

CITY OF FONTANA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



CITY OF FONTANA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2023

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City of Fontana

CALIFORNIA

February 20, 2024

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 annual comprehensive annual financial report of the City of Fontana for the fiscal year ended June 30, 2023.

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 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, 2023, 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, 2023, 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 52.4 square miles and has an estimated population of 213,851. 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 is elected at large and the four council members are elected by district. 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 600 full-time employees. Services provided include police protection; contract for fire services; the construction and maintenance of highways, streets, and other infrastructure; wastewater 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 Finance 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 continued to recover from the COVID-19 pandemic, which disrupted lives and businesses alike. The Inland Empire's housing markets are strengthening, new home developers are continuing to build, job growth is stable and consumer spending is continuing to grow. Despite the increase in the interest rates by the Federal reserve, the Inland Empire's economy does not expect an economic slowdown.

Balanced Growth. After experiencing significant job reductions in the wake of the State government COVID -19 shut down of the non-essential portions of the economy with unemployment reaching a high rate of 14.7% in May 2020. Despite the high interest rate, Fontana has experienced an increased in unemployment rate from 4.2% in February 2023 to 4.5% to June 2023

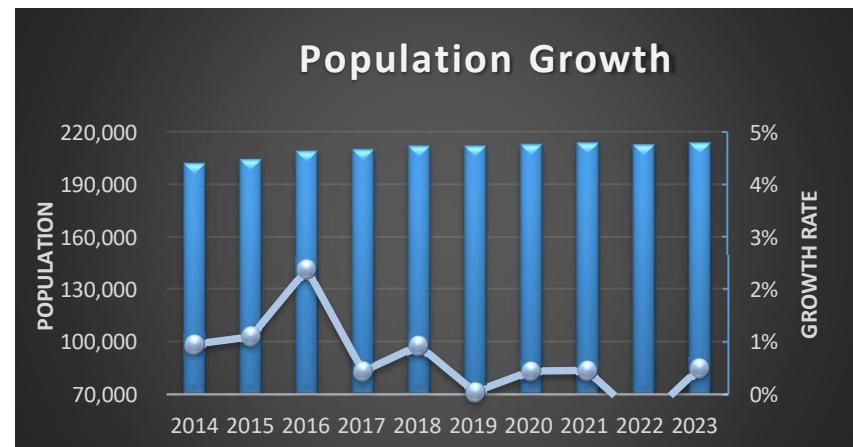
Retail Sales Are Increasing. Taxable sales are a major revenue source for cities. Due to the State government COVID -19 shutdown, taxable retail sales declined 3.9% from June 2019 to June 2020 within the City. During fiscal year 2021-22 sales tax increase by 10% from June 2021 to June 2022. For FY 2023, the City of Fontana taxable sales were up 6% higher than the same quarter one year ago

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 increased demand and barriers for consumers to obtain financing continue to drive price escalation in San Bernardino County, where home prices increased 1% from June 2022 to June 2023. Affordability remains high in the Inland Empire, when compared to other southern California communities. coastal communities, where 43-54 percent of home buyers can afford the median priced home. Lack of affordability in the coastal communities, where only 24-27 percent of wage earners can afford a median priced home, will continue to drive homebuyers inland.

The median home prices for the City of Fontana declined slightly in Fiscal Year 2023 and were down slightly 1.65% for existing homes with average price around \$601,965.

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 continues to experience a robust level of new housing permits for the last 3 years and, based on the availability of land and redevelopment opportunities, expects that trend to continue over the next decade.

The Ventana Specific Plan is coming to fruition. Planning Area 6 of the Ventana Specific Plan brings a taste of Europe to Fontana. The project consists of 257 units and will have many recreational amenities including a fitness center, pool area, recreation room, and open plazas. Paseos and walkways will weave through the project to give it an old-world feel. The project is located at the Interstate 15 and Duncan Canyon Road.



The center of San Bernardino County's growth is moving west into Fontana. The population has grown 7 percent over the past ten years and, at 213,851 Fontana is the second largest city in San Bernardino County, the third largest in the Inland Empire, and twentieth in the State.

With the ever-increasing demand for housing and ongoing addition of new residential units in the City, it is expected that the City's population will exceed 280,900 by the year 2040.

The City of Fontana continued to see a number of significant events during the past year

Significant Events of FY 2022-23

- **Downtown Parking Structure:** The City will construct a parking structure within the existing parking lot of the City's Human Resources Department Building located at 8491 Sierra Avenue, Fontana, CA 92335 which shall consist of a 4-tier parking structure allowing for approximately 320 parking spaces and two elevators. The project will also include various onsite and offsite improvements to include driveway approaches, RV parking and pull through area, landscaping, and other improvements. The intent of the structure is to serve as both public and employee parking for the civic campus as well as the planned downtown area which is to be revitalized. The estimated completion date is November 2024.
- **Energy Services Project (Parks):** The city completed the energy services project a \$3.6 million in FY 2023 that included upgrading and replacing lighting at 30 different parks with new Light Emitting Diode (LED) fixtures. .



- **South Fontana Sports Park:** Construction is underway on this 18-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. It's located on Santa Ana Avenue between Cypress Avenue and Juniper Avenue. Construction begins March 2022, and was completed in FY2022/23.
- **9/11 Memorial Monument:** City Council identified funds for the 9/11 memorial monument project. The actual steel beam recovered from the World Trade Center site will be used as a main piece of the monument. The 18' long beam will be resurrected to its upright position as it once stood at the World Trade Center. The upright position of the beam speaks to resilience, perseverance, and strength against tragedy. The conceptual design has been approved and the detailed design is currently underway. The project design has been completed. Construction is projected to begin in FY 2024-2025.

- **Fire Station #80:** The training center (Phase 1) will be approximately 3,300 square feet with a training tower that will be incorporated into a future Fire Station #80 (Phase 2) planned for the same site (Cherry and So. Highland Avenues). Design and environmental phases began in March 2021 with construction expected to commence in late 2023.
- **American Rescue Plan Act (ARPA) Grant:** To aid the country in the recovery from the government imposed COVID-19 lockdown, the U.S. Treasury issued the \$350 billion American Rescue Plan Act (ARPA). The City of Fontana was allocated \$50.3 million which includes various spending categories such as: support public health expenditures; address negative economic impacts; serve the hardest-hit communities and families; replace lost public sector revenue; provide premium pay for essential workers; and invest in water, sewer, and broadband infrastructure. The City Council has approved various eligible projects within these categories.
- **Pavement Rehabilitation Program:** Based on the new Citywide 7-Year Pavement Management Plan, several pavement projects are expected to be completed in 2023/24 using various funds, including Road Maintenance and Rehabilitation Act (RMRA) funding.
- **City Hall Renovation Project - Phase I (Fire Annex):** The City will demolish the existing Fire administration Building located at 17001 Upland Avenue, Fontana, CA 92335 and shall construct a two-story municipal building with first tier parking structure and second tier office spaces. Each tier will have a footprint of approximately 30,000 square feet with one vehicle entrance and exit located on Upland Ave. just west of Wheeler Ave. The City anticipates 65 parking spaces to be within the parking structure portion of the building. The intent of the building is to serve as office space for city staff as well as both public and employee parking for the civic campus. The estimated completion date is March 2025.

Financial Challenges Ahead

While the City recovers from the COVID-19 pandemic, there are other challenges that lie ahead. The following is a summary of challenges that the City will face over the next few years.

- **Inflation.** After decades of relatively low inflation, the prices of many goods and services experienced rapid increases beginning in 2021. The Riverside-San Bernardino-Ontario Metropolitan Statistical Area (MSA) Consumer Price Index for All Urban Consumers (CPI-U) saw increases of 8.6% and 7.3% in 2022 and 2023 respectively. Although opinions differ with respect to the forecasted inflation, the consensus is a general cooling of inflation over the next year
- **State Budget.** The Governor's May Revision for the fiscal year 2023/24 budget of \$306 billion, forecasts an estimated deficit of up to \$34.5 billion, a drastic difference as compared to the windfalls in recent years. The administration proposes to resolve the shortfall through a series of spending reductions and cuts, delays or deferrals of spending authorized in earlier years, as

well as through internal borrowing and fund shifts. California's recovery in total jobs as well as its unemployment rate continue to lag the nation. According to the U.S. Bureau of Labor Statistics and the California Employment Development Department, as of May 2023 the golden state has an unemployment rate of 4.5% or 883 thousand people. California is listed in the top 10% of highest unemployment in the country. The state is facing a labor shortage as employers struggle to hire qualified candidates

- **California Public Employees Retirement System (CalPERS).** At the July 2021 board meeting, CalPERS further reduced the discount rate assumption from 7.15% to 6.9% due to the Funding Risk Mitigation Policy, requiring the reduction of the discount rate in years of high investment returns. CalPERS also adopted new actuarial assumptions which included longer life expectancies and earlier retirement ages. the City's PERS Rate Stability Reserve has a balance of \$10.7 million.
- **Housing Market & Interest Rates.** Housing prices increased dramatically at the beginning of the pandemic by 41% from February 2020 to April 2022. However, higher prices coupled with higher mortgage rates caused the demand for home purchases to dramatically decrease to nearly 40% below pre-pandemic levels while house prices remain 27% above their pre-pandemic levels. These factors all contribute to a forecasted decrease in home prices through 2023.
- **Unfunded Liability.** The City's CalPERS net pension and OPEB liabilities are \$204.4 million and \$18.9 million, respectively, as of June 30, 2023. The Annual required contribution to fund the City's retiree health program for both current and future retiree has been calculated to be \$2.4 million (excludes implicit subsidy amount). The retiree health 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 including streets and sidewalks, with a goal of 10%. Amounts allocated in the FY 2023/24 and 2024/25 Operating Budgets from various funds to this critical area total of \$13.8 million and \$11.8 million, respectively.
- **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. Both the FY 2023/24 and the FY 2024/25 Operating Budget fully comply 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).

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 22, 2021, the City Council adopted the City's first biennial budget for fiscal years 2021-2022 and 2022-2023. 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 2021 and totaled \$806.8 million for the seven-year fiscal period ending June 30, 2028. 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, 2023, 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, 2023, the City has \$51.3 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 \$4,053 million, or 15% of 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, 2020. This was the twenty-eighth 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

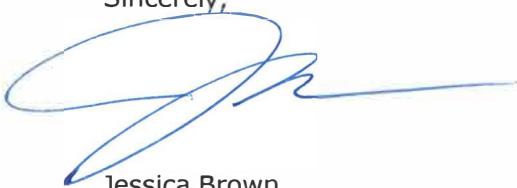
management. In order to be awarded this certificate, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, with contents that conform to program standards. These reports must satisfy both generally accepted accounting principles and applicable legal requirements. We believe our current Annual Comprehensive Financial Report conforms to the Certificate of Achievement program requirements

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, 2019. This was the twentieth 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'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 annual comprehensive financial report could not have been accomplished on 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 Finance staff. 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,

A handwritten signature in blue ink, appearing to read "J. Brown".

Jessica Brown
Chief Financial Officer



CITY OF FONTANA

LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS

Acquanetta Warren, Mayor
Peter Garcia, Mayor Pro Tem
Phillip Cothran, Council Member
John B. Roberts, Council Member
Jesus Sandoval, Council Member

Janet Koehler-Brooks, City Treasurer
Germaine Key, City Clerk

ADMINISTRATIVE STAFF

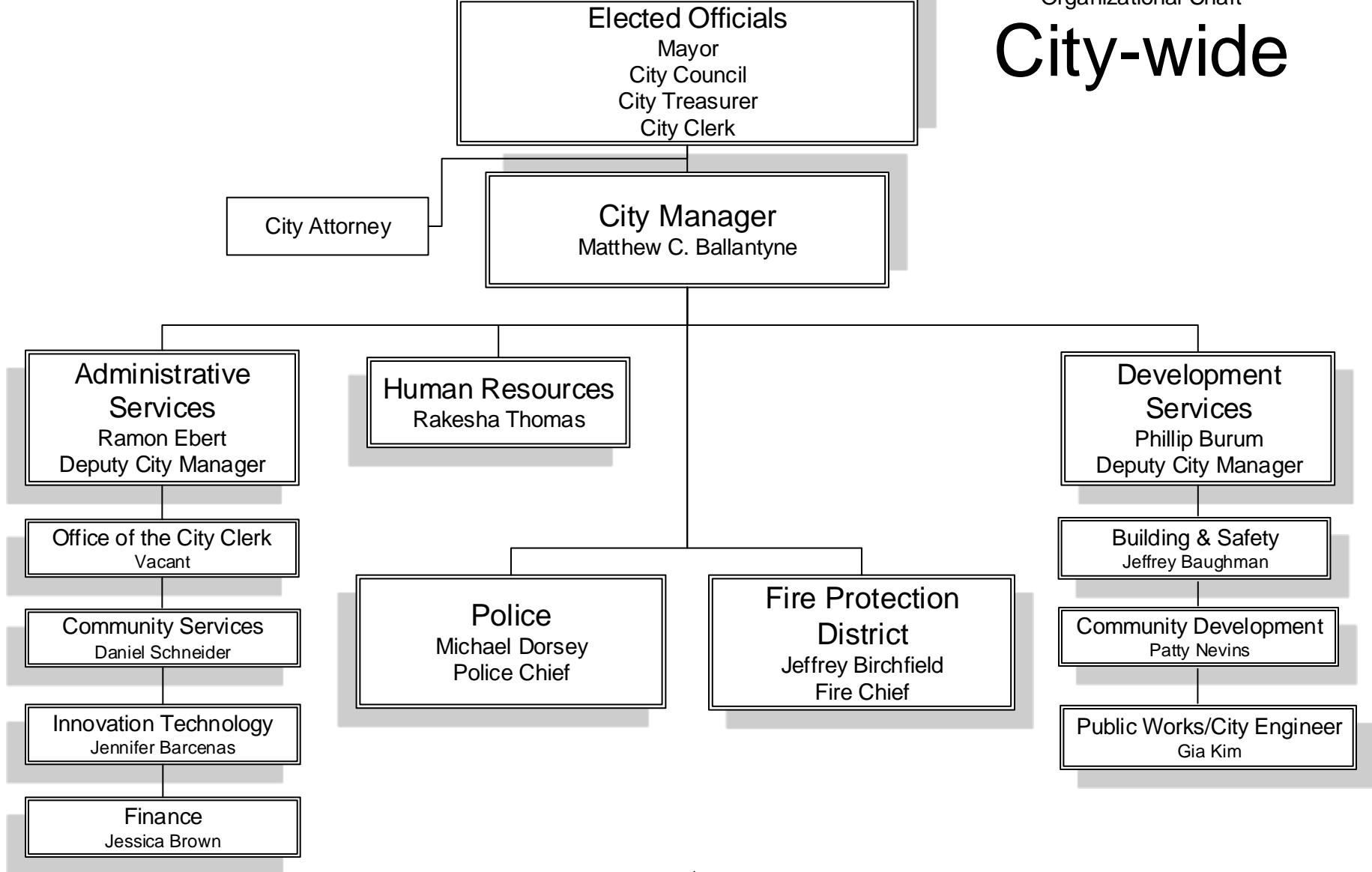
Matthew C. Ballantyne	City Manager
Phillip Burum	Deputy City Manager / Development Services
Ramon Ebert	Deputy City Manager / Administrative Services
Jennifer Barcenas	Innovation & Technology Director
Jeffrey Baughman	Director of Building & Safety
Jeffrey Birchfield	Fire Chief
Jessica Brown	Chief Financial Officer
Michael Dorsey	Chief of Police
Gia Kim	Public Works Director / City Engineer
Patty Nevins	Director of Planning
Daniel Schneider	Community Services Director
Rakesha Voss	Director of Human Resources & Risk Management
<i>Vacant</i>	Deputy City Clerk



Citizens of Fontana

2022/2023
Organizational Chart

City-wide



Independent Auditor's Report

City Council
City of Fontana
Fontana, California

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 (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, the Budget to Actual Statement of the General Fund, the Budget to Actual Statement of the Fire Protection Special Revenue Fund, the Budget to Actual Statement of the Housing Authority Low/Mod Housing Fund Special Revenue Fund, and the Budget to Actual Statement of the Economic Stimulus Special Revenue Fund, of the City of Fontana as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

The financial statements for the year ended June 30, 2023, reflect a prior period adjustment as described further in Note 19 to the financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Schedules of Changes in Net Pension Liability and Related Ratios During the Measurement Period, Schedules of Pension Plan Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios during the Measurement Period, and Schedules of Plan Contributions* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The *combining and individual nonmajor fund financial statements and budget to actual schedules* 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 budget to actual schedules* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *combining and individual nonmajor fund financial statements and budget to actual schedules* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the City of Fontana's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the *introductory section* and *statistical section* but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
February 20, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

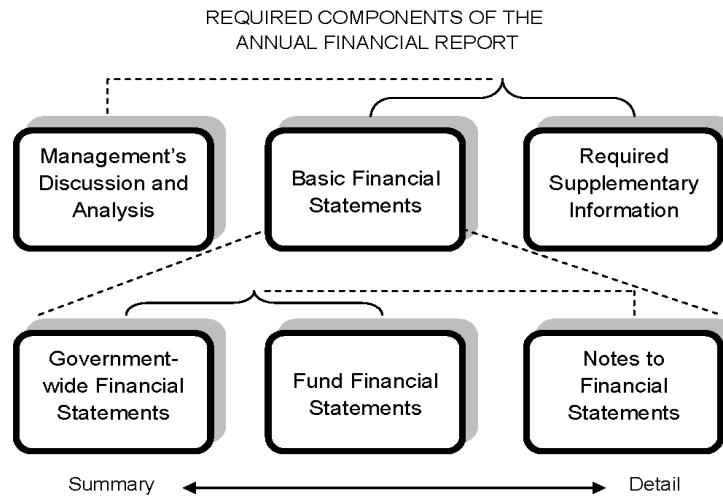
This narrative overview and analysis of the City of Fontana's financial activities for the fiscal year ended June 30, 2023 is presented by the management of the City of Fontana to readers of the City's financial statements. Management encourages readers to consider the information presented here in conjunction 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 and deferred outflows of resources exceeding its liabilities and deferred inflows of resources by \$1,172.0 million as of June 30, 2023 ("current fiscal year"). Of this amount, \$280.6 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 \$122.6 million, and \$768.8 million accounts for investments in capital assets in excess of related debt.
- The City's total net position increased \$86.6 million during the current fiscal year. The increase is primarily due to the \$11.7 million increase in property taxes, \$2.4 million increase in sales tax and \$30.2 million increase in operation contributions and grants. In addition, our overall expenses decreased by \$5.7 million compared to FY2022.
- As of the fiscal year end, the City's Governmental Funds ending fund balances were \$575.2 million, an increase of approximately \$15.9 million or 2.84% from the prior fiscal year. Of this balance, \$45.7 million is in nonspendable, \$280.6 million restricted for use set by various legal requirements, \$32.4 million is committed for economic uncertainty and \$216.4 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 \$117.3 million, a decrease of approximately \$6.8 million or 5.5% from the previous year. The General Fund's fund balance consists of \$24.1 million in nonspendable and \$12.4 million in restricted fund balance, \$32.4 million in committed for the purposes of Economic uncertainty, and \$48.4 million in assigned and unassigned fund balances. See note 15 for further discussion.
- The City's business-type activities yielded operating revenues of \$27.4 million, while operating expenses amounted to of \$26.3 million.
- General Fund revenues were \$9.9 million more than the final budget, and expenditures were \$15.4 million less than the final 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 21 and 22 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 53 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 Economic Stimulus Special Revenue Fund, the Capital Reinvestment Fund, the Future Capital Projects Fund, the Sewer Expansion Fund, the Community Facility Districts Fund, and the Traffic Mitigation Capital Project Fund, which are considered to be major funds. Data for the other 44 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, the Housing Authority Low/Mod Housing Special Revenue Fund, and the Economic Stimulus 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 23-30 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.

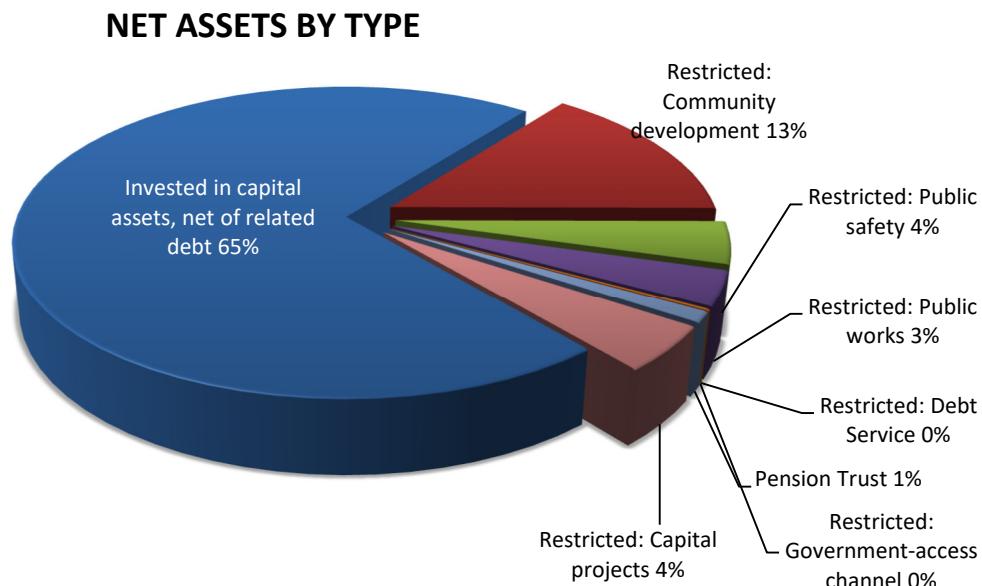
Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found on pages 31-33 of this report.

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 34-35 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 36-95 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 is comprised of Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position. As of June 30, 2023, assets exceeded liabilities by \$1,172.0 million.

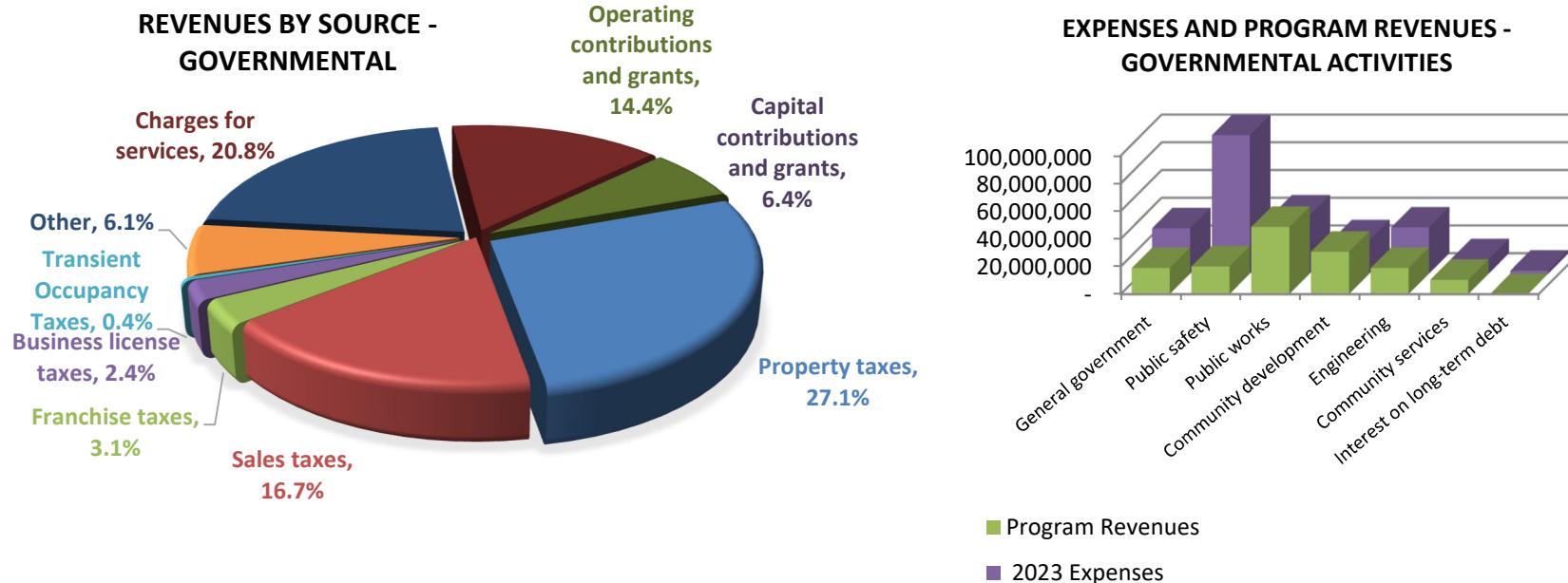
The City's net investment in capital assets (land, buildings, infrastructure, machinery, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding, is \$768.8 million. The City uses these capital assets to provide services to citizens; consequently, these 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 (\$280.6 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$122.62 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	
	2023	2022	2023	2022	2023	2022
	\$ 729,081	\$ 697,543	\$ 30,918	\$ 31,702	\$ 759,999	\$ 729,245
Current and other assets						
Capital assets	746,447	715,583	64,431	59,324	810,878	774,907
Total assets	1,475,528	1,413,126	95,349	91,026	1,570,877	1,504,152
Deferred outflows of resources	79,409	44,198	2,294	1,114	81,703	45,312
Long-term liabilities outstanding	311,143	278,868	10,952	10,962	322,095	289,830
Other liabilities	101,667	101,018	5,193	4,438	106,860	105,456
Total liabilities	412,810	379,886	16,145	15,400	428,955	395,286
Deferred inflows of resources	50,555	66,879	1,062	1,845	51,617	68,724
Net position:						
Net investment in capital assets	709,182	675,179	59,589	53,603	768,771	728,782
Restricted	280,619	272,038		-	280,619	272,038
Unrestricted	101,771	63,342	20,847	21,292	122,618	84,634
Total net position	\$ 1,091,572	\$ 1,010,559	\$ 80,436	\$ 74,895	\$ 1,172,008	\$ 1,085,454

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$ 73,478	\$ 73,330	\$ 27,542	\$ 26,819	\$ 101,020	\$ 100,149
Operating grants and contributions	51,038	20,860	-	-	51,038	20,860
Capital grants and contributions	22,714	27,263	7,630	337	30,344	27,600
General Revenues:						
Property taxes	95,731	84,070	-	-	95,731	84,070
Sales tax	59,102	56,727	-	-	59,102	56,727
Franchise taxes	11,118	9,749	-	-	11,118	9,749
Business license taxes	8,396	7,584	-	-	8,396	7,584
Transient occupancy taxes	1,303	1,374	-	-	1,303	1,374
Motor vehicle in lieu	301	459	-	-	301	459
Investment earnings	9,229	(10,525)	270	(749)	9,499	(11,274)
Other	4,275	11,901	118	(177)	4,393	11,724
Contributions not restricted to specific programs	17,104	-	-	-	17,104	-
Total revenues	<u>353,789</u>	<u>282,792</u>	<u>35,560</u>	<u>26,230</u>	<u>389,349</u>	<u>309,022</u>
Expenses:						
General Government	32,753	40,459	-	-	32,753	40,459
Public Safety	109,638	111,899	-	-	109,638	111,899
Public Works	42,050	49,008	-	-	42,050	49,008
Community Development	24,088	5,492	-	-	24,088	5,492
Engineering	33,348	37,814	-	-	33,348	37,814
Community Services	10,394	13,344	-	-	10,394	13,344
Interest on long-term debt	2,134	2,134	112	2,134	2,134	2,246
Gain/(Loss) on sale of capital assets	-	-	-	-	-	-
Sewer	-	26,360	24,542	26,360	26,360	24,542
Water	-	-	-	-	-	-
Total expenses	<u>254,405</u>	<u>260,150</u>	<u>26,360</u>	<u>24,654</u>	<u>280,765</u>	<u>284,805</u>
Change in net position before transfers	99,384	22,642	9,200	1,576	108,584	24,218
Transfers	3,659	2,949	(3,659)	(2,949)	-	-
Change in net position	103,043	2,951	5,541	(1,373)	108,584	24,218
Net Position - beginning of year as restated	988,529	984,968	74,895	76,268	1,063,424	1,061,236
Net Position - end of year	<u>\$ 1,091,572</u>	<u>\$ 1,010,559</u>	<u>\$ 80,436</u>	<u>\$ 74,895</u>	<u>\$ 1,172,008</u>	<u>\$ 1,085,454</u>

Governmental activities



The most significant revenues of the governmental activities are general taxes (49.6%), which include property taxes (27.1%), sales and use taxes (16.7%), and various other taxes (5.9%), and general revenues (8.7%), which include various other revenues (6.1%) and investment earnings (2.6%). Program revenues are 41.6% of the total revenues of the governmental activities, which include charges for services (20.8%), operating grants and contributions (14.4%), and capital grants and contributions (6.4%).

Public safety (police and fire) is the most significant (43.1%) of all governmental activities' expenses, followed by Public works (16.5%), Engineering (13.1%), General government (12.9%), Community development (9.5%), Community services (4.1%) and interest on long-term debt (0.8%). Included in these amounts is depreciation expense, which is 14.8% of the total expenses for governmental activities.

Governmental activities revenues increased by \$71.0 million (25.1%) in the current fiscal year. The changes in revenues are a result of the following:

- **General tax revenues** increased by \$16.1 million (10.1%) which is primarily due to increase in property tax revenue by \$11.6 millions as a higher property valuation in FY 2023. Sale tax revenues increased by \$2.4 (4.2%) million due to the rise in business activities within the city and inflation as well.
- **General revenues (not including general taxes)** increased by \$29.0 million in FY 2023. This is primarily due to the donation of the Community Facilities District infrastructure by the developer which increased the other revenue by \$9.3 million and \$19.7 million increase

in our investment earnings as the City purchased more treasury securities at a higher yield interest rate and the Federal Reserve has put a pause on the rising interest.

- **Charges for services** increased by \$0.1 million (0.20%) which is in alignment with the city projection
- **Operating contributions and grants** increased by \$30.2 million due to the City receiving more than 10 million dollar in federal Seizure grant, and the city recognizing more than 12 million worth ARPR grant from the unearned revenue.
- **Capital contributions and grants** decreased by \$4.5 million due to the decrease in capital grants received by the city.

Governmental activities expenses decreased by \$5.7 million (2.2%) in the current fiscal year. The most significant changes in governmental expenses were:

- **Community Services, Engineering, General government and public works**, which were decreased by \$22 million in total. This decrease is due to the OPEB contribution (government wide adjustment \$26 million) the City made in FY 2022, for which it significant reduces our OPEB liability and OPEB expenses for FY 2023 across all our function expenses.

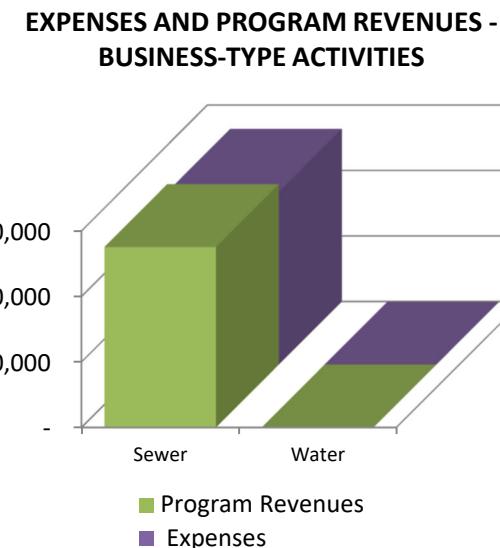
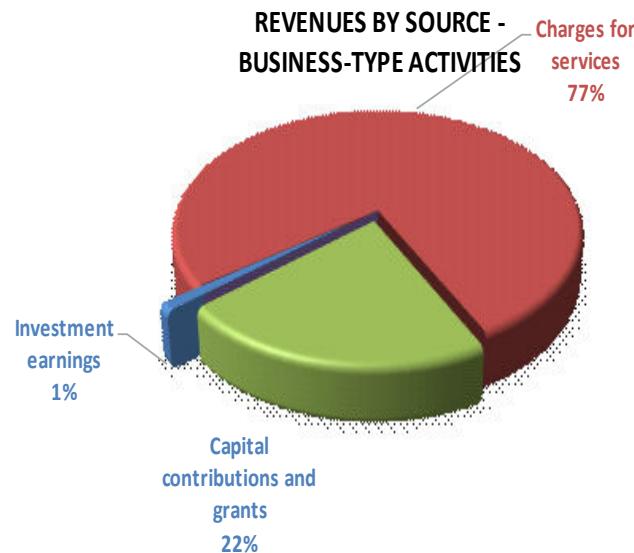
Business-type activities

Business-type activities net position increased by \$5.5 million (7.4 percent)

Business-type activities revenues for current year is in-line with prior year, showing an increase of \$9.3 million.

