

City of Upland, California
**Annual Comprehensive
Financial Report**



**Fiscal Year Ended
June 30, 2022**

CITY OF UPLAND, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2022

Prepared by
Finance Division

City of Upland
Annual Comprehensive Financial Report
Year Ended June 30, 2022

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INTRODUCTORY SECTION



March 30, 2023

Honorable Mayor and
Members of the City Council
City of Upland, California

The *Comprehensive Annual Financial Report* of the City of Upland, California for the fiscal year ended June 30, 2022 is hereby submitted.

The Comprehensive Annual Financial Report (ACFR) is prepared in accordance with generally accepted accounting principles as promulgated by the Government Accounting Standards Board (GASB). GASB has primary responsibility for determining current accounting and financial reporting standards for activities and transactions of state and local government entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, the data enclosed is accurate in all material aspects; it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included. For a more detailed discussion and analysis of the City's financial performance, refer to Management's Discussion and Analysis on page 4.

The Scope of the Comprehensive Annual Financial Report

In accordance with Generally Accepted Accounting Principles (GAAP), the ACFR combines the financial statements of the City of Upland together with the Successor Agency to the former Upland Community Redevelopment Agency (UCRA), the Upland Public Financing Authority (Authority) and the City of Upland Financing Authority (Financing Authority). Although the Successor Agency to UCRA and the Authority are legally separate from the City, the City has certain responsibilities with respect to the fiscal accountability of those entities.

The City of Upland

The City of Upland is situated on the western border of San Bernardino County, bordered by the cities of Claremont, Montclair, Ontario and Rancho Cucamonga. Upland, known as the "City of Gracious Living," is nestled at the base of the San Gabriel Mountains and encompasses 15.2 square miles. It has an estimated population of 78,769 persons as of January 2021.

It was the year of 1882 when brothers, George and W.B. Chaffey, arrived in California from Canada seeking a new place for a colony. The wide stretch of green against the foothills was lush and fertile, and they had found that for which they were looking. After acquiring the land, they used wise and long-range planning which facilitated giving Upland its unique characteristics. Upland's wide, main, thorough way

named Euclid Avenue (which the Chaffey's named after the "Father" of geometry) is still an attraction and the envy of many. Upland was incorporated on May 15, 1906 and utilizes a Council-Manager form of government. The City provides a wide range of traditional municipal and public enterprise services.

Services Provided by the City of Upland	
<u>Municipal Services</u>	<u>Public Enterprise Services</u>
General Administrative Support	Water Utility
Public Safety	Solid Waste Utility
Highways and Streets	Sewer Utility
Public Improvements	
Planning and Zoning	
Development Services and Housing	
Library and Cultural	
Recreation and Parks	

The City Council consists of a directly elected Mayor and City Treasurer, and four Council members elected by residents in their respective districts. Council terms are four years. Elections are held every two years at which time either the Mayor, City Treasurer and one Council member, or three Council members are elected. The City Council appoints a City Manager to administer the affairs of the City, as well as a City Attorney. A listing of names of officials of the City of Upland and a City organization chart are included in the Introductory Section of this ACFR.

Officials responsible for City financial administration are the City Treasurer, City Manager, and the Assistant City Manager. The City Treasurer is elected by the community at large to a four-year term. The City Treasurer is the custodian of all City funds. The Assistant City Manager is appointed by the City Manager and is responsible for establishing and maintaining the general accounting system for the City, auditing and approving for payment of all demands or charges upon the City.

Local Economy

The United States' economy grew by just 2.1% in 2022, down from a robust 5.7% in 2021 when the recovery from the coronavirus pandemic was in full force. The City of Upland has seen much stronger growth in its sales tax revenues, which climbed by 9.4% in FY 21/22.

The federal government's approval of the American Rescue Plan Act (ARPA) has led to \$15.2 million promised to Upland, and an unprecedented opportunity to invest in the community. City Council has approved an ARPA Investment Plan that provides additional investments in public safety and infrastructure, in conjunction with resident priorities.

The additional federal funds, on the heels of Coronavirus Aid, Relief, and Economic Security (CARES) Act combined with a war in Ukraine and disrupted supply chains all over the globe to lead to the country's highest inflation rates in almost four decades. The 8.0% inflation rate for 2022 is the highest since 1981. The Federal Reserve raised interest rates at unprecedented levels in 2022 - 7 times for a total of 4.25%. Despite the cooling off of money supply, the US has been fortunate to see no dip in unemployment while attempting to cool down the inflation rate. In fact, the January 2023 unemployment rate of 3.4% is the lowest in 54 years. This reflects success in the Fed's attempt to tamp down inflation without entering the economy into a recession, but walking that fine line is a herculean task.

The City General Fund is in its strongest position in over a decade, thanks to the substantial growth in sales tax revenue. Strong sales tax and property tax revenues are expected to garner similar results in Fiscal Year 2022/23.

One initiative that had a major impact on the financial statements occurred from December 2021 through April 2022, when City Council implemented the BLAST pension strategy. BLAST took a multi-pronged approach to intentionally paying down over \$40 million of the City's Unfunded Accrued Liability (UAL) with California Public Employees' Retirement System (CalPERS). One prong of BLAST saw the Water and Sewer Funds invest in the General Fund's lease revenue bonds, which provided a mechanism for the City to make an additional discretionary payment of \$20.5 million with borrowing costs of just 1.92% while ensuring that the Water and Sewer Funds don't lose a penny in the process. The original estimates of savings from City Council's intentional action were \$66.8 million over the next 22 years. Even after CalPERS had one of their worst ever losses in the year, the City contributed funds, the projected savings are now \$54.6 million.

Unfortunately, generally accepted accounting principles require the City to record the expense of paying down the CalPERS liability without being able to reflect the proceeds of the lease. The result is the City recording a \$30.5 million expense with no revenue to offset it, and Fund Financial Statements that reflect a fund balance of only \$3.4 million, with an unassigned fund balance of negative \$14.2 million. Had bonds been issued, the proceeds would have been included in the General Fund and the City would be reflecting \$23.9 million in fund balance and a positive unassigned fund balance. Regardless, the City's fiscal health is the strongest it has been in well over a decade, with General Fund cash exceeding cash in FY 20/21, and City Council continuing to set aside funds in accordance with the General Fund Reserve Policy.

In June, 2022 City Council adopted a resolution reaffirming a General Fund Reserve Policy, which was originally adopted June 2021. The reserve policy establishes an economic uncertainty reserve of 22.5% and an emergency disaster contingency reserve. When those are fully funded, any year-end operating surplus will go to the pension stabilization reserve (45%), infrastructure improvement reserve (30%), building replacement reserve (15%) and general plan update reserve (5%), with the remaining 5% set aside as unassigned. This intentional setting aside of funds ensures that money is available to address needs both in the present and the future. In June 2021, City Council also adopted a pension funding policy, which was revised in December 2021. City Council will continue to make intentional efforts to address its pension liability, including setting aside funds to contribute to the City's Section 115 Pension Trust as called for in the pension funding policy, and making additional discretionary payments to CalPERS beyond those required by actuarial valuations.

Financial Controls

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or 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 costs and benefits require estimates and judgments by management.

Budgetary Controls

The City's budget policy provides for an orderly process that allows for the adoption of the annual budget by June 30 of each year. The City maintains a budget control system to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The legal level of budgetary control, that is, the level at which expenditures cannot exceed appropriations, is the fund level within the General Fund, Special Revenue and Capital Projects Funds. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are each considered to be a single department. The City maintains an encumbrance accounting system as one technique to further maintain

budgetary control. Revenues are also estimated annually in the adoption of the annual budgeted. Revenues and expenditures are monitored throughout the year, with a mid-year budget provided to the City Council.

OTHER RELEVANT INFORMATION

Auditor's Opinion

Included in the Financial Section is the independent auditors' opinion, which is a significant part of the ACFR. In this report, Van Lant & Fankhanel, LLP, Certified Public Accountants, express their opinion that the financial statements are presented fairly in conformity with generally accepted accounting principles. The opinion is unmodified and therefore signifies a substantial level of achievement.

Certificate of Achievement

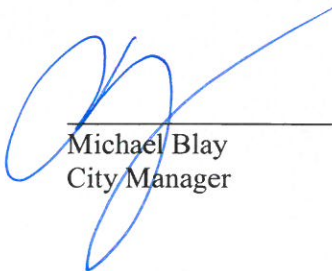
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Upland for its ACFR for the fiscal year ended June 30, 2021. To receive the award, a governmental unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards, and 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 our current report conforms to the Certificate of Achievement program requirements and we are submitting it to GFOA.

Acknowledgements


Our sincere appreciation and thanks for the support of the City Council and City department staff for their continuing cooperation. Special thanks are also extended to the Finance Division staff whose dedication and perseverance resulted in producing this report.

In keeping with past practice, a copy of this ACFR will be placed on file in the City's library and sent to the City Council, City management personnel, bond rating agencies and other agencies (such as financial institutions and governments), which have expressed an interest in the financial affairs of the City of Upland. This ACFR will also be available online at www.uplandca.gov.

Respectfully submitted,



Michael Blay
City Manager



Stephen Parker, CPA
Assistant City Manager

Officials of the City of Upland

Elected Officials

Bill Velto, Mayor

Shannan Maust
Janice Elliott
Carlos A. Garcia
Rudy Zuniga

Mayor Pro Tem District 1
Councilmember District 2
Councilmember District 3
Councilmember District 4

Greg Bradley

City Treasurer

Executive Staff

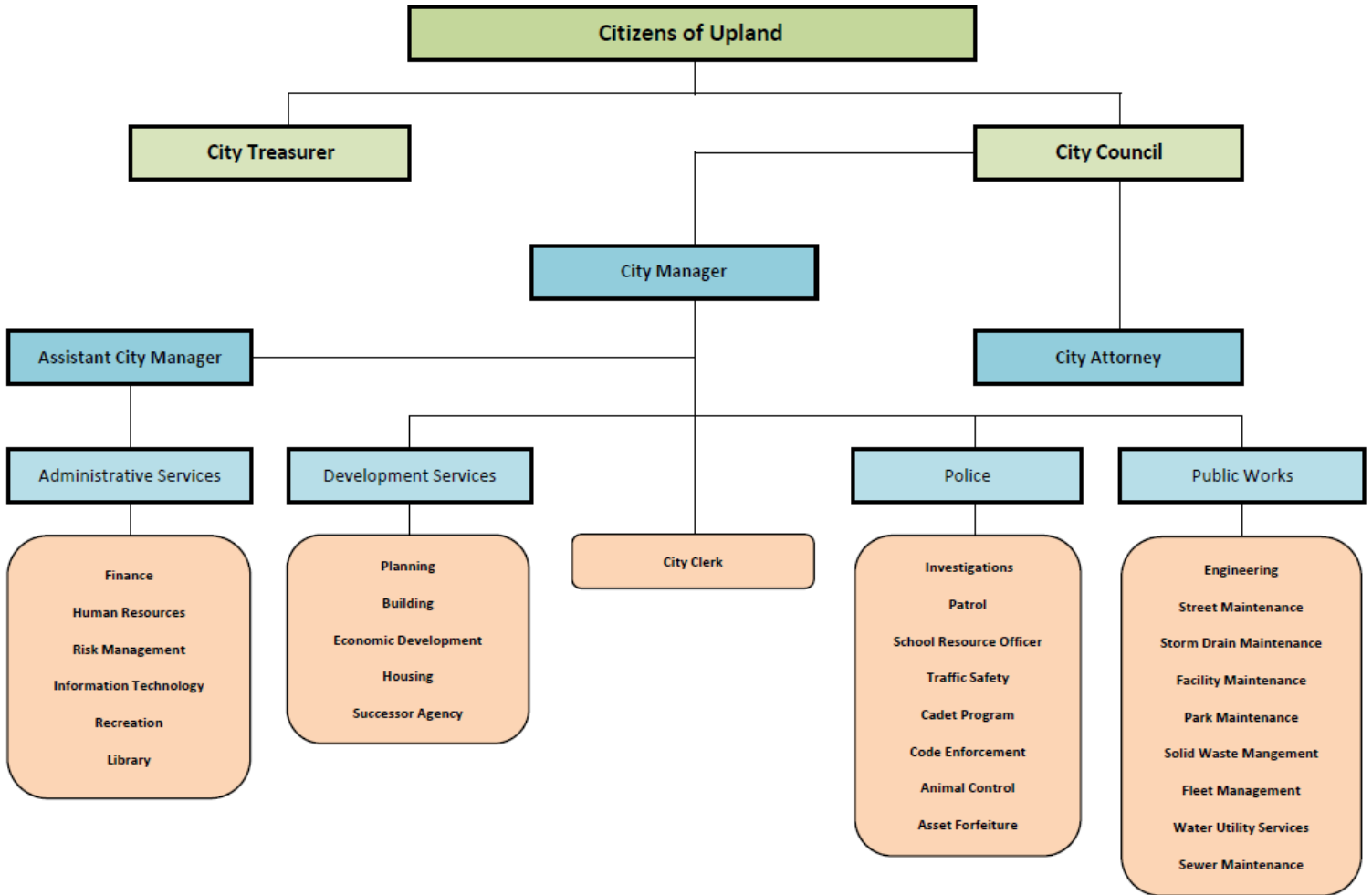
Michael Blay, City Manager

Stephen Parker, CPA
Stephen Deitsch
Robert D. Dalquest
Marcelo Blanco
Braden Yu

Assistant City Manager
City Attorney
Development Services Director
Chief of Police (Interim)
Public Works Director

City of Upland

Organizational
Chart Fiscal Year
2021-22





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Upland
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Independent Auditor's Report

The Honorable City Council
City of Upland, California

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Upland, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Upland, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, *GASB Statement No. 87, Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 30, 2023, 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 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.

Van Lant & Fankhaed, LLP

March 30, 2023
Murrieta, CA

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2022

The discussion and analysis of the City of Upland's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. It should be read in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Financial Highlights

- ◆ The City's Total Net Position at the close of the fiscal year is \$411 million; this is an increase of \$6.9 million or 1.7% in comparison with the prior year.
- ◆ The City's total assets and deferred outflows increased by \$44.0 million during the fiscal year. The largest change was an increase in a deferred outflows of resources for pension related items of \$47.9 million. This was due to additional discretionary payments made to CalPERS of over \$46 million in conjunction with implementing the BLAST pension strategy. Other significant changes include a decrease in entity wide cash and investments of \$22.4 million for the payments made to CalPERS, an increase of \$15.5 million in business-type activities cash and investments with fiscal agent as the Water Fund issued bonds for \$15.5 million to fund future capital projects, and a decrease of \$8.0 million in governmental activities restricted cash and investments as the City withdrew \$10 million from the Section 115 Pension Trust to make payments to CalPERS as a part of implementing BLAST.
- ◆ The City's liabilities and deferred inflows increased by \$37 million. Significant changes from prior year balances include an increase of \$46.6 million in deferred inflows of resources for pension related items due to the difference between projected and actual earnings on pension plan investments, a \$21.5 million decrease in noncurrent liabilities due in more than one year primarily due to a \$31.2 million deletion in net pension liability offset partially by the issuance of the 2022 Water Revenue Bonds, a \$6.8 million increase in unearned revenue primarily due to unspent American Rescue Plan Act funds, and a \$3.8 million increase in lease related deferred inflows of resources due to the implementation of GASB 87.
- ◆ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$60.3 million, a decrease of \$25.1 million in comparison with the prior year.
- ◆ As of the close of the current fiscal year, the City's enterprise funds reported combined total net position of \$165.7 million, an increase of \$12.5 million in comparison with the prior year.
- ◆ At the end of the fiscal year, unassigned fund balance for the General Fund was (\$11.9) million. This represents a decrease of \$12.1 million from the prior year. Restricted fund balance decreased by \$8.0 million to \$2.7 million and assigned fund balance decreased by \$4.5 to zero as fund balance cannot be assigned if unassigned fund balance is negative. These significant reclassifications are the result of council implementing the BLAST pension strategy. Additional information can be found in footnote 1 section P and footnote 14.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities provide information about the activities of the city as a whole and present a long-term view of the City's finances. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statements.

Reporting the City's Most Significant Funds

An analysis of the City's major funds begins on page 9. The fund financial statements begin on page 18 and provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law, grant requirements or by bond covenants. The City Council has established many other funds to help it control and manage other monies for specific purposes. The City's two kinds of funds - governmental and proprietary - use different accounting approaches.

- ◆ Governmental funds - Most of the City's basic services are reported in governmental funds which focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be used (in the future) to finance the City's programs. The difference of results in the governmental fund's statements to those in the government-wide financial statements are explained in a reconciliation schedule following the governmental funds financial statements.
- ◆ Proprietary funds - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows. The City uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities an example of such is the City's Self-Insurance fund. The internal service funds are reported with governmental activities in the government-wide financial statements.
- ◆ Fiduciary Funds – The City is responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on pages 25 and 26 respectively. The City excludes these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring the assets reported in these funds are used for their intended purposes.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities include all the assets and liabilities using the accrual basis of accounting, similar to accounting used by most private-sector companies. All the current year's revenues and expenses are recorded regardless of when cash is received or paid. These two statements report the City's net position and changes in net position. One can think of the City's net position as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. There are other nonfinancial factors that should be considered to assess the overall health of the City, such as, the condition of the City's roads,

City of Upland's Total Net Position

As noted earlier, the City's combined Total Net Position is \$411 million. The City's net position increased by \$6.9 million due to an increase in assets (including deferred outflows of resources) of \$44.0 million and liabilities and deferred inflows of resources increased by \$37.1 million. Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses, changes in and total net position are presented in the Statement of Activities. The City's combined Net Position for the fiscal year ended June 30, 2022 was:

Table 1
Net Position (In Millions)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$97.1	\$108.6	\$94.9	\$91.8	\$192.0	\$200.4
Capital assets	281.6	286.6	101.1	91.8	382.7	378.4
Total assets	378.7	395.2	196.0	183.6	574.7	578.8
Deferred outflows of resources	53.4	20.8	17.7	2.2	71.1	23.0
Long-term liabilities	112.4	144.3	35.3	24.8	147.7	169.1
Other liabilities	25.1	18.1	8.4	7.6	33.5	25.7
Total liabilities	137.5	162.4	43.7	32.4	181.2	194.8
Deferred inflows of resources	49.3	2.7	4.3	0.2	53.6	2.9
Net position:						
Net investment in						
capital assets	262.7	267.0	92.6	11.9	355.3	278.9
Restricted	44.5	43.5	-	-	44.5	43.5
Unrestricted	(61.9)	(59.6)	73.1	141.3	11.2	81.7
Total net position	\$245.3	\$250.9	\$165.7	\$153.2	\$411.0	\$404.1

The City's programs for governmental activities include General Government, Public Safety, Public Works and Engineering, Development Services, and Community Services. The programs for business-type activities include Water, Solid Waste, and Sewer operations. A comparison of each program's revenue and expenses are:

Table 2

Change in Net Position
(In Millions)

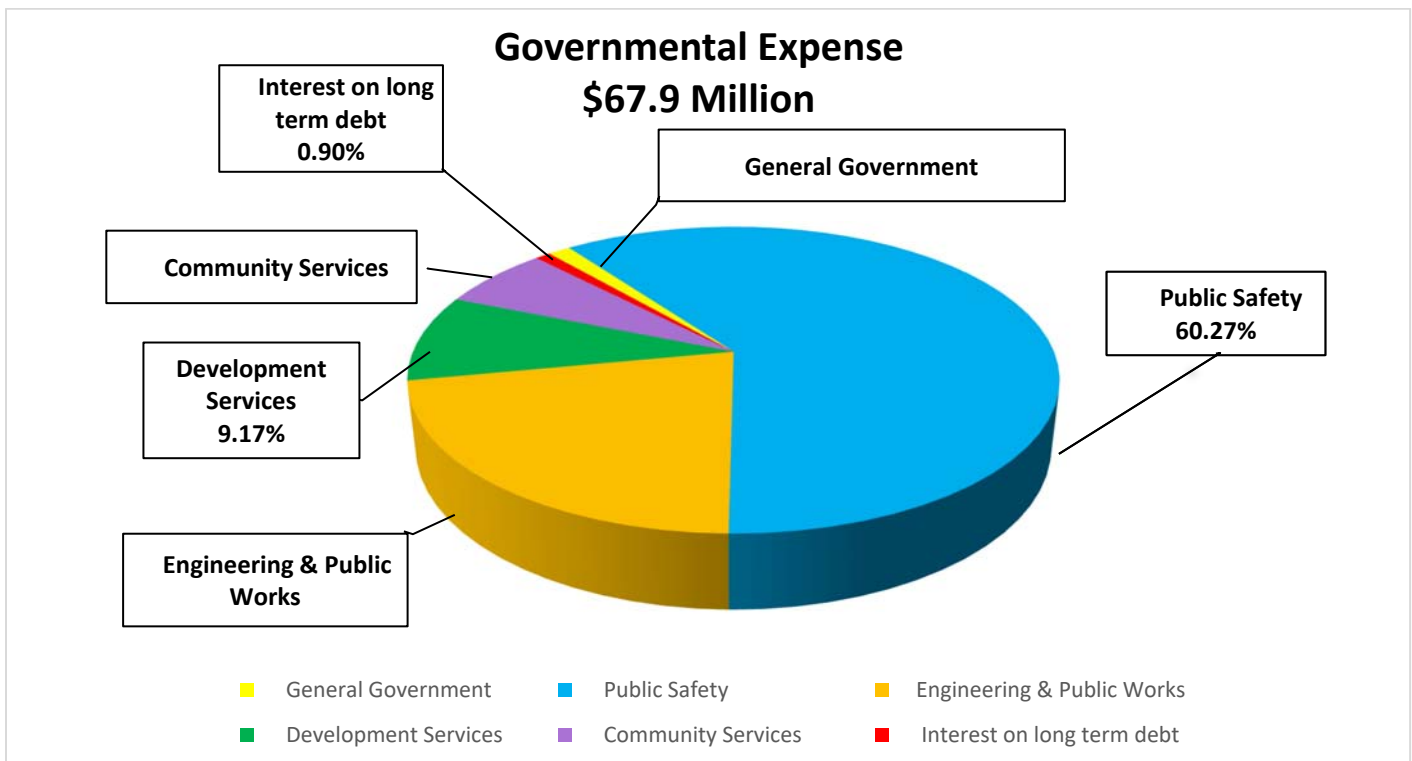
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for services	11.1	13.1	56.2	54.8	67.3	67.9
Operating Contributions/Grants	5.4	4.4	-	-	5.4	4.4
Capital Contributions	4.9	7.2	2.6	2.9	7.5	10.1
General Revenues						
Taxes						
Property Taxes	19.1	18.8	-	-	19.1	18.8
Sales Tax	18.4	16.9	-	-	18.4	16.9
Franchise Taxes	1.4	1.3	-	-	1.4	1.3
Transient Occupancy Taxes	0.2	0.2	-	-	0.2	0.2
Business License Taxes	1.2	1.1	-	-	1.2	1.1
Other Taxes	0.9	0.3	-	-	0.9	0.3
Investment Income	(0.6)	0.9	(1.5)	0.1	(2.1)	1.0
Motor Vehicle In Lieu	0.1	0.1	-	-	0.1	0.1
Legal Settlement	-	-	6.8	-	6.8	-
Miscellaneous Revenues	0.2	-	-	-	0.2	-
Total Revenues	<u>62.3</u>	<u>64.3</u>	<u>64.1</u>	<u>57.8</u>	<u>126.4</u>	<u>122.1</u>
Expenses						
General government	0.9	2.1	-	-	0.9	2.1
Public Safety	40.9	31.7	-	-	40.9	31.7
Public Works	14.8	14.7	-	-	14.8	14.7
Development Services	6.2	5.7	-	-	6.2	5.7
Community Services	4.5	3.6	-	-	4.5	3.6
Interest on long term debt	0.6	0.8	-	-	0.6	0.8
Water	-	-	25.7	22.5	25.7	22.5
Refuse	-	-	15.6	14.5	15.6	14.5
Sewer	-	-	10.3	10.6	10.3	10.6
Total Expenses	<u>67.9</u>	<u>58.6</u>	<u>51.6</u>	<u>47.6</u>	<u>119.5</u>	<u>106.2</u>
Special Items	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Change in Net Position	(5.6)	5.7	12.5	10.2	6.9	15.9
Net Position at beginning of year	<u>250.9</u>	<u>245.2</u>	<u>153.2</u>	<u>143.0</u>	<u>404.1</u>	<u>388.2</u>
Net Position end of year	<u>\$ 245.3</u>	<u>\$ 250.9</u>	<u>\$ 165.7</u>	<u>\$ 153.2</u>	<u>\$ 411.0</u>	<u>\$ 404.1</u>

Governmental Activities

Governmental activities net position decreased in total by \$5.5 million. The City’s governmental activities revenue totaled \$62.4 million which is a \$1.9 million decrease from the prior year. Significant changes are highlighted below:

- ◆ Charges for services revenue totaled \$11.1 million which is a decrease of \$2.0 million or 1.5%, primarily related to a \$3.1 million decrease in engineering and public works revenue offset by a \$2.0 million increase in development Services revenue from an increase in new development.
- ◆ Operating grants and contributions increased by \$1.0 million mostly due to an increase in public safety grants. More specifically, the use of American Rescue Plan Act (ARPA) funding by the police department in the current year.
- ◆ Capital grants and contributions decreased by \$2.3 million or 32%. Most of the decrease occurred in the community services department. Cares Act funding of \$1.7 million was received and used in the prior year with zero funding allocated in the current year.
- ◆ Property, franchise, business license and other taxes each increased minimally but in total recognized an increase of \$1.0 million over the previous year.
- ◆ Sales tax increased by \$1.6 million or 9.4%. Growth was seen specifically in the building and construction and service stations business groups due to strong growth in the construction industry and rising fuel prices.
- ◆ Investment income saw a \$1.5 million decrease this year. Despite investible cash balances increasing, the strong rising interest rate environment led to a decreased value in the City’s fixed rate portfolio when calculating the market value of each asset in accordance with GASB 31.

Governmental activities expenses totaled \$67.9 million this year, which is a \$9.3 million or 15% increase over the prior year. General government costs decreased \$1.3 million; public safety costs increased \$9.2 million; public works costs increased \$0.1 million; development services costs increased \$0.5 million; community services costs increased \$0.8 million; and interest on long-term debt decreased \$0.2 million.



Business-type Activities

Total resources available during the year to finance Proprietary Fund (Business-type) activities were \$153.2 million. Net Position as of June 30, 2022, were \$165.7 million which is an increase of \$12.5 million or 8.2%.

As shown in the Statement of Activities, the amount paid by users for services was \$56.2 million compared to \$54.8 million reported in the prior year. The cost of all Proprietary (Business-type) activities increased \$4.1 million this year to \$51.7 million compared to \$47.6 million reported last year. Significant changes are highlighted below by specific proprietary fund.

The City's Major Funds

The City's governmental funds reported a combined fund balance of \$60.3 million, and its enterprise funds reported combined net position of \$165.7 million. Major changes are discussed below:

- ◆ The fund balance at year-end for the City's General Fund of \$3.4 million is a decrease from the prior year of \$27.4 million. Revenues and other financing sources increased by \$0.9 million from the prior year while expenditures and other financing uses increased by \$4.3 million. In addition, a \$30.5 million special item was recorded for payments towards the City's Unfunded Pension Liability. By far the most significant difference relates to the additional discretionary payment made to CalPERS as a part of City Council implementing the BLAST pension strategy. Unfortunately, as the City obtained funds through an internal lease investment, generally accepted accounting principles require the City to record the expense of paying down the unfunded pension liability without being able to reflect the proceeds of the funds. The result is recording a \$30.5 million expense with no revenue to offset it. Had bonds been issued, the proceeds would have been included in the General Fund and the City would be reflecting \$23.9 million in fund balance and a positive unassigned fund balance. Sales tax revenue increased \$1.6 million which exceeded experts estimates. Investment income decreased by \$1.4 million. Despite an increased cash balance, with interest rates rising dramatically the GASB 31 calculation resulted in an investment loss of \$0.6 million for the year. General Fund expenditures and other financing sources increased by \$4.3 million to \$44.1 million. Changes included a decrease in general government expenses of \$.9 million and increases in all other functions including: an increase in public safety expenses of \$2.4 million related to an increase in internal service fund allocations of self-insurance costs and unfunded pension liability costs; an increase in engineering costs of \$1.1 million; an increase in development services costs of \$.4 million and; an increase in community services costs of \$.8 million as additional activities began coming online as pandemic concerns decreased. Lastly, the General Fund transferred \$.5 million more than it had in the previous year to help supplement the information technology fund for purchasing replacement servers, software, and facility security systems.
- ◆ The Housing Fund's fund balance increased \$0.6 million or 5.6% over prior year. This minor increase resulted mainly from an increase of \$.23 million in rental income and a decrease in debt service cost of \$.55 million due to the refunding of the housing debt. Additional activity that varied from the prior year included debt proceeds of \$13 million with an offsetting debt service expense of \$13.4 million for the refunding.
- ◆ Total Water Enterprise Fund revenues exceeded total expenses by \$9.1 million and capital contributions of \$1.5 million resulted in an overall increase in Water Fund net position of \$10.6 million. Operating revenues decreased by \$.4 million which is attributable to a decrease in water construction permits. Water usage charges increased this year by \$.4 million; however, revenue from the sale of leased water decreased by the same amount so charges for services did not change from last year to this year. Non-operating revenue increased by a net amount of \$4 million. The water department received a lawsuit settlement in the amount of \$6.8 million but received \$1.5 million less of joint venture net income. Additional reductions of non-operating revenue included a \$.3 million downswing from the disposal of capital assets (with a gain recognized in the prior year and a loss recognized in the current year) and \$.9 million less in investment income as the GASB 31 calculation led to a large write-down due to a rising interest rate environment. Operating costs increased overall by \$1.4 million mostly from an increase in administrative costs of \$1.7 million and a decrease in maintenance and operation costs of \$.3 million. Administrative costs increased by \$1.1 million related to increases in

the allocation of the unfunded pension liability and current year pension expenses resulting from application of GASB 68 and a \$.3 million increase in the water funds' administrative charges from the general fund.

