

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



**Fiscal Year Ended  
June 30, 2023**

**CITY OF UPLAND, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
Year Ended June 30, 2023

Prepared by  
Finance Division

**City of Upland**  
**Annual Comprehensive Financial Report**  
Year Ended June 30, 2023

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**Annual Comprehensive Financial Report**  
Year Ended June 30, 2023

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## **INTRODUCTORY SECTION**



January 31, 2024

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

The *Annual Comprehensive Financial Report* of the City of Upland, California for the fiscal year ended June 30, 2023 is hereby submitted.

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

### **The Scope of the Annual Comprehensive Financial Report**

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

### **The City of Upland**

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

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

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

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

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

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

**Local Economy**

The United States’ economy is estimated to have grown by 3.3 in 2023, up from an anemic 2.1% in 2022 when the economy felt the constraints of an inflation rate of 8.0%. The City of Upland has seen much stronger growth in its sales tax revenues, which climbed by 15.2% in FY 22/23 thanks primarily to a couple of key local businesses.

The federal government’s approval of the American Rescue Plan Act (ARPA) in March 2021 provided Upland with \$15.2 million, and a unique opportunity to invest in the community. The ARPA funds, on the heels of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, combined with a war in Ukraine and disrupted supply chains all over the globe lead to an 8% inflation rate in 2022 – the country’s highest rate in almost four decades.

To counter the inflation that peaked at 9.1% in June 2022, the Federal Reserve (Fed) embarked on an unprecedented string of interest rate increases. In 14 months from March 2022 through May 2023, the Fed approved 10 increases to raise the Federal Funds rate from 0% to 5%. Despite the cooling off of money supply, the US has been fortunate to see no dip in unemployment while dramatically decreasing the inflation rate. The 4.1% average inflation in 2023 halved the 2022 rate, with all signs indicating that inflation will continue to decrease – albeit at a slower basis going forward – with the fourth quarter average being only 3.23%. Meanwhile, the 3.7% unemployment rate in December 2023 is only slightly higher than the 54-year low of 3.4% set in January 2023, and still lower than the 3.8% rate when the Fed made their first cut. This reflects a significant success by the Fed’s attempt to have a “soft landing” and avoid entering the

economy into a recession. According to a December survey from the National Association of Business Economics, 76% of economists believe the chances of a recession in 2024 is 50% or less.

In June, 2023 City Council adopted a resolution reaffirming a General Fund Reserve Policy, which was originally adopted June 2021. The reserve policy establishes an economic uncertainty reserve of 22.5% and an emergency disaster contingency reserve. When those are fully funded, any year-end operating surplus will go to the pension stabilization reserve (45%), infrastructure improvement reserve (30%), building replacement reserve (15%) and general plan update reserve (5%), with the remaining 5% set aside as unassigned. This intentional setting aside of funds ensures that money is available to address needs both in the present and the future.

In June 2021, City Council also adopted a pension funding policy, which was revised in December 2021. City Council will continue to make intentional efforts to address its pension liability, including setting aside funds to contribute to the City's Section 115 Pension Trust as called for in the pension funding policy, and making additional discretionary payments to CalPERS beyond those required by actuarial valuations.

The City's fiscal health is the strongest it has been in well over a decade, thanks to a substantial growth in sales tax revenue. The General Fund's cash and fund balance in FY 22/23 exceeds amounts in FY 21/22, and the City Council continues to build up reserves in accordance with the General Fund Reserve Policy. Strong sales tax and property tax revenues are expected to garner similar revenue results in Fiscal Year 2022/23.

However, the City still faces significant challenges. Service levels in a number of areas do not meet the standards our residents expect and deserve, and years of deferred maintenance are taking their toll on City infrastructure and facilities. With CalPERS' -6.1% return for FY 21/22 and the corresponding increase of over \$40 million in pension liability, the City will be faced with significant increases in required pension payments beginning in FY 24/25. These additional payments will put a strain on City finances. Funds prudently set aside in the Section 115 Pension Trust provide an essential pool of reserves that may be needed in the near future.

### **Financial Controls**

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

### **Budgetary Controls**

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

## **OTHER RELEVANT INFORMATION**

### **Auditor's Opinion**

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

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Upland for its ACFR for the fiscal year ended June 30, 2021. To receive the award, a governmental unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards, and satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement program requirements and we are submitting it to GFOA.

### **Acknowledgements**

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

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

Respectfully submitted,



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Michael Blay  
City Manager



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Stephen Parker, CPA  
Assistant City Manager