- **Investment earnings** increased by \$1.31 million as a result of the Federal Reserve Board pause the rise in interest rate and the City bought some of the treasury securities at a higher interest rate yield.
- **Charges for services** increased by \$0.7 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 \$7.3 million due to the one time donation of the sewer system by the CFD developer for FY 2023.

Total expenses increased by \$1.7 million is due to the increase in EDU (Equivalent Dwelling Unit) charge fees compared to prior year.



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 \$575.2 million, a decrease of \$15.9 million (2.8%) from the previous year. Of this total amount, \$216.4 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 (\$45.7 million), restricted (\$280.6 million) or committed (\$32.4 million) and is not available for new spending. The nonspendable fund balance consists of 1) land held for resale of \$10.0 million, 2) deposits on account of \$0.1 million, 3) inventories held (\$1.3 million), and 4) loan receivables (\$34.3 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 15 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 \$3.1 million, while total fund balance reached \$117.3 million, which was \$6.8 million or 5.5% lower 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 \$32.4 million for economic uncertainty.

General fund revenues increased by \$15.7 million (11.5%) from the previous fiscal year; this increase is primarily due to:

- Property Tax in Lieu of VLF was increased by \$3.0 million due to the increase in assessed valuation and continued growth in the city.
- Sales tax revenue increased by \$2.4 million (4.2%) due to a robust and resurgent economy emerge as the city saw sale tax increase from rising business development within the city
- Franchise fee revenue increased by \$1.4 million because of increase in both residential and commercial development activities in the city
- Investment earnings decreased by \$6.3 million due to Federal Reserve Board put a pause on the rise of the interest rate and the city was able to purchase treasury securities that has a much higher interest yield resulting an increase in unrealized gain.

General fund expenditures increased by \$6.3 million (4.7%) from the previous fiscal year, the increased costs were primarily due to:

- Due to the increase in personnel cost under public safety (police) and the return of part-time staff as facilities reopen and programs resume.

The Fire Protection District special revenue fund has a fund balance of \$26.4 million. The Fire Protection District accounts for all of the operating activities of the Fire District. The fund balance decreased by \$12.0 million during the current fiscal year; current year revenues and transfer in were \$61.8 million and total expenditures and transfers out were \$73.8 million. Revenues increased \$9.9 million (19.6%) primarily as a result of a higher property valuation assessment. Expenditures increased \$3.1 million (7.7%) primarily as a result in increased contract costs with the San Bernardino County Fire Department for fire protection services due to inflation. Transfers out increased by \$25.7 million during the year due to the one-time transfer for the fire annex project in the amount of \$8 million and the one-time transfer for the Fontana Cap Closure project in the amount of \$9 million. In addition, there was a lease agreement established for the use of the fire station by the fire protection district in which \$5 million dollar was transferred from the fire protection district to city capital project fund to repay the lease amount that was owed in the past.

The Housing Authority special revenue fund has a fund balance of \$85.9 million. The fund balance decreased by \$0.3 million during the fiscal year, which is in aligned with the City's expectations.

The Capital Reinvestment fund has a total fund balance of \$26.0 million. The fund balance increased during the current fiscal year by \$10.8 million due a one-time transfer in of \$1.5 million for the center project, \$3.2 million for downtown parking structure as well as \$2.4 million for various projects.

The Future Capital Projects fund has a total fund balance of \$42.0 million. The fund balance decreased during the current fiscal year by \$0.6 million due to the normal cost allocation which is in aligned with the city's expectation.

The Sewer Expansion Fund has a total fund balance of \$0.35 million. The fund balance decreased slightly during the current fiscal year by \$0.02 million which is in aligned with the city expectations.

The Traffic Mitigation capital project fund has a fund balance of \$21.8 million. The fund balance increased during the current fiscal year by \$6.4 million as a result of increased investment earning as the federal reserve put a pause on the interest rate hike and the city was able to purchase treasury securities at much higher interest rate.

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 \$18.9 million. The total increase in net position was \$5.4 million, primarily due to one-time donated CFD infrastructure asset in the amount of \$6.8 million.

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.

Revenues:

During the year, the original General Fund revenue budget was amended to increase revenues by \$15.6 million. The increase is primarily due to:

- an increase in sales tax of \$2.4 million, because of the conservative budget originally adopted due to COVID-19, the increase in inflation as well as continue growth of business in Fontana
- an increase in Franchise tax of 1.4 million was due to increase in both residential and commercial activities within the City
- an increase in property tax revenue of \$0.4 million due to increased assessed property valuation
- Property Tax in Lieu of VLF was increased by \$3.0 million due to the increase in assessed valuation and continued growth in the City

General Fund actual revenues of \$151.5 million were \$9.9 million more than the final budget of 141.6 million. The positive variance to the final budget was primarily due to:

- higher than expected tax revenues (\$10.4 million) compared to the final budget, which was increased by \$10.7 million from the adopted budget as a result of higher sale tax, franchise tax and property tax
- higher than expected investment earnings (\$1.0 million) compared to the final budget, which was increased by \$0.1 million from the adopted budget due to Federal Reserve putting a pause on the rising interest rate and the city was able to purchase more treasury securities at a higher interest rate thus resulting a higher investment unrealized gain.
- higher than expected fine and forfeitures (\$0.2 million)
- lower than expected Licenses and permit (\$0.5 Million)
- lower than expected intergovernmental revenue (\$0.2 million)
- lower than expected charges for services (\$0.5 million)

Expenditures:

During the year, the original General Fund expenditure budget was amended to increase appropriations by \$21.1 million, the increase in appropriations was due to various requests throughout the fiscal year such as:

- increase of police department personnel cost \$3.3 million and an increase 1.1 million of the other professional service cost
- increase of \$2 million for IT department for various computer hardware, Audio/Visual holding and \$0.4 million increase in other professional services such as digital service.
- increase of \$0.8 million for Human resources under other professional services and \$0.5 increase in various settlement claims
- increase of \$1.2 million for engineering for additional capital acquisition and other professional services

General Fund expenditures were less than budgeted. Of the total appropriations of \$157.2 million, approximately 9.8%, or \$15.4 million were unspent. The budgetary savings included IT department personnel cost, computer hardware cost, application cost, other professional service cost (total \$4.1 million), personnel cost and capital cost in the police department (total \$3.9 million), personnel cost in the community development (total \$1.6 million) and HR admin cost and risk management cost (total \$1.6 million). The aforementioned savings will be carried over to 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, 2023, amounts to \$810.9 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 change in the City's investment in capital assets net of accumulated depreciation for the current fiscal year was an increase of \$36.0 million (4.6%). Major capital asset events during the current fiscal year included the following:

- Donated asset from the developer such as the CFD 71 Sierra Crest, CFD 80 Bella Strada, CFD 81 Gabriella, CFD 88 Sierra Crest II and CFD89 Belrose in the amount of \$9.7 million were received by the City.
- There was an increase in activities in various CIP projects such as the Sierra: Foothill-Baseline (\$7.5 million) and Fire station #81 (\$4.4 million).
- The City had a onetime purchase of various new lands in the amount of \$9.2 million.
- Accumulated depreciation at year-end is \$38.8 million higher than the prior year.

Capital Assets
 (Net of depreciation)
 (000 omitted)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 175,066	\$ 161,362	\$ -	\$ -	\$ 175,066	\$ 161,362
Building and improvements	171,502	162,291	1,060	1,106	172,562	163,397
Machinery and equipment	4,491	4,248	13	7	4,504	4,254
Vehicles	14,442	13,968	-	-	14,442	13,968
Infrastructure	309,816	313,297	61,844	57,735	371,661	371,032
Intangibles	2,864	2,929	-	-	2,864	2,929
Right to use assets	106	106	-	-	106	106
Construction in progress	61,819	52,383	1,514	477	63,333	52,860
Easements	6,340	4,996	-	-	6,340	4,996
Total	\$ 746,447	\$ 715,581	\$ 64,431	\$ 59,324	\$ 810,878	\$ 774,905

Additional information on the City's capital assets can be found in Note 6 in the footnote disclosure.

Long-term debt. At the end of the current fiscal year, the City's total long-term debt outstanding is \$316.0 million. This amount is comprised of \$204.4 million net pension liability, \$18.9 million other post-employment benefits liability, \$51.3 million of lease revenue bonds which are secured by future revenue sources from the lease of City property and \$41.4 million of various other loans and obligations payable.

Outstanding Debt
(000 omitted)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Lease revenue bonds	\$ 51,255	\$ 53,015		\$ -	\$ 51,255	\$ 53,015
Net pension liability	199,151	118,172	5,275	2,674	204,426	120,847
Claims and judgments	22,585	20,654	-	-	22,585	20,654
Compensated absences	11,213	11,099	237	242	11,450	11,341
Other post employment benefits liability	18,295	66,534	598	2,325	18,893	68,859
Other debt	2,531	2,959	4,842	5,721	7,373	8,679
Total outstanding debt	<u>\$ 305,029</u>	<u>\$ 272,433</u>	<u>\$ 10,952</u>	<u>\$ 10,962</u>	<u>\$ 315,982</u>	<u>\$ 283,395</u>

Additional information on the City's long-term debt can be found in Note 8 in the footnote disclosure.

Economic Factors and Next Year's Budget and Rates

In preparing the budget for Fiscal Year 2023-24, 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 2023-24 is financially balanced and includes:

- General Fund designation of fund balance for contingencies of 25% of recurring appropriations.
- A net increase in budgeted revenues of \$7.5 million (or +5.4%) in the General Fund as compared to the prior year's final budget is primarily attributed to the following:
 - An increase in sale tax revenue of \$1.8 million projecting a robust recovery from pandemic projections
 - An increase in property tax revenue of \$6.5 million assuming an anticipated growth of 19.5 percent in assessed valuations
 - An increase in recreation revenue of \$0.1 million projecting facilities and programs will be opened its entirety

- A net increase in budgeted expenditures of \$2.9 million or (+2.3%) in the General Fund as compared to the prior year's final budget is primarily attribute to contractual obligations related to full-time City staff and the return of part-time staff as facilities reopen and programs resume.

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 Finance Department at the City of Fontana, 8353 Sierra Avenue, Fontana, CA 92335.

CITY OF FONTANA
 Statement of Net Position
 June 30, 2023

Exhibit A

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 470,736,779	\$ 23,515,307	\$ 494,252,086
Receivables:			
Accounts	4,068,963	1,232,244	5,301,207
Assessments	540,011	-	540,011
Interest	7,234,943	146,152	7,381,095
Loans	82,673,369	3,943,383	86,616,752
Loans to Successor Agency	23,599,749	3,305,829	26,905,578
Allowance for doubtful accounts	(358,838)	(3,305,829)	(3,664,667)
Leases	17,926,621	-	17,926,621
Prepaid expenses	-	3,888	3,888
Internal balances	(1,909,088)	1,909,088	-
Due from other governments	32,002,972	137,474	32,140,446
Inventories	1,422,307	30,953	1,453,260
Deposits	141,317	-	141,317
Land held for resale	10,029,872	-	10,029,872
Restricted assets:			
Cash with fiscal agent	80,971,629	-	80,971,629
Capital assets not being depreciated	243,224,955	1,513,666	244,738,621
Capital assets, net of depreciation	503,222,125	62,916,953	566,139,078
Total assets	<u>1,475,527,686</u>	<u>95,349,108</u>	<u>1,570,876,794</u>
Deferred Outflows of Resources:			
Deferred outflows of resources - pension related	65,675,635	1,844,643	67,520,278
Deferred outflows of resources - OPEB related	13,733,421	449,063	14,182,484
Total deferred outflows of resources	<u>79,409,056</u>	<u>2,293,706</u>	<u>81,702,762</u>
Liabilities:			
Accounts payable	18,253,130	4,313,599	22,566,729
Deposits payable	5,930,046	805,131	6,735,177
Interest payable	584,817	30,538	615,355
Due to other governments	33,553,032	-	33,553,032
Unearned revenue	42,633,331	-	42,633,331
Retention payable	712,369	43,611	755,980
Noncurrent liabilities:			
Due within one year	15,298,421	941,917	16,240,338
Due in more than one year			
Net pension liability	199,150,942	5,274,891	204,425,833
OPEB liability	18,294,557	598,205	18,892,762
Other	78,399,120	4,137,412	82,536,532
Total liabilities	<u>412,809,765</u>	<u>16,145,304</u>	<u>428,955,069</u>
Deferred Inflows of Resources:			
Deferred inflows of resources - pension related	1,160,109	9,323	1,169,432
Deferred inflows of resources - OPEB related	32,183,030	1,052,338	33,235,368
Deferred inflows of resources - Leases	17,211,456	-	17,211,456
Total deferred inflows of resources	<u>50,554,595</u>	<u>1,061,661</u>	<u>51,616,256</u>
Net Position:			
Net investment in capital assets	709,182,502	59,588,417	768,770,919
Restricted for:			
Community development	144,022,279	-	144,022,279
Public safety	43,204,205	-	43,204,205
Public works	35,292,911	-	35,292,911
Debt service	-	-	-
Government-access channel	1,703,897	-	1,703,897
Pension Trust	10,694,317	-	10,694,317
Capital projects	45,701,294	-	45,701,294
Unrestricted	101,770,977	20,847,432	122,618,409
Total net position	<u>\$ 1,091,572,382</u>	<u>\$ 80,435,849</u>	<u>\$ 1,172,008,231</u>

See accompanying notes to financial statements

CITY OF FONTANA
 Statement of Activities
 Year Ended June 30, 2023

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
Governmental activities:								
General government:								
City council and commissions	\$ 1,364,715	\$ -	\$ -	\$ -	\$ -	\$ (1,364,715)	\$ -	\$ (1,364,715)
City administration	2,777,150	-	190,360	1,250,894	1,441,254	(1,335,896)	-	(1,335,896)
Management services	10,118,658	1,708,105	8,862,911	54,625	10,625,641	506,983	-	506,983
Information technology	5,693,347	-	379,144	-	379,144	(5,314,203)	-	(5,314,203)
Human resources	12,798,987	6,448,137	-	-	6,448,137	(6,350,850)	-	(6,350,850)
Public safety:								
Police	65,854,441	1,290,125	17,512,543	-	18,802,668	(47,051,773)	-	(47,051,773)
Fire	43,783,899	1,163,728	-	-	1,163,728	(42,620,171)	-	(42,620,171)
Public works	42,050,361	24,873,278	11,088,820	12,549,995	48,512,093	6,461,732	-	6,461,732
Community development	24,087,763	24,009,166	5,340,857	1,256,453	30,606,476	6,518,713	-	6,518,713
Community services	10,394,270	3,823,376	6,509,682	-	10,333,058	(61,212)	-	(61,212)
Engineering	33,348,492	10,162,983	1,153,991	7,601,622	18,918,596	(14,429,896)	-	(14,429,896)
Interest on long-term debt	2,133,651	-	-	-	-	(2,133,651)	-	(2,133,651)
Total governmental activities	<u>254,405,734</u>	<u>73,478,898</u>	<u>51,038,308</u>	<u>22,713,589</u>	<u>147,230,795</u>	<u>(107,174,939)</u>	<u>-</u>	<u>(107,174,939)</u>
Business-type activities:								
Sewer	26,260,033	27,542,299	-	7,630,458	35,172,757	-	8,912,724	8,912,724
Interest on long-term debt	101,463	-	-	-	-	-	(101,463)	(101,463)
Total business-type activities	<u>26,361,496</u>	<u>27,542,299</u>	<u>-</u>	<u>7,630,458</u>	<u>35,172,757</u>	<u>-</u>	<u>8,811,261</u>	<u>8,811,261</u>
Total functions/programs	<u>\$ 280,767,230</u>	<u>\$ 101,021,197</u>	<u>\$ 51,038,308</u>	<u>\$ 30,344,047</u>	<u>\$ 182,403,552</u>	<u>\$ (107,174,939)</u>	<u>8,811,261</u>	<u>(98,363,678)</u>

General revenues:

Taxes:

Property taxes, levied for general purpose	95,730,662	-	95,730,662
Sales taxes	59,102,489	-	59,102,489
Franchise taxes	11,118,103	-	11,118,103
Business license taxes	8,395,990	-	8,395,990
Transient occupancy taxes	1,302,569	-	1,302,569
Total taxes	<u>175,649,813</u>	<u>-</u>	<u>175,649,813</u>

Intergovernmental, unrestricted:

Motor vehicle in lieu	301,474	-	301,474
Investment earnings	9,228,551	270,136	9,498,687
Other	4,274,678	117,885	4,392,563
Contributions not restricted to specific programs	17,103,880	-	17,103,880

Transfers

Total general revenues and transfers	<u>210,217,656</u>	<u>(3,271,239)</u>	<u>206,946,417</u>
Change in net position	<u>103,042,717</u>	<u>5,540,022</u>	<u>108,582,739</u>
Net position at beginning of year, as restated (see note 19)	<u>988,529,665</u>	<u>74,895,827</u>	<u>1,063,425,492</u>
Net position at end of year	<u>\$ 1,091,572,382</u>	<u>\$ 80,435,849</u>	<u>\$ 1,172,008,231</u>

See accompanying notes to financial statements

CITY OF FONTANA
 Balance Sheet
 Governmental Funds
 June 30, 2023

	Special Revenue						Capital Project				Other Governmental Funds		Total Governmental Funds	
	General	Fire Protection District	Housing Authority	Economic Stimulus	Capital Reinvestment	Future Capital Projects	Sewer Expansion	Community Facilities Districts	Traffic Mitigation	Other Governmental Funds	Total Governmental Funds			
Assets:														
Cash and investments	\$ 58,277,222	\$ 26,206,288	\$ 14,616,541	\$ 38,182,155	\$ 20,354,496	\$ 6,941,116	\$ 25,257,788	\$ 22,089	\$ 48,676,325	\$ 215,906,503	\$ 454,440,523			
Receivables:														
Accounts	3,861,306	46,525	-	-	12,065	-	25,929	-	2,087	118,366	4,066,278			
Assessments	-	-	-	-	-	-	-	-	-	540,011	540,011			
Interest	428,870	132,195	4,106,248	-	102,926	35,013	127,409	-	245,540	1,974,538	7,152,739			
Loans	-	-	71,852,645	-	125,000	-	-	-	-	10,695,724	82,673,369			
Loans to Successor Agency	23,599,749	-	-	-	-	-	-	-	-	-	23,599,749			
Allowance for doubtful accounts	(207,573)	-	-	-	-	-	-	-	-	(151,265)	(358,838)			
Leases	10,220,102	-	-	-	-	-	-	-	-	7,706,519	17,926,621			
Deposits	100,384	-	-	5,667	-	-	-	-	-	-	35,266	141,317		
Due from other funds	24,075,880	-	-	-	-	-	-	-	-	-	24,075,880			
Due from other governments	11,503,386	283,637	-	-	-	-	-	-	-	-	20,213,986	32,001,009		
Inventories	407,053	-	-	-	-	-	-	-	-	-	871,931	1,278,984		
Land held for resale	-	-	-	-	5,650,178	4,379,694	-	-	-	-	-	10,029,872		
Advances to other funds	-	-	-	-	-	30,703,911	-	-	-	-	-	30,703,911		
Restricted assets:														
Cash with fiscal agent	11,071,217	-	203,033	-	-	-	-	46,783,629	78,502	22,835,248	80,971,629			
Total assets	<u>\$ 143,337,596</u>	<u>26,668,645</u>	<u>90,778,467</u>	<u>38,187,822</u>	<u>26,244,665</u>	<u>42,059,734</u>	<u>25,411,126</u>	<u>46,805,718</u>	<u>49,002,454</u>	<u>280,746,827</u>	<u>769,243,054</u>			
Liabilities, Deferred Inflows and Fund Balances:														
Liabilities:														
Accounts payable	\$ 7,804,236	\$ 194,178	\$ 47,373	\$ 924,394	\$ 261,211	\$ -	\$ -	\$ 79,853	\$ 405,025	\$ 8,048,151	\$ 17,764,421			
Deposits payable	5,923,999	-	6,047	-	-	-	-	-	-	-	5,930,046			
Retentions payable	-	-	-	-	12,302	21,757	-	-	-	104,382	573,928	712,369		
Due to other funds	-	-	-	-	-	-	-	-	-	-	9,859,247	24,075,880		
Due to other governments	-	-	-	-	-	-	25,065,670	-	-	-	8,487,362	33,553,032		
Unearned revenue	150,200	-	-	37,148,029	-	-	-	-	-	-	5,335,102	42,633,331		
Advances from other funds	-	-	-	-	-	-	-	-	26,691,542	4,012,369	30,703,911			
Total liabilities	<u>13,879,435</u>	<u>194,178</u>	<u>53,420</u>	<u>38,072,423</u>	<u>273,513</u>	<u>21,757</u>	<u>25,065,670</u>	<u>14,296,486</u>	<u>27,200,949</u>	<u>36,316,159</u>	<u>155,372,990</u>			
Deferred inflows of resources:														
Unavailable revenues	2,494,088	42,268	4,848,263	-	10,835	-	-	-	-	-	14,092,657	21,488,111		
Leases	9,703,689	-	-	-	-	-	-	-	-	-	7,507,767	17,211,456		
Total deferred inflows of resources	<u>12,197,777</u>	<u>42,268</u>	<u>4,848,263</u>	<u>-</u>	<u>10,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,600,424</u>	<u>38,699,567</u>		
Fund balances:														
Nonspendable	24,107,186	-	-	-	5,650,178	4,379,694	-	-	-	-	11,602,921	45,739,979		
Restricted	12,398,214	26,432,199	85,876,784	115,399	-	-	-	30,257,097	15,444,197	110,095,013	280,618,903			
Committed	32,411,496	-	-	-	-	-	-	-	-	-	32,411,496			
Assigned	3,143,811	-	-	-	20,310,139	37,658,283	345,456	-	-	-	113,943,770	175,401,459		
Unassigned	45,200,677	-	-	-	-	-	-	2,252,135	6,357,308	(12,811,460)	40,998,660			
Total fund balances	<u>117,261,384</u>	<u>26,432,199</u>	<u>85,876,784</u>	<u>115,399</u>	<u>25,960,317</u>	<u>42,037,977</u>	<u>345,456</u>	<u>32,509,232</u>	<u>21,801,505</u>	<u>222,830,244</u>	<u>575,170,497</u>			
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 143,337,596</u>	<u>26,668,645</u>	<u>\$ 90,778,467</u>	<u>\$ 38,187,822</u>	<u>\$ 26,244,665</u>	<u>\$ 42,059,734</u>	<u>\$ 25,411,126</u>	<u>\$ 46,805,718</u>	<u>\$ 49,002,454</u>	<u>\$ 280,746,827</u>	<u>769,243,054</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, 2023

Exhibit D

Fund balances of governmental funds	\$ 575,170,497
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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 (excluding internal service funds).

737,064,380

Deferred outflows of resources related to pensions and other postemployment benefits are applicable to future reporting periods and, therefore, are not reported in the funds.

79,409,056

Long-term liabilities, including net pension liability, OPEB liability and compensated absences, are not due and payable in the current period and, therefore, is not recognized in the funds.

(311,143,040)

Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.

(584,817)

Deferred inflows of resources related to pensions and other postemployment benefits are applicable to future reporting periods and, therefore, are not reported in the funds.

(33,343,139)

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.

23,511,334

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

21,488,111

Net position of governmental activities

\$ 1,091,572,382

See accompanying notes to financial statements

CITY OF FONTANA
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2023

	Special Revenue				Capital Projects				Other Governmental Funds			Totals
	General	Fire Protection District	Housing Authority	Economic Stimulus	Capital Reinvestment	Future Capital Projects	Sewer Expansion	Community Facility Districts				
Revenues:												
Taxes	\$ 116,384,679	\$ 58,710,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 563,564	\$ 175,658,307		
Licenses and permits	7,872,926	1,185,187								9,359,285	18,417,398	
Intergovernmental	1,283,694			12,851,534						40,552,785	55,559,853	
Charges for services	16,174,908	-	-	-	-	-	-	-		8,924,428	6,367,335	31,466,671
Fines and forfeitures	703,886	-	-	-	-	-	-	-		66,389	770,275	
Special assessments	-	-	-	-	-	-	-	46,992		19,226,076	19,273,068	
Investment earnings (loss)	4,381,331	577,026	122,979	-	(100,975)	72,403	(17,761)	730,803	231,174	2,109,210	8,106,190	
Contribution from property owners	-	-	-	-	-	-	-	10,815,577	-	-	10,815,577	
Other revenue	4,737,365	-	127,939	-	48,087	-	-	-	-	744,198	5,657,589	
Total revenues	151,538,789	60,472,277	250,918	12,851,534	(52,888)	72,403	(17,761)	11,593,372	10,027,442	78,988,842	325,724,928	
Expenditures:												
Current:												
General government:												
City council and commissions	1,339,208	-	-	-	24,019	-	-	-	-	-	1,363,227	
City administration	3,936,406	-	-	-	-	-	-	-	-	979,183	4,915,589	
Management services	3,804,859	-	477,479	7,805,788	1,431	-	-	-	-	120,467	12,210,024	
Information technology	9,114,829	-	-	-	76,863	-	-	-	-	3,812	9,195,504	
Human resources	11,485,046	-	-	-	-	-	-	-	-	15,184	11,500,230	
Public safety:												
Police	72,166,973	-	-	-	-	-	-	-	-	4,258,081	76,425,054	
Fire	-	42,937,266	-	-	-	-	-	-	-	922,272	43,859,538	
Public works	14,972,455	-	-	2,427,310	858,859	133,312	-	424,199	-	22,327,805	41,143,940	
Community development	7,676,951	-	-	-	3,570,140	-	-	-	-	13,726,654	24,973,745	
Community services	12,845,952	-	-	-	-	-	-	-	-	5,631,727	18,477,679	
Engineering	4,319,998	-	-	838,873	404,697	110,143	-	8,430,629	3,485,004	22,890,044	40,479,388	
Debt Service:												
Principal	58,822	-	-	-	-	-	-	-	-	1,760,000	1,818,822	
Interest	1,567	-	-	-	-	-	-	-	-	2,248,950	2,250,517	
Total expenditures	141,723,066	42,937,266	477,479	11,071,971	4,936,009	243,455	-	8,854,828	3,485,004	74,884,179	288,613,257	
Excess (deficiency) of revenues over (under) expenditures	9,815,723	17,535,011	(226,561)	1,779,563	(4,988,897)	(171,052)	(17,761)	2,738,544	6,542,438	4,104,663	37,111,671	
Other Financing Sources (Uses):												
Transfers in	18,272,319	1,295,100	-	-	15,929,494	-	-	-	-	23,461,106	58,958,019	
Transfers out	(13,380,541)	(30,861,695)	(56,600)	(1,779,564)	(124,342)	(462,470)	-	-	(185,130)	(10,924,067)	(57,774,409)	
Proceeds of refunding bonds	-	-	-	-	-	-	-	(748,199)	-	-	(748,199)	
Premium (discount) on bonds issued	-	-	-	-	-	-	-	261,790	-	-	261,790	
Sale of capital assets	45,946	-	-	-	-	-	-	-	-	31,940	77,886	
Total other financing sources (uses)	4,937,724	(29,566,595)	(56,600)	(1,779,564)	15,805,152	(462,470)	-	(486,409)	(185,130)	12,568,979	775,087	
Net change in fund balances	14,753,447	(12,031,584)	(283,161)	(1)	10,816,255	(633,522)	(17,761)	2,252,135	6,357,308	16,673,642	37,886,758	
Fund Balances:												
Beginning of fiscal year, as restated (see note 19)	102,507,937	38,463,783	86,159,945	115,400	15,144,062	42,671,499	363,217	30,257,097	15,444,197	206,156,602	537,283,739	
End of fiscal year	\$ 117,261,384	\$ 26,432,199	\$ 85,876,784	\$ 115,399	\$ 25,960,317	\$ 42,037,977	\$ 345,456	\$ 32,509,232	\$ 21,801,505	\$ 222,830,244	\$ 575,170,497	

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 Year Ended June 30, 2023

Exhibit F

Net change in fund balances - total governmental funds	\$ 37,886,758
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.	50,038,280
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.	(45,946)
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.	17,103,880
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.	(37,200,204)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as unavailable revenues in the funds.	10,468,081
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.	2,488,567
The recognition of lease payables and the net change in lease payables are not recognized in the funds	20,353
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.	(1,927,826)
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.	5,457,861
Adjustments made to the OPEB liability do not use current financial resources and, therefore, are not recognized in the funds.	26,680,131
Adjustments made to the Net Pension Liability do not use current financial resources and, therefore, are not recognized in the funds.	(7,927,218)
Change in net position of governmental activities	<u>\$ 103,042,717</u>

See accompanying notes to financial statements

CITY OF FONTANA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2023

Exhibit G
Page 1 of 4

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 95,321,100	\$ 105,986,750	\$ 116,384,679	\$ 10,397,929
Licenses and permits	6,949,800	8,390,123	7,872,926	(517,197)
Intergovernmental	1,395,500	1,531,915	1,283,694	(248,221)
Charges for services	14,226,820	16,657,367	16,174,908	(482,459)
Fines and forfeitures	511,200	503,200	703,886	200,686
Investment earnings (loss)	3,272,850	3,418,880	4,381,331	962,451
Other revenue	4,374,130	5,137,669	4,737,365	(400,304)
Total revenues	<u>126,051,400</u>	<u>141,625,904</u>	<u>151,538,789</u>	<u>9,912,885</u>
Expenditures:				
Current:				
General government:				
City council and commissions	1,262,310	1,443,936	1,339,208	104,728
City administration	2,719,040	4,418,402	3,936,406	481,996
Management services	3,261,390	4,497,719	3,804,859	692,860
Information technology	8,813,530	13,202,856	9,114,829	4,088,027
Human resources	10,482,130	13,051,521	11,485,046	1,566,475
Public safety:				
Police	70,140,290	75,917,229	72,166,973	3,750,256
Public works	13,819,610	15,696,216	14,972,455	723,761
Community development	6,515,190	8,434,836	7,676,951	757,885
Community services	15,188,300	15,043,195	12,845,952	2,197,243
Engineering	3,897,220	5,299,304	4,319,998	979,306
Debt Service:				
Principal	-	163,994	58,822	105,172
Interest	-	200	1,567	(1,367)
Total expenditures	<u>136,099,010</u>	<u>157,169,408</u>	<u>141,723,066</u>	<u>15,446,342</u>
Excess (deficit) of revenues over expenditures	<u>(10,047,610)</u>	<u>(15,543,504)</u>	<u>9,815,723</u>	<u>25,359,227</u>
Other Financing Sources (Uses):				
Transfers in	31,128,200	34,623,944	18,272,319	(16,351,625)
Transfers out	(21,107,310)	(29,625,330)	(13,380,541)	16,244,789
Sale of capital assets	1,500	1,500	45,946	44,446
Total other financing sources (uses)	<u>10,022,390</u>	<u>5,000,114</u>	<u>4,937,724</u>	<u>(62,390)</u>
Net change in fund balances	<u>(25,220)</u>	<u>(10,543,390)</u>	<u>14,753,447</u>	<u>25,296,837</u>
Fund balances - beginning, as restated (see note 19)	<u>102,507,937</u>	<u>102,507,937</u>	<u>102,507,937</u>	<u>-</u>
Fund balances - ending	<u>\$ 102,482,717</u>	<u>\$ 91,964,547</u>	<u>\$ 117,261,384</u>	<u>\$ 25,296,837</u>