- ◆ The Solid Waste Utility Fund net position increased approximately \$0.8 million or 173.1%. Charges for services were up \$2.0 million due to a full years' effect of a service rate increase effective February 1, 2020, and the increase in service accounts resulting from newly constructed homes. Operating expenses increased \$1.1 million, with a decrease of \$0.3 in administrative costs and increase of \$1.3 million for contractual services which will fluctuate based on the number of bins serviced and disposal cost based on actual waste tonnage. Net position accumulation will be necessary to comply with various state mandated programs required to be implemented soon and has been addressed with a rate increase that took effect on July 1, 2022.
- ◆ The Sewer Utility Fund net position increased by \$1.1 million or 3.4%. Operating revenues decreased by \$0.2 million. While charges for services increased minimally, a decrease in the number of new construction permits issued, resulted in the overall decrease. Nonoperating revenue decreased \$0.6 million from application of the GASB 31 calculation as previously discussed. Operating expenses decreased overall by only \$0.3 million which is the net of an administrative cost increase of \$.1 million; a decrease in maintenance and operations of \$.9 million; and an increase in contractual services totaling \$.4 million due to an increase in Inland Empire Utilities Agency's rate increase. The fund also received a capital contribution of \$1.1 million which is \$.5 million less than what was received in the previous year.

General Fund Budgetary Highlights

Over the course of the year, the operating budget received several revisions. The budget amendments and supplemental appropriations approved after the beginning of the year are included in the final budget column (net of interagency transactions) on page 69 of the financial statements. Comparing the Fiscal Year 2021/22 adopted General Fund budget of \$42.9 million to the final budget of \$43.3 million reflects an increase of \$.4 million. Actual expenditures for the General

Fund of \$41.9 million were \$1.4 million less than final budgeted amounts. The public safety function actual expenditures were \$2.7million less than the final budgeted amount and was the result of being understaffed and recognizing significant salary savings. The general government variance between final budgeted and actual amounts gives the appearance that this function's expenses increased this year; however, actual costs remained consistent with the prior year. The discrepancy lies in the final budget amount which included an increase from original budget of a \$1.2 million credit representing an allowance for salary savings which was recognized by the police function.

The Fiscal Year 2021/22 adopted revenue budget started at \$42.0 million and was increased by \$3.5 million to \$45.5 million which reflected expected increases in sales tax revenue and charges for services. By the end of the year, actual General Fund revenues exceeded final budgeted revenues by an additional \$1.7 million. Most revenue categories exceeded the final amended budget figures which is a good sign that the economy is beginning to bounce back from the devastation of the COVID pandemic. Revenue categories that did not meet their final adjusted expectations included investment income which was affected downward by the application of GASB 31, and rental income which was affected downward because of the application of GASB 87 which resulted in a decrease of \$.3 million. Notable increases included: property tax revenue by \$.6; sales tax which exceeded the adjusted budgeted balance by \$.3 million; and licenses and permits which exceeded budgeted amounts by \$.6 million. The General Fund's positive results for the year (except for the special item) increased fund balance, allowing staff to fund reserves in compliance with the fund balance and pension funding policies approved by council in June of 2021 and reaffirmed in June of 2022. Fund Balance detail can be found in more detail in footnote 14 to the financial statements.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2022, the city had \$382.8 million invested in a broad range of capital assets, including police vehicles, buildings, park facilities, roads, and water and sewer lines. This represents an increase (net of accumulated depreciation) of \$4.5 million from the prior year. Most of this increase is seen in the Construction in Progress asset category because of a replacement reservoir currently under construction. Governmental activities capital assets decreased by \$5.0 million which is the net of an increase in net accumulated depreciation of \$7.2 million and a net increase in capital assets of \$2.2 million.

Table 3
Capital Assets at Year-End
(Net of Depreciation, in Millions)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 5.1	\$ 5.1	\$ 3.0	\$ 3.0	\$ 8.1	\$ 8.0
Rights of way	103.4	103.4	-	-	103.4	103.4
Street trees	3.5	3.5	-	-	3.5	3.5
Construction in progress	1.7	1.3	12.9	4.2	14.6	5.5
Other capital assets	167.9	173.3	85.3	84.5	253.2	257.8
Totals	<u>\$ 281.6</u>	<u>\$ 286.6</u>	<u>\$ 101.2</u>	<u>\$ 91.7</u>	<u>\$ 382.8</u>	<u>\$ 378.3</u>

The City's Fiscal Year 2021/22 capital budget appropriated another \$13.5 million for capital projects, principally for 23 new projects ranging from as small as \$50,000 to \$1.7 million. Additional information on the City's capital assets can be found in Note 4 to the financial statements.

Long-Term Liabilities

As of June 30, 2022, the city had \$153.8 million in outstanding debt versus \$174.8 million in the prior year. This represents an overall decrease of \$21.0 million. The total net pension liability went down \$35.3 million because of the updated CalPERS actuarial valuation and the use of \$10 million dollars from the Section 118 pension trust account to make a direct payment to CalPERS to reduce the unfunded pension liability (UAL). Bond, loan, and lease debt decreased by \$1.5 million for annual debt service payments made in accordance with their applicable amortization schedules. Compensated absences decreased by \$0.1 million. This means more leave was taken than was earned. The water fund refunded its 2011 Revenue Refunding bonds with 2021 Water Refunding Bonds and issued new 2022 Water Revenue Bonds for a net increase of \$15.5 million. The 2022 Water Revenue Bonds will be used to fund new water capital improvement projects.

Table 4
Long-Term Debt at Year-End
(In Millions)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Compensated Absences	\$ 2.1	\$ 2.2	\$ 0.4	\$ 0.4	\$ 2.5	\$ 2.6
Net OPEB Liability/obligation	10.9	11.2	2.7	2.4	\$ 13.6	13.6
Net Pension Liability	75.2	106.4	9.9	14.0	85.1	120.4
Claims Payable	9.8	9.8	-	-	9.8	9.8
Multifamily Housing Rev Bonds	12.4	12.8	-	-	12.4	12.8
Energy Efficiency Lease	2.2	2.3	-	-	2.2	2.3
CREBS Lease Agreement	4.4	4.4	-	-	4.4	4.4
Water Revenue Bonds	-	-	15.7	-	15.7	-
Water Refunding Bonds	-	-	6.6	7.2	6.6	7.2
SAWCO Loan Payable	-	-	0.7	1.0	0.7	1.0
SWRCB Loan Payable	-	-	0.7	0.7	0.7	0.7
Totals	<u>\$ 117.0</u>	<u>\$ 149.1</u>	<u>\$ 36.7</u>	<u>\$ 25.7</u>	<u>\$ 153.7</u>	<u>\$ 174.8</u>

Additional detailed information on long-term debt activity can be found in Note 5 to the financial statements. Claims payable information can be found in Note 9 to the financial statements. Calculations and information related to the OPEB liability can be found in Note 6 to the financial statements and additional Net Pension Liability information can be found in Note 10 to the financial statements.

Economic Condition and Outlook

The City of Upland’s economic growth continued during Fiscal Year 2021/22. Real estate assessed values increased from the prior fiscal year by \$435 million or a net taxable value increase of 4.2%. According to HdL, Coren and Cone (HdL), the City’s net taxable value increased another 6.8% for the 2022/23 tax roll, which is less than the increase experienced countywide of 8.5%. The inflation adjustment for 2023/24 will be the full 2.0% allowed by Proposition 13 like was received in the prior year. The median sale price of a detached single family residential home in Upland from January through October of 2022 was \$745,000, a 14.6% increase over 2021’s median price of \$650,000. Sales of single-family and non-single-family properties through October of 2022 will add \$213.5 million to the 2023/24 tax rolls.

A high volume of development activity is expected to continue into Fiscal Year 2023/24 resulting in increases in anticipated building permit revenue and eventually property tax and sales tax revenue.

Sales tax revenue in Fiscal Year 2021/22 ended a significant 9.4% higher than the prior year as the economy continued strong, despite high inflation. With the local economy exceeding expectations, the latest projections by HdL predict FY 2022/23 sales tax revenue to exceed Fiscal Year 2021/22’s revenue by 9.5%, or \$1.7 million.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors, with a general overview of the City's finances. If you have any questions regarding this report or need additional financial information, please contact the Administrative Services Department at 460 North Euclid Avenue, Upland, CA 91785.

BASIC FINANCIAL STATEMENTS

City of Upland
Statement of Net Position
June 30, 2022

	Primary Government			Component Units	
	Governmental	Business-type	Total	West End Consolidated Water Company	San Antonio Water Company
	Activities	Activities		December 31, 2021	December 31, 2021
ASSETS					
Cash and Investments	\$ 89,653,724	\$ 11,438,730	\$ 101,092,454	\$ 909,131	\$ 6,171,407
Receivables:					
Accounts, Net	1,357,379	10,659,971	12,017,350	26,026	1,277,750
Accrued Interest	137,895	-	137,895	-	-
Notes, Net	9,301,011	-	9,301,011	-	688,000
Leases	3,771,104	-	3,771,104	-	-
Accrued Interest on Notes	2,824,073	-	2,824,073	-	-
Due From Other Governments	5,555,471	555	5,556,026	-	-
Due From Fiduciary Funds	280,911	-	280,911	-	-
Inventory and Prepaid Items	386,094	6,103,304	6,489,398	12,751	174,548
Internal Balances	(20,750,000)	20,750,000	-	-	-
Land Held for Resale	1,731,389	-	1,731,389	-	-
Restricted Assets:					
Cash and Investments with Fiscal Agent	-	15,520,501	15,520,501	-	-
Cash and Investments	2,825,653	568,781	3,394,434	-	-
Investment in Joint Ventures	-	29,815,819	29,815,819	-	-
Capital Assets, Not Being Depreciated:	113,745,129	15,859,446	129,604,575	495,870	3,131,491
Capital Assets, Net of Accumulated Depreciation:	167,888,284	85,310,850	253,199,134	937,172	20,271,355
Total Assets	<u>378,708,117</u>	<u>196,027,957</u>	<u>574,736,074</u>	<u>2,380,950</u>	<u>31,714,551</u>
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related Items	2,677,640	661,479	3,339,119	-	-
Pension Related Items	50,687,933	17,001,751	67,689,684	-	-
Total Deferred Outflows of Resources	<u>53,365,573</u>	<u>17,663,230</u>	<u>71,028,803</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Accounts Payable	3,947,635	6,171,364	10,118,999	229,316	878,571
Accrued Salaries and Benefits	449,836	69,319	519,155	-	-
Accrued Interest Payable	-	24,439	24,439	-	-
Deposits Payable	1,475,924	568,781	2,044,705	-	1,700
Retention Payable	96,127	96,853	192,980	-	-
Unearned Revenue	14,420,962	19,621	14,440,583	-	-
Noncurrent Liabilities:					
Due Within One Year	4,716,883	1,438,902	6,155,785	-	343,059
Due in More Than One Year	112,350,135	35,276,462	147,626,597	-	397,079
Total Liabilities	<u>137,457,502</u>	<u>43,665,741</u>	<u>181,123,243</u>	<u>229,316</u>	<u>1,620,409</u>
DEFERRED INFLOWS OF RESOURCES					
Lease Related	3,771,104	-	3,771,104	-	-
Deferred Gain on Refunding	-	386,076	386,076	-	-
OPEB Related Items	868,249	214,491	1,082,740	-	-
Pension Related Items	44,639,253	3,712,261	48,351,514	-	-
Total Deferred Inflows of Resources	<u>49,278,606</u>	<u>4,312,828</u>	<u>53,591,434</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	262,699,586	92,647,094	355,346,680	1,433,042	23,402,846
Restricted for:					
Public Safety	2,118,390	-	2,118,390	-	-
Engineering and Public Works	8,945,405	-	8,945,405	-	-
Development Services	23,404,222	-	23,404,222	-	-
Community Services	10,059,764	-	10,059,764	-	-
Unrestricted	(61,889,785)	73,065,524	11,175,739	718,592	6,691,296
Total Net Position	<u>\$ 245,337,582</u>	<u>\$ 165,712,618</u>	<u>\$ 411,050,200</u>	<u>\$ 2,151,634</u>	<u>\$ 30,094,142</u>

The accompanying notes are an integral part of this statement.

**City of Upland
Statement of Activities
Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 899,152	\$ 359,602	\$ 321,031	\$ (311,868)
Public Safety	40,906,101	1,296,694	2,670,176	(27,163)
Engineering and Public Works	14,788,452	898,698	1,054,635	5,220,823
Development Services	6,223,444	8,031,377	1,274,591	-
Community Services	4,449,233	519,862	149,563	-
Interest on Long-Term Debt	609,129	-	-	-
Total Governmental Activities	67,875,511	11,106,233	5,469,996	4,881,792
Business-type Activities:				
Water Utility	25,757,917	28,937,984	-	1,502,330
Solid Waste Utility	15,591,348	16,686,834	26,198	-
Sewer Utility	10,330,964	10,595,087	-	1,120,125
Total Business-type Activities	51,680,229	56,219,905	26,198	2,622,455
Total Primary Government	\$ 119,555,740	\$ 67,326,138	\$ 5,496,194	\$ 7,504,247
Component Units:				
West End Consolidated Water Company	\$ 620,047	\$ 247,424	\$ -	\$ -
San Antonio Water Company	4,133,213	5,336,851	-	-
Total Component Units	\$ 4,753,260	\$ 5,584,275	\$ -	\$ -

General Revenues:

Taxes:

Property Taxes

Sales Taxes

Franchise Taxes

Transient Occupancy Taxes

Business License Tax

Other Taxes

Motor Vehicle in-lieu

Miscellaneous Revenues

Legal Settlement

Investment Income

Transfers In/(Out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

			Component Units	
			West End Consolidated Water Company December 31, 2021	San Antonio Water Company December 31, 2021
Primary Government				
Governmental Activities	Business-type Activities	Total		
\$ (530,387)	\$ -	\$ (530,387)	\$ -	\$ -
(36,966,394)	-	(36,966,394)	-	-
(7,614,296)	-	(7,614,296)	-	-
3,082,524	-	3,082,524	-	-
(3,779,808)	-	(3,779,808)	-	-
(609,129)	-	(609,129)	-	-
<u>(46,417,490)</u>	<u>-</u>	<u>(46,417,490)</u>	<u>-</u>	<u>-</u>
-	4,682,397	4,682,397	-	-
-	1,121,684	1,121,684	-	-
-	1,384,248	1,384,248	-	-
-	7,188,329	7,188,329	-	-
<u>(46,417,490)</u>	<u>7,188,329</u>	<u>(39,229,161)</u>	-	-
			(372,623)	-
			-	1,203,638
			<u>(372,623)</u>	<u>1,203,638</u>
19,089,687	-	19,089,687	-	-
18,469,789	-	18,469,789	-	-
1,377,349	-	1,377,349	-	-
171,240	-	171,240	-	-
1,158,797	-	1,158,797	-	-
906,881	-	906,881	-	-
90,702	-	90,702	-	-
207,045	-	207,045	-	-
-	6,823,725	6,823,725	-	-
(564,701)	(1,472,061)	(2,036,762)	-	104,457
-	-	-	-	-
<u>40,906,789</u>	<u>5,351,664</u>	<u>46,258,453</u>	<u>-</u>	<u>104,457</u>
(5,510,701)	12,539,993	7,029,292	(372,623)	1,308,095
<u>250,848,283</u>	<u>153,172,625</u>	<u>404,020,908</u>	<u>2,524,257</u>	<u>28,786,047</u>
<u>\$ 245,337,582</u>	<u>\$ 165,712,618</u>	<u>\$ 411,050,200</u>	<u>\$ 2,151,634</u>	<u>\$ 30,094,142</u>

**City of Upland
Balance Sheet
Governmental Funds
June 30, 2022**

	General	Special Revenue		Non-major Governmental	Total
		Housing	ARPA		
ASSETS					
Cash and Investments	\$ 20,079,109	\$ 4,308,956	\$ 13,811,768	\$ 42,521,714	\$ 80,721,547
Cash with Fiscal Agent	-	-	-	-	-
Restricted Cash	2,616,973	208,680	-	-	2,825,653
Receivables:					
Accounts	1,228,410	31,482	-	60,397	1,320,289
Accrued Interest	137,895	-	-	-	137,895
Notes, net	28,761	4,942,502	-	4,329,748	9,301,011
Leases	3,771,104	-	-	-	3,771,104
Accrued Interest on Notes	-	1,615,036	-	1,209,037	2,824,073
Due from Other Governments	3,765,275	-	-	1,790,196	5,555,471
Due from Other Funds	334,024	-	-	-	334,024
Due from Fiduciary Funds	280,911	-	-	-	280,911
Inventory and Prepaid Items	81,125	-	-	-	81,125
Land Held for Resale	-	1,731,389	-	-	1,731,389
Total Assets	\$ 32,323,587	\$ 12,838,045	\$ 13,811,768	\$ 49,911,092	\$ 108,884,492
LIABILITIES					
Accounts Payable	\$ 2,271,599	\$ 102,773	\$ 747,981	\$ 662,657	\$ 3,785,010
Accrued Salaries and Benefits	375,649	8,901	2,345	43,050	429,945
Due to Other Funds	22,047	-	-	311,977	334,024
Deposits Payable	1,223,561	221,343	-	31,020	1,475,924
Retentions Payable	-	-	25,175	70,952	96,127
Advances from Other Funds	20,750,000	-	-	-	20,750,000
Unearned Revenue	-	-	13,343,393	1,077,569	14,420,962
Total Liabilities	24,642,856	333,017	14,118,894	2,197,225	41,291,992
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	510,967	1,612,574	-	1,427,254	3,550,795
Lease Related	3,771,104	-	-	-	3,771,104
Total Deferred Inflows of Resources	4,282,071	1,612,574	-	1,427,254	7,321,899
FUND BALANCE (DEFICITS)					
Nonspendable	109,886	-	-	-	109,886
Restricted	2,735,148	10,892,454	-	46,176,199	59,803,801
Committed	12,434,329	-	-	-	12,434,329
Assigned	-	-	-	191,505	191,505
Unassigned	(11,880,703)	-	(307,126)	(81,091)	(12,268,920)
Total Fund Balances (Deficits)	3,398,660	10,892,454	(307,126)	46,286,613	60,270,601
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 32,323,587	\$ 12,838,045	\$ 13,811,768	\$ 49,911,092	\$ 108,884,492

The accompanying notes are an integral part of this statement.

City of Upland
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2022

Fund balances of governmental funds \$ 60,270,601

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	401,879,504	
Accumulated Depreciation	<u>(121,399,139)</u>	280,480,365

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds. 3,550,795

Long term liabilities are not due and payable in the current period and are not reported in the funds.

Compensated Absences		(1,981,203)
Multifamily Housing Revenue Note		(12,402,398)
CREBS Lease Payable		(4,386,028)
Energy Efficiency Lease Payable		(2,145,401)
Net Pension Liability		(72,791,769)
Net OPEB Liability		(10,279,134)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds.

Deferred Outflows Related to Pensions		50,257,995
Deferred Inflows Related to Pensions		(43,725,302)
Deferred Outflows Related to OPEB		2,514,357
Deferred Inflows Related to OPEB		(815,303)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position. (3,209,993)

Net position of governmental activities \$ 245,337,582

The accompanying notes are an integral part of this statement.

City of Upland
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022

	General	Special Revenue		Non-major Governmental	Total
		Housing	ARPA		
REVENUES					
Taxes	\$ 41,173,743	\$ -	\$ -	\$ 1,441,370	\$ 42,615,113
Licenses & Permits	2,064,096	-	-	1,242,818	3,306,914
Charges for Services	2,745,996	12,442	-	-	2,758,438
Fines and Penalties	600,186	-	-	-	600,186
Investment Income	(604,942)	(170,094)	(311,867)	(1,396,856)	(2,483,759)
Rental Income	566,426	4,615,124	-	77,606	5,259,156
Intergovernmental	333,425	-	1,870,323	7,702,760	9,906,508
Other Revenue	309,991	-	-	390,465	700,456
Total Revenues	47,188,921	4,457,472	1,558,456	9,458,163	62,663,012
EXPENDITURES					
Current:					
General Government	3,408,612	-	-	34,021	3,442,633
Public Safety	24,681,246	-	1,870,323	1,583,391	28,134,960
Engineering and Public Works	7,498,073	-	-	4,809,225	12,307,298
Development Services	2,180,613	2,936,195	-	1,106,636	6,223,444
Community Services	3,683,021	-	-	134,235	3,817,256
Debt Service:					
Principal	225,857	13,395,418	-	-	13,621,275
Interest	245,442	363,687	-	-	609,129
Issuance Costs	-	167,472	-	-	167,472
Total Expenditures	41,922,864	16,862,772	1,870,323	7,667,508	68,323,467
Excess (Deficiency) of Revenues over Expenditures	5,266,057	(12,405,300)	(311,867)	1,790,655	(5,660,455)
OTHER FINANCING SOURCES (USES)					
Transfer In	-	-	-	290,000	290,000
Transfer Out	(2,158,150)	-	-	-	(2,158,150)
Issuance of Debt	-	12,982,644	-	-	12,982,644
Total Other Financing Sources (Uses)	(2,158,150)	12,982,644	-	290,000	11,114,494
SPECIAL ITEM					
Payment towards Unfunded Pension Liability	(30,500,000)	-	-	-	(30,500,000)
Net Change in Fund Balances	(27,392,093)	577,344	(311,867)	2,080,655	(25,045,961)
Fund Balances, Beginning	30,790,753	10,315,110	4,741	44,205,958	85,316,562
Fund Balances, Ending	\$ 3,398,660	\$ 10,892,454	\$ (307,126)	\$ 46,286,613	\$ 60,270,601

The accompanying notes are an integral part of this statement.

City of Upland
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2022

Net change in fund balances-total governmental funds \$ (25,045,961)

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 these assets is allocated over their estimated useful lives as depreciation expense.

Capital Expenditures	2,932,884
Depreciation Expense	(7,871,724)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (298,202)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, government funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The effect of these differences are as follows:

Principal Paid on Capital Leases	225,857
Principal Paid on 2017 Housing Revenue Note	12,815,172
Principal Paid on 2021 Multifamily Housing Loan	580,246
Issuance of 2021 Multifamily Housing Loan	(12,982,644)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures:

Net Change in Compensated Absences	116,803
Net Change in Net Pension Liability	30,313,597
Net Change in Net OPEB Liability	289,158
Net Change in Deferred Outflows Pension Related Amounts	32,470,490
Net Change in Deferred Inflows Pension Related Amounts	(41,992,035)
Net Change in Deferred Outflows OPEB Related Amounts	76,332
Net Change in Deferred Inflows OPEB Related Amounts	81,075

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

2,778,251

Change in net position of governmental activities \$ (5,510,701)

The accompanying notes are an integral part of this statement.

City of Upland
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities	
	Water Utility	Solid Waste Utility	Sewer Utility	Totals Internal Service Funds	
ASSETS					
Current Assets:					
Cash and Investments	\$ 3,473,703	\$ 404,703	\$ 7,560,324	\$ 11,438,730	\$ 8,932,177
Accounts Receivable, Net	6,286,471	2,193,592	2,179,908	10,659,971	37,090
Due from Other Governments	-	223	332	555	-
Inventory and Prepaid Items	6,103,304	-	-	6,103,304	304,969
Total Current Assets	15,863,478	2,598,518	9,740,564	28,202,560	9,274,236
Noncurrent Assets:					
Restricted Cash and Investments	530,109	-	38,672	568,781	-
Cash with Fiscal Agent	15,520,501	-	-	15,520,501	-
Advances to Other Funds	15,750,000	-	5,000,000	20,750,000	-
Equity Interest	29,815,819	-	-	29,815,819	-
Capital Assets, Not Being Depreciated:					
Land	2,954,861	-	-	2,954,861	-
Construction in Progress	12,239,725	488	664,372	12,904,585	-
Capital Assets, Net of Accumulated Depreciation	65,953,727	55,818	19,301,305	85,310,850	1,153,048
Total Noncurrent Assets	142,764,742	56,306	25,004,349	167,825,397	1,153,048
Total Assets	158,628,220	2,654,824	34,744,913	196,027,957	10,427,284
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related Items	444,436	53,092	163,951	661,479	163,283
Pension Related Items	10,224,953	1,702,963	5,073,835	17,001,751	429,938
Total Deferred Outflows of Resources	10,669,389	1,756,055	5,237,786	17,663,230	593,221
LIABILITIES					
Current Liabilities:					
Accounts Payable	2,898,600	1,687,516	1,585,248	6,171,364	162,625
Accrued Salaries and Benefits	48,836	6,420	14,063	69,319	19,891
Accrued Interest Payable	24,439	-	-	24,439	-
Unearned Revenue	-	19,621	-	19,621	-
Retentions Payable	77,679	-	19,174	96,853	-
Deposits Payable	530,109	-	38,672	568,781	-
Current Portion of Long-Term Liabilities:					
Claims and Judgments Payable	-	-	-	-	2,856,713
Compensated Absences	152,644	21,698	50,560	224,902	58,248
Loans Payable	344,000	-	-	344,000	-
Revenue Bonds Payable	870,000	-	-	870,000	-
Total Current Liabilities	4,946,307	1,735,255	1,707,717	8,389,279	3,097,477
Noncurrent Liabilities:					
Claims and Judgments Payable	-	-	-	-	6,975,016
Net OPEB Liability	1,816,937	217,049	670,260	2,704,246	667,528
Net Pension Liability	6,456,636	830,261	2,656,265	9,943,162	2,447,987
Compensated Absences	126,691	17,186	41,550	185,427	75,593
Loans Payable	1,010,627	-	-	1,010,627	-
Revenue Bonds Payable	21,433,000	-	-	21,433,000	-
Total Noncurrent Liabilities	30,843,891	1,064,496	3,368,075	35,276,462	10,166,124
Total Liabilities	35,790,198	2,799,751	5,075,792	43,665,741	13,263,601
DEFERRED INFLOWS OF RESOURCES					
Deferred Gain on Refunding	386,076	-	-	386,076	-
OPEB Related Items	144,112	17,216	53,163	214,491	52,946
Pension Related Items	2,410,573	309,976	991,712	3,712,261	913,951
Total Deferred Outflows of Resources	2,940,761	327,192	1,044,875	4,312,828	966,897
NET POSITION					
Net Investment in Capital Assets	72,625,111	56,306	19,965,677	92,647,094	1,153,048
Unrestricted	57,941,539	1,227,630	13,896,355	73,065,524	(4,363,041)
Total Net Position	\$ 130,566,650	\$ 1,283,936	\$ 33,862,032	\$ 165,712,618	\$ (3,209,993)

The accompanying notes are an integral part of this statement.

