



# CITY OF FONTANA

## CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2019



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED JUNE 30, 2019

### City of Fontana California

Acquanetta Warren, Mayor

Jesse Armendarz, Mayor Pro Tem

Phillip W. Cothran, Council Member

John B. Roberts, Council Member

Jesus "Jesse" Sandoval, Council Member

*(At Date of Issuance)*

Michael Milhiser, Interim City Manager

PREPARED BY CITY OF FONTANA MANAGEMENT SERVICES DEPARTMENT

Lisa A. Strong, Management Services Director/Deputy City Treasurer

Jennifer Thompson, Accounting Manager

For information about the City of Fontana please visit our website at [www.fontana.org](http://www.fontana.org).

**CITY OF FONTANA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Year Ended June 30, 2019

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# Introductory Section



# **City of Fontana**

## **CALIFORNIA**

January 28, 2020

The Honorable Mayor and City Council

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Fontana for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of the City of Fontana. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Fontana has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the City of Fontana's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Fontana's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Fontana's financial statements have been audited by Davis Farr LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Fontana for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and

significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Fontana's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Fontana was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Fontana's separately issued Single Audit Report.

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

## **Profile of the Government**

The City of Fontana is located about 50 miles east of Los Angeles. The City spans approximately 42.4 square miles and has an estimated population of 212,078. The City was first developed as an organized rural community through the vision of Mr. A. B. Miller. Although self-sufficient, the farming community was abruptly reshaped to accommodate the industrial revolution in 1942 with the transformation of Mr. Miller's farm into a steel mill by Henry J. Kaiser. The area became Southern California's leading producer of steel and steel-related products. The steel industry dominated the City's economy until 1984 when the steel mill closed. Today, Fontana has emerged as an affordable suburb, attracting both residents and businesses.

The City was incorporated on June 25, 1952, under the laws of the State of California and enjoys all the rights and privileges applicable to a general law city. The City is governed by a five member City Council under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with two council members elected every two years. The mayor is elected to serve a four-year term. The mayor and the four council members are elected at large. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The City of Fontana employs approximately 596 full-time employees. Services provided include police protection; contract for fire services; the construction and maintenance of highways, streets, and other infrastructure; waste water and sanitation services; and recreational activities and cultural events. In addition to general government activities, the City Council also serves as the

Board of Directors of the Fontana Industrial Development Authority, the Fontana Public Financing Authority, the Fontana Public Facilities Financing Authority, the Fontana Housing Authority, the Fontana Community Foundation, the Fontana Fire Protection District as well as the Successor Agency for the Former Fontana Redevelopment Agency. Therefore, these activities have been included as an integral part of the City of Fontana's financial statements. Additional information on these entities can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for the City of Fontana's financial planning and control. Each year the City Council reviews budget development guidelines for use in preparing the next year's budget. These guidelines are structured to reflect the City Council's goals and objectives and to provide the framework in which the Operating Budget is prepared. The Management Services Department is responsible for compiling the estimated revenues and appropriations for the City Manager. Prior to the beginning of the new fiscal year, the City Council adopts the annual Operating Budget at a public meeting.

The City's budget policy is that all appropriations lapse at fiscal year-end. Outstanding encumbrance balances at fiscal year-end require re-approval by the City Council at the First Quarterly Budget Review. The City Council may amend the budget at any time during the fiscal year. Budget reports are presented to the City Council and the public on a quarterly basis. They include appropriation adjustments and revised revenue projections as needed. The legal level of budgetary control is set at the department level. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriate annual budget has been adopted.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Fontana operates.

**Local economy.** The Inland Empire continues the recovery and expansion that has been underway since 2011. The Inland Empire's housing markets are strengthening, new home builders are finally reentering the market, job growth is strong and consumer spending is increasing. With the current economic recovery going into its tenth year, growth is expected to slow and a downturn in the next few years seems likely.

*Strong Jobs, Balanced Growth.* The Inland Empire has experienced eight straight years of job gains; from June 2011 to 2019, the Inland Empire added approximately 352,208. That is 237,537 (18.2%) more jobs than the pre-recession high in 2007. Unemployment was down slightly from 4.7% in June 2018 to 4.3% in 2019, 0.5% above the U.S. rate of 3.8%. The sectors with the largest job growth were logistics (23.2%) and construction (12.1%). The region's job growth is expected to continue partly due to the area's advantage for blue collar sectors, underdeveloped land, modestly priced labor, and growing population as well as continued growth in health care, and a small addition of jobs in higher paying sectors.

*Retail Sales Are Increasing.* Taxable sales are a major city revenue source for cities that are in recovery from a steep downturn. Taxable retail sales remained unchanged over the last year within the City compared to that of California's growth of 5.1 percent. The City of Fontana is ranked fourth in taxable retail sales in the Inland Empire with sales of \$3.381 billion.

*Housing Market Steady Prices, Modest Sales.* The Inland Empire's housing markets, as a whole, remain stuck in a narrow band of home sales that has gone on nine years. Lack of supply combined with barriers for consumers to obtain financing is keeping prices steady with San Bernardino County's home prices increasing a modest 1% from June 2018 to June 2019. Affordability remains high in the Inland Empire where 39-50 percent of home buyers can afford the median priced home; however, affordability is still an ongoing issue in the coastal communities where only 24-27 percent of homebuyers can afford a median priced home. This affordability factor is driving buyers inland, but so far lack of supply has prevented this.

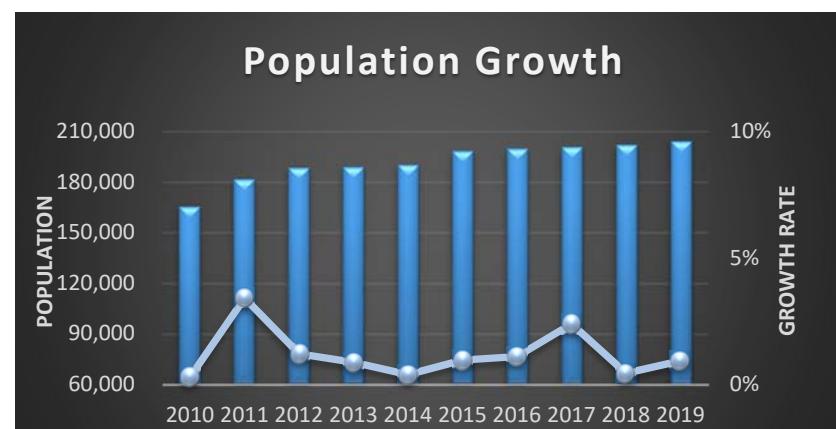
The median home prices for the City of Fontana are up slightly for both new and existing homes, and assessed valuations for the city increased 6.8 percent to \$21.009 billion. The area encompassing the City of Fontana had the fastest growth in new home sales, an increase of 85.6% from 2018 to 2019, with existing home sales rising modestly at 5.8%.

Fontana has competitive advantages related to its neighbors in the Inland Empire as it continues to be the westernmost city with available space to accommodate both residential and industrial development. It offers new residents housing cost advantages and companies locating here can benefit from lower labor costs. Fontana has experienced increases in new housing permits for the last 4 years and expect those increases to continue over the next decade.

The Arboretum Specific Plan is coming to fruition. This specific plan is envisioned as a master-planned community located on over 500 acres in the northern portion of the City that will add approximately 3,500 residential units, 2 school sites, private and public recreation facilities and an activity center to the city. Phase 1 of this 4-phase master-planned community commenced in 2019 adding 177 residential units and is expected to continue in the coming year.

The center of San Bernardino County's growth is moving west into Fontana. The population has grown 8 percent over the past ten years and, at 212,078 Fontana is the second largest city in San Bernardino County, the third largest in the Inland Empire, and twentieth in the State.

With the constant addition of new residential units in the City, it is expected that the City's population will continue to increase as well and is estimated to exceed 280,900 by the year 2040.



The City of Fontana continued to see a number of significant events during the past year despite the slowly recovering economy and resulting budget constraints.

## Significant Events of FY 2018-19

- **Highland Village:** Welcomed this high-quality commercial center to the north end of Fontana. Located at the corner of Sierra and South Highland Avenue, center includes Sprouts Farmers Market, Oggi's Pizza & Brewing Company, Raising Cane's, Jersey Mike's, Arrowhead Credit Union, a dental office and multiple retail outlets.
- **Central City Park:** Groundbreaking was held in October 2018 and bidding closed in January 2019 for this 13-acre park with three lighted artificial turf fields for football and soccer use. New restroom, snack bar, playground and storage facilities will be included and the community garden and horseshoe facilities will be relocated on-site.



- **South Fontana Sports Park:** Groundbreaking was held in October 2018 for this new 17-acre sports park with four lighted artificial turf fields for football and soccer use. The project will include parking, restroom, snack bar, playground and storage facilities. Drafting of the construction plans and documents will begin once the conceptual design has been finalized.
- **Veterans Memorial Wall:** Design and construction documents have been finalized and approved for this memorial wall that will honor veterans from all military branches. It will include eight granite walls which will describe the conflicts in which our veterans have served.
- **General Plan:** The new General Plan (Fontana Forward 2015-2035) provides policy direction on various aspects of growth and development, infrastructure, parks and amenities to ensure a high quality of life for residents, businesses and visitors.

- **Dodgers Dream Field Agreement:** Approved an agreement with the Los Angeles Dodgers Foundation and the Cal Ripken, Sr. Foundation to build Universally Accessible Baseball Field improvements on Field 5 at Jack Bulik Park with the Grand Opening scheduled for summer 2019.
- **Microgrid Project:** Through a grant from the California Energy Commission (CEC), the City installed a Microgrid at the City Hall and Police Department buildings consisting of both a solar photovoltaic system and a battery storage.
- **Pavement Rehabilitation Program:** The program targeted various areas of the City and completed 22 lane miles of street segments with various treatments from minor overlays to complete reconstruction for a total expenditure of \$4,945,995 since July 1, 2018. In addition, 107 sidewalks were removed and replaced and 464 locations were horizontally cut for a total expenditure of \$144,156 mitigating 571 trip hazards.

## ***Challenges Ahead***

While positioned to take advantage of the continuing economic recovery, the following is a summary of a number of challenges that remain on the horizon.

- **DOF Denial of OPA Agreement as Enforceable Obligation on ROPS.** The City's General Fund faces a revenue loss of approximately \$2 million annually which began in Fiscal Year 2015-16. The City was successful at trial, but the Department of Finance has successfully appealed that decision. Next steps are being evaluated.
- **State Budget.** The May revision recognizes the inextricable linkage between fiscal prudence and the state's ability to promote affordability and economic opportunity. Accordingly, it simultaneously expands the Governor's commitment to budget resiliency and increases support for California's most vulnerable populations and working families. The Fiscal Year 2019-20 Operating Budget makes no provision for potential State takeaways which could result from an economic downturn.
- **California Public Employees Retirement System (CalPERS).** PERS rates continue to rise each year. The recent reduction of the discount rate assumption from 7.5% to 7.0% has resulted in sharper rate increases that began with Fiscal Year 2018-19. The City's PERS Rate Stability Reserve is currently funded at \$6.0 million to help smooth out rate spikes.
- **Unfunded Liability.** The annual required contribution to fund the City's retiree health program for both current and future retirees has been calculated to be \$2.5 million (excludes implicit subsidy amount) for the next year. The program has been closed to new hires since 1990.
- **Property Value Reassessments.** The annual Consumer Price Index (CPI) adjustment which provides the basis for changes in assessed valuations state-wide continues at the 2% level, although properties that have enjoyed Prop 8 valuation reductions are not subject to this limit.

- **Capital Reinvestment Program.** Since 1996/1997, the City Council has been investing a portion of the annual General Fund Budget back into the community in the form of capital projects (streets, parks and facilities), with a goal 10%. A total of \$8.41 million from various funds has been allocated in the FY 2019-20 Operating Budget to this critical area.
- **Proposition 218.** On November 5, 1996, the California electorate approved Proposition 218 affecting a change to the California State Constitution by making numerous changes to local government finance law. This measure impacts the generation and use of many fundamental revenue sources including fees, charges, assessments, and taxes. This proposition also changes the methods by which certain assessments and taxes are challenged by the electorate. The FY 2019-20 Operating Budget fully complies with the provisions of Proposition 218.
- **Services and Growth.** The City of Fontana has experienced significant growth over the past several years. With this growth comes the need to service a growing community. The funding sources for these additional services are revenue growth and the Municipal Services Fiscal Impact Fee Program (MSFIF).
- **The Economy.** A tightening labor market accompanied by rising inflation and higher interest rates will cause growth to slow through 2020. Although housing prices have more than recovered from their previous peaks over a decade ago, housing activity has not. With the current economic recovery going into its tenth year, a downturn in the next few years seems likely.

**Financial Information.** Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with U.S. generally accepted accounting principles. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurances 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 requires estimates and judgments by management.

This report consists of management's representations concerning the finances of the City. As a result, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. Management asserts that, to the best of their knowledge and belief, this financial report is complete and reliable in all material respects.

**Budgetary controls.** The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, special revenue funds, debt service funds, capital project funds, and all the proprietary funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances generally are re-appropriated as part of the following year's budget.

Regarding long-term financial planning, as of June 19, 2019, the City Council adopted the fiscal year 2019-2020 budget. Additionally, as a companion to approving the budget plan, a seven-year Capital Improvement Plan was presented to the City Council. The seven-year plan links anticipated expenditures for infrastructure development with community needs and desires

and provides a citywide perspective of recommended projects and proposed funding sources. The Capital Improvement Plan was finalized in June 2019, and totaled \$551.1 million for the seven-year fiscal period ending June 30, 2026. The seven-year Capital Improvement Plan has been submitted and annually updated, in its present form, since 1991, for effective long-range planning purposes. It is City Management's belief that these two plans give City Council members an expanded opportunity to set policy and provide direction for implementation, resulting in improved management efficiency and improved financial results.

**Debt administration.** At June 30, 2019, the City had a number of debt issues outstanding as shown in detail in the notes to the financial statements.

The City's ratios of net bonded debt to assessed valuation and the amount of net general bonded debt per capita are useful indicators of our debt position to management, citizens, and investors.

At June 30, 2019, the City has \$38.6 million in authorized, outstanding tax supported general obligation bonds with no authorized but unissued general obligation bonds. This level of general obligation debt is well below the legal limit of \$2,658 million, or 15% assessed valuation.

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for the fiscal year ended June 30, 2018. This is the twenty-sixth consecutive year that the City has received this award. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government unit and its management. In order to be awarded this certificate, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, with contents that conform to program standards. These reports must satisfy both generally accepted accounting principles and applicable legal requirements. We believe our current Comprehensive Annual Financial Report conforms to the Certificate of Achievement program requirements, and are submitting it to the GFOA to determine its eligibility for a certificate for the fiscal year ended June 30, 2019.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City for its Popular Annual Financial Report for the fiscal year ended June 30, 2018. This is the eighteenth consecutive year the City has received this award. This is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. The Award is for a period of one year only. The City will continue to participate in the program.

The City of Fontana has received the League of California Cities Helen Putnam Award for Excellence in Financial Management in recognition of the following innovative and business-like products:

- 2001 - **Financial Highlights**, a "Readers' Digest" version of the City's annual financial report;

- 1998 - **Financial Performance Reporting Program**, a "user-friendly" monthly report of the City's financial condition with focus on the General Fund;
- 1997 - **User Fee Program**, a comprehensive and accurate fee schedule supporting all of the City's fees, charges and rates; and
- 1996 - **Municipal Services Fiscal Impact Fee Program**, a process of estimating and reporting the fiscal impacts of residential and industrial construction projects on the cost of recurring City services and implementing a cost/benefit approach to funding new development as an alternative to using General Fund sources.

The City's Statement of Investment Policy was awarded a Certification of Excellence Award by the Association of Public Treasurers of the United States and Canada (APT US&C) in 2000, 2003 and 2006. The award is issued in recognition of written investment policies which meet specific criteria set forth by the Association such as selection of suitable investment instruments, custody and safekeeping, internal controls, and reporting.

Preparation of this comprehensive annual financial report could not have been accomplished on a timely basis without the support and cooperation of all City of Fontana staff. These dedicated members assisted and contributed to its preparation. Special recognition is given to the Management Services staff, and specifically to Jennifer Thompson, Genivive Schwarzkopf, Lisa Conlon, and Lynn Rogers. Their efforts made it possible to improve the quality of the information being reported to the citizens, the City Council, and other users on a timely basis. Appreciation is also expressed to the Mayor, the City Council, the City Treasurer and the City Manager for their interest and support in planning and conducting the financial activities of the City in a responsible and responsive manner.

Sincerely,



Lisa A. Strong  
Management Services Director/Deputy City Treasurer

# CITY OF FONTANA

## LIST OF PRINCIPAL OFFICIALS

*(At Date of Issuance)*

### **ELECTED OFFICIALS**

Acquanetta Warren, Mayor  
Jesse Armendarez, Mayor Pro Tem  
Phillip Cothran, Council Member  
John B. Roberts, Council Member  
Jesus "Jesse" Sandoval, Council Member

Janet Koehler-Brooks, City Treasurer  
Tonia Lewis, City Clerk

### **ADMINISTRATIVE STAFF**

Michael Milhiser	Interim City Manager
Vacant	Deputy City Manager / Development Services
Vacant	Deputy City Manager / Administrative Services
Zai AbuBakar	Community Development Director
Jeffrey Birchfield	Fire Chief
Ramon Ebert	Information Technology Director
Charles E. Hays	Public Works Director
Rakesha Thomas	Human Resources Director
Garth W. Nelson	Community Services Director
Karen Porlas	Deputy City Clerk
William P. Green	Police Chief
Ricardo Sandoval	Engineering Director
Lisa A. Strong	Management Services Director



Government Finance Officers Association

The Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) is recognized as the highest award in government financial reporting. The Government Finance Officers Association (GFOA) established the Certificate of Achievement Program in 1945 to encourage government units to publish excellent comprehensive annual financial reports (CAFRs) and to provide peer recognition and educational assistance to the *officials* preparing CAFRs. Units choosing to participate in the program submit copies of their CAFRs for review by an impartial Special Review Committee (SRC) of qualified judges. Reports meeting program standards are awarded Certificates of Achievement.

The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government unit and its management.

## **Certificate of Achievement for Excellence in Financial Reporting**

Presented to  
**City of Fontana  
California**

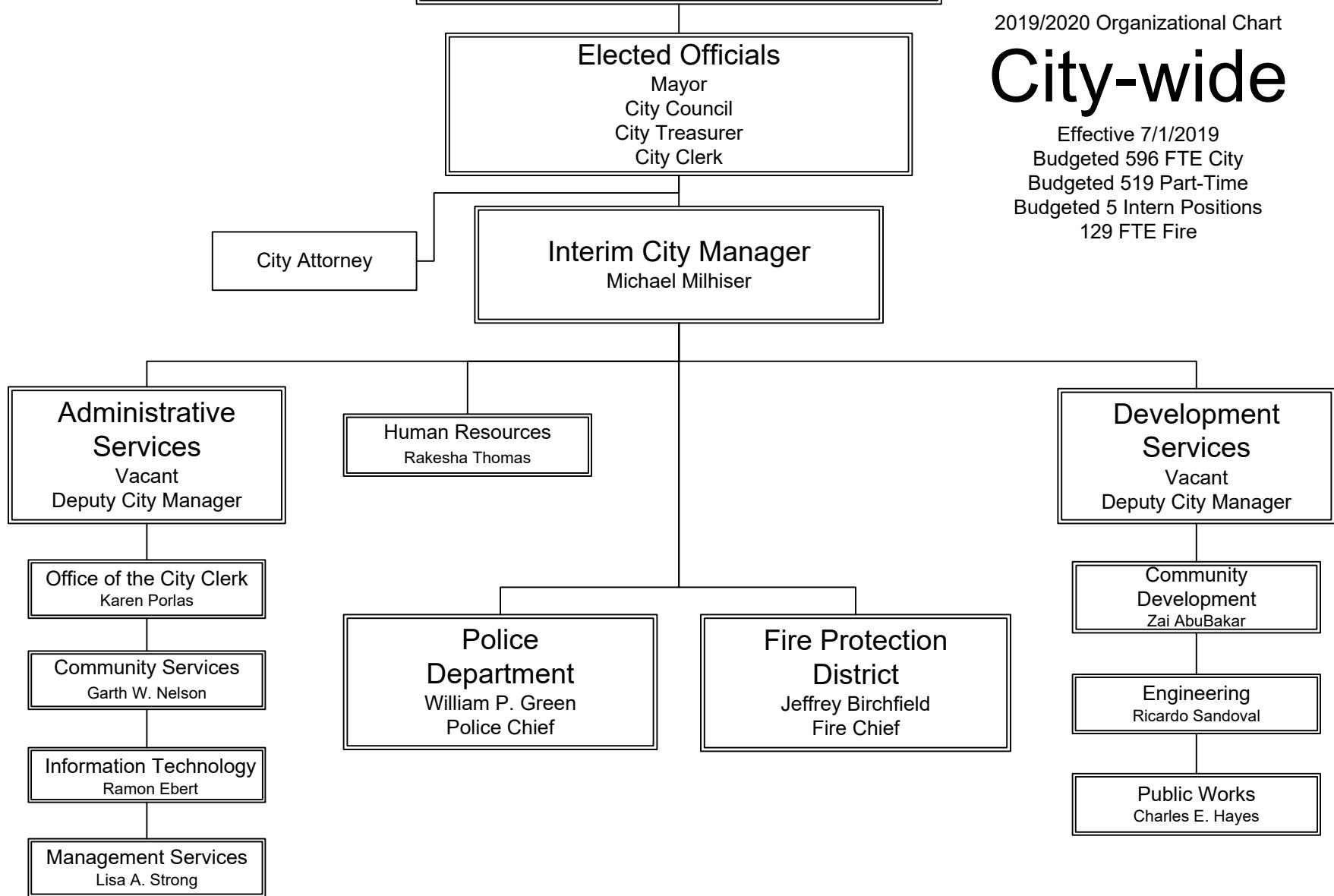
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Monell*

Executive Director/CEO

# Citizens of Fontana



# Financial Section

City Council  
City of Fontana  
Fontana, California

**Davis Farr LLP**  
2301 Dupont Drive | Suite 200 | Irvine, CA 92612  
Main: 949.474.2020 | Fax: 949.263.5520

### **Independent Auditors' Report**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fontana, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fontana, California, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows and the statement of revenues, expenditures and changes in fund balance - budget to actual of the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fontana's basic financial statements. The *combining and individual nonmajor fund financial statements and schedules*, the *introductory section* and the *statistical section* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The *combining and individual nonmajor fund financial statements and schedules* are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used

to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *combining and individual nonmajor fund financial statements and schedules* are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The *introductory section* and the *statistical section* have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2020 on our consideration of the City of Fontana'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 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 City of Fontana's internal control over financial reporting and compliance.

*Davis Farr LLP*

Irvine, California  
January 13, 2020



## MANAGEMENT'S DISCUSSION AND ANALYSIS

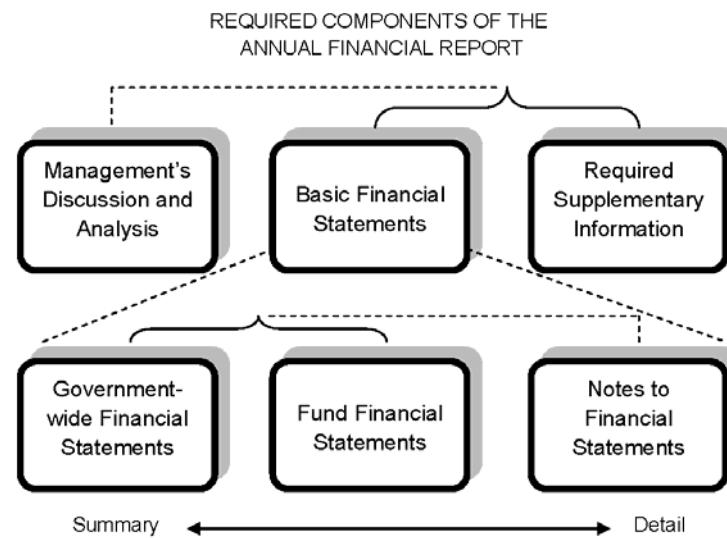
This narrative overview and analysis of the City of Fontana's financial activities for the fiscal year ended June 30, 2019 is presented by the management of the City of Fontana to readers of the City's financial statements. Management encourages readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report and the City's basic financial statements in the financial section of this report.

### FINANCIAL HIGHLIGHTS

- The City's governmental and business-type activities resulted in total assets exceeding its liabilities by \$1,016.0 million as of June 30, 2019 ("current fiscal year"). Of this amount, \$245.6 million represents the portion for restricted uses as specified by entities outside of the City government, the amount for unrestricted uses in accordance with finance-related legal requirements as reflected in the City's fund structure is in a positive position at \$9.6 million, and \$760.8 million accounts for investments in capital assets in excess of related debt.
- The City's total net position decreased \$6.8 million during the current fiscal year. The decrease is primarily due to a reduction in capital grants and contributions revenue received (\$13.9 million) largely attributed to a decrease in bond proceeds for newly formed Communities Facilities Districts offset by an increase in investment earnings of \$9.2 million from prior year.
- As of the fiscal year end, the City's Governmental Funds ending fund balances were \$424.3 million, an increase of approximately \$29.7 million or 7.5% from the prior fiscal year. Of this balance, \$211.6 million is either nonspendable or restricted for use set by various legal requirements, \$6.2 million is committed by the City Council for various uses and \$206.5 million is either assigned or unassigned based on the nature of the funding source.
- The General Fund's fund balance at the close of the current fiscal year was \$94.7 million, an increase of approximately \$7.7 million or 8.8% from the previous year. This General Fund's fund balance consists of \$1.6 million in nonspendable and restricted fund balance, \$6.2 million committed for the purposes of expenditure control budgeting (ECB) savings (\$1.6 million) and for PERS rate fluctuations (\$4.6 million), and \$86.9 million in assigned and unassigned fund balances. See page 14 for further discussion.
- The City's business-type activities yielded operating revenues of \$1.0 million more than the recorded operating expenses of \$22.1 million.
- General Fund revenues were \$4.9 million more than budget, and expenditures were \$7.2 million less than budget.

## OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: government-wide financial statements; fund financial statements; and notes to the basic financial statements.



**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community development, community services and engineering. The business-type activities of the City include sewer and water operations.

Component units are included in the basic financial statements and consist of legally separate entities for which the City is financially accountable and that have the same governing board as the City. The blended component units include the Successor Agency of the Former Fontana Redevelopment Agency, the Fontana Public Financing Authority, the Fontana Public Facilities Financing Authority, the Fontana Housing Authority, the Fontana Industrial Development Authority, the Fontana Community Foundation and the Fontana Fire Protection District. The redevelopment agency was dissolved as of January 31, 2012 through the California Supreme Court decision on Assembly Bill 1X26. See Note 17 of the notes to the financial statements for more information on the dissolution.

The government-wide financial statements can be found on pages 19 and 20 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to the government-wide financial statements in order to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 52 individual governmental funds for financial reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, the Fire Protection District Special Revenue Fund, the Housing Authority Special Revenue Fund, the Capital Reinvestment Fund, the Future Capital Projects Fund, and the Traffic Mitigation Capital Project Fund, which are considered to be major funds. Data for the other 42 governmental funds are combined in a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the non-major funds supplementary section of this report.

The City adopts an annual appropriated budget for its general fund, special revenue funds, debt service funds, and capital project funds. A budgetary comparison statement has been provided for the General Fund, the Fire Protection District Special Revenue Fund and the Housing Authority Low/Mod Housing Special Revenue Fund in the basic financial statements and for the remaining special revenue funds, the debt service funds, and the capital project funds in the supplementary information.

The governmental fund financial statements can be found on pages 21-27 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Sewer and Water Operations. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its fleet of vehicles; because this service predominantly benefits governmental rather than business-type functions, it has been included with *governmental activities* in the government-wide financial statements.

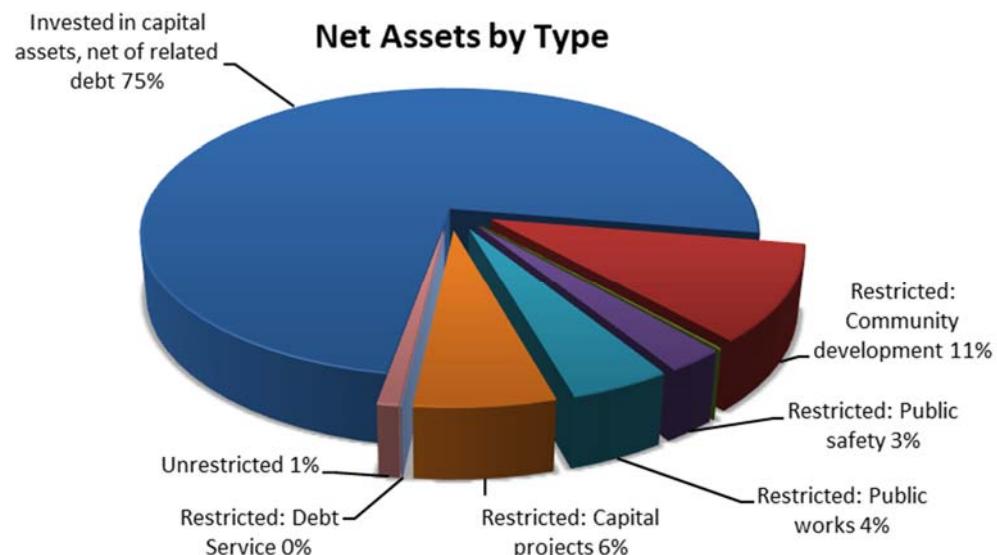
Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found on pages 28-30 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 31-32 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-87 of this report.

## Government-wide Financial Analysis



As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's net position are comprised of Net Investment in Capital Assets; Restricted Net Position; and Unrestricted Net Position. As of June 30, 2019, assets exceeded liabilities by \$1,016.0 million.

The City's net investment in capital assets (land, buildings, infrastructure, machinery, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding, is \$760.8 million. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position (\$245.6 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$9.6 million may be used to meet the government's ongoing obligations to citizens and creditors, unrestricted net position is in a positive position at the end of the fiscal year.

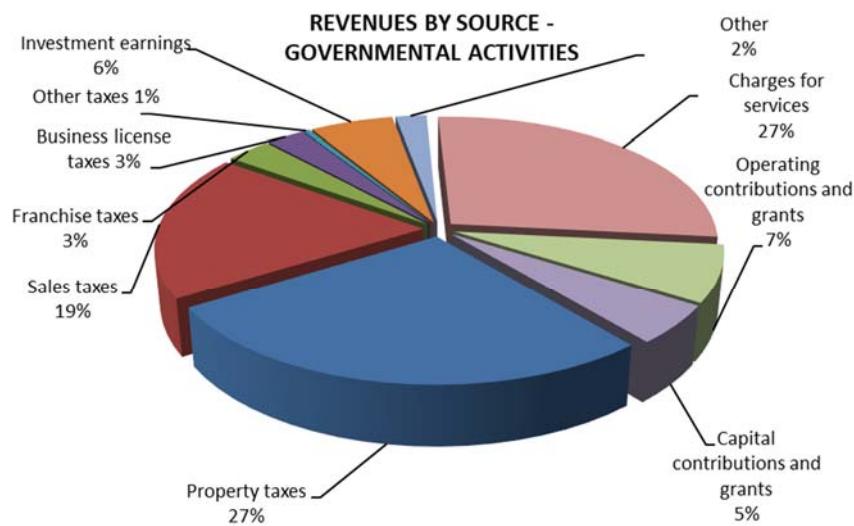
Net Position (000 omitted)						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 474,317	\$ 434,632	\$ 29,268	\$ 28,593	\$ 503,585	\$ 463,225
Capital assets	746,279	766,035	67,520	70,160	813,799	836,195
Total assets	<u>1,220,596</u>	<u>1,200,667</u>	<u>96,788</u>	<u>98,753</u>	<u>1,317,384</u>	<u>1,299,420</u>
Deferred outflows of resources	33,149	39,882	1,317	1,420	34,466	41,302
Long-term liabilities outstanding	277,525	279,114	12,928	14,284	290,453	293,398
Other liabilities	38,747	29,880	2,728	3,334	41,475	33,214
Total liabilities	<u>316,272</u>	<u>308,994</u>	<u>15,656</u>	<u>17,618</u>	<u>331,928</u>	<u>326,612</u>
Deferred inflows of resources	3,778	4,801	154	131	3,932	4,932
Net position:						
Net investment in capital assets	701,531	720,069	59,255	61,077	760,786	781,146
Restricted	245,588	232,841	-	-	245,588	232,841
Unrestricted	(13,424)	(26,156)	23,040	21,347	9,616	(4,809)
Total net position	\$ 933,695	\$ 926,754	\$ 82,295	\$ 82,424	\$ 1,015,990	\$ 1,009,178

**Changes in Net Position**

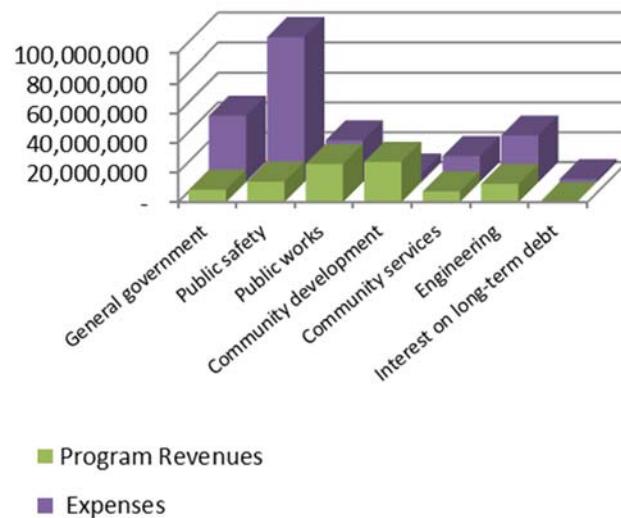
(000 omitted)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 65,280	\$ 66,119	\$ 23,117	\$ 21,704	\$ 88,397	\$ 87,823
Operating grants and contributions	17,436	14,721	-	-	17,436	14,721
Capital grants and contributions	14,410	28,415	803	724	15,213	29,139
General Revenues:						
Property taxes	65,123	54,647	-	-	65,123	54,647
Sales tax	44,565	38,664	-	-	44,565	38,664
Franchise taxes	7,603	7,191	-	-	7,603	7,191
Business license taxes	6,419	5,898	-	-	6,419	5,898
Transient occupancy taxes	1,085	1,010	-	-	1,085	1,010
Motor vehicle in lieu	102	112	-	-	102	112
Investment earnings	13,863	5,209	663	60	14,526	5,269
Other	2,379	5,046	-	-	2,379	5,046
Total revenues	<u>238,265</u>	<u>227,032</u>	<u>24,583</u>	<u>22,488</u>	<u>262,848</u>	<u>249,520</u>
<b>Expenses:</b>						
General Government	33,660	28,741	-	-	33,660	28,741
Public Safety	96,951	93,262	-	-	96,951	93,262
Public Works	46,895	47,118	-	-	46,895	47,118
Community Development	5,781	9,933	-	-	5,781	9,933
Engineering	31,262	30,951	-	-	31,262	30,951
Community Services	17,458	17,272	-	-	17,458	17,272
Interest on long-term debt	1,982	2,608	-	-	1,982	2,608
Sewer	-	-	22,027	22,261	22,027	22,261
Water	-	-	20	2	20	2
Total expenses	<u>233,989</u>	<u>229,885</u>	<u>22,047</u>	<u>22,263</u>	<u>256,036</u>	<u>252,148</u>
Change in net position before transfers	4,276	(2,853)	2,536	225	6,812	(2,628)
Transfers	2,665	1,891	(2,665)	(1,891)	-	-
Change in net position	6,941	(962)	(129)	(1,666)	6,812	(2,628)
Net Position - beginning of year as restated	926,754	927,716	82,424	84,090	1,009,178	1,011,806
Net Position - end of year	<u>\$ 933,695</u>	<u>\$ 926,754</u>	<u>\$ 82,295</u>	<u>\$ 82,424</u>	<u>\$ 1,015,990</u>	<u>\$ 1,009,178</u>

## Governmental activities



## EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES



The most significant revenues of the governmental activities are general taxes (53%), which include property taxes (27%), sales and use taxes (19%), and various other taxes (7%), and general revenues (8%), which include various other revenues (2%) and investment earnings (6%). Program revenues are 39% of the total revenues of the governmental activities, which include charges for services (27%), operating grants and contributions (7%), and capital grants and contributions (5%).

Public safety (police and fire) is the most significant (41%) of all governmental activities' expenses, followed by general government (14%), engineering (14%), public works (20%), community services (8%), community development (2%) and interest on long-term debt (1%). Included in these amounts is depreciation expense, which is 17% of the total expenses for governmental activities.

Governmental activities revenues increased by \$12.0 million (5.2%) in the current fiscal year. The changes in revenues are a result of the following:

- **General tax revenues** increased by \$17.4 million (16.2%) which is primarily due to economic recovery and increased consumer confidence and spending. Sales tax revenues increased \$5.9 million over prior year. Property tax revenues increased by \$10.5 million as a result of increased property sale transactions and increased assessed valuation. Other taxes increased by \$1.0 million.
- **General revenues (not including general taxes)** increased by \$6.8 million (55.1%), primarily a result of an increase in interest income in the amount of \$8.7 million and offset by reduced various reimbursements received in the amount of \$1.9 million.

- **Charges for services** decreased by \$.9 million (1.3%) mostly attributed to 1) a decrease of \$3.5 million received for an insurance refund that was recorded in prior year for \$4.0 million offset by an increase of \$.5 million in risk liability charges and 3) an increase in development/permit fees of \$2.6 million due to increased development activity primarily in the commercial and industrial sectors in the current year.
- **Operating contributions and grants** increased by \$2.7 million (18.5%) primarily due to an increase in grant related revenues related to Police, Community Services, and Engineering.
- **Capital contributions and grants** decreased by \$14.0 million (49.3%) primarily due to the receipt of one-time contributions received in the prior year from developers as part of developer agreements and issuance of bonds for newly formed Community Facilities Districts.

Governmental activities expenses decreased by \$3.8 million (1.67%) in the current fiscal year. The most significant changes in governmental expenses was:

- **General government expenses** increased \$15.8 million (55.1%); this increase is primarily attributable to an increase in expenses in Human Resources risk expenditures/claims and judgments.
- **Public safety expenses** increased \$3.7 million (4.0%); Police expenses includes an increase of \$1.7 million for salaries and benefits and net pension and OPEB obligations. Fire expenses includes an increase of \$2.0 million for the fire services contract with San Bernardino County Fire (\$1.8 million) and various departmental costs (\$.2 million).
- **Public works expenses** decreased \$19.1 million (41.8%); this decrease is primarily attributable to an increase in capital assets in the current fiscal year.
- **Community services expenses** increased \$.2 million (1.1%); this increase is primarily attributable to an increase for salaries and benefits.
- **Engineering expenses** increased \$.3 million (1.0%); this increase is primarily attributable to an increase for salaries and benefits.

## Business-type activities

Business-type activities net position decreased by \$.1 million (0.2%).

Business-type activities revenues increased by \$2.1 million (9.3%) in the current fiscal year.