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
 Year Ended June 30, 2023

Exhibit G
 Page 2 of 4

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 50,923,200	\$ 50,923,200	\$ 58,710,064	\$ 7,786,864
Licenses and permits	890,000	875,000	1,185,187	310,187
Investment earnings	109,000	109,000	577,026	468,026
Total revenues	<u>51,922,200</u>	<u>51,907,200</u>	<u>60,472,277</u>	<u>8,565,077</u>
Expenditures:				
Public safety:				
Fire	41,173,340	44,192,778	42,937,266	1,255,512
Total expenditures	<u>41,173,340</u>	<u>44,192,778</u>	<u>42,937,266</u>	<u>1,255,512</u>
Excess (deficit) of revenues over expenditures	<u>10,748,860</u>	<u>7,714,422</u>	<u>17,535,011</u>	<u>9,820,589</u>
Other Financing Sources (Uses):				
Transfers in	1,295,100	1,295,100	1,295,100	-
Transfers out	(5,392,640)	(30,861,695)	(30,861,695)	-
Total other financing sources (uses)	<u>(4,097,540)</u>	<u>(29,566,595)</u>	<u>(29,566,595)</u>	<u>-</u>
Net change in fund balances	6,651,320	(21,852,173)	(12,031,584)	9,820,589
Fund balances - beginning	38,463,783	38,463,783	38,463,783	-
Fund balances - ending	<u>\$ 45,115,103</u>	<u>\$ 16,611,610</u>	<u>\$ 26,432,199</u>	<u>\$ 9,820,589</u>

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
Year Ended June 30, 2023

Exhibit G
Page 3 of 4

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings (loss)	\$ 399,000	\$ 399,000	\$ 122,979	\$ (276,021)
Other revenue	196,000	201,000	127,939	(73,061)
Total revenues	<u>595,000</u>	<u>600,000</u>	<u>250,918</u>	<u>(349,082)</u>
Expenditures:				
Current:				
General government:				
Management services	332,290	4,342,816	477,479	3,865,337
Total expenditures	<u>332,290</u>	<u>4,342,816</u>	<u>477,479</u>	<u>3,865,337</u>
Excess (deficit) of revenues over expenditures	262,710	(3,742,816)	(226,561)	3,516,255
Other Financing Sources (Uses):				
Transfers out	(56,600)	(56,600)	(56,600)	-
Total other financing sources (uses)	<u>(56,600)</u>	<u>(56,600)</u>	<u>(56,600)</u>	<u>-</u>
Net change in fund balances	206,110	(3,799,416)	(283,161)	3,516,255
Fund balances - beginning	86,159,945	86,159,945	86,159,945	-
Fund balances - ending	<u>\$ 86,366,055</u>	<u>\$ 82,360,529</u>	<u>\$ 85,876,784</u>	<u>\$ 3,516,255</u>

See accompanying notes to financial statements

CITY OF FONTANA
Economic Stimulus - Special Revenue
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2023

Exhibit G
Page 4 of 4

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 12,851,534	\$ 12,851,534
Total revenues	<u>-</u>	<u>-</u>	<u>12,851,534</u>	<u>12,851,534</u>
Expenditures:				
Current:				
General government:				
Management services	-	15,037,271	7,805,788	7,231,483
Public works	-	6,579,892	2,427,310	4,152,582
Engineering	-	26,962,675	838,873	26,123,802
Total expenditures	-	48,579,838	11,071,971	37,507,867
Excess (deficit) of revenues over expenditures	-	(48,579,838)	1,779,563	50,359,401
Other Financing Sources (Uses):				
Transfers out	-	-	(1,779,564)	(1,779,564)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,779,564)</u>	<u>(1,779,564)</u>
Net change in fund balances	-	(48,579,838)	(1)	48,579,837
Fund balances - beginning	115,400	115,400	115,400	-
Fund balances - ending	<u>\$ 115,400</u>	<u>\$ (48,464,438)</u>	<u>\$ 115,399</u>	<u>\$ 48,579,837</u>

See accompanying notes to financial statements

CITY OF FONTANA
 Statement of Net Position
 Proprietary Funds
 June 30, 2023

Exhibit H

	Business-type Activities			Governmental Activities	
	Enterprise Funds			Internal Service	
	Sewer Operations	Non-Major Enterprise Fund - Water Operations	Totals	Fund - Fleet	Operations
Assets:					
Current Assets:					
Cash and investments	\$ 22,774,003	\$ 741,304	\$ 23,515,307	\$ 16,296,256	
Accounts receivables	1,232,244	-	1,232,244	2,685	
Interest receivable	142,413	3,739	146,152	82,204	
Loans receivable	2,777,191	1,166,192	3,943,383	-	
Loans to Successor Agency	3,305,829	-	3,305,829	-	
Allowance for doubtful accounts	(3,305,829)	-	(3,305,829)	-	
Prepaid expenses	3,888	-	3,888	-	
Due from other governments	137,474	-	137,474	1,963	
Inventories	30,953	-	30,953	143,323	
Total current assets	<u>27,098,166</u>	<u>1,911,235</u>	<u>29,009,401</u>	<u>16,526,431</u>	
Noncurrent Assets:					
Capital assets, not being depreciated	1,513,666	-	1,513,666	615,245	
Capital assets, net of depreciation	62,916,953	-	62,916,953	8,767,455	
Total noncurrent assets	<u>64,430,619</u>	<u>-</u>	<u>64,430,619</u>	<u>9,382,700</u>	
Total assets	<u>91,528,785</u>	<u>1,911,235</u>	<u>93,440,020</u>	<u>25,909,131</u>	
Deferred Outflows of Resources:					
Deferred outflows of resources - pension related	1,844,643	-	1,844,643	-	
Deferred outflows of resources - OPEB related	449,063	-	449,063	-	
Total deferred outflows of resources	<u>2,293,706</u>	<u>-</u>	<u>2,293,706</u>	<u>-</u>	
Liabilities:					
Current Liabilities:					
Accounts payable	4,313,599	-	4,313,599	488,709	
Deposits payable	805,131	-	805,131	-	
Interest payable	30,538	-	30,538	-	
Retentions payable	43,611	-	43,611	-	
Compensated absences payable - current	47,454	-	47,454	-	
Loans payable - current	894,463	-	894,463	-	
Total current liabilities	<u>6,134,796</u>	<u>-</u>	<u>6,134,796</u>	<u>488,709</u>	
Noncurrent Liabilities:					
Compensated absences payable	189,673	-	189,673	-	
Loans payable	3,947,739	-	3,947,739	-	
Net pension liability	5,274,891	-	5,274,891	-	
Net OPEB liability	598,205	-	598,205	-	
Total noncurrent liabilities	<u>10,010,508</u>	<u>-</u>	<u>10,010,508</u>	<u>-</u>	
Total liabilities	<u>16,145,304</u>	<u>-</u>	<u>16,145,304</u>	<u>488,709</u>	
Deferred Inflows of Resources:					
Deferred inflows of resources - pension related	9,323	-	9,323	-	
Deferred inflows of resources - OPEB related	1,052,338	-	1,052,338	-	
Total deferred inflows of resources	<u>1,061,661</u>	<u>-</u>	<u>1,061,661</u>	<u>-</u>	
Net Position:					
Net investment in capital assets	59,588,417	-	59,588,417	9,382,700	
Unrestricted	<u>17,027,109</u>	<u>1,911,235</u>	<u>18,938,344</u>	<u>16,037,722</u>	
Total net position	<u>\$ 76,615,526</u>	<u>\$ 1,911,235</u>	<u>78,526,761</u>	<u>\$ 25,420,422</u>	
Reconciliation of Net Position to the Statement of Net Position					
Net Position per Statement of Net Position - Proprietary Funds			78,526,761		
Accumulated adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			1,909,088		
Net position per Statement of Net Position			<u>\$ 80,435,849</u>		

See accompanying notes to financial statements

CITY OF FONTANA
 Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 Year Ended June 30, 2023

Exhibit I

	Business-type Activities Enterprise Funds			Governmental Activities
	Non-Major Enterprise Fund - Water Operations		Totals	Internal Service
	Sewer Operations			Fund - Fleet Operations
Operating Revenues:				
Charges for services	\$ 27,383,676	\$ -	\$ 27,383,676	\$ 8,576,160
Total revenues	<u>27,383,676</u>	<u>-</u>	<u>27,383,676</u>	<u>8,576,160</u>
Operating Expenses:				
Personnel costs	2,202,636	-	2,202,636	1,047,499
Operating costs	467,214	-	467,214	1,851,784
Contractual	20,642,224	-	20,642,224	748,408
Depreciation	2,947,959	-	2,947,959	2,123,720
Total operating expenses	<u>26,260,033</u>	<u>-</u>	<u>26,260,033</u>	<u>5,771,411</u>
Operating income (loss)	<u>1,123,643</u>	<u>-</u>	<u>1,123,643</u>	<u>2,804,749</u>
Non-Operating Revenues (Expenses):				
Investment earnings	265,687	4,449	270,136	33,112
Interest payments	(101,463)	-	(101,463)	-
Other revenue (expenses)	117,885	-	117,885	46,583
Gain (loss) on sale of capital assets	-	-	-	256,390
Total non-operating revenues (expenses)	<u>282,109</u>	<u>4,449</u>	<u>286,558</u>	<u>336,085</u>
Income (loss) before contributions and transfers	1,405,752	4,449	1,410,201	3,140,834
Capital contributions - connection fees	811,632	-	811,632	-
Contributions from property owners	6,818,826	-	6,818,826	-
Transfers in	-	-	-	2,475,650
Transfers out	(3,659,260)	-	(3,659,260)	-
Change in net position	<u>5,376,950</u>	<u>4,449</u>	<u>5,381,399</u>	<u>5,616,484</u>
Net Position:				
Beginning of fiscal year	<u>71,238,576</u>	<u>1,906,786</u>	<u>73,145,362</u>	<u>19,803,938</u>
Net position at end of year	<u>\$ 76,615,526</u>	<u>\$ 1,911,235</u>	<u>\$ 78,526,761</u>	<u>\$ 25,420,422</u>

Reconciliation of Changes in Net Position to the Statement of Activities:

Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	5,381,399
Adjustment to reflect the consolidation of internal service activities related to enterprise funds	<u>158,623</u>
Changes in Net Position of Business-Type Activities per Statement of Activities	<u>\$ 5,540,022</u>

See accompanying notes to financial statements

CITY OF FONTANA
 Statement of Cash Flows
 Proprietary Funds
 Year Ended June 30, 2023

Exhibit J

	Business-type Activities			Governmental Activities	
	Enterprise Funds			Enterprise Fund -	
	Sewer Operations	Water Operations	Totals	Internal Service Fund -	Fleet Operations
Cash Flow from Operating Activities:					
Cash received from customers	\$ 27,573,878	\$ -	\$ 27,573,878	\$ 8,728,072	
Cash payments to suppliers of goods and services	(20,332,421)	-	(20,332,421)	(3,155,677)	
Cash payments to employees for services	(3,295,799)	-	(3,295,799)	(1,047,499)	
Net cash provided by (used for) operating activities	3,945,658	-	3,945,658	4,524,896	
Cash Flows from Noncapital Financing Activities:					
Transfers received	-	-	-	2,475,650	
Transfers paid	(3,659,260)	-	(3,659,260)	-	
Net cash provided by (used for) noncapital financing activities	(3,659,260)	-	(3,659,260)	2,475,650	
Cash Flows from Capital and Related Financing Activities:					
Payments for debt service - principal payments	(878,670)	-	(878,670)	-	
Payments for debt service - interest payments	(106,149)	-	(106,149)	-	
Capital contributions	7,630,458	-	7,630,458	-	
Sale of capital assets	-	-	-	256,390	
Acquisition and construction of capital assets	(8,054,254)	-	(8,054,254)	(3,094,069)	
Net cash provided by (used for) capital and related financing activities	(1,408,615)	-	(1,408,615)	(2,837,679)	
Cash Flows from Investing Activities:					
Investment earnings	376,215	56,006	432,221	(24,237)	
Net cash provided by investing activities	376,215	56,006	432,221	(24,237)	
Net increase (decrease) in cash and cash equivalents	(746,002)	56,006	(689,996)	4,138,630	
Cash and cash equivalents - beginning of year	23,520,005	685,298	24,205,303	12,157,626	
Cash and cash equivalents - end of year	\$ 22,774,003	\$ 741,304	\$ 23,515,307	\$ 16,296,256	
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$ 1,123,643	\$ -	\$ 1,123,643	\$ 2,804,749	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	2,947,959	-	2,947,959	2,123,720	
Other revenue (expenses)	117,885	-	117,885	46,583	
Changes in Assets and Liabilities:					
Accounts receivable	196,888	-	196,888	107,292	
Prepaid expenses	(3,888)	-	(3,888)	-	
Due from other governments	(124,571)	-	(124,571)	(1,963)	
Inventories	21,419	-	21,419	(41,287)	
Deferred outflows - pension related	(1,165,689)	-	(1,165,689)	-	
Deferred outflows - OPEB related	(13,596)	-	(13,596)	-	
Accounts payable	702,913	-	702,913	(514,198)	
Retentions payable	43,611	-	43,611	-	
Deposits payable	12,962	-	12,962	-	
Accrued compensated absences	(4,586)	-	(4,586)	-	
Deferred inflows - pension related	(1,508,403)	-	(1,508,403)	-	
Deferred inflows - OPEB related	725,542	-	725,542	-	
Net pension liability	2,600,515	-	2,600,515	-	
Net OPEB liability	(1,726,946)	-	(1,726,946)	-	
Net cash provided by (used for) operating activities	\$ 3,945,658	\$ -	\$ 3,945,658	\$ 4,524,896	

There were no non-cash investing, capital or financing activities for the year ended June 30, 2023.

See accompanying notes to financial statements

CITY OF FONTANA
 Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2023

Exhibit K

	Custodial Funds	Private Purpose Trust Fund	Successor Agency of the Former RDA
Assets:			
Cash and investments	\$ 15,603,300	\$ 19,569,155	
Receivables (net):			
Assessments	386,139	-	
Interest	-	1,219,204	
Loans receivable	-	2,381,374	
Allowance for doubtful accounts	-	(1,971,279)	
Restricted assets:			
Cash and investments	<u>21,488,664</u>	<u>2,909</u>	
Total assets	<u>37,478,103</u>	<u>21,201,363</u>	
Liabilities:			
Interest payable	-	2,056,354	
Due to other governments	60,677	-	
Deferred revenue	-	125,000	
Long-term liabilities:			
Due in one year	-	16,793,885	
Due in more than one year	-	418,215,790	
Total liabilities	<u>60,677</u>	<u>437,191,029</u>	
Net Position:			
Held for other organizations	7,487,584	-	
Restricted for debt service	29,929,842	(415,989,666)	
Total Net Position (deficit)	<u>\$ 37,417,426</u>	<u>\$ (415,989,666)</u>	

See accompanying notes to financial statements

CITY OF FONTANA
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended June 30, 2023

Exhibit L

	Custodial Funds	Private Purpose Trust Fund
	Successor Agency of the Former RDA	
Additions:		
Contributions from property owners	\$ 15,891,007	\$ 34,924,052
Contributions from other governments	-	71,313
Interest and change in fair value of investments	118,338	(335,295)
Increase in deposits held	6,684,301	-
Other revenue	<u>754,424</u>	<u>511,649</u>
Total additions	<u>23,448,070</u>	<u>35,171,719</u>
Deductions:		
Contractual services	-	368,552
Administrative expense	826,454	6,000
Interest expense	6,931,519	19,012,168
Contributions to other governments	-	200,150
Principal payments	6,040,000	-
Decrease in deposits held	<u>5,891,451</u>	<u>-</u>
Total deductions	<u>19,689,424</u>	<u>19,586,870</u>
Changes in net position	3,758,646	15,584,849
Net Position (deficit) - Beginning of the Year	<u>33,658,780</u>	<u>(431,574,515)</u>
Net Position (deficit) - End of the Year	<u><u>\$ 37,417,426</u></u>	<u><u>\$ (415,989,666)</u></u>

See accompanying notes to financial statements

CITY OF FONTANA
Notes to the Financial Statements

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 Public Financing Authority.

CITY OF FONTANA
Notes to the Financial Statements

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 financials statements are not available for the Housing 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 financials 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 financials 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 Public Facilities Financing 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, regardless

CITY OF FONTANA
Notes to the Financial Statements

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 custodial funds and a private purpose trust fund. Custodial funds account for assets held by the City for other governments or individuals. Fiduciary 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 Economic Stimulus Fund accounts for federal funds received due to COVID-19 to assist in the economic recovery of the City.

The Capital Reinvestment Fund accounts for discretionary infrastructure projects.

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.

CITY OF FONTANA
Notes to the Financial Statements

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 Community Facilities Districts Funds account for activities related to the maintenance of City landscaped areas.

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

Custodial Funds – to account for assets held by the City for other governments or individuals. These funds include debt service transactions on Community Facilities Districts bonds for which the City is not obligated.

CITY OF FONTANA
Notes to the Financial Statements

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.

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.

CITY OF FONTANA
Notes to the Financial Statements

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

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

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

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.

CITY OF FONTANA
Notes to the Financial Statements

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.

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.

Leases

At the commencement of the lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term. For additional information, refer to the disclosures in Footnote 4.

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

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

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

CITY OF FONTANA
Notes to the Financial Statements

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
Right to use asset	5 years

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, are transactions that represent a consumption of net assets that applies to a future period(s) and are not considered assets. The government has two items that qualify for reporting in this category, deferred outflows related to pensions and OPEB.

CITY OF FONTANA
Notes to the Financial Statements

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 assets that applies to a future period(s) and are not considered to be liabilities. The government has four 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.
3. OPEB 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 OPEB liability.
4. Lease related deferred inflows, is reported on the governmental balance sheet and the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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, 2023, the City had bonded indebtedness of \$51,255,000 against its debt limit of \$4,052,895,804, which is 1.26 percent of the total limit.

CITY OF FONTANA
Notes to the Financial Statements

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.

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

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021, to June 30, 2022

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, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021, to June 30, 2022

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.

CITY OF FONTANA
Notes to the Financial Statements

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 \$342,128,793 long-term liabilities difference is as follows:

Lease revenue bonds payable	\$ 51,255,000
Loan payables	2,444,412
Claims and judgments	22,584,976
Compensated absences	11,213,108
Lease liability	86,356
Other post employment benefits liability	18,294,557
Net pension liability	199,150,942
Bond premium to be amortized	<u>6,113,689</u>
Net adjustment to reduce <i>fund balances of governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$ 311,143,040</u>

CITY OF FONTANA
Notes to the Financial Statements

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 \$2,488,567 difference are as follows:

Principal repayments:	
Lease revenue bonds	\$ (1,760,000)
Net change in premium	<u>(728,567)</u>
Net adjustment to increase net changes in <i>fund balances</i> <i>of governmental funds</i> to arrive at changes in <i>net position of governmental activities</i>	<u>\$ (2,488,567)</u>

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 \$1,927,826 are as follows:

Claims and judgments	\$ (1,930,976)
Compensated absences	(113,716)
Accrued interest	<u>116,866</u>
Net adjustment to increase net changes in <i>fund balances</i> <i>of governmental funds</i> to arrive at changes in <i>net position of governmental activities</i>	<u>\$ (1,927,826)</u>

CITY OF FONTANA
Notes to the Financial Statements

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 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, 2023. 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 \$284,614,530. 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 no excess expenditures over appropriations in certain funds at the department level.

CITY OF FONTANA
Notes to the Financial Statements

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, 2023, are as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Special Revenue Funds			
Gas Tax Fund	\$ 4,246,038	\$ 3,854,398	\$ 391,640
Traffic Safety Fund	68,247	49,020	19,227
Federal Law Enforcement Block Grant Fund	304,606	303,657	949
Capital Project Funds			
Community Facilities District	8,854,828	6,893,944	1,960,884

A budgetary comparison schedule not presented for the Down Payment Assistance and TDA special revenue funds 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, 2023, the following funds had deficit fund balances:

Special Revenue Funds:

Grants	\$ 1,122,218
TDA	56,290
Housing and Community Development Block Grant	803,097
Federal Law Enforcement Block Grant	1,215
Community Services Reimbursements	1,166,851
ASES ELO-P	1,539,118
Permanent Local Housing Allocation	889,251
ARPA County	131,499

Debt Service Funds:

General Debt Service	2,069
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Fiduciary Funds:

Successor Agency	415,989,666
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These deficit fund balances will be addressed through future year revenues and transfers.

CITY OF FONTANA
Notes to the Financial Statements

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.

	<u>Restricted Assets</u>			<u>Total</u>	
	<u>Cash and Investments</u>	<u>Cash with Fiscal Agent</u>			
		<u>Cash and Investments</u>	<u>Fiscal Agent</u>		
Governmental activities	\$ 470,736,779	\$ 80,971,629	\$ 551,708,408		
Business-type activities	23,515,307	-	23,515,307		
Fiduciary funds	<u>35,172,455</u>	<u>21,491,573</u>	<u>56,664,028</u>		
	<u>\$ 529,424,541</u>	<u>\$ 102,463,202</u>	<u>\$ 631,887,743</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.

CITY OF FONTANA
Notes to the Financial Statements

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, or Financial Futures and Financial Option Contracts even though such investments are authorized under the California Government Code. All investments present at June 30, 2023 and during the fiscal year conform to the City's investment policy.

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 \$75,000,000 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, 2023, the carrying amount of the City's deposits was \$163,624,768 and the bank balance was \$164,328,266. The \$703,498 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.

CITY OF FONTANA
Notes to the Financial Statements

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, 2023, the City's investment in medium term notes, federal securities and money market funds consisted of the following:

Investment Type	Amount	Ratings as of Year End			
		AAA - Aaa	AA+ - AA-	A - A+	Not Rated
U.S Government Securities	\$ 28,117,212	\$ -	\$ 22,308,255	\$ -	\$ 5,808,958
Mortgage Pools	9,846,242	-	-	-	9,846,242
Asset-Backed Security	29,517,305	23,421,693	-	-	6,095,612
Corporate	91,625,450	5,303,719	64,252,200	22,069,531	-
Municipal Bonds	75,551	-	75,551	-	-
U.S Treasuries	127,798,957	127,798,957	-	-	-
State Investment Pool (LAIF)	78,625,020	-	-	-	78,625,020
Money Market Funds	92,316,009	-	92,316,009	-	-
Section 115 Trust Investments	10,341,229	-	-	-	10,341,229
	<hr/> <u>\$ 468,262,975</u>	<hr/> <u>\$ 156,524,369</u>	<hr/> <u>\$ 178,952,015</u>	<hr/> <u>\$ 22,069,531</u>	<hr/> <u>\$ 110,717,061</u>

As of June 30, 2023, the City's investment in external investment pools were unrated.

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.

CITY OF FONTANA
Notes to the Financial Statements

Concentration of Credit Risk

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

Investment Type	Maximum Maturity	Maximum % of Pool Allowed	Government Code Section
State Treasurer's Local Agency Investment Fund (LAIF)	5 years	\$75 million/account	16429.1
U.S. Government Securities	5 years	None	53601(b) 53601(f)
California State, California Local Government Agencies, and other United States State Bonds	5 years	20%	53601(c) 53601(d) 53601(e)
Bankers Acceptances	180 days	40%	53601(g)
Commercial Paper	270 days	10%	53601(h)
Negotiable Certificates of Deposit	5 years	30%	53601(i)
Medium-Term Notes	5 years	10%	53601(k)
Pass-Through Securities	5 years	20%	53601(o)
Supranational Obligations	5 years	30%	53601(q)
Certificates of Deposit	5 years	None	53635

With respect to concentration risk, as of June 30, 2023, the City is in compliance with the restrictions of the investment policy.

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

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.

CITY OF FONTANA
Notes to the Financial Statements

As of June 30, 2023, 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	\$ 3,798,007	\$ -	\$ 20,820,251	\$ 3,498,954	\$ 28,117,212
Corporate Obligations	-	8,524,137	76,375,683	6,725,630	91,625,450
State Investment Pool	78,625,020	-	-	-	78,625,020
Treasury Notes	200	-	127,798,757	-	127,798,957
Municipal Bonds	-	75,551	-	-	75,551
Asset-Backed Securities	-	-	670,460	28,846,845	29,517,305
Mortgage Pools	-	-	-	9,846,242	9,846,242
Money Market Mutual Funds	92,316,009	-	-	-	92,316,009
Section 115 Trust - Pension					
Exchange Traded Funds	5,554,470	-	-	-	5,554,470
Mutual Funds - Bonds	3,308,349	-	-	-	3,308,349
Mutual Funds - Equity	1,478,410	-	-	-	1,478,410
	\$ 185,080,465	\$ 8,599,688	\$ 225,665,151	\$ 48,917,671	\$ 468,262,975

CITY OF FONTANA
Notes to the Financial Statements

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, 2023:

Investments Measured at Fair Value

	Fair Value Hierarchy				Total Fair Value
	Level 1	Level 2	Level 3		
U.S Government Securities	\$ -	\$ 28,117,212	\$ -		\$ 28,117,212
Corporate Obligations	-	91,625,450	-		91,625,450
Treasury Notes	127,798,957	-	-		127,798,957
Municipal Bonds	-	75,551	-		75,551
Asset-Backed Securities	-	29,517,305	-		29,517,305
Mortgage Pools	-	9,846,242	-		9,846,242
Section 115 Trust - Pension					
Exchange Traded Funds	-	5,554,470	-		5,554,470
Mutual Funds - Bonds	-	3,308,349	-		3,308,349
Mutual Funds - Equity	-	1,478,410	-		1,478,410
 Total investments measured at fair value	 \$ 127,798,957	 \$ 159,181,760	 \$ -	 \$ 297,321,946	

Investments Not Reported in Fair Value Hierarchy

	Net Asset Value
Money Market Mutual Funds	\$ 92,316,009
State Investment Pool (LAIF)	78,625,020
 Total investments not reported in fair value hierarchy	 170,941,029
 Total investments held	 \$ 468,262,975

Note 4. Leases

The City is a lessor in noncancelable leases for use of City property for cell towers. The leases are for five years and are required to make fixed monthly payments per month. The leases interest rates range from .31% to 1.70%. The City is a lessor in a 55-year noncancelable lease for an apartment unit complex with fixed monthly rent payments starting at \$1,667 per month with annual increase of 2%. The City recognized \$713,394 in lease revenue and \$11,115 in interest revenue during the current fiscal year related to these agreements. As of June 30, 2023, the lease receivable is \$17,018,509 and deferred inflows of resources is \$16,303,344.

CITY OF FONTANA
Notes to the Financial Statements

The City is a lessee in a noncancelable lease for the City's use of vehicles. For further information on the City's lease liability see Footnote 8.

Note 5. Receivables

Receivables as of June 30, 2023, 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 Projects				Nonmajor Governmental Funds	
	General	Fire Protection District	Housing Authority	Capital Reinvestment	Future Capital Projects	Sewer Expansion	Community Facilities Districts	Traffic Mitigation		
	\$ 3,861,306	\$ 46,525	\$ -	\$ 12,065	\$ -	\$ 25,929	\$ -	\$ 2,087	\$ 118,366	\$ 540,011
Accounts										
Assessments	-	-	-	-	-	-	-	-		
Interest	428,870	132,195	4,106,248	102,926	35,013	127,409	-	245,540	1,974,538	
Loans	-	-	71,852,645	125,000	-	-	-	-	10,695,724	
Loans to Successor Agency	23,599,749	-	-	-	-	-	-	-	-	
	\$ 27,889,925	\$ 178,720	\$ 75,958,893	\$ 239,991	\$ 35,013	\$ 153,338	\$ -	\$ 247,627	\$ 13,328,639	
Less allowance for doubtful accounts	207,573	-	-	-	-	-	-	-	-	151,265
	<u>\$ 27,682,352</u>	<u>\$ 178,720</u>	<u>\$ 75,958,893</u>	<u>\$ 239,991</u>	<u>\$ 35,013</u>	<u>\$ 153,338</u>	<u>\$ -</u>	<u>\$ 247,627</u>	<u>\$ 13,177,374</u>	
					Nonmajor Enterprise Fund					
					Internal Service Funds					
					Fiduciary Funds					
									Total	
Accounts	\$ 1,232,244	\$ -	\$ -	\$ 2,685	\$ -	\$ -	\$ -	\$ -	\$ 5,301,207	
Assessments	-	-	-	-	-	-	-	386,139	926,150	
Interest	142,413	3,739	82,204	1,219,204	82,204	1,219,204	82,204	1,219,204	8,600,299	
Loans	2,777,191	1,166,192	-	2,381,374	-	2,381,374	-	2,381,374	88,998,126	
Loans to Successor Agency	3,305,829	-	-	-	-	-	-	-	26,905,578	
	7,457,677	1,169,931	84,889	3,986,717	84,889	3,986,717	84,889	3,986,717	130,731,360	
Less allowance for doubtful accounts	3,305,829	-	-	1,971,279	-	1,971,279	-	1,971,279	5,635,946	
	<u>\$ 4,151,848</u>	<u>\$ 1,169,931</u>	<u>\$ 84,889</u>	<u>\$ 2,015,438</u>	<u>\$ 84,889</u>	<u>\$ 2,015,438</u>	<u>\$ 84,889</u>	<u>\$ 2,015,438</u>	<u>\$ 125,095,414</u>	

Due to the uncollectability of the loans to the Successor Agency, an allowance for doubtful accounts has been recorded at June 30, 2023 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 \$23,599,749 in the General Fund.

CITY OF FONTANA
Notes to the Financial Statements

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance June 30, 2022	Transfers	Increases	Decreases	Balance June 30, 2023
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 161,362,284	\$ (942,414)	\$ 14,646,146	\$ -	\$ 175,066,016
Construction in progress	52,382,959	(26,169,441)	37,224,898	(1,618,989)	61,819,427
Easements	4,996,141	1,343,371	-	-	6,339,512
Total capital assets, not being depreciated	<u>218,741,384</u>	<u>(25,768,484)</u>	<u>51,871,044</u>	<u>(1,618,989)</u>	<u>243,224,955</u>
Capital assets, being depreciated					
Buildings and improvements	316,413,983	21,053,848	14,100	-	337,481,931
Machinery and equipment	26,890,315	14,178	1,598,251	-	28,502,744
Vehicles	36,751,601	806,121	2,576,902	(1,708,106)	38,426,518
Right to use assets	108,141	-	-	-	108,141
Infrastructure	860,897,019	3,894,337	14,039,044	-	878,830,400
Intangibles	5,384,870	-	-	-	5,384,870
	<u>1,246,445,929</u>	<u>25,768,484</u>	<u>18,228,297</u>	<u>(1,708,106)</u>	<u>1,288,734,604</u>
Less accumulated depreciation for:					
Buildings and improvements	(154,123,446)	-	(11,856,162)	-	(165,979,608)
Machinery and equipment	(22,642,791)	-	(1,369,121)	-	(24,011,912)
Vehicles	(22,783,274)	-	(2,909,297)	1,708,106	(23,984,465)
Right to use assets	(1,825)	-	-	-	(1,825)
Infrastructure	(547,599,581)	-	(21,414,559)	-	(569,014,140)
Intangibles	(2,455,675)	-	(64,854)	-	(2,520,529)
	<u>(749,606,592)</u>	<u>-</u>	<u>(37,613,993)</u>	<u>1,708,106</u>	<u>(785,512,479)</u>
Total capital assets, being depreciated, net	<u>496,839,337</u>	<u>25,768,484</u>	<u>(19,385,696)</u>	<u>-</u>	<u>503,222,125</u>
Governmental activities capital assets, net	<u>\$ 715,580,721</u>	<u>\$ -</u>	<u>\$ 32,485,348</u>	<u>\$ (1,618,989)</u>	<u>\$ 746,447,080</u>

CITY OF FONTANA
Notes to the Financial Statements

	Beginning Balance June 30, 2022	Transfers	Increases	Decreases	Balance June 30, 2023
Business-type activities:					
Capital assets, not being depreciated					
Construction in progress	\$ 477,105	\$ -	\$ 1,036,561	\$ -	\$ 1,513,666
Total capital assets, not being depreciated	<u>477,105</u>	<u>-</u>	<u>1,036,561</u>	<u>-</u>	<u>1,513,666</u>
Capital assets, being depreciated					
Buildings and improvements	1,798,150	-	-	-	1,798,150
Machinery and equipment	603,611	-	9,938	-	613,549
Infrastructure	116,035,868	-	7,007,755	-	123,043,623
Intangibles	64,698	-	-	-	64,698
	<u>118,502,327</u>	<u>-</u>	<u>7,017,693</u>	<u>-</u>	<u>125,520,020</u>
Less accumulated depreciation for:					
Buildings and improvements	(692,147)	-	(46,244)	-	(738,391)
Machinery and equipment	(596,972)	-	(3,630)	-	(600,602)
Infrastructure	(58,301,291)	-	(2,898,085)	-	(61,199,376)
Intangibles	(64,698)	-	-	-	(64,698)
	<u>(59,655,108)</u>	<u>-</u>	<u>(2,947,959)</u>	<u>-</u>	<u>(62,603,067)</u>
Total capital assets, being depreciated, net	<u>58,847,219</u>	<u>-</u>	<u>4,069,734</u>	<u>-</u>	<u>62,916,953</u>
Business-type activities capital assets, net	<u>\$ 59,324,324</u>	<u>\$ -</u>	<u>\$ 5,106,295</u>	<u>\$ -</u>	<u>\$ 64,430,619</u>

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

Governmental activities:

General government	\$ 3,248,031
Public safety	2,945,863
Public works	6,812,058
Community development	1,292,118
Community services	863,036
Engineering	20,329,167
Total Depreciation charged to functions	<u>35,490,273</u>
Charged to Internal Service Fund	<u>2,123,720</u>
Total Governmental Activities	<u>\$ 37,613,993</u>

Business-type activities:	
Sewer Operations	\$ <u>2,947,959</u>

CITY OF FONTANA
Notes to the Financial Statements

The following material construction commitments existed at June 30, 2023:

Project Name	Contract Amount	Expenditures to date as of June 30, 2023	Remaining Commitments
City Hall Renovation Project, PH 1	\$ 18,081,961	\$ 235,432	\$ 17,719,783
Downtown Parking Structure	15,000,000	213,537	14,432,521
Fire Station No. 81	12,090,967	8,107,819	3,944,175
Arrow/Tokay TS	1,512,000	180,242	1,287,973
Arrow/Cypress TS	1,380,000	211,238	1,147,200
Foothill: Hemlock-Almeria Arterial	2,230,000	784,731	202,303

Note 7. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Major Governmental Funds	
	Community Facilities Districts	\$ 14,216,633
	Non-major Governmental Funds	
	Traffic Congestion Relief	6,049,197
	Permanent Local Housing Allocation	240,803
	TDA	55,767
	Federal Law Enforcement Block Grant	194,632
	Housing and Community Development Block Grant	691,918
	Community Services Reimbursements	1,388,003
	ASES ELO-P	1,104,732
	ARPA County	130,999
	General Debt Service	3,196
	Total	\$ 24,075,880

CITY OF FONTANA
Notes to the Financial Statements

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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Future Capital Projects	Capital Improvements	\$ 1,717,369
	Storm Drain	2,295,000
	Traffic Mitigation	<u>26,691,542</u>
	Total	<u>\$ 30,703,911</u>

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.