City of Upland
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Solid Waste Utility	Sewer Utility	Totals	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 28,524,306	\$ 16,686,834	\$ 10,415,763	\$ 55,626,903	\$ 9,694,820
Licenses and Permits	235,331	-	179,324	414,655	-
Other	178,347	-	-	178,347	151,867
Total Operating Revenue	28,937,984	16,686,834	10,595,087	56,219,905	9,846,687
OPERATING EXPENSES					
Administrative Costs	5,982,904	1,216,559	599,668	7,799,131	-
Maintenance and Operations	17,019,233	-	1,975,063	18,994,296	4,477,377
Contractual Services	238,998	14,374,789	6,940,939	21,554,726	358,742
Customer Service	121,626	-	-	121,626	-
Claims Expense	-	-	-	-	3,798,271
Depreciation	2,214,038	-	815,294	3,029,332	345,959
Total Operating Expenses	25,576,799	15,591,348	10,330,964	51,499,111	8,980,349
Operating Income (Loss)	3,361,185	1,095,486	264,123	4,720,794	866,338
NONOPERATING REVENUES (EXPENSES)					
Investment Income	(905,019)	(42,832)	(524,210)	(1,472,061)	37,863
Share of Joint Venture Net Income (loss)	444,186	-	-	444,186	-
Gain/ (Loss) on Disposal of Capital Assets	(123,476)	-	-	(123,476)	5,900
Bond Issuance Costs	(329,776)	-	-	(329,776)	-
Interest Expense	(172,052)	-	-	(172,052)	-
Legal Settlement	6,823,725	-	-	6,823,725	-
Intergovernmental	-	26,198	-	26,198	-
Total Nonoperating Revenues (Expenses)	5,737,588	(16,634)	(524,210)	5,196,744	43,763
Income Before Contributions and Transfers	9,098,773	1,078,852	(260,087)	9,917,538	910,101
Capital Contributions	1,502,330	-	1,120,125	2,622,455	-
Transfers In	-	-	265,000	265,000	1,868,150
Transfers Out	-	(265,000)	-	(265,000)	-
Change in Net Position	10,601,103	813,852	1,125,038	12,539,993	2,778,251
Total Net Position, Beginning	119,965,547	470,084	32,736,994	153,172,625	(5,988,244)
Total Net Position, Ending	\$ 130,566,650	\$ 1,283,936	\$ 33,862,032	\$ 165,712,618	\$ (3,209,993)

The accompanying notes are an integral part of this statement.

City of Upland
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental
	Water Utility	Solid Waste Utility	Sewer Utility	Totals	Internal Service Funds
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 28,303,767	\$ 16,016,030	\$ 10,464,007	\$ 54,783,804	\$ -
Cash Received from User Departments	-	-	-	-	9,845,426
Cash Paid to Suppliers for Goods and Services	(19,596,563)	(15,066,975)	(8,204,539)	(42,868,077)	(6,928,681)
Cash Paid to Employees for Services	(13,466,645)	(2,174,251)	(6,126,655)	(21,767,551)	(1,745,534)
Net Cash from Operating Activities	(4,759,441)	(1,225,196)	(3,867,187)	(9,851,824)	1,171,211
Cash Flows from Noncapital Financing Activities					
Grant Revenue	-	26,198	-	26,198	-
Cash Received from Legal Settlement	6,823,725	-	-	6,823,725	1,868,150
Cash Paid for Investment in Joint Ventures	(95,068)	-	-	(95,068)	-
Cash Paid (to) from Other Funds	(15,750,000)	(265,000)	(4,735,000)	(20,750,000)	1,868,150
Net Cash from Noncapital Financing Activities	(9,021,343)	(238,802)	(4,735,000)	(13,995,145)	3,736,300
Cash Flows from Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(9,462,455)	(824)	(512,536)	(9,975,815)	(305,196)
Proceeds from the Sale of Assets	16,500	-	-	16,500	5,900
Proceeds from Loans Issued	22,303,000	-	-	22,303,000	-
Costs Paid on Debt Issuance	(329,776)	-	-	(329,776)	-
Principal Paid on Debt	(7,164,000)	-	-	(7,164,000)	-
Interest Paid on Debt	(255,398)	-	-	(255,398)	-
Net Cash from Capital and Related Financing Activities	5,107,871	(824)	(512,536)	4,594,511	(299,296)
Cash Flows from Investing Activities					
Interest on Investments	(905,019)	(42,832)	(524,194)	(1,472,045)	37,864
Net Cash from Investing Activities	(905,019)	(42,832)	(524,194)	(1,472,045)	37,864
Net Increase (Decrease) in Cash and Cash Equivalents	(9,577,932)	(1,507,654)	(9,638,917)	(20,724,503)	4,646,079
Cash and Cash Equivalents, Beginning of Year	29,102,245	1,912,357	17,237,913	48,252,515	6,154,248
Cash and Cash Equivalents, End of Year	\$ 19,524,313	\$ 404,703	\$ 7,598,996	\$ 27,528,012	\$ 10,800,327
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ 3,361,185	\$ 1,095,486	\$ 264,123	\$ 4,720,794	\$ 866,338
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,214,038	-	815,294	3,029,332	345,959
(Increase) Decrease in Accounts Receivable	(711,596)	(644,497)	(130,916)	(1,487,009)	(1,261)
(Increase) Decrease in Due from Other Governments	-	(108)	(164)	(272)	-
(Increase) Decrease in Inventory and Prepaid Items	(983,021)	-	-	(983,021)	(40,785)
(Increase) Decrease in Deferred Outflows - Pensions	(9,233,513)	(1,533,145)	(4,571,372)	(15,338,030)	(38,857)
(Increase) Decrease in Deferred Outflows - OPEB	(58,358)	(16,877)	(23,816)	(99,051)	(14,646)
Increase (Decrease) in Accounts Payable	30,199	130,322	353,135	513,656	(102,685)
Increase (Decrease) in Accrued Salaries and Benefits	(123,303)	(16,475)	(47,013)	(186,791)	(46,562)
Increase (Decrease) in Retention Payable	(38,907)	-	14,834	(24,073)	-
Increase (Decrease) in Deposits Payable	77,379	-	-	77,379	-
Increase (Decrease) in Compensated Absences	35,071	11,090	(25,584)	20,577	26,837
Increase (Decrease) in Net Pension Liability	(1,886,308)	(598,757)	(1,571,947)	(4,057,012)	(842,958)
Increase (Decrease) in Net OPEB Liability	144,956	60,087	62,887	267,930	23,303
Increase (Decrease) in Deferred Inflows - Pensions	2,410,573	309,976	991,712	3,712,261	913,951
Increase (Decrease) in Deferred Inflows - OPEB	2,164	3,901	1,640	7,705	(1,703)
Increase (Decrease) in Unearned Revenue	-	(26,199)	-	(26,199)	-
Increase (Decrease) in Claims and Judgments	-	-	-	-	84,280
Net Cash Provided (Used) by Operating Activities	\$ (4,759,441)	\$ (1,225,196)	\$ (3,867,187)	\$ (9,851,824)	\$ 1,171,211
Non Cash Investing, Capital and Financing Activities:					
Amortization of Premium on Bonds	\$ 145,147	\$ -	\$ -	\$ 145,147	\$ -
Contributions of Capital Assets	1,502,330	-	1,120,125	2,622,455	-

The accompanying notes are an integral part of this statement.

**City of Upland
Statement of Net Position
Fiduciary Funds
June 30, 2022**

	OPEB Trust Fund	Successor Agency Private-purpose Trust Fund	Custodial Funds
ASSETS			
Cash and Investments	\$ -	\$ 3,143,914	\$ 4,760,741
Cash and Investments with Fiscal Agent	-	2,256,052	17,121,523
Investments:			
Moderate Index PLUS	1,656,027	-	-
Notes Receivable, Net	-	202,383	-
Land Held for Resale	-	3,358,000	40,074
	<u>1,656,027</u>	<u>8,960,349</u>	<u>21,922,338</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	-	180,486	-
	<u>-</u>	<u>180,486</u>	<u>-</u>
LIABILITIES			
Accounts Payable	-	648	34,534
Accrued Salaries and Wages	-	307,901	-
Deposits Payable	-	-	3,997,392
Interest Payable	-	231,071	-
Due to City of Upland	-	-	280,911
Bonds Payable	-	17,664,369	-
	<u>-</u>	<u>18,203,989</u>	<u>4,312,837</u>
Total Liabilities	-	18,203,989	4,312,837
NET POSITION			
Restricted for:			
OPEB	1,656,027	-	-
Successor Agency	-	(9,063,154)	-
Individuals and Organizations	-	-	17,609,501
Other Governments	-	-	-
	<u>\$ 1,656,027</u>	<u>\$ (9,063,154)</u>	<u>\$ 17,609,501</u>

The accompanying notes are an integral part of this statement.

City of Upland
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2022

	OPEB Trust Fund	Successor Agency Private-purpose Trust Fund	Custodial Funds
ADDITIONS			
Contributions:			
Taxes and assessments collected for others	\$ -	\$ 3,111,575	\$ 5,737,642
Employer Contributions	277,000	-	-
Contributions from Bondholders	-	-	9,528,228
Miscellaneous	-	-	-
Investment Earnings:			
Interest Income	(226,122)	20,212	2,866
Total Additions	50,878	3,131,787	15,268,736
DEDUCTIONS			
General and Administrative	-	-	6,341,556
Development Services	-	348,614	-
Recipient Payments	-	-	9,349,103
Distributions to Shareholders	-	-	7,773,658
Interest Expense	-	490,356	-
Other Expenses	9,461	-	-
Total Deductions	9,461	838,970	23,464,317
Change in Net Position	41,417	2,292,817	(8,195,581)
Net Position - Beginning of Year	1,614,610	(11,355,971)	25,805,082
Net Position - End of Year	<u>\$ 1,656,027</u>	<u>\$ (9,063,154)</u>	<u>\$ 17,609,501</u>

The accompanying notes are an integral part of this statement.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A) Financial Reporting Entity

The City was incorporated on May 15, 1906 under the general laws of the State of California. The City is governed by an elected five-member board.

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

Blended Component Unit

The City of Upland has two blended component units, the Upland Public Financing Authority and the City of Upland Financing Authority (collectively, Authorities), both of whom are Joint Exercise of Powers Authorities under the Laws of the State of California. Both Authorities are authorized to issue bonds under the Mark-Roos Local Bond Pooling Act of 1985 (Article 1 through 4, Section 6500). The City and the former Community Redevelopment Agency formed the Upland Public Financing Authority in December 1988, by execution of a Joint Exercise of Powers Agreement. The City and the City of Upland Parking Authority formed the City of Upland Financing Authority in January 2022, by execution of a Joint Exercise of Powers Agreement. The purpose of both Authorities is to provide financing to the City for various project purposes. Since the City Council serves as the governing board for both Authorities, they are considered to be blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the data of the primary government. Separate financial statements are not issued for the Authorities.

Discretely Presented Component Units

The West End Consolidated Water Company (Company) is a mutual water company and, in accordance with the Internal Revenue Code Section 501(c)(12), is exempt from Federal income taxes. The Company was formed to provide water services to its shareholders. As of June 30, 2022, the City of Upland owns 91% of the outstanding stock of the Company, representing a majority equity interest. The primary purpose of stock ownership is to secure rights to well water pumped. The Company is governed by a 5 member board, made up of one member appointed from each participating agency.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The San Antonio Water Company is a mutual water company and, in accordance with the Internal Revenue Code Section 501(c)(12), is exempt from Federal income taxes. The Company was formed to develop, distribute, supply and deliver water to its shareholders. As of June 30, 2022, the City of Upland owns 68% of the outstanding stock of the Company, representing a majority equity interest. The primary purpose of stock ownership is to secure rights to well water pumped. The Company is governed by a 7-member board of directors elected annually by the shareholders. One Upland City Council member is also on the board of the Company.

Separately issued financial reports are available for the West End Consolidated Water Company and the San Antonio Water Company. These reports may be obtained by contacting the following offices:

West End Consolidated Water Company
460 N. Euclid Avenue
Upland, CA 91785

San Antonio Water Company
139 N. Euclid Avenue
Upland, CA 91786

B) Basis of Accounting and Measurement Focus

The *basic financial statements* of the City are composed of the following:

- a) Government-wide financial statements
- b) Fund financial statements
- c) Notes to the basic financial statements

Government-wide Financial Statements:

Government-wide financial statements display information about the reporting entity as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are reported only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using *the economic resources measurement focus* and the *accrual basis of accounting*. 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. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the *accrual basis* of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not included among program revenues are reported instead as *general revenues*.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expense.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Fund Financial Statements

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

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about the major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales taxes, property taxes, franchise taxes, intergovernmental revenue and rental income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Non-current portions of long-term receivables due from governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Proprietary and Fiduciary Funds

The City's enterprise and internal service funds are considered proprietary funds. Proprietary funds and fiduciary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. Proprietary funds are presented using the *economic resources measurement focus*. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability, rather than as an expense.

The custodial funds account for monies held for the benefit of other organizations and governments to which the City provides accounting and investing services. The private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

C) Fund Classifications

The City reports the following major governmental funds:

General Fund - The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund finances the basic services provided to residents including police and recreation.

Housing Fund - This fund accounts for the activities of the City that were previously reported in the low- and moderate-income housing redevelopment agency fund of the former Community Redevelopment Agency. The primary source of revenue is from rental income.

ARPA Fund - This fund accounts for the monies received and restricted by the American Rescue Plan Act.

The City reports the following major enterprise funds:

Water Utility Fund - This fund accounts for the sale of water to the City's citizens and businesses and also records expenditures for water operations and capital improvement projects.

Solid Waste Utility Fund - This fund accounts for the refuse pick-up services provided by private contract. Billing and collection is accomplished by City staff for residential services and by the contracted agency for commercial services. Activities include recycling and green waste programs.

Sewer Utility Fund - This fund records all City sewer service transactions, and also includes the storm drain maintenance and NPDES programs.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Additionally, the City reports the following fund types:

Internal Service Funds - These funds are used to account for self-funded insurance, fleet management, information systems, and building maintenance and operations. Departments of the City are charged for the services provided or benefits received from these funds.

OPEB Trust Fund – Used to account for the prefunding of post-employment benefits other than pension.

Private Purpose Trust Fund - Used to account for the activities of the Redevelopment Obligation Retirement Fund, and other Successor Agency activities. Resources are accumulated to retire obligations previously incurred by the former Community Redevelopment Agency.

Custodial Funds - Used to account for monies held for assessment districts and for the Welfare Committee.

D) Cash and Investments

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

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

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

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 months or less. Cash equivalents represent the proprietary funds' share in the cash and investment pool of the City.

E) Inventories and Prepaid Items

Inventories held by the General Fund and Water Fund are recorded at cost on a first-in, first-out basis and, for the General Fund, are recorded as expenditures as used (the consumption method). General Fund inventories consist primarily of fuel, office supplies, and small hand tools. Water Fund inventory consists of stored water.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

F) Land Held for Resale

Land held for resale represents land that was acquired for resale in accordance with the objective of the Redevelopment Project Area. These costs will be charged to current year project expenditures when the related land and structures are sold. Land held for resale is valued at the lower of cost or the sales price per contract with the developer.

G) Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are received within 60 days after year end. The property tax calendar is as follows:

Property Tax Calendar		County Remittance Dates and Percentages	
Lien date	January 1	December	30% Advance
Levy date	July 1	January	Collection No. 1
Due date	November 1 and February 1	April	10% Advance
Delinquent dates	December 11 and April 11	May	Collection No. 2
		July	Collection No. 3

H) Claims and Judgements

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability (including incurred but not reported) has been incurred prior to yearend and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the internal service fund that accounts for the City's self-insurance activities.

I) Employee Leave Benefits

Vacation: The City's policy permits employees to accumulate earned but unused vacation and similar compensatory leave balances, which are eligible for payment upon separation from City service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts are recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave: A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in payments upon retirement. This is estimated by including in the liability the unused balances of employees currently entitled to receive a payment upon retirement, as well as those who are expected to become eligible to receive the benefit payout as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

J) Capital Assets

Capital assets (including infrastructure) greater than \$5,000 are capitalized and recorded at cost or at the estimated fair value of the assets at the time of acquisition where complete historical records have not been maintained. Contributed capital assets are valued at their acquisition value at the date of the contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, bridges, curbs and gutters, streets and sidewalks, medians, sewers and storm drains. As allowed by GASB Statement No. 34, certain infrastructure assets that were acquired, reconstructed or significantly improved prior to June 30, 1980 have not been included in the City's financial statements due to the unavailability of the information. Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, equipment and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

Governmental Activities		Business-type Activities	
Buildings and Improvements	50 years	Pipelines and Reservoirs	50 years
Park Improvements	10-50 years	Treatment Facilities	50 years
Equipment	5-10 years	Wells/Pumps	10-50 years
Vehicles	5-10 years	Sewer Manholes	50 years
Infrastructure - Street System	30-100 years	Equipment and Machinery	5-10 years
Infrastructure - Storm Drains	100 years	Vehicles	5-10 years

K) Notes and Loans Receivable

The accompanying financial statements report certain loans receivable for loans made to private developers, private homeowners, and other parties. Where applicable, an allowance for doubtful accounts has been recorded to reflect management's best estimate of probable losses associated with non-repayment.

L) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has certain items that qualify for reporting in this category: 1) a deferred charge on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price, which is deferred and amortized over the shorter of the life of the refunded or refunding debt, and 2) deferred outflows relating to the City's net pension and OPEB liabilities.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows for certain items under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues related to interest earned on loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows relating to the net pension and OPEB liabilities and leases.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

M) Pensions

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

N) Other Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used: June 30, 2021 Valuation Date; June 30, 2021 Measurement Date; and July 1, 2020 through June 30, 2021 Measurement Period.

O) Net Position Flow Assumption

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

P) Fund Balance

Nonspendable Fund Balance: this includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).

Restricted Fund Balance: this includes amounts that can be spent only for specific purposes stipulated by legal requirements imposed by other governments, external resource providers, or creditors. City Council-imposed restrictions do not create restricted fund balance unless the legal document that initially authorized the revenue (associated with that portion of fund balance) also included language that specified the limited use for which the authorized revenues were to be expended.

Committed Fund Balance: this includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (for example, resolution, ordinance, minutes action, etc.) that it employed to previously commit those amounts. If the Council action that limits the use of the funds was separate from the action that initially created the revenues that form the basis for the fund balance, then the resultant fund balance is considered to be committed, not restricted. The City considers a minute action to constitute a formal action of City Council for the purposes of establishing committed fund balance.

The City's committed fund balance includes:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- **Economic Uncertainty Reserve:**
Fund balance in the General Fund has been committed for economic uncertainties. Under the City's Ordinance, this reserve can be used if an economic impact resulting in a 5% or more decrease in property or sales taxes occurs. The City Council, through resolution, has established the initial Economic Uncertainty Reserve at \$10,300,000.
- **Emergency Disaster Contingency Reserve:**
Fund balance in the General Fund has been committed for emergency contingencies. An emergency shall mean natural disasters, catastrophic events, or any situation requiring the declaration of an emergency as defined by Upland Municipal Code Section 2.20. The City Council, through resolution, has established the Emergency Disaster Contingency Reserve at \$1,000,000.

Assigned Fund Balance: this includes amounts that are intended to be used for specific purposes as indicated either by the City Council or by persons to whom the City Council has delegated the authority to assign amounts for specific purposes. The City Manager authorizes assigned amounts for specific purposes pursuant to the policy-making powers granted through an adopted City Council resolution.

Unassigned Fund Balance: this includes the remaining spendable amounts which are not included in one of the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Q) Fair Value Measurements

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements), as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

**City of Upland
Notes to Financial Statements
Year Ended June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

R) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

S) Leases

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

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

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.
- The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

2) CASH AND INVESTMENTS

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

	Government-wide Statement of Net Position			Total
	Governmental Activities	Business-Type Activities	Fiduciary Funds	
Cash and Investments	\$ 89,653,724	\$ 11,438,730	\$ 7,904,655	\$ 108,997,109
Restricted Cash and Investments	2,825,653	568,781	1,656,027	5,050,461
Cash and Investments with Fiscal Agent	-	15,520,501	19,377,575	34,898,076
Total Cash and Investments	\$ 92,479,377	\$ 27,528,012	\$ 28,938,257	\$ 148,945,646

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

2) CASH AND INVESTMENTS – Continued

Cash and investments as of June 30, 2022 consist of the following:

Cash on Hand	\$ 12,800
Deposits with Financial Institutions	22,105,684
Investments	<u>126,827,162</u>
Total Cash and Investments	<u>\$ 148,945,646</u>

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

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer*</u>
Municipal Securities	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues	5 years	50%	50%
Commercial Paper	270 days	15%	10%
Bankers' Acceptances	180 days	40%	30%
Negotiable Certificates of Deposits	5 years	30%	None, if collateralized
Medium Term Notes/Corporate Bonds	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Supranational Securities	5 years	30%	10%

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. Generally, the table below identifies the investment types that are authorized for investments held by bond trustees, subject to certain additional restrictions in the debt agreements. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

2) CASH AND INVESTMENTS – Continued

Authorized Investment Type	Maximum Maturity
U.S. Treasury Obligations	None
U.S. Government Agency Issues (with certain exceptions)	None
Banker's Acceptances	30-360 days
Commercial Paper	270 days
Money Market Funds	N/A
State and Municipal Obligations	None
Investment Agreements	None
Repurchase Agreements	None
Local Agency Investment Fund	None

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 rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 36 Months	37 to 60 Months	More than 60 Months
US Treasury Obligations	\$ 1,367,055	\$ -	\$ -	\$ 1,367,055	\$ -
U.S. Government Agency Securities	54,793,447	4,948,040	6,744,920	43,100,487	-
Medium-term Notes	499,365	499,365	-	-	-
Certificates of Deposit	12,831,518	1,998,430	2,915,091	7,917,997	-
Municipal Obligations	675,892	-	98,044	577,848	-
Money Market Mutual Funds	4,272,999	4,272,999	-	-	-
Local Agency Investment Fund (LAIF)	17,164,338	17,164,338	-	-	-
Mutual Funds	15,844,986	15,844,986	-	-	-
Held by Fiscal Agent					
Money Market Mutual Funds	19,377,562	19,377,562	-	-	-
Total Pooled Investments	\$ 126,827,162	\$ 64,105,720	\$ 9,758,055	\$ 52,963,387	\$ -

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 minimum rating required by the California Government Code, the City's Investment Policy, or debt agreements, and the actual rating as of year-end for each investment type.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

2) CASH AND INVESTMENTS – Continued

Investment Type	Total	Minimum				Not Rated	Exempt from Rating
		Legal Rating	Aaa	Aaa3 - Aa1	A1, A2, A3		
US Treasury Obligations	\$ 1,367,055	N/A	\$ 1,367,055	\$ -	\$ -	\$ -	\$ -
U.S. Government Agency Securities	54,793,447	N/A	54,793,447	-	-	-	-
Medium-term Notes	499,365	A	499,365	-	-	-	-
Certificates of Deposit	12,831,518	N/A	-	-	-	12,831,518	-
Municipal Obligations	675,892	N/A	-	504,688	-	171,204	-
Money Market Mutual Funds	4,272,999	A	4,272,999	-	-	-	-
Local Agency Investment Fund (LAIF)	17,164,338	N/A	-	-	-	17,164,338	-
Mutual Funds	15,844,986	N/A	-	-	-	15,844,986	-
Held by Fiscal Agent							
Money Market Mutual Funds	19,377,562	A	19,377,562	-	-	-	-
Total Pooled Investments	\$126,827,162		\$ 80,310,428	\$ 504,688	\$ -	\$ 46,012,046	\$ -

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2022, the City's investments with each of the following issuers exceed 5% of its total investments.

Issuer	Investment Type	Reported	Maturity	Interest (%)
		Amount		
FFCB	Federal Agency Securities	\$ 13,507,439	2022-2026	.160 - 1.66
FHLB	Federal Agency Securities	25,975,497	2023-2027	.200 - 2.50
FHLMC	Federal Agency Securities	12,460,211	2024-2027	.375 - 3.00

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 governmental 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.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Based upon the fair value measurements described in Note 1, the City held the following investments as of June 30, 2022:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

2) CASH AND INVESTMENTS – Continued

Investment Type	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
US Treasury Obligations	\$ 1,367,055	\$ 1,367,055	\$ -	\$ -
U.S. Government Agency Securities	54,793,447	-	54,793,447	-
Medium-term Notes	499,365	-	499,365	-
Certificates of Deposit	12,831,518	-	12,831,518	-
Municipal Obligations	675,892	-	675,892	-
Total	\$ 70,167,277	\$ 1,367,055	\$ 68,800,222	\$ -

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from - As of June 30, 2022, the General Fund has an outstanding receivable from non-major governmental funds of \$334,024 to cover current year operating deficits. These deficits will be repaid with future revenues and when receivables are collected.

Interfund transfers for the year ended June 30, 2022 are as follows:

TRANSFERS OUT	TRANSFERS IN			Total
	Nonmajor Governmental Funds	Sewer Utility Fund	Internal Service Funds	
General Fund	\$ 290,000	\$ -	\$1,868,150	\$2,158,150
Solid Waste Fund	-	265,000	-	265,000
	\$ 290,000	\$ 265,000	\$1,868,150	\$2,423,150

The General Fund transferred \$290,000 to the nonmajor governmental funds to fund projects. In addition, the General Fund transferred \$1,868,150 to the Internal Service Funds for claims liabilities, vehicle replacements, and information systems. The Solid Waste Fund transferred \$265,000 to the Sewer Fund to pay for landfill costs.

Advances to/from Other Funds

The Water and Sewer Enterprise Funds advanced \$15,750,000 and \$5,000,000, respectively, to the General Fund. In order to enable the City to paydown a portion of the General Fund's share of the City's unfunded accrued liability ("UAL") with California Public Employees' Retirement System, the City is leasing the real property dated April 1, 2022. The City of Upland Financing Authority, a joint powers public financing authority promises to pay to the City of Upland Sewer Fund, the amount of \$5,000,000 and the City of Upland Water Fund \$15,750,000. The principal balance of the note shall bear interest at the rate of 1.92 % per annum, and the final note payments are due and payable on October 1, 2037.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 is as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 5,053,610	\$ -	\$ -	\$ 5,053,610
Rights of Way	103,432,811	-	-	103,432,811
Street Trees	3,537,384	-	-	3,537,384
Construction in Progress	1,262,869	1,872,422	(1,413,967)	1,721,324
Total Capital Assets, Not Being Depreciated	113,286,674	1,872,422	(1,413,967)	113,745,129
Capital Assets Being Depreciated:				
Building and improvements	43,653,023	264,449	(12,000)	43,905,472
Land Improvements	5,680,955	-	-	5,680,955
Park Improvements	12,370,161	-	-	12,370,161
Equipment	8,014,699	483,919	(630,359)	7,868,259
Vehicles	4,239,261	307,555	(31,085)	4,515,731
Infrastructure - Bridge	4,081,500	-	-	4,081,500
Infrastructure - Street System	187,344,859	1,499,232	(368,122)	188,475,969
Infrastructure - Storm Drains	25,063,300	224,470	-	25,287,770
Total Capital Assets Being Depreciated	290,447,758	2,779,625	(1,041,566)	292,185,817
Less Accumulated Depreciation:				
Building and improvements	(14,543,413)	(854,774)	12,000	(15,386,187)
Land Improvements	(287,709)	(486,726)	-	(774,435)
Park Improvements	(7,368,036)	(398,531)	-	(7,766,567)
Equipment	(5,778,360)	(763,363)	630,359	(5,911,364)
Vehicles	(2,430,768)	(538,391)	31,085	(2,938,074)
Infrastructure - Bridge	(81,630)	(81,630)	-	(163,260)
Infrastructure - Street System	(81,707,950)	(4,843,635)	368,122	(86,183,463)
Infrastructure - Storm Drains	(4,923,550)	(250,633)	-	(5,174,183)
Total Accumulated Depreciation	(117,121,416)	(8,217,683)	1,041,566	(124,297,533)
Total Capital Assets Being Depreciated, Net	173,326,342	(5,438,058)	-	167,888,284
Governmental Activities, Capital Assets, Net	<u>\$ 286,613,016</u>	<u>\$ (3,565,636)</u>	<u>\$ (1,413,967)</u>	<u>\$ 281,633,413</u>

Depreciation expense was charged to the following functions for governmental activities in the Statement of Activities:

General Government	\$ 1,305,382
Public Safety	935,699
Engineering and Public Works	5,512,097
Community Services	464,505
	<u>\$ 8,217,683</u>

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

4) CAPITAL ASSETS – Continued

Business Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 2,954,861	\$ -	\$ -	\$ 2,954,861
Construction in Progress	4,249,828	9,575,146	(920,389)	12,904,585
Total Capital Assets, Not Being Depreciated	<u>7,204,689</u>	<u>9,575,146</u>	<u>(920,389)</u>	<u>15,859,446</u>
Capital Assets Being Depreciated:				
Pipelines	66,958,606	3,369,885	(538,371)	69,790,120
Reservoirs	37,935,771	-	-	37,935,771
Building and improvements	-	55,818	-	55,818
Land Improvements	9,870	-	-	9,870
Treatment Facilities	14,549,932	-	-	14,549,932
Wells/pumps	5,340,879	-	-	5,340,879
Sewer Manholes	2,784,068	-	-	2,784,068
Machinery and Equipment	1,577,568	174,451	-	1,752,019
Vehicles	2,835,151	343,358	(84,593)	3,093,916
Total Capital Assets Being Depreciated	<u>131,991,845</u>	<u>3,943,512</u>	<u>(622,964)</u>	<u>135,312,393</u>
Less Accumulated Depreciation:				
Pipelines	(19,021,489)	(1,339,172)	398,395	(19,962,266)
Reservoirs	(14,502,733)	(738,483)	-	(15,241,216)
Land Improvements	(2,961)	(987)	-	(3,948)
Treatment Facilities	(7,127,649)	(290,999)	-	(7,418,648)
Wells/pumps	(1,704,222)	(105,253)	-	(1,809,475)
Sewer Manholes	(2,148,842)	(39,097)	-	(2,187,939)
Machinery and Equipment	(1,188,699)	(109,563)	-	(1,298,262)
Vehicles	(1,758,604)	(405,778)	84,593	(2,079,789)
Total Accumulated Depreciation	<u>(47,455,199)</u>	<u>(3,029,332)</u>	<u>482,988</u>	<u>(50,001,543)</u>
Total Capital Assets Being Depreciated, Net	<u>84,536,646</u>	<u>914,180</u>	<u>(139,976)</u>	<u>85,310,850</u>
Business Activities, Capital Assets, Net	<u>\$ 91,741,335</u>	<u>\$ 10,489,326</u>	<u>\$ (1,060,365)</u>	<u>\$ 101,170,296</u>

Depreciation expense was charged to the following programs for business-type activities in the Statement of Activities:

Water Utility	\$ 2,214,038
Sewer Utility	815,294
	<u>\$ 3,029,332</u>

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

5) LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due in one year
Governmental Activities					
Compensated Absences Payable	\$ 2,205,010	\$ 1,350,677	\$ 1,440,643	\$ 2,115,044	\$ 1,005,051
Net OPEB Liability	11,212,517	-	265,855	10,946,662	-
Net Pension Liability	106,396,311	-	31,156,555	75,239,756	-
Claims Payable	9,747,449	1,106,860	1,022,580	9,831,729	2,856,713
Loans from Direct Borrowings:					
2021 Multifamily Housing Loan	-	12,982,644	580,246	12,402,398	600,325
2017 Multifamily Housing Rev. Note	12,815,172	-	12,815,172	-	-
Energy Efficiency Lease	2,315,655	-	170,254	2,145,401	171,137
CREBS Lease Agreement	4,441,631	-	55,603	4,386,028	83,657
Total Direct Borrowings	19,572,458	12,982,644	13,621,275	18,933,827	855,119
Total Government Activities	<u>\$ 149,133,745</u>	<u>\$ 15,440,181</u>	<u>\$ 47,506,908</u>	<u>\$ 117,067,018</u>	<u>\$ 4,716,883</u>

The liability for compensated absences, Net OPEB, and Net Pension are generally liquidated by the General Fund and internal service funds.