# **Officials of the City of Upland**

## **Elected Officials**

**Bill Velto, Mayor**

**Shannan Maust  
James Breitling  
Carlos A. Garcia  
Rudy Zuniga**

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

**Greg Bradley**

**City Treasurer**

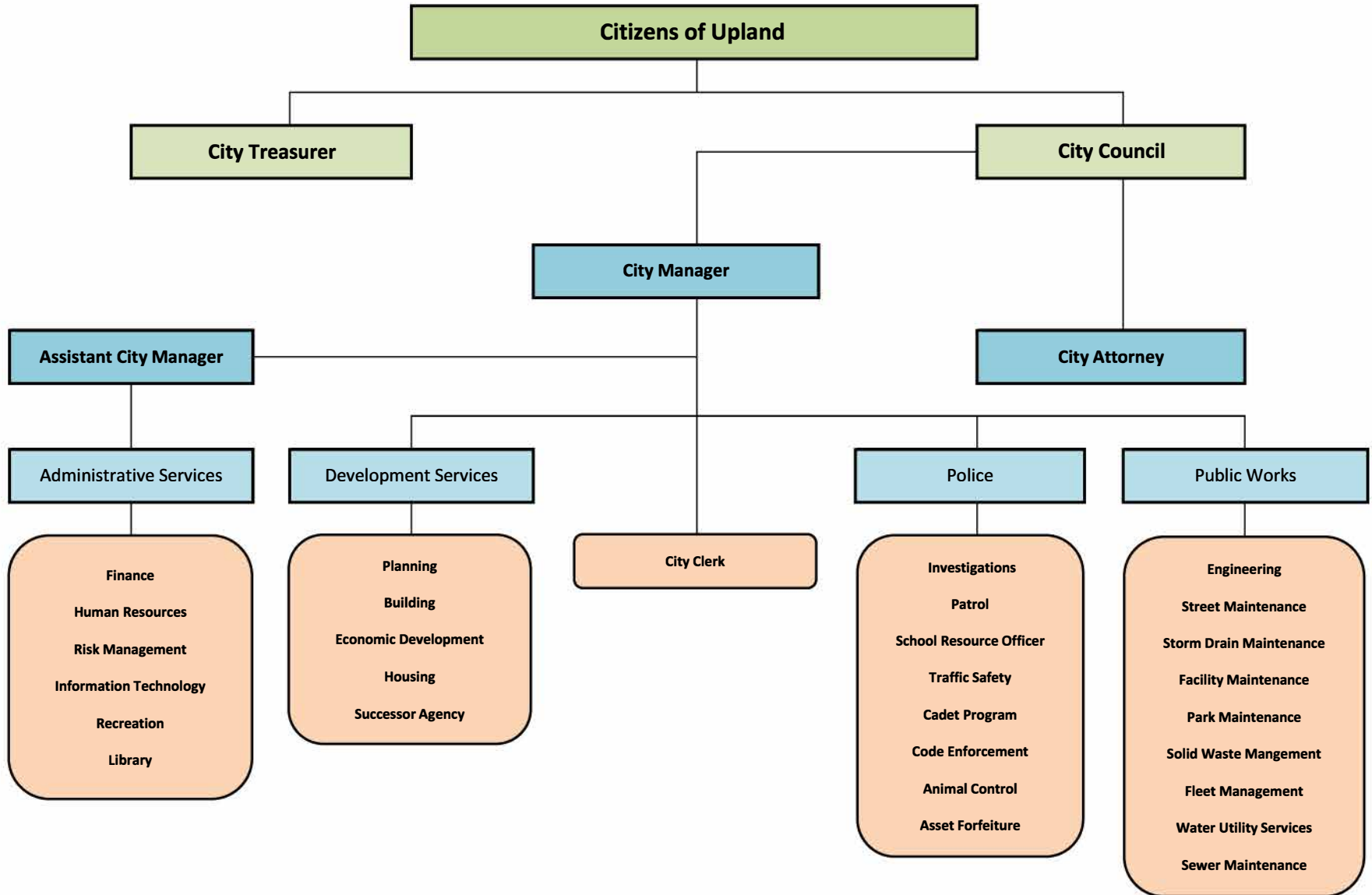
## **Executive Staff**

**Michael Blay, City Manager**

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

**Assistant City Manager  
City Attorney  
Development Services Director  
Chief of Police  
Public Works Director**

**City of Upland**  
**Organizational Chart**  
**Fiscal Year 2022-23**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Upland  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

## Independent Auditor's Report

The Honorable City Council  
City of Upland, California

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Upland, California (City), as of and for the year ended June 30, 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, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Upland, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the West End Consolidated Water Company and the San Antonio Water Company, which represent 100%, 100%, and 100%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the West End Consolidated Water Company and the San Antonio Water Company, are based solely on the report of other auditors.

### ***Basis for Opinions***

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

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

**Other Information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated January 31, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.



January 31, 2024  
Murrieta, CA

## Management's Discussion and Analysis

### Fiscal Year Ended June 30, 2023

The discussion and analysis of the City of Upland's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the basic financial statements and the accompanying notes to the financial statements.

#### Financial Highlights

- ◆ The City's Total Net Position at the close of the fiscal year is \$435.4 million; this is an increase of \$24.4 million or 5.9% in comparison with the prior year.
- ◆ The City's total assets and deferred outflows increased by \$19.9 million during the fiscal year. The largest change was an increase in cash and investments of \$23.9 million, which is primarily made up of an \$18.0 million increase to cash in the water utility as a result of capital assets only increasing by \$2.6 million despite a \$15.0 million capital budget. Other significant changes include a \$14.0 million decrease in deferred outflows of resources for pension related items related to the differences between the employer's contributions and the employer's proportionate share of contributions; and a \$4.8 million increase in restricted cash and investments due to increased investments in the City's Section 115 Trusts and an increase of \$2.0 million in restricted cash in the capital project funds.
- ◆ The City's liabilities and deferred inflows decreased by \$4.5 million. Significant changes from prior year balances include a decrease of \$17.5 million in deferred inflows of resources for pension related items due to a change in employer's proportion and differences; an increase of \$9.2 million for noncurrent liabilities due in more than one year primarily due to a \$15.8 million increase in net pension liability; a decrease in unearned revenue of \$3.7 million as the City spends ARPA funds received in 2021 and 2022; and an increase of \$3.0 million in OPEB related deferred inflows of resources, primarily due to changes in assumptions.
- ◆ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$73.6 million, an increase of \$13.3 million in comparison with the prior year.
- ◆ As of the close of the current fiscal year, the City's enterprise funds reported combined total net position of \$177.6 million, an increase of \$11.9 million in comparison with the prior year.
- ◆ At the end of the fiscal year, unassigned fund balance for the General Fund was (\$9.4) million. This represents an increase of \$2.4 million from the prior year. Restricted fund balance increased by \$1.3 million to \$4.0 million and assigned fund balance remained at zero as fund balance cannot be assigned if unassigned fund balance is negative. Additional information can be found in footnote 1 section P and footnote 14.

#### Using This Annual Report

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

#### Reporting the City's Most Significant Funds

An analysis of the City's major funds begins on page 9. The fund financial statements begin on page 17 and provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law, grant requirements or by bond covenants. The City Council has established many other funds to help it control and manage other monies for specific purposes. The City's two kinds of funds - governmental and proprietary - use different accounting approaches.

- ◆ Governmental funds - Most of the City's basic services are reported in governmental funds which focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be used (in the future) to finance the City's programs. The difference of results in the governmental fund's statements to those in the government-wide financial statements are explained in a reconciliation schedule following the governmental funds financial statements.
- ◆ Proprietary funds - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows. The City uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities an example of such is the City's Self-Insurance fund. The internal service funds are reported with governmental activities in the government-wide financial statements.
- ◆ Fiduciary Funds – The City is responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on pages 24 and 25 respectively. The City excludes these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring the assets reported in these funds are used for their intended purposes.

## **Reporting the City as a Whole**

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

## **City of Upland's Total Net Position**

As noted earlier, the City's combined Total Net Position is \$435.4 million. The City's net position increased by \$24.4 million due to an increase in assets (including deferred outflows of resources) of \$19.9 million and liabilities and deferred inflows of resources decreased by \$4.5 million. Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses, changes in and total net position are presented in the Statement of Activities. The City's combined Net Position for the fiscal year ended June 30, 2023 was:

**Table 1**  
Net Position (In Millions)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$111.7	\$97.1	\$116.1	\$94.9	\$227.8	\$192.0
Capital assets	277.7	281.6	103.8	101.1	381.5	382.7
Total assets	389.4	378.7	219.9	196.0	609.3	574.7
Deferred outflows of resources	54.6	53.4	1.7	17.7	56.3	71.1
Long-term liabilities	123.0	112.4	33.9	35.3	156.9	147.7
Other liabilities	22.9	25.1	8.9	8.4	31.8	33.5
Total liabilities	145.9	137.5	42.8	43.7	188.7	181.2
Deferred inflows of resources	40.4	49.3	1.2	4.3	41.6	53.6
Net position:						
Net investment in capital assets	259.6	262.7	86.0	92.6	345.6	355.3
Restricted	49.1	44.5	-	-	49.1	44.5
Unrestricted	(50.9)	(61.9)	91.6	73.1	40.7	11.2
Total net position	\$257.8	\$245.3	\$177.6	\$165.7	\$435.4	\$411.0

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

**Table 2**

Change in Net Position  
(In Millions)

