159,124,941	173,371,874	9.07%	1,638.29 <sup>3</sup>
2019	156,498,210	-	-	383,555	156,881,765	172,184,456	8.49%	1,622.32 <sup>3</sup>
2020	154,071,953	-	-	383,555	154,455,508	168,979,819	7.31%	1,616.21

NOTES: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>No longer reported under governmental activities as the result of the dissolution of the former City of Rialto Redevelopment Agency as of February 1, 2012.

<sup>2</sup> See the Demographic and Economic Statistics Schedule ( schedule 15) for personal income and population data.

<sup>3</sup> Percentage of personal income and debt per capita for fiscal year 2019, were calculated using income and population for the prior calendar year.

Source: City of Rialto



**City of Rialto**  
**Schedule: 11**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt Outstanding				Total General Bonded Debt	Percentage of Assessed Value of Property <sup>1</sup>	Per Capita <sup>2</sup>
	Tax Allocation Bonds	Certificate of Participation	Revenue Bonds				
2011	167,557,629	2,455,000	-		170,012,629	3.03%	1,714.34
2012	- <sup>4</sup>	2,241,504	-		2,241,504	0.04%	22.24
2013	- <sup>4</sup>	2,054,115	167,706,120		169,760,235	2.98%	1,670.59
2014	- <sup>4</sup>	1,880,000	166,082,170		167,962,170	2.84%	1,646.33
2015	- <sup>4</sup>	1,675,000	164,507,959		166,182,959	2.57%	1,619.48
2016	- <sup>4</sup>	1,465,000	162,733,776		164,198,776	2.37%	1,600.14 <sup>3</sup>
2017	- <sup>4</sup>	1,245,000	160,815,578		162,060,578	2.21%	1,564.87 <sup>3</sup>
2018	- <sup>4</sup>	1,015,000	158,741,386		159,756,386	2.02%	1,505.22 <sup>3</sup>
2019	- <sup>4</sup>	775,000	156,498,210		157,273,210	1.72%	1,466.13
2020	- <sup>4</sup>	525,000	154,071,953		154,596,953	1.54%	1,478.65

NOTES: Details regarding the City's outstanding debt can be found in the notes to the financial statements. General bonded debt is debt that is backed, in whole or in part, by resources of the general government.

<sup>1</sup> See the assessed value and estimated actual value of taxable property schedule (schedule 5) for property value data. Assessed Value has been used because the actual value of taxable property is not readily available in the State of California.

<sup>2</sup> See the Demographic and Economic Statistics Schedule (schedule 15) for population data.

<sup>3</sup> Debt per capita for fiscal year 2019 was calculated using population for the prior calendar year.

<sup>4</sup> No longer considered general bonded debt as the result of the dissolution of the former City of Rialto Redevelopment Agency as of February 1, 2012.

Source: City of Rialto

**City of Rialto**  
**Schedule: 12**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2011	2012	2013	2014	2015
Assessed value	\$ 5,619,275,483	\$ 5,546,029,257	\$ 5,698,456,459	\$ 5,918,760,007	\$ 6,463,982,386
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,404,818,871	1,386,507,314	1,424,614,115	1,479,690,002	1,615,995,597
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	210,722,831	207,976,097	213,692,117	221,953,500	242,399,339
Total net debt applicable to limit:Certificate of Particip	2,428,894	2,241,504	2,054,115	1,880,000	1,675,000
Legal debt margin	\$ 210,722,831	\$ 207,976,097	\$ 213,692,117	\$ 221,953,500	\$ 242,399,339
Total net debt applicable to the limit as a percentage of debt limit	1.15%	1.08%	0.96%	0.85%	0.69%

NOTES: Under State Finance Law, the City's outstanding general obligation debt should not exceed 15 percent of the total assessed property value. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Rialto