2021 Multifamily Housing Loan (direct borrowing)

In July 2021, the City entered into a \$12.9 million loan agreement with Western Alliance Business Trust (2021 Loan) for the purpose of refunding the 2017 Multifamily Housing Revenue Note (2017 Note). Proceeds from the loan were used to refund in full the 2017 Note, which was issued to refund the 2007 Multifamily Housing Revenue Bonds (2007 Bonds).

The 2007 Bonds were used to finance certain redevelopment projects in the project area of the former Community Redevelopment Agency and to advance refund previous Housing Revenue Bonds. Upon the issuance of the 2021 Loan, the 2017 Note is considered defeased and the liability was removed from these financial statements.

Principal and interest on the 2021 Loan are payable in monthly payments due the first of each month, with the final payment scheduled for August 1, 2037. Payments are secured by a pledge of revenues generated by apartment rentals that have been assigned to the Housing Fund of the City pursuant to Assembly Bills 1x26 and 1484. The loan agreement contains provisions that in an event of default, outstanding amounts may become immediately due if the City is unable to make payment.

The following represents the future annual debt service requirements:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

5) LONG-TERM LIABILITIES – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 600,325	\$ 53,608	\$ 653,933
2024	674,562	355,184	1,029,746
2025	695,704	334,042	1,029,746
2026	717,508	312,238	1,029,746
2027	739,996	289,750	1,029,746
2028-2032	4,062,750	1,085,979	5,148,729
2033-2037	4,740,589	408,139	5,148,728
2038	170,964	661	171,625
Totals	\$ 12,402,398	\$ 2,839,601	\$ 15,241,999

Energy Efficiency Lease Agreement (direct borrowing)

In August 2017, the City entered into a lease-purchase agreement for the acquisition and installation of certain energy conservation equipment including lighting and HVAC (non-solar) with an aggregate principal borrowing of \$2,797,094. The proceeds were to be used to pay for energy efficiency and conservation improvements as specified in the agreement. The payments bear interest at 3.60% and are due and payable semi-annually on February 24th and August 24th each year, maturing on August 24, 2032. The General Fund will generally be responsible for making the debt service payments annually.

The annual debt service requirements for the lease agreement as of June 30, 2022 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 171,137	\$ 90,646	\$ 261,783
2024	172,741	83,285	256,026
2025	176,862	75,825	252,687
2026	183,160	68,162	251,322
2027	191,372	60,207	251,579
2028-2032	1,122,976	213,569	1,336,545
2033	127,153	16,835	143,988
Totals	\$ 2,145,401	\$ 608,529	\$ 2,753,930

CREBS Lease Agreement (direct borrowing)

In August 2017, the City entered into a lease-purchase agreement for the acquisition, construction and installation of certain energy conservation equipment and improvements (solar) with an aggregate principal borrowing of \$4,548,393. The proceeds were to be used to pay for certain issuance costs and energy efficiency and conservation improvements as specified in the agreement. The payments bear interest at 3.46% and are due and payable semi-annually, on February 24th and August 24th each year, maturing on August 24, 2037. The General Fund will generally be responsible for making the debt service payments annually.

The annual debt service requirements for the lease agreement as of June 30, 2022 are as follows:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

5) LONG-TERM LIABILITIES – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 83,657	\$ 151,088	\$ 234,745
2024	98,346	148,070	246,416
2025	114,018	144,535	258,553
2026	130,727	140,448	271,175
2027	148,527	135,775	284,302
2028-2032	1,050,497	585,412	1,635,909
2033-2037	2,452,069	306,794	2,758,863
2038	308,187	5,332	313,519
Totals	\$ 4,386,028	\$ 1,617,454	\$ 6,003,482

Changes in long-term liabilities for business-type activities are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due in one year
Business-type Activities					
Compensated absences payable	\$ 389,752	\$ 315,477	\$ 294,900	\$ 410,329	\$ 224,902
Net OPEB Liability	2,436,316	267,930	-	2,704,246	-
Net Pension Liability	14,000,174	-	4,057,012	9,943,162	-
2022 Water Revenue Bonds	-	15,750,000	-	15,750,000	845,000
2021 Water Refunding Bonds	-	6,553,000	-	6,553,000	25,000
2011 Revenue Refunding Bonds	6,820,000	-	6,820,000	-	-
Unamortized premium	412,147	-	412,147	-	-
Loans from Direct Borrowings:					
SAWCO Loan	1,032,000	-	344,000	688,000	344,000
SWRCB Loan	666,627	-	-	666,627	-
Total Direct Borrowings	1,698,627	-	344,000	1,354,627	344,000
Total Business-type Activities	\$ 25,757,016	\$ 22,886,407	\$ 11,928,059	\$ 36,715,364	\$ 1,438,902

2022 Water Revenue Bonds

In March 2022, the City issued \$15,750,000 of Water Revenue Bonds to finance capital improvements to the City's water system. The interest rate on the 2022 Bonds is 1.92%, payable semi-annually on April 1 and October 1 of each year until maturity on October 1, 2037. The City has purchased bond insurance to satisfy the reserve requirements for these Bonds.

The Bonds are secured by a pledge of net revenues of the water system. The City is required to set rates, fees, and charges for each fiscal year so as to yield system net revenues during each fiscal year equal to 125% of the annual debt service (including parity debt, if any).

All system net revenues, which approximate \$7.5 million annually, are irrevocably pledged to the payment of the installment payments. There were no principal and interest payments due on the bonds for 2021-22 fiscal year. The Bond indenture contains a provision that in an event of default, outstanding amounts may become immediately due if the City is unable to make payment. The future debt service requirements are as follows:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

5) LONG-TERM LIABILITIES – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 845,000	\$ 296,808	\$ 1,141,808
2024	865,000	277,872	1,142,872
2025	880,000	261,120	1,141,120
2026	900,000	244,032	1,144,032
2027	915,000	226,608	1,141,608
2028-2032	4,860,000	859,392	5,719,392
2033-2037	5,350,000	369,600	5,719,600
2038	1,135,000	10,896	1,145,896
Totals	<u>\$ 15,750,000</u>	<u>\$ 2,546,328</u>	<u>\$ 18,296,328</u>

2021 Water Refunding Bonds

In October 2021, the City issued \$6,553,000 of 2021 Water Revenue Refunding Bonds to provide for the current refunding of the remaining portion of the City's 2011 Revenue Refunding Bonds. The interest rate on the 2021 Bonds is 1.5%, payable semi-annually on April 1 and October 1 of each year until maturity on October 1, 2033. The City has purchased bond insurance to satisfy the reserve requirements for these Bonds.

The City refunded the 2011 Revenue Refunding Bonds to decrease total debt service payments by approximately \$1.36 million and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1.33 million.

The Bonds are secured by a pledge of net revenues of the water system. The City is required to set rates, fees, and charges for each fiscal year so as to yield system net revenues during each fiscal year equal to 125% of the annual debt service (including parity debt, if any).

All system net revenues, which approximate \$7.5 million annually, are irrevocably pledged to the payment of the installment payments. Principal and interest payments on the bonds for the 2021-22 fiscal year totaled \$45,597. The Bond indenture contains a provision that in an event of default, outstanding amounts may become immediately due if the City is unable to make payment. The future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 25,000	\$ 98,108	\$ 123,108
2024	25,000	97,732	122,732
2025	560,000	93,345	653,345
2026	622,000	84,480	706,480
2027	633,000	75,068	708,068
2028-2032	3,303,000	229,163	3,532,163
2033-2034	1,385,000	20,857	1,405,857
Totals	<u>\$ 6,553,000</u>	<u>\$ 698,753</u>	<u>\$ 7,251,753</u>

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

5) LONG-TERM LIABILITIES – Continued

SAWCO Loan Payable (direct borrowing)

In March 2019, the City entered into an agreement with the San Antonio Water Company (SAWCO) to purchase land valued at \$1,720,000. The transaction was executed in September of 2019. SAWCO sold the land in exchange for a promissory note for \$1,720,000. The loan is payable from the City in equal installments of \$344,000 bearing an interest rate of 1.88%. The principal and interest payments are due on December 10, of each year with the final payment maturing on December 10, 2023.

The future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 344,000	\$ 12,934	\$ 356,934
2024	344,000	6,467	350,467
Totals	\$ 688,000	\$ 19,401	\$ 707,401

SWRCB Loan Payable (direct borrowing)

The City has entered into a Construction Installment Sale Agreement with the California State Water Resources Control Board (State), to finance the replacement of a 7.5 MG reservoir (Project). The State has agreed to provide Project funds not to exceed \$16.5 million. As of June 30, 2022, the City has drawn down \$666,627 under the agreement.

Interest is accrued on the loan at 1.9% per annum, beginning with each drawdown. The City must pay interest annually during Project construction. Principal payments are not required until Project completion, with a final payment date of April 1, 2052. Upon completion of the Project, the City will be required to make annual payments of both principal and interest, based on a final payment schedule to be provided by the State at that time. Future debt service requirements will be disclosed for this loan upon Project completion.

The loan is secured by a lien on and pledge of net revenues in the City’s Water Fund. The City is required to establish and maintain a reserve fund prior to Project completion, in an amount equal to one year’s debt service on the loan.

6) OTHER POST EMPLOYMENT BENEFITS

General Information About the OPEB Plan

Plan Description – The City administers a single-employer defined benefit healthcare plan (“the Plan”) which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. After age 65, Medicare automatically becomes the primary provider of health coverage. The City’s defined benefit plan becomes the secondary provider. Eligible retirees will have no noticeable change in health benefits or plan administration; however, there is a reduction in the City’s cost of health coverage as the secondary provider. The City’s defined benefit plan administrator establishes the cost of secondary provider rates annually. There is no separate audited benefit plan report available. The City will pay a portion of the eligible retirees’ health coverage depending on their years of service.

Benefits Provided – Employees are eligible for retiree health benefits if they retire from the City on or after age 50 with at least 10 years of service, and are eligible for a PERS pension.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

6) OTHER POST EMPLOYMENT BENEFITS – Continued

City Service	Monthly City Contribution	
	Retiree	Spouse
10 - 14 years	\$ 72.57	\$ 45.00
15 - 19 years	96.81	45.00
20 - 24 years	121.05	45.00
25 or more years	145.14	45.00

Employees Covered by Benefit Terms – As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees currently receiving benefits	223
Active employees	200
Total	423

Contributions – The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contributions to the Plan are based on the costs to provide the benefits as described above on a pay as you go basis. For the fiscal year ended June 30, 2022, the City’s pay-as-you-go costs were \$792,544. In addition, as the City’s budget allows, the City will make additional contributions to the OPEB Trust Account, administered by the Public Agency Retirement Systems (PARS).

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

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	2017 CalPERS Experience Study
Age at Retirement	Varies, 55 to 75
Health Care Trend Rate	5.40% initial, 4.0% ultimate
Inflation Rate	2.50%
Salary Changes	3.00%
Discount Rate	2.30
Asset Return	5.64%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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 allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Rate of Return
Fixed Income	35%	6.80%
Equities	60%	3.90%
Cash	5%	2.40%
Total	100.00%	

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

6) OTHER POST EMPLOYMENT BENEFITS – Continued

Discount Rate – The discount rate of 2.30% is a blended rate between the rate of return of 5.64% and 2.16%, the resulting rate using the Bond Buyer 20-Bond GO index.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (TOL)	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2021 (2020 Measurement Date)	\$ 14,813,883	\$ 1,165,050	\$ 13,648,833
Changes in the year:			
Service cost	226,606	-	226,606
Interest on the total OPEB liability	326,794	-	326,794
Employer contributions	-	997,138	(997,138)
Actual investment income	-	75,298	(75,298)
Differences between expected and actual experience	841,486	-	841,486
Changes of assumptions	(171,113)	-	(171,113)
Administrative Expense	-	(6,956)	6,956
Benefit payments, including refunds	(772,138)	(772,138)	-
Investment Experience	-	156,218	(156,218)
Net changes	451,635	449,560	2,075
Balance at June 30, 2022 (2021 Measurement Date)	\$ 15,265,518	\$ 1,614,610	\$ 13,650,908

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 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.30%)	Discount Rate (2.30%)	1% Increase (3.30%)
Net OPEB liability (asset)	\$ 15,548,405	\$ 13,650,908	\$ 12,066,075

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the City, as well as what the City's Net OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset)	\$ 12,796,885	\$ 13,650,908	\$ 14,661,362

OPEB Plan Fiduciary Net Position

PARS issues a publicly available financial report that may be obtained from the Public Agency Retirement Services, 4350 Von Karman Ave., Newport Beach, CA 92660.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

6) OTHER POST EMPLOYMENT BENEFITS – Continued

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$756,517. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
OPEB Contributions Subsequent to the Measurement Date	\$ 1,019,544	\$ -
Changes of Assumptions	1,628,354	140,557
Net differences between expected and actual experience	691,221	826,061
Net differences between projected and actual earnings on plan investments	-	116,122
Total	\$ 3,339,119	\$ 1,082,740

The \$1,019,544 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,		
2023	\$	268,053
2024		266,366
2025		363,452
2026		267,136
2027		71,828
Thereafter		-

7) TAX ABATEMENT

The City enters into various tax abatement agreements for the purpose of attracting or retaining businesses within the City’s jurisdiction. In July 2021, a fifteen-year agreement was entered into with a commercial concrete and asphalt company. As an incentive to continue to operate within the City, for each fiscal year in which the company produces sales tax revenues to the City of Upland in excess of \$400,000, the City will pay the company 40% of sales tax revenue. The amount of sales tax abated to that company for the fiscal year ended June 30, 2022 was \$874,702.

8) DEBT WITHOUT GOVERNMENT COMMITMENT

The City has various outstanding bond issues which are not reflected in these financial statements. These bond issues are special obligations payable solely from and secured by specific revenue sources described in the resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the Successor Agency to UCRA, the State of California or any political subdivision thereof, is pledged for the payment of these bonds. No legal obligation on the part of the City exists to make payments on the bonds from any source other than the revenues or assets pledged therefore. The programs are completely administered by trustees, and the total outstanding balance at June 30, 2022 is \$54,525,000.

**City of Upland
Notes to Financial Statements
Year Ended June 30, 2022**

9) CLAIMS AND JUDGEMENTS

The City is exposed to various risks of loss related to its operation, including losses associated with errors and omissions, injuries to employees and members of the public. The City's Self-funded Insurance Internal Service Fund is used to account for and finance its uninsured risks of loss. The City purchases coverage from Municipal Insurance Cooperative (MIC) for general liability coverage, with a limit up to \$10M. MIC provides coverage in excess of the City's self-insured retention of \$400,000. Excess general liability coverage is also obtained through excess carriers up to \$20M in limits. Starstone National Insurance provides \$10M excess and Markel Insurance Company provides the second layer of excess coverage.

The City is self-insured for workers' compensation through its membership with the Municipal Insurance Cooperative Joint Powers Authority, covering occupation injuries and employer's liability insurance. Through its participation in this program, the City has retained a limit of \$1M per occurrence purchased through Arch Insurance Group covering up to statutory limits under California workers' compensation law. Additionally, the City purchases a buffer layer policy to reduce the \$1M retention to \$500,000 covering occupation injuries and employer's liability insurance provided by Great American E&S Insurance Company.

In the past three years, no claims for general liability or workers' compensation have exceeded the City's purchased insurance coverage.

The claims and judgments liability reported in the Self-funded Insurance Internal Service Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims and judgments be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. As of June 30, 2022, claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to \$9,831,729.

Changes in the claims and judgments payable amounts in fiscal years ended June 30, 2021 and 2022 for the Self-funded Insurance Fund are as follows:

Year Ended June 30,	Beginning of Year	Claims and Changes in Estimates	Claim Payments	End of Year
2022	\$ 9,747,449	\$ 1,106,860	\$ 1,022,580	\$ 9,831,729
2021	10,504,707	3,068,055	3,825,313	9,747,449

10) PENSION PLANS

General Information about the Pension Plans - Miscellaneous

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

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

10) PENSION PLANS – Continued

Benefits Provided: The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the plan’s June 30, 2020 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website.

The Plans’ provisions that are in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52
Monthly benefits, as a % of eligible compensation	(1)	(1)
Required employee contribution rates	8%	7.25%
Required employer contribution rates	10.42% + \$3,463,248	7.25%

(1) - Depending on years of service

Employees Covered: At June 30, 2022, the following number of employees were covered by the benefit terms for the Plan:

	Miscellaneous
Inactive employees or beneficiaries	
currently receiving benefits	422
Inactive employees entitled to but not yet	
receiving benefits	280
Active employees	150

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer-Paid Member Contributions or situations where members are paying a portion of the employer contribution.

**City of Upland
Notes to Financial Statements
Year Ended June 30, 2022**

10) PENSION PLANS – Continued

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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, 2020 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

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

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound 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 fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

10) PENSION PLANS – Continued

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

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

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

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

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

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

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

10) PENSION PLANS – Continued

Changes in Net Pension Liability

The changes in the Net Pension Liability for the Miscellaneous Plan are as follows:

	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020	\$ 137,564,842	\$ 95,534,898	\$ 42,029,944
Changes in the year:			
Service cost	1,692,908	-	1,692,908
Interest on the total pension liability	9,678,380	-	9,678,380
Changes of benefit terms	-	-	-
Differences between expected and actual experience	1,115,756	-	1,115,756
Changes in assumptions	-	-	-
Net Plan to Plan Resource Movement	-	-	-
Contributions from the employer	-	4,063,124	(4,063,124)
Contributions from employees	-	633,415	(633,415)
Net investment income	-	21,384,568	(21,384,568)
Benefit payments, including refunds	(8,330,169)	(8,330,169)	-
Administrative/other expense	-	(95,434)	95,434
Net changes	4,156,875	17,655,504	(13,498,629)
Balance at June 30, 2021	\$ 141,721,717	\$ 113,190,402	\$ 28,531,315

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

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	\$ 46,052,095
Current Discount Rate	7.15%
Net Pension Liability	\$ 28,531,315
1% Increase	8.15%
Net Pension Liability	\$ 14,031,751

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

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

For the year ended June 30, 2022, the City recognized pension expense of \$1,594,028 for the Miscellaneous Plan. At June 30, 2022, the City reported deferred outflows and deferred inflows for the Miscellaneous Plan from the following sources:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

10) PENSION PLANS – Continued

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 19,737,848	\$ -
Differences between actual and expected experience	528,516	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	10,652,111
Total	\$ 20,266,364	\$ 10,652,111

\$19,737,848 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2023	\$ (2,177,318)
2024	(2,458,571)
2025	(2,547,707)
2026	(2,939,999)
2027	-
Thereafter	-

General Information about the Pension Plans – Safety

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-sharing Multiple-employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire). Plan assets may be used to pay benefits for any employer rate plan of the safety pool. Accordingly, rate plans within the safety pool are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the safety pool. The City sponsors five rate plans. Benefit provisions under the Plan 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: www.calpers.ca.gov

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2020 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2020 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

10) PENSION PLANS – Continued

The rate plan provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Safety	Safety PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 55	2.7% @ 55
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52
Monthly benefits, as a % of eligible compensation	(1)	(1)
Required employee contribution rates	9%	12.25%
Required employer contribution rates	20.09% + \$6,105,312	18.19% + \$46,054
(1) - Depending on years of service		

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability was \$6,151,366 in fiscal year 2022. The City’s contributions to the Plan for the year ended June 30, 2022 were \$37,727,924.

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

As of June 30, 2022, the City reported a liability of \$56,651,603 for its proportionate share of the net pension liability. The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City’s proportionate share of the Plan’s net pension liability as of June 30, 2020 and 2021 was as follows:

Proportion - June 30, 2020	0.72025%
Proportion - June 30, 2021	1.04750%
Change - Increase (Decrease)	0.32725%

For the year ended June 30, 2022, the City recognized pension expense of \$19,956,730. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the Safety pension plan from the following sources:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

10) PENSION PLANS – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 37,727,924	\$ -
Differences between actual and expected experience	9,678,877	-
Changes in assumptions	-	-
Change in employer's proportion and differences	16,519	1,518,636
Differences between the employer's contributions and the employer's proportionate share of contributions	-	2,462,173
Net differences between projected and actual earnings on plan investments	-	33,718,594
Total	\$ 47,423,320	\$ 37,699,403

The \$37,727,924 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2023	\$ (5,127,050)
2024	(6,042,161)
2025	(7,555,909)
2026	(9,278,887)
2027	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

(1) Depends on entry age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

10) PENSION PLANS – Continued

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

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound 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 fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

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

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

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

10) PENSION PLANS – Continued

1% Decrease		6.15%
Net Pension Liability	\$	87,596,911
Current Discount Rate		7.15%
Net Pension Liability	\$	56,651,603
1% Increase		8.15%
Net Pension Liability	\$	31,233,855

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

Payable to the Pension Plan - At June 30, 2022, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2022.

The total pension expense for the miscellaneous and safety plan was \$21,550,758.

11) EQUITY INTERESTS

The City has ownership in the San Antonio and West End water companies based upon the number of stock shares owned. To protect the water rights for the citizens of Upland, the City’s water utility has followed the practice of purchasing shares of stock in the water companies as they become available. The City’s primary motivation for owning shares in the water companies is to secure rights to well water pumped by the two companies. One Upland City Council member is also on the Board of San Antonio Water Company. As development takes place within the City, the City requires developers to contribute 1.5 shares for each acre developed. The City’s equity interests in the water companies has been recorded using the equity method of accounting and is reflected as an equity interest in the accompanying financial statements.

On February 19, 1980, the Water Facilities Authority was created under a joint exercise of powers agreement for the acquisition and construction of facilities to supply water to the inhabitants within the boundaries of its members. The Authority’s Board of Directors consists of one member appointed from each participating agency. The City’s investment in the Authority has been recorded using the equity method of accounting and is reflected as an equity interest in the accompanying financial statements.

Separate financial statements may be obtained for the San Antonio Water Company and Liquidation Trust at 139 North Euclid Avenue, Upland, California; for the West End Consolidated Water Company at 460 N. Euclid Avenue, Upland, California; and for the Water Facilities Authority at 1775 North Benson Avenue, Upland, California. The following schedule summarizes the City’s investment in joint ventures at June 30, 2022 and the gain (loss) on the investment for the year then ended:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

11) EQUITY INTERESTS - Continued

Water Company	Percentage Ownership	Total Joint Venture Equity	City's Equity Interest	City's Share of Joint Venture Net Income (Loss)
San Antonio Water Company	70.69%	\$ 30,094,142	\$ 21,273,549	\$ 835,862
West End Water Company	91.18%	2,151,634	1,961,860	(339,758)
Water Facilities Authority	23%	28,610,480	6,580,410	(51,918)
Total			<u>\$ 29,815,819</u>	<u>\$ 444,186</u>

12) SUCCESSOR AGENCY ACTIVITIES

Changes in long-term liabilities for the Successor Agency are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due in one year
Fiduciary Fund Long-term Debt					
2013 Tax Allocation Bonds	\$ 6,890,000	\$ -	\$ 2,200,000	\$ 4,690,000	\$ 2,290,000
2016 Tax Allocation Bonds	11,585,000	-	185,000	11,400,000	190,000
Unamortized Premium	1,866,067	-	291,698	1,574,369	-
Total Fiduciary Fund Debt	<u>\$ 20,341,067</u>	<u>\$ -</u>	<u>\$ 2,676,698</u>	<u>\$ 17,664,369</u>	<u>\$ 2,480,000</u>

2013 Tax Allocation Refunding Bonds

On May 9, 2013, the Successor Agency of the former Upland Community Redevelopment Agency issued tax allocation refunding bonds in the amount of \$22,090,000 to refund the outstanding aggregate principal amount of the 1998 and 2003 Tax Allocation Bonds. Interest rates on the bonds range from 2.00% to 5.00% and are payable semi-annually on March 1 and September 1 of each year until maturity. The interest and principal of the bonds are payable from pledged tax increment revenues of the Merged Project Area. Term Bonds maturing September 1, 2018 and September 1, 2023 are subject to mandatory sinking fund redemption, in part by lot, on September 1, 2015 and September 1, 2019, respectively, and on each September 1 thereafter at a price equal to the principal amount thereof plus accrued interest. There are certain limitations regarding the issuance of parity debt as further described in the official statement.

The future debt service requirements for the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 2,290,000	\$ 177,250	\$ 2,467,250
2024	2,400,000	60,000	2,460,000
Totals	<u>\$ 4,690,000</u>	<u>\$ 237,250</u>	<u>\$ 4,927,250</u>

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

12) SUCCESSOR AGENCY ACTIVITIES – Continued

2016 Tax Allocation Refunding Bonds

On September 14, 2016, the Successor Agency of the former Redevelopment Agency issued tax allocation refunding bonds in the amount of \$12,275,000 to refund the outstanding aggregate principal amount of the 2006 Tax Allocation Bonds. Interest rates on the 2016 Bonds range from 2.00% to 5.00%, and payments are due semi-annually on March 1 and September 1 of each year until maturity. The interest and principal of the bonds are payable from pledged tax increment revenues of the Merged Project Area. Term Bonds maturing September 1, 2036 are subject to mandatory sinking fund redemption, in part by lot, on September 1, 2029, and on each September 1 thereafter at a price equal to the principal amount thereof, plus accrued interest.

The future debt service requirements for the bonds are as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30,			
2023	\$ 190,000	\$ 458,687	\$ 648,687
2024	205,000	450,787	655,787
2025	2,395,000	386,813	2,781,813
2026	2,530,000	263,688	2,793,688
2027	970,000	181,037	1,151,037
2028-2032	2,650,000	499,982	3,149,982
2033-2037	2,460,000	172,838	2,632,838
Totals	<u>\$ 11,400,000</u>	<u>\$ 2,413,832</u>	<u>\$ 13,813,832</u>

13) CONTINGENT RECEIVABLE

Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. San Bernardino County Transportation Authority (SBCTA), the regional transportation authority, administers Measure I revenue and is responsible for determining which projects receive Measure I funding, and ensuring that transportation projects are implemented. In June of 2012, the City and SBCTA entered into a Jurisdiction Master Agreement. Per the terms of the Agreement, SBCTA will reimburse the City for the public share of eligible project expenditures with Measure I funds in an amount determined by SBCTA. SBCTA is to annually adopt a funding allocation and project list and will notify the City of the Measure I allocation and the list of eligible projects for reimbursement. The City will prepare and submit to SBCTA invoices for reimbursement of those eligible expenditures.