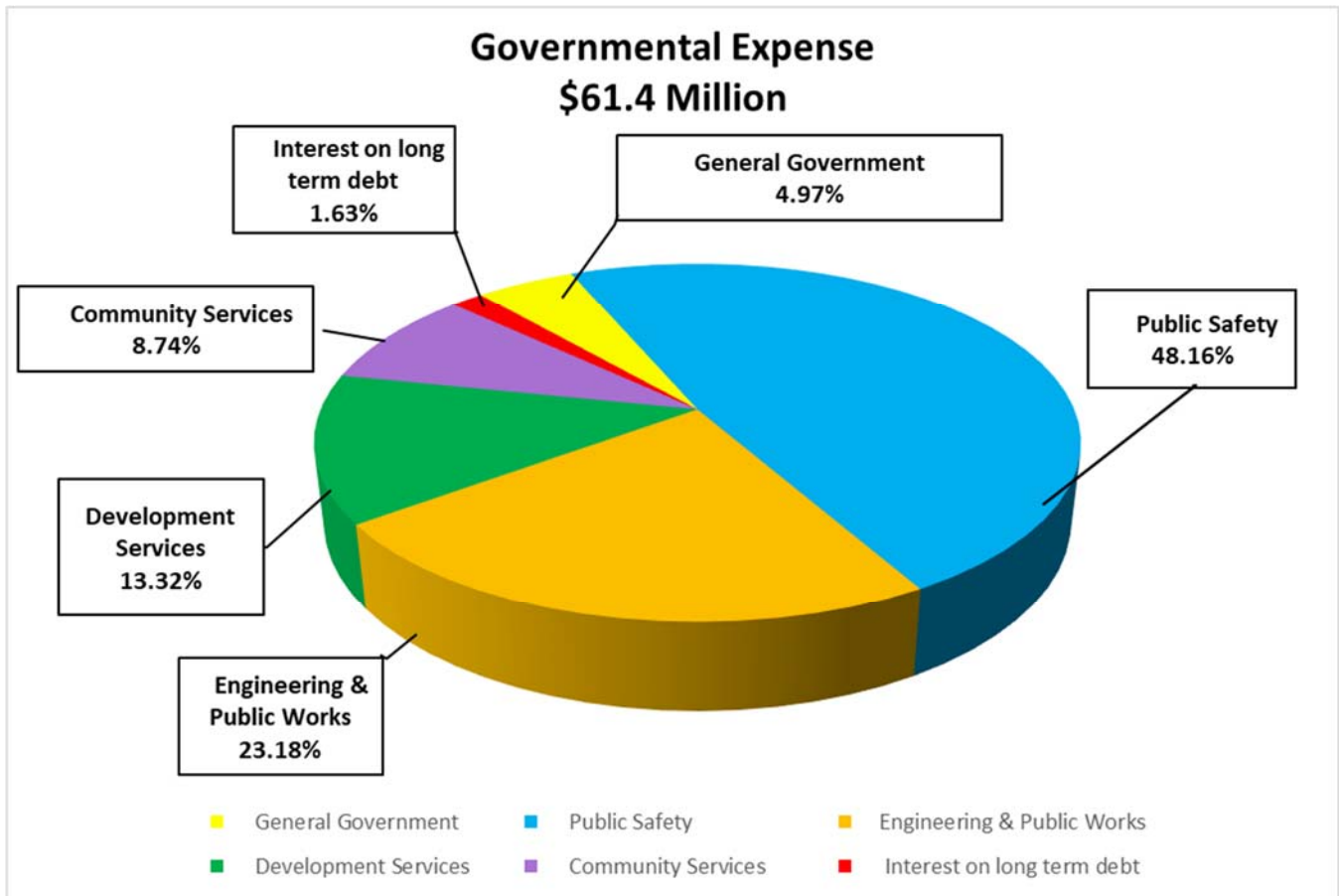
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program Revenues						
Charges for services	13.3	11.1	61.9	56.2	75.2	67.3
Operating Contributions/Grants	7.6	5.4	0.1	-	7.7	5.4
Capital Contributions	7.1	4.9	-	2.6	7.1	7.5
General Revenues						
Taxes						
Property Taxes	20.3	19.1	-	-	20.3	19.1
Sales Tax	21.3	18.4	-	-	21.3	18.4
Franchise Taxes	1.5	1.4	-	-	1.5	1.4
Transient Occupancy Taxes	0.3	0.2	-	-	0.3	0.2
Business License Taxes	1.2	1.2	-	-	1.2	1.2
Other Taxes	0.6	0.9	-	-	0.6	0.9
Investment Income	0.5	(0.6)	1.3	(1.5)	1.8	(2.1)
Motor Vehicle In Lieu	0.1	0.1	-	-	0.1	0.1
Sale of Capital Asset	-	-	-	6.8	-	6.8
Miscellaneous Revenues	0.1	0.2	-	-	0.1	0.2
Total Revenues	<u>73.9</u>	<u>62.3</u>	<u>63.3</u>	<u>64.1</u>	<u>137.2</u>	<u>126.4</u>
<b>Expenses</b>						
General government	3.0	0.9	-	-	3.0	0.9
Public Safety	29.6	40.9	-	-	29.6	40.9
Public Works	14.2	14.8	-	-	14.2	14.8
Development Services	8.2	6.2	-	-	8.2	6.2
Community Services	5.4	4.5	-	-	5.4	4.5
Interest on long term debt	1.0	0.6	-	-	1.0	0.6
Water	-	-	21.4	25.7	21.4	25.7
Refuse	-	-	17.9	15.6	17.9	15.6
Sewer	-	-	12.1	10.3	12.1	10.3
Total Expenses	<u>61.4</u>	<u>67.9</u>	<u>51.4</u>	<u>51.6</u>	<u>112.8</u>	<u>119.5</u>
Transfers	-	-	-	-	-	-
Change in Net Position	12.5	(5.6)	11.9	12.5	24.4	6.9
Net Position at beginning of year	<u>245.3</u>	<u>250.9</u>	<u>165.7</u>	<u>153.2</u>	<u>411.0</u>	<u>404.1</u>
Net Position end of year	<u>\$ 257.8</u>	<u>\$ 245.3</u>	<u>\$ 177.6</u>	<u>\$ 165.7</u>	<u>\$ 435.4</u>	<u>\$ 411.0</u>

## Governmental Activities

Governmental activities net position increased in total by \$12.5 million. The City’s governmental activities revenue totaled \$73.9 million which is a \$11.6 million increase from the prior year. Significant changes are highlighted below:

- ◆ Charges for services revenue totaled \$13.3 million which is an increase of \$2.2 million or 19.8%, primarily related to a \$1.6 million increase in development services revenue for building permits and a \$0.7 million increase in engineering and public works.
- ◆ Operating grants and contributions increased by \$2.2 million mostly due to a \$1.1 million increase in community services and a \$0.9 million increase in general government, primarily due to recognizing ARPA revenue due to expenditures during the year.
- ◆ Capital grants and contributions increased by \$2.2 million or 44.3%. Most of the increase occurred in the engineering and public works department due to increases in concrete sidewalks and alley repairs with ARPA funds.
- ◆ Property tax increased by \$1.3 million over the previous year, or 6.6%, as current secured tax grew due to increased home values and transfers of ownership.
- ◆ Sales tax increased by \$2.8 million or 15.2%. Growth was seen specifically in the building and construction and autos and transportation business groups due to strong growth in the construction industry and a new car dealership in town.
- ◆ Investment income saw an increase of \$1.0 million this year as a result of rising interest rates.

Governmental activities expenses totaled \$61.4 million this year, which is a \$6.6 million or 9.7% decrease over the prior year. General government costs increased \$2.1 million; public safety costs decreased \$11.3 million due to a change in NPL and related deferred inflows and outflows; public works costs decreased \$0.6 million; development services costs increased \$1.9 million; community services costs increased \$0.9 million; and interest on long-term debt increased \$0.4 million.