**City of Rialto**  
**Schedule: 12**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2016	2017	2018	2019	2020
Assessed value	\$ 6,937,960,152	\$ 7,337,606,885	\$ 7,907,753,047	\$ 9,146,266,649	\$ 10,022,185,498
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,734,490,038	1,834,401,721	1,976,938,261.75	2,286,566,662	2,505,546,375
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	260,173,506	275,160,258	296,540,739.26	342,984,999.34	375,831,956.18
Total net debt applicable to limit:Certificate of Particip	1,465,000	1,245,000	1,015,000	775,000	525,000
Legal debt margin	\$ 260,173,506	\$ 275,160,258	\$ 296,540,739	\$ 342,984,999	\$ 375,831,956
Total net debt applicable to the limit as a percentage of debt limit	0.56%	0.45%	0.34%	0.23%	0.14%

**City of Rialto**  
**Schedule: 13**  
**Direct & Overlapping Debt**  
**As of June 30, 2020**

2019-20 Assessed Valuation: \$10,022,185,498

	Total Debt 6/30/2020	% Applicable <sup>(1)</sup>	City's Share of Debt 6/30/20
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Metropolitan Water District	\$37,300,000	0.068%	\$25,364
Chaffey Community College District	332,395,000	1.047	3,480,176
San Bernardino Community College District	738,367,480	11.577	85,480,803
Colton Joint Unified School District	182,403,765	13.956	25,456,269
Fontana Unified School District	170,125,349	7.178	12,211,598
Rialto Unified School District	107,443,793	74.421	79,960,745
San Bernardino City Unified School District	230,457,341	0.020	46,091
City of Rialto Community Facilities District No. 2006-1	4,500,000	100.00	4,500,000
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$211,161,046</b>
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u></b>			
San Bernardino County General Fund Obligations	\$239,140,000	4.229%	\$10,113,231
San Bernardino County Pension Obligation Bonds	237,212,638	4.229	10,031,722
San Bernardino County Flood Control District General Fund Obligations	57,155,000	4.229	2,417,085
Chaffey Community College District Certificates of Participation	29,955,000	1.047	313,629
Colton Joint Unified School District Certificates of Participation	602,300	13.956	84,057
Fontana Unified School District Certificates of Participation	28,615,000	7.178	2,053,985
Rialto Unified School District Certificates of Participation	11,732,844	74.421	8,731,700
San Bernardino City Unified School District Certificates of Participation	96,515,000	0.020	19,303
<b>City of Rialto General Fund Obligations</b>	<b>14,524,311</b>	<b>100</b>	<b>14,524,311</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$48,289,023</b>
<b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u></b>	<b>119,275,000</b>	<b>100.00%</b>	<b>\$119,275,000</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$14,524,311</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$364,200,758</b>
<b>COMBINED TOTAL DEBT</b>			<b>\$378,725,069 <sup>(2)</sup></b>

<sup>(1)</sup> The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value..

<sup>(2)</sup> Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2019-20 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.11%
<b>Total Direct Debt (\$14,524,311)</b>	<b>0.14%</b>
Combined Total Debt	3.78%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$5,024,370,014):

Total Overlapping Tax Increment Debt	2.37%
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NOTES: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Colton. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident—and therefore responsible for repaying the debt—of each overlapping government.

Source: California Municipal Statistics, Inc.

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**City of Rialto**  
**Schedule: 14**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

Fiscal Year	Water Revenue Bonds						
	Pledged Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2012	-	-	-	-	-	-	-
2013	1,291,943	2,879,139	(1,587,196)	308,067	1,391,545	1,699,612	(0.93)
2014	6,076,082	5,704,078	372,004	512,211	2,387,789	2,900,000	0.13
2015	7,723,650	5,569,541	2,154,109	544,448	2,355,552	2,900,000	0.74
2016	8,869,300	5,676,547	3,192,753	578,712	2,321,288	2,900,000	1.10
2017	9,275,027	5,874,523	3,400,504	615,132	2,284,868	2,900,000	1.17
2018	8,616,245	6,370,090	2,246,155	653,845	2,246,155	2,900,000	0.77
2019	8,420,761	6,215,754	2,205,007	694,993	2,205,007	2,900,000	0.76
2020	8,830,652	6,669,384	2,161,268	738,732	2,161,268	2,900,000	0.75