The advances from Future Capital Projects 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 thirty-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.

CITY OF FONTANA
Notes to the Financial Statements

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:						Total	
	Fire Protection		Capital Reinvestment		Nonmajor Governmental Funds			
	General	District			Internal Service Fund			
Transfer out:								
General	\$ -	\$ 289,000	\$ 9,456,000	\$ 2,896,041	\$ 739,500	\$ 13,380,541		
Fire Protection District	6,167,085	-	5,000,000	19,694,610	-	30,861,695		
Housing Authority	56,600	-	-	-	-	56,600		
Economic Stimulus	306,070	-	1,473,494	-	-	1,779,564		
Capital Reinvestment	100,000	-	-	24,342	-	124,342		
Future Capital Improvements	462,470	-	-	-	-	462,470		
Traffic Mitigation	185,130	-	-	-	-	185,130		
Nonmajor Governmental Funds	7,986,784	1,006,100	-	846,113	1,085,070	10,924,067		
Sewer Operations	3,008,180	-	-	-	651,080	3,659,260		
	\$ 18,272,319	\$ 1,295,100	\$ 15,929,494	\$ 23,461,106	\$ 2,475,650	\$ 61,433,669		

CITY OF FONTANA

Notes to the Financial Statements

Note 8. Long-Term Debt

Long-term debt activity for the year ended June 30, 2023, was as follows:

	Beginning			Ending	Amounts		Amounts
	Balance	June 30, 2022	Additions	Retirements	June 30, 2023	Due Within	Due in More
						One Year	Than One Year
Governmental Activities:							
Lease Revenue Bonds	\$ 53,015,000	\$ -	\$ 1,760,000	\$ 51,255,000	\$ 1,830,000	\$ 49,425,000	
Claims and judgments	20,654,000	6,946,328	5,015,352	22,584,976	5,292,948	17,292,028	
Compensated absences	11,099,392	7,859,206	7,745,490	11,213,108	7,745,490	3,467,618	
Loan payable - SANBAG	2,851,815	-	407,403	2,444,412	407,402	2,037,010	
Lease liability	106,709	-	20,353	86,356	22,581	63,775	
Total Long-Term Debt - City	<u>\$ 87,726,916</u>	<u>\$ 14,805,534</u>	<u>\$ 14,948,598</u>	<u>\$ 87,583,852</u>	<u>\$ 15,298,421</u>	<u>\$ 72,285,431</u>	
			Unamortized bond premium	6,113,689		6,113,689	
				<u>\$ 93,697,541</u>		<u>\$ 78,399,120</u>	
Business-Type Activities:							
Compensated absences	\$ 241,713	\$ 185,088	\$ 189,674	\$ 237,127	\$ 237,127	\$ 47,454	
Loans payable	5,720,872	-	878,670	4,842,202	894,463	3,947,739	
Total Business-Type Activity Long-Term Debt	<u>\$ 5,962,585</u>	<u>\$ 185,088</u>	<u>\$ 1,068,344</u>	<u>\$ 5,079,329</u>	<u>\$ 1,131,590</u>	<u>\$ 3,995,193</u>	

CITY OF FONTANA
Notes to the Financial Statements

Lease Revenue Bonds

2014 Lease Revenue Bonds			
	Principal	Interest	Total
2024	\$ 1,345,000	\$ 1,267,925	\$ 2,612,925
2025	1,410,000	1,199,050	2,609,050
2026	1,480,000	1,126,800	2,606,800
2027	1,555,000	1,050,925	2,605,925
2028	1,630,000	971,300	2,601,300
2029-2033	9,420,000	3,570,375	12,990,375
2034-2038	<u>11,770,000</u>	<u>1,213,600</u>	<u>12,983,600</u>
Totals	<u>\$ 28,610,000</u>	<u>\$ 10,399,975</u>	<u>\$ 39,009,975</u>

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 \$29,890,000. 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.

2021 Lease Revenue Bonds			
	Principal	Interest	Total
2024	\$ 485,000	\$ 905,800	\$ 1,390,800
2025	505,000	886,400	1,391,400
2026	525,000	866,200	1,391,200
2027	545,000	845,200	1,390,200
2028	565,000	823,400	1,388,400
2029-2033	3,185,000	3,758,800	6,943,800
2034-2038	3,870,000	3,069,600	6,939,600
2039-2043	4,720,000	2,230,400	6,950,400
2044-2048	4,220,000	1,324,400	5,544,400
2049-2052	<u>4,025,000</u>	<u>410,200</u>	<u>4,435,200</u>
Totals	<u>\$ 22,645,000</u>	<u>\$ 15,120,400</u>	<u>\$ 37,765,400</u>

2021 Lease Revenue Bonds

In November 2021, the Fontana Public Facilities Financing Authority issued \$23,125,000 of Lease Revenue Bonds. The proceeds of the issue were used to refinance 2010 Lease Revenue Bonds with an outstanding balance of \$5,075,000, finance the acquisition, construction and installation of certain public capital improvements and pay the costs of issuing the Lease Revenue bonds Series 2021A Bonds. The bonds pay interest semi-annually at rates of 4.00% and mature from November 2022 through November 2048. Principal and interest payments are made from the lease income for certain real property and the improvements thereon.

CITY OF FONTANA
Notes to the Financial Statements

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 public share to the project needs to be paid back, totaling \$4,074,021. The City has seven years to pay back the amount without interest. The outstanding balance as of June 30, 2023, is \$2,444,412.

SANBAG			
Fiscal Year	Principal	Interest	Total
Ending			
2024	\$ 407,402	\$ -	\$ 407,402
2025	407,402	-	407,402
2026	407,402	-	407,402
2027	407,402	-	407,402
2028	407,402	-	407,402
2029	407,402	-	407,402
Totals	\$ 2,444,412	\$ -	\$ 2,444,412

Lease Liability

The City is a lessee in a noncancellable lease for the City's use of vehicles. The lease terms are in five-year terms. The leases are required to make a fixed monthly payment ranging between \$682 - \$752 per month. The City recognized \$22,945 in principal lease payments and \$1,567 in interest paid during the current fiscal year related to these agreements. As of June 30, 2023, the lease liability is \$86,356.

Future principal and interest payments on the lease liability is as follows:

	Lease Liability		
	Principal	Interest	Total
2024	\$ 21,354	\$ 1,226	\$ 22,580
2025	21,701	879	22,580
2026	22,056	525	22,581
2027	21,245	165	21,410
Totals	\$ 86,356	\$ 2,795	\$ 89,151

CITY OF FONTANA
Notes to the Financial Statements

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.

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
2024	\$ 458,583	\$ 43,658	\$ 189,627	\$ 23,547	\$ 246,253	\$ 23,148	\$ 894,463	\$ 90,353	\$ 984,816
2025	466,999	35,241	192,827	20,350	250,718	18,683	910,544	74,274	984,818
2026	475,571	26,670	196,078	17,098	255,264	14,138	926,913	57,906	984,819
2027	484,300	17,941	199,385	13,792	259,892	9,510	943,577	41,243	984,820
2028	493,187	9,053	202,747	10,430	264,603	4,798	960,537	24,281	984,818
2029	-	-	206,168	7,011	-	-	206,168	7,011	213,179
Totals	<u>\$ 2,378,640</u>	<u>\$ 132,563</u>	<u>\$ 1,186,832</u>	<u>\$ 92,228</u>	<u>\$ 1,276,730</u>	<u>\$ 70,277</u>	<u>\$ 4,842,202</u>	<u>\$ 295,068</u>	<u>\$ 5,137,270</u>

Mello-Roos Community Facilities Districts

Between 1988 and 2023, twenty 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.

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, 2023.

CITY OF FONTANA
Notes to the Financial Statements

Special Tax Bonds	Date of Issue	Original Issue	Outstanding
		Amount	Amount at June 30, 2023
CFD # 7 Series B (Sierra Lakes)	July 2021	\$ 1,445,000	\$ 1,270,000
CFD # 11 (Heritage West End)	July 2021	2,995,000	2,625,000
CFD # 12 Series A (Sierra Lakes)	July 2021	9,950,000	9,040,000
CFD # 22 (Sierra Hills South)	June 2014	31,260,000	21,815,000
CFD # 31 (Citrus Heights North)	July 2018	18,485,000	15,475,000
CFD # 31 (Citrus Heights North)	October 2021	8,025,000	8,025,000
CFD # 37 (Montelago)	July 2021	2,135,000	2,025,000
CFD # 70 (Avellino)	July 2021	1,975,000	1,925,000
CFD # 71 (Sierra Crest)	July 2016	5,915,000	5,015,000
CFD #74B (Citrus/Summit)	June 2019	4,045,000	3,805,000
CFD # 80 (Bella Strada)	August 2017	11,125,000	10,030,000
CFD # 81 (Gabriella)	March 2018	7,180,000	6,585,000
CFD #86 (Etiwanda Ridge)	February 2020	5,025,000	4,710,000
CFD #85 (The Meadows)	October 2020	22,640,000	21,650,000
CFD #88 (Sierra Crest II)	October 2020	6,510,000	6,385,000
CFD #89 (Belrose)	November 2020	5,725,000	5,430,000
CFD #90 (Summit @ Rosena I)	June 2021	22,260,000	21,840,000
CFD #87 (El Paseo)	July 2021	5,325,000	5,220,000
CFD #95 (Summit @ Rosena 2)	May 2022	9,305,000	9,080,000
CFD #106 (Mountainview)	August 2022	6,940,000	6,940,000
CFD #99 (The Retreat)	May 2023	4,630,000	4,630,000
Total Special Tax Bonds		<u>\$ 192,895,000</u>	<u>\$ 173,520,000</u>

Note 9. 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.

CITY OF FONTANA
Notes to the Financial Statements

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 four years. The amount of settlements has not exceeded the amount of insurance coverage for each of the past four fiscal years.

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 include 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, 2021	<u>\$ 13,983,035</u>
Claims incurred (including IBNRs)	10,590,633
Claims paid/dismissed	<u>(3,919,668)</u>
Claims payable, June 30, 2022	<u>\$ 20,654,000</u>
Claims incurred (including IBNRs)	6,946,328
Claims paid/dismissed	<u>(5,015,352)</u>
Claims payable, June 30, 2023	<u>\$ 22,584,976</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 10. 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.

CITY OF FONTANA
Notes to the Financial Statements

Note 11. 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 ten 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.

Note 12. Other Post-Employment Benefits Liability

Plan Description

In addition to the pension benefits described in Note 13, 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, 2022, measurement date, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	577
Inactive employees or beneficiaries currently receiving benefits	239
Inactive employees entitled to, but not yet receiving benefits	0
Total	816

Contributions

The required contribution is based on projected pay-as-you-go financing requirements. For the fiscal year ending June 30, 2023, the City's cash contributions were \$2,193,387 in the form of current premiums, which is funded through the General Fund, and the estimated implied subsidy was \$646,252 resulting in total payments of \$3,034,840.

CITY OF FONTANA
Notes to the Financial Statements

OPEB Liability

The City's OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions:

Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.30%
Salary Increases	2.80% per annum, in aggregate
Mortality Rate	Derived using CalPERS' Membership Data for all funds
Pre-Retirement Turnover	Derived using CalPERS' Membership Data for all funds
Healthcare Trend Rate	Based on 2021 Getzen model that reflects actual premium increases through 2023 followed by 5.50% non-Medicare/ 5.3% Medicare, gradually decreasing to an ultimate rate of 4.04% in 2075.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00 percent. Under GASB 75, the discount rate used in valuing OPEB liabilities as of the Measurement Date for an unfunded plan is a single rate that reflects a yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

CITY OF FONTANA
Notes to the Financial Statements

Changes in the OPEB Liability

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

	<u>Increase (Decrease)</u>	
	<u>Net OPEB</u>	
	<u>Liability</u>	
Balance at June 30, 2022 <i>(Measurement Date June 30, 2022)</i>	<u>\$ 68,859,033</u>	
Changes recognized for the measurement period:		
Service cost	795,323	
Interest	1,494,505	
Differences between expected and actual experience	(4,893,445)	
Changes of assumptions	(22,969,516)	
Contributions - employer	(26,652,051)	
Net investment income	2,249,921	
Administrative expense	8,992	
Net Changes	<u>(49,966,271)</u>	
Balance at June 30, 2023 <i>(Measurement Date June 30, 2022)</i>	<u>\$ 18,892,762</u>	

Sensitivity of the Net 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, 2022:

	Current		
	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
OPEB Liability	\$ 23,422,421	\$ 18,892,762	\$ 15,080,933

CITY OF FONTANA
Notes to the Financial Statements

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, 2022:

	1% Decrease (4.50% decreasing to 3.04%)	Current Healthcare Cost Trend Rates (5.50% decreasing to 4.04%)	1% Increase (6.50% decreasing to 5.04%)
Net OPEB Liability	\$ 14,596,641	\$ 18,892,762	\$ 23,999,536

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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$287,181. As of fiscal year ended June 30, 2023, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 3,034,840	\$ -
Changes of assumptions	8,784,746	20,417,348
Net difference between projected and actual earnings on OPEB plan investments	2,362,898	-
Differences between expected and actual experience	-	12,818,020
Total	\$ 14,182,484	\$ 33,235,368

The \$3,034,840 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022, measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2024.

CITY OF FONTANA
Notes to the Financial Statements

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

Measurement period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2023	\$ (2,459,951)
2024	(2,459,951)
2025	(2,459,951)
2026	(2,459,949)
2027	(3,050,675)
Thereafter	(9,197,247)

Note 13. 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, 2021, 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
Notes to the Financial Statements

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, 2023, are summarized as follows:

		Safety			Miscellaneous	
		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	Hire Date					
Benefit formula	Benefit Formula	3% @ 50	3% @ 55	2.7% @ 57	2.5% @ 55	2% @ 62
Final Average Compensation Period	Final Average Compensation Period	Highest 1-year salary 5 yrs credited service	Final 3-year average 5 yrs credited service	Final 3-year average 5 yrs credited service	Highest 1-year salary 5 yrs credited service	Final 3-year average 5 yrs credited service
Benefit vesting schedule	Benefit Vesting Schedule	Monthly	Monthly	Monthly	Monthly	Monthly
Benefit payments	Benefit Payments	50 and above	50 and above	50 and above	55 and above	55 and above
Retirement age	Retirement Age					
Monthly benefit basis	Monthly Benefit Basis	Benefit factor, years of service and final compensation				

Employees Covered

As of the June 30, 2022, measurement date, the following employees were covered by the benefit terms for each Plan:

	Safety	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	208	557
Inactive employees entitled to but not yet receiving benefits	73	1,013
Active employees	189	502
Total	470	2,072

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

CITY OF FONTANA
Notes to the Financial Statements

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, 2021, valuation was rolled forward to determine the June 30, 2022, total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

¹ The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Change of Assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

CITY OF FONTANA
Notes to the Financial Statements

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class¹	Assumed Asset Allocation	Real Return^{1,2}
Global Equity – Cap weighted	30.0%	4.54%
Global Equity – Non-Cap weighted	12.0	3.84
Private Equity	13.0	7.28
Treasury	5.0	0.27
Mortgage-backed Securities	5.0	0.50
Investment Grade Corporates	10.0	1.56
High Yield	5.0	2.27
Emerging Market Debt	5.0	2.48
Private Debt	5.0	3.57
Real Assets	15.0	3.21
Leverage	(5.0)	(0.59)

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

² Figures are based on the 2021 Asset Liability Management study.

CITY OF FONTANA
Notes to the Financial Statements

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. These reports 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, 2023, are as follows:

Total Pension Liability	\$611,711,857
Plan's Fiduciary Net Position	<u>407,286,024</u>
Net Pension Liability	<u>\$204,425,833</u>

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	66.58%
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Pension expense

At June 30, 2023, the City recognized pension expense for CalPERS of \$28,829,432.

CITY OF FONTANA
Notes to the Financial Statements

Deferred Outflows/Inflows

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Safety Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 14,423,033	\$ -
Differences between Expected and Actual Experience	5,327,253	(80,490)
;	11,453,753	(47,729)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	10,939,217	-
	\$ 42,143,256	\$ (128,219)

Misc Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 8,960,523	\$ -
Differences between Expected and Actual Experience	74,026	(1,041,213)
;	6,741,084	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	9,601,389	-
	\$ 25,377,022	\$ (1,041,213)

CITY OF FONTANA
Notes to the Financial Statements

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)
Balance at: 6/30/2021 (VD)	\$317,342,165	\$231,646,538	\$85,695,627
Changes Recognized for the Measurement Period:			
Service Cost	7,533,954		7,533,954
Interest on the Total Pension Liability	22,633,582		22,633,582
Changes of Benefit Terms	-		-
Differences between Expected and Actual Experience	(99,208)		(99,208)
Changes of Assumptions	14,117,417		14,117,417
Net Plan to Plan Resource Movement		-	-
Contributions from the Employer		13,170,539	(13,170,539)
Contributions from Employees		2,815,197	(2,815,197)
Net Investment Income		(17,840,625)	17,840,625
Benefit Payments, including Refunds of Employee Contributions	(14,208,832)	(14,208,832)	-
Administrative Expense		(144,302)	144,302
Other Miscellaneous Income/(Expense)			-
Net Changes during 2021-22	29,976,913	(16,208,023)	46,184,936
Balance at: 6/30/2022 (MD)	\$347,319,078	\$215,438,515	\$131,880,563

CITY OF FONTANA
Notes to the Financial Statements

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)
Balance at: 6/30/2020 (VD)	\$244,097,778	\$208,946,661	\$35,151,117
Changes Recognized for the Measurement Period:			
Service Cost	5,312,666		5,312,666
Interest on the Total Pension Liability	17,253,263		17,253,263
Differences between Expected and Actual Experience	(1,093,834)		(1,093,834)
Changes of Assumptions	9,951,124		9,951,124
Contributions from the Employer		7,805,249	(7,805,249)
Contributions from Employees		2,123,002	(2,123,002)
Net Investment Income		(15,769,024)	15,769,024
Benefit Payments, including Refunds of Employee Contributions	(11,128,218)	(11,128,218)	-
Administrative Expense		(130,161)	130,161
Other Miscellaneous Income/(Expense)			-
Net Changes during 2020-21	20,295,001	(17,099,152)	37,394,153
Balance at: 6/30/2021 (MD)	\$264,392,779	\$191,847,509	\$72,545,270

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 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.90 percent) or one percentage-point higher (7.90 percent) than the current rate:

CITY OF FONTANA
Notes to the Financial Statements

	Discount Rate – 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability Safety	\$183,131,874	\$131,880,563	\$90,251,039
Plan's Net Pension Liability Misc.	\$111,233,426	\$72,545,270	\$41,042,029

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 measurement period ending June 30, 2022, was 5.3 years, which was obtained by dividing the total service years of 2,434 (the sum of remaining service lifetimes of the active employees) by 458 (the total number of participants). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

The EARSL for the Miscellaneous Plan for the measurement period ending June 30, 2022, was 3.1 years, which was obtained by dividing the total service years of 6,175 (the sum of remaining service lifetimes of the active employees) by 1,992 (the total number of participants). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

CITY OF FONTANA
Notes to the Financial Statements

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

For the measurement period ending June 30, 2022 (the measurement date), the City of Fontana recognized a pension expense of \$18,990,371 for the Safety Plan.

As of June 30, 2023, the City of Fontana reports other amounts for the Safety Plan as deferred outflow and deferred inflow of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 14,423,033	\$ -
Differences between Expected and Actual Experience	5,327,253	(80,490)
Changes of Assumptions	11,453,753	(47,729)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	10,939,217	-
Total	\$ 42,143,256	\$ (128,219)

Employer contributions of \$14,423,033 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 fiscal year ended June 30, 2024.

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

Measurement period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2023	\$ 7,005,062
2024	6,191,279
2025	4,160,288
2026	9,441,896
2027	793,479
Thereafter	-

CITY OF FONTANA
Notes to the Financial Statements

For the measurement period ending June 30, 2022 (the measurement date), the City of Fontana recognized a pension expense of \$9,839,061 for the Miscellaneous Plan.

As of June 30, 2023, the City of Fontana reports other amounts for the Miscellaneous Plan as deferred outflow and deferred inflow of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 8,960,523	\$ -
Differences between Expected and Actual Experience	74,026	(1,041,213)
	6,741,084	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	9,601,389	-
	\$ 25,377,022	\$ (1,041,213)

Employer contributions of \$8,960,523, 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, 2024.

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

Measurement period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2023	\$ 4,198,390
2024	4,170,536
2025	982,171
2026	6,024,189
Thereafter	-

CITY OF FONTANA
Notes to the Financial Statements

Measurement period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2023	\$ 4,198,390
2024	4,170,536
2025	982,171
2026	6,024,189
Thereafter	-

Subsequent Events

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

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

Note 14. 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.

CITY OF FONTANA
Notes to the Financial Statements

Note 15. 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, the 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 Chief Finance Officer is authorized to assign amounts to a specific purpose, which was established by the governing body in Administrative Policy # 20-32.

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, 2023, are presented below:

	Special Revenue				Capital Project				Other Governmental Funds			Totals	
	Fire Protection District		Housing Authority	Economic Stimulus	Capital Reinvestment	Future Capital Projects	Sewer Expansion	Community Facilities Districts	Traffic Mitigation	Other Governmental Funds			
	General												
Fund balances:													
Nonspendable													
Deposits	\$ 100,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,266	\$ 135,650		
Inventories	407,053	-	-	-	-	-	-	-	-	871,931	1,278,984		
Land held for resale	-	-	-	-	5,650,178	4,379,694	-	-	-	-	10,029,872		
Loan receivables	23,599,749	-	-	-	-	-	-	-	-	10,695,724	34,295,473		
Total Nonspendable	24,107,186	-	-	-	5,650,178	4,379,694	-	-	-	11,602,921	45,739,979		
Restricted													
Community facilities districts	-	-	-	-	-	-	-	30,257,097	-	31,778,634	62,035,731		
Community services	-	-	-	-	-	-	-	-	-	3,842,874	3,842,874		
Government-access channel	1,703,897	-	-	-	-	-	-	-	-	-	1,703,897		
Housing & community development	-	-	85,876,784	115,399	-	-	-	-	15,444,197	3,400,200	104,836,580		
Section 115 Pension Trust	10,694,317	-	-	-	-	-	-	-	-	-	10,694,317		
Lighting and landscaping	-	-	-	-	-	-	-	-	-	4,032,407	4,032,407		
Municipal Services Impact	-	-	-	-	-	-	-	-	-	22,362,925	22,362,925		
Public safety	-	26,432,199	-	-	-	-	-	-	-	16,772,006	43,204,205		
Transportation	-	-	-	-	-	-	-	-	-	23,096,657	23,096,657		
Solid waste mitigation	-	-	-	-	-	-	-	-	-	4,809,310	4,809,310		
Total Restricted	12,398,214	26,432,199	85,876,784	115,399	-	-	-	30,257,097	15,444,197	110,095,013	280,618,903		
Committed													
Economic uncertainty	32,411,496	-	-	-	-	-	-	-	-	-	-	32,411,496	
Assigned													
Capital projects	1,101,781	-	-	-	20,310,139	37,658,283	345,456	-	-	113,943,770	173,359,429		
Retiree benefits	2,042,030	-	-	-	-	-	-	-	-	-	2,042,030		
Total Assigned	3,143,811	-	-	-	20,310,139	37,658,283	345,456	-	-	113,943,770	173,401,459		
Unassigned	45,200,677	-	-	-	-	-	-	2,252,135	6,357,308	(12,811,460)	40,998,660		
Total fund balances	\$ 117,261,384	\$ 26,432,199	\$ 85,876,784	\$ 115,399	\$ 25,960,317	\$ 42,037,977	\$ 345,456	\$ 32,509,232	\$ 21,801,505	\$ 222,830,244	\$ 575,170,497		

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:

- 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, 2023, is \$32,411,496 and is included in the committed fund balance in the General Fund.

CITY OF FONTANA
Notes to the Financial Statements

Note 16: 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, 2023, the District reported \$46,859,421 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, 2023, follows:

	Balance		
	June 30, 2022	Increases	Decreases
	Balance		
Capital assets, not being depreciated			
Land	\$ 1,122,000	\$ -	\$ -
Total capital assets, not being depreciated	1,122,000	-	-
Capital assets, being depreciated			
Buildings and improvements	16,413,403	14,100	-
Machinery and equipment	2,540,209	505,015	-
Vehicles	12,340,122	-	-
Infrastructure	1,012,418	-	-
	32,306,152	519,115	-
Less accumulated depreciation for:			
Buildings and improvements	(4,692,321)	(469,966)	-
Machinery and equipment	(1,402,152)	(243,416)	-
Vehicles	(7,910,134)	(537,306)	-
Infrastructure	(272,605)	(33,823)	-
	(14,277,212)	(1,284,511)	-
Total capital assets, being depreciated, net	18,028,940	(765,396)	-
Total Capital assets, net	\$ 19,150,940	\$ (765,396)	\$ -

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, 2023.

CITY OF FONTANA
Notes to the Financial Statements

d. Fund Balance

The district reports fund balances in accordance with the classifications consistent with the City, see Note 15 for more information on the types and descriptions of the fund balance classifications. The details of the fund balances as of June 30, 2023, are presented below:

	Special Revenue		Capital Project		Totals
	Fire Protection District	Fire Protection District CFD	Fire Protection District		
Fund balances:					
Restricted					
Public safety	\$ 26,432,199	\$ 4,475,365	\$ -	\$ -	\$ 30,907,564
Assigned					
Equipment replacement	-	-	38,377,217		38,377,217
Total fund balances	\$ 26,432,199	\$ 4,475,365	\$ 38,377,217		\$ 69,284,781

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 \$39,973,150 to the County for these services during the fiscal year ending June 30, 2023. 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, 2023, are as follows:

Salaries and benefits	\$ 32,984,472
Services and supplies	3,705,043
Station expenses	1,361,099
Fire Prevention services	369,310
County contract management fee	1,553,226
Total contract expenses	\$ 39,973,150

CITY OF FONTANA
Notes to the Financial Statements

Note 17. 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, 2023, 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, 2023, 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.

CITY OF FONTANA
Notes to the Financial Statements

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	\$ 19,569,155
Cash and investments with fiscal agent	2,909
	<u>\$ 19,572,064</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, 2023, 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. 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, 2023, was \$1,480,000. 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.
3. 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, 2023, was \$50,945. 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 forty-year period.

CITY OF FONTANA
Notes to the Financial Statements

c. Long-Term Debt

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2023, follows:

Fiduciary Activities:	Balance			Balance June 30, 2023	Amounts Due Within One Year		Amounts Due in More Than One Year	
	June 30, 2022	Additions	Retirements		Due Within One Year	Due in More Than One Year		
<u>Tax Allocation Bonds and Notes:</u>								
2017 Tax Allocation Refunding Bonds	\$ 161,240,000	\$ -	\$ 11,240,000	\$ 150,000,000	\$ 11,770,000	\$ 138,230,000		
2018 Tax Allocation Refunding Bonds	22,550,000	-	3,315,000	19,235,000	3,480,000	15,755,000		
<u>Other Redevelopment Agency:</u>								
Advances from City	28,284,047	-	1,378,469	26,905,578	1,543,885	25,361,693		
Owner participation agreements	207,380,374	362,520	-	207,742,894	-	207,742,894		
Total Redevelopment Agency	<u>\$ 419,454,421</u>	<u>\$ 362,520</u>	<u>\$ 15,933,469</u>	<u>\$ 403,883,472</u>	<u>\$ 16,793,885</u>	<u>\$ 387,089,587</u>		
		Unamortized bond premium		31,126,203		31,126,203		
				<u>\$ 435,009,675</u>		<u>\$ 418,215,790</u>		

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.

CITY OF FONTANA
Notes to the Financial Statements

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.

2017 Tax Allocation Refunding Bonds			
	Principal	Interest	Total
2024	\$ 11,770,000	\$ 6,979,725	\$ 18,749,725
2025	12,275,000	6,399,006	18,674,006
2026	12,755,000	5,793,138	18,548,138
2027	13,380,000	5,158,500	18,538,500
2028	14,030,000	4,491,450	18,521,450
2029-2033	73,980,000	11,729,125	85,709,125
2034-2037	11,810,000	792,750	12,602,750
Totals	<u>\$ 150,000,000</u>	<u>\$ 41,343,694</u>	<u>\$191,343,694</u>

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.

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.
2. Advances between the City and the Agency for administrative and other costs.

CITY OF FONTANA
Notes to the Financial Statements

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.

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, 2023 does not include \$792,082,611 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 \$207,740,002. 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.

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 \$212,976,819 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 \$34,924,052 and the debt service obligation on the bonds was \$23,133,150.

CITY OF FONTANA
Notes to the Financial Statements

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.

e. Commitments and Contingencies

At June 30, 2023, 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 18. 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 the following OCA's 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:

An operating covenant agreement with a retailer of consumer products to retain their distribution center within the City for a period of no less than 20 years commencing December 15, 2015. The retention of the distribution center will generate substantial revenue, retain and create new jobs, revitalize the City and result in community and public improvements. The City agreed to refund, on a quarterly basis, 50% of sales tax revenues attributable to taxable sales above the first \$50,000 in sales tax revenue received by the City within said quarter.

An operating covenant agreement with an automotive dealership to continue to operate their automobile sales business within the City for a period of up to 12 years or until \$1,800,000 in sales tax revenue is refunded to the dealership commencing January 29, 2020. The operation of business has been determined to result in substantial benefits to the City and its citizens including the creation of new jobs, property tax revenues, sales tax revenues, etc. The City agreed to refund 50% of all sales tax revenue up to a maximum amount of \$1,800,000 with an additional bonus payment of \$240,000 for the dealership's commencement of operations.

An operating covenant agreement with an automotive dealership to continue to operate their automobile sales business within the City for a period of up to 12 years or until \$2,400,000 in sales tax revenue is refunded commencing September 15, 2021. The City has determined the continued operation of the business will result in significant new employment opportunities, property tax and sales tax revenues. The City agreed to refund 50% of all sales tax revenue per year up to a maximum amount of \$2,400,000.