## Business-type Activities

Total resources available during the year to finance Proprietary Fund (Business-type) activities were \$177.6 million, an increase of \$11.9 million or 7.2% over the net position as of June 30, 2022 of \$165.7 million.

As shown in the Statement of Activities, the amount paid by users for services was \$61.9 million compared to \$56.2 million reported in the prior year. The cost of all Proprietary (Business-type) activities decreased \$0.1 million this year to \$51.5 million compared to \$51.6 million reported last year. Significant changes are highlighted below by specific proprietary fund.

## The City's Major Funds

The City's governmental funds reported a combined fund balance of \$73.6 million, and its enterprise funds reported combined net position of \$177.6 million. Major changes are discussed below:

- ◆ The fund balance at year-end for the City's General Fund of \$9.8 million is an increase from the prior year of \$6.4 million. Revenues and other financing sources increased by \$6.0 million from the prior year while expenditures and other financing uses increased by \$2.7 million. Sales tax revenue increased \$2.8 million which exceeded experts estimates. Investment income increased by \$0.6 million due to rising interest rates. General Fund expenditures and other financing sources increased by \$2.7 million to \$46.8 million. Changes included a decrease of \$0.2 million in public safety expenses and increases in all other functions, including: \$0.8 million in engineering and public works, \$0.6 million in community services, \$0.4 million in debt obligations, and \$0.3 million in general government and development services. The transfers to other funds increased by \$0.5 million, with total funds transferred amounting to \$2.6 million. The major component of that funding include a transfer of \$1.7 million to the capital improvement project fund with \$0.4 million for water system repairs at City Hall and a locker room addition at Public Works, and \$1.3 million coming from the infrastructure improvement reserve to provide funding for a cooperative agreement with the County of San Bernardino to resurface several roads in the San Antonio Heights area where some roads have jurisdictional limits along the centerline. , and \$0.4 million for water system repairs at City Hall and locker room addition at Public Works. Another portion of the transfers out relates to \$0.5 million to the building maintenance and operations fund for park restroom improvements.
- ◆ The Housing Fund's fund balance increased \$0.6 million or 5.2% over prior year. This minor increase resulted mainly from an increase of \$0.23 million in rental income, \$0.2 million in investment income, and a decrease in debt service cost of \$0.17 million due to the refunding of the housing debt in FY 2021-22.
- ◆ Total Water Enterprise Fund revenues exceeded total expenses by \$12.4 million. Operating revenues increased by \$4.0 million due to an increase in water rates. Operating expenses decreased by \$3.1 million due to decreased administrative costs of \$1.6 million and maintenance and operations costs decreasing by \$1.7 million due to less spending on capital assets as the design of larger projects was undertaken in FY 22/23. Non-operating revenue decreased by a net amount of \$4 million, which primarily comprises an increase of investment income of \$1.8 million due to rising interest rates and a decrease of \$6.6 million as a legal settlement that occurred in FY 21/22 did not recur in the current fiscal year.
- ◆ The Solid Waste Utility Fund net position decreased approximately \$0.6 million or 46.8%. Charges for services were up \$0.8 million due to a service rate increase. Operating expenses increased \$2.3 million, with a \$1.0 million increase in administrative costs and a \$1.3 million increase for contractual services.
- ◆ The Sewer Utility Fund net position increased by \$.1 million or 0.3%. Operating revenues increased by \$1.0 million due primarily to increases in charges for services. Interest income, which is the only nonoperating revenue, increased \$0.9 million as a result of rising interest rates and a GASB 31 calculation that forced the balance negative in the previous year. Operating expenses increased overall by \$1.8 million due primarily to a maintenance and operations cost increase of \$1.6 million due to increased capital projects. Capital contributions decreased by \$1.1 million, as there was no capital contribution in the current fiscal year.

## General Fund Budgetary Highlights

Over the course of the year, the operating budget received several revisions. The budget amendments and supplemental appropriations approved after the beginning of the year are included in the final budget column (net of interagency transactions) on page 65 of the financial statements. Comparing the Fiscal Year 2022/23 adopted General Fund budget of \$48.8 million to the final budget of \$48.6 million reflects a decrease of \$0.2 million. Actual expenditures for the General Fund of \$44.2 million were \$4.4 million less than final budgeted amounts. The public safety function actual expenditures were \$2.7 million less than the final budgeted amount and was primarily the result of being understaffed and recognizing significant salary savings.

The Fiscal Year 2022/23 adopted revenue budget started at \$46.7 million and was increased by \$3.9 million to \$50.7 million which reflected expected increases in sales tax revenue and charges for services. By the end of the year, actual General Fund revenues exceeded final budgeted revenues by an additional \$2.5 million. Most revenue categories exceeded the final amended budget figures which is a good sign that the economy is beginning to bounce back from the devastation of the COVID pandemic. Revenue categories that did not meet their final adjusted expectations included property taxes, rental income and intergovernmental revenue. Notable increases included: sales tax which exceeded the adjusted budgeted balance by \$1.0 million and licenses and permits which exceeded budgeted amounts by \$1.0 million. The General Fund's positive results for the year increased fund balance, allowing staff to fund reserves in compliance with the fund balance and pension funding policies approved by City Council. Fund Balance detail can be found in more detail in footnote 14 to the financial statements.

## Capital Assets and Debt Administration

### Capital Assets

As of June 30, 2023, the city had \$381.5 million invested in a broad range of capital assets, including police vehicles, buildings, park facilities, roads, and water and sewer lines. This represents a decrease (net of accumulated depreciation) of \$1.3 million from the prior year. This decrease exists because increases in accumulated depreciation exceed construction in progress and new capital assets being depreciated. Governmental activities capital assets decreased by \$3.9 and Business-type activities increased by \$2.6 million.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 5.1	\$ 5.1	\$ 3.0	\$ 3.0	\$ 8.1	\$ 8.1
Rights of way	103.4	103.4	-	-	103.4	103.4
Street trees	3.5	3.5	-	-	3.5	3.5
Construction in progress	2.5	1.7	17.0	12.9	19.5	14.6
Other capital assets	163.2	167.9	83.8	85.3	247.0	253.2
Totals	<u>\$ 277.7</u>	<u>\$ 281.6</u>	<u>\$ 103.8</u>	<u>\$ 101.2</u>	<u>\$ 381.5</u>	<u>\$ 382.8</u>

The City's Fiscal Year 2022/23 capital budget appropriated another \$11.4 million for capital projects, principally for 20 projects ranging from as small as \$90,000 to \$1.5 million. Additional information on the City's capital assets can be found in Note 4 to the financial statements.