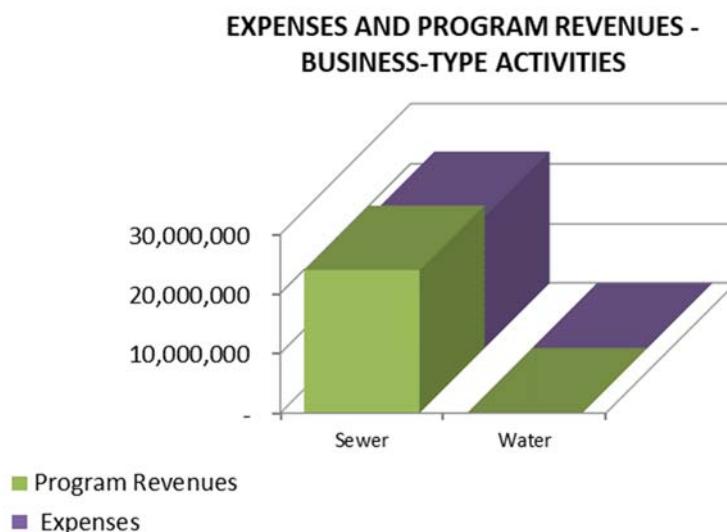
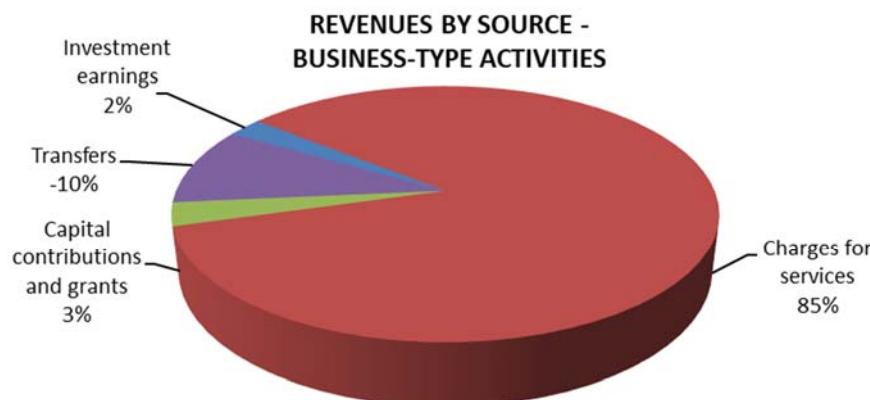
- **Investment earnings** increased by \$.6 million (1008.3%), a result of the unrealized gain recorded at fiscal year-end to recognize the change in the fair value of investments (GASB 31 adjustment).
- **Charges for services** increased by \$1.4 million primarily due to an increase in rates charged by other entities such as IEUA and City of Rialto that are collected by the city and passed through to the proper entities.
- **Capital contributions** increased by \$.1 million (10.8%) primarily due to an increase in infrastructure assets donated to the City by developers in comparison to the previous year.

Total expenses decreased \$.2 million (1%) in the current fiscal year; primarily due to a slight decrease in personnel costs.

## Financial Analysis of the City's Funds

The City of Fontana employs Fund Accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *assigned and unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.



As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$424.3 million, an increase of \$29.7 million (7.5%) from the previous year. Of this total amount, \$206.5 million constitutes *assigned or unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable (\$3.4 million), restricted (\$208.2 million) or committed (\$6.2 million) and is not available for new spending. Nonspendable fund balance consists of 1) deposits on account (\$0.1 million), 2) inventories held (\$1.4 million), and 3) loan receivables (\$1.9 million). Restricted fund balance includes amounts that are constrained on the use of the resources by outside parties and committed fund balance includes amounts that are constrained on the use of the resources pursuant to City Council formal action. For additional details of the City's fund balances, please refer to Note 14 in the Notes to the Basic Financial Statements.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the assigned fund balance of the general fund was \$26.5 million, while total fund balance reached \$94.7 million, which was \$7.7 million or 8.8% higher than the prior year. The City's management assigns fund balance to a particular function, project or activity and may also be assigned for purposes beyond the current year. However, assigned fund balance is available for appropriation at any time. The General Fund has committed fund balance of \$6.2 million for purposes of 1) PERS rate fluctuations (\$4.6 million) and 2) \$1.6 million for expenditure control budgeting incentives.

**General fund revenues** increased \$8.1 million (7.4%) from the previous fiscal year; this increase is primarily due to:

- An increase in taxes of \$10.3 million which is primarily due to economic recovery and increased consumer confidence and spending. Sales tax revenue increased \$5.9 million, property tax revenue increased \$3.4 million, franchise taxes increased \$0.4 million, and other tax revenue increase \$0.6 million.
- An increase in charges for services of \$1.8 million due to increased permit revenue due to economic recovery.
- The increase is offset by a decrease in other revenue of \$7.1 million which is primarily due to an insurance reimbursement received for a litigation claim paid in the previous year (\$4.0 million) and a decrease in miscellaneous reimbursements (\$2.8 million).

**General fund expenditures** increased \$5.1 million (4.5%) from the previous fiscal year, the increased costs were primarily due to:

- An increase in personnel costs of \$5.0 million across all departments.
- An increase in operating covenant payments of \$0.5 million.
- An increase in information technology software and hardware costs of \$0.3 million.
- An increase in capital outlay of \$1.1 million.
- A decrease in self-insurance costs of \$1.9 million.

The Fire Protection District special revenue fund has a fund balance of \$13.9 million. The Fire Protection District accounts for all of the operating activities of the Fire District. The fund balance increased \$5.2 million during the current fiscal year; current year revenues and transfer in (\$40.0 million) exceeded current year expenditures and transfers out (\$34.7 million). Revenues increased \$7.5 million (23.8%) primarily as a result of property tax allocations and expenditures increased \$1.8 million (6.4%) primarily as a result in increased contract costs with the San Bernardino County Fire for fire protection services.

The Housing Authority special revenue fund has a fund balance of \$88.1 million. The fund balance increased by \$.4 million during the fiscal year. The increase is primarily due to an increase in investment earnings (\$.3 million) due to higher average monthly cash balances earning interest.

The Capital Reinvestment fund has a total fund balance of \$12.1 million. The fund balance decreased during the current fiscal year by \$1.1 million. The decrease is due to additional expenditures for construction and related project costs.

The Future Capital Projects fund has a total fund balance of \$52.1 million. The fund balance decreased during the current fiscal year by \$.1 to an increase in investment earnings (\$.8 million) due to higher average monthly cash balances earning interest and increased capital outlay expenses (.9 million).

The Sewer Expansion Fund has a total fund balance of \$1.2 million. The fund balance increased during the current fiscal year by \$.1 million due to an increase in investment earnings (\$.3 million) due to higher average monthly cash balances earning interest and decreased project engineering costs (\$.2 million).

The Traffic Mitigation capital project fund has a total deficit fund balance of **(\$3.5)** million. The fund balance increased during the current fiscal year by \$6.8 million as a result of increased development impact fees collected offset by minimal project expenditures from several capital projects not being completed during the fiscal year and being carried over to the next fiscal year.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Sewer and Water Operations at the end of the year amounted to \$23.0 million. The total increase in net position was \$1.7 million, primarily due to an increase in sewer revenue (\$.9 million) and an increase in investment earnings (\$.6 million) due to higher average monthly cash balances earning interest.

## **General Fund Budgetary Highlights**

Over the course of the year, the City Council revised the City's budget on a quarterly basis. The Council approves supplemental appropriations throughout the year based on individual items that are brought forward by various departments. The General Fund budgetary comparison statement can be found on page 25 of this report.

### **Revenues:**

During the year the original budget was amended to increase revenues by \$2.3 million. The increase is primarily due to:

- an increase in property tax revenue (\$.3 million),
- an increase in development related fees and permit revenue (\$.1 million),
- increased reimbursements (\$.2 million) from various customers and agencies for costs incurred, and
- offset by a decrease in miscellaneous revenues (\$2.3 million).

General Fund revenues of \$117.0 million were more than budgeted revenues of \$112.2 million by \$4.9 million. The positive variance was primarily due to:

- higher than expected tax revenues (\$5.4 million),
- higher than expected charges for services (\$1.1 million),
- lower than expected fine and forfeitures (\$0.1 million),
- higher than expected investment earnings (\$1.0 million), and
- lower than expected reimbursements (\$2.7 million).

#### **Expenditures:**

During the year the original budget was amended to increase appropriations by \$4.0 million, the increase in appropriations was due to various requests throughout the fiscal year; such as:

- additional claims settlements and related legal costs of \$1.4 million,
- increased personnel costs of \$.5 million across all departments,
- \$.7 million for professional services such as; inspection, plan check services and landscaping services, and
- \$0.6 million related to carry over projects and purchase order obligations from the previous fiscal year.

General Fund expenditures were less than budgeted. Of the total appropriations of \$125.3 million, approximately 5.8%, or \$7.2 million were unspent. The majority of the savings (\$2.3 million) was related to personnel costs, due to attrition and under filling of positions, as well as an additional savings (\$1.4 million) in unspent information technology equipment replacement that will be carried over to the next fiscal year.

#### **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for governmental and business-type activities as of June 30, 2019, amounts to \$813.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles and infrastructure (roads, highways, sewer and storm drain systems). The total decrease in the City's investment in capital assets for the current fiscal year was \$22.4 million (2.7%). Major capital asset events during the current fiscal year included the following:

- Added 13 new vehicles and replaced an additional 36 vehicles in the City's fleet,
- Purchased land for construction of a future fire station,
- Completed the Seville Parking Improvement project,
- Completed replacement of the City's ERP system,
- Completed the Circle Park, Hunter's Ridge, and San Sevaine Playground projects and
- Completed the Miller Avenue Storm Drain.

**Capital Assets**  
 (Net of depreciation)  
 (000 omitted)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 201,647	\$ 200,873	\$ -	\$ -	\$ 201,647	\$ 200,873
Building and improvements	173,320	183,461	1,245	1,291	174,565	184,752
Machinery and equipment	5,581	4,900	29	55	5,610	4,955
Vehicles	11,846	10,424	-	-	11,846	10,424
Infrastructure	340,376	358,245	66,147	68,714	406,523	426,959
Intangibles	3,431	3,561	-	-	3,431	3,561
Construction in progress	10,078	4,571	100	100	10,178	4,671
<b>Total</b>	<b>\$ 746,279</b>	<b>\$ 766,035</b>	<b>\$ 67,521</b>	<b>\$ 70,160</b>	<b>\$ 813,800</b>	<b>\$ 836,195</b>

Additional information on the City's capital assets can be found in Note 5 on pages 52-54 of this report.

**Long-term debt.** At the end of the current fiscal year, the City's total long-term debt outstanding is \$290.5 million. This amount is comprised of \$145.8 million net pension liability, \$70.0 million other post-employment benefits liability, \$38.6 million of lease revenue bonds which are secured by future revenue sources from the lease of City property and \$36.1 million of various other loans and obligations payable.

**Outstanding Debt**  
 (000 omitted)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Lease revenue bonds	\$ 38,580	\$ 39,685	\$ -	\$ -	\$ 38,580	\$ 39,685
Net pension liability	141,306	141,272	4,461	4,909	145,767	146,181
Claims and judgments	11,784	12,471	-	-	11,784	12,471
Compensated absences	9,172	8,772	202	292	9,374	9,064
Other post employment benefits liability	69,989	70,108	-	-	69,989	70,108
Other debt	6,694	6,807	8,265	9,083	14,959	15,890
<b>Total outstanding debt</b>	<b>\$ 277,525</b>	<b>\$ 279,115</b>	<b>\$ 12,928</b>	<b>\$ 14,284</b>	<b>\$ 290,453</b>	<b>\$ 293,399</b>

Additional information on the City's long-term debt can be found in Note 7 on pages 57-60 of this report.

## **Economic Factors and Next Year's Budget and Rates**

In preparing the budget for Fiscal Year 2019-20, management's goal was to produce an operating budget that adhered to City Council goals and objectives with an emphasis on cost containment. Expansion of the City's economic base continues to be a City Council priority.

The Operating Budget for Fiscal Year 2019-20 is financially balanced and includes:

- General Fund designation of fund balance for contingencies of 15% of recurring appropriations.
- An increase in budgeted revenues of \$5.8 million (or 5.3%) in the General Fund is primarily attributed to the following:
  - an increase in sales tax revenue of \$1.2 million reflecting the positive economic trends seen statewide,
  - an increase in property tax revenue of \$1.3 million reflecting a 5% projected increase in city-wide assessed valuation,
  - an increase in development-related revenues of \$1.3 million reflecting slowly improving economic conditions,
  - an increase in business-related and recreation revenues of \$0.2 million,
  - an increase in other revenues of \$1.7 million (\$1.5 million of other revenue is non-recurring),
  - an increase in contributions from other agencies of \$0.4 million, and
  - offset by small reductions in interest and rentals, development-related and reimbursables of \$0.3 million.
- An increase in budgeted expenditures of \$1.8 million or (1.8%) in the General Fund is primarily attributed to the following:
  - \$2.3 million contractual obligations related to City staff,
  - \$.7 million for five new positions (partially offset by attrition increase),
  - \$0.2 million fleet maintenance costs,
  - \$0.5 million recurrent departmental requests, and
  - \$0.2 million one-time department requests.
  - the above increases are partially offset by the reduction of \$12.1 million in one-time expenditures from prior year.

An allocation of \$14 million of funding for new and ongoing projects across all funds.

## **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Fontana's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City's Management Services Department at the City of Fontana, 8353 Sierra Avenue, Fontana, CA 92335.

# Basic Financial Statements

**CITY OF FONTANA**  
 Statement of Net Position  
 June 30, 2019

Exhibit A

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and investments	\$ 330,075,323	\$ 21,100,123	\$ 351,175,446
Receivables:			
Accounts	2,675,953	961,308	3,637,261
Assessments	379,819	-	379,819
Interest	4,008,082	99,829	4,107,911
Loans	76,918,605	5,723,909	82,642,514
Loans to Successor Agency	28,289,067	3,305,829	31,594,896
Allowance for doubtful accounts	(346,914)	(3,307,891)	(3,654,805)
Internal balances	(1,326,801)	1,326,801	-
Due from other governments	15,621,785	2,616	15,624,401
Inventories	1,641,444	55,630	1,697,074
Deposits	133,213	-	133,213
Land held for resale	4,502,879	-	4,502,879
Restricted assets:			
Cash with fiscal agent	11,744,124	-	11,744,124
Capital assets not being depreciated	211,725,573	99,968	211,825,541
Capital assets, net of depreciation	534,553,709	67,420,539	601,974,248
Total assets	<u>1,220,595,861</u>	<u>96,788,661</u>	<u>1,317,384,522</u>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows of resources - pension related	30,364,521	1,316,524	31,681,045
Deferred outflows of resources - opeb related	2,784,097	-	2,784,097
Total deferred outflows of resources	<u>33,148,618</u>	<u>1,316,524</u>	<u>34,465,142</u>
<b>Liabilities:</b>			
Accounts payable	17,297,742	1,934,082	19,231,824
Deposits payable	490,077	745,112	1,235,189
Interest payable	657,504	48,806	706,310
Due to other governments	16,753,209	-	16,753,209
Unearned revenue	3,401,099	-	3,401,099
Retentions payable	147,303	-	147,303
Noncurrent liabilities:			
Due within one year	14,516,443	973,872	15,490,315
Due in more than one year			
Net pension liability	141,305,770	4,460,875	145,766,645
OPEB liability	69,989,078	-	69,989,078
Other	51,713,500	7,493,421	59,206,921
Total liabilities	<u>316,271,725</u>	<u>15,656,168</u>	<u>331,927,893</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows of resources - pension related	<u>3,778,002</u>	<u>153,601</u>	<u>3,931,603</u>
<b>Net Position:</b>			
Net investment in capital assets	701,530,830	59,255,628	760,786,458
Restricted for:			
Community development	109,498,423	-	109,498,423
Public safety	26,237,653	-	26,237,653
Public works	45,237,354	-	45,237,354
Debt service	525,593	-	525,593
Government-access channel	1,236,229	-	1,236,229
Capital projects	62,852,316	-	62,852,316
Unrestricted	<u>(13,423,646)</u>	<u>23,039,788</u>	<u>9,616,142</u>
Total net position	<u>\$ 933,694,752</u>	<u>\$ 82,295,416</u>	<u>\$ 1,015,990,168</u>

See accompanying notes to financial statements

**CITY OF FONTANA**  
 Statement of Activities  
 For the Year Ended June 30, 2019

Exhibit B

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Total	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>								
General government:								
City council and commissions	\$ 376,127	\$ -	\$ -	\$ -	\$ -	\$ (376,127)	\$ -	\$ (376,127)
City administration	9,571,929	-	-	-	-	(9,571,929)	-	(9,571,929)
Management services	5,564,740	2,580,694	-	54,626	2,635,320	(2,929,420)	-	(2,929,420)
Information technology	8,025,188	-	-	-	-	(8,025,188)	-	(8,025,188)
Human resources	10,122,304	5,777,466	-	-	5,777,466	(4,344,838)	-	(4,344,838)
Public safety:								
Police	65,748,445	5,566,026	7,397,743	-	12,963,769	(52,784,676)	-	(52,784,676)
Fire	31,203,170	813,812	-	-	813,812	(30,389,358)	-	(30,389,358)
Public works	46,895,115	19,315,359	3,716,099	5,262,601	28,294,059	(18,601,056)	-	(18,601,056)
Community development	5,781,517	20,590,089	2,328,636	4,180,225	27,098,950	21,317,433	-	21,317,433
Community services	17,458,437	3,588,342	3,639,711	-	7,228,053	(10,230,384)	-	(10,230,384)
Engineering	31,262,387	7,048,521	355,476	4,912,324	12,316,321	(18,946,066)	-	(18,946,066)
Interest on long-term debt	1,981,911	-	-	-	-	(1,981,911)	-	(1,981,911)
Total governmental activities	<u>233,991,270</u>	<u>65,280,309</u>	<u>17,437,665</u>	<u>14,409,776</u>	<u>97,127,750</u>	<u>(136,863,520)</u>	<u>-</u>	<u>(136,863,520)</u>
<b>Business-type activities:</b>								
Sewer	22,026,753	23,116,983	-	803,148	23,920,131	-	1,893,378	1,893,378
Water	19,520	-	-	-	-	-	(19,520)	(19,520)
Total business-type activities	<u>22,046,273</u>	<u>23,116,983</u>	<u>-</u>	<u>803,148</u>	<u>23,920,131</u>	<u>-</u>	<u>1,873,858</u>	<u>1,873,858</u>
Total functions/programs	<u><u>\$ 256,037,543</u></u>	<u><u>\$ 88,397,292</u></u>	<u><u>\$ 17,437,665</u></u>	<u><u>\$ 15,212,924</u></u>	<u><u>\$ 121,047,881</u></u>	<u><u>(136,863,520)</u></u>	<u><u>1,873,858</u></u>	<u><u>(134,989,662)</u></u>

**General revenues:**

Taxes:				
Property taxes, levied for general purpose	65,123,274	-	-	65,123,274
Sales taxes	44,564,309	-	-	44,564,309
Franchise taxes	7,603,283	-	-	7,603,283
Business license taxes	6,419,287	-	-	6,419,287
Transient occupancy taxes	1,085,305	-	-	1,085,305
Total taxes	<u>124,795,458</u>	<u>-</u>	<u>-</u>	<u>124,795,458</u>
Intergovernmental, unrestricted:				
Motor vehicle in lieu	101,761	-	-	101,761
Investment earnings	13,862,698	662,600	-	14,525,298
Other	2,378,892	-	-	2,378,892
Transfers				
Total general revenues and transfers	<u>143,804,209</u>	<u>(2,002,800)</u>	<u>-</u>	<u>141,801,409</u>
Change in net position	<u>6,940,689</u>	<u>(128,942)</u>	<u>-</u>	<u>6,811,747</u>
Net position at beginning of year	<u>926,754,063</u>	<u>82,424,358</u>	<u>-</u>	<u>1,009,178,421</u>
Restatement of net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position at end of year	<u><u>\$ 933,694,752</u></u>	<u><u>\$ 82,295,416</u></u>	<u><u>\$ 1,015,990,168</u></u>	

See accompanying notes to financial statements

**CITY OF FONTANA**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2019

	Special Revenue										Capital Project			Other Governmental Funds	Total Governmental Funds	
	General		Fire Protection District		Housing Authority		Capital Reinvestment		Future Capital Projects		Sewer Expansion		Traffic Mitigation			
<b>Assets:</b>																
Cash and investments	\$ 60,783,731		\$ 13,868,759		\$ 19,055,329		\$ 7,180,119		\$ 19,940,796		\$ 11,098,884		\$ 28,248,648		\$ 162,946,160	\$ 323,122,426
Receivables:																
Accounts	2,381,914		6,075		-		-		-		-		-	267,785	2,655,774	
Assessments	-		-		-		-		-		-		-	379,819	379,819	
Interest	282,043		34,223		2,327,692		-		123,243		-		127,245	1,082,068	3,976,514	
Loans	-		-		68,887,184		-		-		-		-	8,031,421	76,918,605	
Loans to Successor Agency	28,289,067		-		-		-		-		-		-	-	28,289,067	
Allowance for doubtful accounts	(195,651)		-		-		-		-		-		-	(151,263)	(346,914)	
Due from other funds	1,893,899		-		-		-		-		-		-	-	1,893,899	
Due from other governments	8,195,823		-		-		-		-		-		-	7,425,962	15,621,785	
Inventories	330,543		-		-		-		-		-		-	1,095,272	1,425,815	
Deposits	63,175		-		-		-		-		-		-	-	63,175	
Land held for resale	-		-		-		4,502,879		-		-		-	-	4,502,879	
Advances to other funds	-		-		-		3,167,132		32,319,763		-		-	-	35,486,895	
Restricted assets:																
Cash with fiscal agent	376,900		-		99,412		-		-		-		-	11,267,812	11,744,124	
Total assets	<u>\$ 102,401,444</u>		<u>\$ 13,909,057</u>		<u>\$ 90,369,617</u>		<u>\$ 14,850,130</u>		<u>\$ 52,383,802</u>		<u>\$ 11,098,884</u>		<u>\$ 28,375,893</u>		<u>\$ 192,345,036</u>	<u>\$ 505,733,863</u>
<b>Liabilities, Deferred inflows and Fund Balances:</b>																
<b>Liabilities:</b>																
Accounts payable	\$ 6,095,396		\$ 1,311		\$ 3,289		\$ 2,713,925		\$ 186,944		\$ -		\$ 141,446		\$ 7,694,055	\$ 16,836,366
Deposits payable	484,830		-		5,247		-		-		-		-	-	490,077	
Retentions payable	-		-		-		29,353		43,216		-		9,966		64,768	147,303
Due to other funds	-		-		-		-		-		-		-		1,893,899	1,893,899
Due to other governments	9,769		-		-		-		-		9,906,177		-		6,837,263	16,753,209
Unearned revenue	-		-		-		-		-		-		-		3,401,099	3,401,099
Advances from other funds	-		-		-		-		-		-		31,706,095		3,780,800	35,486,895
Total liabilities	<u>6,589,995</u>		<u>1,311</u>		<u>8,536</u>		<u>2,743,278</u>		<u>230,160</u>		<u>9,906,177</u>		<u>31,857,507</u>		<u>23,671,884</u>	<u>75,008,848</u>
<b>Deferred inflows of resources:</b>																
Unavailable revenues	1,093,343		3,825		2,236,084		-		-		-		-		3,118,854	6,452,106
<b>Fund balances:</b>																
Nonspendable	393,718		-		-		-		-		-		-	3,019,097	3,412,815	
Restricted	1,236,229		13,903,921		88,124,997		-		-		-		-	105,139,799	208,404,946	
Committed	6,167,070		-		-		-		-		-		-	-	6,167,070	
Assigned	26,455,278		-		-		12,106,852		52,153,642		1,192,707		-	59,528,146	151,436,625	
Unassigned	60,465,811		-		-		-		-		-		(3,481,614)	(2,132,744)	54,851,453	
Total fund balances	<u>94,718,106</u>		<u>13,903,921</u>		<u>88,124,997</u>		<u>12,106,852</u>		<u>52,153,642</u>		<u>1,192,707</u>		<u>(3,481,614)</u>		<u>165,554,298</u>	<u>424,272,909</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 102,401,444</u>		<u>\$ 13,909,057</u>		<u>\$ 90,369,617</u>		<u>\$ 14,850,130</u>		<u>\$ 52,383,802</u>		<u>\$ 11,098,884</u>		<u>\$ 28,375,893</u>		<u>\$ 192,345,036</u>	<u>\$ 505,733,863</u>

See accompanying notes to financial statements

**CITY OF FONTANA**  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Position  
 June 30, 2019

Exhibit D

Fund balances of governmental funds	\$ 424,272,909
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets, net of depreciation, have not been included as financial resources in governmental fund activity.	740,623,025
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Deferred outflows are not an available resources and, therefore, are not reported in the funds.	33,148,618
---	------------

Long-term liabilities, including net pension liability, are not due and payable in the current period and, therefore, is not recognized in the funds.	(277,524,791)
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Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.	(657,504)
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Deferred inflows represent an acquisition of net position that applies to a future period so it will not be recognized until that time.	(3,778,002)
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An Internal Service Fund is used by management to charge the costs of fleet management to individual funds. The assets and liabilities of the Internal Service Fund must be added to the Statement of Net Position.	11,158,391
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	6,452,106
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Net position of governmental activities	<u>\$ 933,694,752</u>
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See accompanying notes to financial statements

**CITY OF FONTANA**  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2019

	Special Revenue			Capital Projects				Other Governmental Funds	Totals
	General	Fire Protection District	Housing Authority	Capital Reinvestment	Future Capital Projects	Sewer Expansion	Traffic Mitigation		
<b>Revenues:</b>									
Taxes	\$ 86,352,956	\$ 37,872,832	\$ -	\$ -	\$ -	\$ 8,078	\$ -	\$ 569,670	\$ 124,795,458
Licenses and permits	5,636,425	813,672	-	-	-	-	-	5,944,338	12,402,513
Intergovernmental	1,909,338	-	-	-	-	-	-	22,656,769	24,566,107
Charges for services	13,696,836	40,940	-	-	-	1,106	7,147,782	7,587,693	28,474,357
Fines and forfeitures	959,977	-	-	-	-	-	-	2,852,610	3,812,587
Special assessments	-	-	-	-	-	-	-	17,040,757	17,040,757
Investment earnings (loss)	5,544,493	241,824	683,634	233,541	810,602	279,343	777,028	5,092,441	13,662,906
Contribution from property owners	-	-	-	-	-	-	-	4,480,225	4,480,225
Other revenue	2,926,519	8,364	105,807	10,575	-	-	-	846,096	3,897,361
Total revenues	117,026,544	38,977,632	789,441	244,116	810,602	288,527	7,924,810	67,070,599	233,132,271
<b>Expenditures:</b>									
Current:									
General government:									
City council and commissions	376,127	-	-	-	-	-	-	-	376,127
City administration	5,401,902	-	342,559	407,290	-	-	-	2,140,737	8,292,488
Management services	3,052,580	-	-	-	-	-	-	5,170	3,057,750
Information technology	7,104,651	-	-	559,649	-	-	-	7,615	7,671,915
Human resources	10,802,311	-	-	-	-	-	-	12,709	10,815,020
Public safety:									
Police	58,443,677	-	-	-	-	-	-	3,677,344	62,121,021
Fire	-	29,758,464	-	-	-	-	-	124,567	29,883,031
Public works	11,725,091	-	-	3,153,881	-	-	-	23,633,699	38,512,671
Community development	4,270,709	-	-	54,035	-	-	-	-	4,324,744
Community services	12,123,507	-	-	-	-	-	-	3,225,147	15,348,654
Engineering	3,417,797	-	-	196,210	750	-	523,713	5,713,867	9,852,337
Capital Outlay	1,360,338	-	-	741,521	864,325	-	506,676	8,950,113	12,422,973
Debt Service:									
Principal	-	-	-	-	-	-	-	1,105,000	1,105,000
Interest	-	-	-	-	-	-	-	2,000,711	2,000,711
Total expenditures	118,078,690	29,758,464	342,559	5,112,586	865,075	-	1,030,389	50,596,679	205,784,442
Excess (deficiency) of revenues over (under) expenditures	(1,052,146)	9,219,168	446,882	(4,868,470)	(54,473)	288,527	6,894,421	16,473,920	27,347,829
<b>Other Financing Sources (Uses):</b>									
Transfers in	15,780,326	1,006,100	-	4,024,850	-	-	-	5,863,988	26,675,264
Transfers out	(7,301,551)	(4,976,800)	(39,900)	(240,430)	-	(182,756)	(94,800)	(11,709,540)	(24,545,777)
Sale of capital assets	245,183	-	-	-	-	-	-	-	245,183
Total other financing sources (uses)	8,723,958	(3,970,700)	(39,900)	3,784,420	-	(182,756)	(94,800)	(5,845,552)	2,374,670
Net change in fund balances	7,671,812	5,248,468	406,982	(1,084,050)	(54,473)	105,771	6,799,621	10,628,368	29,722,499
<b>Fund Balances:</b>									
Beginning of fiscal year	87,046,294	8,655,453	87,718,015	13,190,902	52,208,115	1,086,936	(10,281,235)	154,925,930	394,550,410
End of fiscal year	\$ 94,718,106	\$ 13,903,921	\$ 88,124,997	\$ 12,106,852	\$ 52,153,642	\$ 1,192,707	\$ (3,481,614)	\$ 165,554,298	\$ 424,272,909

See accompanying notes to financial statements

**CITY OF FONTANA**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2019

Exhibit F

Net change in fund balances - total governmental funds	\$ 29,722,499
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	12,422,973
In the Statement of Activities, only the <i>gain/loss</i> on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold	(165,608)
Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.	4,548,926
Depreciation expense on capital assets is reported in the Statement of Activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds.	(37,913,853)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as unavailable revenues in the funds.	273,047
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	1,105,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	418,595
The Internal Service Fund is used by management to charge the costs of fleet management to individual funds. The net gain of the Internal Service Fund is reported with governmental activities.	2,154,944
Adjustments made to the OPEB liability do not use current financial resources and, therefore, are not recognized in the funds.	90,844
Adjustments made to the Net Pension Liability do not use current financial resources and, therefore, are not recognized in the funds.	(5,716,679)
Change in net position of governmental activities	\$ 6,940,689

See accompanying notes to financial statements

**CITY OF FONTANA**  
 General Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2019

Exhibit G  
 Page 1 of 3

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 80,642,280	\$ 80,916,569	\$ 86,352,956	\$ 5,436,387
Licenses and permits	5,045,610	5,045,610	5,636,425	590,815
Intergovernmental	2,663,620	2,663,620	1,909,338	(754,282)
Charges for services	12,475,330	12,596,240	13,696,836	1,100,596
Fines and forfeitures	793,000	793,000	959,977	166,977
Investment earnings	4,506,700	4,506,700	5,544,493	1,037,793
Other revenue	7,817,870	5,641,186	2,926,519	(2,714,667)
<b>Total revenues</b>	<b>113,944,410</b>	<b>112,162,925</b>	<b>117,026,544</b>	<b>4,863,619</b>
<b>Expenditures:</b>				
Current:				
General government:				
City council and commissions	297,730	362,989	376,127	(13,138)
City administration	5,029,290	5,791,247	5,401,902	389,345
Management services	3,021,620	3,059,581	3,052,580	7,001
Information technology	7,990,130	9,109,022	7,104,651	2,004,371
Human resources	9,614,370	11,049,102	10,802,311	246,791
Public safety:				
Police	59,849,590	60,615,934	58,443,677	2,172,257
Public works	12,480,100	12,755,764	11,725,091	1,030,673
Community development	4,167,480	4,720,912	4,270,709	450,203
Community services	12,724,370	12,777,199	12,123,507	653,692
Engineering	3,048,140	3,399,625	3,417,797	(18,172)
Capital outlay	1,016,090	1,674,490	1,360,338	314,152
<b>Total expenditures</b>	<b>119,238,910</b>	<b>125,315,865</b>	<b>118,078,690</b>	<b>7,237,175</b>
Excess (deficit) of revenues over expenditures	(5,294,500)	(13,152,940)	(1,052,146)	12,100,794
<b>Other Financing Sources (Uses):</b>				
Transfers in	32,925,910	30,521,755	15,780,326	(14,741,429)
Transfers out	(24,215,300)	(22,139,945)	(7,301,551)	14,838,394
Sale of capital assets	87,690	231,066	245,183	14,117
<b>Total other financing sources (uses)</b>	<b>8,798,300</b>	<b>8,612,876</b>	<b>8,723,958</b>	<b>111,082</b>
Net change in fund balances	3,503,800	(4,540,064)	7,671,812	12,211,876
Fund balances - beginning	87,046,294	87,046,294	87,046,294	-
<b>Fund balances - ending</b>	<b>\$ 90,550,094</b>	<b>\$ 82,506,230</b>	<b>\$ 94,718,106</b>	<b>\$ 12,211,876</b>

See accompanying notes to financial statements

**CITY OF FONTANA**  
 Fire Protection District - Special Revenue  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2019

Exhibit G  
 Page 2 of 3

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 32,750,000	\$ 32,750,000	\$ 37,872,832	\$ 5,122,832
Licenses and permits	650,000	650,000	813,672	163,672
Charges for services	26,800	26,800	40,940	14,140
Investment earnings	80,000	80,000	241,824	161,824
Other revenue	-	-	8,364	8,364
<b>Total revenues</b>	<b>33,506,800</b>	<b>33,506,800</b>	<b>38,977,632</b>	<b>5,470,832</b>
<b>Expenditures:</b>				
Public safety:				
Fire	29,510,060	29,779,742	29,758,464	21,278
Total expenditures	<b>29,510,060</b>	<b>29,779,742</b>	<b>29,758,464</b>	<b>21,278</b>
Excess (deficit) of revenues over expenditures	<b>3,996,740</b>	<b>3,727,058</b>	<b>9,219,168</b>	<b>5,492,110</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,006,100	1,006,100	1,006,100	-
Transfers out	(4,976,800)	(4,976,800)	(4,976,800)	-
Total other financing sources (uses)	<b>(3,970,700)</b>	<b>(3,970,700)</b>	<b>(3,970,700)</b>	<b>-</b>
Net change in fund balances	26,040	(243,642)	5,248,468	5,492,110
Fund balances - beginning	<b>8,655,453</b>	<b>8,655,453</b>	<b>8,655,453</b>	<b>-</b>
Fund balances - ending	<b>\$ 8,681,493</b>	<b>\$ 8,411,811</b>	<b>\$ 13,903,921</b>	<b>\$ 5,492,110</b>

See accompanying notes to financial statements

**CITY OF FONTANA**  
 Housing Authority Low/Mod Housing Fund - Special Revenue  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2019

Exhibit G

Page 3 of 3

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Investment earnings	\$ 375,000	\$ 375,000	\$ 683,634	\$ 308,634
Other revenue	111,000	111,000	105,807	(5,193)
Total revenues	<u>486,000</u>	<u>486,000</u>	<u>789,441</u>	<u>303,441</u>
<b>Expenditures:</b>				
Current:				
General government:				
City administration	319,620	4,399,379	342,559	4,056,820
Public works	-	-	-	-
Capital outlay	-	1,500	-	1,500
Total expenditures	<u>319,620</u>	<u>4,400,879</u>	<u>342,559</u>	<u>4,058,320</u>
Excess (deficit) of revenues over expenditures	<u>166,380</u>	<u>(3,914,879)</u>	<u>446,882</u>	<u>4,361,761</u>
<b>Other Financing Sources (Uses):</b>				
Transfers out	(39,900)	(39,900)	(39,900)	-
Total other financing sources (uses)	<u>(39,900)</u>	<u>(39,900)</u>	<u>(39,900)</u>	<u>-</u>
Net change in fund balances	126,480	(3,954,779)	406,982	4,361,761
Fund balances - beginning	87,718,015	87,718,015	87,718,015	-
Fund balances - ending	<u>\$ 87,844,495</u>	<u>\$ 83,763,236</u>	<u>\$ 88,124,997</u>	<u>\$ 4,361,761</u>

See accompanying notes to financial statements

**CITY OF FONTANA**  
 Statement of Net Position  
 Proprietary Funds  
 June 30, 2019

Exhibit H

	Business-type Activities			Governmental Activities	
	Enterprise Funds			Internal Service Fund -	
	Sewer Operations	Non-Major Enterprise Fund - Water Operations	Totals	Fleet Operations	Operations
<b>Assets:</b>					
Current Assets:					
Cash and investments	\$ 20,609,857	\$ 490,266	\$ 21,100,123	\$ 6,952,897	
Accounts receivables	961,308	-	961,308	20,179	
Interest receivable	97,384	2,445	99,829	31,568	
Loans receivable	4,276,374	1,447,535	5,723,909	-	
Loans to Successor Agency	3,305,829	-	3,305,829	-	
Allowance for doubtful accounts	(3,307,891)	-	(3,307,891)	-	
Due from other governments	2,616	-	2,616	-	
Inventories	55,630	-	55,630	215,629	
Deposits	-	-	-	70,038	
Total current assets	<u>26,001,107</u>	<u>1,940,246</u>	<u>27,941,353</u>	<u>7,290,311</u>	
Noncurrent Assets:					
Capital assets, not being depreciated	99,968	-	99,968	-	
Capital assets, net of depreciation	67,420,539	-	67,420,539	5,656,255	
Total noncurrent assets	<u>67,520,507</u>	<u>-</u>	<u>67,520,507</u>	<u>5,656,255</u>	
Total assets	<u>\$ 93,521,614</u>	<u>\$ 1,940,246</u>	<u>\$ 95,461,860</u>	<u>\$ 12,946,566</u>	
<b>Deferred Outflows of Resources:</b>					
Deferred outflows of resources - pension related	<u>1,316,524</u>	<u>-</u>	<u>1,316,524</u>	<u>-</u>	
<b>Liabilities:</b>					
Current Liabilities:					
Accounts payable	\$ 1,920,553	\$ 13,529	\$ 1,934,082	\$ 461,374	
Deposits payable	745,112	-	745,112	-	
Interest payable	48,806	-	48,806	-	
Compensated absences payable - current	140,931	-	140,931	-	
Loans payable - current	832,941	-	832,941	-	
Total current liabilities	<u>3,688,343</u>	<u>13,529</u>	<u>3,701,872</u>	<u>461,374</u>	
Noncurrent Liabilities:					
Compensated absences payable	61,483	-	61,483	-	
Loans payable	7,431,938	-	7,431,938	-	
Net pension liability	4,460,875	-	4,460,875	-	
Total noncurrent liabilities	<u>11,954,296</u>	<u>-</u>	<u>11,954,296</u>	<u>-</u>	
Total liabilities	<u>15,642,639</u>	<u>13,529</u>	<u>15,656,168</u>	<u>461,374</u>	
<b>Deferred Inflows of Resources:</b>					
Deferred inflows of resources - pension related	<u>153,601</u>	<u>-</u>	<u>153,601</u>	<u>-</u>	
<b>Net Position:</b>					
Net investment in capital assets	59,255,628	-	59,255,628	5,656,255	
Unrestricted	19,786,270	1,926,717	21,712,987	6,828,937	
Total net position	<u>\$ 79,041,898</u>	<u>\$ 1,926,717</u>	<u>\$ 80,968,615</u>	<u>\$ 12,485,192</u>	
<b>Reconciliation of Net Position to the Statement of Net Position</b>					
Net Position per Statement of Net Position - Proprietary Funds			80,968,615		
Accumulated adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			1,326,801		
<b>Net position per Statement of Net Position</b>			<u>\$ 82,295,416</u>		

See accompanying notes to financial statements

**CITY OF FONTANA**  
 Statement of Revenues, Expenses and Changes in Fund Net Position  
 Proprietary Funds  
 For the Year Ended June 30, 2019