NOTES: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City of Rialto

**Wastewater Revenue Bonds**

Pledged Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage
			Principal	Interest		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
7,394,654	3,347,402	4,047,252	707,860	6,764,572	7,472,432.00	0.54
14,660,988	6,460,799	8,200,189	1,111,739	11,638,261	12,750,000.00	0.64
19,356,543	6,437,198	12,919,345	1,029,763	11,585,242	12,615,005.00	1.02
18,468,543	6,543,990	11,924,553	1,195,470	11,486,530	12,682,000.00	0.94
22,156,987	6,721,045	15,435,942	1,303,066	11,378,934	12,682,000.00	1.22
18,624,185	7,362,532	11,261,653	1,420,347	11,261,653	12,682,000.00	0.89
18,147,808	7,013,991	11,133,817	1,548,183	11,133,817	12,682,000.00	0.88
18,693,267	7,698,772	10,994,495	1,687,525	10,994,475	12,682,000.00	0.87

NOTES: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City of Rialto

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## **Demographic and Economic Information**

These schedules offer demographic and economic indications to help readers understand the environment within which the City's financial activities take place.

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**City of Rialto**  
**Schedule: 15**  
**Demographic and Economic Statistics**  
**Last Ten Years**

Calendar Year	(1) Population	Personal Income	(2) Per Capita Income	(3) Unemployment Rate
2011	100,774	1,421,518,044	14,106	16.10%
2012	101,617	1,578,924,946	15,538	14.50%
2013	102,022	1,573,791,372	15,426	12.40%
2014	102,615	1,662,978,690	16,206	10.40%
2015	103,790	1,763,392,100	16,990	8.40%
2016	105,107	1,796,488,844	17,092	7.50%
2017	105,825	1,912,469,400	18,072	6.40%
2018	106,135	2,028,345,985	19,111	5.00%
2019	107,271	-	*	4.20%
2020	104,553	2,310,725,853	22,101	14.90%

Sources:

1. State of California, Department of Finance; U.S. Census Bureau, American Fact Finder
2. U.S. Census Bureau, American Fact Finder  
PER CAPITA INCOME IN THE PAST 12 MONTHS  
[http://factfinder.census.gov/bkmk/table/1.0/en/ACS/07\\_1YR/B19301/1600000US0660466](http://factfinder.census.gov/bkmk/table/1.0/en/ACS/07_1YR/B19301/1600000US0660466)  
<http://www.census.gov/quickfacts/table/INC110214/0660466.00>
3. Bureau of Labor Statistics of the U.S. Department of Labor  
Local Area Unemployment Statistics - Not Seasonally Adjusted  
<http://www.bls.gov/data/#unemployment> Multiscreen Data Search

**City of Rialto**  
**Schedule: 16**  
**Principal Employers**  
**Current Year**

Employer	2020	
	Number of Employees	Percent of Total Employment
Rialto Unified School District	2500 to 2999	5.81 - 6.97 %
Chuze Fitness	500 to 999	1.16 - 2.32 %
City of Rialto	250 to 499	.58 - 1.16 %
Walmart Supercenter	250 to 499	.58 - 1.16 %
Amazon Fulfillment Ctr	250 to 499	.58 - 1.16 %
Stater Bros Markets	250 to 499	.58 - 1.16 %
Vista Cove Care Ctr At Rialto	100 to 249	.58 - 1.16 %
Columbia Steel Inc	100 to 249	.23 - .58 %
Forest River Inc	100 to 249	.23 - .58 %
Mesa Counseling Svc	100 to 249	.23 - .58 %
Sierra Lathing CO Inc	100 to 249	.23 - .58 %
Target	100 to 249	.23 - .58 %
Rally's Hamburgers	100 to 249	.23 - .58 %
Burlingame Industries	100 to 249	.23 - .58 %
Maintenance Center	100 to 249	.23 - .58 %
El Super 35	100 to 249	.23 - .58 %
Home Depot	100 to 249	.23 - .58 %
Olive Garden Italian Kitchen	100 to 249	.23 - .58 %
Superior Grocers	100 to 249	.23 - .58 %
Cracker Barrel Old Country Str	100 to 249	.23 - .58 %
Coit Carpet & Drapery Cleaners	100 to 249	.23 - .58 %
Martinez & Turek Inc	100 to 249	.23 - .58 %
R C Construction	100 to 249	.23 - .58 %

NOTE: "Total Employment" as used above represents the total employment of all employers located within City limits. Information was presented as a range as specific employer and percentage totals are not available.