## Long-Term Liabilities

As of June 30, 2023, the city had \$162.7 million in outstanding debt versus \$153.7 million in the prior year. This represents an overall increase of \$9.0 million. The increase is primarily due to a \$10.6 million increase in a State Water Resources Control Board loan for the construction of a reservoir. The other big changes in debt include the City's net pension liability increasing by \$5.8 million as a result of changes in assumptions, which is mostly offset by a \$4.5 million reduction in net OPEB liability due to changes in assumptions. Other long-term liabilities changed nominally.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Compensated Absences	\$ 2.3	\$ 2.1	\$ 0.5	\$ 0.4	\$ 2.8	\$ 2.5
Net OPEB Liability/obligation	7.4	10.9	1.8	2.7	9.2	13.6
Net Pension Liability	91.0	75.2	-	9.9	91.0	85.1
Claims Payable	8.7	9.8	-	-	8.7	9.8
Multifamily Housing Rev Bonds	11.7	12.4	-	-	11.7	12.4
Energy Efficiency Lease	2.0	2.2	-	-	2.0	2.2
CREBS Lease Agreement	4.3	4.4	-	-	4.3	4.4
Water Revenue Bonds	-	-	15.0	15.7	15.0	15.7
Water Refunding Bonds	-	-	6.5	6.6	6.5	6.6
SAWCO Loan Payable	-	-	0.3	0.7	0.3	0.7
SWRCB Loan Payable	-	-	11.2	0.7	11.2	0.7
Totals	<u>\$ 127.4</u>	<u>\$ 117.0</u>	<u>\$ 35.3</u>	<u>\$ 36.7</u>	<u>\$ 162.7</u>	<u>\$ 153.7</u>

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

## Economic Condition and Outlook

The City of Upland's economic growth continued during Fiscal Year 2022/23. Real estate assessed values increased from the prior fiscal year by \$732 million or a net taxable value increase of 6.8%. The inflation adjustment for 2023/24 will be the full 2.0% allowed by Proposition 13 like was received in the prior year. The median sale price of a detached single family residential home in Upland from January through December of 2023 was \$787,500, a 21.3% increase over 2021's median price of \$649,000.

Despite high interest rates, sales prices are expected to continue to be high in Fiscal Year 2024/25 as a result of the low supply of housing inventory. Those higher sales prices should continue to keep property tax revenue strong in the coming year.

Sales tax revenue in Fiscal Year 2022/23 ended a significant 15.2% higher than the prior year as the economy continued to be resilient and the City gained a new car dealership. With the local economy exceeding expectations, the latest projections by HdL predict FY 2023/24 sales tax revenue to exceed Fiscal Year 2022/23's revenue.

## **Contacting the City's Financial Management**

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

## **BASIC FINANCIAL STATEMENTS**

**City of Upland**  
**Statement of Net Position**  
**June 30, 2023**

	Primary Government			Component Units	
				West End Consolidated Water Company	San Antonio Water Company
	Governmental Activities	Business-type Activities	Total	December 31, 2022	December 31, 2022
<b>ASSETS</b>					
Cash and Investments	\$ 94,470,120	\$ 30,477,400	\$ 124,947,520	\$ 1,025,627	\$ 8,306,184
Receivables:					
Accounts, Net	1,197,501	10,887,528	12,085,029	468,352	612,119
Accrued Interest	352,475	-	352,475	-	-
Notes, Net	9,218,877	-	9,218,877	-	344,000
Leases	6,372,546	-	6,372,546	-	-
Accrued Interest on Notes	3,019,759	-	3,019,759	-	-
Due From Other Governments	7,357,914	192,806	7,550,720	-	-
Due From Fiduciary Funds	-	-	-	-	-
Inventory and Prepaid Items	392,205	7,164,237	7,556,442	12,751	180,669
Internal Balances	(19,636,746)	19,636,746	-	-	-
Land Held for Resale	1,731,389	-	1,731,389	-	-
Restricted Assets:					
Cash and Investments with Fiscal Agent	-	15,500,914	15,500,914	-	-
Cash and Investments	7,309,835	865,343	8,175,178	-	-
Investment in Joint Ventures	-	31,295,927	31,295,927	-	-
Capital Assets, Not Being Depreciated:	114,504,931	20,018,243	134,523,174	495,870	2,404,388
Capital Assets, Net of Accumulated Depreciation:	163,182,897	83,821,793	247,004,690	904,719	20,163,761
Total Assets	<u>389,473,703</u>	<u>219,860,937</u>	<u>609,334,640</u>	<u>2,907,319</u>	<u>32,011,121</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
OPEB Related Items	2,131,383	533,845	2,665,228	-	-
Pension Related Items	52,519,817	1,152,689	53,672,506	-	-
Total Deferred Outflows of Resources	<u>54,651,200</u>	<u>1,686,534</u>	<u>56,337,734</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>					
Accounts Payable	3,730,428	6,152,484	9,882,912	333,986	695,363
Accrued Salaries and Benefits	682,251	97,758	780,009	-	-
Accrued Interest Payable	-	95,499	95,499	-	-
Deposits Payable	3,436,329	865,343	4,301,672	-	1,700
Retention Payable	29,899	89,383	119,282	-	-
Unearned Revenue	10,588,951	119,891	10,708,842	-	-
Noncurrent Liabilities:					
Due Within One Year	4,455,079	1,471,632	5,926,711	-	343,060
Due in More Than One Year	122,989,574	33,850,119	156,839,693	-	56,227
Total Liabilities	<u>145,912,511</u>	<u>42,742,109</u>	<u>188,654,620</u>	<u>333,986</u>	<u>1,096,350</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Lease Related	6,372,546	-	6,372,546	-	-
Deferred Gain on Refunding	-	353,903	353,903	-	-
OPEB Related Items	3,233,456	809,880	4,043,336	-	-
Pension Related Items	30,762,737	42,247	30,804,984	-	-
Total Deferred Inflows of Resources	<u>40,368,739</u>	<u>1,206,030</u>	<u>41,574,769</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	259,609,120	85,967,254	345,576,374	1,433,042	23,402,846
Restricted for:					
Public Safety	2,587,910	-	2,587,910	-	-
Engineering and Public Works	9,418,747	-	9,418,747	-	-
Development Services	27,071,211	-	27,071,211	-	-
Community Services	10,009,238	-	10,009,238	-	-
Unrestricted	(50,852,573)	91,632,078	40,779,505	1,140,291	7,511,925
Total Net Position	<u>\$ 257,843,653</u>	<u>\$ 177,599,332</u>	<u>\$ 435,442,985</u>	<u>\$ 2,573,333</u>	<u>\$ 30,914,771</u>

The accompanying notes are an integral part of this statement.

**City of Upland**  
**Statement of Activities**  
**Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 3,048,383	\$ 270,918	\$ 1,225,679	\$ (120,317)
Public Safety	29,552,941	1,219,507	2,837,755	695,655
Engineering and Public Works	14,227,015	1,557,226	641,318	6,496,191
Development Services	8,171,072	9,613,043	1,706,729	-
Community Services	5,364,573	590,286	1,206,247	-
Interest on Long-Term Debt	1,003,034	-	-	-
Total Governmental Activities	<u>61,367,018</u>	<u>13,250,980</u>	<u>7,617,728</u>	<u>7,071,529</u>
Business-type Activities:				
Water Utility	21,432,764	32,893,440	-	-
Solid Waste Utility	17,899,520	17,450,624	74,253	-
Sewer Utility	12,136,617	11,601,219	-	-
Total Business-type Activities	<u>51,468,901</u>	<u>61,945,283</u>	<u>74,253</u>	<u>-</u>
<b>Total Primary Government</b>	<u><u>\$ 112,835,919</u></u>	<u><u>\$ 75,196,263</u></u>	<u><u>\$ 7,691,981</u></u>	<u><u>\$ 7,071,529</u></u>
<b>Component Units:</b>				
West End Consolidated Water Company	\$ 697,025	\$ 1,118,724	\$ -	\$ -
San Antonio Water Company	4,753,273	5,463,340	-	-
Total Component Units	<u>\$ 5,450,298</u>	<u>\$ 6,582,064</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property Taxes