Exhibit I

	<b>Business-type Activities</b>			<b>Governmental Activities</b>	
	<b>Enterprise Funds</b>				
	<b>Non-Major</b>	<b>Enterprise Fund -</b>	<b>Internal Service</b>		
	<b>Sewer Operations</b>	<b>Water Operations</b>	<b>Totals</b>	<b>Fund - Fleet Operations</b>	
<b>Operating Revenues:</b>					
Charges for services	\$ 23,018,647	\$ -	\$ 23,018,647	\$ 6,034,961	
Other revenue	98,336	-	98,336	115,023	
Total revenues	<u>23,116,983</u>	<u>-</u>	<u>23,116,983</u>	<u>6,149,984</u>	
<b>Operating Expenses:</b>					
Personnel costs	2,575,905	-	2,575,905	878,349	
Operating costs	947,787	351	948,138	1,704,726	
Contractual	15,619,432	19,169	15,638,601	626,622	
Depreciation	2,941,153	-	2,941,153	1,301,311	
Total operating expenses	<u>22,084,277</u>	<u>19,520</u>	<u>22,103,797</u>	<u>4,511,008</u>	
Operating income (loss)	<u>1,032,706</u>	<u>(19,520)</u>	<u>1,013,186</u>	<u>1,638,976</u>	
<b>Non-Operating Revenues (Expenses):</b>					
Investment earnings	647,551	15,049	662,600	199,792	
Interest payments	<u>(162,213)</u>	<u>-</u>	<u>(162,213)</u>	<u>-</u>	
Total non-operating revenues (expenses)	<u>485,338</u>	<u>15,049</u>	<u>500,387</u>	<u>199,792</u>	
Income (loss) before contributions and transfers	1,518,044	(4,471)	1,513,573	1,838,768	
Capital contributions - connection fees	803,148	-	803,148	-	
Transfers in	-	-	-	535,913	
Transfers out	<u>(2,665,400)</u>	<u>-</u>	<u>(2,665,400)</u>	<u>-</u>	
Change in net position	<u>(344,208)</u>	<u>(4,471)</u>	<u>(348,679)</u>	<u>2,374,681</u>	
<b>Net Position:</b>					
Beginning of fiscal year	<u>79,386,106</u>	<u>1,931,188</u>	<u>81,317,294</u>	<u>10,110,511</u>	
Net position at end of year	<u>\$ 79,041,898</u>	<u>\$ 1,926,717</u>	<u>\$ 80,968,615</u>	<u>\$ 12,485,192</u>	
<b>Reconciliation of Changes in Net Position to the Statement of Activities:</b>					
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds			(348,679)		
Adjustment to reflect the consolidation of internal service activities related to enterprise funds			219,737		
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>			<u>\$ (128,942)</u>		

See accompanying notes to financial statements

**CITY OF FONTANA**  
 Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2019

Exhibit J

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Fund - Fleet Operations	
	Non-Major Enterprise Fund - Water Operations		Totals		
	Sewer Operations	Water Operations	Totals		
<b>Cash Flow from Operating Activities:</b>					
Cash received from customers	\$ 22,838,951	\$ -	\$ 22,838,951	\$ 6,146,957	
Cash payments to suppliers of goods and services	(17,171,166)	(6,146)	(17,177,312)	(2,094,533)	
Cash payments to employees for services	(2,987,999)	-	(2,987,999)	(913,543)	
Net cash provided by (used for) operating activities	2,679,786	(6,146)	2,673,640	3,138,881	
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers received	-	-	-	535,913	
Transfers paid	(2,665,400)	-	(2,665,400)	-	
Net cash provided by (used for) noncapital financing activities	(2,665,400)	-	(2,665,400)	535,913	
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Payments for debt service - principal payments	(818,233)	-	(818,233)	-	
Payments for debt service - interest payments	(166,585)	-	(166,585)	-	
Capital contributions	803,148	-	803,148	-	
Acquisition and construction of capital assets	(301,784)	-	(301,784)	(2,653,240)	
Net cash provided by (used for) capital and related financing activities	(483,454)	-	(483,454)	(2,653,240)	
<b>Cash Flows from Investing Activities:</b>					
Investment earnings	1,043,912	85,908	1,129,820	188,903	
Net cash provided by investing activities	1,043,912	85,908	1,129,820	188,903	
Net increase (decrease) in cash and cash equivalents	574,844	79,762	654,606	1,210,457	
Cash and cash equivalents - beginning of year	20,035,013	410,504	20,445,517	5,742,440	
Cash and cash equivalents - end of year	\$ 20,609,857	\$ 490,266	\$ 21,100,123	\$ 6,952,897	
<b>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:</b>					
Operating Income (Loss)	\$ 1,032,706	\$ (19,520)	\$ 1,013,186	\$ 1,638,976	
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Depreciation	2,941,153	-	2,941,153	1,301,311	
<b>Changes in Assets and Liabilities:</b>					
Accounts receivable	(284,892)	-	(284,892)	(3,338)	
Deposits	-	-	-	(70,038)	
Due from other governments	4,313	-	4,313	311	
Inventories	13,225	-	13,225	59,034	
Deferred outflows - pension related	103,602	-	103,602	-	
Accounts payable	(609,201)	13,374	(595,827)	247,819	
Deposits payable	2,547	-	2,547	-	
Accrued compensated absences	(89,974)	-	(89,974)	(35,194)	
Retentions payable	(7,971)	-	(7,971)	-	
Deferred inflows - pension related	22,141	-	22,141	-	
Net pension liability	(447,863)	-	(447,863)	-	
Net cash provided by (used for) operating activities	\$ 2,679,786	\$ (6,146)	\$ 2,673,640	\$ 3,138,881	

See accompanying notes to financial statements

**CITY OF FONTANA**  
 Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2019

Exhibit K

	Agency Funds	Private Purpose Trust Fund	
		Successor Agency of the Former RDA	
<b>Assets:</b>			
Cash and investments	\$ 9,230,456	\$ 573,127	
Receivables (net):			
Assessments	627,330	-	
Interest	-	1,122,736	
Loans receivable	-	3,024,450	
Allowance for doubtful accounts	-	(1,971,279)	
Restricted assets:			
Cash and investments	19,227,301	21,191,973	
Total assets	<u>\$ 29,085,087</u>	<u>\$ 23,941,007</u>	
<b>Liabilities:</b>			
Accounts payable	\$ 1,341,607	\$ 21,237	
Deposits payable	7,874,636	2,400	
Interest payable	-	2,731,103	
Due to other funds	4,065		
Due to bondholders	19,864,779	-	
Long-term liabilities:			
Due in one year	-	14,996,042	
Due in more than one year	-	488,310,052	
Total liabilities	<u>\$ 29,085,087</u>	<u>506,060,834</u>	
<b>Net Position:</b>			
Held in trust for other purposes		(482,119,827)	
Total Net Position		<u>\$ (482,119,827)</u>	

See accompanying notes to financial statements

**CITY OF FONTANA**  
 Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 For the Year Ended June 30, 2019

Exhibit L

	<b>Private Purpose Trust Fund</b>
	<b>Successor Agency of the Former RDA</b>
<b>Additions:</b>	
Contributions from other governments	\$ 35,745,627
Interest and change in fair value of investments	68,760
Other revenue	<u>272,114</u>
 Total additions	 <u>36,086,501</u>
<b>Deductions:</b>	
Administrative expenses	46,530
Interest expense	16,313,262
Contractual services	172,334
Contributions to other governments	1,162,978
Cost of Issuance	<u>505,869</u>
 Total deductions	 <u>18,200,973</u>
<b>Changes in net position</b>	<b>17,885,528</b>
Net Position - Beginning of the Year	<u>(500,005,355)</u>
Net Position - End of the Year	<u><b>\$ (482,119,827)</b></u>

See accompanying notes to financial statements

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Note 1. Organization and Summary of Significant Accounting Policies**

#### **a. Description of the Reporting Entity**

The City of Fontana was incorporated on June 25, 1952, under the laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. It is governed by an elected five-member board. As required by generally accepted accounting principles, these financial statements present the City of Fontana (the primary government) and its component units. The City operates under a Council-Manager form of government, and currently provides a wide variety of services to its citizens, including police, public services, community development, general administrative and other services.

The inclusion of an organization within the scope of the reporting entity of the City of Fontana is based on the provisions of GASB Statement No. 14 and amended with GASB Statement No. 61. The blended component units discussed below, although legally separate entities, are in substance part of the government operation and so data from these component units has been combined herein. The following criteria were used in the determination of the blended component unit:

1. The members of the City Council also act as the governing body of the Fontana Industrial Development Authority, the Fontana Public Financing Authority, the Fontana Housing Authority (Housing Authority), the Fontana Community Foundation, the Fontana Fire Protection District (Fire District) and the Fontana Public Facilities Financing Authority.
2. The Fontana Industrial Development Authority, the Fontana Public Financing Authority, the Fontana Housing Authority, the Fontana Community Foundation, the Fontana Fire Protection District and the Fontana Public Facilities Financing Authority are managed by employees of the City. A portion of the City's general overhead costs is allocated to the Fire District and the Housing Authority.
3. The City, the Fontana Industrial Development Authority, the Fontana Public Financing Authority, the Housing Authority, the Fontana Community Foundation, the Fire District and the Fontana Public Facilities Financing Authority are financially interdependent. They provide financial benefit/burden to the City.

#### ***Blended Component Units:***

**The Fontana Industrial Development Authority** was established February 3, 1981, pursuant to Government Code Section 91500 of the State of California for the purpose of encouraging and financing industrial development within areas of the City of Fontana. There was no activity for the year being reported therefore the Fontana Industrial Development Authority is not presented in this report.

**The Fontana Public Financing Authority** was established on May 2, 1989, pursuant to Government Code Section 6500 of the State of California (Joint Exercise of Powers). Its purpose is to assist in the financing of capital improvements and working capital requirements of the City, the Former Redevelopment Agency and any other eligible local agencies. Separate financial statements are not available for the Authority.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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**The Fontana Housing Authority** was established May 3, 1994, pursuant to Government Code Section 34240 of the State of California for the purpose of rehabilitating and increasing the low- and moderate-income housing stock in the City of Fontana. Separate financial statements are not available for the Authority.

**The Fontana Community Foundation** was established on April 27, 2005, pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986 for the purpose of aiding and assisting in the implementation, improvement and maintenance of public services that preserve and promote the health and welfare and education of local citizenry of the City of Fontana. Separate financial statements are not available for the Foundation.

**The Fontana Fire Protection District** was established on July 1, 2008 pursuant to the State of California Health and Safety Code Section 13800 for the purpose of providing fire suppression, emergency medical, fire prevention and education services within the city limits and the unincorporated area within the District's Sphere of Influence. Separate financial statements are not available for the District.

**The Fontana Public Facilities Financing Authority** was established on September 9, 2014, pursuant to Government Code Section 6500 of the State of California (Joint Exercise of Powers). Its purpose is to assist in the financing of capital improvements and working capital requirements of the City, the Fontana Fire Protection District and any other eligible local agencies. Separate financial statements are not available for the Authority.

**b. Government-Wide and Fund Financial Statements**

The government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements. For the most part, the effect of interfund activities has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

**c. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred,

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 or 180 days for certain intergovernmental revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City's fiduciary funds consist of agency funds and a private purpose trust fund. Agency funds are used to account for situations where the government's role is purely custodial. All assets reported in an agency fund are offset by a liability to the part on whose behalf they are held. Agency funds have no measurement focus. Private purpose trust funds are accounted for using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

**The General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**The Fire Protection District Special Revenue Fund** accounts for revenues received as part of property taxes, permits, and fees, that are to be used for fire suppression, emergency medical, fire prevention and education services incurred by the District within the City's Sphere of Influence.

**The Housing Authority Special Revenue Fund** accounts for the assets and activities transferred from the Former Fontana Redevelopment Agency that will be monies to be used to increase and improve the community's supply of low and moderate income housing.

**The Capital Reinvestment Fund** accounts for discretionary infrastructure projects.

**The Sewer Expansion Fund** accounts for revenues received from development impact fees which, in turn, are reported to the Inland Empire Utilities Agency (IEUA) for capital expansion.

**The Future Capital Projects Fund** accounts for capital improvement reimbursements from the San Bernardino County Transportation Authority (SBCTA) that is used for general infrastructure improvements throughout the City.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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**The Traffic Mitigation Capital Project Fund** accounts for the revenues received from development impact fees which, in turn, are expended for traffic studies, planning and construction of traffic flow improvements.

The City reports the following major proprietary fund:

**The Sewer Operations Fund** is used to account for the operation of the City's sewer utility system, a self-supporting activity which renders services on a user charge basis to residences and businesses located in the City.

Additionally, the City reports the following fund types:

**Governmental Fund Types**

**Special Revenue Funds** – to account for the proceeds of specific revenue resources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

**Debt Service Funds** – to account for the accumulation of resources for, and the payment of, long-term debt obligation principal, interest and related costs.

**Capital Project Funds** – to account for financial resources to be used for the acquisition or construction of major capital facilities.

**Proprietary Fund Types**

**Enterprise Funds** – to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City Council is that the costs (including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Internal Service Fund** – to account for financial transactions related to replacement of City-owned vehicles and equipment. These services are provided to other departments or agencies of the City, on a cost reimbursement basis.

**Fiduciary Fund Types**

**Agency Funds** – to account for assets held by the City in a custodial capacity as a trustee or as an agent. These assets include deposits placed with the City by developers, individuals and groups to obtain future services; and special taxes and assessments used to pay principal and interest on related bonds with no direct City liability. These deposits are reduced by payments and/or refunds to individuals or entities at some future time. Agency funds are custodial in nature and do not involve measurement of results of operations.

**Private Purpose Trust Fund** - accounts for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

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**CITY OF FONTANA**  
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As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and the internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service fund include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**d. Assets, Liabilities and Net Position or Fund Balance**

***Deposits and Investments***

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the City are reported at fair value. The City's policy is generally to hold investments until maturity or until fair value equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate State laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

***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). The three levels of fair value hierarchy are described 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.

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**CITY OF FONTANA**  
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Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable input 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.

***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (current portion of interfund loans) or "advances to/from other funds" (the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a non-spendable fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The City has elected, by ordinance, that the duties of assessing and collecting property taxes be performed by the San Bernardino County Assessor and Tax Collector, respectively. Tax levies cover the period from July 1 to June 30 of each year. All tax liens attach annually on January 1 preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as of January 1. Secured property taxes are levied against real property and are due and payable in two equal installments. The first installment is due on November 1 and becomes delinquent if not paid by December 10. The second installment is due on February 1 and becomes delinquent if not paid by April 10. Unsecured personal property taxes are due on July 1 each year and become delinquent if not paid by August 31.

***Functional Classifications***

Expenditures of the Governmental funds are classified by function. Functional classifications are defined as follows:

General Government includes legislative activities which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities which provide management or support services across more than one functional area.

Public Safety includes those activities which involve the protection of people and property.

Public Works includes those activities which involve the maintenance and improvement of City streets, roads and park department development and maintenance.

Community Development includes those activities which enhance the general quality of life and for protective inspections except those related to fire.

Community Services includes those activities which provide all cultural and recreational programs and facilities.

Engineering includes those activities which provide specialized skills and knowledge in support of the operation of government.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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***Inventories, Prepays and Land Held for Resale***

All inventories are valued at cost using the first-in, first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventory costs are recorded as expenditures when used.

The General Fund inventory is accounted for using the consumption method and is offset by a reservation of fund balance in the fund-level statements, which indicates that it does not constitute "available spendable resources."

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepays in both the government-wide and fund financial statements.

Land purchased for resale is capitalized as inventory at acquisition cost or net realizable value, if lower.

***Restricted Assets***

Restricted assets represent unexpended bond proceeds, interest earnings thereon and reserve amounts of certificates of participation, tax allocation bonds, and special assessment bonds. Under the related resolutions and indentures, the remaining proceeds are restricted for the use of future construction of improvements to the respective projects, for debt service or for reserve requirements. The majority of these assets are held by trustees and fiscal agents.

***Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (\$50,000 for intangibles and \$100,000 for infrastructure) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

In accordance with GASB 34, the City has reported general infrastructure assets acquired in prior and current years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings and improvements	40-55 years
Machinery and equipment	3-20 years
Vehicles	5-20 years
Infrastructure	20-30 years

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government reports deferred outflows of resources related to pensions arising from certain changes in the collective net pension liability and opeb liability.

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

1. Unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for revenues that are measurable but are not collected within 60 days of the end of the current fiscal period or 180 days for certain intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
2. Pension related deferred inflows, is reported only on the Statement of Net Position. The government reports deferred inflows of resources related to pensions arising from certain changes in the collective net pension liability.

***Compensated Absences***

It is the City's policy to permit employees to accumulate earned but unused personal leave which includes both vacation and sick pay benefits. All personal leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. The General Fund and the Sewer Operations Fund are typically used to liquidate these obligations. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

***Long-Term Obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

The City is subject to a legal bonded indebtedness limit of 15 percent of the assessed value of all real and personal property in the City, excluding any bonded indebtedness of the Successor Agency. At June 30, 2019, the City had bonded indebtedness of \$38,580,000 against its debt limit of \$2,949,964,500, which is 1.31 percent of the total limit.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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***Pensions***

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by City of Fontana. 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.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	June 30, 2017 to June 30, 2018

***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, information about the OPEB plan (OPEB Plan), and additions to/deductions from the OPEB Plan have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

***Net position flow assumption***

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – 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 government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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***Fund balance flow assumptions***

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**e. Reconciliation of Government-Wide and Fund Financial Statements**

***Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position***

The governmental fund balance sheet includes a reconciliation between *fund balance of governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including net pension liability, are not due and payable in the current period and, therefore, is not recognized in the funds." The detail of this \$288,452,196 long-term liabilities difference is as follows:

Lease revenue bonds payable	\$ 38,580,000
Loan payables	3,873,854
Claims and judgments	11,783,836
Compensated absences	9,172,062
Other post employment benefits liability	69,989,078
Net pension liability	141,305,770
Bond premium to be amortized	<u>2,820,191</u>
Net adjustment to reduce <i>fund balances of governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$ 277,524,791</u>

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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***Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities***

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances* – *total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, but the issuing debt increases long-term liabilities in the statement of net position.” Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.” The detail of this \$1,105,000 difference are as follows:

Principal repayments:	
Lease revenue bonds	\$ 1,105,000
Net adjustment to increase net changes in <i>fund balances</i> of governmental funds to arrive at changes in <i>net position of governmental activities</i>	
	\$ 1,105,000

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$418,595 are as follows:

Claims and judgments	\$ 686,883
Compensated absences	(399,611)
Accrued Interest	18,800
Amortization of bond premiums/discounts	112,523
Net adjustment to increase net changes in <i>fund balances</i> of governmental funds to arrive at changes in <i>net position of governmental activities</i>	
	\$ 418,595

## **II. STEWARDSHIP**

### **Note 2. Stewardship, Compliance and Accountability**

#### **Budgetary Information**

Annual budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The City uses the following procedures in establishing the budgetary data reflected in the financial statements. After January 1, department heads prepare estimates for required appropriations for the fiscal year commencing the following July 1. The proposed budget includes estimated

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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expenditures and forecasted revenues for the fiscal year. The data is presented to the City Manager for review. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the upcoming fiscal year. The operating budget includes a summary of the proposed expenditures and financial resources of the City, as well as historical data for the preceding five fiscal periods. Public meetings are conducted at the civic center to obtain taxpayer comments. The City Council adopts the budget by June 30 through passage of an adopting resolution. Budgets were legally adopted for the general, special revenue, debt service and all capital project funds during the fiscal year ended June 30, 2019. This appropriated budget covers substantially all City expenditures. All appropriated amounts shown are as originally adopted or as amended by the City Council. During the year, supplementary appropriations in the Governmental Funds were approved in the amount of \$161,594,200. Additionally, amounts representing projects that were not completed were unappropriated at the end of the year, and reappropriated in the following year. Unexpended appropriations lapse at the year end.

The legal level of control is at the department level. Department heads are authorized to transfer budgeted amounts within their departments, within the same funds, with the approval of the City Manager. Transfers of appropriations between departments and between funds may be made only by authority of the City Council. Formal budgetary integration is employed as a management control device during the fiscal year for all governmental funds.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. There were excess expenditures over appropriations in certain funds at the department level. However, this did not result in a negative fund balance of the individual funds because of expenditure savings from other departments in the fund and/or adequate revenues or sources in the fund to offset expenditures. Excess of expenditures over appropriations in the individual major funds at the department level are as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund			
General Government			
City council and commissions	\$ 376,127	\$ 362,989	\$ 13,138
Engineering Services	3,417,797	3,399,625	18,172

All funds with expenditures exceeding appropriations are reviewed by the City as part of its regular quarterly budget report to ensure that adequate revenues and/or other sources are available to cover these expenditures. In the event that revenues and other sources are not sufficient to fund the following year's planned expenditures, the budget for the following fiscal year may be adjusted to ensure that there are no fund balance deficits in any funds. Excess of expenditures over appropriations at the fund level for the fiscal year ending June 30, 2019 are as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Special Revenue Funds			
Gas Tax	\$ 4,844,205	\$ 4,614,354	\$ 229,851
Capital Project Funds			
San Sevaine Flood Control	105,648	105,140	508
CFD # 31 Citrus Heights	19,943,288	19,943,271	17
CFD # 74B Citrus/Summit	225,283	-	225,283

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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A budgetary comparison schedule not presented for the Down Payment Assistance special revenue fund as it did not have a legally adopted annual budget. Budgetary schedules for all other governmental funds are presented in the fund financial statements or the combining and individual fund statements and schedules.

**Deficit Fund Balance**

As of June 30, 2019, the following funds had deficit fund balances:

Special Revenue Funds:

Grants	\$ (662,955)
Federal Law Enforcement Block Grant	(462)
Community Service Reimbursements	(1,469,327)

Capital Project Funds:

Traffic Mitigation	(3,481,614)
CFD #2 Village of Heritage	(62,556)

Fiduciary Funds:

Successor Agency	(482,119,827)
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These deficit fund balances will be addressed through future year revenues and transfers.

**III. DETAILED NOTES ON ALL FUNDS**

**Note 3. Cash and Investments**

The City follows the practice of pooling cash and investments of all funds except for restricted funds generally held by outside custodians and funds in its employees' deferred compensation plans. Each fund's portion of total cash and investments is summarized by fund type in the combined balance sheet as equity in pooled cash and investments. Amounts in the City's deferred compensation plan are no longer reported on the City's balance sheet as they are held in trust.

Interest income earned on pooled cash and investments is allocated to those funds which are required by law, local ordinance, administrative action or agreements to receive interest. Such allocation is made annually, at a minimum, based on the weighted average cash balances in each fund receiving interest. Interest income from cash and investments, which are restricted, is credited directly to the related fund.

**CITY OF FONTANA**  
**Notes to the Financial Statements**

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	<u>Restricted Assets</u>			<u>Total</u>
	<u>Cash and Investments</u>	<u>Cash with Fiscal Agent</u>		
Governmental activities	\$ 330,075,323	\$ 11,744,124	\$ 341,819,447	
Business-type activities	21,100,123	-	21,100,123	
Fiduciary funds	9,803,583	40,419,274	50,222,857	
	<u>\$ 360,979,029</u>	<u>\$ 52,163,398</u>	<u>\$ 413,142,427</u>	

***Investments and Interest Receivable – Restricted***

Restricted assets represent unexpended financing proceeds, interest earnings thereon and reserved amounts of certificates of participation, tax allocation bonds, and special assessment bonds. Under the related resolutions and indentures, the remaining proceeds are restricted for the use of future construction or improvement to the respective projects, for debt service or for reserve requirements. The majority of these assets are held by trustees and fiscal agents.

***Authorized Investments***

Under the provisions of the City's investment policy and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

State Treasurer's Local Agency Investment Fund (LAIF)	Mortgage Pass-Through Securities (FHLMC or FNMA only)
Corporate Obligations (medium-term notes and bonds)	Commercial Paper
U.S. Government Securities	Certificates of Deposit
Mutual Funds	Negotiable Certificates of Deposit
Bankers' Acceptances	Investment Contracts

It is the City's policy not to invest in Small Business Administration Obligations (SBAs), Repurchase Agreements, Reverse Repurchase Agreements, Financial Futures and Financial Option Contracts, or California State and Local Agency Obligations even though such investments are authorized under the California Government Code. All investments present at June 30, 2019 and during the fiscal year conform to the City's investment policy.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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***Local Agency Investment Fund (LAIF)***

The LAIF is a special fund of the California State Treasury, secured by the full faith and credit of the State of California, through which local governments may pool investments. Each city may invest up to \$50,000,000 in LAIF for each entity. Investments in LAIF are highly liquid as deposits can be converted to cash within twenty-four (24) hours without loss of interest earned to such date.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the State pool is the same as the value of the pool shares.

***Deposits***

At June 30, 2019, the carrying amount of the City's deposits was \$22,105,100 and the bank balance was \$22,307,900. The \$202,800 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure an Entity's deposits by pledging government securities with a value of 110% of an Entity's deposits. California law also allows financial institutions to secure Entity deposits by pledging first trust deed mortgage notes having a value of 150% of an Entity's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California, as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local government agency.

***Credit Risk***

The City's investment policy limits investments in medium term notes (MTNs) and federal securities to those in a rating category of "A" or its equivalent or better by Moody's or Standard and Poor's rating service. As of June 30, 2019, the City's investment in medium term notes, federal securities and money market funds consisted of the following:

Federal Securities	Moody's Rating	Money Market Funds	Moody's Rating
Federal Home Loan Bank Note	Aaa	US Bank	Aaa
Federal Home Loan Mortgage Corporation	Aaa	First American Treasury	Aaa
Federal National Mortgage Association	Aaa	Wells Fargo Treasury Plus	Aaa

As of June 30, 2019, the City's investment in external investment pools are unrated.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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*Custodial Credit Risk*

The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk associated with deposits or investments.

*Concentration of Credit Risk*

The City's investment policy imposes restrictions for certain types of investments with any one issuer.

Investment Type	Percentage of Pool Allowed
State Investment Pool (LAIF)	\$65 million /account
U.S. Government Securities	100%
Bankers Acceptances	40%
Commercial Paper	15%
Negotiable Certificates of Deposit	30%
Corporate Obligations	30%
Mutual Funds	15%
Mortgage Pass-Through Securities	20%
Certificates of Deposits	100%

With respect to concentration risk, as of June 30, 2019, the City is in compliance with the restrictions of the investment policy.

In addition, GASB 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value. As of June 30, 2019, the City has investments with the following issuers which exceed 5% of the total investment value:

Federal National Mortgage Association (FNMA)	\$ 74,752,350	19.116%
Federal Home Loan Bank Note (FHLB)	73,904,890	18.900%
Federal Home Loan Mortgage Corp.	60,055,500	15.358%

Investments guaranteed by the U.S. Government and investments in mutual funds and external investment pools are excluded from this requirement.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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*Interest Rate Risk*

The City's investment policy limits investment maturity as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that at least 10% of the City's portfolio shall mature in one year or less. The only exception to this maturity limit shall be the investment of the gross proceeds of tax-exempt bonds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2019, the City had the following investments and maturities:

	Investment Maturities					Fair Value
	6 months or less	6 months to 1 year	1 to 3 years	3 to 5 years		
U.S Government Securities	\$ 29,875,350	\$ 28,871,140	\$ 134,960,400	\$ 15,005,850	\$ 208,712,740	
State Investment Pool	86,287,928	-	-	-	-	86,287,928
Mutual Funds	96,036,664	-	-	-	-	96,036,664
	<u>\$ 212,199,942</u>	<u>\$ 28,871,140</u>	<u>\$ 134,960,400</u>	<u>\$ 15,005,850</u>	<u>\$ 391,037,332</u>	

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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*Fair Value Measurement*

The City categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles. The City has the following recurring fair value measurements as of June 30, 2019:

**Investments Measured at Fair Value**

	<u>Fair Value Hierarchy</u>				
	Level 1	Level 2	Level 3		Total Fair Value
U.S Government Securities	\$ -	\$ 208,712,740	\$ -	\$ -	\$ 208,712,740
Total investments measured at fair value	\$ -	\$ 208,712,740	\$ -	\$ -	\$ 208,712,740

**Investments Not Reported in Fair Value Hierarchy**

	<u>Net Asset Value</u>
Mutual Funds	\$ 96,036,664
State Investment Pool (LAIF)	\$ 86,287,928
Total investments not reported in fair value hierarchy	\$ 182,324,592
<b>Total investments held</b>	<b>\$ 391,037,332</b>

**CITY OF FONTANA**  
**Notes to the Financial Statements**

**Note 4. Receivables**

Receivables as of June 30, 2019, for the City's individual major funds and non-major, proprietary major and non-major, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Special Revenue			Capital Project			Nonmajor Governmental Funds	
	General	Fire Protection District	Housing Authority	Future Capital Projects	Traffic Mitigation	Sewer Expansion		
Accounts	\$ 2,381,914	\$ 6,075	\$ -	\$ -	\$ -	\$ -	\$ 267,785	
Assessments	-	-	-	-	-	-	-	379,819
Interest	282,043	34,223	2,327,692	123,243	127,245	-	-	1,082,068
Loans	-	-	68,887,184	-	-	-	-	8,031,421
Loans to Successor Agency	28,289,067	-	-	-	-	-	-	-
	<u>\$ 30,953,024</u>	<u>\$ 40,298</u>	<u>\$ 71,214,876</u>	<u>\$ 123,243</u>	<u>\$ 127,245</u>	<u>\$ -</u>	<u>\$ 9,761,093</u>	
Less allowance for doubtful accounts	195,651	-	-	-	-	-	-	151,263
	<u>\$ 30,757,373</u>	<u>\$ 40,298</u>	<u>\$ 71,214,876</u>	<u>\$ 123,243</u>	<u>\$ 127,245</u>	<u>\$ -</u>	<u>\$ 9,609,830</u>	
	Sewer Operations		Nonmajor Proprietary Funds	Internal Service Funds		Fiduciary Funds	Total	
	\$ 961,308	\$ -	\$ 20,179	\$ -	\$ -	\$ 3,637,261		
Accounts						627,330		1,007,149
Assessments	-	-	-					
Interest	97,384	2,445	31,568	1,122,736				5,230,647
Loans	4,276,374	1,447,535	-	3,024,450				85,666,964
Loans to Successor Agency	3,305,829	-	-	-				31,594,896
	<u>\$ 8,640,895</u>	<u>\$ 1,449,980</u>	<u>\$ 51,747</u>	<u>\$ 4,774,516</u>	<u>\$ 127,136,917</u>			
Less allowance for doubtful accounts	3,307,891	-	-	1,971,279				5,626,084
	<u>\$ 5,333,004</u>	<u>\$ 1,449,980</u>	<u>\$ 51,747</u>	<u>\$ 2,803,237</u>	<u>\$ 121,510,833</u>			

Note: The allowance for doubtful accounts for non-major governmental funds is equal to 100% of the delinquent special assessments receivable at June 30, 2019.

**CITY OF FONTANA**  
**Notes to the Financial Statements**

Due to the uncollectability of the loans to the Successor Agency, an allowance for doubtful accounts has been recorded at June 30, 2019 for the loans that are pending approval by the State Department of Finance as enforceable obligations. An allowance has been recorded for these loans in the amount \$3,305,829 in Sewer Operations funds. This allowance will remain in place until the State Department of Finance makes further determinations regarding the probability of collection on the loan balances. Several loans have been approved by the State Department of Finance, thus an allowance has not been recorded for the loans in the amounts of \$28,289,067 in the General fund.

**Note 5. Capital Assets**

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance June 30, 2018	Transfers	Increases	Decreases	Balance June 30, 2019
<b>Governmental activities:</b>					
Capital assets, not being depreciated					
Land	\$ 200,873,519	\$ -	\$ 774,152	\$ -	\$ 201,647,671
Construction in progress	4,570,940	(648,828)	6,155,790	-	10,077,902
Total capital assets, not being depreciated	<u>205,444,459</u>	<u>(648,828)</u>	<u>6,929,942</u>	<u>-</u>	<u>211,725,573</u>
Capital assets, being depreciated					
Buildings and improvements	290,291,698	19,375	1,795,237	-	292,106,310
Machinery and equipment	30,565,475	-	2,110,879	(8,474,569)	24,201,785
Vehicles	28,785,668	593,286	2,947,040	(695,544)	31,630,450
Infrastructure	819,686,473	36,167	5,842,041	-	825,564,681
Intangibles	5,683,734	-	-	-	5,683,734
	<u>1,175,013,048</u>	<u>648,828</u>	<u>12,695,197</u>	<u>(9,170,113)</u>	<u>1,179,186,960</u>
Less accumulated depreciation for:					
Buildings and improvements	(106,830,207)	-	(11,956,195)	-	(118,786,402)
Machinery and equipment	(25,665,850)	-	(1,263,968)	8,308,961	(18,620,857)
Vehicles	(18,362,098)	-	(2,117,707)	695,544	(19,784,261)
Infrastructure	(461,441,614)	-	(23,747,289)	-	(485,188,903)
Intangibles	(2,122,824)	-	(130,005)	-	(2,252,829)
	<u>(614,422,593)</u>	<u>-</u>	<u>(39,215,164)</u>	<u>9,004,505</u>	<u>(644,633,252)</u>
Total capital assets, being depreciated, net	<u>560,590,455</u>	<u>648,828</u>	<u>(26,519,967)</u>	<u>(165,608)</u>	<u>534,553,709</u>
Governmental activities capital assets, net	<u>\$ 766,034,914</u>	<u>\$ 0</u>	<u>\$ (19,590,025)</u>	<u>\$ (165,608)</u>	<u>\$ 746,279,282</u>

**CITY OF FONTANA**  
**Notes to the Financial Statements**

	Beginning Balance June 30, 2018	Transfers	Increases	Decreases	Balance June 30, 2019
<b>Business-type activities:</b>					
Capital assets, not being depreciated					
Construction in progress	\$ 99,968	\$ -	\$ -	\$ -	\$ 99,968
Total capital assets, not being depreciated	<u>99,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,968</u>
Capital assets, being depreciated					
Buildings and improvements	1,798,150	-	-	-	1,798,150
Machinery and equipment	622,401	-	-	(7,439)	614,962
Vehicles	-	-	-	-	-
Infrastructure	115,734,083	-	301,785	-	116,035,868
Intangibles	64,698	-	-	-	64,698
	<u>118,219,332</u>	<u>-</u>	<u>301,785</u>	<u>(7,439)</u>	<u>118,513,678</u>
Less accumulated depreciation for:					
Buildings and improvements	(507,170)	-	(46,244)	-	(553,414)
Machinery and equipment	(566,998)	-	(26,272)	7,439	(585,831)
Vehicles	-	-	-	-	-
Infrastructure	(47,020,558)	-	(2,868,638)	-	(49,889,196)
Intangibles	(64,698)	-	-	-	(64,698)
	<u>(48,159,424)</u>	<u>-</u>	<u>(2,941,154)</u>	<u>7,439</u>	<u>(51,093,139)</u>
Total capital assets, being depreciated, net	<u>70,059,908</u>	<u>-</u>	<u>(2,639,369)</u>	<u>-</u>	<u>67,420,539</u>
Business-type activities capital assets, net	<u>\$ 70,159,876</u>	<u>\$ -</u>	<u>\$ (2,639,369)</u>	<u>\$ -</u>	<u>\$ 67,520,507</u>

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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

Governmental activities:

General government	\$ 3,537,822	Business-type activities:	
Public safety	3,100,295	Sewer Operations	2,941,154
Public works	7,271,925		
Community development	1,262,730		
Community services	1,553,770		
Engineering	<u>21,187,311</u>		
Total Depreciation charged to functions	<u>37,913,853</u>		
Charged to Internal Service Fund	<u>1,301,311</u>		
Total Governmental Activities	<u>\$ 39,215,164</u>		

The following material construction commitments existed at June 30, 2019:

Project Name	Contract Amount	Expenditures to date as of June 30, 2019	Remaining Commitments
Central City Park	\$ 10,343,007	\$ -	\$ 10,343,007
Foothill - Oleander to Cypress Improvement	1,902,980	383,995	1,518,985
Auto Center Moment	630,891	491,988	138,903
Veteran's Memorial Wall	553,452	88,553	464,899
Citrus - Jurupa to Slover Arterial Improvement	398,338	142,722	255,616
Baseline - Citrus Fiber Optic Installation	365,579	-	365,579
Foothill - Sierra to Mango Street Improvement	282,503	85,909	196,595
Pavement Rehabilitation	247,123	102,812	144,311

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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**Note 6. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2019, is as follows:

**Due to/from other funds:**

Receivable Fund	Payable Fund	Amount
General Fund	Non-major governmental Funds	
	Measure I	661,699
	Community Services Reimbursements	1,232,200
	Total	\$ 1,893,899

The amounts due to the General Fund are the result of negative cash balances at the end of the year.

**Advances to/from other funds:**

Receivable Fund	Payable Fund	Amount
Future Capital Projects	Capital Improvements	1,485,800
	Storm Drain	2,295,000
	Traffic Mitigation	28,538,963
Capital Reinvestment	Traffic Mitigation	3,167,132
	Total	\$ 35,486,895

The advances from Future Capital Projects to the Capital Improvements fund are representative of a cooperative agreement entered into with the City of Ontario for the Etiwanda Avenue and Slover Avenue / Airport Drive Intersection Project. The City has agreed to pay for the City of Ontario's DIF share of the project. The City of Ontario will reimburse the City three years after the project construction has been accepted.

The advances from Future Capital Projects to the Storm Drain fund are representative of the cost of the Duncan Storm Drain / I-15 Freeway to Citrus Avenue project. The City is expected to be reimbursed a portion of the costs from developer, Lewis Homes.

**CITY OF FONTANA**  
**Notes to the Financial Statements**

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The advances from Future Capital Projects and Capital Reinvestment to the Traffic Mitigation fund are representative of cooperative agreements entered into with San Bernardino Associated Governments (SANBAG) for various transportation projects throughout the City. SANBAG will repay the amounts owed to the Measure I 2010-2040 fund over a thirty year period, as Measure I funds are collected. As part of the cooperative agreement, the City was required to fund a certain percentage of each project with Development Impact Fees (DIF) collected in the Traffic Mitigation fund. In order to complete these projects now rather than over a 30 year period, various funds advanced the SANBAG share and DIF share of each project. There is no repayment schedule for these advances as the amounts will be repaid as collections are received.

**Interfund transfers:**

Interfund transfers primarily consist of allocation of administrative costs, transfer of funding to capital project funds, and transfer of funding to general debt service fund.

	Transfers In:							
	Fire		Nonmajor					
	Protection	Capital	Governmental	Sewer	Internal			
	General	District	Reinvestment	Funds	Operations	Service Fund	Total	
<b>Transfer out:</b>								
General			\$ 4,024,850	\$ 2,786,458		\$ 490,243	\$ 7,301,551	
Fire Protection District	3,344,700			1,632,100			4,976,800	
Housing Authority	39,900						39,900	
Capital Reinvestment	240,430						240,430	
Future Capital Projects							-	
Traffic Mitigation	94,800						94,800	
Sewer Expansion	182,756						182,756	
Nonmajor Governmental Funds	9,212,340	1,006,100		1,445,430		45,670	11,709,540	
Sewer Operations	2,665,400						2,665,400	
	\$ 15,780,326	\$ 1,006,100	\$ 4,024,850	\$ 5,863,988	\$ -	\$ 535,913	\$ 27,211,177	

**CITY OF FONTANA**  
**Notes to the Financial Statements**

**Note 7. Long-Term Debt**

Long-term debt activity for the year ended June 30, 2019, was as follows:

	Beginning			Balance	Amounts	Amounts
	Balance	Additions	Retirements	June 30, 2019	Due Within One Year	Due in More Than One Year
	June 30, 2018					
<b>Governmental Activities:</b>						
Lease Revenue Bonds	\$ 39,685,000	\$ -	\$ 1,105,000	\$ 38,580,000	\$ 1,165,000	\$ 37,415,000
Claims and judgments	12,470,719	2,653,733	3,340,616	11,783,836	6,143,003	5,640,833
Compensated absences	8,772,451	7,293,992	6,894,381	9,172,062	7,208,440	1,963,622
Other post employment benefits liability	70,107,961	2,693,253	2,812,136	69,989,078	-	69,989,078
Net Pension Liability	141,271,768	14,705,215	14,671,213	141,305,770	-	141,305,770
Loan payable - SANBAG	3,873,854	-	-	3,873,854	-	3,873,854
<b>Total Long-Term Debt - City</b>	<b>\$ 276,181,753</b>	<b>\$ 27,346,193</b>	<b>\$ 28,823,346</b>	<b>\$ 274,704,600</b>	<b>\$ 14,516,443</b>	<b>\$ 260,188,157</b>
<b>Total Governmental Activity Long-Term Debt</b>	<b>\$ 276,181,753</b>	<b>\$ 27,346,193</b>	<b>\$ 28,823,346</b>	<b>\$ 274,704,600</b>	<b>\$ 14,516,443</b>	<b>\$ 260,188,157</b>
		Unamortized bond premium		2,820,191		2,820,191
				<b>\$ 277,524,791</b>		<b>\$ 263,008,348</b>
<b>Business-Type Activities:</b>						
Compensated absences	\$ 292,388	\$ 113,601	\$ 203,576	\$ 202,414	\$ 140,931	\$ 61,483
Net Pension Liability	4,908,738	503,164	951,027	4,460,875	-	4,460,875
Loans Payable	9,083,112	-	818,233	8,264,879	832,941	7,431,938
<b>Total Business-Type Activity Long-Term Debt</b>	<b>\$ 14,284,238</b>	<b>\$ 616,765</b>	<b>\$ 1,972,836</b>	<b>\$ 12,928,168</b>	<b>\$ 973,872</b>	<b>\$ 11,954,296</b>

**CITY OF FONTANA**  
**Notes to the Financial Statements**

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**Lease Revenue Bonds**

**2010 Lease Revenue Bonds**

In December 2010, the Fontana Public Financing Authority issued \$5,420,000 of Lease Revenue Bonds. The proceeds of the issue were used to finance the reconstruction of Fire Station # 71. The bonds pay interest semi-annually at rates ranging from 5.72% to 8.41% and mature from September 2013 through September 2042. Principal and interest payments are made from the lease income for certain real property and the improvements thereon.