Revenues are recognized by the City when both eligible expenditures have been incurred and annual funding allocations are approved by SBCTA. At June 30, 2022, prior expenditures related to the Foothill Boulevard Widening Project, which total over \$3.5 million are included in the Measure I projects eligible for reimbursement. However, due to limited program tax revenue accruals from 2010, only \$2,590,094 of project costs have been approved for disbursements by SBCTA and recorded as revenue as of June 30, 2022. Of this amount, \$1,807,920 was received in prior years and \$213,810 remained outstanding as of June 30, 2022. Future reimbursements are expected to coincide with annual tax revenue generated under the Measure I program for arterial transportation projects.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

14) FUND BALANCE

The City's governmental fund balances at June 30, 2022, are presented below:

	General Fund	Housing Fund	ARPA Fund	Total Non-major Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventory and Prepaid Items	\$ 81,125	\$ -	\$ -	\$ -	\$ 81,125
Long-term Notes Receivable	28,761	-	-	-	28,761
Restricted:					
Disability Access	118,175	-	-	-	118,175
Section 115 Pension Trust	2,616,973	-	-	-	2,616,973
Low and Moderate Income Housing	-	10,892,454	-	7,028,757	17,921,211
Public Safety	-	-	-	2,480,098	2,480,098
Street Maintenance	-	-	-	15,917,276	15,917,276
Air Pollution Reduction Measures	-	-	-	233,200	233,200
Downtown Parking & Business Improvement	-	-	-	224,989	224,989
Capital Improvements	-	-	-	3,258,487	3,258,487
Park Acquisition and Development	-	-	-	10,089,764	10,089,764
Storm Drain	-	-	-	4,952,856	4,952,856
Street and Traffic Safety	-	-	-	1,303,664	1,303,664
Street and Alley Repair	-	-	-	687,108	687,108
Committed to:					
Economic Uncertainty Reserve	10,300,000	-	-	-	10,300,000
Emergency Contingency	1,000,000	-	-	-	1,000,000
General Plan Update	502,000	-	-	-	502,000
Memorial Park Improvements	140,000	-	-	-	140,000
Legal/Labor Negotiations	450,000	-	-	-	450,000
Continuing Appropriations	42,329	-	-	-	42,329
Assigned:					
General Capital Improvements	-	-	-	191,505	191,505
Unassigned					
	(11,880,703)	-	(307,126)	(81,091)	(12,268,920)
Total Fund Balance	<u>\$ 3,398,660</u>	<u>\$ 10,892,454</u>	<u>\$ (307,126)</u>	<u>\$ 46,286,613</u>	<u>\$ 60,270,601</u>

The deficit unassigned fund balance in the Major governmental funds will be repaid when receivables are collected and from future revenues. In accordance with the City's General Fund reserve policy, balances were categorized as assigned for Infrastructure Improvements totaling \$3,011,000 and Building Maintenance Improvements totaling \$1,480,000 but have been eliminated to offset the deficit unassigned fund balance.

The Self-funded Internal Service Fund has a deficit of \$7,324,666 as a result of claims liabilities exceeding assets.

15) COMMITMENTS AND CONTINGENCIES

The City has been named as a defendant in certain other claims and litigation matters. In the opinion of City management, the outcome of such litigation is not expected to result in a material adverse effect to the financial condition of the City beyond that accrued in the City's Self-funded Insurance Fund.

The City has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

15) COMMITMENTS AND CONTINGENCIES

The City had approximately \$254,224 in outstanding construction contract obligations as of June 30, 2022.

State Water Resource Control Board Loans

On November 25, 2019, the City entered into a construction financing agreement (State Revolving Fund (SRF) loan) with the California State Water Resources Control Board for the construction of a replacement 7.5 MG water reservoir (project). Pursuant to the financing agreement, the state loan will finance planning, design, and construction of the reservoir in an amount not to exceed \$16.5 million with an interest rate of 1.9% for a 30-year term. Per the financing agreement, the loan will be repaid from the pledge of net water revenues of the City's Water System and its Water Enterprise Fund. After construction is completed, the project loan schedule will be adjusted to reflect the actual project expenditures.

The project was awarded on November 23, 2020 with construction to commence in the beginning of 2021. The City will make progress payment requests to the State for reimbursement of payments made for eligible project expenses. The first reimbursement for eligible costs was received from the State on September 23, 2020.

16) IMPLEMENTATION OF GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future:

GASB 96 – Subscription-Based Information Technology Arrangements: The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

17) LEASES

Lease Receivable - In prior fiscal years, the City entered into various land lease agreements with third parties to lease pieces of land owned by the City. The initial lease terms ranged from 4 to 44 years. The City currently receives monthly payments from all leases of \$67,111. The City recognized \$540,571 in lease revenue and \$264,756 in interest revenue during the current fiscal year related to the various leases. As of June 30, 2022, the City's receivable for lease payments was \$3,771,104. Also, the City has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease terms. As of June 30, 2022, the balance of the deferred inflow of resources was \$3,771,104.

18) SPECIAL ITEM

The City made additional contributions to the unfunded pension liabilities of CalPERS Safety and Miscellaneous Plans totaling \$45,755,448 using General Fund reserves and Water and Sewer Fund reserves. The Special Item in the Statement of Revenues, Expenditures, and Changes in Fund Balances of \$30,500,000 represents the amounts paid from Governmental Funds.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2022

19) DISCRETELY PRESENTED COMPONENT UNITS

West End Consolidated Water Company

Capital assets activity for the West End Consolidated Water Company for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 8,574	\$ -	\$ -	\$ 8,574
Water Rights	487,296	-	-	487,296
Total Capital Assets, Not Depreciated	495,870	-	-	495,870
Capital Assets Being Depreciated:				
Facility and Fencing Improvements	22,810	-	-	22,810
Boosters	26,374	-	-	26,374
Wells	1,280,137	-	-	1,280,137
Reservoirs	59,528	-	-	59,528
Pipelines	259,772	-	-	259,772
Pumps and Equipment	269,045	-	-	269,045
Total Capital Assets Being Depreciated	1,917,666	-	-	1,917,666
Less Accumulated Depreciation:	941,012	39,482	-	980,494
Net Capital Assets Being Depreciated	976,654	(39,482)	-	937,172
West End, Capital Assets, Net	<u>\$ 1,472,524</u>	<u>\$ (39,482)</u>	<u>\$ -</u>	<u>\$ 1,433,042</u>

San Antonio Water Company

Capital assets activity for the San Antonio Water Company for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land and Water Rights	\$ 920,161	\$ -	\$ -	\$ 920,161
Construction in Progress	1,133,239	3,265,472	2,187,381	2,211,330
Total Capital Assets, Not Depreciated	2,053,400	3,265,472	2,187,381	3,131,491
Capital Assets Being Depreciated:				
Tunnels and Forebay	1,587,111	-	-	1,587,111
Wells, Shafts, Building	4,887,027	23,893	-	4,910,920
Pipelines	16,435,128	2,102,977	6,080	18,532,025
Boosters	2,448,690	51,903	-	2,500,593
Reservoirs	3,081,787	-	-	3,081,787
All Other	4,512,253	242,984	-	4,755,237
Total Capital Assets Being Depreciated	32,951,996	2,421,757	6,080	35,367,673
Less Accumulated Depreciation:	14,154,404	947,994	(6,080)	15,096,318
Net Capital Assets Being Depreciated	18,797,592	1,473,763	-	20,271,355
San Antonio, Capital Assets, Net	<u>\$ 20,850,992</u>	<u>\$ 4,739,235</u>	<u>\$ 2,187,381</u>	<u>\$ 23,402,846</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property Taxes	\$ 18,528,410	\$ 18,468,940	\$ 19,089,687	\$ 620,747
Business License Taxes	1,080,000	1,080,000	1,158,797	78,797
Sales and Use Tax	14,789,060	18,153,630	18,469,789	316,159
Franchise Tax	1,252,060	1,252,060	1,377,349	125,289
Other	764,000	764,000	1,078,121	314,121
Licenses and Permits	1,886,520	1,478,330	2,064,096	585,766
Charges for Services	2,014,600	2,547,689	2,745,996	198,307
Fines and Penalties	497,160	590,160	600,186	10,026
Investment Income	60,000	60,000	(604,942)	(664,942)
Rental Income	839,070	829,070	566,426	(262,644)
Intergovernmental	194,250	164,760	333,425	168,665
Other Revenue	144,440	141,016	309,991	168,975
	<u>42,049,570</u>	<u>45,529,655</u>	<u>47,188,921</u>	<u>1,659,266</u>
EXPENDITURES				
Current:				
General Government	2,665,050	1,697,513	3,408,612	(1,711,099)
Public Safety	27,152,410	27,420,017	24,681,246	2,738,771
Engineering and Public Works	7,191,290	7,624,755	7,498,073	126,682
Development Services	2,287,750	2,478,778	2,180,613	298,165
Community Services	3,153,710	3,626,896	3,683,021	(56,125)
Debt Service:				
Principal	220,080	220,080	225,857	(5,777)
Interest and Fiscal Charges	251,250	251,250	245,442	5,808
	<u>42,921,540</u>	<u>43,319,289</u>	<u>41,922,864</u>	<u>1,396,425</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(871,970)</u>	<u>2,210,366</u>	<u>5,266,057</u>	<u>3,055,691</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,077,340	-	-	-
Transfers Out	(200,000)	(2,283,150)	(2,158,150)	125,000
	<u>877,340</u>	<u>(2,283,150)</u>	<u>(2,158,150)</u>	<u>125,000</u>
SPECIAL ITEM				
Payment towards Unfunded Pension Liability	-	(30,500,000)	(30,500,000)	-
Net Change in Fund Balances	5,370	(30,572,784)	(27,392,093)	3,180,691
Fund Balances, Beginning	30,790,753	30,790,753	30,790,753	-
Fund Balances, Ending	<u>\$ 30,796,123</u>	<u>\$ 217,969</u>	<u>\$ 3,398,660</u>	<u>\$ 3,180,691</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Housing Special Revenue Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 12,442	\$ 12,442
Investment Income	23,000	23,000	(170,094)	(193,094)
Rental Income	4,400,000	4,200,000	4,615,124	415,124
Other Revenue	209,780	209,470		(209,470)
	<u>4,632,780</u>	<u>4,432,470</u>	<u>4,457,472</u>	<u>25,002</u>
EXPENDITURES				
Current:				
Development Services	2,859,990	2,873,289	2,936,195	(62,906)
Debt Service:				
Principal	581,770	581,770	13,395,418	(12,813,648)
Interest & Fiscal Charges	500,150	500,150	363,687	136,463
Issuance Costs	-	-	167,472	(167,472)
	<u>3,941,910</u>	<u>3,955,209</u>	<u>16,862,772</u>	<u>(12,907,563)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>690,870</u>	<u>477,261</u>	<u>(12,405,300)</u>	<u>(12,882,561)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Issuance of Debt	-	-	12,982,644	12,982,644
	<u>-</u>	<u>-</u>	<u>12,982,644</u>	<u>12,982,644</u>
Net Change in Fund Balance	690,870	477,261	577,344	100,083
Fund Balance, Beginning	<u>10,315,110</u>	<u>10,315,110</u>	<u>10,315,110</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 11,005,980</u>	<u>\$ 10,792,371</u>	<u>\$ 10,892,454</u>	<u>\$ 100,083</u>

City of Upland
Notes to Required Supplementary Information
Year Ended June 30, 2022

BUDGETS AND BUDGETARY ACCOUNTING

The following procedures are used in establishing the budgetary data reflected in the financial statements:

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the fiscal year. Public hearings are conducted prior to the adoption by City Council. Appropriations for each fund may only be increased or decreased by the City Council. During the year, there were budgetary appropriation increases amounting to \$30,830,529. The City Manager has authority to adjust the amounts appropriated between the departments and activities of a fund, provided, however, that the total appropriations for each fund may not exceed the amounts provided in the budget resolution. The level on which expenditures may not legally exceed appropriations is the fund level. The City Manager is also authorized to approve continuing appropriations at year-end for capital improvement projects and other expenditures previously approved by the City Council. City Council approval is required for an increase in total appropriations greater than \$20,000.

Budgets for the various funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are legally adopted for the general, special revenue, capital projects, and debt service fund types, except for the American Rescue Plan Act (ARPA) Special Revenue Fund and the Public Financing Authority Debt Service funds for which no budget is legally adopted and therefore no budget comparison schedule will be presented.

City of Upland
Required Supplementary Information
Year Ended June 30, 2022

**Schedule of Changes in the Net Pension
Liability and Related Ratios - Last 10 Years*
Agent Multiple-employer Plan - Miscellaneous**

	Measurement Period		
	2021	2020	2019
Total Pension Liability			
Service cost	\$ 1,692,908	\$ 1,461,755	\$ 1,581,166
Interest on total pension liability	9,678,380	9,399,565	9,162,859
Changes in assumptions	-	-	-
Differences between expected and actual experience	1,115,756	532,528	1,054,267
Benefit payments, including refunds	(8,330,169)	(8,056,083)	(7,756,492)
Net change in total pension liability	4,156,875	3,337,765	4,041,800
Total pension liability - beginning	137,564,842	134,227,077	130,185,277
Total pension liability - ending (a)	<u>\$ 141,721,717</u>	<u>\$ 137,564,842</u>	<u>\$ 134,227,077</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 4,063,124	\$ 4,697,971	\$ 3,311,285
Contributions - employee	633,415	670,433	754,481
Net investment income	21,384,568	4,621,628	5,949,555
Benefit payments	(8,330,169)	(8,056,083)	(7,756,492)
Net Plan to Plan Resource Movement	-	-	1,301
Administrative/Other Expense	(95,434)	(132,141)	(65,111)
Net change in plan fiduciary net position	17,655,504	1,801,808	2,195,019
Plan fiduciary net position - beginning	95,534,898	93,733,090	91,538,071
Plan fiduciary net position - ending (b)	<u>\$ 113,190,402</u>	<u>\$ 95,534,898</u>	<u>\$ 93,733,090</u>
Net pension liability - ending (a) - (b)	<u>\$ 28,531,315</u>	<u>\$ 42,029,944</u>	<u>\$ 40,493,987</u>
Plan fiduciary net position as a percentage of the total pension liability	79.87%	69.45%	69.83%
Covered payroll	\$ 8,066,572	\$ 8,343,351	\$ 8,524,725
Net pension liability as percentage of covered payroll	353.70%	503.75%	475.02%

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

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

Measurement Period					
	2018	2017	2016	2015	2014
\$	1,568,587	\$ 1,728,641	\$ 1,603,986	\$ 1,778,643	\$ 2,058,203
	8,880,290	8,747,118	8,670,714	8,475,794	8,374,645
	(600,917)	7,056,199	-	(2,015,694)	-
	(675,727)	(1,671,546)	(1,502,457)	(3,437,406)	-
	(7,358,347)	(7,154,726)	(6,299,318)	(5,934,069)	(5,480,303)
	1,813,886	8,705,686	2,472,925	(1,132,732)	4,952,545
	128,371,391	119,665,705	117,192,780	118,325,512	113,372,967
\$	<u>130,185,277</u>	<u>\$ 128,371,391</u>	<u>\$ 119,665,705</u>	<u>\$ 117,192,780</u>	<u>\$ 118,325,512</u>
\$	2,999,453	\$ 2,352,967	\$ 2,239,207	\$ 1,977,651	\$ 1,880,762
	655,077	670,114	703,361	703,031	846,655
	7,384,991	9,227,177	429,550	1,971,870	13,175,373
	(7,358,347)	(7,154,726)	(6,299,318)	(5,934,069)	(5,480,303)
	-	-	(301)	-	-
	(398,906)	(122,962)	(52,573)	(97,096)	-
	3,282,268	4,972,570	(2,980,074)	(1,378,613)	10,422,487
	88,255,803	83,283,233	86,263,307	87,641,920	77,219,433
\$	<u>91,538,071</u>	<u>\$ 88,255,803</u>	<u>\$ 83,283,233</u>	<u>\$ 86,263,307</u>	<u>\$ 87,641,920</u>
\$	<u>38,647,206</u>	<u>\$ 40,115,588</u>	<u>\$ 36,382,472</u>	<u>\$ 30,929,473</u>	<u>\$ 30,683,592</u>
	70.31%	68.75%	69.60%	73.61%	74.07%
\$	8,430,545	\$ 9,034,865	\$ 9,183,479	\$ 10,003,615	\$ 11,030,619
	458.42%	444.01%	396.17%	309.18%	278.17%

City of Upland
Required Supplementary Information
Year Ended June 30, 2022

Schedule of Changes in the Net Pension Liability
And Related Ratios – Last 10 Years*
Agent Multiple-employer Plan – Safety Plan

	Measurement Period				
	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 3,120,107	\$ 3,353,845	\$ 2,840,973	\$ 2,955,272	\$ 3,190,547
Interest on total pension liability	14,424,159	13,994,358	13,738,636	13,154,006	12,955,418
Changes in benefits	-	-	-	-	-
Changes in assumptions	(482,151)	11,831,388	-	(3,292,952)	-
Differences between expected and actual experience	146,880	(2,387,269)	987,863	(4,793,043)	-
Benefit payments, including refunds	(11,174,227)	(10,595,503)	(9,694,252)	(9,101,311)	(8,365,575)
Net change in total pension liability	6,034,768	16,196,819	7,873,220	(1,078,028)	7,780,390
Total pension liability - beginning	206,098,820	189,902,001	182,028,781	183,106,809	175,326,419
Total pension liability - ending (a)	<u>\$ 212,133,588</u>	<u>\$ 206,098,820</u>	<u>\$ 189,902,001</u>	<u>\$ 182,028,781</u>	<u>\$ 183,106,809</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 4,816,496	\$ 4,870,870	\$ 4,265,372	\$ 3,611,390	\$ 3,380,630
Contributions - employee	668,922	1,085,857	1,166,670	1,183,942	1,342,231
Net investment income	11,191,173	13,839,363	673,474	2,937,028	19,584,973
Benefit payments	(11,174,227)	(10,595,503)	(9,694,252)	(9,101,311)	(8,365,575)
Net Plan to Plan Resource Movement	-	-	301	-	-
Administrative/Other Expense	(606,455)	(184,789)	(78,513)	(144,969)	-
Net change in plan fiduciary net position	4,895,909	9,015,798	(3,666,948)	(1,513,920)	15,942,259
Plan fiduciary net position - beginning	134,174,733	125,158,935	128,825,883	130,339,803	114,397,544
Plan fiduciary net position - ending (b)	<u>\$ 139,070,642</u>	<u>\$ 134,174,733</u>	<u>\$ 125,158,935</u>	<u>\$ 128,825,883</u>	<u>\$ 130,339,803</u>
Net pension liability - ending (a) - (b)	<u>\$ 73,062,946</u>	<u>\$ 71,924,087</u>	<u>\$ 64,743,066</u>	<u>\$ 53,202,898</u>	<u>\$ 52,767,006</u>
Plan fiduciary net position as a percentage of the total pension liability	65.56%	65.10%	65.91%	70.77%	71.18%
Covered payroll	\$ 7,851,917	\$ 11,286,708	\$ 10,755,149	\$ 11,241,479	\$ 11,699,414
Net pension liability as percentage of covered payroll	930.51%	637.25%	601.97%	473.27%	451.02%

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

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available. In addition, this plan was converted to a cost-sharing multiple employer plan for the financial reporting period ended June 30, 2020.

**City of Upland
Required Supplementary Information
Year Ended June 30, 2022**

**Schedule of the City's Proportionate Share of the Net Pension Liability
Last 10 Years***

Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2021	1.04750%	\$ 56,651,603	\$ 7,767,343	729.36%	75.36%
2020	0.72025%	78,366,541	7,473,800	1048.55%	64.98%
2019	0.71858%	73,633,282	6,845,982	1075.57%	66.40%

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available; in addition, for the 2019 measurement period, CalPERS moved the City's Safety plan from an agent-multiple employer plan to a cost-sharing plan. Therefore, not all 10 years of information is presented.

Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability

Benefit Changes: None

Changes in Assumptions: In 2017, the accounting discount rate changed from 7.65% to 7.15%.

**City of Upland
Required Supplementary Information
Year Ended June 30, 2022**

**Schedule of Contributions – Last 10 Years*
Agent Multiple-employer Plan – Miscellaneous Plan**

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2022	\$ 4,482,400	\$ (19,737,848)	\$ (15,255,448)	\$ 8,437,768	53.12%
2021	4,088,720	(4,088,720)	-	8,066,572	50.69%
2020	3,734,440	(4,734,440)	(1,000,000)	8,343,351	44.76%
2019	3,335,368	(3,335,368)	-	8,524,725	39.13%
2018	2,999,453	(2,999,453)	-	8,430,545	35.58%
2017	2,352,967	(2,352,967)	-	9,034,865	26.04%
2016	2,239,207	(2,239,207)	-	9,183,479	24.38%
2015	1,977,651	(1,977,651)	-	10,003,615	19.77%
2014	1,880,762	(1,880,762)	-	11,030,619	17.05%

**Schedule of Contributions – Last 10 Years*
Cost-Sharing Plan – Safety Plan**

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2022	\$ 7,227,924	\$ (37,727,924)	\$ (30,500,000)	\$ 7,777,162	92.94%
2021	7,041,790	(7,041,790)	-	7,767,343	90.66%
2020	6,210,535	(6,210,535)	-	7,473,800	83.10%
2019	5,322,942	(5,322,942)	-	6,845,982	77.75%
2018	4,816,496	(4,816,496)	-	7,851,917	61.34%
2017	4,870,870	(4,870,870)	-	11,286,708	43.16%
2016	4,265,372	(4,265,372)	-	10,755,149	39.66%
2015	3,611,390	(3,611,390)	-	11,241,479	32.13%
2014	3,380,630	(3,380,630)	-	11,699,414	28.90%

**City of Upland
Required Supplementary Information
Year Ended June 30, 2022**

Schedule of Contributions - Continued

Notes to Schedule of Plan Contributions:

Valuation Date:	June 30, 2020
Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Assets valuation method:	Direct rate smoothing
Inflation:	2.50%
Salary Increases:	Varies by entry age and service
Payroll Growth:	2.85%
Investment rate of return:	7.15% net of pension investment and administrative expenses, including inflation
Retirement Age:	All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015. Including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov .
Mortality:	The mortality table used was developed using CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016.

City of Upland
Required Supplementary Information
Year Ended June 30, 2022

Schedule of Changes in the Net OPEB Liability and Related Ratios
for the Measurement Periods Ended June 30
Last 10 Years*

	Measurement Period		
	2021	2020	2019
Total OPEB Liability			
Service cost	\$ 226,606	\$ 166,888	\$ 390,159
Interest on total OPEB liability	326,794	448,931	573,095
Changes in assumptions	(171,113)	2,001,839	784,435
Changes in benefits	-	-	-
Differences between expected and actual experience	841,486	-	(1,821,317)
Benefit payments, including refunds	(772,138)	(853,875)	(591,246)
Net change in total OPEB liability	451,635	1,763,783	(664,874)
Total OPEB liability - beginning	14,813,883	13,050,100	13,714,974
Total OPEB liability - ending (a)	<u>\$ 15,265,518</u>	<u>\$ 14,813,883</u>	<u>\$ 13,050,100</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 997,138	\$ 853,875	\$ 591,246
Net Investment Income	231,516	51,511	69,490
Benefit payments	(772,138)	(853,875)	(591,246)
Administrative Expense	(6,956)	(5,696)	(2,660)
Net change in plan fiduciary net position	449,560	45,815	66,830
Plan fiduciary net position - beginning	1,165,050	1,119,235	1,052,405
Plan fiduciary net position - ending (b)	<u>\$ 1,614,610</u>	<u>\$ 1,165,050</u>	<u>\$ 1,119,235</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 13,650,908</u>	<u>\$ 13,648,833</u>	<u>\$ 11,930,865</u>
Plan fiduciary net position as a percentage of the total OPEB liability	10.6%	7.9%	8.6%
Covered - employee payroll	19,086,465	16,470,676	15,729,836
Net OPEB liability as a percentage of covered-employee payroll	71.52%	82.87%	75.85%

Notes to Schedule of Changes

The discount rate from the 2019 Actuarial Valuation to the 2021 Actuarial Valuation changed from 5.91% of 5.64%

*OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

City of Upland
Required Supplementary Information
Year Ended June 30, 2022

Measurement Period	
2018	2017
\$ 557,634	\$ 538,257
562,756	547,618
(1,049,491)	-
(1,080,543)	-
-	-
(699,692)	(669,865)
(1,709,336)	416,010
15,424,310	15,008,300
<u>\$ 13,714,974</u>	<u>\$ 15,424,310</u>

\$ 699,692	\$ 1,669,865
54,034	966
(699,692)	(669,865)
(2,595)	-
51,439	1,000,966
1,000,966	-
<u>\$ 1,052,405</u>	<u>\$ 1,000,966</u>
<u>\$ 12,662,569</u>	<u>\$ 14,423,344</u>

7.7%	6.5%
16,282,462	20,253,855
77.77%	71.21%

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

City of Upland
Non-Major Governmental Funds
Year Ended June 30, 2022

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Gas Tax Fund

To account for State gasoline taxes received by the City. These funds may be used for street maintenance, right-of-way acquisition, and street construction. Gas Tax funds are used for capital projects established within the Gas Tax Fund.

HOME Program Fund

This fund accounts for housing rehab loans/grants from the California Department of Housing and Community Development. These loans/grants are provided for single-family rehabilitation, neighborhood restoration, first-time homebuyers, tenant based assistance and rental rehabilitation programs.

CalHOME Program Fund

This fund accounts for housing rehab loans/grants from the CalHome program. These loans/grants are provided for single-family rehabilitation, neighborhood restoration, first-time homebuyers, tenant based assistance and rental rehabilitation programs.

Community Development Block Grant Fund

To account for receipt and disbursement of the Upland Community Development Block Grant Program of the United States Department of Housing and Urban Development.

Measure I Fund

To account for revenues which were approved by the San Bernardino County voters in a General Election authorizing a one-half percent (1/2%) sales tax on all retail transactions within the incorporated and unincorporated territory of the County of San Bernardino through 2040, proceeds of which are to be solely for county-wide transportation improvements and traffic management programs.

Air Quality Management District Fund

To account for the receipt and disbursement of funds generated by Assembly Bill 2766 which sets forth requirements for reduction of air pollution from mobile sources as promulgated by the South Coast Air Quality Management District.

Parking Business Improvement Area Fund

To account for revenues received from an additional levy of the general business license tax imposed on businesses in the downtown area to be used for the acquisition, construction and maintenance of parking facilities and improvements for the benefit of the downtown area.

SB509 Public Safety Augmentation Fund

To account for revenue and expenditures related to the half-cent sales tax enacted by Proposition 172 and SB509. Funds are used to cover operational expenditures of the Police Department.

Asset Forfeiture Fund

To account for revenue received for the City's various deposits for asset forfeiture restricted for public safety.

Public Safety Grants Fund

To account for revenue and expenditures related to grants restricted to be used for public safety.

Other Grants Fund

To account for revenue and expenditures related to grants restricted for specific purposes.

**City of Upland
Non-Major Governmental Funds
Year Ended June 30, 2022**

SPECIAL REVENUE FUNDS - Continued

CARES Act Fund

To account for revenue and expenditures related to The Coronavirus Aid, Relief, and Economic Security Act.

CAPITAL PROJECT FUNDS

Capital Projects Funds are used to account for the purchase or construction of major capital facilities which are not financed by Proprietary Funds or Trust Funds. Capital Projects Funds are ordinarily not used to account for the acquisition of furniture, fixtures, machinery, equipment and other relatively minor or short-lived capital assets.

Park Acquisition and Development Fund

To account for revenue from the Dwelling Unit Construction Tax which must be used for the acquisition and development of park facilities within the City.

General Capital Development Fund

To account revenues received for fees from various building permits to be used for certain general government and police facilities.

Storm Drain Development Fund

To account for the revenues received from the fees on various building permits to be used for the creation of a storm drain system in cooperation with other governmental entities in the area.

Street and Traffic Safety Development Fund

To account for the revenues received from fees on various building permits to be used for improved street and traffic facilities.

General Capital Fund

To account for projects of a general nature which are supported by available General Funds and Special Revenue Funds.

Street and Alley Repair Fund

To account for the revenues received from fees on various permits to be used for improved street and alley repairs.

Energy Efficiency Improvements

To account for the proceeds from leases and bonds issued that are restricted for the acquisition, construction, and installation of energy efficient improvements.