Sales Taxes

Franchise Taxes

Transient Occupancy Taxes

Business License Tax

Other Taxes

Motor Vehicle in-lieu

Miscellaneous Revenues

Gain on Sale of Capital Assets

Investment Income

Transfers In/(Out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

			Component Units	
			West End Consolidated Water Company December 31, 2022	San Antonio Water Company December 31, 2022
Primary Government		Total		
Governmental Activities	Business-type Activities			
\$ (1,672,103)	\$ -	\$ (1,672,103)	\$ -	\$ -
(24,800,024)	-	(24,800,024)	-	-
(5,532,280)	-	(5,532,280)	-	-
3,148,700	-	3,148,700	-	-
(3,568,040)	-	(3,568,040)	-	-
(1,003,034)	-	(1,003,034)	-	-
<u>(33,426,781)</u>	<u>-</u>	<u>(33,426,781)</u>	<u>-</u>	<u>-</u>
-	11,460,676	11,460,676	-	-
-	(374,643)	(374,643)	-	-
-	(535,398)	(535,398)	-	-
<u>-</u>	<u>10,550,635</u>	<u>10,550,635</u>	<u>-</u>	<u>-</u>
<u>(33,426,781)</u>	<u>10,550,635</u>	<u>(22,876,146)</u>	-	-
			421,699	-
			-	710,067
			<u>421,699</u>	<u>710,067</u>
20,342,692	-	20,342,692	-	-
21,274,685	-	21,274,685	-	-
1,489,329	-	1,489,329	-	-
314,441	-	314,441	-	-
1,220,003	-	1,220,003	-	-
623,172	-	623,172	-	-
81,119	-	81,119	-	-
94,269	-	94,269	-	-
15,000	-	15,000	-	-
478,142	1,336,079	1,814,221	-	110,562
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>45,932,852</u>	<u>1,336,079</u>	<u>47,268,931</u>	<u>-</u>	<u>110,562</u>
12,506,071	11,886,714	24,392,785	421,699	820,629
<u>245,337,582</u>	<u>165,712,618</u>	<u>411,050,200</u>	<u>2,151,634</u>	<u>30,094,142</u>
<u>\$ 257,843,653</u>	<u>\$ 177,599,332</u>	<u>\$ 435,442,985</u>	<u>\$ 2,573,333</u>	<u>\$ 30,914,771</u>

**City of Upland  
Balance Sheet  
Governmental Funds  
June 30, 2023**

	General	Special Revenue		Non-major Governmental	Total
		Housing	ARPA		
<b>ASSETS</b>					
Cash and Investments	\$ 22,095,628	\$ 4,854,304	\$ 9,952,182	\$ 47,917,422	\$ 84,819,536
Restricted Cash	5,078,597	200,191	-	2,031,047	7,309,835
Receivables:					
Accounts	1,085,516	11,734	-	64,113	1,161,363
Accrued Interest	352,475	-	-	-	352,475
Notes, net	21,481	4,923,779	-	4,273,617	9,218,877
Leases	6,372,546	-	-	-	6,372,546
Accrued Interest on Notes	-	1,742,507	-	1,277,252	3,019,759
Due from Other Governments	5,507,555	-	-	1,850,359	7,357,914
Due from Other Funds	112,973	-	-	-	112,973
Due from Fiduciary Funds	-	-	-	-	-
Inventory and Prepaid Items	119,423	-	-	-	119,423
Land Held for Resale	-	1,731,389	-	-	1,731,389
<b>Total Assets</b>	<b>\$ 40,746,194</b>	<b>\$ 13,463,904</b>	<b>\$ 9,952,182</b>	<b>\$ 57,413,810</b>	<b>\$ 121,576,090</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 2,639,454	\$ 51,397	\$ 155,817	\$ 471,946	\$ 3,318,614
Accrued Salaries and Benefits	602,564	11,952	2,010	39,259	655,785
Due to Other Funds	-	-	-	112,973	112,973
Deposits Payable	1,201,728	203,554	-	2,031,047	3,436,329
Retentions Payable	-	-	-	29,899	29,899
Advances from Other Funds	19,636,746	-	-	-	19,636,746
Unearned Revenue	-	-	10,221,798	367,153	10,588,951
<b>Total Liabilities</b>	<b>24,080,492</b>	<b>266,903</b>	<b>10,379,625</b>	<b>3,052,277</b>	<b>37,779,297</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	523,039	1,742,508	-	1,607,705	3,873,252
Lease Related	6,372,546	-	-	-	6,372,546
<b>Total Deferred Inflows of Resources</b>	<b>6,895,585</b>	<b>1,742,508</b>	<b>-</b>	<b>1,607,705</b>	<b>10,245,798</b>
<b>FUND BALANCE (DEFICITS)</b>					
Nonspendable	140,904	-	-	-	140,904
Restricted	4,014,932	11,454,493	-	52,447,320	67,916,745
Committed	15,048,573	-	-	-	15,048,573
Assigned	-	-	-	440,421	440,421
Unassigned	(9,434,292)	-	(427,443)	(133,913)	(9,995,648)
<b>Total Fund Balances (Deficits)</b>	<b>9,770,117</b>	<b>11,454,493</b>	<b>(427,443)</b>	<b>52,753,828</b>	<b>73,550,995</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances (Deficits)</b>	<b>\$ 40,746,194</b>	<b>\$ 13,463,904</b>	<b>\$ 9,952,182</b>	<b>\$ 57,413,810</b>	<b>\$ 121,576,090</b>

The accompanying notes are an integral part of this statement.

**City of Upland**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2023**

Fund balances of governmental funds \$ 73,550,995

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

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

Capital Assets	405,058,266	
Accumulated Depreciation	<u>(128,809,178)</u>	276,249,088

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds. 3,873,252

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

Compensated Absences		(2,199,599)
Multifamily Housing Revenue Note		(11,746,651)
CREBS Lease Payable		(4,302,371)
Energy Efficiency Lease Payable		(1,974,264)
Net Pension Liability		(86,660,255)
Net OPEB Liability		(6,875,632)

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

Deferred Outflows Related to Pensions		51,077,481
Deferred Inflows Related to Pensions		(30,709,875)
Deferred Outflows Related to OPEB		1,993,857
Deferred Inflows Related to OPEB		(3,024,821)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position. (1,407,552)

Net position of governmental activities \$ 257,843,653

The accompanying notes are an integral part of this statement.