CITY OF FONTANA
Notes to the Financial Statements

Note 19. Prior Period Adjustments

During the year ended June 30, 2023, the City made prior period adjustments as follows:

Governmental and Government-wide restatement to correct prior year gas tax revenues.

	Governmental Activities	Other Governmental Funds
Net position at July 1, 2022, as previously reported	\$ 1,010,558,692	\$ 206,632,130
Prior period adjustments:		
To correct prior year gas tax revenue	(475,528)	(475,528)
To correct contributions to OPEB Trust	(21,553,499)	-
Net position at July 1, 2022, as restated	<u>\$ 988,529,665</u>	<u>\$ 206,156,602</u>

Governmental funds - General Fund restatement to record prior year expenditures for contributions to the City's Section 115 trust.

	General Fund
Fund balance at July 1, 2022, as previously reported	\$ 124,061,436
Correct Section 115 Trust payment for prior year expenditures	(21,553,499)
Fund Balance at July 1, 2022, as restated	<u>\$ 102,507,937</u>

CITY OF FONTANA

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

Safety Plan

Measurement Period	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY									
Service Cost	\$ 7,533,954	\$ 6,559,973	\$ 6,574,765	\$ 6,391,012	\$ 6,252,517	\$ 6,181,410	\$ 5,464,647	\$ 5,255,619	\$ 5,261,265
Interest	22,633,582	21,409,558	20,347,932	18,942,663	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	(99,208)	1,072,506	6,367,568	6,274,697	1,250,890	(544,846)	773,988	463,048	-
Changes of Assumptions	14,117,417	-	-	-	(445,464)	15,075,525	-	(3,940,129)	-
Benefit Payments, Including Refunds of Employee Contributions	(14,208,832)	(13,563,503)	(12,716,297)	(11,561,706)	(10,323,275)	(9,330,793)	(8,666,808)	(8,043,006)	(7,265,033)
Net Change in Total Pension Liability	29,976,913	15,478,534	20,573,968	20,046,666	14,302,940	27,964,408	13,246,810	8,454,412	11,829,462
Total Pension Liability – Beginning	317,342,165	301,863,631	281,289,663	261,242,997	246,940,057	218,975,649	205,728,839	197,274,427	185,444,965
Total Pension Liability – Ending (a)	\$ 347,319,078	\$ 317,342,165	\$ 301,863,631	\$ 281,289,663	\$ 261,242,997	\$ 246,940,057	\$ 218,975,649	\$ 205,728,839	\$ 197,274,427
PLAN FIDUCIARY NET POSITION									
Contributions – Employer	13,170,539	11,820,068	10,500,692	9,196,355	8,215,736	7,706,792	6,985,270	6,756,772	6,213,039
Contributions – Employee	2,815,197	2,877,842	2,720,062	2,639,928	2,577,060	2,509,352	2,505,888	2,177,122	1,764,545
Net Investment Income	(17,840,625)	43,154,767	8,990,686	11,157,517	13,214,512	15,449,532	710,225	2,956,715	19,674,310
Benefit Payments, Including Refunds of Employee Contributions	(14,208,832)	(13,563,503)	(12,716,297)	(11,561,706)	(10,323,275)	(9,330,793)	(8,666,808)	(8,043,006)	(7,265,033)
Other Changes in Net Fiduciary Position	(144,302)	(187,346)	(251,361)	(118,778)	(696,076)	(203,553)	(83,139)	(153,538)	-
Net Change in Fiduciary Net Position	(16,208,023)	44,101,828	9,243,782	11,313,316	12,987,957	16,131,330	1,451,436	3,694,065	20,386,861
Plan Fiduciary Net Position – Beginning	231,646,538	187,544,710	178,300,928	166,987,612	153,999,655	137,868,325	136,416,889	132,722,824	112,335,963
Plan Fiduciary Net Position – Ending (b)	\$ 215,438,515	\$ 231,646,538	\$ 187,544,710	\$ 178,300,928	\$ 166,987,612	\$ 153,999,655	\$ 137,868,325	\$ 136,416,889	\$ 132,722,824
Plan Net Pension Liability – Ending (a) - (b)	\$ 131,880,563	\$ 85,695,627	\$ 114,318,921	\$ 102,988,735	\$ 94,255,385	\$ 92,940,402	\$ 81,107,324	\$ 69,311,950	\$ 64,551,603
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.03%	73.00%	62.13%	63.39%	63.92%	62.36%	62.96%	66.31%	67.28%
Covered Payroll	24,976,011	23,795,599	23,158,734	22,436,218	21,782,736	21,411,929	21,176,697	20,121,052	19,360,681
Plan Net Pension Liability as a Percentage of Covered Payroll	528.03%	360.13%	493.63%	459.03%	432.71%	434.06%	383.00%	344.47%	333.42%

Notes to Schedule:

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

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. In 2019, 2020 and 2021, there were no changes. 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 nine 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	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY									
Service Cost	\$ 5,312,666	\$ 4,943,305	\$ 5,099,318	\$ 5,057,352	\$ 4,814,030	\$ 4,788,249	\$ 4,194,877	\$ 4,254,965	\$ 4,004,767
Interest	17,253,263	16,462,337	15,725,500	14,869,142	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	(1,093,834)	(800,611)	629,230	5,210,993	(556,946)	(1,186,594)	(1,811,514)	(1,027,499)	-
Changes of Assumptions	9,951,124	-	-	-	(972,809)	11,708,939	-	(3,097,256)	-
Benefit Payments, Including Refunds of Employee Contributions	(11,128,218)	(10,157,377)	(9,124,186)	(8,075,186)	(7,673,900)	(6,602,614)	(6,385,882)	(5,914,227)	(5,994,855)
Net Change in Total Pension Liability	20,295,001	10,447,654	12,329,862	17,062,301	9,335,699	21,775,461	8,379,772	5,983,883	9,157,228
Total Pension Liability – Beginning	244,097,778	233,650,124	221,320,262	204,257,961	194,922,262	173,146,801	164,767,029	158,783,146	149,625,918
Total Pension Liability – Ending (a)	\$ 264,392,779	\$ 244,097,778	\$ 233,650,124	\$ 221,320,262	\$ 204,257,961	\$ 194,922,262	\$ 173,146,801	\$ 164,767,029	\$ 158,783,146
PLAN FIDUCIARY NET POSITION									
Net Plan to Plan Resource Movement	-	-	-	-	(354)	13,206	-	-	-
Contributions – Employer	7,805,249	7,329,666	6,606,745	5,841,667	5,081,435	4,478,806	4,452,429	3,868,104	3,657,678
Contributions – Employee	2,123,002	2,383,713	2,313,683	2,369,932	2,238,093	2,148,688	2,157,198	2,068,784	2,016,250
Net Investment Income	(15,769,024)	38,806,647	8,280,112	10,133,426	12,059,314	14,325,541	622,155	2,781,662	18,466,862
Benefit Payments, Including Refunds of Employee Contributions	(11,128,218)	(10,157,377)	(9,124,186)	(8,075,186)	(7,673,900)	(6,602,614)	(6,385,882)	(5,914,227)	(5,994,855)
Other Changes in Net Fiduciary Position	(130,161)	(170,573)	(229,660)	(108,649)	(640,045)	(188,255)	(77,240)	(142,590)	-
Net Change in Fiduciary Net Position	(17,099,152)	38,192,076	7,846,694	10,161,190	11,064,543	14,175,372	768,660	2,661,733	18,145,935
Plan Fiduciary Net Position – Beginning	208,946,661	170,754,585	162,907,891	152,746,701	141,682,158	127,506,786	126,738,126	124,076,393	105,930,458
Plan Fiduciary Net Position – Ending (b)	\$ 191,847,509	\$ 208,946,661	\$ 170,754,585	\$ 162,907,891	\$ 152,746,701	\$ 141,682,158	\$ 127,506,786	\$ 126,738,126	\$ 124,076,393
Plan Net Pension Liability – Ending (a) - (b)	\$ 72,545,270	\$ 35,151,117	\$ 62,895,539	\$ 58,412,371	\$ 51,511,260	\$ 53,240,104	\$ 45,640,015	\$ 38,028,903	\$ 34,706,753
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.56%	85.60%	73.08%	73.61%	74.78%	72.69%	73.64%	76.92%	78.14%
Covered Payroll	31,672,556	32,584,261	31,712,176	30,080,386	29,204,258	28,947,762	28,347,600	28,221,562	25,050,147
Plan Net Pension Liability as a Percentage of Covered Payroll	229.05%	107.88%	198.33%	194.19%	176.38%	183.92%	161.00%	134.75%	138.55%

Notes to Schedule:

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

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. In 2019, 2020 and 2021, there were no changes. 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 nine years of information is being presented.

CITY OF FONTANA
Schedule of Plan Contributions
Safety Plan

Fiscal Year	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially Determined Contribution	\$ 14,423,033	\$ 13,332,172	\$ 11,820,068	\$ 10,500,692	\$ 9,196,355	\$ 8,215,736	\$ 7,706,792	\$ 6,985,270	\$ 6,756,772	\$ 6,213,039
Contributions in Relation to the Actuarially Determined Contribution	(14,423,033)	(13,332,172)	(11,820,068)	(10,500,692)	(9,132,884)	(8,215,736)	(7,706,792)	(6,985,270)	(6,756,772)	(6,213,039)
Contribution Deficiency (Excess)	<u>\$</u>									
Covered Payroll	\$ 25,478,199	\$ 24,976,011	\$ 23,795,599	\$ 23,158,734	\$ 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	56.61%	53.38%	49.67%	45.34%	40.99%	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 2022-23 were from the June 30, 2020 public agency valuations.

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method/Period	For details, see June 30, 2020 Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2020 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment Expenses, including Inflation.
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality using 90% of Scale MP-2016 published by the Society of Actuaries.

CITY OF FONTANA
Schedule of Plan Contributions
Miscellaneous Plan

Fiscal Year	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially Determined Contribution Contributions in Relation to the Actuarially Determined Contribution Contribution Deficiency (Excess)	\$ 8,960,523	\$ 7,920,425	\$ 7,329,666	\$ 6,606,745	\$ 5,841,667	\$ 5,081,435	\$ 4,478,806	\$ 4,452,429	\$ 3,868,104	\$ 3,657,678
	(8,960,523)	(7,920,425)	(7,329,666)	(6,606,745)	(5,841,667)	(5,081,435)	(4,478,806)	(4,452,429)	(3,868,104)	(3,657,678)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 34,201,914	\$ 31,672,556	\$ 32,584,261	\$ 31,712,176	\$ 30,080,386	\$ 29,204,258	\$ 28,947,762	\$ 28,347,600	\$ 28,221,562	\$ 25,050,147
Contributions as a Percentage of Covered Payroll	26.20%	25.01%	22.49%	20.83%	19.42%	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 2022-23 were from the June 30, 2020 public agency valuations.

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method/Period	For details, see June 30, 2020 Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2020 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment Expenses, including Inflation.
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality using 90% of Scale MP-2016 published by the Society of Actuaries.

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

Measurement Period	2022	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY						
Service cost	\$ 795,323	\$ 1,973,739	\$ 1,406,780	\$ 1,114,136	\$ 1,109,799	\$ 1,073,307
Interest on the total OPEB liability	1,494,505	1,909,977	2,328,825	2,442,178	2,377,354	2,345,864
Actual and expected experience difference	(4,893,445)	(7,638,248)	(3,610,614)	(1,274,244)	-	-
Changes in assumptions	(22,969,516)	4,351,220	7,714,949	(3,295,758)	(1,014,856)	-
Changes in benefit terms	-	-	-	-	-	-
Benefit payments	(2,839,639)	(3,114,653)	(2,784,909)	(2,653,423)	(2,591,180)	(2,467,790)
Net change in Total OPEB liability	(28,412,772)	(2,517,965)	5,055,031	(3,667,111)	(118,883)	951,381
Total OPEB liability - beginning	68,859,033	71,376,998	66,321,967	69,989,078	70,107,961	69,156,580
Total OPEB liability - ending (a)	\$ 40,446,261	\$ 68,859,033	\$ 71,376,998	\$ 66,321,967	\$ 69,989,078	\$ 70,107,961
PLAN FIDUCIARY NET POSITION						
Contribution - employer	\$ 26,652,051	\$ 3,114,653	\$ 2,784,909	\$ 2,653,426	\$ 2,591,180	\$ 2,467,790
Net investment income	(2,249,921)	-	-	-	-	-
Benefit payments	(2,839,639)	(3,114,653)	(2,784,909)	(2,653,426)	(2,591,180)	(2,467,790)
Administrative expense	(8,992)	-	-	-	-	-
Net change in plan fiduciary net position	21,553,499	-	-	-	-	-
Net OPEB liability - ending (a)-(b)	\$ 18,892,762	\$ 68,859,033	\$ 71,376,998	\$ 66,321,967	\$ 69,989,078	\$ 70,107,961
Covered-employee payroll	\$ 50,801,314	\$ 49,452,985	\$ 54,870,910	\$ 52,516,604	\$ 50,986,994	\$ 50,359,691
Net OPEB liability as a percentage of covered-employee payroll	37.19%	139.24%	130.08%	126.29%	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.

Non-Major Governmental Funds

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

Special Revenue Funds (continued)

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

TDA/ Article 3 – To account for bicycle and pedestrian projects. SBCTA oversees the disbursement of 2% of the Local Transportation Funds (LTF) made available to counties and cities for facilities geared towards the exclusive use of pedestrians and bicyclists.

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.

ASES ELO-P – To account for funding pertaining to afterschool and summer school enrichment programs for kindergarten (which may include transitional kindergarten) through sixth grade as described in California Education Code (EC) Section 46120.

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.

Housing Authority AB 1486 – To account for receipts and expenditures of surplus land disposition proceeds as required for affordable housing under AB-1486.

Permanent Local Housing Allocation – To account for receipts and expenditures of the State Permanent Local Housing Allocation fund that must be used for housing-related projects and programs that assist unmet housing needs in the City.

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.

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

Non-Major Governmental Funds

Special Revenue Funds (continued)

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.

AB 2928 – To account for receipt of seized assets that were proceeds from or used in illegal activities.

Opioid Settlement – To account for receipts and expenditures of money from Opioid Settlements.

ARPA - To account for receipts from San Bernardino County for expenditures for enhancements to Veterans Park, Jack Bulik Park, Center Stage Theater and Cypress-Knoph Community.

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.

Debt Service Funds

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.

Non-Major Governmental Funds

Capital Project Funds (continued)

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

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

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.

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 monies 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.

CITY OF FONTANA
 Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2023

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	Special Revenue									
	Gas Tax		Traffic Congestion Relief		Traffic Safety		Prop 1B		Municipal Services Fiscal Impact	
Assets:										
Cash and investments	\$ 1,730,764	\$ 20,796,224	\$ 44,902	\$ 135,055	\$ 22,250,685	\$ 4,977,349	\$ 5,027,938	\$ 734,519	\$ 55,581	
Receivables:										
Accounts	-	4,415	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-	-	-
Interest	8,731	104,794	226	681	112,240	25,107	25,363	635,839	280	
Loans	-	-	-	-	-	-	-	6,737,858	-	
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-
Deposits	2,650	8,446	-	-	-	-	-	-	-	169
Due from other governments	471,393	7,732,841	12,912	-	-	1,291,501	832,231	81,788	-	
Inventories	133,900	-	738,031	-	-	-	-	-	-	-
Restricted assets:										
Cash and investments with fiscal agent	-	166,052	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 2,347,438</u>	<u>\$ 28,812,772</u>	<u>\$ 796,071</u>	<u>\$ 135,736</u>	<u>\$ 22,362,925</u>	<u>\$ 6,293,957</u>	<u>\$ 5,885,532</u>	<u>\$ 8,190,004</u>	<u>\$ 56,030</u>	
Liabilities, Deferred Inflows and Fund Balances:										
Liabilities:										
Accounts payable	\$ 421,138	\$ 1,504,607	\$ 4,458	\$ -	\$ -	\$ 193,146	\$ 7,350	\$ 62	\$ 3	
Retention payable	-	245,012	-	-	-	-	-	-	-	
Due to other funds	-	6,049,197	-	-	-	-	-	-	-	
Due to other governments	-	-	-	-	-	-	-	7,370,067	-	
Unearned revenue	-	-	-	-	-	-	-	-	-	
Advances from other funds	-	-	-	-	-	-	-	-	-	
Total Liabilities	<u>421,138</u>	<u>7,798,816</u>	<u>4,458</u>	<u>-</u>	<u>-</u>	<u>193,146</u>	<u>7,350</u>	<u>7,370,129</u>	<u>3</u>	
Deferred inflows of resources:										
Unavailable revenue	-	6,710,495	-	-	-	1,291,501	-	79,870	-	
Leases	-	-	-	-	-	-	-	-	-	
Total deferred inflows of resources	<u>-</u>	<u>6,710,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,291,501</u>	<u>-</u>	<u>79,870</u>	<u>-</u>	
Fund balances:										
Nonspendable	136,550	8,446	738,031	-	-	-	-	6,737,858	169	
Restricted	1,789,750	14,295,015	53,582	135,736	22,362,925	4,809,310	5,878,182	-	55,858	
Assigned	-	-	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	(5,997,853)	-	
Total fund balances	<u>1,926,300</u>	<u>14,303,461</u>	<u>791,613</u>	<u>135,736</u>	<u>22,362,925</u>	<u>4,809,310</u>	<u>5,878,182</u>	<u>740,005</u>	<u>56,027</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,347,438</u>	<u>\$ 28,812,772</u>	<u>\$ 796,071</u>	<u>\$ 135,736</u>	<u>\$ 22,362,925</u>	<u>\$ 6,293,957</u>	<u>\$ 5,885,532</u>	<u>\$ 8,190,004</u>	<u>\$ 56,030</u>	

CITY OF FONTANA
 Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2023

Schedule 1
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	Special Revenue											
	State Seizure	Federal Seizures	Grants	TDA	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		
Assets:												
Cash and investments	\$ 576,112	\$ 11,302,943	\$ 2,913,010	\$ -	\$ 496	\$ -	\$ 899,060	\$ 2,619,071	\$ 1,325,424	\$ 11,350		
Receivables:												
Accounts	-	-	-	-	-	-	-	105,230	-	-		
Assessments	-	-	-	-	-	-	-	-	-	-		
Interest	2,906	55,772	-	-	-	-	4,436	13,211	6,686	56		
Loans	-	-	-	-	1,101,929	-	-	-	-	-		
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-		
Leases	-	-	-	-	-	-	-	-	-	-		
Deposits	-	2,947	-	-	70	-	-	-	-	-		
Due from other governments	-	19,841	2,237,699	56,291	1,223,880	216,233	-	-	70,975	-		
Inventories	-	-	-	-	-	-	-	-	-	-		
Restricted assets:												
Cash and investments with fiscal agent	-	-	-	-	-	-	-	-	-	-		
Total Assets	\$ 579,018	\$ 11,381,503	\$ 5,150,709	\$ 56,291	\$ 2,326,375	\$ 216,233	\$ 903,496	\$ 2,737,512	\$ 1,403,085	\$ 11,406		
Liabilities, Deferred Inflows and Fund Balances												
Liabilities:												
Accounts payable	\$ 1,909	\$ 123,850	\$ 532,351	\$ 523	\$ 423,548	\$ 20,980	\$ 70,145	\$ 3,370	\$ 2,500	\$ -		
Retention payable	-	-	-	-	55,767	691,918	194,632	-	-	-		
Due to other funds	-	-	-	-	-	-	-	-	-	-		
Due to other governments	-	-	15,366	-	1,101,929	-	-	-	-	-		
Unearned revenue	-	-	4,606,188	-	-	622	728,292	-	-	-		
Advances from other funds	-	-	-	-	-	-	-	-	-	-		
Total Liabilities	1,909	123,850	5,153,905	56,290	2,217,395	216,234	798,437	3,370	2,500	-		
Deferred inflows of resources:												
Unavailable revenue	-	-	1,119,022	56,291	912,077	1,214	-	-	-	-		
Leases	-	-	-	-	-	-	-	-	-	-		
Total deferred inflows of resources	-	-	1,119,022	56,291	912,077	1,214	-	-	-	-		
Fund balances:												
Nonspendable	-	2,947	-	-	1,101,999	-	-	-	-	-		
Restricted	577,109	11,254,706	-	-	-	-	105,059	2,734,142	1,400,585	11,406		
Assigned	-	-	-	-	-	-	-	-	-	-		
Unassigned	-	-	(1,122,218)	(56,290)	(1,905,096)	(1,215)	-	-	-	-		
Total fund balances	577,109	11,257,653	(1,122,218)	(56,290)	(803,097)	(1,215)	105,059	2,734,142	1,400,585	11,406		
Total liabilities, deferred inflows of resources and fund balances	\$ 579,018	\$ 11,381,503	\$ 5,150,709	\$ 56,291	\$ 2,326,375	\$ 216,233	\$ 903,496	\$ 2,737,512	\$ 1,403,085	\$ 11,406		

CITY OF FONTANA
 Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2023

Schedule 1
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	Special Revenue										Opioid Settlement
	Community Services Reimbursements	ASES ELO-P	Fontana Community Foundation	Housing Authority AB 1486	Permanent Local Housing Allocation	Fire Protection District CFD	Landscape Maintenance Districts	Lighting District #3 Hunter's Ridge	AB 2928		
Assets:											
Cash and investments	\$ -	\$ -	\$ 485,886	\$ 3,383,134	\$ -	\$ 4,452,903	\$ 4,527,472	\$ 43,737	\$ 152,046	\$ 209,930	
Receivables:											
Accounts	-	-	-	-	116	-	-	-	-	-	
Assessments	-	-	-	-	-	-	98,278	-	-	-	
Interest	-	-	2,451	17,066	-	22,462	22,838	221	750	1,036	
Loans	-	-	-	-	-	-	-	-	-	-	
Allowance for doubtful accounts	-	-	-	-	-	-	(38,813)	(146)	-	-	
Leases	-	-	-	-	-	-	-	-	-	-	
Deposits	-	-	-	-	-	-	999	-	-	-	
Due from other governments	1,729,924	1,986,355	-	-	727,333	-	31,937	3	-	-	92,943
Inventories	-	-	-	-	-	-	-	-	-	-	
Restricted assets:											
Cash and investments with fiscal agent	-	-	-	-	-	-	-	-	-	-	
Total Assets	<u>\$ 1,729,924</u>	<u>\$ 1,986,355</u>	<u>\$ 488,337</u>	<u>\$ 3,400,200</u>	<u>\$ 727,449</u>	<u>\$ 4,475,365</u>	<u>\$ 4,642,711</u>	<u>\$ 43,815</u>	<u>\$ 152,796</u>	<u>\$ 303,909</u>	
Liabilities, Deferred Inflows and Fund Balance											
Liabilities:											
Accounts payable	\$ 259,299	\$ 881,622	\$ -	\$ 648,564	\$ -	\$ 653,120	\$ -	\$ -	\$ -	\$ -	
Retentions payable	-	-	-	-	-	-	-	-	-	-	
Due to other funds	1,388,003	1,104,732	-	240,803	-	-	-	-	-	-	
Due to other governments	-	-	-	-	-	-	-	-	-	-	
Unearned revenue	-	-	-	-	-	-	-	-	-	-	
Advances from other funds	-	-	-	-	-	-	-	-	-	-	
Total Liabilities	<u>1,647,302</u>	<u>1,986,354</u>	<u>-</u>	<u>889,367</u>	<u>-</u>	<u>653,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Deferred inflows of resources:											
Unavailable revenue	1,249,473	1,539,119	-	-	727,333	-	-	-	-	-	
Leases	-	-	-	-	-	-	-	-	-	-	
Total deferred inflows of resources	<u>1,249,473</u>	<u>1,539,119</u>	<u>-</u>	<u>-</u>	<u>727,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balances:											
Nonspendable	-	-	-	-	-	-	999	-	-	-	
Restricted	-	-	488,337	3,400,200	-	4,475,365	3,988,592	43,815	152,796	303,909	
Assigned	-	-	-	-	-	-	-	-	-	-	
Unassigned	(1,166,851)	(1,539,118)	-	-	(889,251)	-	-	-	-	-	
Total fund balances	<u>(1,166,851)</u>	<u>(1,539,118)</u>	<u>488,337</u>	<u>3,400,200</u>	<u>(889,251)</u>	<u>4,475,365</u>	<u>3,989,591</u>	<u>43,815</u>	<u>152,796</u>	<u>303,909</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,729,924</u>	<u>\$ 1,986,355</u>	<u>\$ 488,337</u>	<u>\$ 3,400,200</u>	<u>\$ 727,449</u>	<u>\$ 4,475,365</u>	<u>\$ 4,642,711</u>	<u>\$ 43,815</u>	<u>\$ 152,796</u>	<u>\$ 303,909</u>	

CITY OF FONTANA
 Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2023

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	Special Revenue		Debt Service		Capital Projects						
	ARPA County	Community Facilities Districts	General Debt Service		Storm Drain	San Sevaine Flood Control	Upper Etiwanda Flood Control Development	Park Development		Landscape Improvements	Library Capital Improvement
			General Debt Service	Storm Drain				Park Development	Park Development		
Assets:											
Cash and investments	\$ -	\$ 32,634,120	\$ -	\$ 23,158,241	\$ 1,925,145	\$ 45,685	\$ 20,227,909	\$ 5,831,230	\$ 1,176,695	\$ 3,950,428	
Receivables:											
Accounts	-	158	-	-	-	-	-	-	-	-	-
Assessments	-	441,733	-	-	-	-	-	-	-	-	-
Interest	-	164,461	-	116,809	9,711	230	102,036	29,375	5,936	19,927	
Loans	-	-	-	-	-	-	-	-	-	-	-
Allowance for doubtful accounts	-	(112,306)	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	7,008	-	7,000	-	-	-	-	-	-	5,977
Due from other governments	131,499	776	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:											
Cash and investments with fiscal agent	-	-	1,127	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 131,499</u>	<u>\$ 33,135,950</u>	<u>\$ 1,127</u>	<u>\$ 23,282,050</u>	<u>\$ 1,934,856</u>	<u>\$ 45,915</u>	<u>\$ 20,329,945</u>	<u>\$ 5,860,605</u>	<u>\$ 1,182,631</u>	<u>\$ 3,976,332</u>	
Liabilities, Deferred Inflows and Fund Balance											
Liabilities:											
Accounts payable	\$ 500	\$ 1,350,308	\$ -	\$ 228,402	\$ 3,369	\$ -	\$ 7,154	\$ 33,728	\$ -	\$ 247,362	
Retentions payable	-	-	-	-	-	-	3,347	-	-	16,143	
Due to other funds	130,999	-	3,196	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	2,295,000	-	-	-	-	-	-	-
Total Liabilities	<u>\$ 131,499</u>	<u>\$ 1,350,308</u>	<u>3,196</u>	<u>2,523,402</u>	<u>3,369</u>	<u>-</u>	<u>10,501</u>	<u>33,728</u>	<u>-</u>	<u>263,505</u>	
Deferred inflows of resources:											
Unavailable revenue	131,499	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>\$ 131,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balances:											
Nonspendable	-	7,008	-	7,000	-	-	-	-	-	-	5,977
Restricted	-	31,778,634	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	20,751,648	1,931,487	45,915	20,319,444	5,826,877	1,182,631	3,706,850	
Unassigned	(131,499)	-	(2,069)	-	-	-	-	-	-	-	-
Total fund balances	<u>(131,499)</u>	<u>31,785,642</u>	<u>(2,069)</u>	<u>20,758,648</u>	<u>1,931,487</u>	<u>45,915</u>	<u>20,319,444</u>	<u>5,826,877</u>	<u>1,182,631</u>	<u>3,712,827</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 131,499</u>	<u>\$ 33,135,950</u>	<u>\$ 1,127</u>	<u>\$ 23,282,050</u>	<u>\$ 1,934,856</u>	<u>\$ 45,915</u>	<u>\$ 20,329,945</u>	<u>\$ 5,860,605</u>	<u>\$ 1,182,631</u>	<u>\$ 3,976,332</u>	

CITY OF FONTANA
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

Schedule 1
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	Capital Projects								Total Other Governmental Funds
	Capital Improvements	General Government Improvement	Underground Utilities	Fire Assessment	Affordable Housing Trust	Fire Protection District	Fontana Housing Authority		
Assets:									
Cash and investments	\$ 2,569,267	\$ 12,382,794	\$ 291,247	\$ 603,341	\$ 5,236,793	\$ 16,200,230	\$ 1,017,787	\$ 215,906,503	
Receivables:									
Accounts	-	-	-	-	-	-	8,447	118,366	
Assessments	-	-	-	-	-	-	-	540,011	
Interest	12,709	62,463	1,469	3,043	132,581	81,719	168,917	1,974,538	
Loans	-	-	-	-	1,000,000	-	1,855,937	10,695,724	
Allowance for doubtful accounts	-	-	-	-	-	-	-	(151,265)	
Leases	-	-	-	-	-	-	7,706,519	7,706,519	
Deposits	-	-	-	-	-	-	-	35,266	
Due from other governments	14,737	-	-	-	1,250,894	-	-	20,213,986	
Inventories	-	-	-	-	-	-	-	871,931	
Restricted assets:									
Cash and investments with fiscal agent	-	-	-	-	28,361	22,634,840	4,868	22,835,248	
Total Assets	\$ 2,596,713	\$ 12,445,257	\$ 292,716	\$ 606,384	\$ 7,648,629	\$ 38,916,789	\$ 10,762,475	\$ 280,746,827	
Liabilities, Deferred Inflows and Fund Balance									
Liabilities:									
Accounts payable	\$ 400	\$ -	\$ -	\$ -	\$ 190,550	\$ 230,146	\$ 3,687	\$ 8,048,151	
Retentions payable	-	-	-	-	-	309,426	-	573,928	
Due to other funds	-	-	-	-	-	-	-	9,859,247	
Due to other governments	-	-	-	-	-	-	-	8,487,362	
Unearned revenue	-	-	-	-	-	-	-	5,335,102	
Advances from other funds	1,717,369	-	-	-	-	-	-	4,012,369	
Total Liabilities	1,717,769	-	-	-	190,550	539,572	3,687	36,316,159	
Deferred inflows of resources:									
Unavailable revenue	-	-	-	-	106,165	-	168,598	14,092,657	
Leases	-	-	-	-	-	-	7,507,767	7,507,767	
Total deferred inflows of resources	-	-	-	-	106,165	-	7,676,365	21,600,424	
Fund balances:									
Nonspendable	-	-	-	-	1,000,000	-	1,855,937	11,602,921	
Restricted	-	-	-	-	-	-	-	110,095,013	
Assigned	878,944	12,445,257	292,716	606,384	6,351,914	38,377,217	1,226,486	113,943,770	
Unassigned	-	-	-	-	-	-	-	(12,811,460)	
Total fund balances	878,944	12,445,257	292,716	606,384	7,351,914	38,377,217	3,082,423	222,830,244	
Total liabilities, deferred inflows of resources and fund balances	\$ 2,596,713	\$ 12,445,257	\$ 292,716	\$ 606,384	\$ 7,648,629	\$ 38,916,789	\$ 10,762,475	\$ 280,746,827	