2010 Lease Revenue Bonds			
	Principal	Interest	Total
2020	\$ 60,000	\$ 430,586	\$ 490,586
2021	70,000	425,979	495,979
2022	80,000	420,664	500,664
2023	85,000	414,339	499,339
2024	95,000	406,947	501,947
2025-2029	665,000	1,888,955	2,553,955
2030-2034	1,020,000	1,545,164	2,565,164
2035-2039	1,495,000	1,021,128	2,516,128
2040-2042	1,635,000	286,252	1,921,252
<b>Totals</b>	<b>\$ 5,205,000</b>	<b>\$ 6,840,014</b>	<b>\$ 12,045,014</b>

**2014 Lease Revenue Bonds**

	Principal	Interest	Total
2020	\$ 1,105,000	\$ 1,512,175	\$ 2,617,175
2021	1,160,000	1,455,550	2,615,550
2022	1,220,000	1,396,050	2,616,050
2023	1,280,000	1,333,550	2,613,550
2024	1,345,000	1,267,925	2,612,925
2025-2029	7,790,000	5,241,375	13,031,375
2030-2034	9,880,000	3,104,375	12,984,375
2035-2037	9,595,000	786,300	10,381,300
<b>Totals</b>	<b>\$ 33,375,000</b>	<b>\$ 16,097,300</b>	<b>\$ 49,472,300</b>

**2014 Lease Revenue Bonds**

In November 2014, the Fontana Public Facilities Financing Authority issued \$37,675,000 of Lease Revenue Bonds. The proceeds of the issue were used to refinance 2007 Lease Revenue Bonds with an outstanding balance of \$43,935,000. The bonds pay interest semi-annually at rates ranging from 3.875% to 5.00% and mature from September 2015 through September 2037. Principal and interest payments are made from the lease income for certain real property and the improvements thereon.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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***SANBAG Loan Payable***

The City entered into an agreement with San Bernardino Associated Governments “SANBAG” for the I-15 Duncan Canyon Interchange Project. Under the agreements, SANBAG contributed \$12.0 million of State Proposition 1B Corridor Mobility Improvement funds to the project. A portion of the SANBAG funding to the project is the “public share” contribution; the balance of approximately \$3.9 million will be reimbursed by the City. As of the date of this report, a repayment schedule has not been finalized.

***San Bernardino Trunk Sewer Loans***

In March 2007, the City received approval from the State of California Water Resources Control Board for the San Bernardino Trunk Sewer Project. The Project was being funded by the State Revolving Fund on a reimbursement basis for construction costs incurred in relation to the project. The project was done in three phases, with each of the three phases being funded by a separate loan from the State Revolving Fund. The loans will be repaid in twenty annual installments, payments commenced in the fiscal year ended June 30, 2009.

San Bernardino Trunk Sewer - State Revolving Fund Loans

Fiscal Year Ending	Trunk Sewer Phase		Lift Station Phase		Force Main Phase		Combined Loans		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2020	\$ 426,405	\$ 75,836	\$ 177,361	\$ 35,816	\$ 229,175	\$ 40,226	\$ 832,941	\$ 151,878	\$ 984,819
2021	434,231	68,010	180,352	32,825	233,330	36,071	847,913	136,906	984,819
2022	442,201	60,040	183,393	29,784	237,561	31,841	863,155	121,665	984,820
2023	450,317	51,923	186,485	26,692	241,868	27,533	878,670	106,148	984,818
2024	458,583	43,658	192,827	20,350	246,253	23,148	897,663	87,156	984,819
2025 - 2029	1,920,057	88,904	994,004	71,878	1,030,476	47,129	3,944,537	207,911	4,152,448
Totals	\$ 4,131,794	\$ 388,371	\$ 1,914,422	\$ 217,345	\$ 2,218,663	\$ 205,948	\$ 8,264,879	\$ 811,664	\$ 9,076,543

***Mello-Roos Community Facilities Districts***

Between 1988 and 2019, eleven Community Facilities Districts have issued Special Tax Bonds. The bonds are authorized pursuant to the Mello-Roos Community Facilities Act of 1982 and are secured by and payable solely from the revenues of an annual special assessment tax levied against land within the Districts. The bonds are not backed by the full faith and credit or taxing power of the City and do not constitute indebtedness of the City. The City is not liable for the bonds, but acts as an agent for the bondholders in collecting the assessments from property owners, forwarding the collections to bondholders and initiating foreclosure proceedings if necessary.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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The transactions occurring as a result of the City acting in an agent capacity are being accounted for in an agency fund. As the bonds are financing the construction and installation of certain public improvements, the transactions relating to the construction of the improvements are being accounted for in capital project funds. The bonds are not reflected as an indebtedness of the City at June 30, 2019.

Special Tax Bonds	Date of Issue	Outstanding	
		Original Issue Amount	Amount at June 30, 2019
CFD # 7 (County Club Estates)	July 2005	\$ 3,985,000	\$ 2,165,000
CFD # 11 (Heritage West End)	November 2011	8,800,000	5,765,000
CFD # 12 (Sierra Lakes)	July 2005	26,920,000	16,200,000
CFD # 22 (Sierra Hills South)	June 2014	31,260,000	27,105,000
CFD # 31 (Citrus Heights North)	July 2018	18,485,000	18,485,000
CFD # 37 (Montelago)	September 2005	4,590,000	3,330,000
CFD # 70 (Avellino)	July 2013	2,750,000	2,485,000
CFD # 71 (Sierra Crest)	July 2016	5,915,000	5,625,000
CFD #74B (Citrus/Summit)	June 2019	4,045,000	4,045,000
CFD # 80 (Bella Strada)	August 2017	11,125,000	11,035,000
CFD # 81 (Gabriella)	March 2018	7,180,000	7,180,000
Total Special Tax Bonds		<u>\$ 125,055,000</u>	<u>\$ 103,420,000</u>

#### **IV. OTHER INFORMATION**

##### **Note 8. Risk Management**

The City established risk management programs for workers' compensation in 1978-79 and for general liability in 1983-84, which are accounted for in the City's General Fund. The programs are supported by contributions from the other principal City funds and intra-fund transfers.

Effective with an excess coverage insurance policy on July 1, 1992, the workers' compensation program provides for self-insurance up to a maximum of \$1,000,000 per incident. The claims which exceed the limit are insured up to a maximum per incident of \$45,000,000.

Under the City's excess insurance policy for general liability, all claims incurred after October 1, 1992, are self-insured up to a maximum of \$1,000,000 per incident. The claims which exceed the limit are insured up to maximum per incident of \$25,000,000. The City is self-insured for general liability claims incurred prior to October 1, 1992.

There have been no significant changes in insurance coverage in the last three years. The amount of settlements has not exceeded the amount of insurance coverage for each of the past three fiscal years.

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**CITY OF FONTANA**  
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Liabilities under the City's self-insurance programs are accrued and charged to expenses when claims are reasonably determinable and when the existence of the City's liability is probable. The accrued liabilities for general liability includes an estimate of incurred but not reported claims. The following is a summary of the changes in the claims liability over the past two fiscal years:

Claims payable, June 30, 2017	<u>\$ 19,091,925</u>
Claims incurred (including IBNRs)	1,071,853
Claims paid/dismissed	<u>(7,693,059)</u>
Claims payable, June 30, 2018	<u>\$ 12,470,719</u>
Claims incurred (including IBNRs)	2,653,733
Claims paid/dismissed	<u>(3,340,616)</u>
Claims payable, June 30, 2019	<u>\$ 11,783,836</u>

There are several other legal actions pending against the City which management considers incidental to normal operations. These actions are not covered by insurance. All liabilities to be accrued are included in the claims and judgments amount stated above.

**Note 9. Litigation**

The City of Fontana has been named as a defendant in numerous lawsuits and claims arising in the course of operations. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable financial loss to the City, such loss has been accrued in the accompanying financial statements.

**Note 10. Jointly Governed Organization**

***I.R.N.E.T.***

The City of Fontana is a member of Inland Regional Narcotics Enforcement Team (I.R.N.E.T.), a joint powers authority of the police departments of 10 cities in San Bernardino and Riverside Counties, and participating county, federal and state law enforcement agencies. The organization was formed September 18, 1989, with the mission to promote coordinated law enforcement efforts and to address emerging criminal justice issues, mainly in the areas of drug trafficking and money laundering. The executive council consists of police chiefs of the cities and resident agents in charge of the federal and state law enforcement agencies. All financial decisions were made by the executive council. The members received monetary distributions from the asset seizures based on their respective contribution to the effort. Financial information for I.R.N.E.T. is not available.

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**CITY OF FONTANA**  
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## **Note 11. Other Post-Employment Benefits Liability**

### ***Plan Description***

In addition to the pension benefits described in Note 12, the City provides post-retirement health care benefits (OPEB Plan) in accordance with City Council approval to all employees who retire from the City on or after reaching age 50 or over with at least five years of PERS-credited service. The post-retirement health care benefits are provided to eligible retirees by the City, as a single-employer plan. Additional requirements are set forth in the individual contracts for executive positions or in the Memorandum of Understanding (MOUs) for the five bargaining units operating within the City. The amount the City provides on the behalf of retirees is dictated in the contracts or MOUs.

### ***Employees Covered***

As of the June 30, 2018 measurement date, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	534
Inactive employees or beneficiaries currently receiving benefits	230
Inactive employees entitled to, but not yet receiving benefits	0
Total	<u>764</u>

### ***Contributions***

The required contribution is based on projected pay-as-you-go financing requirements. For the fiscal year ending June 30, 2019, the City's cash contributions were \$2,261,157 in the form of current premiums, which is funded through the General fund, and the estimated implied subsidy was \$522,940 resulting in total payments of \$2,784,097.

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***OPEB Liability***

The City's OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2018 OPEB liability, based on the following actuarial methods and assumptions:

<b>Actuarial Cost Method:</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
Discount Rate	3.50%
Inflation	2.75%
Salary Increases	3.0% per annum, in aggregate
Mortality Rate <sup>(1)</sup>	Derived using CalPERS' Membership Data for all funds
Pre-Retirement Turnover <sup>(2)</sup>	Derived using CalPERS' Membership Data for all funds
Healthcare Trend Rate	Based on recent premium experience assuming 5%-6.5% increase due to market trends then reduced to a rate reflecting medical price inflation

Notes:

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

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

***Discount Rate***

The discount rate used to measure the total OPEB liability was 3.50 percent. The discount rate is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO index, Fidelity GO AA 20 Year Bond Index. Sensitivity analysis showing a 1% increase and decrease in the discount rate is also provided.

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***Changes in the OPEB Liability***

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

	<u>Increase (Decrease)</u>	<u>Total OPEB Liability</u>
Balance at June 30, 2018 <i>(Valuation Date June 30, 2017)</i>	<u>\$ 70,107,961</u>	
<b>Changes recognized for the measurement period:</b>		
Service cost	1,109,799	
Interest	2,377,354	
Changes of assumptions	(1,014,856)	
Benefit payments	(2,591,180)	
<b>Net Changes</b>	<u>(118,883)</u>	
Balance at June 30, 2019 <i>(Measurement Date June 30, 2018)</i>	<u>\$ 69,989,078</u>	

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

The following presents the OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	<b>Current</b>		
	<b>1% Decrease</b> (2.50%)	<b>Discount Rate</b> (3.50%)	<b>1% Increase</b> (4.50%)
<b>OPEB Liability</b>	\$81,248,612	\$69,989,078	\$60,968,182

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

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	<b>1% Decrease</b> (5.50%HMO/5.50%PPO decreasing to 4.00%HMO/4.00%PPO)	<b>Current Healthcare Cost Trend Rates</b> (6.5%HMO/6.50%PPO decreasing to 5.00%HMO/5.00%PPO)	<b>1% Increase</b> (7.5%HMO/7.5%PPO decreasing to 6.00%HMO/6.00%PPO)
<b>OPEB Liability</b>	\$60,118,767	\$69,989,078	\$82,311,541

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

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$2,693,253. As of fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
OPEB contributions subsequent to measurement date	\$ 2,784,097	\$ -
Total	\$ 2,784,097	\$ -

The \$2,784,097 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020.

**Note 12. Pensions**

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the Local Government's separate Safety (police and fire) and Miscellaneous (all other) Plans, 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, 2017 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.

**CITY OF FONTANA**  
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**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	<b>Safety</b>			<b>Miscellaneous</b>	
	Tier I Prior to July 1, 2011	Tier II On or after July 1, 2011	Tier III After January 1, 2013	Prior to July 1, 2011	On or after July 1, 2011
Hire Date					
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57	2.5% @ 55	2% @ 55
Final Average Compensation Period	Highest 1-year salary	Final 3-year average	Final 3-year average	Highest 1-year salary	Final 3-year average
Benefit vesting schedule	5 yrs credited service	5 yrs credited service	5 yrs credited service	5 yrs credited service	5 yrs credited service
Benefit payments	Monthly	Monthly	Monthly	Monthly	Monthly
Retirement age	50 and above	50 and above	50 and above	55 and above	55 and above
Monthly benefit basis	Benefit factor, years of	Benefit factor, years of	Benefit factor, years of	Benefit factor, years of	Benefit factor, years of
Required employee contribution rates	9%	9%		8%	8%
To be paid by employee	-	9%	50% of Normal Costs	3%	8%
To be paid by the City	9%	-		5%	-
Required employer contribution rates	18.211%	18.211%	18.211%	8.261%	8.261%

**Employees Covered**

As of the June 30, 2018 measurement date, the following employees were covered by the benefit terms for each Plan:

	<b>Safety</b>	<b>Miscellaneous</b>
Inactive employees or beneficiaries currently receiving benefits	162	426
Inactive employees entitled to but not yet receiving benefits	62	546
Active employees	184	844
<b>Total</b>	<b>408</b>	<b>1,816</b>

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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***Contribution Description***

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

***Actuarial Methods and Assumptions used to determine Total Pension Liability***

The June 30, 2017 valuation was rolled forward to determine the June 30, 2018 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS' Membership Data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

<sup>1</sup> The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

***Change of Assumptions***

There were no changes of assumptions.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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***Discount Rate***

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

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

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

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2017.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	50.0%	4.8%	5.98%
Global Fixed Income	28.0	1.00	2.62
Inflation Sensitive	0.0	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	0.00	(0.92)

<sup>1</sup>An expected inflation of 2.0% used for this period

<sup>2</sup>An expected inflation of 2.92% used for this period

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**CITY OF FONTANA**  
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***Pension Plan Fiduciary Net Position***

The plan fiduciary net position (assets) disclosed in the GASB report may differ from the plan assets reported in the actuarial valuation report due to several reasons. First, CalPERS must keep Reserves for Deficiencies and Fiduciary Self Insurance. These amounts are excluded for rate setting purposes in the actuarial valuation report while required to be included for GASB reporting purposes. In addition, differences may result from early CAFR closing and final reconciled reserves. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. This report are publicly available reports that can be obtained at <https://www.calpers.ca.gov/page/investments/about-investment-office/investment-financial-reports>.

***Liability, Expense and Deferred Outflows/Inflows***

The components of the net pension liability at June 30, 2019 are as follows:

Total Pension Liability	\$465,500,958
Plan's Fiduciary Net Position	<u>319,734,313</u>
Net Pension Liability	<u>\$145,766,645</u>

Plan Fiduciary Net Position as a  
Percentage of Total Pension Liability                    68.69%

***Pension expense***

At June 30, 2019, the City recognized pension expense for CalPERS of \$20,337,647.

***Deferred Outflows/Inflows***

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 14,943,087	\$ -
Differences between Expected and Actual Experience	1,568,859	(1,549,725)
Changes of Assumptions	14,698,396	(2,381,878)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	470,703	
<b>Total</b>	<b>\$ 31,681,045</b>	<b>\$ (3,931,603)</b>

**CITY OF FONTANA**  
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***Changes in Net Pension Liability***

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
<b>Balance at: 6/30/2017 (VD)</b>	<b>\$246,940,057</b>	<b>\$153,999,655</b>	<b>\$92,940,402</b>
<b>Changes Recognized for the Measurement Period:</b>			
Service Cost	6,252,517		6,252,517
Interest on the Total Pension Liability	17,568,272		17,568,272
Changes of Benefit Terms	-		-
Differences between Expected and Actual Experience	1,250,890		1,250,890
Changes of Assumptions	(445,464)		(445,464)
Net Plan to Plan Resource Movement		(388)	388
Contributions from the Employer		8,215,736	(8,215,736)
Contributions from Employees		2,577,060	(2,577,060)
Net Investment Income		13,214,512	(13,214,512)
Benefit Payments, including Refunds of Employee Contributions	(10,323,275)	(10,323,275)	-
Administrative Expense		(239,974)	239,974
Other Miscellaneous Income/(Expense)		(455,714)	455,714
<b>Net Changes during 2017-18</b>	<b>14,302,940</b>	<b>12,987,957</b>	<b>1,314,983</b>
<b>Balance at: 6/30/2018 (MD)</b>	<b>\$261,242,997</b>	<b>\$166,987,612</b>	<b>\$94,255,385</b>

**CITY OF FONTANA**  
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The following table shows the changes in net pension liability recognized over the measurement period for the Miscellaneous plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
<b>Balance at: 6/30/2017 (VD)</b>	<b>\$194,922,262</b>	<b>\$141,682,158</b>	<b>\$53,240,104</b>
<b>Changes Recognized for the Measurement Period:</b>			
Service Cost	4,814,030		4,814,030
Interest on the Total Pension Liability	13,725,324		13,725,324
Changes of Benefit Terms	-		-
Differences between Expected and Actual Experience	(556,946)		(556,946)
Changes of Assumptions	(972,809)		(972,809)
Net Plan to Plan Resource Movement		(354)	354
Contributions from the Employer		5,081,435	(5,081,435)
Contributions from Employees		2,238,093	(2,238,093)
Net Investment Income		12,059,314	(12,059,314)
Benefit Payments, including Refunds of Employee Contributions	(7,673,900)	(7,673,900)	-
Administrative Expense		(220,780)	220,780
Other Miscellaneous Income/(Expense)		(419,265)	419,265
<b>Net Changes during 2017-18</b>	<b>9,335,699</b>	<b>11,064,543</b>	<b>(1,728,844)</b>
<b>Balance at: 6/30/2018 (MD)</b>	<b>\$204,257,961</b>	<b>\$152,746,701</b>	<b>\$51,511,260</b>

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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***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:

	<b>Discount Rate – 1% (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>Discount Rate + 1% (8.15%)</b>
Plan's Net Pension Liability Safety	\$133,185,657	\$94,255,385	\$62,558,119
Plan's Net Pension Liability Misc.	\$81,476,820	\$51,511,260	\$27,029,172

**Amortization of Deferred Outflows and Deferred Inflows of Resources**

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

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

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

Difference between projected and actual earnings      5 year straight-line amortization

All other amounts      Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired as of the beginning of the measurement period).

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for the Safety Plan for the 2017-18 measurement period was 5.6 years, which was obtained by dividing the total service years of 2,275 (the sum of remaining service lifetimes of the active employees) by 408 (the total number of participants). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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The EARSL for the Miscellaneous Plan for the 2017-18 measurement period was 3.6 years, which was obtained by dividing the total service years of 6,579 (the sum of remaining service lifetimes of the active employees) by 1,816 (the total number of participants). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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

For the measurement period ending June 30, 2018 (the measurement date), the City of Fontana recognized a pension expense of \$12,727,315 for the Safety Plan.

As of June 30, 2019, the City of Fontana reports other amounts for the Safety Plan as deferred outflow and deferred inflow of resources related to pensions as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 9,132,884	\$ -
Differences between Expected and Actual Experience	1,568,859	(356,968)
Changes of Assumptions	9,877,069	(1,679,294)
Net Difference between Projected and Actual Earnings on Pension Plan	223,342	-
<b>Total</b>	<b>\$ 20,802,154</b>	<b>\$ (2,036,262)</b>

Employer contributions of \$9,132,884, were made after the measurement date of the net pension liability but before the end of the fiscal year; these contributions are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

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

<b>Measurement period Ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2019	\$ 4,032,339
2020	2,589,565
2021	1,220,023
2022	1,704,785
2023	86,296
Thereafter	-

For the measurement period ending June 30, 2018 (the measurement date), the City of Fontana recognized a pension expense of \$7,763,090 for the Miscellaneous Plan.

As of June 30, 2019, the City of Fontana reports other amounts for the Miscellaneous Plan as deferred outflow and deferred inflow of resources related to pensions as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 5,810,203	\$ -
Differences between Expected and Actual Experience	-	(1,192,757)
Changes of Assumptions	4,821,327	(702,584)
Net Difference between Projected and Actual Earnings on Pension Plan	247,361	-
<b>Total</b>	<b>\$ 10,878,891</b>	<b>\$ (1,895,341)</b>

Employer contributions of \$5,810,203, were made after the measurement date of the net pension liability but before the end of the fiscal year; these contributions are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

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

<b>Measurement period Ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2019	\$ 4,079,735
2020	1,185,513
2021	(1,696,024)
2022	(395,877)
2023	-
Thereafter	-

### **Note 13. Public Agency Retirement Services**

For some City employees (regular-part-time employees) that do not qualify for inclusion in the CalPERS pension plans administered by the City, the City offers an alternative plan, the Public Agency Retirement Services Alternate Retirement System Plan (PARS ARS). Employees are enrolled, on a voluntary basis, in this defined contribution plan; the plan requires a minimum contribution of 7.5% of the employee wages and are paid by the employees only. There is no annual expense to the City for this benefit.

### **Note 14. Classification of Fund Balances**

In the fund financial statements, government funds report the following fund balance classification:

Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is resolution.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Management Services Director is authorized to assign amounts to a specific purpose, which was established by the governing body in Administrative Policy # 20-32.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

**CITY OF FONTANA**  
**Notes to the Financial Statements**

The details of the fund balances as of June 30, 2019 are presented below:

	Special Revenue				Capital Project				Other Governmental Funds		Totals
	Fire Protection General		Housing District	Capital Reinvestment	Future Capital Projects		Sewer Expansion	Traffic Mitigation			
	General	District	Authority	Reinvestment	Projects	Expansion	Mitigation				
<b>Fund balances:</b>											
<b>Nonspendable</b>											
Deposits	\$ 63,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,175
Inventories	330,543	-	-	-	-	-	-	-	-	1,095,272	1,425,815
Loan receivables	-	-	-	-	-	-	-	-	-	1,923,825	1,923,825
<b>Restricted</b>											
Community facilities districts	-	-	-	-	-	-	-	-	34,767,568	34,767,568	
Community services	-	-	-	-	-	-	-	-	(260,246)	(260,246)	
Debt service reserve	-	-	-	-	-	-	-	-	11,267,812	11,267,812	
Government-access channel	1,236,229	-	-	-	-	-	-	-	-	-	1,236,229
Housing & community development	-	-	88,124,997	-	-	-	-	-	1,620,395	89,745,392	
Lighting and landscaping	-	-	-	-	-	-	-	-	6,903,751	6,903,751	
Municipal Services Impact	-	-	-	-	-	-	-	-	18,915,010	18,915,010	
Public safety	-	13,903,921	-	-	-	-	-	-	7,860,768	21,764,689	
Transportation	-	-	-	-	-	-	-	-	20,009,757	20,009,757	
Solid waste mitigation	-	-	-	-	-	-	-	-	3,857,294	3,857,294	
<b>Committed</b>											
Expenditure control budget reserve	1,578,985	-	-	-	-	-	-	-	-	-	1,578,985
PERS reserve	4,588,085	-	-	-	-	-	-	-	-	-	4,588,085
<b>Assigned</b>											
Capital projects	65,536	-	-	12,106,852	52,153,642	1,192,707	-	-	59,374,266	124,893,003	
Debt service	-	-	-	-	-	-	-	-	91,324	91,324	
Equipment replacement	1,713,840	-	-	-	-	-	-	-	-	-	1,713,840
Retiree benefits	24,675,902	-	-	-	-	-	-	-	-	-	24,675,902
<b>Unassigned</b>	<u>60,465,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,481,614)</u>	<u>(1,872,498)</u>	<u>55,111,699</u>	
<b>Total fund balances</b>	<b>\$ 94,718,106</b>	<b>\$ 13,903,921</b>	<b>\$ 88,124,997</b>	<b>\$ 12,106,852</b>	<b>\$ 52,153,642</b>	<b>\$ 1,192,707</b>	<b>\$ (3,481,614)</b>	<b>\$ 165,554,298</b>	<b>\$ 424,272,909</b>		

Adequate reserve levels are a necessary component of the City's overall financial management strategy and to provide for the orderly provision of services to the citizens of the City of Fontana. Those necessary components are as follows:

- Economic uncertainties, local disasters and other hardships or downturns in the local economy
- Contingencies for unforeseen operating or capital needs

The balance of these components as of June 30, 2019, is \$6,919,867 and is included in the unassigned fund balance in the General Fund.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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### **Note 15: Fontana Fire Protection District**

The Fontana Fire Protection District (the District) was formed on July 1, 2008 pursuant to the State of California Health and Safety Code commencing with Section 13800, for the purpose of providing fire protection services. The District is a component unit of the City of Fontana; the City of Fontana has oversight responsibility of the District determined by criteria such as financial interdependency, selection of governing authority and designation of management, budget control, ability to significantly influence operations, etc.

The accounts of the District have been included within the scope of the basic financial statement of the City because the City Council has financial accountability over the operations of the District. The following information is relative only to the District as a component unit, which is an integral part of the total reporting entity.

The District reports the following governmental funds:

**The Fire Protection District Special Revenue Fund** accounts for the cost of fire suppression, emergency medical, fire prevention and education services incurred by the District within the City's Sphere of Influence.

**The Fire Protection District CFD Special Revenue Fund** accounts for the special taxes levied on property developed after January 2, 2001 to finance fire protection and suppression services within the Community Facilities District.

**The Fire Protection District Capital Project Fund** accounts for the money expended on capital improvements and equipment replacement for the District.

**a. Cash and investments**

As of June 30, 2019, the District reported \$22,908,187 as cash and investments.

The District's funds are pooled with the City of Fontana's cash and investments in order to generate optimum interest income. Each fund's share of the pooled cash account is separately accounted for, and investment income is allocated to all participating funds based on the relationship of their average daily cash balances to the total of the pooled cash and investments. Information regarding the authorized types of deposits and investments, the type of risks (i.e. credit, interest rate, custodial, etc.) and other disclosures associated with the City's pooled cash and investment is included in Note 3.

## **CITY OF FONTANA**

### **Notes to the Financial Statements**

**b. Capital Assets**

An analysis of capital assets as of June 30, 2019, follows:

	Balance June 30, 2018 as Previously Reported			Balance June 30, 2019		
	Increases	Decreases				
<b>Capital assets, not being depreciated</b>						
Land	\$ 1,122,000	\$ -	\$ -	\$ 1,122,000		
<b>Total capital assets, not being depreciated</b>	<b>1,122,000</b>	<b>-</b>	<b>-</b>	<b>1,122,000</b>		
<b>Capital assets, being depreciated</b>						
Buildings and improvements	16,404,903	-	-	16,404,903		
Machinery and equipment	1,831,801	167,328	(247,552)	1,751,577		
Vehicles	11,497,125	776,608	(26,000)	12,247,733		
Infrastructure	1,012,418	-	-	1,012,418		
	30,746,247	943,936	(273,552)	31,416,631		
<b>Less accumulated depreciation for:</b>						
Buildings and improvements	(2,818,437)	(468,459)	-	(3,286,896)		
Machinery and equipment	(856,068)	(155,787)	247,552	(764,303)		
Vehicles	(6,161,827)	(661,930)	26,000	(6,797,757)		
Infrastructure	(137,313)	(33,823)	-	(171,136)		
	(9,973,645)	(1,319,999)	273,552	(11,020,092)		
<b>Total capital assets, being depreciated, net</b>	<b>20,772,602</b>	<b>(376,063)</b>	<b>-</b>	<b>20,396,539</b>		
<b>Total Capital assets, net</b>	<b>\$ 21,894,602</b>	<b>\$ (376,063)</b>	<b>\$ -</b>	<b>\$ 21,518,539</b>		

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

**c. Long-Term Debt**

The District does not have any outstanding debt as of June 30, 2019.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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**d. Fund Balance**

The district reports fund balances in accordance with the classifications consistent with the City, see Note 14 for more information on the types and descriptions of the fund balance classifications. The details of the fund balances as of June 30, 2019 are presented below:

	<b>Special Revenue</b>		<b>Capital Project</b>		<b>Totals</b>
	<b>Fire Protection District</b>	<b>Fire Protection District CFD</b>	<b>Fire Protection District</b>		
<b>Fund balances:</b>					
<b>Restricted</b>					
Public safety	13,903,921	3,882,957	-		17,786,878
<b>Assigned</b>					
Equipment replacement	-	-	5,137,338		5,137,338
<b>Total fund balances</b>	<b>\$ 13,903,921</b>	<b>\$ 3,882,957</b>	<b>\$ 5,137,338</b>		<b>\$ 22,924,216</b>

**e. Fire Protection Services Agreement**

The District entered into a fire protection services agreement with the San Bernardino County Fire Protection District (County) effective July 1, 2018 for a period of twenty (20) years. The agreement calls for the County to provide to the District fire prevention, fire investigation, fire suppression, advance life support services, ambulance transportation service, hazardous materials, and rescue services. The District paid \$29,716,127 to the County for these services during the fiscal year ending June 30, 2019. The County also provides various administrative duties including billing and collecting of advanced life support and ambulance transportation fees for the District. The District leased its real property, furniture and fixtures, and fire apparatus and equipment to the County for one dollar for the life of the contract. The agreement calls for the County to maintain insurance for workers compensation, comprehensive general and automobile.

The details of the contract expenses for the fiscal year ending June 30, 2019 are as follows:

Salaries and benefits	\$ 23,118,429
Services and supplies	3,816,429
Station expenses	1,039,079
Fire Prevention services	254,888
County contract management fee	1,487,302
 Total contract expenses	 <u>\$ 29,716,127</u>

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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### **Note 16. Successor Agency Trust for Assets of Former Redevelopment Agency**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provided for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Fontana that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

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

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

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

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill. This review was completed October 2014 and identified \$7,124,646 in unallowable transfers. The City has contended all unallowable transfers however the State Controller upholds its initial finding and has instructed the City to return the assets to the Successor Agency in a timely manner. As of June 30, 2019, the assets have not yet been returned to the State Controller.

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

As of June 30, 2019, there is one obligation that has been denied by the State Department of Finance that is currently being contested through the California court system. The Jurupa Hills Owner Participation Agreement (OPA) has been disallowed due to insufficient documentation to support the outstanding obligation, inability to ever repay the entire debt and the opinion that the agreement appears contrary to public policy. In July 2016, the Courts ruled in favor of the Successor Agency; the State Department of Finance has filed an appeal to the ruling.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

**a. Cash and investments**

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

Cash and investments pooled with the City	\$ 573,127
Cash and investments with fiscal agent	<u>21,191,973</u>
	<u>\$21,765,100</u>

**b. Loans Receivable**

Loans receivable reported in the accompanying financial statements consist of the following:

1. A loan was issued for the Oleander Storm Drain on March 2003 in the amount of \$850,429. The balance of the loan at June 30, 2019 was \$850,429. The purpose of the loan was to assist the developer with infrastructure improvements. There is no set repayment schedule for this loan.
2. Various first time home buyer assistance program loans were issued between the period of August 2004 and January 2009 for a total amount of \$350,000. Payments on these loans are deferred until their due date, 10 years after issuance, at which time 20% of the loan will become forgivable. The balance of the loans at June 30, 2019 was \$50,000.
3. A loan was issued for the Chaffey College in February 2005 in the amount of \$4,000,000. The balance of the loan at June 30, 2019 was \$2,040,000. The purpose of the loan was to assist with the costs of expanding the campus located within the City of Fontana. This loan is scheduled to be repaid over a term of 30 years.
4. Various loans were issued for the San Gabriel Valley Water Company in 1988-1989 in the amount of \$330,756. The balance at the loan at June 30, 2019 was \$84,021. The loan represents the reimbursement of costs incurred by the Agency for construction of water infrastructure. This loan is scheduled to be repaid over a 40 year period.

**CITY OF FONTANA**  
**Notes to the Financial Statements**

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**c. Long-Term Debt**

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2019, follows:

<b>Fiduciary Activities:</b>	Balance			Balance June 30, 2019	Amounts Due Within One Year	Amounts Due in More Than One Year
	June 30, 2018	Additions	Retirements			
<b>Tax Allocation Bonds and Notes:</b>						
Jurupa Hills Project Area	\$ 45,175,000	\$ -	\$ 45,175,000	\$ -	\$ -	\$ -
2017 Tax Allocation Refunding Bonds	208,125,000	-	12,635,000	195,490,000	11,255,000	184,235,000
2018 Tax Allocation Refunding Bonds	-	31,580,000	-	31,580,000	2,865,000	28,715,000
<b>Other Redevelopment Agency:</b>						
Advances from City	32,470,937	-	876,042	31,594,895	876,042	30,718,853
Owner participation agreements	206,089,507	151,312	-	206,240,819	-	206,240,819
Total Redevelopment Agency	<u>\$ 491,860,444</u>	<u>\$ 31,731,312</u>	<u>\$ 58,686,042</u>	<u>\$ 464,905,714</u>	<u>\$ 14,996,042</u>	<u>\$ 449,909,672</u>
		Unamortized bond premium		38,400,378		38,400,378
				<u>\$ 503,306,092</u>		<u>\$ 488,310,050</u>

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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***Tax Allocation Bonds***

The Former Fontana Redevelopment Agency has issued the following Tax Allocation Bonds which are special obligations of the Successor Agency secured by pledged property tax revenues. The bonds are not a debt of the City and are not payable out of any funds or properties other than those of the Successor Agency.

***2017 Tax Allocation Refunding Bonds***

\$208,125,000 of *2017 Tax Allocation Refunding Bonds* were issued in November 2017. The bonds pay interest semi-annually at rates ranging from 1.50% to 3.00% and mature from October 2018 to October 2036. The proceeds were used to refinance various tax allocation bonds previously issued by the Former Redevelopment Agency of the City of Fontana.

<b>2017 Tax Allocation Refunding Bonds</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 11,255,000	\$ 9,127,438	\$ 20,382,438
2021	11,695,000	8,627,000	20,322,000
2022	11,300,000	8,073,963	19,373,963
2023	11,240,000	7,533,525	18,773,525
2024	11,770,000	6,979,725	18,749,725
2025-2029	66,385,000	25,643,419	92,028,419
2030-2034	63,620,000	8,315,375	71,935,375
2035-2036	8,225,000	405,175	8,630,175
 Totals	 \$ 195,490,000	 \$ 74,705,620	 \$ 270,195,620

***2018 Tax Allocation Refunding Bonds***

\$31,580,000 of *2018 Tax Allocation Refunding Bonds* were issued in July 2018. The bonds mature October 1, 2027, with an interest yield of 5.00 percent. The proceeds from the bonds will be used to refinance various tax allocation bonds previously issued by the Former Redevelopment Agency of the City of Fontana for the Jurupa Hills Project Area. The refinancing resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$13.6 million.

The details of those issues are as follows:

\$ 38,800,000	1997 Series A Tax Allocation Bonds (Jurupa Hills)
6,375,000	1999 Series A Tax Allocation Bonds (Jurupa Hills)
 \$ 45,175,000	

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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The Successor Agency completed the refinancing to reduce its total debt service payments over the next 10 years by \$14.0 million and to obtain an economic gain (difference between the present value of the old and new debt service payments of \$6.5 million.

2018 Tax Allocation Refunding Bonds			
	Principal	Interest	Total
2020	\$ 2,865,000	\$ 1,507,375	\$ 4,372,375
2021	3,005,000	1,360,625	4,365,625
2022	3,160,000	1,206,500	4,366,500
2023	3,315,000	1,044,625	4,359,625
2024	3,480,000	874,750	4,354,750
2025-2027	<u>15,755,000</u>	<u>1,623,375</u>	<u>17,378,375</u>
Totals	<u>\$ 31,580,000</u>	<u>\$ 7,617,250</u>	<u>\$ 39,197,250</u>

***Long-Term Payables to the City of Fontana***

The advances between the City and the Former Redevelopment Agency include the following:

1. A loan between the Agency and the City which resulted from the amendment to the 1991 Junior Lien Tax Allocation Bonds. The principal balance of the advances at June 30, 2019 was \$27,501,229.
2. Advances between the City and the Agency for administrative and other costs. The principal balance of the advances at June 30, 2019 was \$4,093,667. Repayments on this loan are pending the approval of the State Department of Finance.

***Payable Under Jurupa Hills Owner Participation Agreement***

The Agency has entered into an owner participation agreement (OPA) with Ten-Ninety, Ltd., a private land development partnership (the Participating Owner), relating to the Jurupa Hills Project Area. The OPA requires, among other things, the reimbursement by the Agency to the Participating Owner of costs incurred for certain infrastructure and other improvements. Costs advanced, which accrue interest at 15.5%, are reimbursed from, and limited to: (i) the tax increment revenue generated in the Southridge Village portion of the Jurupa Hills Project Area and (ii) certain fees and assessments collected from benefited property owners.

In January 1992, the City, Agency and Participating Owner entered into two agreements in further implementation of the development of Southridge Village; a Facilitation Agreement and an Amendment No. 3 to OPA and Composite OPA. On March 31, 1992, a judgment was entered by the San Bernardino County Superior Court validating the provisions of these two agreements and declaring them to be legally binding upon the parties.

The Facilitation Agreement provides for specific allocations of costs and responsibilities between the City and Participating Owner with respect to certain public works items and for the discharge of the Participating Owner's obligations and responsibilities with respect to the infrastructure items for Phase I, II and III of Southridge Village.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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Amendment No. 3 to OPA includes acknowledgment that the Participating Owner has completed its infrastructure obligations relating to the development of Southridge Village, and provides for certain payments by the Participating Owner to the Agency and City, in order to mitigate certain negative fiscal impacts imposed by the development and continued existence of Southridge Village. As described in the agreements, the payments to the City and Agency will be in amounts equal to 35% of the residual tax increments and 50% of the assessments and other reimbursements to be paid to the Participating Owner as reimbursement for public infrastructure improvements installed by the Participating Owner.