Sources: State Employment Development Department

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## Operating Information

These schedules contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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**City of Rialto**  
**Schedule: 17**  
**Authorized Full-time Employees by Function**  
**Last Ten Fiscal Years**

Function/ Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
City Administrator	2.00	1.50	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
City Clerk	7.00	6.00	6.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
City Council	5.00	5.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Treasurer	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Finance	19.00	20.33	12.83	12.33	13.33	17.67	17.00	15.00	16.00	15.50
Information Technology Services	-	-	-	-	-	-	-	-	-	5.50
Management Services	-	-	-	3.00	4.00	4.00	5.00	5.00	6.00	6.00
Human Resources	4.00	3.33	3.33	3.33	4.33	3.73	4.40	4.40	4.40	5.00
Public Safety										
Fire	63.00	69.00	76.00	76.00	70.00	78.00	81.00	80.00	83.00	84.00
Police	135.50	156.50	140.50	142.50	145.50	145.50	146.00	142.00	146.00	161.00
Community Development										
Development Services	21.60	15.75	19.66	18.06	18.10	19.15	21.00	20.00	21.00	28.05
Redevelopment/ Successor Agency of the Former RDA	9.00	7.50	1.44	1.44	1.40	1.35	0.60	0.60	0.60	0.95
Public Works	60.90	57.25	48.90	40.00	43.00	43.60	44.00	41.00	47.00	55.00
Recreation & Community Services	12.00	10.34	9.34	9.34	9.34	10.00	10.00	10.00	11.00	12.00
Grand Total	<u>343.00</u>	<u>357.00</u>	<u>329.00</u>	<u>321.00</u>	<u>324.00</u>	<u>338.00</u>	<u>344.00</u>	<u>333.00</u>	<u>350.00</u>	<u>389.00</u>

Source: City of Rialto

**City of Rialto**  
**Schedule: 18**  
**Operating Indicators by Function/Program**  
**Last Ten Years**

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Arrests	3,721	3,526	3,898	4,124	3,990	3,919	3,851	3,684	3,939	4,290
Fire										
Emergency unit responses	18,098	17,672	18,556	19,830	21,153	22,141	21,567	22,814	22,614	23,375
Community Development										
Number of certificates of occupancy issued	294	242	128	109	131	59	77	53	192	9
Recreation & Community Services										
Number of recreation classes	64	72	72	86	77	96	94	94	97	-
Public Works										
Street resurfacing (miles)	-	20	19	25	17	34	37	3	33	1
<b>Water</b>										
Average daily consumption (millions of gallons)	4.17	5.29	4.63	4.40	3.82	3.17	3.44	3.78	7.40	7.42
Number of Installed Water Meters	*	166	168	232	1,206	1,500	*	*	16	46
<b>Sewer</b>										
Average daily sewage treatment (millions of gallons)	7.71	7.44	#	7.22	7.26	7.01	6.69	7.58	6.77	6.82

Source: Various City of Rialto departments.

NOTE: \* data not available.

**City of Rialto**  
**Schedule 19**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Years**

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire										
Fire stations	3	3	4	4	4	4	4	4	5	5
Public Works										
Estimated street miles	268	268	268	268	270	270	270	272	280	280
Traffic Signals	605	606	609	614	614	620	621	627	628	629
City-owned street lights	79	79	87	87	120	250	328	4,144	4,205	4,237
Recreation & Community Services										
Parks	10	10	10	9	9	10	10	10	11	11
Community Centers	1	1	1	1	1	1	2	2	2	3
Water										
Water mains (miles)	*	187	187	187	187	187	187	187	190	190
Sewer										
Sanitary sewer (miles)	*	263	263	263	263	263	263	263	266	266

NOTE: \* data not available.

Source: Various City departments.