CITY OF FONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

Schedule 2
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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	Crime Prevention Seizure	State Seizure
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits										
Intergovernmental	5,369,107	7,198,973	-	-	-	-	4,749,367	57,686	13,176	74,662
Charges for services	-	-	-	-	1,336,340	4,346,827	-	-	-	-
Fines and forfeitures	-	-	66,389	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Investment earnings (loss)	(2,434)	146,599	(168)	1,058	163,159	809	(66,132)	7,154	739	3,818
Other revenue										
Total revenues	5,366,673	7,345,572	66,221	1,058	1,499,499	4,347,636	4,683,235	64,840	13,915	78,480
Expenditures:										
Current:										
General government:										
City administration	-	-	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-	-	-
Public safety:										
Police	-	-	-	-	-	-	-	-	22,996	50,743
Fire	-	-	-	-	-	-	-	-	-	-
Public works	4,246,038	-	-	-	-	2,251,064	77,362	-	-	-
Community development	-	-	-	-	-	-	-	144,710	-	-
Community services	-	-	-	-	-	49,698	-	-	-	-
Engineering	-	11,873,955	68,247	-	-	-	-	-	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	4,246,038	11,873,955	68,247	-	-	2,300,762	77,362	144,710	22,996	50,743
Excess (deficiency) of revenues over (under) expenditures	1,120,635	(4,528,383)	(2,026)	1,058	1,499,499	2,046,874	4,605,873	(79,870)	(9,081)	27,737
Other Financing Sources (Uses):										
Transfers in	-	21,602	-	-	-	-	-	-	-	-
Transfers out	(815,430)	(99,900)	-	-	(859,000)	(578,080)	-	-	-	-
Sale of capital assets										
Total other financing sources (uses)	(815,430)	(78,298)	-	-	(859,000)	(578,080)	-	-	-	-
Net change in fund balances	305,205	(4,606,681)	(2,026)	1,058	640,499	1,468,794	4,605,873	(79,870)	(9,081)	27,737
Fund Balances:										
Beginning of fiscal year (deficit), as restated	1,621,095	18,910,142	793,639	134,678	21,722,426	3,340,516	1,272,309	819,875	65,108	549,372
End of fiscal year (deficit)	\$ 1,926,300	\$ 14,303,461	\$ 791,613	\$ 135,736	\$ 22,362,925	\$ 4,809,310	\$ 5,878,182	\$ 740,005	\$ 56,027	\$ 577,109

CITY OF FONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
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For the Year Ended June 30, 2023

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	Special Revenue									
	Federal Seizure	Grants	TDA	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	Community Services Reimbursements
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 543,830	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	10,753,405	2,032,951	31,241	3,030,076	361,515	557,301	-	351,285	-	3,306,604
Charges for services	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Investment earnings (loss)	173,211	-	-	-	-	8,542	15,817	9,203	115	-
Other revenue	-	-	-	-	-	-	-	-	-	-
Total revenues	10,926,616	2,032,951	31,241	3,030,076	361,515	565,843	559,647	360,488	115	3,306,604
Expenditures:										
Current:										
General government:										
City administration	-	70,843	-	8,423	-	-	-	3,000	-	-
Management services	-	-	-	(6)	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	15,184	-	-
Public safety:										
Police	2,351,199	497,078	-	240,000	304,606	565,536	94,825	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Public works	-	46,306	-	-	-	-	-	104,829	-	-
Community development	-	1,578,131	-	3,443,600	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	3,861,353
Engineering	-	288,031	78,554	-	-	-	-	89,909	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	2,351,199	2,480,389	78,554	3,692,017	304,606	565,536	94,825	212,922	-	3,861,353
Excess (deficiency) of revenues over (under) expenditures	8,575,417	(447,438)	(47,313)	(661,941)	56,909	307	464,822	147,566	115	(554,749)
Other Financing Sources (Uses):										
Transfers in	-	47,312	-	-	-	-	-	-	-	-
Transfers out	(379,656)	-	-	(91,800)	-	-	(230,600)	(16,420)	-	(458,805)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(379,656)	47,312	-	(91,800)	-	-	(230,600)	(16,420)	-	(458,805)
Net change in fund balances	8,195,761	(400,126)	(47,313)	(753,741)	56,909	307	234,222	131,146	115	(1,013,554)
Fund Balances:										
Beginning of fiscal year (deficit), as restated	3,061,892	(722,092)	(8,977)	(49,356)	(58,124)	104,752	2,499,920	1,269,439	11,291	(153,297)
End of fiscal year (deficit)	\$ 11,257,653	\$ (1,122,218)	\$ (56,290)	\$ (803,097)	\$ (1,215)	\$ 105,059	\$ 2,734,142	\$ 1,400,585	\$ 11,406	\$ (1,166,851)

CITY OF FONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
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	ASES ELO-P	Special Revenue							
		Fontana Community Foundation	Housing Authority AB 1486	Permanent Local Housing Allocation	Fire Protection District CFD	Landscape Maintenance Districts	Lighting District #3 Hunter's Ridge	AB 2928	Opioid Settlement
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,956	\$ 20	\$ -	\$ -
Licenses and permits	-	-	-	-	240,167	-	-	-	-
Intergovernmental	447,236	-	-	339,522	-	275,000	-	50,540	302,244
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Investment earnings (loss)	-	4,050	26,510	-	32,265	4,303,237	35,121	-	-
Other revenue	-	7,000	-	-	-	59,442	94	750	1,665
Total revenues	447,236	11,050	26,510	339,522	272,432	4,734,570	35,235	51,290	303,909
Expenditures:									
Current:									
General government:									
City administration	-	7,912	-	889,005	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-	-
Public safety:									
Police	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	125,047	-	-	-	-
Public works	-	-	-	-	-	5,328,039	22,294	-	-
Community development	-	-	-	-	-	-	-	-	-
Community services	1,720,676	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total expenditures	1,720,676	7,912	-	889,005	125,047	5,328,039	22,294	-	-
Excess (deficiency) of revenues over (under) expenditures	(1,273,440)	3,138	26,510	(549,483)	147,385	(593,469)	12,941	51,290	303,909
Other Financing Sources (Uses):									
Transfers in	-	-	-	-	-	615,618	-	101,506	-
Transfers out	(63,923)	-	-	-	(900)	(558,340)	(2,860)	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(63,923)	-	-	-	(900)	57,278	(2,860)	101,506	-
Net change in fund balances	(1,337,363)	3,138	26,510	(549,483)	146,485	(536,191)	10,081	152,796	303,909
Fund Balances:									
Beginning of fiscal year (deficit), as restated	(201,755)	485,199	3,373,690	(339,768)	4,328,880	4,525,782	33,734	-	-
End of fiscal year (deficit)	\$ (1,539,118)	\$ 488,337	\$ 3,400,200	\$ (889,251)	\$ 4,475,365	\$ 3,989,591	\$ 43,815	\$ 152,796	\$ 303,909

CITY OF FONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
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	Special Revenue		Debt Service		Capital Projects					
	ARPA County	Community Facilities Districts	General Debt Service		Storm Drain	San Sevaine Flood Control	Upper Etiwanda Flood Control Development	Park Development	Landscape Improvements	Library Capital Improvement
			General Debt Service	Storm Drain						
Revenues:										
Taxes	\$ -	\$ 16,758	\$ -	\$ -	\$ 3,176,670	\$ 626,722	\$ -	\$ 3,435,851	\$ -	\$ 104,438
Licenses and permits	-	-	-	-	-	-	-	-	-	387,938
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Charges for services	-	88,453	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Special assessments	-	14,887,718	-	-	-	-	-	-	-	-
Investment earnings (loss)	-	249,519	1,504	121,547	2,715	358	142,775	50,553	11,812	25,073
Other revenue	-	-	-	-	-	-	30,913	-	-	-
Total revenues	-	15,242,448	1,504	3,298,217	629,437	358	3,609,539	272,255	116,250	413,011
Expenditures:										
Current:										
General government:										
City administration	-	-	-	-	-	-	-	-	-	-
Management services	-	-	3,575	-	-	-	-	-	-	-
Information technology	-	-	-	3,812	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-	-	-
Public safety:										
Police	-	-	-	-	-	-	-	-	-	131,098
Fire	-	-	-	-	-	-	-	-	-	-
Public works	131,499	9,597,093	-	-	-	-	242,739	-	-	113,459
Community development	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-
Engineering	-	-	-	665,654	87,935	-	1,018,700	265,173	-	-
Debt service:										
Principal	-	-	1,760,000	-	-	-	-	-	-	-
Interest	-	-	2,248,950	-	-	-	-	-	-	-
Total expenditures	131,499	9,597,093	4,012,525	669,466	87,935	-	1,261,439	306,173	113,459	131,098
Excess (deficiency) of revenues over (under) expenditures	(131,499)	5,645,355	(4,011,021)	2,628,751	541,502	358	2,348,100	(33,918)	2,791	281,913
Other Financing Sources (Uses):										
Transfers in	-	-	4,008,950	1,810	-	-	-	7,866	-	24,342
Transfers out	-	(5,361,553)	-	(125,460)	(13,670)	-	(223,690)	(47,840)	-	(175,870)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(5,361,553)	4,008,950	(123,650)	(13,670)	-	(223,690)	(39,974)	-	(151,528)
Net change in fund balances	(131,499)	283,802	(2,071)	2,505,101	527,832	358	2,124,410	(73,892)	2,791	130,385
Fund Balances:										
Beginning of fiscal year (deficit), as restated	-	31,501,840	2	18,253,547	1,403,655	45,557	18,195,034	5,900,769	1,179,840	3,582,442
End of fiscal year (deficit)	\$ (131,499)	\$ 31,785,642	\$ (2,069)	\$ 20,758,648	\$ 1,931,487	\$ 45,915	\$ 20,319,444	\$ 5,826,877	\$ 1,182,631	\$ 3,712,827

CITY OF FONTANA
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Non-Major Governmental Funds
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	Capital Projects							Total Other Governmental Funds
	Capital Improvements	General Government Improvement	Underground Utilities	Fire Assessment	Affordable Housing Trust	Fire Protection District	Fontana Housing Authority	
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 563,564
Licenses and permits	-	-	-	256,594	1,130,905	-	-	9,359,285
Intergovernmental	-	-	-	-	1,250,894	-	-	40,552,785
Charges for services	-	374,013	-	-	-	-	-	6,367,335
Fines and forfeitures	-	-	-	-	-	-	-	66,389
Special assessments	-	-	-	-	-	-	-	19,226,076
Investment earnings (loss)	299,752	89,241	2,282	6,353	22,377	441,868	55,215	2,109,210
Other revenue	479,361	-	-	-	30,106	-	102,883	744,198
Total revenues	779,113	463,254	2,282	262,947	2,434,282	441,868	158,098	78,988,842
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	979,183
Management services	-	-	-	-	-	-	75,898	120,467
Information technology	-	-	-	-	-	-	-	3,812
Human resources	-	-	-	-	-	-	-	15,184
Public safety:								
Police	-	-	-	-	-	-	-	4,258,081
Fire	-	-	-	-	-	797,225	-	922,272
Public works	133,440	-	-	-	33,643	-	-	22,327,805
Community development	8,041,170	-	-	-	519,043	-	-	13,726,654
Community services	-	-	-	-	-	-	-	5,631,727
Engineering	3,788,496	-	-	-	-	4,665,390	-	22,890,044
Debt service:								
Principal	-	-	-	-	-	-	-	1,760,000
Interest	-	-	-	-	-	-	-	2,248,950
Total expenditures	11,963,106	-	-	-	552,686	5,462,615	75,898	74,884,179
Excess (deficiency) of revenues over (under) expenditures	(11,183,993)	463,254	2,282	262,947	1,881,596	(5,020,747)	82,200	4,104,663
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	18,632,100	-	23,461,106
Transfers out	(360,980)	-	-	(322,890)	-	(42,900)	(93,500)	(10,924,067)
Sale of capital assets	31,940	-	-	-	-	-	-	31,940
Total other financing sources (uses)	(329,040)	-	-	(322,890)	-	18,589,200	(93,500)	12,568,979
Net change in fund balances	(11,513,033)	463,254	2,282	(59,943)	1,881,596	13,568,453	(11,300)	16,673,642
Fund Balances:								
Beginning of fiscal year (deficit), as restated	12,391,977	11,982,003	290,434	666,327	5,470,318	24,808,764	3,093,723	206,156,602
End of fiscal year (deficit)	\$ 878,944	\$ 12,445,257	\$ 292,716	\$ 606,384	\$ 7,351,914	\$ 38,377,217	\$ 3,082,423	\$ 222,830,244

CITY OF FONTANA
 Budgetary Comparison Schedules
 Governmental Funds
 For the Year Ended June 30, 2023

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	Special Revenue							
	Gas Tax				Traffic Congestion Relief			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	4,899,550	6,220,110	5,369,107	(851,003)	3,545,800	27,000,946	7,198,973	(19,801,973)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	2,650	2,650	(2,434)	(5,084)	159,000	159,000	146,599	(12,401)
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	<u>4,902,200</u>	<u>6,222,760</u>	<u>5,366,673</u>	<u>(856,087)</u>	<u>3,704,800</u>	<u>27,159,946</u>	<u>7,345,572</u>	<u>(19,814,374)</u>
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	3,763,090	3,854,398	4,246,038	(391,640)	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	1,554,980	46,951,644	11,873,955	35,077,689
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	<u>3,763,090</u>	<u>3,854,398</u>	<u>4,246,038</u>	<u>(391,640)</u>	<u>1,554,980</u>	<u>46,951,644</u>	<u>11,873,955</u>	<u>35,077,689</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,139,110</u>	<u>2,368,362</u>	<u>1,120,635</u>	<u>(1,247,727)</u>	<u>2,149,820</u>	<u>(19,791,698)</u>	<u>(4,528,383)</u>	<u>15,263,315</u>
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	21,602	21,602
Transfers out	(588,030)	(815,430)	(815,430)	-	(99,900)	(99,900)	(99,900)	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(588,030)</u>	<u>(815,430)</u>	<u>(815,430)</u>	<u>-</u>	<u>(99,900)</u>	<u>(99,900)</u>	<u>(78,298)</u>	<u>21,602</u>
Net change in fund balances	551,080	1,552,932	305,205	(1,247,727)	2,049,920	(19,891,598)	(4,606,681)	15,284,917
Fund balances - beginning	<u>1,621,095</u>	<u>1,621,095</u>	<u>1,621,095</u>	<u>-</u>	<u>18,910,142</u>	<u>18,910,142</u>	<u>18,910,142</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,172,175</u>	<u>\$ 3,174,027</u>	<u>\$ 1,926,300</u>	<u>\$ (1,247,727)</u>	<u>\$ 20,960,062</u>	<u>\$ (981,456)</u>	<u>\$ 14,303,461</u>	<u>\$ 15,284,917</u>

CITY OF FONTANA
 Budgetary Comparison Schedules
 Governmental Funds
 For the Year Ended June 30, 2023

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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)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	35,000	42,000	66,389	24,389	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	750	750	(168)	(918)	1,200	1,200	1,058	(142)
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	2,600	2,600	-	(2,600)	-	-	-	-
Total revenues	38,350	45,350	66,221	20,871	1,200	1,200	1,058	(142)
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	59,520	49,020	68,247	(19,227)	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	59,520	49,020	68,247	(19,227)	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(21,170)	(3,670)	(2,026)	1,644	1,200	1,200	1,058	(142)
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(21,170)	(3,670)	(2,026)	1,644	1,200	1,200	1,058	(142)
Fund balances - beginning	793,639	793,639	793,639	-	134,678	134,678	134,678	-
Fund balances - ending	\$ 772,469	\$ 789,969	\$ 791,613	\$ 1,644	\$ 135,878	\$ 135,878	\$ 135,736	\$ (142)

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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)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,315,000	1,315,000	1,336,340	21,340	3,000,000	3,000,000	4,346,827	1,346,827
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	169,000	169,000	163,159	(5,841)	29,400	29,400	809	(28,591)
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	1,484,000	1,484,000	1,499,499	15,499	3,029,400	3,029,400	4,347,636	1,318,236
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	3,078,680	4,751,317	2,251,064	2,500,253
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	50,150	50,150	49,698	452
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	3,128,830	4,801,467	2,300,762	2,500,705
Excess (deficiency) of revenues over (under) expenditures	1,484,000	1,484,000	1,499,499	15,499	(99,430)	(1,772,067)	2,046,874	3,818,941
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(859,000)	(859,000)	(859,000)	-	(458,080)	(578,080)	(578,080)	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(859,000)	(859,000)	(859,000)	-	(458,080)	(578,080)	(578,080)	-
Net change in fund balances	625,000	625,000	640,499	15,499	(557,510)	(2,350,147)	1,468,794	3,818,941
Fund balances - beginning	21,722,426	21,722,426	21,722,426	-	3,340,516	3,340,516	3,340,516	-
Fund balances - ending	\$ 22,347,426	\$ 22,347,426	\$ 22,362,925	\$ 15,499	\$ 2,783,006	\$ 990,369	\$ 4,809,310	\$ 3,818,941

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	Special Revenue							
	Road Maintenance and 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)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits								
Intergovernmental	4,145,000	4,663,817	4,749,367	85,550	796,660	5,626,108	57,686	(5,568,422)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	10,800	10,800	(66,132)	(76,932)	-	-	7,154	7,154
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	4,155,800	4,674,617	4,683,235	8,618	796,660	5,626,108	64,840	(5,561,268)
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	794,360	660,030	-	660,030
Management services	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	4,145,000	5,904,828	77,362	5,827,466	-	-	4,872,872	144,710
Community development	-	-	-	-	-	-	-	4,728,162
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	4,145,000	5,904,828	77,362	5,827,466	794,360	5,532,902	144,710	5,388,192
Excess (deficiency) of revenues over (under) expenditures	10,800	(1,230,211)	4,605,873	5,836,084	2,300	93,207	(79,870)	(173,077)
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	10,800	(1,230,211)	4,605,873	5,836,084	2,300	93,207	(79,870)	(173,077)
Fund balances - beginning	1,272,309	1,272,309	1,272,309	-	819,875	819,875	819,875	-
Fund balances - ending	\$ 1,283,109	\$ 42,098	\$ 5,878,182	\$ 5,836,084	\$ 822,175	\$ 913,082	\$ 740,005	\$ (173,077)

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	Special Revenue							
	Crime Prevention Seizure				State Seizures			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	18,750	18,750	13,176	(5,574)	125,000	75,000	74,662	(338)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	1,000	1,000	739	(261)	5,600	5,600	3,818	(1,782)
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	19,750	19,750	13,915	(5,835)	130,600	80,600	78,480	(2,120)
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	38,100	38,100	22,996	15,104	54,690	57,200	50,743	6,457
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	38,100	38,100	22,996	15,104	54,690	57,200	50,743	6,457
Excess (deficiency) of revenues over (under) expenditures	(18,350)	(18,350)	(9,081)	9,269	75,910	23,400	27,737	4,337
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(18,350)	(18,350)	(9,081)	9,269	75,910	23,400	27,737	4,337
Fund balances - beginning	65,108	65,108	65,108	-	549,372	549,372	549,372	-
Fund balances - ending	\$ 46,758	\$ 46,758	\$ 56,027	\$ 9,269	\$ 625,282	\$ 572,772	\$ 577,109	\$ 4,337

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	Special Revenue							
	Federal Seizures				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)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	2,000,000	10,800,000	10,753,405	(46,595)	1,813,860	17,872,117	2,032,951	(15,839,166)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	55,000	55,000	173,211	118,211	-	-	-	-
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	21,000	21,000	-	(21,000)	-	(148,647)	-	148,647
Total revenues	2,076,000	10,876,000	10,926,616	50,616	1,813,860	17,723,469	2,032,951	(15,690,518)
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	130,138	70,843	59,295
Management services	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	2,099,790	4,232,272	2,351,199	1,881,073	280,320	946,526	497,078	449,448
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	75,360	146,123	46,306	99,817
Community development	-	-	-	-	-	7,213,956	1,578,131	5,635,825
Community services	-	-	-	-	-	202,050	-	202,050
Engineering	-	-	-	-	1,560,000	8,502,925	288,031	8,214,894
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	2,099,790	4,232,272	2,351,199	1,881,073	1,915,680	17,141,719	2,480,389	14,661,330
Excess (deficiency) of revenues over (under) expenditures	(23,790)	6,643,728	8,575,417	1,931,689	(101,820)	581,750	(447,438)	(1,029,188)
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	101,820	-	47,312	47,312
Transfers out	-	(278,150)	(379,656)	(101,506)	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(278,150)	(379,656)	(101,506)	101,820	-	47,312	47,312
Net change in fund balances	(23,790)	6,365,578	8,195,761	1,830,183	-	581,750	(400,126)	(981,876)
Fund balances - beginning	3,061,892	3,061,892	3,061,892	-	(722,092)	(722,092)	(722,092)	-
Fund balances - ending	\$ 3,038,102	\$ 9,427,470	\$ 11,257,653	\$ 1,830,183	\$ (722,092)	\$ (140,342)	\$ (1,122,218)	\$ (981,876)

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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)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	2,324,980	9,119,898	3,030,076	(6,089,822)	208,330	362,556	361,515	(1,041)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	2,324,980	9,119,898	3,030,076	(6,089,822)	208,330	362,556	361,515	(1,041)
Expenditures:								
Current:								
General government:								
City administration	1,986,620	427,961	8,417	419,544	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	274,040	240,000	240,000	-	208,330	303,657	304,606	(949)
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development	-	7,237,244	3,443,600	3,793,644	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	2,260,660	7,905,205	3,692,017	4,213,188	208,330	303,657	304,606	(949)
Excess (deficiency) of revenues over (under) expenditures	64,320	1,214,693	(661,941)	(1,876,634)	-	58,899	56,909	(1,990)
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(91,800)	(91,800)	(91,800)	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(91,800)	(91,800)	(91,800)	-	-	-	-	-
Net change in fund balances	(27,480)	1,122,893	(753,741)	(1,876,634)	-	58,899	56,909	(1,990)
Fund balances - beginning	(49,356)	(49,356)	(49,356)	-	(58,124)	(58,124)	(58,124)	-
Fund balances - ending	\$ (76,836)	\$ 1,073,537	\$ (803,097)	\$ (1,876,634)	\$ (58,124)	\$ 775	\$ (1,215)	\$ (1,990)

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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)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 385,000	\$ 385,000	\$ 543,830	\$ 158,830
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	400,000	600,673	557,301	(43,372)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	-	-	8,542	8,542	14,500	14,500	15,817	1,317
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	400,000	600,673	565,843	(34,830)	399,500	399,500	559,647	160,147
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	404,430	664,964	565,536	99,428	220,500	322,501	94,825	227,676
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	404,430	664,964	565,536	99,428	220,500	322,501	94,825	227,676
Excess (deficiency) of revenues over (under) expenditures	(4,430)	(64,290)	307	64,597	179,000	76,999	464,822	387,823
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(230,600)	(230,600)	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(230,600)	(230,600)	-	-
Net change in fund balances	(4,430)	(64,290)	307	64,597	179,000	(153,601)	234,222	387,823
Fund balances - beginning	104,752	104,752	104,752	-	2,499,920	2,499,920	2,499,920	-
Fund balances - ending	\$ 100,322	\$ 40,462	\$ 105,059	\$ 64,597	\$ 2,678,920	\$ 2,346,319	\$ 2,734,142	\$ 387,823

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	Special Revenue							
	Air Quality Management District				Down Payment Assistance			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	300,000	300,000	351,285	51,285	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	10,500	10,500	9,203	(1,297)	-	-	115	115
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	310,500	310,500	360,488	49,988	-	-	115	115
Expenditures:								
Current:								
General government:								
City administration	-	9,000	3,000	6,000	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-
Human resources	16,000	16,000	15,184	816	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	126,910	104,829	22,081	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	1,222,868	89,909	1,132,959	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	16,000	1,374,778	212,922	1,161,856	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	294,500	(1,064,278)	147,566	1,211,844	-	-	115	115
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(16,420)	(16,420)	(16,420)	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(16,420)	(16,420)	(16,420)	-	-	-	-	-
Net change in fund balances	278,080	(1,080,698)	131,146	1,211,844	-	-	115	115
Fund balances - beginning	1,269,439	1,269,439	1,269,439	-	11,291	11,291	11,291	-
Fund balances - ending	\$ 1,547,519	\$ 188,741	\$ 1,400,585	\$ 1,211,844	\$ 11,291	\$ 11,291	\$ 11,406	\$ 115

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	Special Revenue							
	Community Services Reimbursements				ASES ELO-P			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits								
Intergovernmental	3,854,890	6,031,255	3,306,604	(2,724,651)		4,495,120	447,236	(4,047,884)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	3,854,890	6,031,255	3,306,604	(2,724,651)		4,495,120	447,236	(4,047,884)
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development								
Community services	3,525,330	5,678,101	3,861,353	1,816,748		4,293,364	1,720,676	2,572,688
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	3,525,330	5,678,101	3,861,353	1,816,748		4,293,364	1,720,676	2,572,688
Excess (deficiency) of revenues over (under) expenditures	329,560	353,154	(554,749)	(907,903)		201,756	(1,273,440)	(1,475,196)
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(329,560)	(329,560)	(458,805)	(129,245)	-	-	(63,923)	(63,923)
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(329,560)	(329,560)	(458,805)	(129,245)	-	-	(63,923)	(63,923)
Net change in fund balances	-	23,594	(1,013,554)	(1,037,148)	-	201,756	(1,337,363)	(1,539,119)
Fund balances - beginning	(153,297)	(153,297)	(153,297)	-	(201,755)	(201,755)	(201,755)	-
Fund balances - ending	\$ (153,297)	\$ (129,703)	\$ (1,166,851)	\$ (1,037,148)	\$ (201,755)	\$ 1	\$ (1,539,118)	\$ (1,539,119)

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	Special Revenue							
	Fontana Community Foundation				Housing Authority AB 1486			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	1,200	1,200	4,050	2,850	-	-	26,510	26,510
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	7,000	7,000	-	-	26,510	26,510
Total revenues	1,200	1,200	11,050	9,850	-	-	26,510	26,510
Expenditures:								
Current:								
General government:								
City administration	500	10,500	7,912	2,588	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	500	10,500	7,912	2,588	-	-	26,510	26,510
Excess (deficiency) of revenues over (under) expenditures	700	(9,300)	3,138	12,438	-	-	26,510	26,510
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	700	(9,300)	3,138	12,438	-	-	26,510	26,510
Fund balances - beginning	485,199	485,199	485,199	-	3,373,690	3,373,690	3,373,690	-
Fund balances - ending	\$ 485,899	\$ 475,899	\$ 488,337	\$ 12,438	\$ 3,373,690	\$ 3,373,690	\$ 3,400,200	\$ 26,510

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	Special Revenue							
	Permanent Local Housing Allocation				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)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 285,000	\$ 235,000	\$ 240,167	\$ 5,167
Licenses and permits								
Intergovernmental	195,000	4,184,269	339,522	(3,844,747)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	35,000	35,000	32,265	(2,735)
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	195,000	4,184,269	339,522	(3,844,747)	320,000	270,000	272,432	2,432
Expenditures:								
Current:								
General government:								
City administration	195,000	3,844,501	889,005	2,955,496	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	494,856	125,047	369,809
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	195,000	3,844,501	889,005	2,955,496	-	494,856	125,047	369,809
Excess (deficiency) of revenues over (under) expenditures	-	339,769	(549,483)	(889,252)	320,000	(224,856)	147,385	372,241
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(900)	(900)	(900)	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(900)	(900)	(900)	-
Net change in fund balances	-	339,769	(549,483)	(889,252)	319,100	(225,756)	146,485	372,241
Fund balances - beginning	(339,768)	(339,768)	(339,768)	-	4,328,880	4,328,880	4,328,880	-
Fund balances - ending	\$ (339,768)	\$ 1	\$ (889,251)	\$ (889,252)	\$ 4,647,980	\$ 4,103,124	\$ 4,475,365	\$ 372,241

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	Special Revenue											
	Landscape Maintenance Districts						Lighting District #3 Hunter's Ridge					
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)				
Revenues:												
Taxes	\$ 3,250	\$ 3,250	\$ 2,956	\$ (294)	\$ 50	\$ 50	\$ 20	\$ (30)				
Licenses and permits	-	-	-	-	-	-	-	-				
Intergovernmental	-	275,000	275,000	-	-	-	-	-				
Charges for services	-	-	-	-	-	-	-	-				
Fines and forfeitures	-	-	-	-	-	-	-	-				
Special assessments	4,247,100	4,247,100	4,303,237	56,137	34,000	34,000	35,121	1,121				
Investment earnings	57,400	57,400	59,442	2,042	300	300	94	(206)				
Contribution from property owners	-	-	-	-	-	-	-	-				
Other revenue	-	-	-	-	-	-	-	-				
Total revenues	4,307,750	4,582,750	4,734,570	151,820	34,350	34,350	35,235	885				
Expenditures:												
Current:												
General government:												
City administration	-	-	-	-	-	-	-	-				
Management services	-	-	-	-	-	-	-	-				
Information Technology	-	-	-	-	-	-	-	-				
Human resources	-	-	-	-	-	-	-	-				
Public safety:												
Police	-	-	-	-	-	-	-	-				
Fire	-	-	-	-	-	-	-	-				
Public works	4,765,000	5,576,023	5,328,039	247,984	32,000	32,000	22,294	9,706				
Community development	-	-	-	-	-	-	-	-				
Community services	-	-	-	-	-	-	-	-				
Engineering	-	-	-	-	-	-	-	-				
Capital outlay	-	-	-	-	-	-	-	-				
Debt service:												
Principal	-	-	-	-	-	-	-	-				
Interest	-	-	-	-	-	-	-	-				
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-				
Total expenditures	4,765,000	5,576,023	5,328,039	247,984	32,000	32,000	22,294	9,706				
Excess (deficiency) of revenues over (under) expenditures	(457,250)	(993,273)	(593,469)	399,804	2,350	2,350	12,941	10,591				
Other Financing Sources (Uses):												
Transfers in	628,390	668,290	615,618	(52,672)	-	-	-	-				
Transfers out	(558,340)	(558,340)	(558,340)	-	(2,860)	(2,860)	(2,860)	(2,860)				
Sale of capital assets	-	-	-	-	-	-	-	-				
Total other financing sources (uses)	70,050	109,950	57,278	(52,672)	(2,860)	(2,860)	(2,860)	(2,860)				
Net change in fund balances	(387,200)	(883,323)	(536,191)	347,132	(510)	(510)	10,081	10,591				
Fund balances - beginning	4,525,782	4,525,782	4,525,782	-	33,734	33,734	33,734	-				
Fund balances - ending	\$ 4,138,582	\$ 3,642,459	\$ 3,989,591	\$ 347,132	\$ 33,224	\$ 33,224	\$ 43,815	\$ 10,591				

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	Special Revenue					Debt Service				
	Community Facilities Districts				Variance with Final Budget Positive (Negative)	General Debt Service				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts			Original Budget	Final Budget	Actual Amounts		
Revenues:										
Taxes	\$ 15,200	\$ 15,200	\$ 16,758	\$ 1,558	-	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	186,450	186,450	-	-	(186,450)
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	88,453	88,453	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Special assessments	13,795,920	14,192,991	14,887,718	694,727	-	-	-	-	-	-
Investment earnings	273,700	273,700	249,520	(24,180)	-	-	-	1,504	1,504	1,504
Contribution from property owners	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>14,084,820</u>	<u>14,481,891</u>	<u>15,242,449</u>	<u>760,558</u>	-	<u>186,450</u>	<u>186,450</u>	<u>1,504</u>	<u>-</u>	<u>(184,946)</u>
Expenditures:										
Current:										
General government:										
City administration	-	-	-	-	-	20,000	20,000	3,575	3,575	16,425
Management services	-	-	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-	-	-
Public safety:										
Police	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Public works	9,666,370	12,827,418	9,597,093	3,230,325	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	-	-	-	-	1,365,000	1,760,000	1,760,000	-	-	-
Interest	-	-	-	-	1,747,890	2,248,950	2,248,950	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>9,666,370</u>	<u>12,827,418</u>	<u>9,597,093</u>	<u>3,230,325</u>	-	<u>3,132,890</u>	<u>4,028,950</u>	<u>4,012,525</u>	<u>-</u>	<u>16,425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,418,450</u>	<u>1,654,473</u>	<u>5,645,356</u>	<u>3,990,883</u>	<u>(2,946,440)</u>	<u>(3,842,500)</u>	<u>(4,011,021)</u>	<u>-</u>	<u>(168,521)</u>	<u>-</u>
Other Financing Sources (Uses):										
Transfers in	445,440	445,440	581,206	135,766	2,946,440	4,008,950	4,008,950	-	-	-
Transfers out	(5,866,340)	(5,924,080)	(5,942,759)	(18,679)	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(5,420,900)</u>	<u>(5,478,640)</u>	<u>(5,361,553)</u>	<u>117,087</u>	<u>2,946,440</u>	<u>4,008,950</u>	<u>4,008,950</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(1,002,450)</u>	<u>(3,824,167)</u>	<u>283,803</u>	<u>4,107,970</u>	-	<u>166,450</u>	<u>(2,071)</u>	<u>-</u>	<u>(168,521)</u>	<u>-</u>
Fund balances - beginning	<u>31,501,840</u>	<u>31,501,840</u>	<u>31,501,840</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 30,499,390</u>	<u>\$ 27,677,673</u>	<u>\$ 31,785,643</u>	<u>\$ 4,107,970</u>	<u>\$ 2</u>	<u>\$ 166,452</u>	<u>\$ (2,069)</u>	<u>\$ 2</u>	<u>\$ (168,521)</u>	<u>\$ -</u>