The balance at June 30, 2019 does not include \$689,594,533 of accumulated unpaid interest that is subject to the same limitations of reimbursement from tax increment revenue, fees and assessments as is the case for costs of construction advanced. The total reimbursement costs of the project are \$237,820,819. This obligation has been disallowed by the State Department of Finance due to insufficient documentation to support the outstanding obligation, inability to ever repay the entire debt and the opinion that the agreement appears contrary to public policy. This determination is currently being challenged in the California court system by the Successor Agency. A hearing was held in July 2016, in which the courts ruled in favor of the Successor Agency however, the State Department of Finance has since appealed that ruling.

In October 1988, the Agency issued \$28,700,000 of Refunding Tax Allocation Bonds, 1988 Series A, and in June 1992, the Agency issued \$37,765,000 of Refunding Tax Allocation Bonds, 1992 Series A, both issues relating to the Jurupa Hills Project Area. In October 1994, the Agency issued \$26,350,000 of Refunding Tax Allocation Bonds, 1994 Series A, and \$5,930,000 of Refunding Tax Allocation Bonds, 1994 Series B. Both of these issues were used to defease the 1988 Series A Refunding Tax Allocation Bonds and to refund a portion of the principal obligation due to the participating owner. In December 1997, the Agency issued \$52,170,000 of Tax Allocation Refunding Bonds, 1997 Series A. The proceeds were used to refund the 1994 Tax Allocation Bond Anticipation Notes and to defease the 1992 Series A Refunding Tax Allocation Bonds. In June 1999, the Agency issued \$33,985,000 of Tax Allocation Refunding Bonds, 1999 Series A. The proceeds were used to defease the 1994 Series A and 1994 Series B Tax Allocation Refunding Bonds. The payable under the OPA is subordinate to these bond issues.

***Pledged Revenue***

The Successor Agency pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$340,987,766 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$35,745,627 and the debt service obligation on the bonds was \$27,556,213.

**d. Insurance**

The Successor Agency is covered under the City of Fontana's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 8.

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**CITY OF FONTANA**  
**Notes to the Financial Statements**

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**e. Commitments and Contingencies**

At June 30, 2019, the Successor Agency was involved as a defendant in several lawsuits arising out of the ordinary conduct of its affairs. It is the opinion of management that settlements of these lawsuits, including losses for claims that are incurred but not reported, if any, will not have a material effect on the financial position of the Successor Agency.

**Note 17. Tax Abatement**

The City occasionally enters into Operating Covenant Agreements (OCA) with local businesses as a mechanism to promote economic development in the City, retain business and create jobs. The City currently has one OCA in which the City is granting a portion of sales tax revenues generated back to the retailer as an incentive to continue operating their business in the City.

The OCA was entered into in December 2015 and has an initial term of 20 years. The City has agreed to share (50%-50%) the sales tax generated each quarter that exceeds the agreed upon base amount.

# Required Supplementary Information

## CITY OF FONTANA

### Schedule of Changes in Net Pension Liability and Related Ratios During the Measurement Period

#### Safety Plan

	2018	2017	2016	2015	2014
<b>Measurement Period</b>					
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 6,252,517	\$ 6,181,410	\$ 5,464,647	\$ 5,255,619	\$ 5,261,265
Interest	17,568,272	16,583,112	15,674,983	14,718,880	13,833,230
Changes of Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience	1,250,890	(544,846)	773,988	463,048	-
Changes of Assumptions	(445,464)	15,075,525	-	(3,940,129)	-
Benefit Payments, Including Refunds of Employee Contributions	(10,323,275)	(9,330,793)	(8,666,808)	(8,043,006)	(7,265,033)
<b>Net Change in Total Pension Liability</b>	<b>14,302,940</b>	<b>27,964,408</b>	<b>13,246,810</b>	<b>8,454,412</b>	<b>11,829,462</b>
<b>Total Pension Liability – Beginning</b>	<b>246,940,057</b>	<b>218,975,649</b>	<b>205,728,839</b>	<b>197,274,427</b>	<b>185,444,965</b>
<b>Total Pension Liability – Ending (a)</b>	<b>\$ 261,242,997</b>	<b>\$ 246,940,057</b>	<b>\$ 218,975,649</b>	<b>\$ 205,728,839</b>	<b>\$ 197,274,427</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions – Employer	8,215,736	7,706,792	6,985,270	6,756,772	6,213,039
Contributions – Employee	2,577,060	2,509,352	2,505,888	2,177,122	1,764,545
Net Investment Income	13,214,512	15,449,532	710,225	2,956,715	19,674,310
Benefit Payments, Including Refunds of Employee Contributions	(10,323,275)	(9,330,793)	(8,666,808)	(8,043,006)	(7,265,033)
Other Changes in Net Fiduciary Position	(696,076)	(203,553)	(83,139)	(153,538)	-
<b>Net Change in Fiduciary Net Position</b>	<b>12,987,957</b>	<b>16,131,330</b>	<b>1,451,436</b>	<b>3,694,065</b>	<b>20,386,861</b>
<b>Plan Fiduciary Net Position – Beginning</b>	<b>153,999,655</b>	<b>137,868,325</b>	<b>136,416,889</b>	<b>132,722,824</b>	<b>112,335,963</b>
<b>Plan Fiduciary Net Position – Ending (b)</b>	<b>166,987,612</b>	<b>153,999,655</b>	<b>137,868,325</b>	<b>136,416,889</b>	<b>132,722,824</b>
<b>Plan Net Pension Liability – Ending (a) - (b)</b>	<b>\$ 94,255,385</b>	<b>\$ 92,940,402</b>	<b>\$ 81,107,324</b>	<b>\$ 69,311,950</b>	<b>\$ 64,551,603</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>63.92%</b>	<b>62.36%</b>	<b>62.96%</b>	<b>66.31%</b>	<b>67.28%</b>
<b>Covered Payroll</b>	<b>21,782,736</b>	<b>21,411,929</b>	<b>21,176,697</b>	<b>20,121,052</b>	<b>19,360,681</b>
<b>Plan Net Pension Liability as a Percentage of Covered Payroll</b>	<b>432.71%</b>	<b>434.06%</b>	<b>383.00%</b>	<b>344.47%</b>	<b>333.42%</b>

#### Notes to Schedule:

Benefit Changes: There were no changes to benefit terms specific to the plan

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes to the discount rate. 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 reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

GASB 68 was implemented in FY 2014-15, therefore only five years of information is being presented.

## CITY OF FONTANA

### Schedule of Changes in Net Pension Liability and Related Ratios During the Measurement Period

#### Miscellaneous Plan

Measurement Period	2018	2017	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 4,814,030	\$ 4,788,249	\$ 4,194,877	\$ 4,254,965	\$ 4,004,767
Interest	13,725,324	13,067,481	12,382,291	11,767,900	11,147,316
Changes of Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience	(556,946)	(1,186,594)	(1,811,514)	(1,027,499)	-
Changes of Assumptions	(972,809)	11,708,939	-	(3,097,256)	-
Benefit Payments, Including Refunds of Employee Contributions	(7,673,900)	(6,602,614)	(6,385,882)	(5,914,227)	(5,994,855)
<b>Net Change in Total Pension Liability</b>	<b>9,335,699</b>	<b>21,775,461</b>	<b>8,379,772</b>	<b>5,983,883</b>	<b>9,157,228</b>
<b>Total Pension Liability – Beginning</b>	<b>194,922,262</b>	<b>173,146,801</b>	<b>164,767,029</b>	<b>158,783,146</b>	<b>149,625,918</b>
<b>Total Pension Liability – Ending (a)</b>	<b>\$ 204,257,961</b>	<b>\$ 194,922,262</b>	<b>\$ 173,146,801</b>	<b>\$ 164,767,029</b>	<b>\$ 158,783,146</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Net Plan to Plan Resource Movement	(354)	13,206	-	-	-
Contributions – Employer	5,081,435	4,478,806	4,452,429	3,868,104	3,657,678
Contributions – Employee	2,238,093	2,148,688	2,157,198	2,068,784	2,016,250
Net Investment Income	12,059,314	14,325,541	622,155	2,781,662	18,466,862
Benefit Payments, Including Refunds of Employee Contributions	(7,673,900)	(6,602,614)	(6,385,882)	(5,914,227)	(5,994,855)
Other Changes in Net Fiduciary Position	(640,045)	(188,255)	(77,240)	(142,590)	-
<b>Net Change in Fiduciary Net Position</b>	<b>11,064,543</b>	<b>14,175,372</b>	<b>768,660</b>	<b>2,661,733</b>	<b>18,145,935</b>
<b>Plan Fiduciary Net Position – Beginning</b>	<b>141,682,158</b>	<b>127,506,786</b>	<b>126,738,126</b>	<b>124,076,393</b>	<b>105,930,458</b>
<b>Plan Fiduciary Net Position – Ending (b)</b>	<b>\$ 152,746,701</b>	<b>\$ 141,682,158</b>	<b>\$ 127,506,786</b>	<b>\$ 126,738,126</b>	<b>\$ 124,076,393</b>
<b>Plan Net Pension Liability – Ending (a) - (b)</b>	<b>\$ 51,511,260</b>	<b>\$ 53,240,104</b>	<b>\$ 45,640,015</b>	<b>\$ 38,028,903</b>	<b>\$ 34,706,753</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>74.78%</b>	<b>72.69%</b>	<b>73.64%</b>	<b>76.92%</b>	<b>78.14%</b>
<b>Covered Payroll</b>	<b>29,204,258</b>	<b>28,947,762</b>	<b>28,347,600</b>	<b>28,221,562</b>	<b>25,050,147</b>
<b>Plan Net Pension Liability as a Percentage of Covered Payroll</b>	<b>176.38%</b>	<b>183.92%</b>	<b>161.00%</b>	<b>134.75%</b>	<b>138.55%</b>

#### Notes to Schedule:

Benefit Changes: There were no changes to benefit terms specific to the plan

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes to the discount rate. 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 reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

GASB 68 was implemented in FY 2014-15, therefore only five years of information is being presented.

**CITY OF FONTANA**  
**Schedule of Plan Contributions**  
**Safety Plan**

	<b>Fiscal Year</b>					
	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>
Actuarially Determined Contribution	\$ 9,132,884	\$ 8,215,736	\$ 7,706,792	\$ 6,985,270	\$ 6,756,772	\$ 6,213,039
Contributions in Relation to the Actuarially Determined Contribution	(9,132,884)	(8,215,736)	(7,706,792)	(6,961,021)	(6,756,772)	(6,213,039)
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>					
Covered Payroll	\$ 22,436,218	\$ 21,782,736	\$ 21,411,929	\$ 21,176,697	\$ 20,121,052	\$ 19,360,681
Contributions as a Percentage of Covered Payroll	40.71%	37.72%	35.99%	32.99%	33.58%	32.09%

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018-19 were from the June 30, 2016 public agency valuations.

GASB 68 was implemented in FY 2014-15, therefore only the six most recent years of information is being presented.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2016 Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2016 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.375% Net of Pension Plan Investment Expenses, including Inflation.
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

**CITY OF FONTANA**  
**Schedule of Plan Contributions**  
**Miscellaneous Plan**

	<b>Fiscal Year</b>					
	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>
Actuarially Determined Contribution Contributions in Relation to the Actuarially Determined Contribution Contribution Deficiency (Excess)	\$ 5,810,203 (5,810,203)	\$ 5,081,435 (5,081,435)	\$ 4,478,806 (4,478,806)	\$ 4,452,429 (4,452,429)	\$ 3,868,104 (3,868,104)	\$ 3,657,678 (3,657,678)
<b>Covered Payroll</b>	<b>\$ 30,080,386</b>	<b>\$ 29,204,258</b>	<b>\$ 28,947,762</b>	<b>\$ 28,347,600</b>	<b>\$ 28,221,562</b>	<b>\$ 25,050,147</b>
Contributions as a Percentage of Covered Payroll	19.32%	17.40%	15.47%	15.71%	13.71%	14.60%

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018-19 were from the June 30, 2016 public agency valuations.

GASB 68 was implemented in FY 2014-15, therefore only the six most recent years of information is being presented.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2016 Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2016 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.375% Net of Pension Plan Investment Expenses, including Inflation.
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

**CITY OF FONTANA**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
for the Measurement Periods Ended June 30,

Measurement Period	2018	2017
<b>TOTAL OPEB LIABILITY</b>		
Service cost	\$ 1,109,799	\$ 1,073,307
Interest on the total OPEB liability	2,377,354	2,345,864
Actual and expected experience difference	-	-
Changes in assumptions	(1,014,856)	-
Changes in benefit terms	-	-
Benefit payments	<u>(2,591,180)</u>	<u>(2,467,790)</u>
<b>Net change in total OPEB liability</b>	(118,883)	951,381
<b>Total OPEB liability - beginning</b>	<u>70,107,961</u>	<u>69,156,580</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 69,989,078</u>	<u>\$ 70,107,961</u>
<b>Covered-employee payroll</b>	\$ 50,986,994	\$ 50,359,691
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	137.27%	139.21%

**Notes to Schedule:**

Historical information is required only for measurement periods for which GASB 75 is applicable.

Future years' information will be displayed up to 10 years as information becomes available.



# Combining and Individual Fund Statements and Schedules

# Non-Major Governmental Funds

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## Special Revenue Funds

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Gas Tax** - To account for receipts and expenditures of money apportioned by the State and Highway Code §'s 2103, 2105, 2106, 2107 and 2107.5. Gas Tax moneys can only be used to construct and maintain streets and highways.

**Traffic Congestion Relief** – To account for the receipt of voter-approved (Measure I) tax revenue relating to the relief of traffic congestion through maintenance and upkeep of streets and highways.

**Traffic Safety** - To account for fines collected on vehicle code infractions and the use of expenditures for traffic safety purposes.

**Prop 1B** – To account for the receipts and expenditures of money allocated by the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006, Local Street and Roads Improvement Allocation. Prop 1B moneys can only be used on street improvement projects.

**Municipal Services Fiscal Impact** - To account for moneys paid by developers of new development projects to mitigate their negative impact on the City's services and General Fund.

**Solid Waste Mitigation** - To account for moneys paid by the County of San Bernardino to mitigate the use of city infrastructure for refuse disposed at the landfill just outside of city limits.

**Road Maintenance and Rehabilitation** – the account for receipts and expenditures of money apportioned by the State under the Road Repair and Accountability Act of 2017 for road maintenance and rehabilitation projects for cities and counties.

**Home Program** - To account for the activity of improving the supply of high-quality multifamily properties which are also available to low income households at affordable rent levels.

**Crime Prevention Seizure** - To account for the receipt of 1% of Federal seizures from illegal narcotic activities, and the expenditure of such assets to fund crime prevention programs such as DARE.

**State Seizure** - To account for the receipt of seized assets from illegal narcotic activities obtained through cooperation with State agencies and the expenditure of such assets for local law enforcement purposes.

**Federal Seizure** - To account for the receipt of seized assets from illegal narcotic activities obtained through cooperation with Federal agencies and the expenditure of such assets for local law enforcement purposes.

# Non-Major Governmental Funds

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## Special Revenue Funds (continued)

**Grants** - To account for miscellaneous Federal, State and County grants requiring segregated fund accounting.

**Housing and Community Development Block Grant** - To account for the receipts and expenditures of the City's entitlements under Federal Community Development Block Grant (CDBG) programs of the US Department of Housing and Urban Development (HUD).

**Federal Law Enforcement Block Grant** - To account for Federal block grant funds used to enhance policing services.

**AB 3229 State COPS Program** - To account for State grant funds used to enhance policing services.

**Office of Traffic Safety** - To account for a State grant, matched with local funding, to augment abandoned vehicle towing.

**Air Quality Management District** - To account for receipts from the South Coast Air Quality Management District used for the purpose of reducing air pollution from motor vehicles.

**Down Payment Assistance** – To track receipts and expenditures for the HUD first time homebuyer assistance program.

**Community Services Reimbursements** - To account for after school programs funded through Proposition 49.

**Fontana Community Foundation**- To account for costs associated with the Fontana Community Foundation, a separate legal entity governed by Section 501(c)(3) of the Internal Revenue Code of 1986 for the purpose of aiding and assisting in the implementation, improvement and maintenance of public services that preserve and promote the health and welfare and education of local citizenry of the City of Fontana.

**Fire Protection District CFD**- To account for special taxes levied on property developed after January 2, 2001 to finance fire protection and suppression services within the Community Facilities District.

**Fire Protection District Grants** - to account for Federal, State, and County grants requiring segregated fund accounting.

**Landscape Maintenance Districts** - To account for special benefit assessments levied on property owners for landscape maintenance in various zones throughout the City.

**Lighting District #3 - Hunter's Ridge** - To account for special assessments imposed on property owners in the Hunter's Ridge area to pay for street lighting.

**Community Facilities Districts** - To account for special taxes levied on property owners in the development for landscape maintenance, parks and street lighting in the City's numerous special assessments districts.

# Non-Major Governmental Funds

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## Debt Service Funds

Debt Service funds are used to account for the accumulation of resources and the payment of general obligation bond principal and interest from governmental resources, and special assessment bond principal and interest from special assessment levies, when the government is obligated in some manner for the payment.

**General Debt Service** – To account for debt service payments on general City obligations.

## Capital Project Funds

The Capital Project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

**Storm Drain** - To account for receipts from drainage fees imposed on developers, for the construction of storm drainage facilities within the City limits.

**San Sevaine Flood Control** - To account for flood control fees collected for the construction of flood control improvements in the San Sevaine Area.

**Upper Etiwanda Flood Control**- To account for flood control fees collected for the construction of flood control improvements.

**Park Development**- To account for receipts and expenditures from park development fees for new parks and renovation of existing parks.

**Landscape Improvements** - To account for landscaping improvement fees used to improve landscaping Citywide.

**Library Capital Improvement** - To account for developer impact fees used for the construction of library facilities.

**Police Facility**- To account for development impact fees to fund capital improvements of police facilities and equipment.

**General Government Improvement** - To account for developer impact fees used for the capital construction of City facilities.

**Capital Improvements**- To account for moneys expended on miscellaneous capital improvements.

# Non-Major Governmental Funds

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## Capital Project Funds (continued)

**Underground Utilities** - To account for developer fees used for offsetting the cost of relocating electrical and cable lines underground to enhance the appearance and the safety of the community.

**Sewer Expansion** – To account for the receipt of developer impact fees used by the Inland Empire Utilities Agency for the expansion and construction of sewer treatment facilities.

**Fire Assessment** - To account for revenues from special tax assessments and for expenditures relating to fire prevention and protection.

**Affordable Housing Trust** - to account inclusionary housing and affordable housing developer impact fees to be used to construct, rehabilitate or subsidize affordable housing that complies with the Affordable Housing Trust Fund regulations.

**Fire Protection District** - To account for moneys expended on capital improvements and equipment replacement for the Fontana Fire Protection District.

**Fontana Housing Authority**- To account for costs associated with the Housing Authority, a separate legal entity governed by California State Housing Authority law. The Housing Authority uses funds from the Fontana Redevelopment Agency's Low and Moderate Income Housing Fund and Federal Department of Housing and Urban Development Program Grants to actively improve and develop quality neighborhoods and housing opportunities throughout the City of Fontana.

**Community Facilities Districts** - To account for bond proceeds used to finance infrastructure improvements in the City's various capital project districts.

**CITY OF FONTANA**  
 Combining Balance Sheet  
 Non-Major Governmental Funds  
 June 30, 2019

Schedule 1  
 Page 1 of 5

	Special Revenue									
	Gas Tax		Traffic Congestion Relief		Traffic Safety		Prop 1B		Municipal Services Fiscal Impact	
<b>Assets:</b>										
Cash and investments	\$ 1,364,802	\$ 18,568,866	\$ 96,717	\$ 134,826	\$ 18,819,667	\$ 3,721,190	\$ 477,285	\$ 852,113	\$ 62,844	\$ 39,877
Accounts	-	22,482	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-	-	-
Interest	2,384	94,233	952	689	95,343	15,397	6,554	267,440	5,132,169	202
Loans	-	-	-	-	-	-	-	-	-	-
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-
Due from other governments	322,488	1,445,161	29,556	-	-	1,026,050	693,839	41,912	-	505
Inventories	107,883	-	987,389	-	-	-	-	-	-	-
Restricted assets:										
Cash with fiscal agent	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 1,797,557</u>	<u>\$ 20,130,742</u>	<u>\$ 1,114,614</u>	<u>\$ 135,515</u>	<u>\$ 18,915,010</u>	<u>\$ 4,762,637</u>	<u>\$ 1,177,678</u>	<u>\$ 6,356,478</u>	<u>\$ 40,584</u>	
<b>Liabilities, Deferred Inflows and Fund Balances:</b>										
Liabilities:										
Accounts payable	\$ 1,595,585	\$ 679,799	\$ 6,035	\$ -	\$ -	\$ 905,343	\$ 624,294	\$ 3,831	\$ -	-
Retention payable	-	31,209	-	-	-	-	-	-	-	-
Due to other funds	-	661,699	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	5,399,608	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>1,595,585</u>	<u>1,372,707</u>	<u>6,035</u>	<u>-</u>	<u>-</u>	<u>905,343</u>	<u>624,294</u>	<u>5,403,439</u>	<u>-</u>	
<b>Deferred inflows of resources:</b>										
Unavailable revenues	-	686,752	-	-	-	-	-	-	-	-
Fund balances:										
Nonspendable	107,883	-	987,389	-	-	-	-	-	-	-
Restricted	94,089	18,071,283	121,190	135,515	18,915,010	3,857,294	553,384	953,039	40,584	
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>201,972</u>	<u>18,071,283</u>	<u>1,108,579</u>	<u>135,515</u>	<u>18,915,010</u>	<u>3,857,294</u>	<u>553,384</u>	<u>953,039</u>	<u>40,584</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,797,557</u>	<u>\$ 20,130,742</u>	<u>\$ 1,114,614</u>	<u>\$ 135,515</u>	<u>\$ 18,915,010</u>	<u>\$ 4,762,637</u>	<u>\$ 1,177,678</u>	<u>\$ 6,356,478</u>	<u>\$ 40,584</u>	

**CITY OF FONTANA**  
 Combining Balance Sheet  
 Non-Major Governmental Funds  
 June 30, 2019

Schedule 1  
 Page 2 of 5

	Special Revenue									
	State Seizure	Federal Seizure	Grants	Housing and Community Development Block Grant	Federal Law Enforcement Block Grant	AB 3229 State COPS Program	Office of Traffic Safety	Air Quality Management District	Down Payment Assistance	
<b>Assets:</b>										
Cash and investments	\$ 310,338	\$ 4,971,449	\$ 2,898,455	\$ 510,491	\$ -	\$ 493,601	\$ 1,416,635	\$ 1,088,469	\$ -	
Accounts	-	13,048	-	-	-	-	73,100	-	-	
Assessments	-	-	-	-	-	-	-	-	-	
Interest	1,376	27,835	-	-	-	-	5,766	4,714	-	
Loans	-	-	-	960,728	-	-	-	-	14,699	
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	
Due from other governments	2,859	818,211	709,076	439,510	-	-	-	71,288	-	
Inventories	-	-	-	-	-	-	-	-	-	
Restricted assets:										
Cash with fiscal agent	-	-	-	-	-	-	-	-	-	
Total Assets	<u>\$ 314,573</u>	<u>\$ 5,830,543</u>	<u>\$ 3,607,531</u>	<u>\$ 1,910,729</u>	<u>\$ -</u>	<u>\$ 493,601</u>	<u>\$ 1,495,501</u>	<u>\$ 1,164,471</u>	<u>\$ 14,699</u>	
<b>Liabilities, Deferred Inflows and Fund Balances:</b>										
<b>Liabilities:</b>										
Accounts payable	\$ 949	\$ 23,424	\$ 475,701	\$ 76,331	\$ -	\$ 108,543	\$ 9,101	\$ 8,985	\$ -	
Retention payable	-	-	12,798	-	-	-	-	-	-	
Due to other funds	-	-	-	-	-	-	-	-	-	
Due to other governments	-	-	-	960,728	-	-	-	-	-	
Unearned revenue	-	-	3,120,779	-	-	280,297	23	-	-	
Advances from other funds	-	-	-	-	-	-	-	-	-	
Total Liabilities	<u>949</u>	<u>23,424</u>	<u>3,609,278</u>	<u>1,037,059</u>	<u>\$ -</u>	<u>388,840</u>	<u>9,124</u>	<u>8,985</u>	<u>-</u>	
<b>Deferred inflows of resources:</b>										
Unavailable revenues	-	13,048	661,208	221,013	462	(161)	-	-	-	
<b>Fund balances:</b>										
Nonspendable										
Restricted	313,624	5,794,071	-	652,657	-	104,922	1,486,377	1,155,486	14,699	
Assigned	-	-	-	-	-	-	-	-	-	
Unassigned	-	-	(662,955)	-	(462)	-	-	-	-	
Total fund balances	<u>313,624</u>	<u>5,794,071</u>	<u>(662,955)</u>	<u>652,657</u>	<u>(462)</u>	<u>104,922</u>	<u>1,486,377</u>	<u>1,155,486</u>	<u>14,699</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 314,573</u>	<u>\$ 5,830,543</u>	<u>\$ 3,607,531</u>	<u>\$ 1,910,729</u>	<u>\$ -</u>	<u>\$ 493,601</u>	<u>\$ 1,495,501</u>	<u>\$ 1,164,471</u>	<u>\$ 14,699</u>	

**CITY OF FONTANA**  
 Combining Balance Sheet  
 Non-Major Governmental Funds  
 June 30, 2019

Schedule 1  
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	Special Revenue							Debt Service		Capital Projects	
	Community Services Reimbursements	Fontana Community Foundation	Fire Protection District CFD	Fire Protection District Grants	Landscape Maintenance Districts	Lighting District #3 Hunter's Ridge	Community Facilities Districts	General Debt Service	Storm Drain		
<b>Assets:</b>											
Cash and investments	\$ -	\$ 134,093	\$ 3,863,898	\$ -	\$ 7,199,443	\$ 34,281	\$ 31,132,092	\$ -	\$ 17,057,623		
Accounts	-	-	-	-	-	-	-	-	-		
Assessments	-	-	-	-	83,495	436	295,888	-	-		
Interest	-	685	19,059	-	33,899	155	149,167	-	76,267		
Loans	-	-	-	-	-	-	-	-	-		
Allowance for doubtful accounts	-	-	-	-	(38,813)	(144)	(112,306)	-	-		
Due from other governments	1,723,262	-	-	-	4,143	-	-	91,324	-		
Inventories	-	-	-	-	-	-	-	-	-		
Restricted assets:											
Cash with fiscal agent	-	-	-	-	-	-	-	525,593	-		
Total Assets	<u>\$ 1,723,262</u>	<u>\$ 134,778</u>	<u>\$ 3,882,957</u>	<u>\$ -</u>	<u>\$ 7,282,167</u>	<u>\$ 34,728</u>	<u>\$ 31,464,841</u>	<u>\$ 616,917</u>	<u>\$ 17,133,890</u>		
<b>Liabilities, Deferred Inflows and Fund Balances:</b>											
Liabilities:											
Accounts payable	\$ 490,941	\$ -	\$ -	\$ -	\$ 413,144	\$ -	\$ 715,008	\$ -	\$ 1,204,255		
Retentions payable	-	-	-	-	-	-	-	-	-		
Due to other funds	1,232,200	-	-	-	-	-	-	-	-		
Due to other governments	-	-	-	-	-	-	-	-	-		
Unearned revenue	-	-	-	-	-	-	-	-	-		
Advances from other funds	-	-	-	-	-	-	-	-	2,295,000		
Total Liabilities	<u>1,723,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,144</u>	<u>-</u>	<u>715,008</u>	<u>-</u>	<u>3,499,255</u>		
<b>Deferred inflows of resources:</b>											
Unavailable revenues	1,469,448	-	-	-	-	-	-	-	-		
Fund balances:											
Nonspendable	-	-	-	-	-	-	-	-	-		
Restricted	-	134,778	3,882,957	-	6,869,023	34,728	30,749,833	525,593	-		
Assigned	-	-	-	-	-	-	-	91,324	13,634,635		
Unassigned	(1,469,327)	-	-	-	-	-	-	-	-		
Total fund balances	<u>(1,469,327)</u>	<u>134,778</u>	<u>3,882,957</u>	<u>-</u>	<u>6,869,023</u>	<u>34,728</u>	<u>30,749,833</u>	<u>616,917</u>	<u>13,634,635</u>		
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,723,262</u>	<u>\$ 134,778</u>	<u>\$ 3,882,957</u>	<u>\$ -</u>	<u>\$ 7,282,167</u>	<u>\$ 34,728</u>	<u>\$ 31,464,841</u>	<u>\$ 616,917</u>	<u>\$ 17,133,890</u>		

**CITY OF FONTANA**  
 Combining Balance Sheet  
 Non-Major Governmental Funds  
 June 30, 2019

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<b>Capital Projects</b>											
	<b>San Sevaine Flood Control</b>	<b>Upper Etiwanda Flood Control Development</b>	<b>Park Development</b>	<b>Landscape Improvements</b>	<b>Library Capital Improvement</b>	<b>Police Facility</b>	<b>General Government Improvement</b>	<b>Capital Improvements</b>	<b>Underground Utilities</b>		
<b>Assets:</b>											
Cash and investments	\$ 840,751	\$ 45,607	\$ 6,529,292	\$ 5,589,380	\$ 243,613	\$ 2,498,752	\$ 9,086,108	\$ 10,613,057	\$ 43,307		
Accounts	-	-	-	-	-	-	-	-	-		
Assessments	-	-	-	-	-	-	-	-	-		
Interest	3,042	233	31,248	24,938	4,685	11,174	41,676	47,897	228		
Loans	-	-	-	-	-	-	-	-	-		
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-		
Due from other governments	-	-	-	-	-	-	-	-	6,778		
Inventories	-	-	-	-	-	-	-	-	-		
Restricted assets:											
Cash with fiscal agent	-	-	-	-	-	-	-	-	-		
<b>Total Assets</b>	<b>\$ 843,793</b>	<b>\$ 45,840</b>	<b>\$ 6,560,540</b>	<b>\$ 5,614,318</b>	<b>\$ 248,298</b>	<b>\$ 2,509,926</b>	<b>\$ 9,127,784</b>	<b>\$ 10,667,732</b>	<b>\$ 139,732</b>		
<b>Liabilities, Deferred Inflows and Fund Balances:</b>											
<b>Liabilities:</b>											
Accounts payable	\$ 1,913	\$ -	\$ 190,664	\$ 639	\$ -	\$ -	\$ -	\$ 3,107	\$ -		
Retention payable	-	-	3,785	1,422	-	225	-	-	-		
Due to other funds	-	-	-	-	-	-	-	-	-		
Due to other governments	476,927	-	-	-	-	-	-	-	-		
Unearned revenue	-	-	-	-	-	-	-	-	-		
Advances from other funds	-	-	-	-	-	-	-	1,485,800	-		
<b>Total Liabilities</b>	<b>478,840</b>	<b>-</b>	<b>194,449</b>	<b>2,061</b>	<b>-</b>	<b>225</b>	<b>-</b>	<b>1,488,907</b>	<b>-</b>		
<b>Deferred inflows of resources:</b>											
Unavailable revenues	-	-	-	-	-	-	-	-	-	14,988	
<b>Fund balances:</b>											
Nonspendable	-	-	-	-	-	-	-	-	-		
Restricted	-	-	-	-	-	-	-	-	-		
Assigned	364,953	45,840	6,366,091	5,612,257	248,298	2,509,701	9,127,784	9,178,825	124,744		
Unassigned	-	-	-	-	-	-	-	-	-		
<b>Total fund balances</b>	<b>364,953</b>	<b>45,840</b>	<b>6,366,091</b>	<b>5,612,257</b>	<b>248,298</b>	<b>2,509,701</b>	<b>9,127,784</b>	<b>9,178,825</b>	<b>124,744</b>		
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 843,793</b>	<b>\$ 45,840</b>	<b>\$ 6,560,540</b>	<b>\$ 5,614,318</b>	<b>\$ 248,298</b>	<b>\$ 2,509,926</b>	<b>\$ 9,127,784</b>	<b>\$ 10,667,732</b>	<b>\$ 139,732</b>		

**CITY OF FONTANA**  
 Combining Balance Sheet  
 Non-Major Governmental Funds  
 June 30, 2019

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<b>Capital Projects</b>						<b>Total Other Governmental Funds</b>
	<b>Fire Assessment</b>	<b>Affordable Housing Trust</b>	<b>Fire Protection District</b>	<b>Fontana Housing Authority</b>	<b>Community Facilities Districts</b>	
<b>Assets:</b>						
Cash and investments	\$ 853,085	\$ 3,955,948	\$ 5,158,808	\$ 2,283,326	\$ 18,915	\$ 162,946,160
Accounts	-	-	-	114	-	267,785
Assessments	-	-	-	-	-	379,819
Interest	3,633	18,135	27,544	65,422	96	1,082,068
Loans	-	-	-	1,923,825	-	8,031,421
Allowance for doubtful accounts	-	-	-	-	-	(151,263)
Due from other governments	-	-	-	-	-	7,425,962
Inventories	-	-	-	-	-	1,095,272
Restricted assets:						
Cash with fiscal agent	-	-	-	-	10,742,219	11,267,812
Total Assets	<u>\$ 856,718</u>	<u>\$ 3,974,083</u>	<u>\$ 5,186,352</u>	<u>\$ 4,272,687</u>	<u>\$ 10,761,230</u>	<u>\$ 192,345,036</u>
<b>Liabilities, Deferred Inflows and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ 33,685	\$ 60,222	\$ 62,556	\$ 7,694,055
Retention payable	-	-	15,329	-	-	64,768
Due to other funds	-	-	-	-	-	1,893,899
Due to other governments	-	-	-	-	-	6,837,263
Unearned revenue	-	-	-	-	-	3,401,099
Advances from other funds	-	-	-	-	-	3,780,800
Total Liabilities	<u>-</u>	<u>-</u>	<u>49,014</u>	<u>60,222</u>	<u>62,556</u>	<u>23,671,884</u>
<b>Deferred inflows of resources:</b>						
Unavailable revenues	-	-	-	52,096	-	3,118,854
Fund balances:						
Nonspendable	-	-	-	1,923,825	-	3,019,097
Restricted	-	-	-	-	10,679,663	105,139,799
Assigned	856,718	3,974,083	5,137,338	2,236,544	19,011	59,528,146
Unassigned	-	-	-	-	-	(2,132,744)
Total fund balances	<u>856,718</u>	<u>3,974,083</u>	<u>5,137,338</u>	<u>4,160,369</u>	<u>10,698,674</u>	<u>165,554,298</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 856,718</u>	<u>\$ 3,974,083</u>	<u>\$ 5,186,352</u>	<u>\$ 4,272,687</u>	<u>\$ 10,761,230</u>	<u>\$ 192,345,036</u>

**CITY OF FONTANA**  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Non-Major Governmental Funds  
 For the Year Ended June 30, 2019

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	Special Revenue							
	Gas Tax	Traffic Congestion Relief	Traffic Safety	Prop 1B	Municipal Services Fiscal Impact	Solid Waste Mitigation	Road Maintenance And Rehabilitation	Home Program
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	4,314,048	4,373,955	-	-	-	-	3,887,698	203,028
Charges for services	-	-	-	-	879,391	3,886,377	-	-
Fines and forfeitures	-	-	136,471	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	15,492	595,170	6,904	4,438	616,104	99,054	26,225	-
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	5,780	-	-	-	-	-
Total revenues	<b>4,329,540</b>	<b>4,969,125</b>	<b>149,155</b>	<b>4,438</b>	<b>1,495,495</b>	<b>3,985,431</b>	<b>3,913,923</b>	<b>203,028</b>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	72,267
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	4,361,806	-	-	-	-	2,688,371	3,394,959	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	34,986	-	-
Engineering	-	1,745,367	119,166	-	-	-	-	-
Capital outlay	-	2,367,289	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent - prior	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<b>4,361,806</b>	<b>4,112,656</b>	<b>119,166</b>	<b>-</b>	<b>-</b>	<b>2,723,357</b>	<b>3,394,959</b>	<b>72,267</b>
Excess (deficiency) of revenues over (under) expenditures	<b>(32,266)</b>	<b>856,469</b>	<b>29,989</b>	<b>4,438</b>	<b>1,495,495</b>	<b>1,262,074</b>	<b>518,964</b>	<b>130,761</b>
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	<b>(482,400)</b>	<b>(99,900)</b>	-	-	<b>(858,200)</b>	<b>(566,000)</b>	-	-
Bond proceeds	-	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Premium (discount) on bonds issued	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<b>(482,400)</b>	<b>(99,900)</b>	<b>-</b>	<b>-</b>	<b>(858,200)</b>	<b>(566,000)</b>	<b>-</b>	<b>-</b>
Net change in fund balances	<b>(514,666)</b>	<b>756,569</b>	<b>29,989</b>	<b>4,438</b>	<b>637,295</b>	<b>696,074</b>	<b>518,964</b>	<b>130,761</b>
<b>Fund Balances:</b>								
Beginning of fiscal year	716,638	17,314,714	1,078,590	131,077	18,277,715	3,161,220	34,420	822,278
Restatements	-	-	-	-	-	-	-	-
Beginning of fiscal year - as restated	716,638	17,314,714	1,078,590	131,077	18,277,715	3,161,220	34,420	822,278
Net change in fund balances	<b>(514,666)</b>	<b>756,569</b>	<b>29,989</b>	<b>4,438</b>	<b>637,295</b>	<b>696,074</b>	<b>518,964</b>	<b>130,761</b>
End of fiscal year	<b>\$ 201,972</b>	<b>\$ 18,071,283</b>	<b>\$ 1,108,579</b>	<b>\$ 135,515</b>	<b>\$ 18,915,010</b>	<b>\$ 3,857,294</b>	<b>\$ 553,384</b>	<b>\$ 953,039</b>

**CITY OF FONTANA**  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Non-Major Governmental Funds  
 For the Year Ended June 30, 2019

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	Special Revenue							
	Crime Prevention Seizure	State Seizure	Federal Seizure	Grants	Housing and Community Development Block Grant	Federal Law Enforcement Block Grant	AB 3229 State COPS Program	Office of Traffic Safety
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 569,670
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	3,258,971	2,516,385	-	389,708	135,908
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	15,495	87,804	2,612,840	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	1,747	10,589	183,534	-	-	-	-	33,851
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	22,482	164,629	-	-	-	-
Total revenues	<u>17,242</u>	<u>98,393</u>	<u>2,818,856</u>	<u>3,423,600</u>	<u>2,516,385</u>	<u>-</u>	<u>389,708</u>	<u>739,429</u>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	1,447,859	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	21,484	42,960	2,137,175	462,445	242,375	34,068	389,709	211,275
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	1,135,823	16,254	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	46,024	71,020	-	-	-
Engineering	-	-	-	163,162	-	-	-	-
Capital outlay	-	-	542,165	524,450	1,102,435	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent - prior	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>21,484</u>	<u>42,960</u>	<u>2,679,340</u>	<u>2,331,904</u>	<u>2,879,943</u>	<u>34,068</u>	<u>389,709</u>	<u>211,275</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,242)</u>	<u>55,433</u>	<u>139,516</u>	<u>1,091,696</u>	<u>(363,558)</u>	<u>(34,068)</u>	<u>(1)</u>	<u>528,154</u>
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	34,067	-	-
Transfers out	-	-	-	-	(91,800)	-	-	(45,670)
Bond proceeds	-	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Premium (discount) on bonds issued	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(91,800)	34,067	-	(45,670)
Net change in fund balances	<u>(4,242)</u>	<u>55,433</u>	<u>139,516</u>	<u>1,091,696</u>	<u>(455,358)</u>	<u>(1)</u>	<u>(1)</u>	<u>482,484</u>
<b>Fund Balances:</b>								
Beginning of fiscal year	44,826	258,191	5,654,555	(1,754,651)	1,108,015	(461)	104,923	1,003,893
Restatements	-	-	-	-	-	-	-	-
Beginning of fiscal year - as restated	44,826	258,191	5,654,555	(1,754,651)	1,108,015	(461)	104,923	1,003,893
Net change in fund balances	<u>(4,242)</u>	<u>55,433</u>	<u>139,516</u>	<u>1,091,696</u>	<u>(455,358)</u>	<u>(1)</u>	<u>(1)</u>	<u>482,484</u>
End of fiscal year	<u>\$ 40,584</u>	<u>\$ 313,624</u>	<u>\$ 5,794,071</u>	<u>\$ (662,955)</u>	<u>\$ 652,657</u>	<u>\$ (462)</u>	<u>\$ 104,922</u>	<u>\$ 1,486,377</u>