**City of Upland
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2022**

	Special Revenue			
	Gas Tax	HOME Program	CalHOME Program	Community Development Block Grant
ASSETS				
Cash and Investments	\$ 9,053,039	\$ 2,000,730	\$ 720,264	\$ -
Cash with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Notes, net	-	2,795,167	1,534,581	-
Accrued Interest on Notes	-	873,713	335,324	-
Due from Other Governments	422,866	-	-	334,682
Total Assets	\$ 9,475,905	\$ 5,669,610	\$ 2,590,169	\$ 334,682
LIABILITIES				
Accounts Payable	\$ 488,336	\$ 10,378	\$ -	\$ 72,344
Accrued Salaries and Benefits	2,745	-	-	648
Due to Other Funds	-	-	-	196,494
Deposits Payable	-	-	-	-
Retentions Payable	41,337	-	-	6,418
Unearned Revenue	-	-	4,469	-
Total Liabilities	532,418	10,378	4,469	275,904
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	879,852	336,323	-
Total Deferred Inflows of Resources	-	879,852	336,323	-
FUND BALANCE (DEFICITS)				
Restricted	8,943,487	4,779,380	2,249,377	58,778
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	8,943,487	4,779,380	2,249,377	58,778
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 9,475,905	\$ 5,669,610	\$ 2,590,169	\$ 334,682

Measure I	Special Revenue					
	Air Quality Management District	Parking and Business Improvement	SB 509 Public Safety Augmentation	Asset Forfeiture	Public Safety Grants	Other Grants
\$ 6,306,346	\$ 233,299	\$ 193,171	\$ -	\$ 776,403	\$ 1,410,742	\$ 982,491
-	-	-	-	-	-	-
-	-	17,351	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
681,390	25,823	-	116,563	-	85,736	75,301
<u>\$ 6,987,736</u>	<u>\$ 259,122</u>	<u>\$ 210,522</u>	<u>\$ 116,563</u>	<u>\$ 776,403</u>	<u>\$ 1,496,478</u>	<u>\$ 1,057,792</u>
\$ 5,227	\$ 34	\$ 44,311	\$ -	\$ -	\$ 23,615	\$ 7,050
1,195	65	-	19,400	-	402	1,802
-	-	-	96,519	-	-	-
-	-	-	-	31,020	-	-
7,525	-	-	-	-	-	-
-	-	-	-	-	37,334	1,035,766
<u>13,947</u>	<u>99</u>	<u>44,311</u>	<u>115,919</u>	<u>31,020</u>	<u>61,351</u>	<u>1,044,618</u>
-	25,823	-	-	-	62,120	75,301
-	25,823	-	-	-	62,120	75,301
6,973,789	233,200	166,211	644	745,383	1,373,007	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(62,127)
<u>6,973,789</u>	<u>233,200</u>	<u>166,211</u>	<u>644</u>	<u>745,383</u>	<u>1,373,007</u>	<u>(62,127)</u>
<u>\$ 6,987,736</u>	<u>\$ 259,122</u>	<u>\$ 210,522</u>	<u>\$ 116,563</u>	<u>\$ 776,403</u>	<u>\$ 1,496,478</u>	<u>\$ 1,057,792</u>

Continued

City of Upland
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2022

	Special Revenue	Capital Projects		
	CARES ACT	Park Acquisition & Development	General Capital Development	Storm Drain Development
ASSETS				
Cash and Investments	\$ -	\$ 10,062,496	\$ 2,187,612	\$ 4,923,898
Cash with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	-	-	-	28,958
Notes, net	-	-	-	-
Accrued Interest on Notes	-	-	-	-
Due from Other Governments	47,835	-	-	-
Total Assets	\$ 47,835	\$ 10,062,496	\$ 2,187,612	\$ 4,952,856
LIABILITIES				
Accounts Payable	\$ -	\$ 2,560	\$ -	\$ -
Accrued Salaries and Benefits	-	172	-	-
Due to Other Funds	18,964	-	-	-
Deposits Payable	-	-	-	-
Retentions Payable	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	18,964	2,732	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	47,835	-	-	-
Total Deferred Inflows of Resources	47,835	-	-	-
FUND BALANCE (DEFICITS)				
Restricted	-	10,059,764	1,996,107	4,952,856
Assigned	-	-	191,505	-
Unassigned	(18,964)	-	-	-
Total Fund Balances (Deficits)	(18,964)	10,059,764	2,187,612	4,952,856
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 47,835	\$ 10,062,496	\$ 2,187,612	\$ 4,952,856

Capital Projects				
Street and Traffic Safety Development	General Capital Projects	Street & Alley Repair	Energy Efficiency Improvements	Total
\$ 1,320,101	\$ 1,663,893	\$ 681,559	\$ 5,670	\$ 42,521,714
-	-	-	-	-
-	-	14,088	-	60,397
-	-	-	-	4,329,748
-	-	-	-	1,209,037
-	-	-	-	1,790,196
<u>\$ 1,320,101</u>	<u>\$ 1,663,893</u>	<u>\$ 695,647</u>	<u>\$ 5,670</u>	<u>\$ 49,911,092</u>
\$ -	\$ 8,802	\$ -	\$ -	\$ 662,657
16,437	-	184	-	43,050
-	-	-	-	311,977
-	-	-	-	31,020
-	7,317	8,355	-	70,952
-	-	-	-	1,077,569
<u>16,437</u>	<u>16,119</u>	<u>8,539</u>	<u>-</u>	<u>2,197,225</u>
-	-	-	-	1,427,254
-	-	-	-	1,427,254
1,303,664	1,647,774	687,108	5,670	46,176,199
-	-	-	-	191,505
-	-	-	-	(81,091)
<u>1,303,664</u>	<u>1,647,774</u>	<u>687,108</u>	<u>5,670</u>	<u>46,286,613</u>
<u>\$ 1,320,101</u>	<u>\$ 1,663,893</u>	<u>\$ 695,647</u>	<u>\$ 5,670</u>	<u>\$ 49,911,092</u>

City of Upland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2022

	Special Revenue			
	Gas Tax	HOME Program	CalHOME Program	Community Development Block Grant
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	-
Investment Income	(369,767)	10,078	3,669	-
Rental Income	-	-	-	-
Intergovernmental	3,448,042	-	-	1,463,112
Other Revenue	-	146,808	45,035	-
Total Revenues	3,078,275	156,886	48,704	1,463,112
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Engineering and Public Works	2,528,102	-	-	-
Development Services	-	-	-	956,173
Community Services	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	2,528,102	-	-	956,173
Excess (Deficiency) of Revenues Over Expenditures	550,173	156,886	48,704	506,939
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	550,173	156,886	48,704	506,939
Fund Balances - Beginning	8,393,314	4,622,494	2,200,673	(448,161)
Fund Balances - Ending	<u>\$ 8,943,487</u>	<u>\$ 4,779,380</u>	<u>\$ 2,249,377</u>	<u>\$ 58,778</u>

Special Revenue

Measure I	Air Quality Management District	Parking and Business Improvement	SB 509 Public Safety Augmentation	Asset Forfeiture	Public Safety Grants	Other Grants
\$ -	\$ -	\$ 66,874	\$ 1,374,496	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(260,948)	1,153	1,137	823	4,454	8,122	922
-	-	-	-	-	-	-
2,053,676	75,343	-	-	-	408,263	254,324
-	-	-	-	-	-	1,000
<u>1,792,728</u>	<u>76,496</u>	<u>68,011</u>	<u>1,375,319</u>	<u>4,454</u>	<u>416,385</u>	<u>256,246</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,389,134	28,537	94,944	1,374,957	6,500	201,934	-
-	-	-	-	-	-	-
-	-	-	-	-	-	150,463
-	-	-	-	-	-	121,857
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,389,134</u>	<u>28,537</u>	<u>94,944</u>	<u>1,374,957</u>	<u>6,500</u>	<u>201,934</u>	<u>272,320</u>
403,594	47,959	(26,933)	362	(2,046)	214,451	(16,074)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
403,594	47,959	(26,933)	362	(2,046)	214,451	(16,074)
6,570,195	185,241	193,144	282	747,429	1,158,556	(46,053)
<u>\$ 6,973,789</u>	<u>\$ 233,200</u>	<u>\$ 166,211</u>	<u>\$ 644</u>	<u>\$ 745,383</u>	<u>\$ 1,373,007</u>	<u>\$ (62,127)</u>

Continued

City of Upland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds - Continued
Year Ended June 30, 2022

	Special Revenue	Capital Projects		
	CARES ACT	Park Acquisition & Development	General Capital Development	Storm Drain Development
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	515,026	112,367	201,427
Fines and Forfeitures	-	-	-	-
Investment Income	-	(408,586)	(89,229)	(200,611)
Rental Income	-	-	-	77,606
Intergovernmental	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>-</u>	<u>106,440</u>	<u>23,138</u>	<u>78,422</u>
EXPENDITURES				
Current:				
General Government	34,021	-	-	-
Public Safety	-	-	-	-
Engineering and Public Works	-	17,908	4,383	7,268
Development Services	-	-	-	-
Community Services	12,378	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>46,399</u>	<u>17,908</u>	<u>4,383</u>	<u>7,268</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(46,399)</u>	<u>88,532</u>	<u>18,755</u>	<u>71,154</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(46,399)	88,532	18,755	71,154
Fund Balances - Beginning	<u>27,435</u>	<u>9,971,232</u>	<u>2,168,857</u>	<u>4,881,702</u>
Fund Balances - Ending	<u>\$ (18,964)</u>	<u>\$ 10,059,764</u>	<u>\$ 2,187,612</u>	<u>\$ 4,952,856</u>

Capital Projects				
Street and Traffic Safety Development	General Capital Projects	Street & Alley Repair	Energy Efficiency Improvements	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,441,370
172,730	22,000	219,268	-	1,242,818
-	-	-	-	-
(67,426)	-	(30,647)	-	(1,396,856)
-	-	-	-	77,606
-	-	-	-	7,702,760
-	-	-	197,622	390,465
<u>105,304</u>	<u>22,000</u>	<u>188,621</u>	<u>197,622</u>	<u>9,458,163</u>
-	-	-	-	34,021
-	-	-	-	1,583,391
383,699	151,127	202,223	1,900	4,809,225
-	-	-	-	1,106,636
-	-	-	-	134,235
-	-	-	-	-
-	-	-	-	-
<u>383,699</u>	<u>151,127</u>	<u>202,223</u>	<u>1,900</u>	<u>7,667,508</u>
<u>(278,395)</u>	<u>(129,127)</u>	<u>(13,602)</u>	<u>195,722</u>	<u>1,790,655</u>
-	290,000	-	-	290,000
-	-	-	-	-
-	290,000	-	-	290,000
(278,395)	160,873	(13,602)	195,722	2,080,655
<u>1,582,059</u>	<u>1,486,901</u>	<u>700,710</u>	<u>(190,052)</u>	<u>44,205,958</u>
<u>\$ 1,303,664</u>	<u>\$ 1,647,774</u>	<u>\$ 687,108</u>	<u>\$ 5,670</u>	<u>\$ 46,286,613</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Gas Tax Special Revenue Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income	50,000	(369,767)	(419,767)
Intergovernmental	3,536,420	3,448,042	(88,378)
Other Revenue	-	-	-
	<u>3,586,420</u>	<u>3,078,275</u>	<u>(508,145)</u>
EXPENDITURES			
Current:			
Engineering and Public Works	10,507,835	2,528,102	7,979,733
	<u>10,507,835</u>	<u>2,528,102</u>	<u>7,979,733</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(6,921,415)</u>	<u>550,173</u>	<u>7,471,588</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(6,921,415)</u>	<u>550,173</u>	<u>7,471,588</u>
Fund Balance, Beginning	8,393,314	8,393,314	-
Fund Balance, Ending	<u>\$ 1,471,899</u>	<u>\$ 8,943,487</u>	<u>\$ 7,471,588</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - HOME Program Special Revenue Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income	800	10,078	9,278
Intergovernmental	-	-	-
Other Revenue	75,000	146,808	71,808
Total Revenues	<u>75,800</u>	<u>156,886</u>	<u>81,086</u>
EXPENDITURES			
Current:			
Development Services	<u>760,000</u>	<u>-</u>	<u>760,000</u>
Total Expenditures	<u>760,000</u>	<u>-</u>	<u>760,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(684,200)</u>	<u>156,886</u>	<u>841,086</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(684,200)	156,886	841,086
Fund Balance, Beginning	<u>4,622,494</u>	<u>4,622,494</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 3,938,294</u>	<u>\$ 4,779,380</u>	<u>\$ 841,086</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - CalHOME Program Special Revenue Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income	200	3,669	3,469
Intergovernmental	-	-	-
Other Revenue	30,000	45,035	15,035
Total Revenues	<u>30,200</u>	<u>48,704</u>	<u>18,504</u>
EXPENDITURES			
Current:			
Development Services	<u>295,000</u>	<u>-</u>	<u>295,000</u>
Total Expenditures	<u>295,000</u>	<u>-</u>	<u>295,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(264,800)</u>	<u>48,704</u>	<u>313,504</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(264,800)	48,704	313,504
Fund Balance, Beginning	<u>2,200,673</u>	<u>2,200,673</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,935,873</u>	<u>\$ 2,249,377</u>	<u>\$ 313,504</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - CDBG Special Revenue Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,965,194	\$ 1,463,112	\$ (502,082)
Other Revenue	-	-	-
Total Revenues	<u>1,965,194</u>	<u>1,463,112</u>	<u>(502,082)</u>
EXPENDITURES			
Current:			
Development Services	<u>1,975,195</u>	<u>956,173</u>	<u>1,019,022</u>
Total Expenditures	<u>1,975,195</u>	<u>956,173</u>	<u>1,019,022</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(10,001)</u>	<u>506,939</u>	<u>516,940</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(10,001)	506,939	516,940
Fund Balance, Beginning	<u>(448,161)</u>	<u>(448,161)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (458,162)</u>	<u>\$ 58,778</u>	<u>\$ 516,940</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Measure I Special Revenue Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income	45,000	(260,948)	(305,948)
Intergovernmental	1,364,270	2,053,676	689,406
Other Revenue	-	-	-
Total Revenues	<u>1,409,270</u>	<u>1,792,728</u>	<u>383,458</u>
EXPENDITURES			
Current:			
Engineering and Public Works	<u>6,660,864</u>	<u>1,389,134</u>	<u>5,271,730</u>
Total Expenditures	<u>6,660,864</u>	<u>1,389,134</u>	<u>5,271,730</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,251,594)</u>	<u>403,594</u>	<u>5,655,188</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(5,251,594)	403,594	5,655,188
Fund Balance, Beginning	<u>6,570,195</u>	<u>6,570,195</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,318,601</u>	<u>\$ 6,973,789</u>	<u>\$ 5,655,188</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Air Quality Management District Special Revenue Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income		1,153	1,153
Intergovernmental	99,400	75,343	(24,057)
Other Revenue	-	-	-
	<u>99,400</u>	<u>76,496</u>	<u>(22,904)</u>
EXPENDITURES			
Current:			
Engineering and Public Works	194,570	28,537	166,033
	<u>194,570</u>	<u>28,537</u>	<u>166,033</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(95,170)</u>	<u>47,959</u>	<u>143,129</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(95,170)	47,959	143,129
Fund Balance, Beginning	185,241	185,241	-
Fund Balance, Ending	<u>\$ 90,071</u>	<u>\$ 233,200</u>	<u>\$ 143,129</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Parking & Business Improvement Special Revenue Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 58,500	\$ 66,874	\$ 8,374
Investment Income	500	1,137	637
Total Revenues	<u>59,000</u>	<u>68,011</u>	<u>9,011</u>
EXPENDITURES			
Current:			
Engineering and Public Works	<u>213,555</u>	<u>94,944</u>	<u>118,611</u>
Total Expenditures	<u>213,555</u>	<u>94,944</u>	<u>118,611</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(154,555)</u>	<u>(26,933)</u>	<u>127,622</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(154,555)	(26,933)	127,622
Fund Balance, Beginning	<u>193,144</u>	<u>193,144</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 38,589</u></u>	<u><u>\$ 166,211</u></u>	<u><u>\$ 127,622</u></u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - SB 509 Public Safety Augmentation Special Revenue Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 1,339,880	\$ 1,374,496	\$ 34,616
Investment Income		823	823
Intergovernmental	-	-	-
Other Revenue	-	-	-
	<u>1,339,880</u>	<u>1,375,319</u>	<u>35,439</u>
EXPENDITURES			
Current:			
Public Safety	<u>1,339,880</u>	<u>1,374,957</u>	<u>(35,077)</u>
	<u>1,339,880</u>	<u>1,374,957</u>	<u>(35,077)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>362</u>	<u>362</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	362	362
Fund Balance, Beginning	<u>282</u>	<u>282</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 282</u>	<u>\$ 644</u>	<u>\$ 362</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Asset Forfeiture Special Revenue Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 4,454	\$ 4,454
Fines and Forfeitures	-	-	-
Intergovernmental	-	-	-
Total Revenues	<u>-</u>	<u>4,454</u>	<u>4,454</u>
EXPENDITURES			
Current:			
Public Safety		<u>6,500</u>	<u>(6,500)</u>
Total Expenditures	<u>-</u>	<u>6,500</u>	<u>(6,500)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(2,046)</u>	<u>(2,046)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(2,046)	(2,046)
Fund Balance, Beginning	<u>747,429</u>	<u>747,429</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 747,429</u>	<u>\$ 745,383</u>	<u>\$ (2,046)</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Public Safety Grants Special Revenue Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income	900	8,122	7,222
Intergovernmental	603,280	408,263	(195,017)
Other Revenue	-	-	-
Total Revenues	<u>604,180</u>	<u>416,385</u>	<u>(187,795)</u>
EXPENDITURES			
Current:			
Public Safety	<u>1,643,730</u>	<u>201,934</u>	<u>1,441,796</u>
Total Expenditures	<u>1,643,730</u>	<u>201,934</u>	<u>1,441,796</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,039,550)</u>	<u>214,451</u>	<u>1,254,001</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,039,550)	214,451	1,254,001
Fund Balance, Beginning	<u>1,158,556</u>	<u>1,158,556</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 119,006</u>	<u>\$ 1,373,007</u>	<u>\$ 1,254,001</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Other Grants Special Revenue Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income	-	922	922
Intergovernmental	1,202,692	254,324	(948,368)
Other Revenue	266,980	1,000	(265,980)
Total Revenues	<u>1,469,672</u>	<u>256,246</u>	<u>(1,213,426)</u>
EXPENDITURES			
Current:			
Development Services	1,220,470	150,463	1,070,007
Community Services	585,000	121,857	463,143
Total Expenditures	<u>1,805,470</u>	<u>272,320</u>	<u>1,533,150</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(335,798)</u>	<u>(16,074)</u>	<u>319,724</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(335,798)	(16,074)	319,724
Fund Balance, Beginning	<u>(46,053)</u>	<u>(46,053)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (381,851)</u>	<u>\$ (62,127)</u>	<u>\$ 319,724</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - CARES Act Special Revenue Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
General Government	34,022	34,021	1
Public Safety	-	-	-
Engineering and Public Works	-	-	-
Development Services	-	-	-
Community Services	-	12,378	(12,378)
Total Expenditures	<u>34,022</u>	<u>46,399</u>	<u>(12,377)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(34,022)</u>	<u>(46,399)</u>	<u>(12,377)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(34,022)	(46,399)	(12,377)
Fund Balance, Beginning	<u>27,435</u>	<u>27,435</u>	
Fund Balance, Ending	<u>\$ (6,587)</u>	<u>\$ (18,964)</u>	<u>\$ (12,377)</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Park Acquisition & Development Capital Projects Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 1,192,920	\$ 515,026	\$ (677,894)
Investment Income	50,000	(408,586)	(458,586)
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>1,242,920</u>	<u>106,440</u>	<u>(1,136,480)</u>
EXPENDITURES			
Current:			
Engineering and Public Works	650,189	17,908	632,281
Community Services	-	-	-
Total Expenditures	<u>650,189</u>	<u>17,908</u>	<u>632,281</u>
Excess (Deficiency) of Revenues over Expenditures	<u>592,731</u>	<u>88,532</u>	<u>(504,199)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	592,731	88,532	(504,199)
Fund Balance, Beginning	<u>9,971,232</u>	<u>9,971,232</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 10,563,963</u>	<u>\$ 10,059,764</u>	<u>\$ (504,199)</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Capital Development Capital Projects Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 267,000	\$ 112,367	\$ (154,633)
Investment Income	12,000	(89,229)	(101,229)
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>279,000</u>	<u>23,138</u>	<u>(255,862)</u>
EXPENDITURES			
Current:			
Engineering and Public Works	592,761	4,383	588,378
Community Services	-	-	-
Total Expenditures	<u>592,761</u>	<u>4,383</u>	<u>588,378</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(313,761)</u>	<u>18,755</u>	<u>332,516</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(313,761)	18,755	332,516
Fund Balance, Beginning	<u>2,168,857</u>	<u>2,168,857</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,855,096</u>	<u>\$ 2,187,612</u>	<u>\$ 332,516</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Storm Drain Development Capital Projects Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 310,500	\$ 201,427	\$ (109,073)
Investment Income	26,000	(200,611)	(226,611)
Rental Income	74,210	77,606	3,396
Total Revenues	<u>410,710</u>	<u>78,422</u>	<u>(332,288)</u>
EXPENDITURES			
Current:			
Engineering and Public Works	3,600,890	7,268	3,593,622
Community Services	-	-	-
Total Expenditures	<u>3,600,890</u>	<u>7,268</u>	<u>3,593,622</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,190,180)</u>	<u>71,154</u>	<u>3,261,334</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(3,190,180)	71,154	3,261,334
Fund Balance, Beginning	<u>4,881,702</u>	<u>4,881,702</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,691,522</u>	<u>\$ 4,952,856</u>	<u>\$ 3,261,334</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Street & Traffic Safety Development Capital Projects Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 185,000	\$ 172,730	\$ (12,270)
Investment Income	16,000	(67,426)	(83,426)
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>201,000</u>	<u>105,304</u>	<u>(95,696)</u>
EXPENDITURES			
Current:			
Engineering and Public Works	1,428,507	383,699	1,044,808
Community Services	-	-	-
Total Expenditures	<u>1,428,507</u>	<u>383,699</u>	<u>1,044,808</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,227,507)</u>	<u>(278,395)</u>	<u>949,112</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Issuance of Debt	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,227,507)	(278,395)	949,112
Fund Balance, Beginning	<u>1,582,059</u>	<u>1,582,059</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 354,552</u>	<u>\$ 1,303,664</u>	<u>\$ 949,112</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Capital Projects Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ -	\$ 22,000	\$ 22,000
Investment Income	-	-	-
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>-</u>	<u>22,000</u>	<u>22,000</u>
EXPENDITURES			
Current:			
Engineering and Public Works	1,423,353	151,127	1,272,226
Community Services	-	-	-
Total Expenditures	<u>1,423,353</u>	<u>151,127</u>	<u>1,272,226</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,423,353)</u>	<u>(129,127)</u>	<u>1,294,226</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	290,000	290,000	-
Transfers Out	-	-	-
Issuance of Debt	-	-	-
Total Other Financing Sources (Uses)	<u>290,000</u>	<u>290,000</u>	<u>-</u>
Net Change in Fund Balances	(1,133,353)	160,873	1,294,226
Fund Balance, Beginning	<u>1,486,901</u>	<u>1,486,901</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 353,548</u>	<u>\$ 1,647,774</u>	<u>\$ 1,294,226</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Street & Alley Repair Capital Projects Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 220,680	\$ 219,268	\$ (1,412)
Investment Income	-	(30,647)	(30,647)
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>220,680</u>	<u>188,621</u>	<u>(32,059)</u>
EXPENDITURES			
Current:			
Engineering and Public Works	572,125	202,223	369,902
Community Services	-	-	-
Total Expenditures	<u>572,125</u>	<u>202,223</u>	<u>369,902</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(351,445)</u>	<u>(13,602)</u>	<u>337,843</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Issuance of Debt	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(351,445)	(13,602)	337,843
Fund Balance, Beginning	<u>700,710</u>	<u>700,710</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 349,265</u>	<u>\$ 687,108</u>	<u>\$ 337,843</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Energy Efficiency Improvements Capital Projects Fund
Year Ended June 30, 2022

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ -	\$ -	\$ -
Investment Income	-	-	-
Intergovernmental	-	-	-
Other Revenue	-	197,622	197,622
	<u>-</u>	<u>197,622</u>	<u>197,622</u>
Total Revenues	<u>-</u>	<u>197,622</u>	<u>197,622</u>
EXPENDITURES			
Current:			
Engineering and Public Works		1,900	(1,900)
Community Services	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>1,900</u>	<u>(1,900)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>195,722</u>	<u>195,722</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Issuance of Debt	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	195,722	195,722
Fund Balance, Beginning	<u>(190,052)</u>	<u>(190,052)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (190,052)</u>	<u>\$ 5,670</u>	<u>\$ 195,722</u>

INTERNAL SERVICE FUNDS

**City of Upland
Internal Service Funds
Year Ended June 30, 2022**

INTERNAL SERVICE FUNDS

The internal service funds are used to account for goods and services provided by one City department to other City departments on a cost reimbursement basis.

Self-funded Insurance Fund

To account for the accumulation and allocation of costs associated with the City's Workers' Compensation and General Liability Self-Insurance Program.

Vehicle Replacement Fund

To account for the accumulation and allocation of costs associated with the acquisition, repair, and maintenance of City vehicles.

Information Systems Fund

To account for the operations of the City's information systems division, including maintenance of copiers, voice systems, and the City's computer network and hardware infrastructure.

Building Maintenance Fund

To provide for the operation of the City's building maintenance and operations division which maintains the City's facilities.

City of Upland
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
ASSETS					
Current Assets:					
Cash and Investments	\$ 2,956,418	\$ 1,485,154	\$ 3,139,563	\$ 1,351,042	\$ 8,932,177
Accounts Receivable - Net	235	-	36,855	-	37,090
Inventory and Prepaid Items	192,511	85,217	27,241	-	304,969
Total Current Assets	3,149,164	1,570,371	3,203,659	1,351,042	9,274,236
Noncurrent Assets:					
Capital Assets, Not Being Depreciated					
Construction In Progress	-	-	-	-	-
Capital Assets, Depreciable, Net	-	444,841	708,207	-	1,153,048
Total Noncurrent Assets	-	444,841	708,207	-	1,153,048
Total Assets	3,149,164	2,015,212	3,911,866	1,351,042	10,427,284
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related Items	29,718	31,054	49,419	53,092	163,283
Pension Related Items	71,155	91,199	123,269	144,315	429,938
Total Deferred Outflows of Resources	100,873	122,253	172,688	197,407	593,221
LIABILITIES					
Current Liabilities:					
Accounts Payable	38,580	39,971	39,280	44,794	162,625
Accrued Salaries and Wages	4,285	3,181	6,056	6,369	19,891
Current Portion of Long-Term Liabilities:					
Claims and Judgments Payable	2,856,713	-	-	-	2,856,713
Compensated Absences	8,742	7,300	21,566	20,640	58,248
Total Current Liabilities	2,908,320	50,452	66,902	71,803	3,097,477
Noncurrent Liabilities:					
Claims and Judgments Payable	6,975,016	-	-	-	6,975,016
Net OPEB Liability	121,493	126,953	202,033	217,049	667,528
Net Pension Liability	405,145	519,270	701,870	821,702	2,447,987
Compensated Absences	3,833	4,306	44,783	22,671	75,593
Total Noncurrent Liabilities	7,505,487	650,529	948,686	1,061,422	10,166,124
Total Liabilities	10,413,807	700,981	1,015,588	1,133,225	13,263,601
DEFERRED INFLOWS OF RESOURCES					
OPEB Related Items	9,636	10,069	16,025	17,216	52,946
Pension Related Items	151,260	193,868	262,042	306,781	913,951
Total Deferred Inflows of Resources	160,896	203,937	278,067	323,997	966,897
NET POSITION					
Net Investment in Capital Assets	-	444,841	708,207	-	1,153,048
Unrestricted	(7,324,666)	787,706	2,082,692	91,227	(4,363,041)
Total Net Position	\$ (7,324,666)	\$ 1,232,547	\$ 2,790,899	\$ 91,227	\$ (3,209,993)

City of Upland
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2022

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
OPERATING REVENUES					
Charges for Services	\$ 4,818,350	\$ 1,376,390	\$ 2,372,860	\$ 1,127,220	\$ 9,694,820
Other Operating Revenues	3,425	-	148,442	-	151,867
Total Operating Revenues	<u>4,821,775</u>	<u>1,376,390</u>	<u>2,521,302</u>	<u>1,127,220</u>	<u>9,846,687</u>
OPERATING EXPENSES					
Maintenance and Operations	302,313	895,352	2,062,688	1,217,024	4,477,377
Contractual Services	358,742	-	-	-	358,742
Claims Expense	3,798,271	-	-	-	3,798,271
Depreciation	-	133,538	212,421	-	345,959
Total Operating Expenses	<u>4,459,326</u>	<u>1,028,890</u>	<u>2,275,109</u>	<u>1,217,024</u>	<u>8,980,349</u>
Operating Income (Loss)	<u>362,449</u>	<u>347,500</u>	<u>246,193</u>	<u>(89,804)</u>	<u>866,338</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Income	10,369	5,021	14,712	7,761	37,863
Gain/(Loss) on Disposal of Capital Assets	-	5,900	-	-	5,900
Total Nonoperating Revenues (Expenses)	<u>10,369</u>	<u>10,921</u>	<u>14,712</u>	<u>7,761</u>	<u>43,763</u>
Income (Loss) Before Operating Transfers	372,818	358,421	260,905	(82,043)	910,101
Capital Contributions	-	-	-	-	-
Transfers In	550,000	578,150	740,000	-	1,868,150
Transfers Out	-	-	-	-	-
Change in Net Position	922,818	936,571	1,000,905	(82,043)	2,778,251
Net Position - Beginning of Year	<u>(8,247,484)</u>	<u>295,976</u>	<u>1,789,994</u>	<u>173,270</u>	<u>(5,988,244)</u>
Net Position - End of Year	<u>\$ (7,324,666)</u>	<u>\$ 1,232,547</u>	<u>\$ 2,790,899</u>	<u>\$ 91,227</u>	<u>\$ (3,209,993)</u>

City of Upland
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2022

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from User Departments	\$ 4,821,540	\$ 1,376,390	\$ 2,520,276	\$ 1,127,220	\$ 9,845,426
Cash Paid to Suppliers for Goods and Services	(4,097,526)	(627,220)	(1,622,439)	(581,496)	(6,928,681)
Cash Paid to Employees for Services	(380,550)	(326,529)	(479,331)	(559,124)	(1,745,534)
Net Cash from Operating Activities	<u>343,464</u>	<u>422,641</u>	<u>418,506</u>	<u>(13,400)</u>	<u>1,171,211</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Cash Paid (to) from Other Funds	550,000	578,150	740,000	-	1,868,150
Advances Paid (to) from Other Funds	-	-	-	-	-
Net Cash from Noncapital and Related Financing Activities	<u>550,000</u>	<u>578,150</u>	<u>740,000</u>	<u>-</u>	<u>1,868,150</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash Received from Sale of Capital Assets	-	5,900	-	-	5,900
Acquisition and Construction of Capital Assets	-	-	(305,196)	-	(305,196)
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>5,900</u>	<u>(305,196)</u>	<u>-</u>	<u>(299,296)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	10,369	5,022	14,712	7,761	37,864
Net Cash from Investing Activities	<u>10,369</u>	<u>5,022</u>	<u>14,712</u>	<u>7,761</u>	<u>37,864</u>
Net Increase (Decrease) in Cash and Cash Equivalents	903,833	1,011,713	868,022	(5,639)	2,777,929
Cash and Cash Equivalents, Beginning of the Year	<u>2,052,585</u>	<u>473,441</u>	<u>2,271,541</u>	<u>1,356,681</u>	<u>6,154,248</u>
Cash and Cash Equivalents, End of the Year	<u>\$ 2,956,418</u>	<u>\$ 1,485,154</u>	<u>\$ 3,139,563</u>	<u>\$ 1,351,042</u>	<u>\$ 8,932,177</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:					
Operating Income (Loss)	\$ 362,449	\$ 347,500	\$ 246,193	\$ (89,804)	\$ 866,338
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	-	133,538	212,421	-	345,959
Changes in Operating Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(235)	-	(1,026)	-	(1,261)
(Increase) Decrease in Due from Other Governments	-	-	-	-	-
(Increase) Decrease in Inventory and Prepaid Items	(18,835)	(6,227)	(15,723)	-	(40,785)
(Increase) Decrease in Deferred Outflows - Pensions	11,257	(5,291)	(4,896)	(39,927)	(38,857)
(Increase) Decrease in Deferred Outflows - OPEB	(15,547)	5,475	(10,370)	5,796	(14,646)
Increase (Decrease) in Accounts Payable	2,901	(1,265)	(22,997)	(81,324)	(102,685)
Increase (Decrease) in Accrued Salaries and Benefits	(10,200)	(6,050)	(14,178)	(16,134)	(46,562)
Increase (Decrease) in Compensated Absences	(16)	(527)	26,825	555	26,837
Increase (Decrease) in Net Pension Liability	(288,349)	(203,645)	(294,240)	(56,724)	(842,958)
Increase (Decrease) in Net OPEB Liability	60,073	(31,373)	32,787	(38,184)	23,303
Increase (Decrease) in Deferred Inflows - Pensions	151,260	193,868	262,042	306,781	913,951
Increase (Decrease) in Deferred Inflows - OPEB	4,426	(3,362)	1,668	(4,435)	(1,703)
Increase (Decrease) in Claims Payable	84,280	-	-	-	84,280
Net Cash from Operating Activities	<u>\$ 343,464</u>	<u>\$ 422,641</u>	<u>\$ 418,506</u>	<u>\$ (13,400)</u>	<u>\$ 1,171,211</u>

CUSTODIAL FUNDS

**City of Upland
Custodial Funds
Year Ended June 30, 2022**

CUSTODIAL FUNDS

Custodial Funds are used to account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Community Facilities District 2003-2 Area 1 Fund

To account for revenues received from property holders for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvements in the Colonies development.