**City of Upland**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2023**

	General	Special Revenue		Non-major Governmental	Total
		Housing	ARPA		
<b>REVENUES</b>					
Taxes	\$ 45,322,169	\$ -	\$ -	\$ 1,580,391	\$ 46,902,560
Licenses & Permits	2,776,093	-	-	1,281,617	4,057,710
Charges for Services	2,909,017	860	-	74,880	2,984,757
Fines and Penalties	640,866	-	-	-	640,866
Investment Income	287,127	(11,054)	(120,317)	24,264	180,020
Rental Income	691,685	4,846,732	-	45,381	5,583,798
Intergovernmental	147,577	-	3,121,595	9,277,653	12,546,825
Other Revenue	377,637	85,014	-	176,446	639,097
<b>Total Revenues</b>	<b>53,152,171</b>	<b>4,921,552</b>	<b>3,001,278</b>	<b>12,460,632</b>	<b>73,535,633</b>
<b>EXPENDITURES</b>					
Current:					
General Government	3,721,545	-	1,036,526	-	4,758,071
Public Safety	24,473,670	-	813,514	2,086,510	27,373,694
Engineering and Public Works	8,301,412	-	640,002	3,337,716	12,279,130
Development Services	2,489,937	3,329,767	588,353	1,763,015	8,171,072
Community Services	4,304,519	-	43,200	553,228	4,900,947
Debt Service:					
Principal	254,794	655,747	-	-	910,541
Interest	629,035	373,999	-	-	1,003,034
<b>Total Expenditures</b>	<b>44,174,912</b>	<b>4,359,513</b>	<b>3,121,595</b>	<b>7,740,469</b>	<b>59,396,489</b>
Excess (Deficiency) of Revenues over Expenditures	8,977,259	562,039	(120,317)	4,720,163	14,139,144
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In	-	-	-	1,747,052	1,747,052
Transfer Out	(2,620,802)	-	-	-	(2,620,802)
Sale of Capital Assets	15,000	-	-	-	15,000
<b>Total Other Financing Sources (Uses)</b>	<b>(2,605,802)</b>	<b>-</b>	<b>-</b>	<b>1,747,052</b>	<b>(858,750)</b>
Net Change in Fund Balances	6,371,457	562,039	(120,317)	6,467,215	13,280,394
Fund Balances, Beginning	3,398,660	10,892,454	(307,126)	46,286,613	60,270,601
Fund Balances, Ending	\$ 9,770,117	\$ 11,454,493	\$ (427,443)	\$ 52,753,828	\$ 73,550,995

The accompanying notes are an integral part of this statement.

**City of Upland**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2023**

Net change in fund balances-total governmental funds \$ 13,280,394

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Capital Expenditures	3,636,548
Depreciation Expense	(7,864,435)
Loss on Disposal	(3,390)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 322,457

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

Principal Paid on Capital Leases	254,794
Principal Paid on 2021 Multifamily Housing Loan	655,747

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

Net Change in Compensated Absences	(218,396)
Net Change in Net Pension Liability	(13,868,486)
Net Change in Net OPEB Liability	3,403,502
Net Change in Deferred Outflows Pension Related Amounts	819,486
Net Change in Deferred Inflows Pension Related Amounts	13,015,427
Net Change in Deferred Outflows OPEB Related Amounts	(520,500)
Net Change in Deferred Inflows OPEB Related Amounts	(2,209,518)

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

1,802,441

Change in net position of governmental activities \$ 12,506,071

The accompanying notes are an integral part of this statement.

**City of Upland**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Solid Waste Utility	Sewer Utility	Totals	Internal Service Funds
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 21,468,511	\$ 250,713	\$ 8,758,176	\$ 30,477,400	\$ 9,650,584
Accounts Receivable, Net	5,896,017	2,448,999	2,542,512	10,887,528	36,138
Due from Other Governments	192,375	186	245	192,806	-
Inventory and Prepaid Items	7,164,237	-	-	7,164,237	272,782
<b>Total Current Assets</b>	<b>34,721,140</b>	<b>2,699,898</b>	<b>11,300,933</b>	<b>48,721,971</b>	<b>9,959,504</b>
Noncurrent Assets:					
Restricted Cash and Investments	826,671	-	38,672	865,343	-
Cash with Fiscal Agent	15,500,914	-	-	15,500,914	-
Advances to Other Funds	14,905,000	-	4,731,746	19,636,746	-
Equity Interest	31,295,927	-	-	31,295,927	-
Capital Assets, Not Being Depreciated:					
Land	2,954,861	-	-	2,954,861	-
Construction in Progress	16,337,635	13,742	712,005	17,063,382	10,759
Capital Assets, Net of Accumulated Depreciation	64,421,448	54,702	19,345,643	83,821,793	1,427,981
<b>Total Noncurrent Assets</b>	<b>146,242,456</b>	<b>68,444</b>	<b>24,828,066</b>	<b>171,138,966</b>	<b>1,438,740</b>
<b>Total Assets</b>	<b>180,963,596</b>	<b>2,768,342</b>	<b>36,128,999</b>	<b>219,860,937</b>	<b>11,398,244</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
OPEB Related Items	356,341	55,703	121,801	533,845	137,526
Pension Related Items	770,030	115,386	267,273	1,152,689	1,442,336
<b>Total Deferred Outflows of Resources</b>	<b>1,126,371</b>	<b>171,089</b>	<b>389,074</b>	<b>1,686,534</b>	<b>1,579,862</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	2,608,975	1,800,270	1,743,239	6,152,484	411,814
Accrued Salaries and Benefits	65,966	8,213	23,579	97,758	26,466
Accrued Interest Payable	95,499	-	-	95,499	-
Unearned Revenue	-	119,891	-	119,891	-
Retentions Payable	67,206	-	22,177	89,383	-
Deposits Payable	826,671	-	38,672	865,343	-
Current Portion of Long-Term Liabilities:					
Claims and Judgments Payable	-	-	-	-	2,856,713
Compensated Absences	159,986	25,878	51,768	237,632	54,766
Loans Payable	344,000	-	-	344,000	-
Revenue Bonds Payable	890,000	-	-	890,000	-
<b>Total Current Liabilities</b>	<b>5,058,303</b>	<b>1,954,252</b>	<b>1,879,435</b>	<b>8,891,990</b>	<b>3,349,759</b>
Noncurrent Liabilities:					
Claims and Judgments Payable	-	-	-	-	5,861,139
Net OPEB Liability	1,227,726	192,062	419,963	1,839,751	474,181
Net Pension Liability	-	-	-	-	4,366,600
Compensated Absences	170,147	21,661	44,905	236,713	72,482
Loans Payable	11,230,655	-	-	11,230,655	-
Revenue Bonds Payable	20,543,000	-	-	20,543,000	-
<b>Total Noncurrent Liabilities</b>	<b>33,171,528</b>	<b>213,723</b>	<b>464,868</b>	<b>33,850,119</b>	<b>10,774,402</b>
<b>Total Liabilities</b>	<b>38,229,831</b>	<b>2,167,975</b>	<b>2,344,303</b>	<b>42,742,109</b>	<b>14,124,161</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Gain on Refunding	353,903	-	-	353,903	-
OPEB Related Items	540,594	84,506	184,780	809,880	208,635
Pension Related Items	28,222	4,229	9,796	42,247	52,862
<b>Total Deferred Outflows of Resources</b>	<b>922,719</b>	<b>88,735</b>	<b>194,576</b>	<b>1,206,030</b>	<b>261,497</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	65,853,300	56,306	20,057,648	85,967,254	1,438,740
Unrestricted	77,084,117	626,415	13,921,546	91,632,078	(2,846,292)
<b>Total Net Position</b>	<b>\$ 142,937,417</b>	<b>\$ 682,721</b>	<b>\$ 33,979,194</b>	<b>\$ 177,599,332</b>	<b>\$ (1,407,552)</b>

The accompanying notes are an integral part of this statement.