**CITY OF FONTANA**  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Non-Major Governmental Funds  
 For the Year Ended June 30, 2019

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	Special Revenue							
	Air Quality Management District	Down Payment Assistance	Community Services Reimbursements	Fontana Community Foundation	Fire Protection District CFD	Fire Protection District Grants	Landscape Maintenance Districts	Lighting District #3 Hunter's Ridge
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	3,359,190	-	-	35,090	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	285,507	-	4,130,592	35,116
Investment earnings	28,729	-	-	4,415	122,627	-	226,150	1,068
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	355,476	-	-	-	-	-	-	-
Total revenues	<u>384,205</u>	<u>-</u>	<u>3,359,190</u>	<u>4,415</u>	<u>408,134</u>	<u>35,090</u>	<u>4,356,742</u>	<u>36,184</u>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	1,000	-	-	84	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	12,709	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	35,090	-	-
Public works	-	-	-	-	-	-	4,351,298	31,901
Community development	-	-	-	-	-	-	-	-
Community services	-	-	3,073,117	-	-	-	-	-
Engineering	51,131	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	142,286	-	20,985	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent - prior	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>64,840</u>	<u>-</u>	<u>3,073,117</u>	<u>84</u>	<u>142,286</u>	<u>35,090</u>	<u>4,372,283</u>	<u>31,901</u>
Excess (deficiency) of revenues over (under) expenditures	<u>319,365</u>	<u>-</u>	<u>286,073</u>	<u>4,331</u>	<u>265,848</u>	<u>-</u>	<u>(15,541)</u>	<u>4,283</u>
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	631,990	-
Transfers out	<u>(13,400)</u>	<u>-</u>	<u>(546,319)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(477,200)</u>	<u>(4,500)</u>
Bond proceeds	-	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Premium (discount) on bonds issued	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(13,400)</u>	<u>-</u>	<u>(546,319)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,790</u>	<u>(4,500)</u>
Net change in fund balances	<u>305,965</u>	<u>-</u>	<u>(260,246)</u>	<u>4,331</u>	<u>265,848</u>	<u>-</u>	<u>139,249</u>	<u>(217)</u>
<b>Fund Balances:</b>								
Beginning of fiscal year	849,521	14,699	<u>(1,209,081)</u>	130,447	3,617,109	-	6,729,774	34,945
Restatements	-	-	-	-	-	-	-	-
Beginning of fiscal year - as restated	849,521	14,699	<u>(1,209,081)</u>	130,447	3,617,109	-	6,729,774	34,945
Net change in fund balances	305,965	-	<u>(260,246)</u>	<u>4,331</u>	<u>265,848</u>	<u>-</u>	<u>139,249</u>	<u>(217)</u>
End of fiscal year	<u>\$ 1,155,486</u>	<u>\$ 14,699</u>	<u>\$ (1,469,327)</u>	<u>\$ 134,778</u>	<u>\$ 3,882,957</u>	<u>\$ -</u>	<u>\$ 6,869,023</u>	<u>\$ 34,728</u>

**CITY OF FONTANA**  
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	Special Revenue	Debt Service	Capital Projects							
			Community Facilities Districts	General Debt Service	Storm Drain	San Sevaine Flood Control	Upper	Park Development	Landscape Improvements	Library Capital Improvement
							Etiwanda Flood Control Development			
<b>Revenues:</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,001,556	\$ 84,164	\$ -	\$ 1,846,002	\$ -	\$ 325,570
Licenses and permits	-	-	182,648	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Charges for services	21,944	-	-	-	-	-	-	-	1,263,373	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Special assessments	12,558,385	-	-	-	-	-	-	-	-	-
Investment earnings	974,796	1,632	485,316	19,395	1,500	202,231	153,935	40,187	-	-
Contribution from property owners	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>13,555,125</u>	<u>184,280</u>	<u>2,486,872</u>	<u>103,559</u>	<u>1,500</u>	<u>2,048,233</u>	<u>1,417,308</u>	<u>365,757</u>		
<b>Expenditures:</b>										
Current:										
General government:										
City Administration	-	-	-	-	-	-	-	-	-	-
Management services	-	5,170	-	-	-	-	-	-	-	-
Information technology	-	-	7,615	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-	-	-
Public safety:	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Public works	6,728,824	-	-	-	-	-	676,155	-	83,088	-
Community development	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-
Engineering	-	-	867,953	92,749	-	3,282	54,215	-	-	-
Capital outlay	-	-	1,471,901	-	-	541,464	10,725	120,000	-	-
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal	-	1,105,000	-	-	-	-	-	-	-	-
Interest	-	2,000,711	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent - prior	-	-	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>6,728,824</u>	<u>3,110,881</u>	<u>2,347,469</u>	<u>92,749</u>	<u>-</u>	<u>1,220,901</u>	<u>64,940</u>	<u>203,088</u>		
Excess (deficiency) of revenues over (under) expenditures	<u>6,826,301</u>	<u>(2,926,601)</u>	<u>139,403</u>	<u>10,810</u>	<u>1,500</u>	<u>827,332</u>	<u>1,352,368</u>	<u>162,669</u>		
<b>Other Financing Sources (Uses):</b>										
Transfers in	639,280	2,926,551	-	-	-	-	-	-	-	-
Transfers out	(5,598,890)	-	(501,000)	(12,900)	-	(127,900)	(3,300)	(1,454,500)		
Bond proceeds	-	-	-	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-	-
Premium (discount) on bonds issued	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(4,959,610)</u>	<u>2,926,551</u>	<u>(501,000)</u>	<u>(12,900)</u>	<u>-</u>	<u>(127,900)</u>	<u>(3,300)</u>	<u>(1,454,500)</u>		
Net change in fund balances	<u>1,866,691</u>	<u>(50)</u>	<u>(361,597)</u>	<u>(2,090)</u>	<u>1,500</u>	<u>699,432</u>	<u>1,349,068</u>	<u>(1,291,831)</u>		
<b>Fund Balances:</b>										
Beginning of fiscal year	28,883,142	616,967	13,996,232	367,043	44,340	5,666,659	4,263,189	1,540,129		
Restatements	-	-	-	-	-	-	-	-	-	-
Beginning of fiscal year - as restated	28,883,142	616,967	13,996,232	367,043	44,340	5,666,659	4,263,189	1,540,129		
Net change in fund balances	<u>1,866,691</u>	<u>(50)</u>	<u>(361,597)</u>	<u>(2,090)</u>	<u>1,500</u>	<u>699,432</u>	<u>1,349,068</u>	<u>(1,291,831)</u>		
End of fiscal year	<u>\$ 30,749,833</u>	<u>\$ 616,917</u>	<u>\$ 13,634,635</u>	<u>\$ 364,953</u>	<u>\$ 45,840</u>	<u>\$ 6,366,091</u>	<u>\$ 5,612,257</u>	<u>\$ 248,298</u>		

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<b>Capital Projects</b>							
	<b>Police Facility</b>	<b>General Government Improvement</b>	<b>Capital Improvements</b>	<b>Underground Utilities</b>	<b>Fire Assessment</b>	<b>Affordable Housing Trust</b>	<b>Fire Protection District</b>
<b>Revenues:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	664,646	-	-	-	383,203	639,197	-
Intergovernmental	-	-	-	-	-	-	140
Charges for services	-	1,536,608	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Investment earnings	70,807	260,171	305,004	1,471	24,203	113,603	181,276
Contribution from property owners	-	-	320,606	-	-	-	-
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>735,453</u>	<u>1,796,779</u>	<u>625,610</u>	<u>1,471</u>	<u>407,406</u>	<u>752,800</u>	<u>181,416</u>
<b>Expenditures:</b>							
Current:							
General government:							
City Administration	-	4,473	-	-	-	-	-
Management services	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-
Public safety:							
Police	91,566	-	-	-	-	-	44,287
Fire	-	-	-	-	-	-	89,477
Public works	-	-	-	-	-	-	165,220
Community development	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Engineering	-	-	10,619	-	-	-	-
Capital outlay	54,359	-	489,681	-	-	-	1,212,650
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Payment to refunded bond escrow agent - prior	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-
Total expenditures	<u>145,925</u>	<u>4,473</u>	<u>500,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,511,634</u>
Excess (deficiency) of revenues over (under) expenditures	<u>589,528</u>	<u>1,792,306</u>	<u>125,310</u>	<u>1,471</u>	<u>407,406</u>	<u>752,800</u>	<u>(1,330,218)</u>
<b>Other Financing Sources (Uses):</b>							
Transfers in	-	-	-	-	-	-	1,632,100
Transfers out	(9,500)	-	(16,100)	-	(308,161)	-	(455,900)
Bond proceeds	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-
Premium (discount) on bonds issued	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(9,500)</u>	<u>-</u>	<u>(16,100)</u>	<u>-</u>	<u>(308,161)</u>	<u>-</u>	<u>1,176,200</u>
Net change in fund balances	<u>580,028</u>	<u>1,792,306</u>	<u>109,210</u>	<u>1,471</u>	<u>99,245</u>	<u>752,800</u>	<u>(154,018)</u>
<b>Fund Balances:</b>							
Beginning of fiscal year	1,929,673	7,335,478	9,069,615	123,273	757,473	3,221,283	5,291,356
Restatements	-	-	-	-	-	-	-
Beginning of fiscal year - as restated	1,929,673	7,335,478	9,069,615	123,273	757,473	3,221,283	5,291,356
Net change in fund balances	<u>580,028</u>	<u>1,792,306</u>	<u>109,210</u>	<u>1,471</u>	<u>99,245</u>	<u>752,800</u>	<u>(154,018)</u>
End of fiscal year	<u><u>\$ 2,509,701</u></u>	<u><u>\$ 9,127,784</u></u>	<u><u>\$ 9,178,825</u></u>	<u><u>\$ 124,744</u></u>	<u><u>\$ 856,718</u></u>	<u><u>\$ 3,974,083</u></u>	<u><u>\$ 5,137,338</u></u>

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	<b>Capital Projects</b>			<b>Total Other Governmental Funds</b>
	<b>Fontana Housing Authority</b>	<b>Community Facilities District</b>	<b></b>	
<b>Revenues:</b>				
Taxes	\$ -	\$ -		\$ 569,670
Licenses and permits	-	-		5,944,338
Intergovernmental	-	-		22,656,769
Charges for services	-	-		7,587,693
Fines and forfeitures	-	-		2,852,610
Special assessments	-	31,157		17,040,757
Investment earnings	251,671	29,146		5,092,441
Contribution from property owners	-	4,159,619		4,480,225
Other revenue	10,561	287,168		846,096
Total revenues	<u>262,232</u>	<u>4,507,090</u>		<u>67,070,599</u>
<b>Expenditures:</b>				
Current:				
General government:				
City Administration	615,054	-		2,140,737
Management services	-	-		5,170
Information technology	-	-		7,615
Human resources	-	-		12,709
Public safety:				
Police	-	-		3,677,344
Fire	-	-		124,567
Public works	-	-		23,633,699
Community development	-	-		-
Community services	-	-		3,225,147
Engineering	-	2,606,223		5,713,867
Capital outlay	-	349,723		8,950,113
Debt service:				
Principal	-	-		1,105,000
Interest	-	-		2,000,711
Payment to refunded bond escrow agent - prior	-	-		-
Debt issuance costs	-	-		-
Total expenditures	<u>615,054</u>	<u>2,955,946</u>		<u>50,596,679</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(352,822)</u>	<u>1,551,144</u>		<u>16,473,920</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-		5,863,988
Transfers out	<u>(36,000)</u>	-		<u>(11,709,540)</u>
Bond proceeds	-	-		-
Proceeds of refunding bonds	-	-		-
Premium (discount) on bonds issued	-	-		-
Payment to refunded bond escrow agent	-	-		-
Total other financing sources (uses)	<u>(36,000)</u>	-		<u>(5,845,552)</u>
Net change in fund balances	<u>(388,822)</u>	<u>1,551,144</u>		<u>10,628,368</u>
<b>Fund Balances:</b>				
Beginning of fiscal year	4,549,191	9,147,530		154,925,930
Restatements	-	-		-
Beginning of fiscal year - as restated	<u>4,549,191</u>	<u>9,147,530</u>		<u>154,925,930</u>
Net change in fund balances	<u>(388,822)</u>	<u>1,551,144</u>		<u>10,628,368</u>
End of fiscal year	<u>\$ 4,160,369</u>	<u>\$ 10,698,674</u>		<u>\$ 165,554,298</u>

**CITY OF FONTANA**  
 Budgetary Comparison Schedules  
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	<b>Special Revenue</b>							
	<b>Gas Tax</b>				<b>Traffic Congestion Relief</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	5,357,400	4,480,682	4,314,048	(166,634)	3,450,980	12,832,577	4,373,955	(8,458,622)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	8,000	8,000	15,492	7,492	100,000	100,000	595,170	495,170
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>5,365,400</b>	<b>4,488,682</b>	<b>4,329,540</b>	<b>(159,142)</b>	<b>3,550,980</b>	<b>12,932,577</b>	<b>4,969,125</b>	<b>(7,963,452)</b>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	3,300,570	3,277,140	4,361,806	(1,084,666)	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	1,706,840	5,461,042	1,745,367	3,715,675
Capital outlay	1,600,000	854,814	-	854,814	(360,530)	19,062,293	2,367,289	16,695,004
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>4,900,570</b>	<b>4,131,954</b>	<b>4,361,806</b>	<b>(229,852)</b>	<b>1,346,310</b>	<b>24,523,335</b>	<b>4,112,656</b>	<b>20,410,679</b>
Excess (deficiency) of revenues over (under) expenditures	464,830	356,728	(32,266)	(388,994)	2,204,670	(11,590,758)	856,469	12,447,227
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(482,400)	(482,400)	(482,400)	-	(99,900)	(99,900)	(99,900)	-
<b>Total other financing sources (uses)</b>	<b>(482,400)</b>	<b>(482,400)</b>	<b>(482,400)</b>	<b>-</b>	<b>(99,900)</b>	<b>(99,900)</b>	<b>(99,900)</b>	<b>-</b>
Net change in fund balances	(17,570)	(125,672)	(514,666)	(388,994)	2,104,770	(11,690,658)	756,569	12,447,227
Fund balances - beginning	716,638	716,638	716,638	-	17,314,714	17,314,714	17,314,714	-
<b>Fund balances - ending</b>	<b>\$ 699,068</b>	<b>\$ 590,966</b>	<b>\$ 201,972</b>	<b>\$ (388,994)</b>	<b>\$ 19,419,484</b>	<b>\$ 5,624,056</b>	<b>\$ 18,071,283</b>	<b>\$ 12,447,227</b>

**CITY OF FONTANA**  
 Budgetary Comparison Schedules  
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	Special Revenue							
	Traffic Safety				Prop 1B			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	160,000	160,000	136,471	(23,529)	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	5,000	5,000	6,904	1,904	1,000	1,000	4,438	3,438
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	30,000	30,000	5,780	(24,220)	-	-	-	-
<b>Total revenues</b>	<b>195,000</b>	<b>195,000</b>	<b>149,155</b>	<b>(45,845)</b>	<b>1,000</b>	<b>1,000</b>	<b>4,438</b>	<b>3,438</b>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	298,820	301,492	119,166	182,326	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>298,820</b>	<b>301,492</b>	<b>119,166</b>	<b>182,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	(103,820)	(106,492)	29,989	136,481	1,000	1,000	4,438	3,438
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(103,820)	(106,492)	29,989	136,481	1,000	1,000	4,438	3,438
Fund balances - beginning	1,078,590	1,078,590	1,078,590	-	131,077	131,077	131,077	-
<b>Fund balances - ending</b>	<b>\$ 974,770</b>	<b>\$ 972,098</b>	<b>\$ 1,108,579</b>	<b>\$ 136,481</b>	<b>\$ 132,077</b>	<b>\$ 132,077</b>	<b>\$ 135,515</b>	<b>\$ 3,438</b>

**CITY OF FONTANA**  
 Budgetary Comparison Schedules  
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	Special Revenue							
	Municipal Services Fiscal Impact				Solid Waste Mitigation			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,243,990	-	879,391	879,391	3,000,000	3,000,000	3,886,377	886,377
Fines and forfeitures	-	120,000	-	(120,000)	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	120,000	1,243,990	616,104	(627,886)	18,500	18,500	99,054	80,554
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>1,363,990</b>	<b>1,363,990</b>	<b>1,495,495</b>	<b>131,505</b>	<b>3,018,500</b>	<b>3,018,500</b>	<b>3,985,431</b>	<b>966,931</b>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	1,844,120	1,904,120	2,688,371	(784,251)
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	46,860	46,860	34,986	11,874
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	600,000	2,258,850	-	2,258,850
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,490,980</b>	<b>4,209,830</b>	<b>2,723,357</b>	<b>1,486,473</b>
Excess (deficiency) of revenues over (under) expenditures	1,363,990	1,363,990	1,495,495	131,505	527,520	(1,191,330)	1,262,074	2,453,404
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(858,200)	(858,200)	(858,200)	-	(566,000)	(566,000)	(566,000)	-
<b>Total other financing sources (uses)</b>	<b>(858,200)</b>	<b>(858,200)</b>	<b>(858,200)</b>	<b>-</b>	<b>(566,000)</b>	<b>(566,000)</b>	<b>(566,000)</b>	<b>-</b>
Net change in fund balances	505,790	505,790	637,295	131,505	(38,480)	(1,757,330)	696,074	2,453,404
Fund balances - beginning	18,277,715	18,277,715	18,277,715	-	3,161,220	3,161,220	3,161,220	-
<b>Fund balances - ending</b>	<b>\$ 18,783,505</b>	<b>\$ 18,783,505</b>	<b>\$ 18,915,010</b>	<b>\$ 131,505</b>	<b>\$ 3,122,740</b>	<b>\$ 1,403,890</b>	<b>\$ 3,857,294</b>	<b>\$ 2,453,404</b>

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	Special Revenue							
	Road Maintenance & Rehabilitation				Home Program			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	3,533,530	3,361,687	3,887,698	526,011	552,400	1,638,761	203,028	(1,435,733)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	-	-	26,225	26,225	-	-	-	-
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>3,533,530</b>	<b>3,361,687</b>	<b>3,913,923</b>	<b>552,236</b>	<b>552,400</b>	<b>1,638,761</b>	<b>203,028</b>	<b>(1,435,733)</b>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	477,400	1,696,981	72,267	1,624,714
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	3,394,959	(3,394,959)	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	3,533,530	3,394,959	-	3,394,959	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,533,530</b>	<b>3,394,959</b>	<b>3,394,959</b>	<b>-</b>	<b>477,400</b>	<b>1,696,981</b>	<b>72,267</b>	<b>1,624,714</b>
Excess (deficiency) of revenues over (under) expenditures	-	(33,272)	518,964	552,236	75,000	(58,220)	130,761	188,981
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	(33,272)	518,964	552,236	75,000	(58,220)	130,761	188,981
Fund balances - beginning	34,420	34,420	34,420	-	822,278	822,278	822,278	-
<b>Fund balances - ending</b>	<b>\$ 34,420</b>	<b>\$ 1,148</b>	<b>\$ 553,384</b>	<b>\$ 552,236</b>	<b>\$ 897,278</b>	<b>\$ 764,058</b>	<b>\$ 953,039</b>	<b>\$ 188,981</b>

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	<b>Special Revenue</b>							
	<b>Crime Prevention Seizure</b>				<b>State Seizure</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	20,000	20,000	15,495	(4,505)	125,000	125,000	87,804	(37,196)
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	600	600	1,747	1,147	2,700	2,700	10,589	7,889
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>20,600</b>	<b>20,600</b>	<b>17,242</b>	<b>(3,358)</b>	<b>127,700</b>	<b>127,700</b>	<b>98,393</b>	<b>(29,307)</b>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	28,000	28,000	21,484	6,516	42,960	158,430	42,960	115,470
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>28,000</b>	<b>28,000</b>	<b>21,484</b>	<b>6,516</b>	<b>42,960</b>	<b>158,430</b>	<b>42,960</b>	<b>115,470</b>
Excess (deficiency) of revenues over (under) expenditures	(7,400)	(7,400)	(4,242)	3,158	84,740	(30,730)	55,433	86,163
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(7,400)	(7,400)	(4,242)	3,158	84,740	(30,730)	55,433	86,163
Fund balances - beginning	44,826	44,826	44,826	-	258,191	258,191	258,191	-
Fund balances - ending	<b>\$ 37,426</b>	<b>\$ 37,426</b>	<b>\$ 40,584</b>	<b>\$ 3,158</b>	<b>\$ 342,931</b>	<b>\$ 227,461</b>	<b>\$ 313,624</b>	<b>\$ 86,163</b>

**CITY OF FONTANA**  
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	Special Revenue							
	Federal Seizure				Grants			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	154,370	18,175,837	3,258,971	(14,916,866)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	500,000	1,100,000	2,612,840	1,512,840	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	32,000	32,000	183,534	151,534	-	-	-	-
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	50,000	50,000	22,482	(27,518)	202,490	3,804,880	164,629	(3,640,251)
<b>Total revenues</b>	<b>582,000</b>	<b>1,182,000</b>	<b>2,818,856</b>	<b>1,636,856</b>	<b>356,860</b>	<b>21,980,717</b>	<b>3,423,600</b>	<b>(18,557,117)</b>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	598,000	-	598,000	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	1,523,600	2,654,530	2,137,175	517,355	204,420	913,527	462,445	451,082
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	189,050	10,044,792	1,135,823	8,908,969
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	44,620	57,393	46,024	11,369
Engineering	-	-	-	-	-	1,389,395	163,162	1,226,233
Capital outlay	-	1,249,308	542,165	707,143	(79,300)	7,842,724	524,450	7,318,274
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
Total expenditures	1,523,600	4,501,838	2,679,340	1,822,498	358,790	20,247,831	2,331,904	17,915,927
Excess (deficiency) of revenues over (under) expenditures	(941,600)	(3,319,838)	139,516	3,459,354	(1,930)	1,732,886	1,091,696	(641,190)
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(941,600)	(3,319,838)	139,516	3,459,354	(1,930)	1,732,886	1,091,696	(641,190)
Fund balances - beginning	5,654,555	5,654,555	5,654,555	-	(1,754,651)	(1,754,651)	(1,754,651)	-
Fund balances - ending	\$ 4,712,955	\$ 2,334,717	\$ 5,794,071	\$ 3,459,354	\$ (1,756,581)	\$ (21,765)	\$ (662,955)	\$ (641,190)

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	Special Revenue							
	Housing and Community Development Block Grant				Federal Law Enforcement Block Grant			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	2,822,280	4,432,471	2,516,385	(1,916,086)	50,000	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>2,822,280</b>	<b>4,432,471</b>	<b>2,516,385</b>	<b>(1,916,086)</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	955,990	3,581,593	1,447,859	2,133,734	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:	-	-	-	-	-	-	-	-
Police	222,440	242,375	242,375	-	186,500	-	34,068	(34,068)
Fire	-	-	-	-	-	-	-	-
Public works	-	24,323	16,254	8,069	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	53,000	71,020	71,020	-	-	-	-	-
Engineering	-	81,972	-	81,972	-	-	-	-
Capital outlay	850,000	772,616	1,102,435	(329,819)	(40,990)	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,081,430</b>	<b>4,773,899</b>	<b>2,879,943</b>	<b>1,893,956</b>	<b>145,510</b>	<b>-</b>	<b>34,068</b>	<b>(34,068)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>740,850</b>	<b>(341,428)</b>	<b>(363,558)</b>	<b>(22,130)</b>	<b>(95,510)</b>	<b>-</b>	<b>(34,068)</b>	<b>(34,068)</b>
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	95,510	-	34,067	34,067
Transfers out	-	(91,800)	(91,800)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(91,800)</b>	<b>(91,800)</b>	<b>-</b>	<b>95,510</b>	<b>-</b>	<b>34,067</b>	<b>34,067</b>
<b>Net change in fund balances</b>	<b>740,850</b>	<b>(433,228)</b>	<b>(455,358)</b>	<b>(22,130)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>
Fund balances - beginning	1,108,015	1,108,015	1,108,015	-	(461)	(461)	(461)	-
<b>Fund balances - ending</b>	<b>\$ 1,848,865</b>	<b>\$ 674,787</b>	<b>\$ 652,657</b>	<b>\$ (22,130)</b>	<b>\$ (461)</b>	<b>\$ (461)</b>	<b>\$ (462)</b>	<b>\$ (1)</b>

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	Special Revenue							
	AB 3229 State COPS Program				Office of Traffic Safety			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ 569,670	\$ 369,670
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	325,000	325,000	389,708	64,708	-	135,908	135,908	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	2,500	2,500	33,851	31,351
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>325,000</b>	<b>325,000</b>	<b>389,708</b>	<b>64,708</b>	<b>202,500</b>	<b>338,408</b>	<b>739,429</b>	<b>401,021</b>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	325,000	425,676	389,709	35,967	178,900	314,808	211,275	103,533
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	45,670	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>325,000</b>	<b>425,676</b>	<b>389,709</b>	<b>35,967</b>	<b>224,570</b>	<b>314,808</b>	<b>211,275</b>	<b>103,533</b>
Excess (deficiency) of revenues over (under) expenditures	-	(100,676)	(1)	100,675	(22,070)	23,600	528,154	504,554
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(45,670)	(45,670)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45,670)</b>	<b>(45,670)</b>	<b>-</b>
Net change in fund balances	-	(100,676)	(1)	100,675	(22,070)	(22,070)	482,484	504,554
Fund balances - beginning	104,923	104,923	104,923	-	1,003,893	1,003,893	1,003,893	-
<b>Fund balances - ending</b>	<b>\$ 104,923</b>	<b>\$ 4,247</b>	<b>\$ 104,922</b>	<b>\$ 100,675</b>	<b>\$ 981,823</b>	<b>\$ 981,823</b>	<b>\$ 1,486,377</b>	<b>\$ 504,554</b>

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	Special Revenue							
	Air Quality Management District				Community Services Reimbursements			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,733,700	3,620,795	3,359,190	(261,605)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	7,000	7,000	28,729	21,729	-	-	-	-
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	250,000	250,000	355,476	105,476	-	-	-	-
<b>Total revenues</b>	<b>257,000</b>	<b>257,000</b>	<b>384,205</b>	<b>127,205</b>	<b>3,733,700</b>	<b>3,620,795</b>	<b>3,359,190</b>	<b>(261,605)</b>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	15,500	1,000	14,500	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	16,000	16,000	12,709	3,291	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	90,910	-	90,910	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	3,328,500	3,215,595	3,073,117	142,478
Engineering	-	223,187	51,131	172,056	-	-	-	-
Capital outlay	-	156,835	-	156,835	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
Total expenditures	16,000	502,432	64,840	437,592	3,328,500	3,215,595	3,073,117	142,478
Excess (deficiency) of revenues over (under) expenditures	241,000	(245,432)	319,365	564,797	405,200	405,200	286,073	(119,127)
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(13,400)	(13,400)	(13,400)	-	(405,200)	(405,200)	(546,319)	(141,119)
Total other financing sources (uses)	(13,400)	(13,400)	(13,400)	-	(405,200)	(405,200)	(546,319)	(141,119)
Net change in fund balances	227,600	(258,832)	305,965	564,797	-	-	(260,246)	(260,246)
Fund balances - beginning	849,521	849,521	849,521	-	(1,209,081)	(1,209,081)	(1,209,081)	-
Fund balances - ending	\$ 1,077,121	\$ 590,689	\$ 1,155,486	\$ 564,797	\$ (1,209,081)	\$ (1,209,081)	\$ (1,469,327)	\$ (260,246)

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	Special Revenue							
	Fontana Community Foundation				Fire Protection District CFD			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	285,000	285,000	285,507	507
Investment earnings	750	750	4,415	3,665	20,000	20,000	122,627	102,627
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>750</b>	<b>750</b>	<b>4,415</b>	<b>3,665</b>	<b>305,000</b>	<b>305,000</b>	<b>408,134</b>	<b>103,134</b>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	500	500	84	416	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	160,000	-	160,000
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	142,286	(142,286)
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>500</b>	<b>500</b>	<b>84</b>	<b>416</b>	<b>-</b>	<b>160,000</b>	<b>142,286</b>	<b>17,714</b>
Excess (deficiency) of revenues over (under) expenditures	250	250	4,331	4,081	305,000	145,000	265,848	120,848
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	250	250	4,331	4,081	305,000	145,000	265,848	120,848
Fund balances - beginning	130,447	130,447	130,447	-	3,617,109	3,617,109	3,617,109	-
<b>Fund balances - ending</b>	<b>\$ 130,697</b>	<b>\$ 130,697</b>	<b>\$ 134,778</b>	<b>\$ 4,081</b>	<b>\$ 3,922,109</b>	<b>\$ 3,762,109</b>	<b>\$ 3,882,957</b>	<b>\$ 120,848</b>

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	<b>Special Revenue</b>							
	<b>Fire District Grants</b>				<b>Landscape Maintenance Districts</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	35,242	35,090	(152)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	4,000,300	4,000,300	4,130,592	130,292
Investment earnings	-	-	-	-	35,200	35,200	226,150	190,950
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>35,242</b>	<b>35,090</b>	<b>(152)</b>	<b>4,035,500</b>	<b>4,035,500</b>	<b>4,356,742</b>	<b>321,242</b>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	35,242	35,090	152	-	-	-	-
Public works	-	-	-	-	4,529,390	4,564,353	4,351,298	213,055
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	32,909	20,985	11,924
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>35,242</b>	<b>35,090</b>	<b>152</b>	<b>4,529,390</b>	<b>4,597,262</b>	<b>4,372,283</b>	<b>224,979</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	(493,890)	(561,762)	(15,541)	546,221
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	631,990	631,990	631,990	-
Transfers out	-	-	-	-	(477,200)	(477,200)	(477,200)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154,790</b>	<b>154,790</b>	<b>154,790</b>	<b>-</b>
Net change in fund balances	-	-	-	-	(339,100)	(406,972)	139,249	546,221
Fund balances - beginning	-	-	-	-	6,729,774	6,729,774	6,729,774	-
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,390,674</b>	<b>\$ 6,322,802</b>	<b>\$ 6,869,023</b>	<b>\$ 546,221</b>

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	<b>Special Revenue</b>							
	<b>Lighting District #3 Hunter's Ridge</b>				<b>Community Facilities Districts</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	10,000	10,000	21,944	11,944
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	31,900	31,900	35,116	3,216	12,378,940	12,378,940	12,558,385	179,445
Investment earnings	200	200	1,068	868	196,950	196,950	974,796	777,846
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>32,100</b>	<b>32,100</b>	<b>36,184</b>	<b>4,084</b>	<b>12,585,890</b>	<b>12,585,890</b>	<b>13,555,125</b>	<b>969,235</b>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:	-							
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	32,000	32,000	31,901	99	7,387,280	8,248,989	6,728,824	1,520,165
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>32,000</b>	<b>32,000</b>	<b>31,901</b>	<b>99</b>	<b>7,387,280</b>	<b>8,248,989</b>	<b>6,728,824</b>	<b>1,520,165</b>
Excess (deficiency) of revenues over (under) expenditures	100	100	4,283	4,183	5,198,610	4,336,901	6,826,301	2,489,400
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	639,280	639,280
Transfers out	(4,500)	(4,500)	(4,500)	-	(5,598,890)	(5,598,890)	(5,598,890)	-
<b>Total other financing sources (uses)</b>	<b>(4,500)</b>	<b>(4,500)</b>	<b>(4,500)</b>	<b>-</b>	<b>(5,598,890)</b>	<b>(5,598,890)</b>	<b>(4,959,610)</b>	<b>639,280</b>
Net change in fund balances	(4,400)	(4,400)	(217)	4,183	(400,280)	(1,261,989)	1,866,691	3,128,680
Fund balances - beginning	34,945	34,945	34,945	-	28,883,142	28,883,142	28,883,142	-
<b>Fund balances - ending</b>	<b>\$ 30,545</b>	<b>\$ 30,545</b>	<b>\$ 34,728</b>	<b>\$ 4,183</b>	<b>\$ 28,482,862</b>	<b>\$ 27,621,153</b>	<b>\$ 30,749,833</b>	<b>\$ 3,128,680</b>

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	<b>Debt Service</b>				<b>Capital Projects</b>			
	<b>General Debt Service</b>				<b>Capital Reinvestment</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	195,600	195,600	182,648	(12,952)	-	404,460	-	(404,460)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	1,000	1,000	1,632	632	100,000	100,000	233,541	133,541
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	398,161	10,575	-	(387,586)
<b>Total revenues</b>	<b>196,600</b>	<b>196,600</b>	<b>184,280</b>	<b>(12,320)</b>	<b>100,000</b>	<b>902,621</b>	<b>244,116</b>	<b>(658,505)</b>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	230,850	407,290	-
Management services	20,000	20,000	5,170	14,830	-	-	-	-
Information technology	-	-	-	-	-	919,405	559,649	359,756
Human resources	-	-	-	-	-	-	-	-
Public safety:	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	300,000	2,303,374	3,153,881	(850,507)
Community development	-	-	-	-	-	54,035	54,035	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	44,200	117,419	196,210	(78,791)
Capital outlay	-	-	-	-	3,580,650	7,800,779	741,521	7,059,258
Debt service:								
Principal	1,105,000	1,105,000	1,105,000	-	-	-	-	-
Interest	2,000,710	2,000,710	2,000,711	(1)	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,125,710</b>	<b>3,125,710</b>	<b>3,110,881</b>	<b>14,829</b>	<b>3,924,850</b>	<b>11,425,862</b>	<b>5,112,586</b>	<b>6,489,716</b>
Excess (deficiency) of revenues over (under) expenditures	(2,929,110)	(2,929,110)	(2,926,601)	2,509	(3,824,850)	(10,523,241)	(4,868,470)	5,654,771
<b>Other Financing Sources (Uses):</b>								
Transfers in	2,930,120	2,930,120	2,926,551	(3,569)	3,924,850	3,824,850	4,024,850	200,000
Transfers out	-	-	-	-	(200,000)	(200,000)	(240,430)	(40,430)
<b>Total other financing sources (uses)</b>	<b>2,930,120</b>	<b>2,930,120</b>	<b>2,926,551</b>	<b>(3,569)</b>	<b>3,724,850</b>	<b>3,624,850</b>	<b>3,784,420</b>	<b>159,570</b>
Net change in fund balances	1,010	1,010	(50)	(1,060)	(100,000)	(6,898,391)	(1,084,050)	5,814,341
Fund balances - beginning	616,967	616,967	616,967	-	13,190,902	13,190,902	13,190,902	-
<b>Fund balances - ending</b>	<b>\$ 617,977</b>	<b>\$ 617,977</b>	<b>\$ 616,917</b>	<b>\$ (1,060)</b>	<b>\$ 13,090,902</b>	<b>\$ 6,292,511</b>	<b>\$ 12,106,852</b>	<b>\$ 5,814,341</b>

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	<b>Capital Projects</b>							
	<b>Future Capital Projects</b>				<b>Traffic Mitigation</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	7,147,782	7,147,782
Fines and forfeitures	75,000	75,000	-	(75,000)	160,000	160,000	-	(160,000)
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	-	-	810,602	810,602	7,700,000	7,700,000	777,028	(6,922,972)
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>810,602</u>	<u>735,602</u>	<u>7,860,000</u>	<u>7,860,000</u>	<u>7,924,810</u>	<u>64,810</u>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	3,873,854	-	3,873,854
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	349,264	-	349,264	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	1,000,000	1,000,000	750	999,250	65,700	(2,580,804)	523,713	(3,104,517)
Capital outlay	1,400,000	4,821,852	864,325	3,957,527	(54,040)	16,691,264	506,676	16,184,588
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	<u>2,400,000</u>	<u>6,171,116</u>	<u>865,075</u>	<u>5,306,041</u>	<u>11,660</u>	<u>17,984,314</u>	<u>1,030,389</u>	<u>16,953,925</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,325,000)</u>	<u>(6,096,116)</u>	<u>(54,473)</u>	<u>6,041,643</u>	<u>7,848,340</u>	<u>(10,124,314)</u>	<u>6,894,421</u>	<u>17,018,735</u>
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(94,800)	(94,800)	(94,800)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(94,800)</u>	<u>(94,800)</u>	<u>(94,800)</u>	<u>-</u>
Net change in fund balances	<u>(2,325,000)</u>	<u>(6,096,116)</u>	<u>(54,473)</u>	<u>6,041,643</u>	<u>7,753,540</u>	<u>(10,219,114)</u>	<u>6,799,621</u>	<u>17,018,735</u>
Fund balances - beginning	<u>52,208,115</u>	<u>52,208,115</u>	<u>52,208,115</u>	<u>-</u>	<u>(10,281,235)</u>	<u>(10,281,235)</u>	<u>(10,281,235)</u>	<u>-</u>
Fund balances - ending	<u>\$ 49,883,115</u>	<u>\$ 46,111,999</u>	<u>\$ 52,153,642</u>	<u>\$ 6,041,643</u>	<u>\$ (2,527,695)</u>	<u>\$ (20,500,349)</u>	<u>\$ (3,481,614)</u>	<u>\$ 17,018,735</u>

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	<b>Capital Projects</b>							
	<b>Storm Drain</b>				<b>San Sevaine Flood Control</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	2,001,556	2,001,556	-	-	84,164	84,164
Intergovernmental	2,435,000	2,435,000	-	(2,435,000)	300,000	300,000	-	(300,000)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	100,000	100,000	-	(100,000)	6,000	6,000	-	(6,000)
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	-	-	485,316	485,316	-	-	19,395	19,395
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	<u>2,535,000</u>	<u>2,535,000</u>	<u>2,486,872</u>	<u>(48,128)</u>	<u>306,000</u>	<u>306,000</u>	<u>103,559</u>	<u>(202,441)</u>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	7,530	7,645	7,615	30	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	139,560	1,501,287	867,953	633,334	91,440	92,240	92,749	(509)
Capital outlay	-	10,853,036	1,471,901	9,381,135	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	<u>147,090</u>	<u>12,361,968</u>	<u>2,347,469</u>	<u>10,014,499</u>	<u>91,440</u>	<u>92,240</u>	<u>92,749</u>	<u>(509)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,387,910</u>	<u>(9,826,968)</u>	<u>139,403</u>	<u>9,966,371</u>	<u>214,560</u>	<u>213,760</u>	<u>10,810</u>	<u>(202,950)</u>
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	<u>(501,000)</u>	<u>(501,000)</u>	<u>(501,000)</u>	<u>-</u>	<u>(12,900)</u>	<u>(12,900)</u>	<u>(12,900)</u>	<u>-</u>
Total other financing sources (uses)	<u>(501,000)</u>	<u>(501,000)</u>	<u>(501,000)</u>	<u>-</u>	<u>(12,900)</u>	<u>(12,900)</u>	<u>(12,900)</u>	<u>-</u>
Net change in fund balances	1,886,910	<u>(10,327,968)</u>	<u>(361,597)</u>	9,966,371	201,660	200,860	<u>(2,090)</u>	<u>(202,950)</u>
Fund balances - beginning	13,996,232	13,996,232	13,996,232	-	367,043	367,043	367,043	-
Fund balances - ending	<u>\$ 15,883,142</u>	<u>\$ 3,668,264</u>	<u>\$ 13,634,635</u>	<u>\$ 9,966,371</u>	<u>\$ 568,703</u>	<u>\$ 567,903</u>	<u>\$ 364,953</u>	<u>\$ (202,950)</u>