Community Facilities District 2003-2 Area 2 Fund

To account for revenues received from property holders for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvements in the Colonies development.

Community Facilities District 2015-1 Area 1 Fund

To account for revenues received from property holders for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvements in the Sycamore Hills development.

Community Facilities District 2016-1 Area 1 Fund

To account for revenues received from property holders for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvements in the Harvest at Upland development.

Community Facilities District 2016-2 Maintenance Fund

To account for revenues received from property holders for the payment of maintenance services including median landscaping, channel landscaping, storm drain clean outs, and asphalt slurry every 5 years within the Harvest at Upland development.

Community Facilities District 2017-1 Maintenance Fund

To account for revenues received from property holders for the payment of maintenance services including median landscaping, channel landscaping, storm drain clean outs, and asphalt slurry every 5 years within the Sycamore Hills development.

Community Facilities District 2016-1 Area 2 Fund

To account for revenues received from property holders for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvements in the Harvest at Upland development.

Assessment District 84-1 Fund

To account for the district formed to provide street sweeping, landscape irrigation, and street light services.

Sanitary Sewer Facility Development Fund

To account for revenue collected to expand both the City's and the region's sanitary sewage facilities to accommodate current and future growth.

Welfare Committee Fund

To account for employee contributions to provide future financial assistance to employees in the event of a personal financial emergency.

West End Consolidated Water Company (Water Company)

To account for the Water Company's financial transactions and balances.

**City of Upland
Custodial Funds
Year Ended June 30, 2022**

CUSTODIAL FUNDS - Continued

Community Facilities District 2003-1

To account for revenues received from property holders for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvement in the Upland 54 development.

Community Facilities District 2022-1

To account for revenues received from property holders for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvement in the Enclave development.

Community Facilities District 2015-1 Area 2

To account for revenues received from property holders for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvements in the Sycamore Hills development.

City of Upland
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022

	Community Facilities District 2003-2 Area 1	Community Facilities District 2003-2 Area 2	Community Facilities District 2015-1 Area 1	Community Facilities District 2016-1 Area 1	Community Facilities District 2016-2
ASSETS					
Cash and Investments	\$ 18,936	\$ 16,896	\$ -	\$ 17,646	\$ 194,632
Cash with Fiscal Agent	298,240	2,623,992	1,363,528	873,824	-
Accounts Receivable	23,213	-	6,650	6,352	838
Total Assets	340,389	2,640,888	1,370,178	897,822	195,470
LIABILITIES					
Deposits Payable	-	-	27,829	150,500	15,784
Due to City of Upland	-	-	280,911	-	-
Accounts Payable	240	131	4,131	194	1,831
Total Liabilities	240	131	312,871	150,694	17,615
NET POSITION					
Restricted for:					
Organizations and Individuals	340,149	2,640,757	1,057,307	747,128	177,855
Other Governments	-	-	-	-	-
Total Net Position	\$ 340,149	\$ 2,640,757	\$ 1,057,307	\$ 747,128	\$ 177,855

<u>Community Facilities District 2017-1</u>	<u>Community Facilities District 2016-1 Area 2</u>	<u>Assessment District 84-1</u>	<u>Sanitary Sewer Facility Development</u>	<u>Welfare Committee</u>	<u>West End Consolidated Water Co.</u>	<u>Community Facilities District 2003-1</u>
\$ 20,087	\$ 16,250	\$ 2,752	\$ 3,472,281	\$ 29,009	\$ 499,807	\$ 17,646
-	2,698,500	-	-	-	-	265,530
46	2,975	-	-	-	-	-
<u>20,133</u>	<u>2,717,725</u>	<u>2,752</u>	<u>3,472,281</u>	<u>29,009</u>	<u>499,807</u>	<u>283,176</u>
-	164,308	-	3,472,281	-	-	-
-	-	-	-	-	-	-
1,481	225	-	-	-	-	147
<u>1,481</u>	<u>164,533</u>	<u>-</u>	<u>3,472,281</u>	<u>-</u>	<u>-</u>	<u>147</u>
18,652	2,553,192	2,752	-	29,009	499,807	283,029
-	-	-	-	-	-	-
<u>\$ 18,652</u>	<u>\$ 2,553,192</u>	<u>\$ 2,752</u>	<u>\$ -</u>	<u>\$ 29,009</u>	<u>\$ 499,807</u>	<u>\$ 283,029</u>

Continued

City of Upland
Combining Statement of Fiduciary Net Position - Continued
Custodial Funds
June 30, 2022

	Community Facilities District 2022-1	Community Facilities District 2015-1 Area 2	Total
ASSETS			
Cash and Investments	\$ 5,676	\$ 449,123	\$ 4,760,741
Cash with Fiscal Agent	-	8,997,909	17,121,523
Accounts Receivable	-	-	40,074
	<u>5,676</u>	<u>9,447,032</u>	<u>21,922,338</u>
LIABILITIES			
Deposits Payable	8,690	158,000	3,997,392
Due to City of Upland	-	-	280,911
Accounts Payable	26,023	131	34,534
	<u>34,713</u>	<u>158,131</u>	<u>4,312,837</u>
NET POSITION			
Restricted for:			
Organizations and Individuals	(29,037)	9,288,901	17,609,501
Other Governments	-	-	-
	<u>\$ (29,037)</u>	<u>\$ 9,288,901</u>	<u>\$ 17,609,501</u>

City of Upland
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2022

	Community Facilities District 2003-2 Area 1	Community Facilities District 2003-2 Area 2	Community Facilities District 2015-1 Area 1	Community Facilities District 2016-1 Area 1	Community Facilities District 2016-2
ADDITIONS					
Contributions:					
Taxes and assessments collected for others	\$ 1,590,475	\$ 1,324,690	\$ 515,085	\$ 527,861	\$ 106,062
Contributions from Bondholders	298,228	-	-	-	-
Investment Earnings:					
Interest Income	-	-	-	-	-
Total Additions	1,888,703	1,324,690	515,085	527,861	106,062
DEDUCTIONS					
General and Administrative	21,469	18,709	3,765,553	15,453	27,190
Recipient Payments	-	-	-	-	-
Distribution to Shareholders	4,988,687	1,312,219	522,044	512,000	-
Total Deductions	5,010,156	1,330,928	4,287,597	527,453	27,190
Net Increase (decrease) in fiduciary net position	(3,121,453)	(6,238)	(3,772,512)	408	78,872
Net Position, beginning of the year	3,461,602	2,646,995	4,829,819	746,720	98,983
Net Position, end of the year	<u>\$ 340,149</u>	<u>\$ 2,640,757</u>	<u>\$ 1,057,307</u>	<u>\$ 747,128</u>	<u>\$ 177,855</u>

<u>Community Facilities District 2017-1</u>	<u>Community Facilities District 2016-1 Area 2</u>	<u>Assessment District 84-1</u>	<u>Sanitary Sewer Facility Development</u>	<u>Welfare Committee</u>	<u>West End Consolidated Water Co.</u>	<u>Community Facilities District 2003-1</u>
\$ 7,560	\$ 569,598	\$ 3,571	\$ 659,910	\$ 123	\$ -	\$ 137,650
-	-	-	-	-	-	-
-	-	-	-	-	2,866	-
<u>7,560</u>	<u>569,598</u>	<u>3,571</u>	<u>659,910</u>	<u>123</u>	<u>2,866</u>	<u>137,650</u>
23,653	10,699	-	2,404,203	6,191	-	15,383
-	6,180,876	-	2,936,087	-	-	-
-	314,028	-	-	-	-	124,680
<u>23,653</u>	<u>6,505,603</u>	<u>-</u>	<u>5,340,290</u>	<u>6,191</u>	<u>-</u>	<u>140,063</u>
(16,093)	(5,936,005)	3,571	(4,680,380)	(6,068)	2,866	(2,413)
<u>34,745</u>	<u>8,489,197</u>	<u>(819)</u>	<u>4,680,380</u>	<u>35,077</u>	<u>496,941</u>	<u>285,442</u>
<u>\$ 18,652</u>	<u>\$ 2,553,192</u>	<u>\$ 2,752</u>	<u>\$ -</u>	<u>\$ 29,009</u>	<u>\$ 499,807</u>	<u>\$ 283,029</u>

Continued

City of Upland
Combining Statement of Changes in Fiduciary Net Position - Continued
Custodial Funds
For the Year Ended June 30, 2022

	Community Facilities District 2022-1	Community Facilities District 2015-1 Area 2	Total
ADDITIONS			
Contributions:			
Taxes and assessments collected for others	\$ -	\$ 295,057	\$ 5,737,642
Contributions from Bondholders	-	9,230,000	9,528,228
Investment Earnings:			
Interest Income	-	-	2,866
Total Additions	-	9,525,057	15,268,736
DEDUCTIONS			
General and Administrative	29,037	4,016	6,341,556
Recipient Payments	-	232,140	9,349,103
Distribution to Shareholders	-	-	7,773,658
Total Deductions	29,037	236,156	23,464,317
Net Increase (decrease) in fiduciary net position	(29,037)	9,288,901	(8,195,581)
Net Position, beginning of the year	-	-	25,805,082
Net Position, end of the year	<u>\$ (29,037)</u>	<u>\$ 9,288,901</u>	<u>\$ 17,609,501</u>

STATISTICAL SECTION

City of Upland
Description of Statistical Section Contents
June 30, 2022

This part of the City of Upland's Annual Comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	125
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	135
<u>Debt Capacity</u> these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	143
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	150
<u>Operating Information</u> these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	152

CITY OF UPLAND

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
Governmental activities				
Invested in capital assets, net of related debt	\$ 281,184,806	\$ 272,320,453	\$ 274,795,930	\$ 269,132,382
Restricted	22,177,079	18,336,004	14,482,775	25,659,378
Unrestricted	(19,386,237)	(253,534)	(62,716,819)	(64,259,153)
Total governmental activities net position	<u>\$ 283,975,648</u>	<u>\$ 290,402,923</u>	<u>\$ 226,561,886</u>	<u>\$ 230,532,607</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 76,050,669	\$ 75,114,852	\$ 68,450,050	\$ 67,891,850
Restricted	-	-	-	-
Unrestricted	37,241,528	36,705,400	27,528,096	34,916,716
Total business-type activities net position	<u>\$ 113,292,197</u>	<u>\$ 111,820,252</u>	<u>\$ 95,978,146</u>	<u>\$ 102,808,566</u>
Primary government				
Invested in capital assets, net of related debt	\$ 357,235,475	\$ 347,435,305	\$ 343,245,980	\$ 337,024,232
Restricted	22,177,079	18,336,004	14,482,775	25,659,378
Unrestricted	17,855,291	36,451,866	(35,188,723)	(29,342,437)
Total primary government net position	<u>\$ 397,267,845</u>	<u>\$ 402,223,175</u>	<u>\$ 322,540,032</u>	<u>\$ 333,341,173</u>

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,					
2017	2018	2019	2020	2021	2022
\$ 267,791,299	\$ 262,318,491	\$ 262,465,719	\$ 266,996,077	\$ 267,040,558	\$ 262,699,586
40,844,504	42,616,153	44,877,724	52,227,409	43,407,782	44,713,616
(74,170,029)	(83,164,838)	(80,859,640)	(74,070,557)	(59,600,057)	(62,075,620)
<u>\$ 234,465,774</u>	<u>\$ 221,769,806</u>	<u>\$ 226,483,803</u>	<u>\$ 245,152,929</u>	<u>\$ 250,848,283</u>	<u>\$ 245,337,582</u>
\$ 68,761,226	\$ 69,511,985	\$ 70,481,398	\$ 80,694,523	\$ 11,916,179	\$ 92,647,094
-	-	-	-	-	-
39,989,572	48,033,153	54,825,737	62,335,721	141,256,446	73,065,524
<u>\$ 108,750,798</u>	<u>\$ 117,545,138</u>	<u>\$ 125,307,135</u>	<u>\$ 143,030,244</u>	<u>\$ 153,172,625</u>	<u>\$ 165,712,618</u>
\$ 336,552,525	\$ 331,830,476	\$ 332,947,117	\$ 347,690,600	\$ 278,956,737	\$ 355,346,680
40,844,504	42,616,153	44,877,724	52,227,409	43,407,782	44,713,616
(34,180,457)	(35,131,685)	(26,033,903)	(11,734,836)	81,656,389	10,989,904
<u>\$ 343,216,572</u>	<u>\$ 339,314,944</u>	<u>\$ 351,790,938</u>	<u>\$ 388,183,173</u>	<u>\$ 404,020,908</u>	<u>\$ 411,050,200</u>

CITY OF UPLAND

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	\$ 4,113,605	\$ 4,709,996	\$ 3,050,233	\$ 5,626,905
Public safety	29,009,795	24,047,934	27,468,131	27,178,673
Engineering and public works	7,868,067	9,879,986	9,281,467	11,049,238
Development services	4,967,335	3,174,496	5,447,239	5,214,410
Community services	6,100,981	4,057,338	5,073,673	4,308,397
Interest expense	310,478	286,492	284,269	281,359
Total governmental activities expenses	<u>52,370,261</u>	<u>46,156,242</u>	<u>50,605,012</u>	<u>53,658,982</u>
Business-type activities:				
Water utility	17,019,949	19,565,979	20,124,035	16,121,912
Solid waste utility	9,246,343	9,322,648	9,872,451	9,602,172
Sewer utility	5,813,597	6,278,008	7,457,367	7,063,779
Animal services	1,082,162	1,020,821	-	-
Total business-type activities expenses	<u>33,162,051</u>	<u>36,187,456</u>	<u>37,453,853</u>	<u>32,787,863</u>
Total primary government expenses	<u>\$ 85,532,312</u>	<u>\$ 82,343,698</u>	<u>\$ 88,058,865</u>	<u>\$ 86,446,845</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,416,615	\$ 1,508,984	\$ 1,658,124	\$ 1,124,713
Public safety	2,526,925	2,930,767	3,593,175	3,789,627
Engineering and public works	411,595	579,582	660,583	246,341
Development services	3,881,798	4,541,765	4,612,643	4,933,961
Community services	611,995	1,058,570	1,097,518	1,072,754
Operating grants and contributions	6,554,132	6,234,320	7,014,790	5,120,131
Capital grants and contributions	2,614,837	1,636,573	2,712,801	3,926,465
Total governmental activities program revenues	<u>18,017,897</u>	<u>18,490,561</u>	<u>21,349,634</u>	<u>20,213,992</u>
Business-type activities				
Charges for services:				
Water utility	17,324,491	18,184,343	22,713,562	18,601,289
Solid waste utility	9,535,127	9,592,364	10,355,699	10,544,776
Sewer utility	6,294,532	6,432,824	7,233,341	8,068,428
Animal services	567,329	384,674	-	-
Operating grants and contributions	-	23,220	21,672	15,519
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>33,721,479</u>	<u>34,617,425</u>	<u>40,324,274</u>	<u>37,230,012</u>
Total primary government program revenues	<u>\$ 51,739,376</u>	<u>\$ 53,107,986</u>	<u>\$ 61,673,908</u>	<u>\$ 57,444,004</u>
Net (expenses)/revenue				
Governmental activities	\$ (34,352,364)	\$ (27,665,681)	\$ (29,255,378)	\$ (33,444,990)
Business-type activities	559,428	(1,570,031)	2,870,421	4,442,149
Total net revenues (expense)	<u>\$ (33,792,936)</u>	<u>\$ (29,235,712)</u>	<u>\$ (26,384,957)</u>	<u>\$ (29,002,841)</u>

Fiscal Year Ended June 30,					
2017	2018	2019	2020	2021	2022
\$ 3,080,619	\$ 4,539,492	\$ 4,033,829	\$ 3,740,648	\$ 2,148,712	\$ 899,152
32,174,086	27,927,892	27,265,506	23,786,129	31,674,977	40,906,101
9,819,952	11,468,377	12,092,590	3,524,461	14,653,574	14,788,452
5,407,099	6,624,913	6,059,857	5,931,597	5,682,894	6,223,444
3,691,035	3,370,656	4,255,538	3,910,878	3,642,911	4,449,233
358,679	715,062	840,116	817,235	783,846	609,129
<u>54,531,470</u>	<u>54,646,392</u>	<u>54,547,436</u>	<u>41,710,948</u>	<u>58,586,914</u>	<u>67,875,511</u>
18,483,205	19,989,900	21,525,637	20,513,809	22,480,852	25,757,917
10,051,229	11,042,468	12,316,577	13,787,098	14,487,585	15,591,348
7,818,112	9,285,699	9,387,370	9,946,531	10,663,464	10,330,964
-	-	-	-	-	-
<u>36,352,546</u>	<u>40,318,067</u>	<u>43,229,584</u>	<u>44,247,438</u>	<u>47,631,901</u>	<u>51,680,229</u>
<u>\$ 90,884,016</u>	<u>\$ 94,964,459</u>	<u>\$ 97,777,020</u>	<u>\$ 85,958,386</u>	<u>\$ 106,218,815</u>	<u>\$ 119,555,740</u>
\$ 305,373	\$ 382,010	\$ 1,187,018	\$ 583,514	\$ 795,356	\$ 359,602
3,541,745	1,827,271	1,866,761	1,644,528	1,223,941	1,296,694
776,173	4,207,550	2,991,516	5,038,970	4,002,120	898,698
5,461,323	5,245,335	5,876,464	6,038,238	6,066,211	8,031,377
495,702	546,702	581,989	395,733	934,551	519,862
5,933,967	2,066,407	2,340,876	2,518,963	4,433,802	5,469,996
4,337,377	6,604,091	7,305,417	8,229,671	7,219,514	4,881,792
<u>20,851,660</u>	<u>20,879,366</u>	<u>22,150,041</u>	<u>24,449,617</u>	<u>24,675,495</u>	<u>21,458,021</u>
21,299,753	28,076,336	26,203,575	27,703,940	29,333,341	28,937,984
11,103,446	11,687,415	12,677,799	13,772,383	14,643,704	16,686,834
9,705,668	10,144,832	10,573,571	10,606,800	10,818,913	10,595,087
-	-	-	-	-	-
63,207	70,598	57,708	-	23,630	26,198
-	-	1,544,529	9,882,981	2,903,615	2,622,455
<u>42,172,074</u>	<u>49,979,181</u>	<u>51,057,182</u>	<u>61,966,104</u>	<u>57,723,203</u>	<u>58,868,558</u>
<u>\$ 63,023,734</u>	<u>\$ 70,858,547</u>	<u>\$ 73,207,223</u>	<u>\$ 86,415,721</u>	<u>\$ 82,398,698</u>	<u>\$ 80,326,579</u>
\$ (33,679,810)	\$ (33,767,026)	\$ (32,397,395)	\$ (17,261,331)	\$ (33,911,419)	\$ (46,417,490)
5,819,528	9,661,114	7,827,598	17,718,666	10,091,302	7,188,329
<u>\$ (27,860,282)</u>	<u>\$ (24,105,912)</u>	<u>\$ (24,569,797)</u>	<u>\$ 457,335</u>	<u>\$ (23,820,117)</u>	<u>\$ (39,229,161)</u>

CITY OF UPLAND

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
General Revenues and Other				
Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 17,207,416	\$ 17,656,767	\$ 18,376,071	\$ 19,309,037
Sales taxes	10,167,479	11,282,830	12,477,307	13,909,909
Other taxes	1,603,147	1,744,459	1,890,562	1,778,356
Investment income	26,819	61,284	93,147	216,843
Motor vehicle in lieu	190,258	217,444	852,384	429,308
Gain on sale of assets	-	51,530	14,151	32,589
Miscellaneous revenue	583,147	3,494,568	4,238,903	394,567
Extraordinary gain (note 21)	-	-	-	-
Special Item (note 16)	-	-	-	-
Transfers	5,922,919	(69,537)	122,245	(3,000)
Total governmental activities	<u>35,701,185</u>	<u>34,439,345</u>	<u>38,064,770</u>	<u>36,067,609</u>
Business-type activities:				
Investment income	53,563	28,549	99,832	148,205
Share of joint venture net income	-	-	-	-
Gain on sale of assets	-	-	-	-
Legal Settlement	-	-	-	-
Miscellaneous revenue	-	-	-	-
Transfers	(1,058,593)	69,537	(122,245)	3,000
Total business-type activities	<u>(1,005,030)</u>	<u>98,086</u>	<u>(22,413)</u>	<u>151,205</u>
Total primary government	<u>\$ 34,696,155</u>	<u>\$ 34,537,431</u>	<u>\$ 38,042,357</u>	<u>\$ 36,218,814</u>
Changes in Net Position				
Governmental activities	\$ 1,348,821	\$ 6,773,664	\$ 8,809,392	\$ 2,622,619
Business-type activities	(445,602)	(1,471,945)	2,848,008	4,593,354
Total primary government	<u>\$ 903,219</u>	<u>\$ 5,301,719</u>	<u>\$ 11,657,400</u>	<u>\$ 7,215,973</u>

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,					
2017	2018	2019	2020	2021	2022
\$ 20,482,854	\$ 16,343,119	\$ 16,831,839	\$ 18,055,721	\$ 18,818,701	\$ 19,089,687
13,293,304	13,673,539	14,507,927	13,579,780	16,876,712	18,469,789
2,740,447	2,696,807	2,692,051	2,819,493	2,895,754	3,614,267
326,531	(90,335)	1,012,981	1,232,765	927,392	(564,701)
223,315	40,421	36,969	62,114	57,805	90,702
4,180	-	132,623	-	-	-
355,677	321,564	271,298	180,584	30,374	207,045
-	-	-	-	-	-
-	(5,562,967)	-	-	-	-
67,000	-	814,669	-	-	-
<u>37,493,308</u>	<u>27,422,148</u>	<u>36,300,357</u>	<u>35,930,457</u>	<u>39,606,738</u>	<u>40,906,789</u>
189,704	415,529	761,947	1,187,036	51,079	(1,472,061)
-	-	-	-	-	-
-	-	(12,879)	-	-	-
-	-	-	-	-	6,823,725
-	-	-	-	-	-
(67,000)	-	(814,669)	-	-	-
<u>122,704</u>	<u>415,529</u>	<u>(65,601)</u>	<u>1,187,036</u>	<u>51,079</u>	<u>5,351,664</u>
<u>\$ 37,616,012</u>	<u>\$ 27,837,677</u>	<u>\$ 36,234,756</u>	<u>\$ 37,117,493</u>	<u>\$ 39,657,817</u>	<u>\$ 46,258,453</u>
\$ 3,813,498	\$ (6,344,878)	\$ 3,902,962	\$ 18,669,126	\$ 5,695,319	\$ (5,510,701)
5,942,232	10,076,643	7,761,997	18,905,702	10,142,381	12,539,993
<u>\$ 9,755,730</u>	<u>\$ 3,731,765</u>	<u>\$ 11,664,959</u>	<u>\$ 37,574,828</u>	<u>\$ 15,837,700</u>	<u>\$ 7,029,292</u>

CITY OF UPLAND

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2013	2014	2015	2016	2017
General Fund					
Nonspendable	\$ 139,164	\$ 158,323	\$ 110,709	\$ 63,831	\$ 75,325
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	721,275	3,841,677	10,284,958	14,478,664	15,254,150
Total General Fund	<u>\$ 860,439</u>	<u>\$ 4,000,000</u>	<u>\$ 10,395,667</u>	<u>\$ 14,542,495</u>	<u>\$ 15,329,475</u>
Other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	15,078,398	18,683,199	34,769,384	38,524,248	39,563,384
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(1,525,535)	(112,511)	(20,372)	(254,428)	(4,088)
Total Other Governmental Funds	<u>\$ 13,552,863</u>	<u>\$ 18,570,688</u>	<u>\$ 34,749,012</u>	<u>\$ 38,269,820</u>	<u>\$ 39,559,296</u>

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,				
2018	2019	2020	2021	2022
\$ 64,869	\$ 73,803	\$ 68,061	\$ 178,650	\$ 109,886
18,473	18,473	53,073	10,733,983	2,735,148
4,670,418	4,670,418	7,750,840	15,137,875	12,434,329
-	-	-	4,491,000	-
9,479,082	18,538,881	16,404,123	249,245	(11,880,703)
<u>\$ 14,232,842</u>	<u>\$ 23,301,575</u>	<u>\$ 24,276,097</u>	<u>\$ 30,790,753</u>	<u>\$ 3,398,660</u>
\$ -	\$ -	\$ -	\$ -	\$ -
42,616,153	44,979,990	53,645,011	55,210,075	57,068,653
-	-	-	-	-
7,531	-	-	-	191,505
(296)	-	(246,676)	(684,266)	(388,217)
<u>\$ 42,623,388</u>	<u>\$ 44,979,990</u>	<u>\$ 53,398,335</u>	<u>\$ 54,525,809</u>	<u>\$ 56,871,941</u>