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	Capital Projects							
	Capital Improvements				Future Capital Projects			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	79,000	79,000	299,752	220,752	180,000	180,000	72,403	(107,597)
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	2,029,443	479,361	(1,550,082)	-	-	-	-
Total revenues	79,000	2,108,443	779,113	(1,329,330)	180,000	180,000	72,403	(107,597)
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Technology services	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	458,371	133,440	324,931	-	133,315	133,312	3
Community development	-	8,316,000	8,041,170	274,830	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	7,135,954	3,788,496	3,347,458	-	455,022	110,143	344,879
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	-	15,910,325	11,963,106	3,947,219	-	588,338	243,455	344,883
Excess (deficiency) of revenues over (under) expenditures	79,000	(13,801,882)	(11,183,993)	2,617,889	180,000	(408,338)	(171,052)	237,286
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(360,980)	(360,980)	(360,980)	-	(462,470)	(462,470)	(462,470)	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Sale of capital assets	-	31,940	31,940	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(360,980)	(329,040)	(329,040)	-	(462,470)	(462,470)	(462,470)	-
Net change in fund balances	(281,980)	(14,130,922)	(11,513,033)	2,617,889	(282,470)	(870,808)	(633,522)	237,286
Fund balances - beginning	12,391,977	12,391,977	12,391,977	-	42,671,499	42,671,499	42,671,499	-
Fund balances - ending	\$ 12,109,997	\$ (1,738,945)	\$ 878,944	\$ 2,617,889	\$ 42,389,029	\$ 41,800,691	\$ 42,037,977	\$ 237,286

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	Capital Projects							
	Sewer Expansion				Community Facilities Districts			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	\$ 2,500,000	\$ 2,500,000	\$ -	\$ (2,500,000)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	46,992	46,992	-
Investment earnings	120,000	120,000	(17,761)	(137,761)	100	263	730,172	729,909
Contribution from property owners	-	-	-	-	-	6,498,160	10,815,577	4,317,417
Other revenue	-	-	-	-	-	62,556	-	(62,556)
Total revenues	<u>2,620,000</u>	<u>2,620,000</u>	<u>(17,761)</u>	<u>(2,637,761)</u>	<u>100</u>	<u>6,607,971</u>	<u>11,592,741</u>	<u>4,984,770</u>
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Technology services	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	1,575,000	1,575,000	-	1,575,000	-	731,683	424,199	307,484
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	680,000	-	680,000	-	6,162,260	8,430,629	(2,268,369)
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	<u>1,575,000</u>	<u>2,255,000</u>	<u>-</u>	<u>2,255,000</u>	<u>-</u>	<u>6,893,944</u>	<u>8,854,828</u>	<u>(1,960,884)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,045,000</u>	<u>365,000</u>	<u>(17,761)</u>	<u>382,761</u>	<u>100</u>	<u>(285,973)</u>	<u>2,737,913</u>	<u>6,945,655</u>
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(120,000)	(120,000)	-	120,000	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	(2,765,337)	(748,199)	2,017,138
Sale of capital assets	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	103,545	261,790	158,245
Total other financing sources (uses)	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>	<u>120,000</u>	<u>-</u>	<u>(2,661,792)</u>	<u>(486,409)</u>	<u>2,017,138</u>
Net change in fund balances	<u>925,000</u>	<u>245,000</u>	<u>(17,761)</u>	<u>262,761</u>	<u>100</u>	<u>(2,947,765)</u>	<u>2,252,135</u>	<u>8,962,793</u>
Fund balances - beginning	<u>363,217</u>	<u>363,217</u>	<u>363,217</u>	<u>-</u>	<u>30,257,097</u>	<u>30,257,097</u>	<u>30,257,097</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,288,217</u>	<u>\$ 608,217</u>	<u>\$ 345,456</u>	<u>\$ 262,761</u>	<u>\$ 30,257,197</u>	<u>\$ 27,309,332</u>	<u>\$ 32,509,232</u>	<u>\$ 8,962,793</u>

CITY OF FONTANA
 Budgetary Comparison Schedules
 Governmental Funds
 For the Year Ended June 30, 2023

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	Capital Projects							
	Traffic Mitigation				Storm Drain			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	(66,830)
Intergovernmental	70,000	270,000	871,840	601,840	-	-	-	-
Charges for services	5,407,500	6,875,500	8,924,428	2,048,928	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	219,000	219,000	231,174	12,174	144,000	144,000	121,547	(22,453)
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	5,696,500	7,364,500	10,027,442	2,662,942	3,322,000	3,387,500	3,298,217	(89,283)
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Technology services	-	-	-	-	-	-	3,812	(3,812)
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	12,620	21,645,410	3,485,004	18,160,406	120,040	6,943,616	665,654	6,277,962
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	12,620	21,645,410	3,485,004	18,160,406	120,040	6,943,616	669,466	6,274,150
Excess (deficiency) of revenues over (under) expenditures	5,683,880	(14,280,910)	6,542,438	20,823,348	3,201,960	(3,556,116)	2,628,751	6,184,867
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	1,810	1,810
Transfers out	(185,130)	(185,130)	(185,130)	-	(125,460)	(125,460)	(125,460)	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(185,130)	(185,130)	(185,130)	-	(125,460)	(125,460)	(123,650)	1,810
Net change in fund balances	5,498,750	(14,466,040)	6,357,308	20,823,348	3,076,500	(3,681,576)	2,505,101	6,186,677
Fund balances - beginning	15,444,197	15,444,197	15,444,197	-	18,253,547	18,253,547	18,253,547	-
Fund balances - ending	\$ 20,942,947	\$ 978,157	\$ 21,801,505	\$ 20,823,348	\$ 21,330,047	\$ 14,571,971	\$ 20,758,648	\$ 6,186,677

CITY OF FONTANA
 Budgetary Comparison Schedules
 Governmental Funds
 For the Year Ended June 30, 2023

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	Capital Projects							
	San Sevaine Flood Control				Upper Etiwanda Flood Control			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	\$ 508,000	\$ 731,800	\$ 626,722	\$ (105,078)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	5,700	5,700	2,715	\$ (2,985)	400	400	358	\$ (42)
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	513,700	737,500	629,437	\$ (108,063)	400	400	358	\$ (42)
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Technology services	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	96,690	126,580	87,935	38,645	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	96,690	126,580	87,935	38,645	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	417,010	610,920	541,502	\$ (69,418)	400	400	358	\$ (42)
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(13,670)	(13,670)	(13,670)	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(13,670)	(13,670)	(13,670)	-	-	-	-	-
Net change in fund balances	403,340	597,250	527,832	\$ (69,418)	400	400	358	\$ (42)
Fund balances - beginning	1,403,655	1,403,655	1,403,655	-	45,557	45,557	45,557	-
Fund balances - ending	\$ 1,806,995	\$ 2,000,905	\$ 1,931,487	\$ (69,418)	\$ 45,957	\$ 45,957	\$ 45,915	\$ (42)

CITY OF FONTANA
 Budgetary Comparison Schedules
 Governmental Funds
 For the Year Ended June 30, 2023

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	Capital Projects							
	Park Development				Landscape Improvements			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	\$ 1,570,000	\$ 2,050,000	\$ 3,435,851	\$ 1,385,851	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	640,000	640,000	221,702	(418,298)
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	57,000	57,000	142,775	85,775	49,800	49,800	50,553	753
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	30,913	30,913	-	-	-	-
Total revenues	1,627,000	2,107,000	3,609,539	1,502,539	689,800	689,800	272,255	(417,545)
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	41,000	41,000	-
Technology services	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	276,110	993,061	242,739	750,322	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	7,860	7,592,409	1,018,700	6,573,709	3,160	6,411,406	265,173	6,146,233
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	283,970	8,585,470	1,261,439	7,324,031	3,160	6,452,406	306,173	6,146,233
Excess (deficiency) of revenues over (under) expenditures	1,343,030	(6,478,470)	2,348,100	8,826,570	686,640	(5,762,606)	(33,918)	5,728,688
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	7,866	7,866
Transfers out	(223,690)	(223,690)	(223,690)	-	(47,840)	(47,840)	(47,840)	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(223,690)	(223,690)	(223,690)	-	(47,840)	(47,840)	(39,974)	7,866
Net change in fund balances	1,119,340	(6,702,160)	2,124,410	8,826,570	638,800	(5,810,446)	(73,892)	5,736,554
Fund balances - beginning	18,195,034	18,195,034	18,195,034	-	5,900,769	5,900,769	5,900,769	-
Fund balances - ending	\$ 19,314,374	\$ 11,492,874	\$ 20,319,444	\$ 8,826,570	\$ 6,539,569	\$ 90,323	\$ 5,826,877	\$ 5,736,554

CITY OF FONTANA
 Budgetary Comparison Schedules
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 For the Year Ended June 30, 2023

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	Capital Projects							
	Library Capital Improvement				Police Facility			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	\$ 400,000	\$ 400,000	\$ 104,438	\$ (295,562)	\$ 725,000	\$ 650,000	\$ 387,938	\$ (262,062)
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	3,500	3,500	11,812	8,312	23,500	23,500	25,073	1,573
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	403,500	403,500	116,250	(287,250)	748,500	673,500	413,011	(260,489)
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Technology services	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	608,419	131,098	477,321
Fire	-	-	-	-	-	-	-	-
Public works	-	212,930	113,459	99,471	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	-	212,930	113,459	99,471	-	608,419	131,098	477,321
Excess (deficiency) of revenues over (under) expenditures	403,500	190,570	2,791	(187,779)	748,500	65,081	281,913	216,832
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	24,342	24,342	-
Transfers out	-	-	-	-	(4,690)	(175,870)	(175,870)	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(4,690)	(151,528)	(151,528)	(151,528)	-
Net change in fund balances	403,500	190,570	2,791	(187,779)	743,810	(86,447)	130,385	216,832
Fund balances - beginning	1,179,840	1,179,840	1,179,840	-	3,582,442	3,582,442	3,582,442	-
Fund balances - ending	\$ 1,583,340	\$ 1,370,410	\$ 1,182,631	\$ (187,779)	\$ 4,326,252	\$ 3,495,995	\$ 3,712,827	\$ 216,832

CITY OF FONTANA
 Budgetary Comparison Schedules
 Governmental Funds
 For the Year Ended June 30, 2023

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	Capital Projects							
	General Government Improvement				Underground Utilities			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,000,000	750,000	374,013	(375,987)	65,000	65,000	-	(65,000)
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	84,000	84,000	89,241	5,241	2,200	2,200	2,282	82
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	1,084,000	834,000	463,254	(370,746)	67,200	67,200	2,282	(64,918)
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Technology services	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community development	-	120,000	-	120,000	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	1,017,764	-	1,017,764	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	-	1,137,764	-	1,137,764	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	1,084,000	(303,764)	463,254	767,018	67,200	67,200	2,282	(64,918)
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	1,084,000	(303,764)	463,254	767,018	67,200	67,200	2,282	(64,918)
Fund balances - beginning	11,982,003	11,982,003	11,982,003	-	290,434	290,434	290,434	-
Fund balances - ending	\$ 13,066,003	\$ 11,678,239	\$ 12,445,257	\$ 767,018	\$ 357,634	\$ 357,634	\$ 292,716	\$ (64,918)

CITY OF FONTANA
 Budgetary Comparison Schedules
 Governmental Funds
 For the Year Ended June 30, 2023

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	Capital Projects							
	Fire Assessment				Affordable Housing Trust			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	\$ 340,000	\$ 270,000	\$ 256,594	\$ (13,406)	\$ 805,000	\$ 1,032,000	\$ 1,130,905	\$ 98,905
Intergovernmental	-	-	-	-	-	-	1,250,894	1,250,894
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	6,300	6,300	6,353	53	33,000	33,000	22,377	(10,623)
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	30,106	30,106
Total revenues	<u>346,300</u>	<u>276,300</u>	<u>262,947</u>	<u>(13,353)</u>	<u>838,000</u>	<u>1,065,000</u>	<u>2,434,282</u>	<u>1,369,282</u>
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	-	-	-	-
Technology services	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Public works	-	-	-	-	500	1,000,000	33,643	966,357
Community development	-	-	-	-	-	2,965,710	519,043	2,446,667
Community services	-	-	-	-	-	-	-	-
Engineering	-	423,922	-	423,922	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>423,922</u>	<u>-</u>	<u>423,922</u>	<u>500</u>	<u>3,965,710</u>	<u>552,686</u>	<u>3,413,024</u>
Excess (deficiency) of revenues over (under) expenditures	<u>346,300</u>	<u>(147,622)</u>	<u>262,947</u>	<u>410,569</u>	<u>837,500</u>	<u>(2,900,710)</u>	<u>1,881,596</u>	<u>4,782,306</u>
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	<u>(322,890)</u>	<u>(322,890)</u>	<u>(322,890)</u>	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(322,890)</u>	<u>(322,890)</u>	<u>(322,890)</u>	-	-	-	-	-
Net change in fund balances	23,410	<u>(470,512)</u>	<u>(59,943)</u>	410,569	837,500	<u>(2,900,710)</u>	1,881,596	4,782,306
Fund balances - beginning	<u>666,327</u>	<u>666,327</u>	<u>666,327</u>	-	<u>5,470,318</u>	<u>5,470,318</u>	<u>5,470,318</u>	-
Fund balances - ending	<u>\$ 689,737</u>	<u>\$ 195,815</u>	<u>\$ 606,384</u>	<u>\$ 410,569</u>	<u>\$ 6,307,818</u>	<u>\$ 2,569,608</u>	<u>\$ 7,351,914</u>	<u>\$ 4,782,306</u>

CITY OF FONTANA
 Budgetary Comparison Schedules
 Governmental Funds
 For the Year Ended June 30, 2023

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	Capital Projects							
	Fire Protection District				Fontana Housing Authority			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	51,000	51,000	441,868	390,868	73,000	87,810	55,215	(32,595)
Contribution from property owners	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	159,060	188,260	102,883	(85,377)
Total revenues	51,000	51,000	441,868	390,868	232,060	276,070	158,098	(117,972)
Expenditures:								
Current:								
General government:								
City administration	-	-	-	-	-	-	-	-
Management services	-	-	-	-	236,450	609,450	75,898	533,552
Technology services	-	-	-	-	-	-	-	-
Human resources	-	-	-	-	-	-	-	-
Public safety:								
Police	-	12,845	-	12,845	-	-	-	-
Fire	-	19,056,280	797,225	18,259,055	-	-	-	-
Public works	-	13,805	-	13,805	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Engineering	-	18,210,999	4,665,390	13,545,609	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total expenditures	-	37,293,930	5,462,615	31,831,315	236,450	609,450	75,898	533,552
Excess (deficiency) of revenues over (under) expenditures	51,000	(37,242,930)	(5,020,747)	32,222,183	(4,390)	(333,380)	82,200	415,580
Other Financing Sources (Uses):								
Transfers in	1,632,100	18,632,100	18,632,100	-	-	-	-	-
Transfers out	(42,900)	(42,900)	(42,900)	-	(93,500)	(93,500)	(93,500)	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,589,200	18,589,200	18,589,200	-	(93,500)	(93,500)	(93,500)	-
Net change in fund balances	1,640,200	(18,653,730)	13,568,453	32,222,183	(97,890)	(426,880)	(11,300)	415,580
Fund balances - beginning	24,808,764	24,808,764	24,808,764	-	3,093,723	3,093,723	3,093,723	-
Fund balances - ending	\$ 26,448,964	\$ 6,155,034	\$ 38,377,217	\$ 32,222,183	\$ 2,995,833	\$ 2,666,843	\$ 3,082,423	\$ 415,580

CITY OF FONTANA

Budgetary Comparison Schedules Governmental Funds For the Year Ended June 30, 2023

Schedule 3
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	Capital Projects			
	Capital Reinvestment			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	- -	- -	- -	- -
Intergovernmental	- -	- -	- -	- -
Charges for services	- -	- -	- -	- -
Fines and forfeitures	- -	- -	- -	- -
Special assessments	- -	- -	- -	- -
Investment earnings	37,000	37,000	(100,975)	(137,975)
Contribution from property owners	- -	- -	- -	- -
Other revenue	- -	114,000	48,087	(65,913)
Total revenues	37,000	151,000	(52,888)	(203,888)
Expenditures:				
Current:				
General government:				
City administration	- -	- -	24,019	(24,019)
Management services	- -	12,275	1,431	10,844
Technology services	- -	3,447,194	76,863	3,370,331
Human resources	- -	- -	- -	- -
Public safety:				
Police	- -	- -	- -	- -
Fire	- -	- -	- -	- -
Public works	2,300,000	5,262,387	858,859	4,403,528
Community development	- -	1,825,000	3,570,140	(1,745,140)
Community services	- -	- -	- -	- -
Engineering	100,000	13,948,346	404,697	13,543,649
Capital outlay	- -	- -	- -	- -
Debt service:				
Principal	- -	- -	- -	- -
Interest	- -	- -	- -	- -
Payment to refunded bond escrow agent	- -	- -	- -	- -
Total expenditures	2,400,000	24,495,202	4,936,009	19,559,193
Excess (deficiency) of revenues over (under) expenditures	(2,363,000)	(24,344,202)	(4,988,897)	19,355,305
Other Financing Sources (Uses):				
Transfers in	2,400,000	15,929,494	15,929,494	(0)
Transfers out	(137,000)	(137,000)	(124,342)	12,658
Proceeds of refunding bonds	- -	- -	- -	- -
Sale of capital assets	- -	- -	- -	- -
Premium on refunding bonds issued	- -	- -	- -	- -
Total other financing sources (uses)	2,263,000	15,792,494	15,805,152	12,658
Net change in fund balances	(100,000)	(8,551,708)	10,816,255	19,367,963
Fund balances - beginning	15,144,062	15,144,062	15,144,062	-
Fund balances - ending	\$ 15,044,062	\$ 6,592,354	\$ 25,960,317	\$ 19,367,963

Fiduciary Funds

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 Funds

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 #85 – The Meadows – To account for the Meadows CFD special taxes received and the payment of debt related to bonds issued.

Community Facilities District #88 – Sierra Crest II – To account for the Sierra Crest II 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.

Community Facilities District #89 – Belrose – To account for the Belrose CFD special taxes received and the payment of debt related to bonds issued.

Community Facilities District #90 – Summit at Rosena – To account for Rosena CFD special taxes received and the payment of debt related to bonds issued.

Community Facilities District #87 – El Paseo – To account for El Paseo CFD special taxes received and the payment of debt related to bonds issued.

Community Facilities District #95 – Summit at Rosena II – To account for Rosena II CFD special taxes received and the payment of debt related to bonds issued.

Community Facilities District #106 – Mountainview – To account for Mountainview CFD special taxes received and the payment of debt related to bonds issued.

Community Facilities District #100 – Victoria – To account for the Victoria CFD special taxes received and the payment of debt related to bonds issued.

Community Facilities District #99 – Victoria – To account for The Retreat CFD special taxes received and the payment of debt related to bonds issued.

CITY OF FONTANA
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

	CFD #2 Heritage	CFD #3 Hunter's Ridge	CFD #4 Walnut Village	CFD #7 Country Club	CFD #11 Heritage West End	CFD #12 Sierra Lakes	CFD #22 Sierra Hills South	CFD #31 Citrus Heights North	CFD #37 Montelago	CFD #70 Avellino
Assets										
Cash and investments	\$ 9,858	\$ 6,355	\$ -	\$ 126,629	\$ 239,966	\$ 677,919	\$ 1,715,409	\$ 1,137,876	\$ 113,071	\$ 75,918
Cash and investments with fiscal agent	-	-	-	377,763	715,279	1,826,624	3,590,851	3,396,228	409,473	212,126
Assessments receivable	67,322	-	393	7,712	812	-	13,525	107,375	10,326	369
Total Assets	77,180	6,355	393	512,104	956,057	2,504,543	5,319,785	4,641,479	532,870	288,413
Net Position										
Held for other organizations	-	-	-	-	-	-	-	-	-	-
Held in trust for other purposes	77,180	6,355	393	512,104	956,057	2,504,543	5,319,785	4,641,479	532,870	288,413
Total net position	\$ 77,180	\$ 6,355	\$ 393	\$ 512,104	\$ 956,057	\$ 2,504,543	\$ 5,319,785	\$ 4,641,479	\$ 532,870	\$ 288,413
	CFD #71 Sierra Crest	CFD #74B Citrus Summit	CFD #80 Bella Strada	CFD #81 Gabriella	CFD #85 The Meadows	CFD #86 Etiwanda Ridge	CFD #87 El Paseo	CFD #88 Sierra Crest II	CFD #89 Belrose	CFD #90 Summit at Rosena
Assets										
Cash and investments	\$ 172,389	\$ 139,274	\$ 386,161	\$ 228,996	\$ 721,601	\$ 164,727	\$ 245,822	\$ 227,526	\$ 202,742	\$ 696,496
Cash and investments with fiscal agent	600,524	485,554	1,640,715	729,429	2,118,848	453,771	463,507	597,873	623,745	1,591,183
Assessments receivable	2,094	6,406	7,451	10,140	28,225	7,956	15,893	4,490	5,995	51,575
Total Assets	775,007	631,234	2,034,327	968,565	2,868,674	626,454	725,222	829,889	832,482	2,339,254
Net Position										
Held for other organizations	-	-	-	-	-	-	-	-	-	-
Held in trust for other purposes	775,007	631,234	2,034,327	968,565	2,868,674	626,454	725,222	829,889	832,482	2,339,254
Total net position	\$ 775,007	\$ 631,234	\$ 2,034,327	\$ 968,565	\$ 2,868,674	\$ 626,454	\$ 725,222	\$ 829,889	\$ 832,482	\$ 2,339,254
	CFD #95 Summit at Rosena II	CFD #106 Mountainview	CFD #100 Victoria	CFD #99 Victoria	Trust Deposits	Total All Custodial Funds				
Assets										
Cash and investments	\$ 322,343	\$ 246,380	\$ 195,081	\$ 2,500	\$ 7,548,261	\$ 15,603,300				
Cash and investments with fiscal agent	731,170	540,764	-	383,237	-	21,488,664				
Assessments receivable	24,158	10,461	3,461	-	-	386,139				
Total Assets	1,077,671	797,605	198,542	385,737	7,548,261	37,478,103				
Liabilities										
Accounts payable	-	-	-	-	60,677	60,677				
Total Liabilities	-	-	-	-	60,677	60,677				
Net Position										
Held for other organizations	-	-	-	-	7,487,584	7,487,584				
Restricted for debt service	1,077,671	797,605	198,542	385,737	-	29,929,842				
Total net position	\$ 1,077,671	\$ 797,605	\$ 198,542	\$ 385,737	\$ 7,487,584	\$ 37,417,426				

CITY OF FONTANA
 Combining Statement of Changes in Fiduciary Net Position
 Custodial Funds
 Year Ended June 30, 2023

Schedule 5
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	CFD #2 Heritage	CFD #3 Hunter's Ridge	CFD #4 Walnut Village	CFD #7 Country Club	CFD #11 Heritage West End	CFD #12 Sierra Lakes	CFD #22 Sierra Hills South	CFD #31 Citrus Heights North	CFD #37 Montelago
Additions:									
Contributions from property owners	\$ 42	\$ -	\$ -	\$ 270,262	\$ 533,442	\$ 1,469,703	\$ 2,733,510	\$ 2,385,181	\$ 237,517
Interest and change in fair value of investments	-	-	-	9,224	17,257	45,486	180	159	11,242
Total additions	42	-	-	279,486	550,699	1,515,189	2,733,690	2,385,340	248,759
Deductions:									
Administrative expense	-	-	-	23,657	39,425	121,253	84,012	53,835	32,988
Interest expense	-	-	-	54,300	112,400	379,800	1,126,250	1,005,350	83,200
Principal payments	-	-	-	175,000	370,000	910,000	1,420,000	815,000	110,000
Total deductions	-	-	-	252,957	521,825	1,411,053	2,630,262	1,874,185	226,188
Change in net position	42	-	-	26,529	28,874	104,136	103,428	511,155	22,571
Net position at beginning of year	77,138	6,355	393	485,575	927,183	2,400,407	5,216,357	4,130,324	510,299
Net position at end of year	\$ 77,180	\$ 6,355	\$ 393	\$ 512,104	\$ 956,057	\$ 2,504,543	\$ 5,319,785	\$ 4,641,479	\$ 532,870
	CFD #70 Avellino	CFD #71 Sierra Crest	CFD #74B Citrus Summit	CFD #80 Bella Strada	CFD #81 Gabriella	CFD #85 The Meadows	CFD #86 Etiwanda Ridge	CFD #87 El Paseo	CFD #88 Sierra Crest II
Additions:									
Contributions from other governments	\$ 164,769	\$ 360,584	\$ 361,926	\$ 803,069	\$ 481,724	\$ 1,498,294	\$ 342,955	\$ 522,348	\$ 468,045
Interest and change in fair value of investments	5,746	29	11	62	37	36	16	5,188	20
Total additions	170,515	360,613	361,937	803,131	481,761	1,498,330	342,971	527,536	468,065
Deductions:									
Administrative expense	29,291	28,152	42,448	43,297	43,297	51,000	40,800	40,800	30,599
Interest expense	77,750	152,119	159,925	433,524	261,669	863,400	174,901	210,375	257,900
Principal payments	50,000	155,000	80,000	265,000	155,000	440,000	110,000	105,000	125,000
Total deductions	157,041	335,271	282,373	741,821	459,966	1,354,400	325,701	356,175	413,499
Change in net position	13,474	25,342	79,564	61,310	21,795	143,930	17,270	171,361	54,566
Net position at beginning of year	274,939	749,665	551,670	1,973,017	946,770	2,724,744	609,184	553,861	775,323
Net position at end of year	\$ 288,413	\$ 775,007	\$ 631,234	\$ 2,034,327	\$ 968,565	\$ 2,868,674	\$ 626,454	\$ 725,222	\$ 829,889
	CFD #89 Belrose	CFD #90 Summit at Rosena	CFD #95 Summit at Rosena II	CFD #106 Mountainview	CFD #100 Victoria	CFD #99 Victoria	Trust Deposits	Total All Custodial Funds	
Additions:									
Contributions from other governments	\$ 407,184	\$ 1,442,826	\$ 675,465	\$ 460,466	\$ 198,542	\$ 73,153	\$ -	\$ 15,891,007	
Interest and change in fair value of investments	22	23,576	37	9	-	1	-	118,338	
Increase in deposits held	-	-	-	-	-	-	-	6,684,301	6,684,301
Other revenue	-	-	-	-	-	-	-	754,424	
Total additions	407,206	1,466,402	675,502	902,316	198,542	385,737	6,684,301	23,448,070	
Deductions:									
Administrative expense	40,800	40,800	40,000	-	-	-	-	826,454	
Interest expense	219,400	866,500	321,053	171,703	-	-	-	6,931,519	
Decrease in deposits held	-	-	-	-	-	-	-	5,891,451	5,891,451
Principal payments	110,000	420,000	225,000	-	-	-	-	6,040,000	
Total deductions	370,200	1,327,300	586,053	171,703	-	-	-	5,891,451	19,689,424
Change in net position	37,006	139,102	89,449	730,613	198,542	385,737	792,850	3,758,646	
Net position at beginning of year	795,476	2,200,152	988,222	66,992	-	-	6,694,734	33,658,780	
Net position at end of year	\$ 832,482	\$ 2,339,254	\$ 1,077,671	\$ 797,605	\$ 198,542	\$ 385,737	\$ 7,487,584	\$ 37,417,426	



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>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	145
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales tax.	151
Debt Capacity 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.	155
Demographic and Economic Information 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.	159
Operating Information 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.	161

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)

	Fiscal Year				
	2023	2022	2021	2020	2019
Governmental Activities					
Net investment in capital assets	\$ 709,182,502	\$ 675,178,954	\$ 638,864,552	\$ 689,365,068	\$ 701,530,830
Restricted	280,618,903	272,038,102	253,988,209	244,761,778	245,587,568
Unrestricted	101,770,977	63,341,636	92,731,842	(7,238,288)	(13,423,646)
Total governmental activities net position	<u>1,091,572,382</u>	<u>1,010,558,692</u>	<u>985,584,603</u>	<u>926,888,558</u>	<u>933,694,752</u>
Business-type activities					
Net investment in capital assets	\$ 59,588,417	\$ 53,603,455	\$ 55,532,997	\$ 57,530,519	\$ 59,255,628
Unrestricted	20,847,432	21,292,372	20,735,496	20,771,902	23,039,788
Total business-type activities net position	<u>80,435,849</u>	<u>74,895,827</u>	<u>76,268,493</u>	<u>78,302,421</u>	<u>82,295,416</u>
Primary Government					
Net investment in capital assets	768,770,919	728,782,409	694,397,549	746,895,587	760,786,458
Restricted	280,618,903	272,038,102	253,988,209	244,761,778	245,587,568
Unrestricted	122,618,409	84,634,008	113,467,338	13,533,614	9,616,142
Total primary government net position	<u>1,172,008,231</u>	<u>1,085,454,519</u>	<u>1,061,853,096</u>	<u>1,005,190,979</u>	<u>1,015,990,168</u>
	Fiscal Year				
	2018	2017	2016	2015	2014
Governmental Activities					
Net investment in capital assets	\$ 720,068,559	\$ 735,790,188	\$ 755,220,959	\$ 691,627,257	\$ 703,125,448
Restricted	232,841,328	227,128,252	226,420,563	204,759,026	196,764,945
Unrestricted	(26,155,824)	9,377,716	2,951,934	(13,247,617)	93,002,321
Total governmental activities net position	<u>926,754,063</u>	<u>972,296,156</u>	<u>984,593,456</u>	<u>883,138,666</u>	<u>992,892,714</u>
Business-type activities					
Net investment in capital assets	\$ 61,076,764	\$ 61,798,043	\$ 63,050,134	\$ 65,035,187	\$ 62,610,261
Unrestricted	21,347,594	22,291,772	23,458,142	23,099,758	27,641,399
Total business-type activities net position	<u>82,424,358</u>	<u>84,089,815</u>	<u>86,508,276</u>	<u>88,134,945</u>	<u>90,251,660</u>
Primary Government					
Net investment in capital assets	781,145,323	797,588,231	818,271,093	756,662,444	765,735,709
Restricted	232,841,328	227,128,252	226,420,563	204,759,026	196,764,945
Unrestricted	(4,808,230)	31,669,488	26,410,076	9,852,141	120,643,720
Total primary government net position	<u>1,009,178,421</u>	<u>1,056,385,971</u>	<u>1,071,101,732</u>	<u>971,273,611</u>	<u>1,083,144,374</u>