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	<b>Capital Projects</b>							
	<b>Upper Etiwanda Flood Control</b>				<b>Park Development</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	1,846,002	1,846,002
Intergovernmental	-	-	-	-	1,750,000	1,750,000	-	(1,750,000)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	300	300	-	(300)	45,000	45,000	-	(45,000)
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	-	-	1,500	1,500	-	-	202,231	202,231
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	<u>300</u>	<u>300</u>	<u>1,500</u>	<u>1,200</u>	<u>1,795,000</u>	<u>1,795,000</u>	<u>2,048,233</u>	<u>253,233</u>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	266,070	2,109,551	676,155	1,433,396
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	7,400	162,717	3,282	159,435
Capital outlay	-	-	-	-	120,000	4,923,111	541,464	4,381,647
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	393,470	7,195,379	1,220,901	5,974,478
Excess (deficiency) of revenues over (under) expenditures	<u>300</u>	<u>300</u>	<u>1,500</u>	<u>1,200</u>	<u>1,401,530</u>	<u>(5,400,379)</u>	<u>827,332</u>	<u>6,227,711</u>
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(127,900)	(127,900)	(127,900)	-
Total other financing sources (uses)	-	-	-	-	(127,900)	(127,900)	(127,900)	-
Net change in fund balances	300	300	1,500	1,200	1,273,630	(5,528,279)	699,432	6,227,711
Fund balances - beginning	44,340	44,340	44,340	-	5,666,659	5,666,659	5,666,659	-
Fund balances - ending	<u>\$ 44,640</u>	<u>\$ 44,640</u>	<u>\$ 45,840</u>	<u>\$ 1,200</u>	<u>\$ 6,940,289</u>	<u>\$ 138,380</u>	<u>\$ 6,366,091</u>	<u>\$ 6,227,711</u>

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	<b>Capital Projects</b>							
	<b>Landscape Improvements</b>				<b>Library Capital Improvement</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	325,570	325,570
Intergovernmental	-	-	-	-	100,000	100,000	-	(100,000)
Charges for services	-	-	1,263,373	1,263,373	-	-	-	-
Fines and forfeitures	20,000	20,000	-	(20,000)	10,000	10,000	-	(10,000)
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	1,000,000	1,000,000	153,935	(846,065)	-	-	40,187	40,187
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	<u>1,020,000</u>	<u>1,020,000</u>	<u>1,417,308</u>	<u>397,308</u>	<u>110,000</u>	<u>110,000</u>	<u>365,757</u>	<u>255,757</u>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	210,528	83,088	127,440
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	29,480	1,906,504	54,215	1,852,289	-	-	-	-
Capital outlay	-	842,976	10,725	832,251	-	-	120,000	(120,000)
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	<u>29,480</u>	<u>2,749,480</u>	<u>64,940</u>	<u>2,684,540</u>	-	<u>210,528</u>	<u>203,088</u>	<u>7,440</u>
Excess (deficiency) of revenues over (under) expenditures	<u>990,520</u>	<u>(1,729,480)</u>	<u>1,352,368</u>	<u>3,081,848</u>	<u>110,000</u>	<u>(100,528)</u>	<u>162,669</u>	<u>263,197</u>
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	<u>(3,300)</u>	<u>(3,300)</u>	<u>(3,300)</u>	-	<u>(1,454,500)</u>	<u>(1,454,500)</u>	<u>(1,454,500)</u>	-
Total other financing sources (uses)	<u>(3,300)</u>	<u>(3,300)</u>	<u>(3,300)</u>	-	<u>(1,454,500)</u>	<u>(1,454,500)</u>	<u>(1,454,500)</u>	-
Net change in fund balances	987,220	<u>(1,732,780)</u>	1,349,068	3,081,848	<u>(1,344,500)</u>	<u>(1,555,028)</u>	<u>(1,291,831)</u>	263,197
Fund balances - beginning	4,263,189	4,263,189	4,263,189	-	1,540,129	1,540,129	1,540,129	-
Fund balances - ending	<u>\$ 5,250,409</u>	<u>\$ 2,530,409</u>	<u>\$ 5,612,257</u>	<u>\$ 3,081,848</u>	<u>\$ 195,629</u>	<u>\$ (14,899)</u>	<u>\$ 248,298</u>	<u>\$ 263,197</u>

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	<b>Capital Projects</b>							
	<b>Police Facility</b>				<b>General Government Improvement</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	664,646	664,646	-	-	-	-
Intergovernmental	300,000	300,000	-	(300,000)	-	-	-	-
Charges for services	-	-	-	-	-	-	1,536,608	1,536,608
Fines and forfeitures	12,000	12,000	-	(12,000)	35,000	35,000	-	(35,000)
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	-	-	70,807	70,807	500,000	500,000	260,171	(239,829)
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	<u>312,000</u>	<u>312,000</u>	<u>735,453</u>	<u>423,453</u>	<u>535,000</u>	<u>535,000</u>	<u>1,796,779</u>	<u>1,261,779</u>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	6,000	4,473	1,527
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Police	-	199,794	91,566	108,228	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	779,441	54,359	725,082	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	1,017,764	-	1,017,764
Total expenditures	-	979,235	145,925	833,310	-	1,023,764	4,473	1,019,291
Excess (deficiency) of revenues over (under) expenditures	<u>312,000</u>	<u>(667,235)</u>	<u>589,528</u>	<u>1,256,763</u>	<u>535,000</u>	<u>(488,764)</u>	<u>1,792,306</u>	<u>2,281,070</u>
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(9,500)	(9,500)	(9,500)	-	-	-	-	-
Total other financing sources (uses)	<u>(9,500)</u>	<u>(9,500)</u>	<u>(9,500)</u>	-	-	-	-	-
Net change in fund balances	302,500	(676,735)	580,028	1,256,763	535,000	(488,764)	1,792,306	2,281,070
Fund balances - beginning	1,929,673	1,929,673	1,929,673	-	7,335,478	7,335,478	7,335,478	-
Fund balances - ending	<u>\$ 2,232,173</u>	<u>\$ 1,252,938</u>	<u>\$ 2,509,701</u>	<u>\$ 1,256,763</u>	<u>\$ 7,870,478</u>	<u>\$ 6,846,714</u>	<u>\$ 9,127,784</u>	<u>\$ 2,281,070</u>

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	<b>Capital Projects</b>							
	<b>Capital Improvements</b>				<b>Underground Utilities</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	50,000	-	-	-	300	300	-	(300)
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	-	50,000	305,004	255,004	15,000	15,000	1,471	(13,529)
Contribution from developer	-	-	320,606	320,606	-	-	-	-
Other revenue	-	2,681,502	-	(2,681,502)	-	-	-	-
Total revenues	<u>50,000</u>	<u>2,731,502</u>	<u>625,610</u>	<u>(2,105,892)</u>	<u>15,300</u>	<u>15,300</u>	<u>1,471</u>	<u>(13,829)</u>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	877,090	-	877,090	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	60,754	10,619	50,135	-	-	-	-
Capital outlay	-	13,611,655	489,681	13,121,974	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	-	14,549,499	500,300	14,049,199	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>50,000</u>	<u>(11,817,997)</u>	<u>125,310</u>	<u>11,943,307</u>	<u>15,300</u>	<u>15,300</u>	<u>1,471</u>	<u>(13,829)</u>
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	<u>(16,100)</u>	<u>(16,100)</u>	<u>(16,100)</u>	-	-	-	-	-
Total other financing sources (uses)	<u>(16,100)</u>	<u>(16,100)</u>	<u>(16,100)</u>	-	-	-	-	-
Net change in fund balances	33,900	(11,834,097)	109,210	11,943,307	15,300	15,300	1,471	(13,829)
Fund balances - beginning	9,069,615	9,069,615	9,069,615	-	123,273	123,273	123,273	-
Fund balances - ending	<u>\$ 9,103,515</u>	<u>\$ (2,764,482)</u>	<u>\$ 9,178,825</u>	<u>\$ 11,943,307</u>	<u>\$ 138,573</u>	<u>\$ 138,573</u>	<u>\$ 124,744</u>	<u>\$ (13,829)</u>

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	<b>Capital Projects</b>							
	<b>Sewer Expansion</b>				<b>Fire Assessment</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	2,300,000	-	8,078	8,078	-	-	383,203	383,203
Intergovernmental	-	2,300,000	-	(2,300,000)	250,000	250,000	-	(250,000)
Charges for services	-	-	1,106	1,106	-	-	-	-
Fines and forfeitures	-	45,000	-	(45,000)	5,000	5,000	-	(5,000)
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	45,000	-	279,343	279,343	-	-	24,203	24,203
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	<u>2,345,000</u>	<u>2,345,000</u>	<u>288,527</u>	<u>(2,056,473)</u>	<u>255,000</u>	<u>255,000</u>	<u>407,406</u>	<u>152,406</u>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	1,575,000	1,575,000	-	1,575,000	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	668,267	-	668,267
Total expenditures	<u>1,575,000</u>	<u>1,575,000</u>	<u>-</u>	<u>1,575,000</u>	<u>-</u>	<u>668,267</u>	<u>-</u>	<u>668,267</u>
Excess (deficiency) of revenues over (under) expenditures	<u>770,000</u>	<u>770,000</u>	<u>288,527</u>	<u>(481,473)</u>	<u>255,000</u>	<u>(413,267)</u>	<u>407,406</u>	<u>820,673</u>
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(75,000)	(75,000)	(182,756)	(107,756)	(304,070)	(304,070)	(308,161)	(4,091)
Total other financing sources (uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>(182,756)</u>	<u>(107,756)</u>	<u>(304,070)</u>	<u>(304,070)</u>	<u>(308,161)</u>	<u>(4,091)</u>
Net change in fund balances	695,000	695,000	105,771	(589,229)	(49,070)	(717,337)	99,245	816,582
Fund balances - beginning	1,086,936	1,086,936	1,086,936	-	757,473	757,473	757,473	-
Fund balances - ending	<u>\$ 1,781,936</u>	<u>\$ 1,781,936</u>	<u>\$ 1,192,707</u>	<u>\$ (589,229)</u>	<u>\$ 708,403</u>	<u>\$ 40,136</u>	<u>\$ 856,718</u>	<u>\$ 816,582</u>

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	<b>Capital Projects</b>							
	<b>Affordable Housing Trust</b>				<b>Fire Protection District</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	639,197	639,197	-	-	-	-
Intergovernmental	731,000	786,000	-	(786,000)	-	-	140	140
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	18,000	18,000	-	(18,000)	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	-	-	113,603	113,603	37,000	37,000	181,276	144,276
Contribution from developer	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	<u>749,000</u>	<u>804,000</u>	<u>752,800</u>	<u>(51,200)</u>	<u>37,000</u>	<u>37,000</u>	<u>181,416</u>	<u>144,416</u>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	500	1,000,500	-	1,000,500	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	50,074	44,287	5,787
Fire	-	-	-	-	30,000	58,867	89,477	(30,610)
Public works	-	-	-	-	-	-	165,220	(165,220)
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,295,800	3,383,785	1,212,650	2,171,135
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	<u>500</u>	<u>1,000,500</u>	<u>-</u>	<u>1,000,500</u>	<u>1,325,800</u>	<u>3,492,726</u>	<u>1,511,634</u>	<u>1,981,092</u>
Excess (deficiency) of revenues over (under) expenditures	<u>748,500</u>	<u>(196,500)</u>	<u>752,800</u>	<u>949,300</u>	<u>(1,288,800)</u>	<u>(3,455,726)</u>	<u>(1,330,218)</u>	<u>2,125,508</u>
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	1,632,100	1,632,100	1,632,100	-
Transfers out	-	-	-	-	(455,900)	(455,900)	(455,900)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,176,200</u>	<u>1,176,200</u>	<u>1,176,200</u>	<u>-</u>
Net change in fund balances	<u>748,500</u>	<u>(196,500)</u>	<u>752,800</u>	<u>949,300</u>	<u>(112,600)</u>	<u>(2,279,526)</u>	<u>(154,018)</u>	<u>2,125,508</u>
Fund balances - beginning	<u>3,221,283</u>	<u>3,221,283</u>	<u>3,221,283</u>	<u>-</u>	<u>5,291,356</u>	<u>5,291,356</u>	<u>5,291,356</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,969,783</u>	<u>\$ 3,024,783</u>	<u>\$ 3,974,083</u>	<u>\$ 949,300</u>	<u>\$ 5,178,756</u>	<u>\$ 3,011,830</u>	<u>\$ 5,137,338</u>	<u>\$ 2,125,508</u>

**CITY OF FONTANA**  
 Budgetary Comparison Schedules  
 Governmental Funds  
 For the Year Ended June 30, 2019

Schedule 3  
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	<b>Capital Projects</b>							
	<b>Fontana Housing Authority</b>				<b>Community Facilities Districts</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	450	7,573	-	(7,573)
Special assessments	-	-	-	-	-	-	31,157	31,157
Investment earnings	231,040	231,040	251,671	20,631	-	-	29,146	29,146
Contribution from developer	-	-	-	-	-	18,485,000	4,159,619	(14,325,381)
Other revenue	10,050	10,050	10,561	511	-	-	287,168	287,168
Total revenues	<u>241,090</u>	<u>241,090</u>	<u>262,232</u>	<u>21,142</u>	<u>450</u>	<u>18,492,573</u>	<u>4,507,090</u>	<u>(13,985,483)</u>
<b>Expenditures:</b>								
Current:								
General government:								
City Administration	144,550	1,079,550	615,054	464,496	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	4,314,377	-	4,314,377
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	5,462,187	2,606,223	2,855,964
Capital outlay	635,000	-	-	-	-	9,476,250	349,723	9,126,527
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	343,901	-	343,901
Total expenditures	<u>779,550</u>	<u>1,079,550</u>	<u>615,054</u>	<u>464,496</u>	<u>-</u>	<u>19,596,715</u>	<u>2,955,946</u>	<u>16,640,769</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(538,460)</u>	<u>(838,460)</u>	<u>(352,822)</u>	<u>485,638</u>	<u>450</u>	<u>(1,104,142)</u>	<u>1,551,144</u>	<u>2,655,286</u>
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	<u>(36,000)</u>	<u>(36,000)</u>	<u>(36,000)</u>	<u>-</u>	<u>-</u>	<u>(19,299,056)</u>	<u>-</u>	<u>19,299,056</u>
Total other financing sources (uses)	<u>(36,000)</u>	<u>(36,000)</u>	<u>(36,000)</u>	<u>-</u>	<u>-</u>	<u>(814,056)</u>	<u>-</u>	<u>814,056</u>
Net change in fund balances	<u>(574,460)</u>	<u>(874,460)</u>	<u>(388,822)</u>	<u>485,638</u>	<u>450</u>	<u>(1,918,198)</u>	<u>1,551,144</u>	<u>3,469,342</u>
Fund balances - beginning	4,549,191	4,549,191	4,549,191	-	9,147,530	9,147,530	9,147,530	-
Fund balances - ending	<u>\$ 3,974,731</u>	<u>\$ 3,674,731</u>	<u>\$ 4,160,369</u>	<u>\$ 485,638</u>	<u>\$ 9,147,980</u>	<u>\$ 7,229,332</u>	<u>\$ 10,698,674</u>	<u>\$ 3,469,342</u>

# Fiduciary Fund Types

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Fiduciary Fund types include trust and agency funds. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

**Community Facilities District #2 - Heritage**- To account for the Village of Heritage CFD special taxes received and the payment of debt service related to bonds issued.

**Community Facilities District #3 - Hunter's Ridge**- To account for the Hunter's Ridge CFD special taxes received and the payment of debt service related to bonds issued.

**Community Facilities District #4 - Walnut Village** - To account for the Walnut Village CFD special taxes received and the payment of debt service related to bonds issued.

**Community Facilities District #7 - Country Club** - To account for the Country Club Estates CFD special taxes received and the payment of debt service related to bonds issued.

**Community Facilities District #11 - Heritage West End** - To account for the Heritage West End CFD special taxes received and the payment of debt service related to bonds issued.

**Community Facilities District #12 – Sierra Lakes** - To account for the Sierra Lakes CFD special taxes received and the payment of debt service related to bonds issued.

**Community Facilities District #22 – Sierra Hills South** – To account for the Sierra Hills South CFD special taxes received and the payment of debt related to bonds issued.

**Community Facilities District #31 – Citrus Heights** – To account for the Citrus Heights North CFD special taxes received and the payment of debt related to bonds issued.

**Community Facilities District #37 – Montelago** – To account for the Montelago CFD special taxes received and the payment of debt related to bonds issued.

**Community Facilities District #70 - Avellino** – To account for the Avellino CFD special taxes received and the payment of debt related to bonds issued.

**Community Facilities District #71 – Sierra Crest** – To account for the Sierra Crest CFD special taxes received and the payment of debt related to bonds issued.

# Fiduciary Fund Types

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## Fiduciary Funds (continued)

**Community Facilities District #80 – Bella Strada** – To account for the Bella Strada CFD special taxes received and the payment of debt related to bonds issued.

**Community Facilities District #81 – Gabriella** – To account for the Gabriella CFD special taxes received and the payment of debt related to bonds issued.

**Community Facilities District #74 – Citrus Summit** – To account for the Citrus Summit CFD special taxes received and the payment of debt related to bonds issued.

**Community Facilities District #86 – Etiwanda Ridge** – To account for the Etiwanda Ridge CFD special taxes received and the payment of debt related to bonds issued.

**Trust Deposits** - To account for various deposits that are held by the City as collateral, guarantee of work to be done, or for code compliance. The moneys in this fund are returned to the depositor upon completion of projects and/or fulfillment of purpose.

**CITY OF FONTANA**  
 Combining Statement of Net Position  
 All Agency Funds  
 June 30, 2019

Schedule 4

	Community Facilities District #2 Heritage	Community Facilities District #3 Hunter's Ridge	Community Facilities District #4 Walnut Village	Community Facilities District #7 Country Club	Community Facilities District #11 Heritage West	Community Facilities District #12 Sierra Lakes	Community Facilities District #22 Sierra Hills South	Community Facilities District #31 Citrus Heights
<b>Assets:</b>								
Cash and investments	\$ -	\$ 2,467	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables (net):								
Assessments	74,647	1,781	393	5,412	3,999	12,664	459,698	37,433
Restricted assets:								
Cash and investments	-	-	-	639,496	2,121,035	4,563,444	4,406,105	2,656,932
<b>Total Assets</b>	<b>\$ 74,647</b>	<b>\$ 4,248</b>	<b>\$ 393</b>	<b>\$ 644,908</b>	<b>\$ 2,125,034</b>	<b>\$ 4,576,108</b>	<b>\$ 4,865,803</b>	<b>\$ 2,694,365</b>
<b>Liabilities:</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-	-	-	-	-
Due to other funds	4,065	-	-	-	-	-	-	-
Due to bondholders	70,582	4,248	393	644,908	2,125,034	4,576,108	4,865,803	2,694,365
<b>Total Liabilities</b>	<b>\$ 74,647</b>	<b>\$ 4,248</b>	<b>\$ 393</b>	<b>\$ 644,908</b>	<b>\$ 2,125,034</b>	<b>\$ 4,576,108</b>	<b>\$ 4,865,803</b>	<b>\$ 2,694,365</b>

	Community Facilities District #37 Montelago	Community Facilities District #70 Avellino	Community Facilities District #71 Sierra Crest	Community Facilities District #80 Bella Strada	Community Facilities District #81 Gabriella	Community Facilities District #74B Citrus-Summit	Community Facilities District #86 Etiwanda Ridge	Trust Deposits	Totals
<b>Assets:</b>									
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,230,456
Receivables (net):									
Assessments	5,876	2,043	8,047	4,238	10,731	368	-	-	627,330
Restricted assets:									
Cash and investments	1,029,056	448,234	611,275	1,538,407	879,494	333,823	-	-	19,227,301
<b>Total Assets</b>	<b>\$ 1,034,932</b>	<b>\$ 450,277</b>	<b>\$ 619,322</b>	<b>\$ 1,542,645</b>	<b>\$ 890,225</b>	<b>\$ 335,322</b>	<b>\$ 10,615</b>	<b>\$ 9,216,243</b>	<b>\$ 29,085,087</b>
<b>Liabilities:</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,341,607
Deposits payable	-	-	-	-	-	-	-	-	7,874,636
Due to other funds	-	-	-	-	-	-	-	-	4,065
Due to bondholders	1,034,932	450,277	619,322	1,542,645	890,225	335,322	10,615	-	19,864,779
<b>Total Liabilities</b>	<b>\$ 1,034,932</b>	<b>\$ 450,277</b>	<b>\$ 619,322</b>	<b>\$ 1,542,645</b>	<b>\$ 890,225</b>	<b>\$ 335,322</b>	<b>\$ 10,615</b>	<b>\$ 9,216,243</b>	<b>\$ 29,085,087</b>

**CITY OF FONTANA**  
 Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds  
 For the Year Ended June 30, 2019

Schedule 5  
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	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
<b><u>Community Facilities District #2 - Heritage</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 158,849	\$ 89,043	\$ 247,892	\$ -
Receivables (net):				
Assessments	79,928	75,305	80,587	74,646
Total Assets	<u>\$ 238,777</u>	<u>\$ 164,348</u>	<u>\$ 328,479</u>	<u>\$ 74,646</u>
<b>Liabilities:</b>				
Due to bondholders	\$ 238,777	\$ 164,348	\$ 328,479	\$ 74,646
Total Liabilities	<u>\$ 238,777</u>	<u>\$ 164,348</u>	<u>\$ 328,479</u>	<u>\$ 74,646</u>
<b><u>Community Facilities District #3 - Hunter's Ridge</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 186,295	\$ 4,942	\$ 188,770	\$ 2,467
Receivables (net):				
Assessments	3,054	-	1,272	1,782
Total Assets	<u>\$ 189,349</u>	<u>\$ 4,942</u>	<u>\$ 190,042</u>	<u>\$ 4,249</u>
<b>Liabilities:</b>				
Due to bondholders	\$ 189,349	\$ 4,942	\$ 190,042	\$ 4,249
Total Liabilities	<u>\$ 189,349</u>	<u>\$ 4,942</u>	<u>\$ 190,042</u>	<u>\$ 4,249</u>
<b><u>Community Facilities District #4 - Walnut Village</u></b>				
<b>Assets:</b>				
Receivables (net):				
Assessments	\$ 393	\$ -	\$ -	\$ 393
Total Assets	<u>\$ 393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393</u>
<b>Liabilities:</b>				
Due to bondholders	\$ 393	\$ -	\$ -	\$ 393
Total Liabilities	<u>\$ 393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393</u>

**CITY OF FONTANA**  
 Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds  
 For the Year Ended June 30, 2019

Schedule 5  
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	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>
<b><u>Community Facilities District #7 - Country Club</u></b>				
<b>Assets:</b>				
Receivables (net):				
Assessments	\$ 6,481	\$ 257,325	\$ 258,394	\$ 5,412
Restricted assets:				
Cash and investments	<u>660,616</u>	<u>4,563,593</u>	<u>4,584,713</u>	<u>639,496</u>
Total Assets	<u>\$ 667,097</u>	<u>\$ 4,820,918</u>	<u>\$ 4,843,107</u>	<u>\$ 644,908</u>
<b>Liabilities:</b>				
Due to bondholders	<u>\$ 667,097</u>	<u>\$ 4,820,918</u>	<u>\$ 4,843,107</u>	<u>\$ 644,908</u>
Total Liabilities	<u>\$ 667,097</u>	<u>\$ 4,820,918</u>	<u>\$ 4,843,107</u>	<u>\$ 644,908</u>
<b><u>Community Facilities District #11 - Heritage West End</u></b>				
<b>Assets:</b>				
Receivables (net):				
Assessments	\$ 10,521	\$ 786,479	\$ 793,001	\$ 3,999
Restricted assets:				
Cash and investments	<u>2,079,577</u>	<u>1,594,730</u>	<u>1,553,272</u>	<u>2,121,035</u>
Total Assets	<u>\$ 2,090,098</u>	<u>\$ 2,381,209</u>	<u>\$ 2,346,273</u>	<u>\$ 2,125,034</u>
<b>Liabilities:</b>				
Due to bondholders	<u>\$ 2,090,098</u>	<u>\$ 2,381,209</u>	<u>\$ 2,346,273</u>	<u>\$ 2,125,034</u>
Total Liabilities	<u>\$ 2,090,098</u>	<u>\$ 2,381,209</u>	<u>\$ 2,346,273</u>	<u>\$ 2,125,034</u>
<b><u>Community Facilities District #12 - Sierra Lakes</u></b>				
<b>Assets:</b>				
Receivables (net):				
Assessments	\$ 17,489	\$ 1,670,124	\$ 1,674,949	\$ 12,664
Restricted assets:				
Cash and investments	<u>4,685,171</u>	<u>3,627,572</u>	<u>3,749,299</u>	<u>4,563,444</u>
Total Assets	<u>\$ 4,702,660</u>	<u>\$ 5,297,696</u>	<u>\$ 5,424,248</u>	<u>\$ 4,576,108</u>
<b>Liabilities:</b>				
Due to bondholders	<u>\$ 4,702,660</u>	<u>\$ 5,297,696</u>	<u>\$ 5,424,248</u>	<u>\$ 4,576,108</u>
Total Liabilities	<u>\$ 4,702,660</u>	<u>\$ 5,297,696</u>	<u>\$ 5,424,248</u>	<u>\$ 4,576,108</u>

**CITY OF FONTANA**  
 Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds  
 For the Year Ended June 30, 2019

Schedule 5  
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	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>
<b><u>Community Facilities District #22 - Sierra Hills South</u></b>				
<b>Assets:</b>				
Receivables (net):				
Assessments	\$ 256,215	\$ 2,695,875	\$ 2,492,392	\$ 459,698
Restricted assets:				
Cash and investments	<u>4,538,803</u>	<u>5,219,360</u>	<u>5,352,058</u>	<u>4,406,105</u>
Total Assets	<u>\$ 4,795,018</u>	<u>\$ 7,915,235</u>	<u>\$ 7,844,450</u>	<u>\$ 4,865,803</u>
<b>Liabilities:</b>				
Due to bondholders	\$ 4,795,018	\$ 7,915,235	\$ 7,844,450	\$ 4,865,803
Total Liabilities	<u>\$ 4,795,018</u>	<u>\$ 7,915,235</u>	<u>\$ 7,844,450</u>	<u>\$ 4,865,803</u>
<b><u>Community Facilities District #31 - Citrus Heights North</u></b>				
<b>Assets:</b>				
Receivables (net):				
Assessments	\$ 44,967	\$ 1,576,307	\$ 1,583,842	\$ 37,432
Restricted assets:				
Cash and investments	<u>3,290,955</u>	<u>3,735,920</u>	<u>4,369,942</u>	<u>2,656,933</u>
Total Assets	<u>\$ 3,335,922</u>	<u>\$ 5,312,227</u>	<u>\$ 5,953,784</u>	<u>\$ 2,694,365</u>
<b>Liabilities:</b>				
Due to bondholders	\$ 3,335,922	\$ 5,312,227	\$ 5,953,784	\$ 2,694,365
Total Liabilities	<u>\$ 3,335,922</u>	<u>\$ 5,312,227</u>	<u>\$ 5,953,784</u>	<u>\$ 2,694,365</u>
<b><u>Community Facilities District #37 - Montelago</u></b>				
<b>Assets:</b>				
Receivables (net):				
Assessments	\$ 4,822	\$ 290,345	\$ 289,292	\$ 5,875
Restricted assets:				
Cash and investments	<u>1,146,693</u>	<u>644,229</u>	<u>761,865</u>	<u>1,029,057</u>
Total Assets	<u>\$ 1,151,515</u>	<u>\$ 934,574</u>	<u>\$ 1,051,157</u>	<u>\$ 1,034,932</u>
<b>Liabilities:</b>				
Due to bondholders	\$ 1,151,515	\$ 934,574	\$ 1,051,157	\$ 1,034,932
Total Liabilities	<u>\$ 1,151,515</u>	<u>\$ 934,574</u>	<u>\$ 1,051,157</u>	<u>\$ 1,034,932</u>

**CITY OF FONTANA**  
 Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds  
 For the Year Ended June 30, 2019

Schedule 5  
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	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>
<b><u>Community Facilities District #70 - Avellino</u></b>				
<b>Assets:</b>				
Receivables (net):				
Assessments	\$ 1,945	\$ 241,384	\$ 241,286	\$ 2,043
Restricted assets:				
Cash and investments	<u>422,642</u>	<u>459,820</u>	<u>434,228</u>	<u>448,234</u>
Total Assets	<u>\$ 424,587</u>	<u>\$ 701,204</u>	<u>\$ 675,514</u>	<u>\$ 450,277</u>
<b>Liabilities:</b>				
Due to bondholders	\$ 424,587	\$ 701,204	\$ 675,514	\$ 450,277
Total Liabilities	<u>\$ 424,587</u>	<u>\$ 701,204</u>	<u>\$ 675,514</u>	<u>\$ 450,277</u>
<b><u>Community Facilities District #71 - Sierra Crest</u></b>				
<b>Assets:</b>				
Receivables (net):				
Assessments	\$ 4,122	\$ 375,483	\$ 371,558	\$ 8,047
Restricted assets:				
Cash and investments	<u>589,526</u>	<u>692,800</u>	<u>671,051</u>	<u>611,275</u>
Total Assets	<u>\$ 593,648</u>	<u>\$ 1,068,283</u>	<u>\$ 1,042,609</u>	<u>\$ 619,322</u>
<b>Liabilities:</b>				
Due to bondholders	\$ 593,648	\$ 1,068,283	\$ 1,042,609	\$ 619,322
Total Liabilities	<u>\$ 593,648</u>	<u>\$ 1,068,283</u>	<u>\$ 1,042,609</u>	<u>\$ 619,322</u>
<b><u>Community Facilities District #80 - Bella Strada</u></b>				
<b>Assets:</b>				
Receivables (net):				
Assessments	\$ 3,489	\$ 900,184	\$ 899,435	\$ 4,238
Restricted assets:				
Cash and investments	<u>1,232,430</u>	<u>1,498,402</u>	<u>1,192,425</u>	<u>1,538,407</u>
Total Assets	<u>\$ 1,235,919</u>	<u>\$ 2,398,586</u>	<u>\$ 2,091,860</u>	<u>\$ 1,542,645</u>
<b>Liabilities:</b>				
Due to bondholders	\$ 1,235,919	\$ 2,398,586	\$ 2,091,860	\$ 1,542,645
Total Liabilities	<u>\$ 1,235,919</u>	<u>\$ 2,398,586</u>	<u>\$ 2,091,860</u>	<u>\$ 1,542,645</u>

**CITY OF FONTANA**  
 Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds  
 For the Year Ended June 30, 2019

Schedule 5  
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	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>
<b><u>Community Facilities District #81 - Gabriella</u></b>				
<b>Assets:</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables (net):				
Assessments	\$ 10,791	\$ 506,575	\$ 506,634	\$ 10,732
Restricted assets:				
Cash and investments	<u>672,446</u>	<u>591,711</u>	<u>384,664</u>	<u>879,493</u>
Total Assets	<u>\$ 683,237</u>	<u>\$ 1,098,286</u>	<u>\$ 891,298</u>	<u>\$ 890,225</u>
<b>Liabilities:</b>				
Due to bondholders	<u>\$ 683,237</u>	<u>\$ 1,098,286</u>	<u>\$ 891,298</u>	<u>\$ 890,225</u>
Total Liabilities	<u>\$ 683,237</u>	<u>\$ 1,098,286</u>	<u>\$ 891,298</u>	<u>\$ 890,225</u>
<b><u>Community Facilities District #74B - Citrus-Summit</u></b>				
<b>Assets:</b>				
Cash and investments	\$ -	\$ 244,075	\$ 242,945	\$ 1,130
Receivables (net):				
Assessments	- -	244,444	244,075	369
Restricted assets:				
Cash and investments	<u>-</u>	<u>333,823</u>	<u>-</u>	<u>333,823</u>
Total Assets	<u>\$ -</u>	<u>\$ 822,342</u>	<u>\$ 487,020</u>	<u>\$ 335,322</u>
<b>Liabilities:</b>				
Due to bondholders	<u>\$ -</u>	<u>\$ 822,342</u>	<u>\$ 487,020</u>	<u>\$ 335,322</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 822,342</u>	<u>\$ 487,020</u>	<u>\$ 335,322</u>
<b><u>Community Facilities District #86 - Etiwanda Ridge</u></b>				
<b>Assets:</b>				
Cash and investments	\$ -	\$ 10,621	\$ 6	\$ 10,615
Receivables (net):				
Assessments	- -	-	-	-
Restricted assets:				
Cash and investments	<u>-</u>	<u>\$ 10,621</u>	<u>\$ 6</u>	<u>\$ 10,615</u>
Total Assets	<u>\$ -</u>	<u>\$ 10,621</u>	<u>\$ 6</u>	<u>\$ 10,615</u>
<b>Liabilities:</b>				
Due to bondholders	<u>\$ -</u>	<u>\$ 10,621</u>	<u>\$ 6</u>	<u>\$ 10,615</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 10,621</u>	<u>\$ 6</u>	<u>\$ 10,615</u>

**CITY OF FONTANA**  
 Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds  
 For the Year Ended June 30, 2019

Schedule 5  
 Page 6 of 6

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2019</b>
<b><u>Trust Deposits</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 5,793,903	\$ 21,910,497	\$ 18,488,157	\$ 9,216,243
Total Assets	<u>\$ 5,793,903</u>	<u>\$ 21,910,497</u>	<u>\$ 18,488,157</u>	<u>\$ 9,216,243</u>
<b>Liabilities:</b>				
Deposits payable	5,793,903	21,910,497	18,488,157	9,216,243
Total Liabilities	<u>\$ 5,793,903</u>	<u>\$ 21,910,497</u>	<u>\$ 18,488,157</u>	<u>\$ 9,216,243</u>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 6,139,047	\$ 22,259,178	\$ 19,167,770	9,230,455
Receivables (net):				
Assessments	444,217	9,619,830	9,436,717	627,330
Restricted assets:				
Cash and investments	19,318,859	22,961,960	23,053,517	19,227,302
Total Assets	<u>\$ 25,902,123</u>	<u>\$ 54,840,968</u>	<u>\$ 51,658,004</u>	<u>\$ 29,085,087</u>
<b>Liabilities:</b>				
Deposits payable	\$ 5,793,903	\$ 21,910,497	\$ 18,488,157	\$ 9,216,243
Due to bondholders	20,108,220	32,930,471	33,169,847	19,868,844
Total Liabilities	<u>\$ 25,902,123</u>	<u>\$ 54,840,968</u>	<u>\$ 51,658,004</u>	<u>\$ 29,085,087</u>

# Statistical Section

# CITY OF FONTANA

## STATISTICAL SECTION

This part of the City of Fontana's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about financial trends, revenue capacity, debt capacity, demographics, and operating information.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	142
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales tax.	148
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	152
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	156
<b>Operating Information</b> These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	158

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



**CITY OF FONTANA**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

	<b>Fiscal Year</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Governmental Activities					
Net investment in capital assets	\$ 701,530,830	\$ 720,068,559	\$ 735,790,188	\$ 755,220,959	\$ 691,627,257
Restricted	245,587,568	232,841,328	227,128,252	226,420,563	204,759,026
Unrestricted	(13,423,646)	(26,155,824)	9,377,716	2,951,934	(13,247,617)
Total governmental activities net position	<u>933,694,752</u>	<u>926,754,063</u>	<u>972,296,156</u>	<u>984,593,456</u>	<u>883,138,666</u>
Business-type activities					
Net investment in capital assets	\$ 59,255,628	\$ 61,076,764	\$ 61,798,043	\$ 63,050,134	\$ 65,035,187
Unrestricted	23,039,788	21,347,594	22,291,772	23,458,142	23,099,758
Total business-type activities net position	<u>82,295,416</u>	<u>82,424,358</u>	<u>84,089,815</u>	<u>86,508,276</u>	<u>88,134,945</u>
Primary Government					
Net investment in capital assets	760,786,458	781,145,323	797,588,231	818,271,093	756,662,444
Restricted	245,587,568	232,841,328	227,128,252	226,420,563	204,759,026
Unrestricted	9,616,142	(4,808,230)	31,669,488	26,410,076	9,852,141
Total primary government net position	<u>1,015,990,168</u>	<u>1,009,178,421</u>	<u>1,056,385,971</u>	<u>1,071,101,732</u>	<u>971,273,611</u>
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Governmental Activities					
Net investment in capital assets	\$ 703,125,448	\$ 676,166,540	\$ 672,341,983	\$ 223,511,085	\$ 210,467,754
Restricted	196,764,945	201,817,790	195,161,021	150,478,343	310,331,309
Unrestricted	93,002,321	71,378,200	101,455,109	185,447,345	30,252,479
Total governmental activities net position	<u>992,892,714</u>	<u>949,362,530</u>	<u>968,958,113</u>	<u>559,436,773</u>	<u>551,051,542</u>
Business-type activities					
Net investment in capital assets	\$ 62,610,261	\$ 63,626,343	\$ 65,695,817	\$ 65,645,477	\$ 65,566,041
Unrestricted	27,641,399	28,233,609	29,652,481	38,838,065	37,796,093
Total business-type activities net position	<u>90,251,660</u>	<u>91,859,952</u>	<u>95,348,298</u>	<u>104,483,542</u>	<u>103,362,134</u>
Primary Government					
Net investment in capital assets	765,735,709	739,792,883	738,037,800	289,156,562	276,033,795
Restricted	196,764,945	201,817,790	195,161,021	150,478,343	310,331,309
Unrestricted	120,643,720	99,611,809	131,107,590	224,285,410	68,048,572
Total primary government net position	<u>1,083,144,374</u>	<u>1,041,222,482</u>	<u>1,064,306,411</u>	<u>663,920,315</u>	<u>654,413,676</u>