CITY OF UPLAND

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
Revenues				
Taxes	\$ 30,756,478	\$ 32,593,211	\$ 35,655,141	\$ 37,799,228
Licenses and permits	987,862	1,041,388	1,794,686	1,875,032
Charges for services	4,362,451	5,230,294	5,606,821	5,392,160
Fines and penalties	500,389	533,282	604,509	594,417
Investment income	27,704	57,147	92,100	187,819
Rental income	3,318,077	3,787,894	3,860,094	4,013,904
Intergovernmental	7,221,745	6,806,235	7,655,572	5,435,521
Other	1,254,136	4,659,040	5,317,007	1,273,394
Total revenues	<u>48,428,842</u>	<u>54,708,491</u>	<u>60,585,930</u>	<u>56,571,475</u>
Expenditures				
General government	4,805,137	5,138,890	3,420,069	3,658,673
Public safety	26,530,316	25,998,626	26,462,312	28,178,150
Engineering and public works	10,362,812	4,870,786	5,698,034	7,874,070
Development services	4,857,256	4,612,547	5,274,072	5,262,923
Community services	4,145,232	3,908,447	4,506,490	4,216,350
Debt service:				
Principal	210,000	220,000	235,000	258,368
Interest	317,068	293,657	282,901	296,236
Issuance Costs	-	-	-	-
Fiscal charges	3,300	3,300	6,659	2,258
Total expenditures	<u>51,231,121</u>	<u>45,046,253</u>	<u>45,885,537</u>	<u>49,747,028</u>
Excess (deficiency) of revenues over (under) expenditures	(2,802,279)	9,662,238	14,700,393	6,824,447
Other financing sources (uses)				
Transfers in	6,808,907	2,761,375	273,409	1,208,553
Transfers out	(870,049)	(3,919,838)	(2,478,470)	(1,525,154)
Extraordinary gain (loss) (note 21)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	1,600
Issuance of capital leases	-	-	-	200,524
Payments to bond escrow	-	-	-	-
Issuance of bonds/debt	-	-	-	-
Total other financing sources(uses)	<u>5,938,858</u>	<u>(1,158,463)</u>	<u>(2,205,061)</u>	<u>(114,477)</u>
Special Item				
Payment to Unfunded Pension Liability	-	-	-	-
Net change in fund balances	<u>\$ 3,136,579</u>	<u>\$ 8,503,775</u>	<u>\$ 12,495,332</u>	<u>\$ 6,709,970</u>
Debt service as a percentage of noncapital expenditures*	1.2%	1.2%	1.1%	1.1%

* This percentage is computed as: Debt Service divided by Non-Capital Expenditures

Fiscal Year Ended June 30,						
2017	2018	2019	2020	2021	2022	
\$ 38,830,352	\$ 32,719,390	\$ 36,119,214	\$ 35,505,234	\$ 39,675,488	\$ 42,615,113	
3,009,862	5,164,222	4,354,120	6,164,957	5,955,190	3,306,914	
5,857,984	2,785,383	3,055,102	2,843,447	2,384,400	2,758,438	
619,646	646,874	989,437	893,964	542,604	600,186	
86,173	38,881	1,813,945	1,679,486	829,306	(2,483,759)	
4,191,730	4,738,192	5,003,949	5,156,573	5,259,555	5,259,156	
5,798,858	5,579,860	5,518,173	6,812,160	8,241,316	9,906,508	
1,742,663	934,735	1,727,759	550,605	627,760	700,456	
60,137,268	52,607,537	58,581,699	59,606,426	63,515,619	62,663,012	
4,950,630	2,154,855	1,918,770	1,956,329	2,255,746	3,442,633	
31,733,042	23,950,547	23,653,097	25,977,681	27,381,746	28,134,960	
9,380,001	15,361,147	12,907,584	9,842,367	14,744,656	12,307,298	
5,446,549	6,366,818	5,343,038	5,735,938	5,683,606	6,223,444	
3,518,510	3,170,399	3,279,498	3,240,983	3,193,155	3,817,256	
288,319	18,677,299	674,583	695,406	739,578	13,621,275	
360,854	715,062	840,116	817,235	783,846	609,129	
-	-	-	-	-	167,472	
3,575	-	-	-	-	-	
55,681,480	70,396,127	48,616,686	48,265,939	54,782,333	68,323,467	
4,455,788	(17,788,590)	9,965,013	11,340,487	8,733,286	(5,660,455)	
517,960	224,081	1,035,556	1,725,996	593,000	290,000	
(2,164,720)	(3,693,295)	(518,892)	(3,673,616)	(1,715,374)	(2,158,150)	
-	-	-	-	-	-	
-	-	132,623	-	31,218	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	22,210,487	-	-	-	12,982,644	
(1,646,760)	18,741,273	649,287	(1,947,620)	(1,091,156)	11,114,494	
-	-	-	-	-	(30,500,000)	
\$ 2,809,028	\$ 952,683	\$ 10,614,300	\$ 9,392,867	\$ 7,642,130	\$ (25,045,961)	
1.3%	31.7%	3.6%	4.1%	3.1%	21.8%	

CITY OF UPLAND

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
(IN THOUSANDS OF DOLLARS)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2012/13	2013/14	2014/15	2015/16	2016/17
Residential	5,498,151	5,680,385	6,068,414	6,401,935	6,697,951
Commercial	823,190	849,188	873,943	875,269	908,646
Industrial	306,113	314,762	318,293	342,277	350,443
Dry Farm	4,029	4,184	4,186	470	477
Govt. Owned	960	979	983	1,003	1,018
Institutional	12,982	14,288	10,334	9,826	13,908
Irrigated	1,928	1,967	1,976	2,015	1,640
Miscellaneous	76,292	78,275	78,792	80,400	103,978
Recreational	18,041	14,322	14,353	14,804	14,162
Vacant	68,364	74,268	65,657	84,782	91,043
SBE Nonunitary	69	69	70	70	70
Unsecured	265,091	262,039	259,893	268,858	249,241
TOTALS	7,075,211	7,294,725	7,696,894	8,081,709	8,432,577
Total Direct Rate	<u>0.29337%</u>	<u>0.17491%</u>	<u>0.17491%</u>	<u>0.17492%</u>	<u>0.17492%</u>

Note: The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local overrides. These values are considered to be full market values.

Source: San Bernardino County Assessor 2012/13 - 2021/22 Combined Tax Rolls; HdL Coren & Cone

Fiscal Year				
2017/18	2018/19	2019/20	2020/21	2021/22
7,059,507	7,440,680	7,822,956	8,303,185	8,718,266
991,548	1,059,249	1,092,437	1,146,927	1,190,138
377,242	401,508	405,874	436,283	452,734
487	497	507	621	627
1,039	1,060	1,554	1,585	1,965
11,982	12,730	8,269	8,177	9,108
1,673	1,707	1,741	1,775	430
76,233	78,464	84,498	95,151	92,426
13,758	13,812	14,875	14,940	15,410
132,223	127,536	150,349	132,343	94,275
70	69	180	180	180
230,214	246,034	251,133	239,443	240,310
8,895,976	9,383,344	9,834,373	10,380,611	10,815,869
<u>0.17492%</u>	<u>0.08257%</u>	<u>0.09093%</u>	<u>0.09079%</u>	<u>0.09099%</u>

CITY OF UPLAND

**WATER SALES BY USER TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Residential		Commercial		Public Agency		Irrigation	
	Gallons Consumed	% of Total	Gallons Consumed	% of Total	Gallons Consumed	% of Total	Gallons Consumed	% of Total
2013	4,825,517,048	73.7%	733,835,124	11.2%	241,184,372	3.7%	750,007,632	11.4%
2014	4,930,872,848	72.8%	729,473,536	10.8%	218,617,212	3.2%	895,623,036	13.2%
2015	4,456,746,316	71.4%	718,672,416	11.5%	210,080,288	3.4%	860,493,216	13.8%
2016	3,566,689,896	70.7%	650,598,432	12.9%	176,596,816	3.5%	649,350,020	12.9%
2017	3,848,856,440	71.0%	680,205,768	12.5%	177,463,748	3.3%	717,650,648	13.2%
2018	4,243,225,976	70.1%	717,147,992	11.8%	186,568,404	3.1%	909,118,452	15.0%
2019	3,804,467,128	69.4%	659,586,400	12.0%	165,040,216	3.0%	852,306,356	15.5%
2020	3,940,665,212	71.5%	592,244,708	10.7%	167,931,236	3.0%	813,682,628	14.8%
2021	4,359,818,232	71.5%	593,676,380	9.7%	212,988,512	3.5%	934,994,764	15.3%
2022	4,124,359,800	71.6%	561,967,164	9.8%	180,236,584	3.1%	889,946,464	15.5%

Source: Finance Division, City of Upland

CITY OF UPLAND

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$100 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS**

<u>Agency</u>	<u>Fiscal Year</u>			
	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
Basic Levy¹	1.00000	1.00000	1.00000	1.00000
Alta Loma Elementary Bond	0.04580	0.04500	0.04370	0.04170
Central Elementary Bond	0.07270	0.07110	0.06600	0.06500
Chaffey Community College Bond	0.01110	0.01570	0.01090	0.01130
Chaffey High School Bond	0.01010	0.03710	0.02940	0.04090
Metropolitan Water Agency	0.00350	0.00350	0.00350	0.00350
Ontario-Montclair Elementary Bond	0.02740	0.02940	0.02600	0.02680
Upland Unified School Bond	0.05240	0.04840	0.04620	0.05250
Total Direct & Overlapping² Tax Rates	<u>1.22300</u>	<u>1.25020</u>	<u>1.22570</u>	<u>1.24170</u>
City Share of 1% levy per Prop 13³	0.17482	0.17482	0.17482	0.17482
Redevelopment Rate⁴	n/a	n/a	n/a	n/a
Total Direct Rate⁵	<u>0.29337</u>	<u>0.17491</u>	<u>0.17491</u>	<u>0.17492</u>

Notes:

¹ In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

² Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³ City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.

⁴ Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

⁵ Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

Source: San Bernardino County Assessor 2012/13 - 2021/22 Tax Rate Table; HdL Coren & Cone

Fiscal Year					
<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.04080	0.05640	0.06800	0.06530	0.04570	0.07300
0.06880	0.06700	0.04650	0.05020	0.04890	0.06140
0.01160	0.00880	0.01530	0.02410	0.01110	0.01770
0.03190	0.02790	0.04020	0.03750	0.03520	0.03710
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
0.02640	0.05570	0.05550	0.04280	0.04580	0.04550
0.06070	0.05510	0.05870	0.05600	0.05150	0.06340
<u>1.24370</u>	<u>1.27440</u>	<u>1.28770</u>	<u>1.27940</u>	<u>1.24170</u>	<u>1.30160</u>
0.17482	0.17482	0.08042	0.09353	0.09353	0.09353
n/a	n/a	n/a	n/a	n/a	n/a
<u>0.17492</u>	<u>0.17492</u>	<u>0.08257</u>	<u>0.09330</u>	<u>0.09079</u>	<u>0.09099</u>

CITY OF UPLAND

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Colonies-Pacific LLC	166,876,323	1	1.54%	\$ 88,401,764	1	1.25%
College Park Apartment Homes LP	62,515,737	2	0.58%	57,451,172	2	0.81%
Benson Owner LLC	50,394,737	3	0.47%			
Lucas Upland LLC	49,724,867	4	0.46%			
MG Stoneridge Village Grove LLC	47,565,361	5	0.44%			
Rancho Monte Vista Apartment Homes	46,126,123	6	0.43%	40,015,514	4	0.57%
CT Retail Properties Finance II LLC	44,339,086	7	0.41%	38,210,074	5	0.54%
WNG Mountain Springs GP	40,562,688	8	0.38%	34,955,689	6	0.49%
College Business Park LLC	37,949,121	9	0.35%			
Dee Matreyek-Kurth Non Exempt Trust	37,537,476	10	0.35%			
Granite Sr Woodlane LLC				42,918,879	3	0.61%
Koll Per College Business Park, LLC				34,726,001	7	0.49%
Bill and Mary Matreyek Trust				31,446,614	8	0.44%
NU-168 Apartments LLC				31,204,116	9	0.44%
Holliday Rock Company Inc				30,790,476	10	0.44%
Totals	<u>\$ 583,591,519</u>		<u>5.40%</u>	<u>\$ 430,120,299</u>		<u>6.08%</u>

Source: San Bernardino County Assessor 2021/22 Combined Tax Roll and the SBE Non Unitary Tax Roll

CITY OF UPLAND

**PRINCIPAL WATER PURCHASERS
CURRENT YEAR AND TEN YEARS AGO**

Water Purchaser	2022			2013		
	Gallons Consumed	Rank	Percentage of Total Gallons Consumed	Gallons Consumed	Rank	Percentage of Total Gallons Consumed
City of Upland	337,561	1	4.4%	239,155,048	1	3.7%
Upland Unified School District	139,770	2	1.8%	116,817,404	2	1.2%
Upland Development LLC	139,405	3	1.8%	57,628,164	4	1.2%
Mountain View Land Co	67,547	4	0.9%	27,220,468	10	0.5%
Wetrustin Investment Inc	64,589	5	0.8%			
San Antonio Community Hospital	64,410	6	0.8%	50,650,072	6	0.8%
Upland Hills CC COA	52,641	7	0.7%	38,896,748	8	0.6%
ST of California Dept of Trans	52,535	8	0.7%			
Upland Hills Estates HOA	51,139	9	0.7%	51,159,460	5	0.8%
Upland Cascade	43,050	10	0.6%			
State of California				78,400,124	3	1.8%
Orchard Lane Condos				48,961,836	7	0.8%
Upland Meadows Management				33,879,164	9	0.6%
Totals	1,012,647		13.2%	742,768,488		11.9%

Source: Finance Division, City of Upland

CITY OF UPLAND

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years ⁽¹⁾	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2013	9,881,310	9,452,806	95.66%	N/A	9,452,806	95.66%
2014	10,195,064	9,902,877	97.13%	N/A	9,902,877	97.13%
2015	10,792,671	10,512,265	97.40%	N/A	10,512,265	97.40%
2016	11,319,306	11,049,460	97.62%	N/A	11,049,460	97.62%
2017	11,883,283	11,615,501	97.75%	N/A	11,615,501	97.75%
2018	12,310,682	12,120,710	98.46%	N/A	12,120,710	98.46%
2019 ¹	6,032,861	5,900,839	97.81%	N/A	5,900,839	97.81%
2020	7,326,803	7,162,370	97.76%	N/A	7,162,370	97.76%
2021	7,730,056	7,623,675	98.62%	N/A	7,623,675	98.62%
2022	8,029,078	7,904,847	98.45%	N/A	7,904,847	98.45%

Notes:

Source: Data provided by the San Bernardino County Assessor's Office for collection of prior years taxes does not segregate the information by fiscal year. Therefore, the City is not able to provide this information in the above schedule.

¹ Change from prior years due to City's Annexation with San Bernadino County for Fire Services.

CITY OF UPLAND

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Governmental Activities				Total Governmental Activities
	Lease Revenue Bonds	Housing Bonds	Capital Leases	Clean Renewable Energy Bonds	
2013	950,000	18,000,000	-	-	18,950,000
2014	730,000	18,000,000	-	-	18,730,000
2015	495,000	18,000,000	-	-	18,495,000
2016	250,000	18,000,000	187,156	-	18,437,156
2017	-	18,000,000	148,837	-	18,148,837
2018	-	14,420,150	2,736,044	4,525,832	21,682,026
2019	-	13,905,615	2,607,411	4,494,189	21,007,215
2020	-	13,372,270	2,467,202	4,472,265	20,311,737
2021	-	12,815,345	2,315,651	4,441,631	19,572,628
2022	-	12,402,398	2,145,397	4,386,028	18,933,823

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(a) This ratio is calculated using personal income and population for the prior calendar year.

Source: Notes to the Financial Statements, Long Term Debt Section

Business-type Activities					
Water Lease Revenue Bonds	Direct Borrowings	Total Primary Government	Percentage of Personal Income ^(a)	Debt Per Capita ^(a)	Fiscal Year Ended June 30,
11,958,964		30,908,964	1.41%	412.63	2013
11,282,566		30,012,566	1.38%	399.38	2014
10,483,221		28,978,221	1.36%	386.00	2015
9,658,875		28,096,031	1.29%	370.79	2016
8,809,529		26,958,366	1.21%	351.07	2017
8,435,184		30,117,210	1.32%	391.05	2018
8,045,838		29,053,053	1.20%	370.19	2019
7,646,493	1,376,000	29,334,230	1.17%	372.20	2020
7,232,147	1,698,627	28,503,402	1.05%	363.04	2021
22,570,000	1,354,627	42,858,450	1.56%	541.56	2022

CITY OF UPLAND

DIRECT AND OVERLAPPING BOND DEBT
JUNE 30, 2022

<u>2021-22 Assessed Valuation:</u>			\$10,805,740,392
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt</u>		<u>City's Share of</u>
	6/30/2022	% Applicable (1)	Debt 6/30/22
Metropolitan Water District	\$20,175,000	0.32%	\$64,358
Chaffey Community College District	302,930,000	7.971	24,146,550
Upland Unified School District	86,283,463	92.743	80,021,872
Chaffey Union High School District	513,636,737	0.783	4,021,776
Alta Loma School District	57,397,978	0.521	299,043
Central School District	67,594,835	1.913	1,293,089
Ontario-Montclair School District	105,895,015	2.673	2,830,574
Upland Unified School District Community Facilities District No. 99-1	1,058,000	100	1,058,000
Upland Unified School District Community Facilities District No. 01-1	1,481,000	100	1,481,000
City of Upland Community Facilities District No. 2003-1	1,125,000	100	1,125,000
City of Upland Community Facilities District No. 2003-2, I.A. Nos. 1 & 2	28,660,000	100	28,660,000
City of Upland Community Facilities District No. 2015-1, I.A. No. 1	9,015,000	100	9,015,000
City of Upland Community Facilities District No. 2015-1, I.A. No. 2	9,230,000	100	9,230,000
City of Upland Community Facilities District No. 2016-1, I.A. No. 1	8,035,000	100	8,035,000
City of Upland Community Facilities District No. 2016-1, I.A. No. 2	8,495,000	100	8,495,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$179,776,262
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
San Bernardino County General Fund Obligations	\$188,035,000	4.06%	\$7,632,341
San Bernardino County Pension Obligation Bonds	119,835,000	4.059	4,864,103
San Bernardino County Flood Control District General Fund Obligations	44,780,000	4.059	1,817,620
Chaffey Community College District General Fund Obligations	27,675,000	7.971	2,205,974
City of Upland Equipment Lease Obligations	6,537,217	100	6,537,217
City of Upland Housing Revenue Bonds	12,402,398	100	12,402,398
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$35,459,653
Less: City of Upland Housing Revenue Bonds (100% supported from housing related revenues)	12,402,398		
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$23,057,255
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$16,090,000	100.00%	\$16,090,000
TOTAL GROSS DIRECT DEBT			\$18,939,615
TOTAL NET DIRECT DEBT			\$6,537,217
TOTAL OVERLAPPING DEBT			\$212,386,300
GROSS COMBINED TOTAL DEBT			\$231,325,915 (2)
NET COMBINED TOTAL DEBT			\$218,923,517
<u>Ratios to 2020-21 Assessed Valuation:</u>			
Total Overlapping Tax and Assessment Debt	1.66%		
Total Gross Direct Debt (\$20,311,914)	0.18%		
Total Net Direct Debt (\$6,939,762)	0.06%		
Gross Combined Total Debt	2.14%		
Net Combined Total Debt	2.03%		
<u>Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,982,673,344):</u>			
Total Overlapping Tax Increment Debt	0.81%		

Source: California Municipal Statistics, Inc., Avenu Insights & Analytics

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise

CITY OF UPLAND

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
Debt Limit	\$ 1,058,579,687	\$ 1,091,662,967	\$ 1,152,315,001	\$ 1,210,072,895
Total Net Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	\$ 1,058,579,687	\$ 1,091,662,967	\$ 1,152,315,001	\$ 1,210,072,895
Total Net Debt Applicable to The Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2022:

Assessed Valuation

Debt Limit (15% of Assessed Value)

Debt Applicable to Limit:

General Obligation Bonds

Legal Debt Margin

Note: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation.

¹ As a result of the dissolution of the Redevelopment Agency on January 31, 2012, total assessed value for the City is no longer reduced by the incremental value of the redevelopment project areas.

CITY OF UPLAND

**PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Water Bonds					Coverage
	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2013	17,122,606	15,146,422	1,976,184	760,000	407,969	1.69
2014	18,184,342	16,532,719	1,651,623	750,000	463,325	1.36
2015	22,713,561	17,673,638	5,039,923	765,000	442,475	4.17
2016	18,601,416	13,367,187	5,234,229	760,000	419,150	4.44
2017	21,436,735	17,418,778	4,017,957	815,000	361,406	3.42
2018	28,076,336	18,979,818	9,096,518	340,000	340,868	13.36
2019	26,203,575	19,636,043	6,567,532	355,000	327,673	9.62
2020	35,276,713	19,764,310	15,512,403	365,000	313,174	22.87
2021	31,669,481	22,037,035	9,632,446	380,000	336,250	13.45
2022	29,738,329	23,362,761	6,375,568	395,000	235,995	10.10

Note: Water Charges and Other includes total revenues (including investment earnings).
Operating Expenses are exclusive of depreciation.

Source: Finance Division, City of Upland

Special Assessment Bonds

Special Assessment Collections	Debt Service		Coverage
	Principal	Interest	
3,022,803	520,000	2,356,637	1.05
2,935,287	700,000	2,107,620	1.05
2,973,637	820,000	2,080,248	1.03
2,731,961	1,305,000	1,441,090	0.99
2,863,814	1,160,000	1,635,846	1.02
2,822,587	1,250,000	1,598,954	0.99
3,384,728	1,330,000	1,666,350	1.13
3,946,683	1,631,434	1,996,055	1.09
4,093,614	1,640,000	2,200,853	1.07
5,035,779	1,890,000	2,443,621	1.16

CITY OF UPLAND

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (in thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2012	74,907	\$ 2,192,004	\$ 29,263	11,908	6.5%
2013	75,147	\$ 2,182,720	\$ 29,046	11,665	5.6%
2014	75,074	\$ 2,130,600	\$ 28,380	11,380	5.9%
2015	75,774	\$ 2,182,404	\$ 28,801	11,138	4.8%
2016	76,790	\$ 2,226,460	\$ 28,994	11,028	4.2%
2017	77,017	\$ 2,274,591	\$ 29,533	10,913	2.5%
2018	78,481	\$ 2,417,412	\$ 30,802	10,702	3.3%
2019	78,814	\$ 2,503,598	\$ 31,765	10,580	3.1%
2020	78,513	\$ 2,702,987	\$ 34,427	10,228	8.7%
2021	79,139	\$ 2,755,435	\$ 34,817	10,210	6.4%

Sources: HdL, Coren & Cone and the California Department of Education

CITY OF UPLAND

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	2022			2013 *		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
San Antonio Regional Hospital	2,178	1	5.8%	1,942	1	5.2%
Upland Unified School District	1,037	2	2.8%	1,500	2	4.0%
Home Depot	350	3	0.9%	374	4	1.0%
Lewis Group	350	4	0.9%	300	8	0.8%
WalMart	315	5	0.8%	324	5	0.9%
Upland Rehabilitation & Care Center	291	6	0.8%	300	9	0.8%
Target	265	7	0.7%	313	6	0.8%
City of Upland	255	8	0.7%	398	3	1.1%
Holliday Rock Co. Inc	250	9	0.7%			
VCI Construction	227	10	0.6%			
Laidlaw Transit				312	7	0.8%
Kohl's Department Store				215	10	0.6%
Totals	5,518		14.6%	5,978		15.9%

*Source: Upland Chamber of Commerce, Finance Division & Development Services

CITY OF UPLAND

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	75.50	78.25	78.00	64.00	58.00	58.00	57.00	67.00	68.00	69.00
Public safety										
Police										
Officers	70.00	70.00	70.00	74.00	75.00	75.00	75.00	75.00	75.00	78.00
Civilians	22.50	22.50	22.50	26.00	30.00	31.00	37.00	30.00	31.00	31.00
Fire										
Firefighters and officers	41.00	40.00	40.00	40.00	40.00	-	-	-	-	- ¹
Civilians	9.00	9.00	9.00	9.00	9.00	-	-	-	-	- ¹
Highways and streets										
Engineering	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Operations	23.00	23.00	22.00	23.50	23.50	23.50	23.50	23.50	24.50	25.00
Recreation	7.50	7.50	7.50	6.00	6.00	5.00	5.00	5.00	5.00	5.00
Water	24.00	24.00	24.00	24.00	24.00	24.00	27.00	31.00	31.00	33.00
Solid Waste Utility	-	-	-	-	-	-	-	1.00	1.00	1.00
Environmental Quality	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Total	279.50	281.25	280.00	273.50	272.50	223.50	231.50	238.50	242.50	251.00

Source: Finance Division, City of Upland

¹ Decrease due to annexation of the Fire Department to San Bernardino County as of July 22, 2017.

CITY OF UPLAND

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30,				
	2013	2014	2015	2016	2017
Fire					
Stations	5	5	5	5	5
Police					
Patrol Units	23	23	22	22	22
Motorcycles	5	4	5	5	4
Library					
Facilities	1	1	1	1	1
Recreation					
Buildings	4	4	4	4	4
Parks	13	13	13	13	13
Soccer fields (lighted)	6	6	6	6	6
Baseball fields (lighted)	8	8	8	8	8
Softball fields (lighted)	3	3	3	3	3
Public Works					
Miles of City Streets	208.90	208.90	208.90	209.20	209.25
Miles of State Highways	6.70	6.70	6.70	6.70	6.20
Miles of City Alleys	37.50	37.50	37.50	37.50	37.50
Water					
Miles of Water Mains	240.26	240.26	240.88	243.70	255.60
Sewer					
Miles of Sewer Lines	228.00	228.00	228.00	228.00	222.00

Source: Various Departments, City of Upland

¹ Decrease due to annexation of the Fire Department to San Bernardino County as of July 22, 2017.

² Amount differs from prior year due to a typo (224.08 vs 224.008).

Fiscal Year Ended June 30,				
2018	2019	2020	2021	2022
1	1	1	1	1 ¹
24	24	25	24	24
4	5	4	4	4
1	1	1	1	1
4	4	4	4	4
13	13	13	13	13
6	6	6	6	6
8	8	8	8	8
3	3	3	3	3
209.85	² 210.01	210.01	210.01	210.01
6.20	6.20	6.20	6.20	6.20
37.50	37.50	37.50	37.50	37.50
245.71	247.08	247.08	247.09	247.09
222.00	224.01	224.06	224.06	224.06

CITY OF UPLAND

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
Function				
General government				
Building permits issued	1,120	1,408	2,007	1,176
Police				
Physical arrests	3,104	4,272	3,532	3,013
Traffic collisions	634	667	690	814
Fire				
Emergency responses	7,865	9,482	8,855	9,607
Public Works				
Miles of street sweeping	14,484	14,484	13,009	14,600
Potholes repaired	831	910	2,400	318
Number of trees pruned	5,405	5,671	5,015	2,378
Parks and recreation				
Community center admissions	9,093	9,406	9,450	8,868
Library				
Volumes in collection	157,769	117,295	113,146	111,548
Current Periodical & Serial Subscriptions	73	340	83	97
Audio-visual items	7,464	5,911	5,947	5,695
Water				
New meter installations	550	1,056	981	894
Average daily consumption (thousands of gallons)	21,087	20,690	17,848	14,209
Number of linear feet of new water pipelines	3,859	-	1,531	3,668
Refuse collection				
Refuse collected (tons per day)	130	144	140	158
Recyclables collected (tons per day)	65	72	64	68
Environmental Quality				
Number of sewer inspections conducted	207	210	201	208
Number of permitted dischargers/active permits	192	194	197	193

Source: Various Departments, City of Upland

¹Last date of service for the City of Upland Fire Department was 07/22/2017.

²We transitioned from physical magazines to electronic due to COVID and will continue to keep our holdings electronically and not paper copies.

³Physical DVDs and audiobooks on CD, does not include downloadable films and audiobooks.

Fiscal Year Ended June 30,					
2017	2018	2019	2020	2021	2022
1,095	2,040	2,327	1,365	3,126	3,374
4,377	3,477	3,670	2,198	2,283	2,908
867	724	607	535	350	421
9,647	404	0	0	0	0 ¹
15,000	10,800	11,600	11,000	14,600	11,200
720	550	650	700	3,250	825
2,273	4,288	5,850	5,200	6,280	6,300
6,864	6,703	7,208	4,372	541	4,577
107,760	82,577	103,466	73,092	116,755	116,838
42	466	40	760	7,002	7,501 ²
5,154	4,302	2,916	5,340	5,006	4,736 ³
1,233	1,500	153	210	158	189
15,572	17,276	15,650	15,732	16,027	16,438
1,627	18,091	6,581	-	78	-
151	165	158	162	161	162
65	76	68	77	82	74
211	148	145	5	173	184
195	191	193	193	195	187