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	\$ 32,752,857	\$ 40,459,365	\$ 41,709,051	\$ 41,457,059	\$ 33,660,288	\$ 28,739,683	\$ 45,299,507	\$ 29,336,758	\$ 24,737,274	\$ 23,587,937
Public safety	109,638,340	111,899,427	111,355,247	102,004,716	96,951,615	93,262,299	84,299,901	77,928,071	76,501,195	70,609,139
Public works	42,050,361	49,008,197	50,077,996	53,058,256	46,895,115	47,117,801	40,234,605	37,524,666	69,996,558	71,174,441
Community development	24,087,763	5,492,363	38,018,696	5,691,710	5,781,517	9,933,299	10,454,373	9,037,714	3,882,448	3,724,782
Community services	10,394,270	13,344,407	13,155,951	15,553,958	17,458,437	17,272,167	15,370,237	14,762,425	13,474,939	12,928,629
Engineering	33,348,492	37,814,087	23,998,951	32,262,876	31,262,387	30,951,213	27,878,438	21,667,220	14,859,417	20,006,242
Interest on long-term debt	2,133,651	2,132,558	1,860,542	2,001,629	1,981,911	2,608,411	2,392,153	2,153,414	3,105,404	2,866,029
Total governmental activities expenses	<u>254,405,734</u>	<u>260,150,404</u>	<u>280,176,434</u>	<u>252,030,204</u>	<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>
Business-type activities:										
Sewer	26,260,033	24,541,611	24,980,302	26,759,827	22,026,753	22,261,294	20,786,533	18,837,548	18,010,757	16,987,089
Water	-	-	-	12,200	19,520	1,390	6,032	44,104	54,805	134,351
Interest on long-term debt	101,463	112,532								
Total business-type activities	<u>26,361,496</u>	<u>24,654,143</u>	<u>24,980,302</u>	<u>26,772,027</u>	<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>
Total primary government expenses	<u>\$ 280,767,230</u>	<u>\$ 284,804,547</u>	<u>\$ 305,156,736</u>	<u>\$ 278,802,231</u>	<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>
Program Revenues										
Governmental activities:										
Charges for Services:										
General government	\$ 8,156,242	\$ 7,581,528	\$ 8,017,410	\$ 7,614,444	\$ 8,358,160	\$ 12,022,779	\$ 7,139,390	\$ 6,864,125	\$ 7,801,644	\$ 7,304,751
Public safety	2,453,853	1,999,022	2,475,633	4,458,763	6,379,838	6,280,045	6,190,785	6,314,166	9,987,259	4,916,477
Public works	24,873,278	22,934,465	22,578,897	23,543,756	19,315,359	19,351,719	19,257,044	19,504,058	18,706,068	16,194,872
Community development	24,009,166	25,431,821	21,693,037	15,716,301	20,590,089	17,949,656	16,883,104	25,591,414	12,694,452	7,586,953
Community services	3,823,376	3,181,475	1,054,151	2,042,342	3,588,342	3,282,570	3,265,356	7,679,413	6,401,350	5,988,585
Engineering	10,162,983	12,201,965	7,186,627	4,409,240	7,048,521	7,231,866	7,012,662	11,340,644	5,153,433	2,726,083
Operating contributions and grants	51,038,308	20,860,568	46,511,190	24,472,892	17,437,665	14,720,871	12,213,450	4,920,888	5,388,077	13,246,859
Capital contributions and grants	22,713,589	27,263,569	68,781,955	12,457,455	14,409,776	28,415,558	26,539,731	13,763,600	17,231,877	61,605,282
Total governmental activities program revenues	<u>147,230,795</u>	<u>121,454,413</u>	<u>178,298,900</u>	<u>94,715,193</u>	<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>
Business-type activities:										
Charges for Services:										
Sewer	27,542,299	26,819,169	25,358,711	24,922,787	23,116,983	21,703,872	19,539,503	18,248,953	17,131,593	15,548,412
Capital contributions and grants	7,630,458	336,864	198,621	108,539	803,148	724,564	1,166,163	651,860	3,486,994	1,069,865
Total business-type activities program revenues	<u>35,172,757</u>	<u>27,156,033</u>	<u>25,557,332</u>	<u>25,031,326</u>	<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>
Total primary government program revenues	<u>\$ 182,403,552</u>	<u>\$ 148,610,446</u>	<u>\$ 203,856,232</u>	<u>\$ 119,746,519</u>	<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>
Net (expense)/revenue:										
Governmental activities	(107,174,939)	(138,695,991)	(101,877,534)	(157,315,011)	(136,863,520)	(120,629,809)	(127,427,692)	(96,431,960)	(123,193,075)	(85,327,337)
Business-type activities	8,811,261	2,501,890	577,030	(1,740,701)	1,873,858	165,752	(86,899)	19,161	2,553,025	(503,163)
Total primary government net expense	<u>\$ (98,363,678)</u>	<u>\$ (136,194,101)</u>	<u>\$ (101,300,504)</u>	<u>\$ (159,055,712)</u>	<u>\$ (134,989,662)</u>	<u>\$ (120,464,057)</u>	<u>\$ (127,514,591)</u>	<u>\$ (96,412,799)</u>	<u>\$ (120,640,050)</u>	<u>\$ (85,830,500)</u>

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property taxes	\$ 95,730,662	\$ 84,070,144	\$ 76,703,234	\$ 73,705,908	\$ 65,123,274	\$ 54,647,011	\$ 52,097,345	\$ 48,537,350	\$ 47,772,343	\$ 46,049,227
Sales taxes	59,102,489	56,726,526	51,408,188	42,958,630	44,564,309	38,663,576	37,844,293	38,442,282	34,219,832	31,440,752
Franchise taxes	11,118,103	9,749,087	8,670,092	8,400,846	7,603,283	7,190,939	6,680,065	7,042,887	7,428,364	6,276,563
Business license taxes	8,395,990	7,583,660	6,676,592	6,280,132	6,419,287	5,898,298	5,714,262	5,215,605	4,982,546	4,642,711
Transient occupancy taxes	1,302,569	1,374,182	1,132,091	960,057	1,085,305	1,009,734	961,122	962,089	715,570	704,132
Motor vehicle in-lieu	301,474	459,175	156,222	167,850	101,761	112,007	94,030	82,436	82,854	85,263
Investment earnings	9,228,551	(10,525,380)	4,007,555	11,543,571	13,862,698	5,209,144	5,645,106	8,151,890	7,362,672	8,368,054
Other	4,274,678	11,900,515	9,175,913	3,747,676	2,378,892	5,045,968	3,670,692	3,718,814	6,136,697	5,739,599
Contributions not restricted to specific programs	17,103,880									
Gain/(Loss) on sale of capital assets	-	-	-	-	-	-	-	-	(557,702)	-
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-	-	-	-	-	-	-
Transfers	3,659,260	2,949,200	2,643,692	2,744,147	2,665,400	1,891,022	2,262,500	2,109,800	1,815,690	1,723,160
Total governmental activities	<u>\$ 210,217,656</u>	<u>\$ 164,287,109</u>	<u>\$ 160,573,579</u>	<u>\$ 150,508,817</u>	<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>
Business-type activities:										
Investment earnings	270,136	(748,794)	18,927	491,853	662,600	59,813	91,915	309,412	250,299	452,288
Other	117,885	(176,562)	13,807	-	-	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-	-	-	-	-	-	-
Transfers	(3,659,260)	(2,949,200)	(2,643,692)	(2,744,147)	(2,665,400)	(1,891,022)	(2,262,500)	(2,109,800)	(1,815,690)	(1,723,160)
Total business-type activities	<u>(3,271,239)</u>	<u>(3,874,556)</u>	<u>(2,610,958)</u>	<u>(2,252,294)</u>	<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>
Total primary government	<u>\$ 206,946,417</u>	<u>\$ 160,412,553</u>	<u>\$ 157,962,621</u>	<u>\$ 148,256,523</u>	<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>
Change in Net Position										
Governmental activities	103,042,717	25,591,118	58,696,045	(6,806,194)	6,940,689	(962,110)	(12,458,277)	17,831,193	(13,234,209)	19,702,124
Business-type activities	5,540,022	(1,372,666)	(2,033,928)	(3,992,995)	(128,942)	(1,665,457)	(2,257,484)	(1,781,227)	987,634	(1,774,035)
Total primary government	<u>\$ 108,582,739</u>	<u>\$ 24,218,452</u>	<u>\$ 56,662,117</u>	<u>\$ (10,799,189)</u>	<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>

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Nonspendable	\$ 24,107,186	\$ 383,755	\$ 322,558	\$ 396,090	\$ 393,718	\$ 464,839	\$ 395,907	\$ 429,023	\$ 386,436	\$ 203,890
Restricted	12,398,214	1,510,351	1,510,351	1,341,403	1,236,229	1,151,682	1,071,523	1,087,820	1,158,751	890,753
Committed	32,411,496	10,886,393	6,038,085	5,700,690	6,167,070	5,207,240	5,414,716	4,726,998	2,669,111	3,190,424
Assigned	3,143,811	33,944,406	33,944,406	27,473,651	26,455,278	25,141,842	24,446,674	34,514,464	21,789,340	19,511,605
Unassigned	45,200,677	77,336,531	75,240,512	63,564,012	60,465,811	55,080,691	54,121,364	46,558,441	54,561,190	55,180,619
Total	<u>\$ 117,261,384</u>	<u>\$ 124,061,436</u>	<u>\$ 117,055,912</u>	<u>\$ 98,475,846</u>	<u>\$ 94,718,106</u>	<u>\$ 87,046,294</u>	<u>\$ 85,450,184</u>	<u>\$ 87,316,746</u>	<u>\$ 80,564,828</u>	<u>\$ 78,977,291</u>
All Other Governmental Funds, other than General Fund:										
Nonspendable	\$ 21,632,793	\$ 13,766,080	\$ 12,607,667	\$ 12,538,114	\$ 3,019,097	\$ 948,101	\$ 5,715,188	\$ 5,399,718	\$ 106,500	\$ 55,263,626
Restricted	268,220,689	270,527,750	250,955,642	213,552,839	207,168,717	194,769,129	188,197,328	187,496,268	182,582,223	179,623,689
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	172,257,648	152,557,359	148,248,879	110,069,155	124,981,347	125,032,314	120,713,623	107,535,831	94,339,773	35,217,888
Unassigned	(4,202,017)	(1,599,859)	(1,605,563)	(1,550,470)	(5,614,358)	(13,245,428)	(17,891,929)	(24,005,611)	(31,658,357)	(28,160,897)
Total Other Governmental Funds	<u>\$ 457,909,113</u>	<u>\$ 435,251,330</u>	<u>\$ 410,206,625</u>	<u>\$ 334,609,638</u>	<u>\$ 329,554,803</u>	<u>\$ 307,504,116</u>	<u>\$ 296,734,210</u>	<u>\$ 276,426,206</u>	<u>\$ 245,370,139</u>	<u>\$ 241,944,306</u>

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Taxes	\$ 175,658,307	\$ 159,517,348	\$ 144,690,732	\$ 132,341,375	\$ 124,795,458	\$ 107,409,558	\$ 103,297,087	\$ 100,200,213	\$ 95,118,655	\$ 89,113,385
Licenses and permits	18,417,398	18,797,242	14,284,661	9,547,162	12,402,513	10,713,155	12,811,481	18,626,256	9,457,615	4,014,081
Intergovernmental	55,559,853	29,659,271	39,222,825	32,980,850	24,566,107	19,884,450	20,108,576	20,328,373	26,033,423	31,222,032
Charges for services	31,466,671	31,138,289	25,991,512	22,778,927	28,474,357	27,447,010	19,659,882	26,783,977	16,345,500	10,622,985
Fines and forfeitures	770,275	775,399	1,683,660	3,735,492	3,812,587	3,515,710	4,021,872	4,472,790	4,780,288	3,114,133
Special assessments	19,273,068	18,389,887	18,320,914	18,136,360	17,040,757	16,758,987	16,270,692	16,040,403	15,760,431	15,531,166
Investment earnings	8,106,190	(11,566,369)	4,361,840	11,322,972	13,662,906	5,203,257	5,623,634	8,110,868	7,351,178	8,292,701
Contribution from property owners	10,815,577	21,704,957	59,507,176	5,194,646	4,480,225	18,695,684	14,728,436	-	-	2,308,611
Other revenue	5,657,589	10,295,120	27,660,909	4,983,802	3,897,361	11,027,048	8,280,834	8,528,720	10,034,327	10,125,947
Total Revenues	<u>325,724,928</u>	<u>278,711,144</u>	<u>335,724,229</u>	<u>241,021,586</u>	<u>233,132,271</u>	<u>220,654,859</u>	<u>204,802,494</u>	<u>203,091,600</u>	<u>184,881,417</u>	<u>174,345,041</u>
Expenditures:										
General government	39,184,574	37,876,497	41,481,736	35,212,913	30,213,300	29,643,233	28,048,281	22,040,327	23,930,630	20,404,087
Public safety	120,284,592	115,338,172	105,542,219	97,778,504	92,004,052	87,292,864	82,284,307	77,542,546	76,649,056	69,930,455
Public works	41,143,940	54,771,628	45,845,634	60,858,909	38,512,671	37,799,200	31,924,593	29,236,066	33,682,886	32,721,384
Community development	24,973,745	7,086,769	4,597,019	4,260,620	4,324,744	4,597,292	5,390,496	4,048,697	3,928,595	3,720,967
Community services	18,477,679	14,835,474	10,832,457	13,648,401	15,348,654	15,439,409	14,443,168	14,190,508	13,619,422	12,915,801
Engineering	40,479,388	37,410,900	44,424,084	20,205,163	9,852,337	13,129,486	10,612,177	5,180,562	14,928,557	20,009,693
Capital outlay	-	-	-	-	12,422,973	20,640,164	11,990,495	18,772,727	14,692,362	9,802,816
Debt service:										
Principal	1,818,822	1,302,474	1,230,000	1,165,000	1,105,000	1,055,000	1,015,000	2,025,000	2,450,000	2,335,000
Interest	2,250,517	2,047,366	1,881,529	2,021,463	2,000,711	2,622,940	2,405,916	2,687,661	1,670,241	2,902,744
Payments on refunded bonds - prior	-	5,089,012	-	-	-	-	-	-	3,924,816	-
Debt issuance cost	-	477,600	-	-	-	-	-	-	624,562	-
Total Expenditures	<u>288,613,257</u>	<u>276,235,892</u>	<u>255,834,678</u>	<u>235,150,973</u>	<u>205,784,442</u>	<u>212,219,588</u>	<u>188,114,433</u>	<u>175,724,094</u>	<u>190,101,127</u>	<u>174,742,947</u>
Excess of revenues over (under) expenditures	\$ 37,111,671	\$ 2,475,252	\$ 79,889,551	\$ 5,870,613	\$ 27,347,829	\$ 8,435,271	\$ 16,688,061	\$ 27,367,506	\$ (5,219,710)	\$ (397,906)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Other financing sources (uses)										
Transfers in	\$ 58,958,019	\$ 52,345,864	\$ 44,655,190	\$ 28,172,553	\$ 26,675,264	\$ 31,648,373	\$ 29,113,977	\$ 26,797,538	\$ 26,579,617	\$ 23,890,997
Transfers out	(57,774,409)	(49,517,194)	(42,078,498)	(25,905,096)	(24,545,777)	(29,963,316)	(27,373,831)	(24,785,743)	(24,919,027)	(22,304,337)
Long-term debt issued	(748,199)	23,125,000	-	-	-	-	-	-	37,675,000	3,873,854
Premium on bonds issued	261,790	3,920,250	-	-	-	-	-	-	3,429,057	-
Sale of capital assets	77,886	209,774	11,710,810	674,505	245,183	3,855	13,235	3,184,220	7,011	11,458
Capital lease	-	108,141	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(40,526,666)	-
Total other financing sources (uses)	\$ 775,087	\$ 30,191,835	\$ 14,287,502	\$ 2,941,962	\$ 2,374,670	\$ 1,688,912	\$ 1,753,381	\$ 5,196,015	\$ 2,244,992	\$ 5,471,972
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	37,886,758	32,667,087	94,177,053	8,812,575	29,722,499	10,124,183	18,441,442	32,563,521	(2,974,718)	5,074,066
Debt service as a percentage of noncapital expenditures	1.4%	1.2%	1.2%	1.4%	1.6%	1.9%	1.9%	3.0%	2.3%	3.2%

CITY OF FONTANA

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other	Less: Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate
2023	\$ 16,977,881	\$ 1,877,761	\$ 5,569,502	\$ 3,822,426	\$ 1,228,264	\$ 27,019,306	0.2182%
2022	15,528,346	1,795,936	4,793,734	3,155,412	1,247,727	24,025,701	0.2172%
2021	14,609,093	1,702,974	4,221,433	3,176,113	1,206,069	22,503,544	0.2163%
2020	13,789,451	1,653,449	3,865,352	3,035,990	1,184,156	21,160,086	0.2161%
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%

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Direct Rates:										
City basic rate	\$ 0.032	\$ 0.032	\$ 0.032	\$ 0.032	\$ 0.032	\$ 0.032	\$ 0.032	\$ 0.032	\$ 0.032	\$ 0.032
Fontana Unified School District	0.273	0.273	0.273	0.273	0.273	0.273	0.273	0.273	0.273	0.273
Education Revenue Augmentation Fund	0.222	0.222	0.222	0.222	0.222	0.222	0.222	0.222	0.222	0.222
Fontana Fire Protection District	0.186	0.186	0.186	0.186	0.186	0.186	0.186	0.186	0.186	0.186
County of San Bernardino	0.147	0.147	0.147	0.147	0.147	0.147	0.147	0.147	0.147	0.147
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	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029
Flood Control	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026
Others	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043
Basic Levy (1)	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Overlapping Rates (2)										
Chaffey Community College	0.0137	0.0177	0.0111	0.0241	0.0153	0.0088	0.0116	0.0113	0.0109	0.0157
Chaffey High School	0.0294	0.0371	0.0352	0.0375	0.0402	0.0279	0.0319	0.0409	0.0294	0.0371
Colton Unified School	0.0656	0.1081	0.1031	0.1016	0.1116	0.0939	0.1454	0.1169	0.0973	0.1187
Etiwanda Elementary Bond	0.0323	0.0233	0.0283	0.0034	0.0286	0.0169	-	-	-	-
Fontana Unified School District	0.0484	0.0520	0.0671	0.0420	0.0890	0.1113	0.1117	0.1145	0.1384	0.1516
Metropolitan Water Agency - Original	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
Rialto Unified School	0.0746	0.0829	0.0805	0.0848	0.0771	0.0957	0.0992	0.1194	0.0655	0.0704
San Bernardino Community College	0.0450	0.0534	0.0651	0.0562	0.0407	0.0376	0.0350	0.0403	0.0393	0.0419
San Bernardino Valley Muni Water	0.1300	0.1300	0.1425	0.1425	0.1525	0.1525	0.1625	0.1625	0.1625	0.1625
Total Tax Rate	1.4425	1.5080	1.5364	1.4956	1.5585	1.5481	1.6008	1.6093	1.5468	1.6014
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
Total Direct Rate (4)	0.2182	0.2229	0.2229	0.2228	0.2226	0.2225	0.2222	0.2231	0.2231	0.2230

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

Source: San Bernardino County Assessor 2013/14 - 2022/23 Tax Rate Table

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

Tax Payer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
San Gabriel Valley Water Company	\$ 355,028,013	1	1.31%	\$ 147,434,566	-	-
Duke Realty LP	243,765,176	2	0.90%	-	-	-
GLC Fontana LLC	219,604,656	3	0.81%	-	1	0.00%
LBA RV- Company LLC	174,942,701	4	0.65%	-	2	0.00%
USPP Jurupa LLC	170,313,480	5	0.63%	-	4	0.00%
Idil West Valley Logistics Center LLC	159,120,000	6	0.59%	-	-	-
Rexford Industrial Realty LP	153,756,226	7	0.57%	-	-	-
Vintage Park LLC	138,146,361	8	0.51%	119,050,320	-	-
Target Corporation	134,224,954	9	0.50%	89,961,703	-	-
Lit Industrial LP	115,123,474	10	0.43%	-	-	-
Intex Properties Inland Empire Corporation	-	-	-	73,143,308	3	0.52%
North Fontana Investment Company	-	-	-	63,147,675	5	0.45%
Francisco Street LP	-	-	-	60,500,000	6	0.43%
John Hancock Life Insurance Company	-	-	-	56,610,000	7	0.40%
Bre DDR Crocodile Falcon Ridge	-	-	-	53,824,959	8	0.38%
10681 Production Avenue LLC	-	-	-	53,418,016	9	0.38%
US Rep Retail I LLC	-	-	-	52,405,000	10	0.37%
	<u>\$ 1,864,025,041</u>		6.90%	<u>\$ 769,495,547</u>		2.95%

Source: San Bernardino County Assessor 2022/23 and 2013/14 Combined Tax Rolls

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

Fiscal Year Ended	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years⁽¹⁾	Total Collections to Date	
		Amount	Percentage		Amount	Percentage
June 30						
2023	\$ 200,945,869	\$ 205,420,805	102.23%	N/A	\$ 215,154,745	107.07%
2022	177,815,170	154,626,525	86.96%	N/A	188,891,255	106.23%
2021	165,790,631	163,224,145	98.45%	N/A	172,050,509	103.78%
2020	155,079,893	150,276,972	96.90%	N/A	160,025,650	103.19%
2019	143,242,302	139,912,871	97.68%	N/A	154,079,402	107.57%
2018	127,484,458	123,578,925	96.94%	N/A	135,747,922	106.48%
2017	120,165,247	116,284,658	96.77%	N/A	125,264,871	104.24%
2016	114,393,058	110,245,843	96.37%	N/A	116,422,050	101.77%
2015	108,804,010	100,541,313	92.41%	N/A	115,888,404	106.51%
2014	99,428,467	96,197,340	96.75%	N/A	100,966,890	101.55%

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 are 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						Total Primary Government	Percentage of Personal Income	Per Capita
	Population⁽¹⁾	Personal Income⁽²⁾	General Obligation Bonds	Total Net General Bonded Debt	Governmental Activities Term Loan	Business-type Activities Term Loan			
2023	213,851		\$ 57,368,689	57,368,689	\$ 2,444,413	\$ 4,842,202	64,655,304	0.00%	268
2022	212,809	5,680,510,637	59,449,893	59,449,893	2,851,815	5,720,869	68,022,577	1.20%	279
2021	213,944	5,432,476,000	38,780,145	38,780,145	3,259,217	6,584,027	48,623,389	0.90%	181
2020	213,000	5,061,439,000	40,122,668	40,122,668	4,074,021	7,355,897	51,552,586	1.02%	188
2019	212,078	4,775,796,000	41,400,191	41,400,191	3,873,854	8,264,879	53,538,924	1.12%	195
2018	212,000	4,444,518,000	42,617,714	42,617,714	3,873,854	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	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	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	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	1.80%	263

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

⁽¹⁾ Source: California State Department of Finance

⁽²⁾ Source: US Census Bureau, most recent American Community Survey

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

Fiscal Year	Population ⁽¹⁾	Total Assessed Valuation ⁽²⁾	General Bonded Debt		Total Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt per Capita
			Lease Revenue Bonds	Bonds			
2023	213,851	\$ 27,019,305,360	(3)	\$ 57,368,689	57,368,689	0.21%	268
2022	212,809	24,025,701,078	(3)	59,449,893	59,449,893	0.25%	279
2021	213,944	22,503,543,501	(3)	38,780,145	38,780,145	0.17%	181
2020	213,000	21,160,085,508	(3)	40,122,668	40,122,668	0.19%	188
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

Note: General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds

⁽¹⁾ Source: State Department of Finance

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

⁽³⁾ 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, 2023

City Assessed Valuation	\$ 27,019,305,360		
	Percentage Applicable ⁽¹⁾	Total Debt 6/30/23	Net Bonded Debt
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	0.599%	\$ 19,215,000	\$ 115,098
Chaffey Community College District	16.003%	290,030,000	46,413,501
San Bernardino Community College District	3.560%	708,007,978	25,205,084
Chaffey Joint Union High School District	7.204%	600,532,563	43,262,366
Colton Joint Unified School District	16.854%	181,552,661	30,598,885
Fontana Unified School District	78.829%	264,519,841	208,518,345
Rialto Unified School District	7.323%	85,586,514	6,267,500
Etiwanda School District	29.117%	104,723,083	30,492,220
Colton Joint Unified School District Community Facilities District #3	100.000%	5,045,000	5,045,000
Etiwanda School District Community Facilities District #4	100.000%	875,000	875,000
Etiwanda School District Community Facilities District #7	74.583%	6,650,000	4,959,770
Etiwanda School District Community Facilities District #8	35.493%	3,720,000	1,320,340
Etiwanda School District Community Facilities District #9	30.332%	6,495,000	1,970,063
Etiwanda School District Community Facilities District #2001-1	100.000%	2,370,000	2,370,000
Etiwanda School District Community Facilities District #2004-1	100.000%	16,845,000	16,845,000
City of Fontana Community Facilities Districts	100.000%	173,520,000	173,520,000
California Statewide Community Facilities District ADNo. 2020-3	100.000%	824,000	824,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$ 2,470,511,640</u>	<u>\$ 598,602,172</u>
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
San Bernardino County General Fund Obligations	9.300%	160,860,000	14,959,980
San Bernardino County Pension Obligations	9.300%	62,960,000	5,855,280
San Bernardino County Flood Control District General Fund Obligation	9.300%	41,065,000	3,819,045
Chaffey Community College District General Fund Obligations	16.003%	25,815,000	4,131,174
Fontana Unified School District Certificates of Participation	78.829%	18,865,000	14,871,091
Rialto Unified School District Certificates of Participation	7.323%	7,329,915	536,770
Cucamonga School District Certificates of Participation	5.204%	2,616,000	136,137
City of Fontana General Fund Obligations	100.000%	51,255,000	51,255,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		<u>\$ 370,765,915</u>	<u>\$ 95,564,477</u>
TOTAL OVERLAPPING DEBT		<u>\$ 2,841,277,555</u>	<u>642,911,649</u>
CITY DIRECT DEBT			<u>59,813,102</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 702,724,751</u>

Notes:

⁽¹⁾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

	Fiscal Year				
	2023	2022	2021	2020	2019
Total assessed value of all real and personal property	\$ 27,019,305,360 ⁽²⁾	\$ 24,025,701,078 ⁽²⁾	\$ 22,503,543,501 ⁽²⁾	\$ 21,160,085,508 ⁽²⁾	\$ 19,666,430,280 ⁽²⁾
Debt limit percentage ⁽¹⁾	15%	15%	15%	15%	15%
Total debt limit	4,052,895,804	3,603,855,162	3,375,531,525	3,174,012,826	2,949,964,542
Amount of debt applicable to debt limit	<u>51,255,000</u>	<u>53,015,000</u>	<u>36,185,000</u>	<u>37,415,000</u>	<u>38,580,000</u>
Legal debt margin	<u>4,001,640,804</u>	<u>3,550,840,162</u>	<u>3,339,346,525</u>	<u>3,136,597,826</u>	<u>2,911,384,542</u>
Total net debt applicable to the limit as a percentage of debt limit	1.26%	1.47%	1.07%	1.18%	1.49%
	2018	2017	2016	2015	2014
Total assessed value of all real and personal property	\$ 17,721,235,967 ⁽²⁾	\$ 16,819,161,359 ⁽²⁾	\$ 15,982,106,642 ⁽²⁾	\$ 15,224,465,093 ⁽²⁾	\$ 13,988,600,102
Debt limit percentage ⁽¹⁾	15%	15%	15%	15%	15%
Total debt limit	2,658,185,395	2,522,874,204	2,397,315,996	2,283,669,764	2,098,290,015
Amount of debt applicable to debt limit	<u>39,685,000</u>	<u>40,740,000</u>	<u>41,755,000</u>	<u>43,780,000</u>	<u>52,490,000</u>
Legal debt margin	<u>2,618,500,395</u>	<u>2,482,134,204</u>	<u>2,355,560,996</u>	<u>2,239,889,764</u>	<u>2,045,800,015</u>
Total net debt applicable to the limit as a percentage of debt limit	1.61%	1.61%	1.74%	1.92%	2.50%

⁽¹⁾ State of California Government Code §43605.

⁽²⁾ 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 Calendar Years

Calendar Year	Population ⁽¹⁾	Personal Income (thousands of dollars) ⁽²⁾	Per Capita Personal Income	Unemployment Rate ⁽³⁾
2023	213,851			4.5%
2022	212,809	5,708,525	26,693	3.4%
2021	213,944	5,432,476	25,392	4.9%
2020	213,000	5,061,439	23,763	10.1%
2019	212,078	4,775,796	22,519	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%

Sources: ⁽¹⁾ State Department of Finance
⁽²⁾ US Census Bureau, most recent American Community Survey
⁽³⁾ State of California Employment Development Department

CITY OF FONTANA
PRINCIPAL EMPLOYERS
 Current Year and Nine Years Ago

Employer	2023			2014		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Kaiser Permanente	9,677	1	9.43%	4,931	1	7.93%
Fontana Unified School District	5,983	2	5.83%	4,506	2	7.24%
Amazon.Com Services LLC	3,145	3	3.06%			-
St Bernardine Medical Center	1,775	4	1.73%			-
Target Stores T 553	1,297	5	1.26%	657	5	1.06%
City of Fontana (includes part-time employees)	1,143	6	1.11%	1,061	3	1.71%
Walmart #6060 DC Drop Yard	1,004	7	0.98%			
Walmart D C #6060	1004	8	0.98%			
Saia Motor Freight Line LLC	349	9	0.34%			
Legendary Staffing, Inc.	325		0.32%			
Swift Transportation Co., Inc.				1,035	4	1.66%
Schneider National Carriers, Inc.				655	6	1.05%
Hautelook, Inc				330	7	0.53%
U S F Reddaway				320	8	0.51%
Costco Wholesale				306	9	0.49%
Coffman Specialties Inc.				300	10	0.48%
	<u>25,702</u>		<u>25.04%</u>	<u>14,101</u>		<u>22.67%</u>

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

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

<u>Function/Program</u>	Full-time Equivalent Employees as of June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Administrative Services	2	1	5	5	5	5	5	5	5	5
City Council	7	7	7	7	7	7	7	7	7	7
City Administration	12	11	11	10	10	9	9	8	8	8
Human Resources	12	11	9	9	9	9	8	8	8	7
Information Services	29	26	26	26	25	24	24	23	23	23
Management Services	28	27	23	22	22	22	22	23	23	23
Police										
Officers	217	217	203	202	199	194	194	194	190	195
Civilians	95	95	107	102	102	99	96	94	93	93
Development Services	11	20	4	5	5	5	5	4	5	4
Community Development	53	36	32	32	31	31	29	29	29	29
Engineering	40	36	36	34	34	30	29	29	29	31
Public Works	91	95	96	96	95	94	94	93	93	93
Community Services	49	50	46	46	46	46	46	46	44	44
Total	646	632	605	596	590	575	568	563	557	562

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>									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Completed recruitment for full time position	50	55	50	52	47	50	55	41	37	48
New maintenance CFD's/ Annexations formed	4	3	6	9	9	2	5	7	7	3
Police										
Arrests per sworn position	31	27	32	36	46	44	48	49.56	54	48
Computer Aided Dispatch Entries per Dispatcher	4,492	6,169	5,875	5,999	5,109	5,187	5,172	5,157	4,933	4,798
Number of traffic collision reports processed	3,083	2,565	2,700	2,697	3,198	3,316	3,403	3,191	2,576	2,458
Building and Code Compliance										
Building permits issued	8,467	3,000	3,000	3,665	3,529	5,565	5,100	3,400	2,800	2,800
Building inspections performed	47,000	20,000	20,000	12,870	19,858	28,560	33,000	25,000	18,000	18,000
Public Works										
Miles of pavement rehabilitation	30	25	30	33	33	33	33	25	15	25
Graffiti Hotline calls completed	4,200	4,000	4,200	3,117	3,117	4,268	4,268	5,297	4,040	3,746
Potholes filled	5,500	4,000	5,500	3,951	7,051	8,122	8,122	17,000	11,000	17,000
Community Services										
Total Number of Recreation Program Participants	235,456	738,806	510,469	1,064,659	1,900,464	1,734,000	1,799,532	1,764,532	1,729,933	1,647,555

Source Links: Various City Departments
 2022/23 Budget book

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

<u>Function/Program</u>	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	215	209	207	206	200	195	191	189	186	180
Public Works										
Lane miles of streets	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,532	1,512	1,525
Sanitary sewers (miles)	454	478	469	463	438	425	425	424	422	422
Community Services										
Parks	60	48	47	47	46	44	44	43	43	40
Playgrounds	53	44	42	42	41	39	39	38	38	35
Recreation Centers	14	14	14	14	10	10	10	9	9	9

Sources: Various City departments

CITY OF FONTANA

MISCELLANEOUS STATISTICAL INFORMATION

June 30, 2023

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:	628	Highways:	
Sanitary sewers:	454 miles	Interstate 10	
Storm drains:	162 miles	Interstate 15	
Streetscapes:	550 acres	Interstate 210	
Parks:	630 acres	State Highway 66	
Bicycle trails:	10.4 miles	Rail:	
Police protection:		Metrolink (Commuter)	
City of Fontana		Burlington Northern/Santa Fe	
Number of stations	3	Union Pacific	
Number of personnel:		Water service:	
Sworn	217	Cucamonga County Water District	
Non-sworn	95	San Gabriel Valley Water Co.	
City employees (full time):	646	West San Bernardino County Water District	
Fire protection:		Sewer service:	
County of San Bernardino		Inland Empire Utilities Agency	
Number of stations	7	City of Fontana	
Number of personnel	140	City of Rialto	
		Education:	
		Elementary Schools	30
		Middle Schools	7
		High Schools	5
		Continuation High Schools	2
		Online Learning	2
		Adult School	1

Source: Various City Departments