**CITY OF FONTANA**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
Governmental activities:										
General government	\$ 33,660,288	\$ 28,739,683	\$ 45,299,507	\$ 29,336,758	\$ 24,737,274	\$ 23,587,937	\$ 22,932,400	\$ 22,587,697	\$ 22,161,297	\$ 20,438,205
Public safety	96,951,615	93,262,299	84,299,901	77,928,071	76,501,195	70,609,139	65,336,580	65,101,512	64,755,767	66,543,166
Public works	46,895,115	47,117,801	40,234,605	37,524,666	69,996,558	71,174,441	72,603,025	72,025,175	63,180,797	70,750,081
Building & safety	-	-	-	-	-	-	-	-	2,146,444	2,172,818
Community development	5,781,517	9,933,299	10,454,373	9,037,714	3,882,448	3,724,782	27,999,771	25,914,815	36,682,509	74,348,012
Community services	17,458,437	17,272,167	15,370,237	14,762,425	13,474,939	12,928,629	13,072,787	12,897,105	12,458,069	11,566,479
Engineering	31,262,387	30,951,213	27,878,438	21,667,220	14,859,417	20,006,242	5,815,197	6,164,023	8,335,217	15,314,176
Interest on long-term debt	1,981,911	2,608,411	2,392,153	2,153,414	3,105,404	2,866,029	2,974,691	11,724,101	32,678,422	37,910,762
Total governmental activities expenses	<u>233,991,270</u>	<u>229,884,873</u>	<u>225,929,214</u>	<u>192,410,268</u>	<u>206,557,235</u>	<u>204,897,199</u>	<u>210,734,451</u>	<u>216,414,428</u>	<u>242,398,522</u>	<u>299,043,699</u>
Business-type activities:										
Sewer	22,026,753	22,261,294	20,786,533	18,837,548	18,010,757	16,987,089	15,577,783	14,878,804	15,096,815	14,423,195
Water	19,520	1,390	6,032	44,104	54,805	134,351	550,544	336,943	99,463	123,359
Total business-type activities	<u>22,046,273</u>	<u>22,262,684</u>	<u>20,792,565</u>	<u>18,881,652</u>	<u>18,065,562</u>	<u>17,121,440</u>	<u>16,128,327</u>	<u>15,215,747</u>	<u>15,196,278</u>	<u>14,546,554</u>
Total primary government expenses	<u>\$ 256,037,543</u>	<u>\$ 252,147,557</u>	<u>\$ 246,721,779</u>	<u>\$ 211,291,920</u>	<u>\$ 224,622,797</u>	<u>\$ 222,018,639</u>	<u>\$ 226,862,778</u>	<u>\$ 231,630,175</u>	<u>\$ 257,594,800</u>	<u>\$ 313,590,253</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for Services:										
General government	8,358,160	12,022,779	7,139,390	6,864,125	7,801,644	7,304,751	6,176,107	7,924,030	2,683,979	3,856,477
Public safety	6,379,838	6,280,045	6,190,785	6,314,166	9,987,259	4,916,477	12,868,006	4,334,408	5,029,644	3,577,408
Public works	19,315,359	19,351,719	19,257,044	19,504,058	18,706,068	16,194,872	20,454,574	16,543,066	15,338,389	17,878,349
Building & safety	-	-	-	-	-	-	-	-	2,183,905	2,221,676
Community development	20,590,089	17,949,656	16,883,104	25,591,414	12,694,452	7,586,953	8,805,067	6,861,863	3,055,406	5,510,881
Community services	3,588,342	3,282,570	3,265,356	7,679,413	6,401,350	5,988,585	7,351,146	6,535,671	5,627,995	4,722,820
Engineering	7,048,521	7,231,866	7,012,662	11,340,644	5,153,433	2,726,083	3,950,637	2,841,546	1,960,933	4,286,993
Operating contributions and grants	17,437,665	14,720,871	12,213,450	4,920,888	5,388,077	13,246,859	23,263,276	27,572,672	17,768,014	19,853,544
Capital contributions and grants	14,409,776	28,415,558	26,539,731	13,763,600	17,231,877	61,605,282	795,729	8,331,145	3,112,947	63,237,670
Total governmental activities program revenues	<u>97,127,750</u>	<u>109,255,064</u>	<u>98,501,522</u>	<u>95,978,308</u>	<u>83,364,160</u>	<u>119,569,862</u>	<u>83,664,542</u>	<u>80,944,401</u>	<u>56,761,212</u>	<u>125,145,818</u>
Business-type activities:										
Charges for Services:										
Sewer	23,116,983	21,703,872	19,539,503	18,248,953	17,131,593	15,548,412	14,805,929	14,146,207	14,187,533	14,192,122
Water	-	-	-	-	-	-	-	-	264,136	102,648
Capital contributions and grants	803,148	724,564	1,166,163	651,860	3,486,994	1,069,865	448,472	2,317,114	1,649,550	4,113,563
Total business-type activities program revenues	<u>23,920,131</u>	<u>22,428,436</u>	<u>20,705,666</u>	<u>18,900,813</u>	<u>20,618,587</u>	<u>16,618,277</u>	<u>15,254,401</u>	<u>16,463,321</u>	<u>16,101,219</u>	<u>18,408,333</u>
Total primary government program revenues	<u>\$ 121,047,881</u>	<u>\$ 131,683,500</u>	<u>\$ 119,207,188</u>	<u>\$ 114,879,121</u>	<u>\$ 103,982,747</u>	<u>\$ 136,188,139</u>	<u>\$ 98,918,943</u>	<u>\$ 97,407,722</u>	<u>\$ 72,862,431</u>	<u>\$ 143,554,151</u>
Net (expense)/revenue:										
Governmental activities	(136,863,520)	(120,629,809)	(127,427,692)	(96,431,960)	(123,193,075)	(85,327,337)	(127,069,909)	(135,470,027)	(185,637,310)	(173,897,881)
Business-type activities	1,873,858	165,752	(86,899)	19,161	2,553,025	(503,163)	(873,926)	1,247,574	904,941	3,861,779
Total primary government net expense	<u><span style="color: red;">\$(134,989,662)</span></u>	<u><span style="color: red;">\$(120,464,057)</span></u>	<u><span style="color: red;">\$(127,514,591)</span></u>	<u><span style="color: red;">\$(96,412,799)</span></u>	<u><span style="color: red;">\$(120,640,050)</span></u>	<u><span style="color: red;">\$(85,830,500)</span></u>	<u><span style="color: red;">\$(127,943,835)</span></u>	<u><span style="color: red;">\$(134,222,453)</span></u>	<u><span style="color: red;">\$(184,732,369)</span></u>	<u><span style="color: red;">\$(170,036,102)</span></u>

**CITY OF FONTANA**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property taxes	65,123,274	54,647,011	52,097,345	48,537,350	47,772,343	46,049,227	48,062,073	86,359,792	130,233,578	136,867,880
Sales taxes	44,564,309	38,663,576	37,844,293	38,442,282	34,219,832	31,440,752	29,160,503	27,052,669	23,139,684	20,796,628
Utility users taxes	-	-	-	-	-	-	-	-	2,331	269,243
Franchise taxes	7,603,283	7,190,939	6,680,065	7,042,887	7,428,364	6,276,563	5,882,003	6,519,006	6,040,983	5,922,729
Business license taxes	6,419,287	5,898,298	5,714,262	5,215,605	4,982,546	4,642,711	4,808,167	4,873,281	4,451,626	4,172,294
Transient occupancy taxes	1,085,305	1,009,734	961,122	962,089	715,570	704,132	587,452	558,097	573,676	466,951
Motor vehicle in-lieu	101,761	112,007	94,030	82,436	82,854	85,263	102,472	-	960,865	1,263,150
Investment earnings	13,862,698	5,209,144	5,645,106	8,151,890	7,362,672	8,368,054	3,169,063	6,917,905	11,908,258	21,255,521
Other	2,378,892	5,045,968	3,670,692	3,718,814	6,136,697	5,739,599	8,791,729	7,963,170	5,562,597	10,667,644
Gain/(Loss) on sale of capital assets	-	-	-	-	(557,702)	-	(836,248)	-	1,629,150	12,554
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-	-	-	-	404,538,559	-	-
Transfers	2,665,400	1,891,022	2,262,500	2,109,800	1,815,690	1,723,160	2,309,000	2,341,500	276,931	1,794,800
Total governmental activities	<u>143,804,209</u>	<u>119,667,699</u>	<u>114,969,415</u>	<u>114,263,153</u>	<u>109,958,866</u>	<u>105,029,461</u>	<u>102,036,214</u>	<u>547,123,979</u>	<u>184,779,679</u>	<u>203,489,394</u>
Business-type activities:										
Investment earnings	662,600	59,813	91,915	309,412	250,299	452,288	(305,420)	454,884	493,398	850,016
Loss on sale of capital assets	-	-	-	-	-	-	-	-	-	(254,590)
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-	-	-	-	(8,543,752)	-	-
Transfers	(2,665,400)	(1,891,022)	(2,262,500)	(2,109,800)	(1,815,690)	(1,723,160)	(2,309,000)	(2,341,500)	(276,931)	(1,794,800)
Total business-type activities	<u>(2,002,800)</u>	<u>(1,831,209)</u>	<u>(2,170,585)</u>	<u>(1,800,388)</u>	<u>(1,565,391)</u>	<u>(1,270,872)</u>	<u>(2,614,420)</u>	<u>(10,430,368)</u>	<u>216,467</u>	<u>(1,199,374)</u>
Total primary government	<u>\$ 141,801,409</u>	<u>\$117,836,490</u>	<u>\$112,798,830</u>	<u>\$112,462,765</u>	<u>\$108,393,475</u>	<u>\$103,758,589</u>	<u>\$ 99,421,794</u>	<u>\$536,693,611</u>	<u>\$184,996,146</u>	<u>\$202,290,020</u>
<b>Change in Net Position</b>										
Governmental activities	6,940,689	(962,110)	(12,458,277)	17,831,193	(13,234,209)	19,702,124	(25,033,695)	411,653,952	(857,631)	29,591,513
Business-type activities	(128,942)	(1,665,457)	(2,257,484)	(1,781,227)	987,634	(1,774,035)	(3,488,346)	(9,182,794)	1,121,408	2,662,405
Total primary government	<u>\$ 6,811,747</u>	<u>\$ (2,627,567)</u>	<u>\$ (14,715,761)</u>	<u>\$ 16,049,966</u>	<u>\$ (12,246,575)</u>	<u>\$ 17,928,089</u>	<u>\$ (28,522,041)</u>	<u>\$402,471,158</u>	<u>\$ 263,777</u>	<u>\$ 32,253,918</u>

**CITY OF FONTANA**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
 (modified accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Fund:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,111,652
Unreserved	-	-	-	-	-	-	-	-	-	40,381,375
Nonspendable	393,718	464,839	395,907	429,023	386,436	203,890	219,415	222,634	39,434,420	-
Restricted	1,236,229	1,151,682	1,071,523	1,087,820	1,158,751	890,753	3,309,252	3,056,765	2,887,380	-
Committed	6,167,070	5,207,240	5,414,716	4,726,998	2,669,111	3,190,424	3,823,671	4,556,330	5,801,236	-
Assigned	26,455,278	25,141,842	24,446,674	34,514,464	21,789,340	19,511,605	17,544,997	17,182,387	18,230,021	-
Unassigned	60,465,811	55,080,691	54,121,364	46,558,441	54,561,190	55,180,619	21,000,677	16,255,088	13,563,171	-
<b>Total</b>	<b>\$ 94,718,106</b>	<b>\$ 87,046,294</b>	<b>\$ 85,450,184</b>	<b>\$ 87,316,746</b>	<b>\$ 80,564,828</b>	<b>\$ 78,977,291</b>	<b>\$ 45,898,012</b>	<b>\$ 41,273,204</b>	<b>\$ 79,916,228</b>	<b>\$ 83,493,027</b>
<b>Other Governmental Funds:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,110,955
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	65,077,913
Debt Service Funds	-	-	-	-	-	-	-	-	-	(16,222,427)
Capital Projects Funds	-	-	-	-	-	-	-	-	-	56,643,005
Nonspendable	3,019,097	948,101	5,715,188	5,399,718	106,500	55,263,626	144,832,484	131,816,564	192,762,973	-
Restricted	207,168,717	194,769,129	188,197,328	187,496,268	182,582,223	179,623,689	62,146,373	62,091,651	101,819,503	-
Committed	-	-	-	-	-	-	17,507,842	17,973,535	17,708,288	-
Assigned	124,981,347	125,032,314	120,713,623	107,535,831	94,339,773	35,217,888	41,817,140	47,048,071	52,969,386	-
Unassigned	(5,614,358)	(13,245,428)	(17,891,929)	(24,005,611)	(31,658,357)	(28,160,897)	(36,250,997)	(32,303,611)	(116,991,588)	-
<b>Total Other Governmental Funds</b>	<b>\$ 329,554,803</b>	<b>\$ 307,504,116</b>	<b>\$ 296,734,210</b>	<b>\$ 276,426,206</b>	<b>\$ 245,370,139</b>	<b>\$ 241,944,306</b>	<b>\$ 230,052,842</b>	<b>\$ 226,626,210</b>	<b>\$ 248,268,562</b>	<b>\$ 244,609,446</b>

In fiscal year 2011, the City implemented GASB Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions. The classifications have been changed to accommodate the implementation of this statement.

**CITY OF FONTANA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	<b>Fiscal Year</b>									
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Revenues:</b>										
Taxes	\$ 124,795,458	\$ 107,409,558	\$ 103,297,087	\$ 100,200,213	\$ 95,118,655	\$ 89,113,385	\$ 88,500,198	\$ 125,362,845	\$ 164,441,878	\$ 168,496,012
Licenses and permits	12,402,513	10,713,155	12,811,481	18,626,256	9,457,615	4,014,081	6,312,758	3,935,025	3,039,383	8,034,910
Intergovernmental	24,566,107	19,884,450	20,108,576	20,328,373	26,033,423	31,222,032	43,049,724	37,640,669	23,946,521	28,262,022
Charges for services	28,474,357	27,447,010	19,659,882	26,783,977	16,345,500	10,622,985	10,880,185	10,793,456	7,594,928	9,853,713
Fines and forfeitures	3,812,587	3,515,710	4,021,872	4,472,790	4,780,288	3,114,133	3,989,423	2,351,616	2,547,706	2,200,035
Special assessments	17,040,757	16,758,987	16,270,692	16,040,403	15,760,431	15,531,166	15,324,914	15,229,242	15,170,618	15,329,574
Investment earnings	13,662,906	5,203,257	5,623,634	8,110,868	7,351,178	8,292,701	3,212,107	12,792,165	12,511,646	18,254,434
Contribution from developer	-	-	-	-	-	-	-	-	-	-
Contribution from property owners	4,480,225	18,695,684	14,728,436	-	-	2,308,611	-	-	-	-
Other revenue	3,897,361	11,027,048	8,280,834	8,528,720	10,034,327	10,125,947	12,486,725	11,703,354	7,653,560	13,545,165
<b>Total Revenues</b>	<b>233,132,271</b>	<b>220,654,859</b>	<b>204,802,494</b>	<b>203,091,600</b>	<b>184,881,417</b>	<b>174,345,041</b>	<b>183,756,034</b>	<b>219,808,372</b>	<b>236,906,240</b>	<b>263,975,865</b>
<b>Expenditures:</b>										
General government	30,213,300	29,643,233	28,048,281	22,040,327	23,930,630	20,404,087	18,767,425	18,821,954	19,064,060	18,846,220
Public safety	92,004,052	87,292,864	82,284,307	77,542,546	76,649,056	69,930,455	64,854,844	64,442,561	63,809,019	65,080,064
Public works	38,512,671	37,799,200	31,924,593	29,236,066	33,682,886	32,721,384	30,082,698	32,328,157	29,054,582	38,801,759
Building & safety	-	-	-	-	-	-	-	-	2,160,273	2,172,740
Community development	4,324,744	4,597,292	5,390,496	4,048,697	3,928,595	3,720,967	5,748,414	25,874,574	36,404,204	74,055,306
Community services	15,348,654	15,439,409	14,443,168	14,190,508	13,619,422	12,915,801	13,115,209	12,925,751	12,472,879	11,516,416
Engineering	9,852,337	13,129,486	10,612,177	5,180,562	14,928,557	20,009,693	5,838,832	6,186,315	8,361,272	15,311,942
Capital outlay	12,422,973	20,640,164	11,990,495	18,772,727	14,692,362	9,802,816	33,636,349	30,177,022	29,433,396	24,461,501
Debt service:										
Principal	1,105,000	1,055,000	1,015,000	2,025,000	2,450,000	2,335,000	2,215,000	13,470,000	12,870,000	12,375,000
Interest	2,000,711	2,622,940	2,405,916	2,687,661	1,670,241	2,902,744	3,009,441	17,345,629	32,704,008	38,045,485
Payments on refunded bonds - prior	-	-	-	-	3,924,816	-	-	-	-	-
Debt issuance cost	-	-	-	-	624,562	-	-	-	149,118	-
<b>Total Expenditures</b>	<b>205,784,442</b>	<b>212,219,588</b>	<b>188,114,433</b>	<b>175,724,094</b>	<b>190,101,127</b>	<b>174,742,947</b>	<b>177,268,212</b>	<b>221,571,963</b>	<b>246,482,811</b>	<b>300,666,433</b>
Excess of revenues over (under) expenditures	27,347,829	8,435,271	16,688,061	27,367,506	(5,219,710)	(397,906)	6,487,822	(1,763,591)	(9,576,571)	(36,690,568)

**CITY OF FONTANA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Other financing sources (uses)										
Transfers in	26,675,264	31,648,373	29,113,977	26,797,538	26,579,617	23,890,997	18,754,401	35,008,096	44,581,991	37,978,756
Transfers out	(24,545,777)	(29,963,316)	(27,373,831)	(24,785,743)	(24,919,027)	(22,304,337)	(16,445,401)	(33,044,386)	(44,384,060)	(36,396,641)
Long-term debt issued	-	-	-	-	37,675,000	3,873,854	-	832,213	8,198,714	4,227,578
Premium on bonds issued	-	-	-	-	3,429,057	-	-	-	(53,367)	-
Sale of capital assets	245,183	3,855	13,235	3,184,220	7,011	11,458	4,277	7,708	1,629,150	12,554
Payment to refunded bond escrow agent	-	-	-	-	(40,526,666)	-	-	-	-	-
Total other financing sources (uses)	2,374,670	1,688,912	1,753,381	5,196,015	2,244,992	5,471,972	2,313,277	2,803,631	9,972,428	5,822,247
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-	-	-	-	-	(61,337,045)	-
Net change in fund balances	29,722,499	10,124,183	18,441,442	32,563,521	(2,974,718)	5,074,066	8,801,099	(60,297,005)	395,857	(30,868,321)
Debt service as a percentage of noncapital expenditures	1.6%	1.9%	1.9%	3.0%	2.3%	3.2%	3.6%	16.1%	21.0%	18.3%

**CITY OF FONTANA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Other</b>	<b>Less: Exemptions</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
2019	\$13,105,716	\$ 1,512,467	\$ 3,269,699	\$ 2,909,966	\$ 1,131,418	\$ 19,666,430	0.2226%
2018	12,119,011	1,424,642	2,495,301	2,790,019	1,107,737	17,721,236	0.2225%
2017	11,467,647	1,367,110	2,337,790	2,728,389	1,081,775	16,819,161	0.2222%
2016	10,881,178	1,330,490	2,154,179	2,682,921	1,066,662	15,982,106	0.2231%
2015	10,323,555	1,293,464	2,065,027	2,588,295	1,045,876	15,224,465	0.2231%
2014	9,438,839	1,246,930	1,832,288	2,094,367	623,824	13,988,600	0.2230%
2013	9,014,234	1,231,169	1,805,027	2,112,519	566,672	13,596,277	0.7072%
2012	8,853,377	1,255,754	1,775,188	2,074,513	530,738	13,428,094	0.7072%
2011	8,749,473	1,308,064	1,822,764	2,188,548	520,566	13,548,283	0.7107%
2010	8,963,429	1,270,549	1,821,553	2,343,195	475,600	13,923,126	0.7122%

Notes: In 1978, the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: San Bernardino County Auditor/Controller

**CITY OF FONTANA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
(Rate per \$100 of assessed value)  
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Direct Rates:</b>										
City basic rate	\$0.032	\$0.032	\$0.032	\$0.032	\$0.032	\$0.032	\$0.032	\$0.032	\$0.032	\$0.032
Central Valley Fire District	-	-	-	-	-	-	-	-	-	-
Chaffey Community College	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043
Inland Empire Utilities Agency- 1969 Annex	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046
County of San Bernardino	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
Education Revenue Augmentation Fund	0.222	0.222	0.222	0.222	0.222	0.222	0.222	0.222	0.222	0.222
Flood Control	0.028	0.028	0.028	0.028	0.028	0.028	0.028	0.028	0.028	0.028
Fontana Fire Protection District	0.186	0.186	0.186	0.186	0.186	0.186	0.186	0.186	0.186	0.186
Fontana Unified School District	0.273	0.273	0.273	0.273	0.273	0.273	0.273	0.273	0.273	0.273
Basic Levy (1)	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
<b>Overlapping Rates (2)</b>										
Chaffey Community College	0.0153	0.0088	0.0116	0.0113	0.0109	0.0157	0.0111	0.0153	0.0091	0.0122
Chaffey High School	0.0402	0.0279	0.0319	0.0409	0.0294	0.0371	0.0101	0.0194	0.0192	0.0168
Colton Unified School	0.1116	0.0939	0.1454	0.1169	0.0973	0.1187	0.1488	0.1403	0.1304	0.0985
Etiwanda Elementary Bond	0.0286	0.0169	-	-	-	-	-	-	-	-
Fontana Unified School District	0.0890	0.1113	0.1117	0.1145	0.1384	0.1516	0.1501	0.1460	0.1375	0.1135
Metropolitan Water Agency - Original	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0037	0.0037	0.0043
Rialto Unified School	0.0771	0.0957	0.0992	0.1194	0.0655	0.0704	0.0736	0.0856	0.0788	0.0659
San Bernardino Community College	0.0407	0.0376	0.0350	0.0403	0.0393	0.0419	0.0459	0.0373	0.0467	0.0280
San Bernardino Valley Muni Water	0.1525	0.1525	0.1625	0.1625	0.1625	0.1625	0.1625	0.1650	0.1650	0.1650
Total Tax Rate	1.5585	1.5481	1.6008	1.6093	1.5468	1.6014	1.6056	1.6126	1.5904	1.5042
City Share of 1% levy per Prop 13 (3)	0.21785	0.21785	0.21785	0.21785	0.21785	0.21785	0.21785	0.21785	0.21785	0.21785
Redevelopment Rate (4)	-	-	-	-	-	-	-	1.0037	1.0037	1.0043
Total Direct Rate (5)	0.2226	0.2225	0.2222	0.2231	0.2231	0.2230	0.7072	0.7072	0.7107	0.7122

(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.

(4) RDA rate is based on the largest RDA tax rate area (TRA) and includes only rates from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.

(5) Total Direct Rate is the weighted average of all individual direct rates for the City of Fontana.

Source: San Bernardino County Assessor 2009/10 - 2018/19 Tax Rate Table

**CITY OF FONTANA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Current Year and Nine Years Ago

<b>Tax Payer</b>	<b>2019</b>			<b>2010</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
San Gabriel Valley Water Company	\$ 131,716,162	1	0.66%	\$ 121,787,383	1	0.87%
Vintage Park East LLC	128,843,580	2	0.65%	113,842,057	2	0.82%
Target Corporation	116,110,391	3	0.58%	-	-	-
Duke Realty LP	104,841,131	4	0.53%	-	-	-
Prologis Uslv Newca 1 LLC	89,821,720	5	0.45%	-	-	-
Francisco Street LP	89,489,896	6	0.45%	61,000,000	8	0.44%
Intex Properties Inland Empire Corp	85,752,496	7	0.43%	77,124,477	6	0.55%
DCT Jurupa Ranch LLC	82,086,609	8	0.41%	-	-	-
Teachers Insurance and Annuity Assn	76,469,400	9	0.38%	-	-	-
Hancock Reit Commerce Way LLC	75,582,000	10	0.38%	-	-	-
RRP Falcon Ridge Town Center LP	-	-	-	105,479,750	3	0.76%
UST-CB Partners LP	-	-	-	82,699,391	4	0.59%
California Auto Dealers Exchange LLC	-	-	-	81,432,445	5	0.58%
10681 Production Avenue LLC	-	-	-	71,000,000	7	0.51%
North Fontana Investment Company LLC	-	-	-	58,343,863	9	0.42%
Summit Heights Center LP	-	-	-	51,684,360	10	0.37%
	<hr/> <u>\$ 980,713,385</u>		4.91%	<hr/> <u>\$ 824,393,726</u>		5.92%

Source: San Bernardino County Assessor 2018/19 & 2009/10 Combined Tax Rolls

**CITY OF FONTANA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years<sup>(1)</sup></b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
<b>June 30</b>						
2019	\$ 140,080,541	\$ 65,091,616	46.47% <sup>(2)</sup>	N/A	\$ 65,091,616	46.47%
2018	124,570,785	54,606,892	43.84% <sup>(2)</sup>	N/A	54,606,892	43.84%
2017	117,360,061	52,046,433	44.35% <sup>(2)</sup>	N/A	52,046,433	44.35%
2016	111,826,003	48,471,707	43.35% <sup>(2)</sup>	N/A	48,471,707	43.35%
2015	106,226,054	47,694,338	44.90% <sup>(2)</sup>	N/A	47,694,338	44.90%
2014	97,023,057	45,980,226	47.39% <sup>(2)</sup>	N/A	45,980,226	47.39%
2013	94,528,426	47,985,784	50.76% <sup>(2)</sup>	N/A	47,985,784	50.76%
2012	93,330,383	34,465,021	36.93% <sup>(2)</sup>	N/A	34,465,021	36.93%
2011	94,513,468	91,393,702	96.70%	N/A	91,393,702	96.70%
2010	99,162,718	96,581,878	97.40%	N/A	96,581,878	97.40%

Notes: The amounts presented include City property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

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

(2) Due to the dissolution of the former redevelopment agency, the property taxes collected in the former project areas is no longer remitted to the agencies. Assembly Bill 1X26 provides that revenues will only be allocated to make payments on the indebtedness; all remaining collections will be distributed to the other taxing entities based on the tax sharing formula.

Source: San Bernardino Auditor-Controller's Office

**CITY OF FONTANA**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt										Percentage of Personal Income	Per Capita
	Population <sup>(1)</sup>	Personal Income <sup>(2)</sup>	General Obligation Bonds	Tax Allocation Bonds <sup>(3)</sup>	Total Net General Bonded Debt	Governmental Activities Term Loan	Business-type Activities Term Loan	Total Primary Government	Business-type Activities Term Loan	Total Primary Government		
2019	212,078	\$ -	\$ 41,400,191	\$ -	\$ 41,400,191	\$ 3,873,854	\$ 8,264,879	\$ 53,538,924	\$ 8,264,879	\$ 53,538,924	-	195
2018	212,000	4,444,518,000	42,617,714	-	42,617,714	3,873,854	9,083,112	55,574,680	9,083,112	55,574,680	1.25%	201
2017	212,786	4,159,001,000	43,785,237	-	43,785,237	3,873,854	9,886,898	57,545,989	9,886,898	57,545,989	1.38%	206
2016	209,895	4,013,591,000	44,912,760	-	44,912,760	3,873,854	10,676,491	59,463,105	10,676,491	59,463,105	1.48%	214
2015	204,312	3,963,623,000	47,050,283	-	47,050,283	3,873,854	11,452,143	62,376,280	11,452,143	62,376,280	1.57%	230
2014	202,013	3,834,409,000	53,062,593	-	53,062,593	3,873,854	12,214,101	69,150,548	12,214,101	69,150,548	1.80%	263
2013	202,177	3,766,153,000	55,427,203	-	55,427,203	-	12,962,605	68,389,808	12,962,605	68,389,808	1.82%	274
2012	200,974	3,720,029,000	57,671,813	-	57,671,813	-	13,697,898	71,369,711	13,697,898	71,369,711	1.92%	287
2011	199,898	3,651,137,000	59,821,423	421,743,515	481,564,938	-	14,419,966	495,984,904	14,419,966	495,984,904	13.58%	2,409
2010	190,356	3,489,035,000	56,514,399	432,911,040	489,425,439	-	15,143,716	504,569,155	15,143,716	504,569,155	14.46%	3,285

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
 2019 Personal Income amounts are not available at the issuance of this report.

<sup>(1)</sup> Source: California State Department of Finance

<sup>(2)</sup> Source: US Census Bureau, most recent American Community Survey

<sup>(3)</sup> Due to the dissolution of the redevelopment agency on January 31, 2012, all indebtedness related to the former activities of the redevelopment agency has been removed.

**CITY OF FONTANA**  
**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**

Fiscal Year	Population <sup>(1)</sup>	Total Assessed Valuation <sup>(2)</sup>	General Bonded Debt		Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt per Capita
			Lease Revenue Bonds	Total Net General Bonded Debt		
2019	212,078	\$ 19,666,430,280	(3) \$ 41,400,191	\$ 41,400,191	0.21%	\$ 195
2018	212,000	17,721,235,967	(3) 42,617,714	42,617,714	0.24%	201
2017	212,786	16,819,161,359	(3) 43,785,237	43,785,237	0.26%	206
2016	209,895	15,982,106,642	(3) 44,912,760	44,912,760	0.28%	214
2015	204,312	15,224,465,093	(3) 47,050,283	47,050,283	0.31%	230
2014	202,013	13,988,600,102	(3) 53,062,593	53,062,593	0.38%	263
2013	202,177	13,596,277,647	(3) 55,427,203	55,427,203	0.41%	274
2012	200,974	4,449,513,025	57,671,813	57,671,813	1.30%	287
2011	199,898	4,439,875,114	59,821,423	59,821,423	1.35%	299
2010	190,356	4,548,702,154	56,514,399	56,514,399	1.23%	293

Note: General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in entity's financial statements.

<sup>(1)</sup> Source: State Department of Finance

<sup>(2)</sup> Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

<sup>(3)</sup> Due to 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 FONTANA**  
**DIRECT AND OVERLAPPING BONDED DEBT**  
June 30, 2019

City Assessed Valuation	\$ 19,666,430,280		
	Percentage Applicable <sup>(1)</sup>	Total Debt 6/30/19	Net Bonded Debt
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Metropolitan Water District	0.552%	\$ 48,050,000	\$ 265,236
Chaffey Community College District	15.138%	132,540,000	20,063,905
San Bernardino Community College District	3.512%	430,013,947	15,102,090
Chaffey Joint Union High School District	7.692%	479,265,904	36,865,133
Colton Joint Unified School District	18.968%	187,883,831	35,637,805
Fontana Unified School District	77.716%	178,940,349	139,065,099
Rialto Unified School District	6.039%	83,953,902	5,069,976
Etiwanda School District	29.277%	42,995,326	12,587,742
Colton Joint Unified School District Community Facilities District #3	100.000%	5,340,000	5,340,000
Etiwanda School District Community Facilities District #4	100.000%	2,275,000	2,275,000
Etiwanda School District Community Facilities District #7	71.582%	8,320,000	5,955,622
Etiwanda School District Community Facilities District #8	33.021%	4,525,000	1,494,200
Etiwanda School District Community Facilities District #9	20.795%	7,475,000	1,554,426
Etiwanda School District Community Facilities District #2001-1	100.000%	2,890,000	2,890,000
Etiwanda School District Community Facilities District #2004-1	100.000%	18,860,000	18,860,000
City of Fontana Community Facilities Districts	100.000%	103,420,000	103,420,000
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$ 1,736,748,259</b>	<b>\$ 406,446,234</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>			
San Bernardino County General Fund Obligations	8.841%	335,155,000	29,631,054
San Bernardino County Pension Obligations	8.841%	288,826,268	25,535,130
San Bernardino County Flood Control District General Fund Obligation	8.841%	62,820,000	5,553,916
Chaffey Community College District General Fund Obligations	15.138%	30,890,000	4,676,128
Colton Joint Unified School District Certificates of Participation	18.968%	1,188,372	225,410
Fontana Unified School District Certificates of Participation	77.284%	30,035,000	23,212,249
Rialto Unified School District Certificates of Participation	6.039%	12,574,391	759,367
Cucamonga School District Certificates of Participation	4.982%	5,686,000	283,277
City of Fontana General Fund Obligations	100.000%	38,580,000	38,580,000
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		<b>\$ 805,755,031</b>	<b>\$ 128,456,531</b>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>			<b>128,456,531</b>
<b>TOTAL OVERLAPPING DEBT</b>		<b><u>\$ 2,542,503,290</u></b>	<b>534,902,765</b>
<b>CITY DIRECT DEBT</b>			<b>45,274,045</b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b><u>\$ 580,176,810</u></b>

Notes:

<sup>(1)</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: California Municipal Statistics, Inc.

**CITY OF FONTANA**  
**LEGAL DEBT MARGIN INFORMATION**  
**Last Ten Fiscal Years**

	<b>Fiscal Year</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total assessed value of all real and personal property	\$ 19,666,430,280 <sup>(2)</sup>	\$ 17,721,235,967 <sup>(2)</sup>	\$ 16,819,161,359 <sup>(2)</sup>	\$ 15,982,106,642 <sup>(2)</sup>	\$ 15,224,465,093
Debt limit percentage <sup>(1)</sup>	15%	15%	15%	15%	15%
Total debt limit	2,949,964,542	2,658,185,395	2,522,874,204	2,397,315,996	2,283,669,764
Amount of debt applicable to debt limit	38,580,000	39,685,000	40,740,000	41,755,000	43,780,000
Legal debt margin	<u>2,911,384,542</u>	<u>2,618,500,395</u>	<u>2,482,134,204</u>	<u>2,355,560,996</u>	<u>2,239,889,764</u>
Total net debt applicable to the limit as a percentage of debt limit	1.31%	1.49%	1.61%	1.74%	1.92%

	<b>Fiscal Year</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Total assessed value of all real and personal property	\$ 13,988,600,102	\$ 13,596,277,647	\$ 4,449,513,025	\$ 3,839,710,431	\$ 3,948,026,892
Debt limit percentage <sup>(1)</sup>	15%	15%	15%	15%	15%
Total debt limit	2,098,290,015	2,039,441,647	667,426,954	575,956,565	592,204,034
Amount of debt applicable to debt limit	52,490,000	54,825,000	57,040,000	59,160,000	55,770,000
Legal debt margin	<u>2,045,800,015</u>	<u>1,984,616,647</u>	<u>610,386,954</u>	<u>516,796,565</u>	<u>536,434,034</u>
Total net debt applicable to the limit as a percentage of debt limit	2.50%	2.69%	8.55%	10.27%	9.42%

<sup>(1)</sup> - State of California Government Code §43605.

<sup>(2)</sup> Due to 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.

Source: San Bernardino County Tax Assessor's Office

**CITY OF FONTANA**  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 Last Ten Fiscal Years

Fiscal Year	Population <sup>(1)</sup>	Personal Income (thousands of dollars) <sup>(2)</sup>	Per Capita Personal Income	Unemployment Rate <sup>(3)</sup>
2019	212,078	\$ -	\$ -	3.1%
2018	212,000	4,444,518	20,965	3.6%
2017	212,786	4,159,001	19,545	5.5%
2016	209,895	4,013,591	19,122	6.2%
2015	204,312	3,963,623	19,400	7.0%
2014	202,013	3,834,409	18,981	8.7%
2013	202,177	3,766,153	18,628	8.7%
2012	200,974	3,720,029	18,510	10.0%
2011	199,898	3,651,137	18,265	13.7%
2010	190,356	3,489,035	18,329	14.8%

Note: 2019 Personal Income amounts are not available at the issuance of this report.

Sources: <sup>(1)</sup> State Department of Finance  
<sup>(2)</sup> US Census Bureau, most recent American Community Society  
<sup>(3)</sup> State of California Employment Development Department

**CITY OF FONTANA**  
**PRINCIPAL EMPLOYERS**  
 Current Year and Nine Years Ago

<b>Employer</b>	<b>2019</b>			<b>2010</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Kaiser Hospital & Med. Group	5,574	1	5.59%	5,300	1	8.43%
Fontana Unified School District	4,928	2	4.94%	3,939	2	6.26%
City of Fontana (includes part-time employees)	1,112	3	1.12%	1,883	3	2.99%
Black & Decker U S	400	4	0.40%			-
Costco Wholesale #627	389	5	0.39%			-
Estes Express Lines	352	6	0.35%			-
Estes West	351	7	0.35%			-
Reddaway	339	8	0.34%	350	10	0.56%
Sierra Aluminum Company	303	9	0.30%			-
Saia Motor Freight Line LLC	298	10	0.30%			-
Target (Dayton/Houston)	-	-	-	1,393	4	2.21%
Manheim Southern California	-	-	-	700	5	1.11%
Better Beverages	-	-	-	500	6	0.79%
American Security Products	-	-	-	450	7	0.72%
Creative Manufacturing	-	-	-	400	8	0.64%
Forged Metal	-	-	-	380	9	0.60%
						-
	<u>14,046</u>		<u>14.09%</u>	<u>15,295</u>		<u>24.32%</u>

Note: "Total Employment" as used above represents the total employment of all employers located within City limits.

Source: City of Fontana, Business License.

**CITY OF FONTANA**  
**FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<b>Full-time Equivalent Employees as of June 30,</b>										
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
General Government											
Administrative Services	5	5	5	5	5	5	5	5	6	6	
City Council	7	7	7	7	7	7	7	7	7	7	
City Administration	10	9	9	8	8	8	6	8	8	8	
Human Resources	9	9	8	8	8	7	6	6	7	7	
Information Services	25	24	24	23	23	23	23	22	23	23	
Management Services	22	22	22	23	23	23	21	22	23	23	
Police											
Officers	199	194	194	194	190	195	197	183	185	187	
Civilians	102	99	96	94	93	93	94	90	91	92	
Development Services	5	5	5	4	5	4	4	4	5	6	
Building and Safety	0	0	0	0	0	0	0	0	20	20	
Community Development	31	31	29	29	29	29	29	29	18	17	
Engineering	34	30	29	29	29	31	32	32	38	38	
Public Works	95	94	94	93	93	93	93	93	91	91	
Community Services	46	46	46	46	44	44	43	43	43	44	
Redevelopment Agency	0	0	0	0	0	0	0	0	1	1	
Total	590	575	568	563	557	562	560	544	566	570	

Notes: A full-time employee is scheduled to work 2,080 hours per year (including leave time).

Source: City of Fontana, Office of Management & Budget

**CITY OF FONTANA**  
 OPERATING INDICATORS BY FUNCTION/PROGRAM  
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Completed recruitment for full time position	38	50	55	41	37	48	48	20	12	16
New maintenance CFD's/ Annexations formed	11	2	5	7	7	3	1	1	1	0
Police										
Arrests per sworn position	46	44	48	50	54	48	38	38	45	52
Computer Aided Dispatch Entries per Dispatcher	4,446	5,187	5,172	5,157	4,933	4,798	4,798	4,434	4,899	4,944
Number of traffic collision reports processed	3,149	3,316	3,403	3,191	2,576	2,458	2,458	2,349	2,353	2,055
Building and Code Compliance										
Building permits issued	3,529	5,565	5,100	3,400	2,800	2,800	2,500	2,900	2,200	2,600
Building inspections performed	19,858	28,560	33,000	25,000	18,000	18,000	15,000	15,000	15,000	24,000
Public Works										
Miles of pavement rehabilitation	30	33	33	25	15	25	25	38	15	16
Graffiti Hotline calls completed	2,546	4,268	4,268	5,297	4,040	3,746	6,716	9,161	9,207	8,836
Potholes filled	7,000	8,122	8,122	17,000	11,000	17,000	17,000	18,312	16,800	16,800
Community Services										
Total Number of Recreation Program Participants	1,900,464	1,734,000	1,799,532	1,764,532	1,729,933	1,647,555	1,863,031	1,059,435	890,091	523,313

Sources: Various City departments  
 2019/20 Budget Books

**CITY OF FONTANA**  
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
 Last Ten Fiscal Years

<u>Function/Program</u>	<b>Fiscal Year</b>									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Contact stations	2	2	2	2	2	2	2	2	2	2
Engineering										
Traffic signals	200	195	191	189	186	180	173	163	160	147
Public Works										
Lane miles of streets	1,751	1,751	1,751	1,532	1,512	1,525	1,481	1,445	1,405	1,405
Sanitary sewers (miles)	438	425	425	424	422	422	422	414	402	402
Community Services										
Parks	47	46	46	46	44	43	41	41	41	41
Playgrounds	47	46	46	46	44	43	41	39	39	39
Recreation Centers	10	10	10	9	9	9	9	9	9	9

Sources: Various City departments

**CITY OF FONTANA**  
**MISCELLANEOUS STATISTICAL INFORMATION**  
June 30, 2019

Year of incorporation:	1952	Transportation:	
Form of Government:	Council - Manager	Air:	Ontario International Airport
Area in square miles:	42.4	Bus:	Omnitrans County Bus Service
Miles of streets:	608	Highways:	
Sanitary sewers:	438 miles	Interstate 10	
Storm drains:	162 miles	Interstate 15	
Streetscapes:	560 acres	Interstate 210	
Parks:	408 acres	State Highway 60	
Bicycle trails:	10 miles	State Highway 66	
Police protection:		Rail:	
City of Fontana		Metrolink (Commuter)	
Number of stations	3	Burlington Northern/Santa Fe	
Number of personnel:		Union Pacific	
Sworn	199	Water service:	
Non-sworn	102	Cucamonga County Water District	
City employees (full time):	590	San Gabriel Valley Water Co.	
Fire protection:		West San Bernardino County Water District	
County of San Bernardino		Sewer service:	
Number of stations	7	Inland Empire Utilities Agency	
Number of personnel	108	City of Fontana	
		City of Rialto	
		Education:	
		Elementary Schools	30
		Middle Schools	7
		High Schools	5
		Continuation High Schools	2
		Adult School	1

Source: City of Fontana Departments  
2019/20 Budget Book



## CITY OF FONTANA

MANAGEMENT SERVICES DEPARTMENT

8353 SIERRA AVE

FONTANA, CA 92335

[WWW.FONTANA.ORG](http://WWW.FONTANA.ORG)