**City of Upland**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2023**

	Business-type Activities - Enterprise Funds				Governmental
	Water	Solid Waste	Sewer	Totals	Internal
	Utility	Utility	Utility		Service Funds
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 32,570,384	\$ 17,450,624	\$ 11,360,920	\$ 61,381,928	\$ 9,715,719
Licenses and Permits	190,870	-	240,299	431,169	-
Other	132,186	-	-	132,186	140,385
<b>Total Operating Revenue</b>	<b>32,893,440</b>	<b>17,450,624</b>	<b>11,601,219</b>	<b>61,945,283</b>	<b>9,856,104</b>
<b>OPERATING EXPENSES</b>					
Administrative Costs	4,380,093	2,213,802	595,848	7,189,743	-
Maintenance and Operations	15,358,962	-	3,619,285	18,978,247	5,486,597
Contractual Services	291,241	15,684,602	7,176,549	23,152,392	305,302
Customer Service	128,931	-	-	128,931	-
Claims Expense	-	-	-	-	2,897,707
Depreciation	2,299,491	1,116	756,185	3,056,792	417,476
<b>Total Operating Expenses</b>	<b>22,458,718</b>	<b>17,899,520</b>	<b>12,147,867</b>	<b>52,506,105</b>	<b>9,107,082</b>
<b>Operating Income (Loss)</b>	<b>10,434,722</b>	<b>(448,896)</b>	<b>(546,648)</b>	<b>9,439,178</b>	<b>749,022</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	910,091	38,428	387,560	1,336,079	138,419
Share of Joint Venture Net Income (loss)	1,480,107	-	-	1,480,107	-
Gain/ (Loss) on Disposal of Capital Assets	5,250	-	11,250	16,500	41,250
Interest Expense	(459,403)	-	-	(459,403)	-
Legal Settlement	-	-	-	-	-
Intergovernmental	-	74,253	-	74,253	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,936,045</b>	<b>112,681</b>	<b>398,810</b>	<b>2,447,536</b>	<b>179,669</b>
<b>Income Before Contributions and Transfers</b>	<b>12,370,767</b>	<b>(336,215)</b>	<b>(147,838)</b>	<b>11,886,714</b>	<b>928,691</b>
Capital Contributions	-	-	-	-	-
Transfers In	-	-	265,000	265,000	873,750
Transfers Out	-	(265,000)	-	(265,000)	-
<b>Change in Net Position</b>	<b>12,370,767</b>	<b>(601,215)</b>	<b>117,162</b>	<b>11,886,714</b>	<b>1,802,441</b>
<b>Total Net Position, Beginning</b>	<b>130,566,650</b>	<b>1,283,936</b>	<b>33,862,032</b>	<b>165,712,618</b>	<b>(3,209,993)</b>
<b>Total Net Position, Ending</b>	<b>\$ 142,937,417</b>	<b>\$ 682,721</b>	<b>\$ 33,979,194</b>	<b>\$ 177,599,332</b>	<b>\$ (1,407,552)</b>

The accompanying notes are an integral part of this statement.

**City of Upland**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2023**

	Business-type Activities - Enterprise Funds				Governmental
	Water Utility	Solid Waste Utility	Sewer Utility	Totals	Internal Service Funds
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers	\$ 33,388,081	\$ 17,295,524	\$ 11,238,702	\$ 61,922,307	\$ -
Cash Received from User Departments	-	-	-	-	9,857,056
Cash Paid to Suppliers for Goods and Services	(17,906,888)	(17,184,669)	(10,369,819)	(45,461,376)	(8,350,351)
Cash Paid to Employees for Services	(3,034,140)	(99,272)	245,061	(2,888,351)	(1,138,549)
Net Cash from Operating Activities	12,447,053	11,583	1,113,944	13,572,580	368,156
<b>Cash Flows from Noncapital Financing Activities</b>					
Grant Revenue	-	74,253	-	74,253	-
Cash Received from Legal Settlement	-	-	-	-	873,750
Cash Paid (to) from Other Funds	845,000	(265,000)	533,254	1,113,254	873,750
Net Cash from Noncapital Financing Activities	845,000	(190,747)	533,254	1,187,507	1,747,500
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition and Construction of Capital Assets	(4,865,122)	(13,254)	(848,156)	(5,726,532)	(703,169)
Proceeds from the Sale of Assets	5,250	-	11,250	16,500	41,250
Proceeds from Loans Issued	10,564,028	-	-	10,564,028	-
Principal Paid on Debt	(1,214,000)	-	-	(1,214,000)	-
Interest Paid on Debt	(420,517)	-	-	(420,517)	-
Net Cash from Capital and Related Financing Activities	4,069,639	(13,254)	(836,906)	3,219,479	(661,919)
<b>Cash Flows from Investing Activities</b>					
Interest on Investments	910,091	38,428	387,560	1,336,079	138,420
Net Cash from Investing Activities	910,091	38,428	387,560	1,336,079	138,420
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	18,271,783	(153,990)	1,197,852	19,315,645	1,592,157
Cash and Cash Equivalents, Beginning of Year	19,524,313	404,703	7,598,996	27,528,012	8,932,177
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 37,796,096</u>	<u>\$ 250,713</u>	<u>\$ 8,796,848</u>	<u>\$ 46,843,657</u>	<u>\$ 10,524,334</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>					
Operating income (loss)	\$ 10,434,722	\$ (448,896)	\$ (546,648)	\$ 9,439,178	\$ 749,022
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,299,491	1,116	756,185	3,056,792	417,476
(Increase) Decrease in Accounts Receivable	390,454	(255,407)	(362,604)	(227,557)	952
(Increase) Decrease in Due from Other Governments	(192,375)	37	87	(192,251)	-
(Increase) Decrease in Inventory and Prepaid Items	(1,060,933)	-	-	(1,060,933)	32,187
(Increase) Decrease in Deferred Outflows - Pensions	9,454,923	1,587,577	4,806,562	15,849,062	(1,012,398)
(Increase) Decrease in Deferred Outflows - OPEB	88,095	(2,611)	42,150	127,634	25,757
Increase (Decrease) in Accounts Payable	(289,625)	112,754	157,991	(18,880)	249,189
Increase (Decrease) in Accrued Salaries and Benefits	17,130	1,793	9,516	28,439	6,575
Increase (Decrease) in Retention Payable	(10,473)	-	3,003	(7,470)	-
Increase (Decrease) in Deposits Payable	296,562	-	-	296,562	-
Increase (Decrease) in Compensated Absences	50,798	8,655	4,563	64,016	(6,593)
Increase (Decrease) in Net Pension Liability	(6,456,636)	(830,261)	(2,656,265)	(9,943,162)	1,918,613
Increase (Decrease) in Net OPEB Liability	(589,211)	(24,987)	(250,297)	(864,495)	(193,347)
Increase (Decrease) in Deferred Inflows - Pensions	(2,382,351)	(305,747)	(981,916)	(3,670,014)	(861,089)
Increase (Decrease) in Deferred Inflows - OPEB	396,482	67,290	131,617	595,389	155,689
Increase (Decrease) in Unearned Revenue	-	100,270	-	100,270	-
Increase (Decrease) in Claims and Judgments	-	-	-	-	(1,113,877)
Net Cash Provided (Used) by Operating Activities	<u>\$ 12,447,053</u>	<u>\$ 11,583</u>	<u>\$ 1,113,944</u>	<u>\$ 13,572,580</u>	<u>\$ 368,156</u>

The accompanying notes are an integral part of this statement.

**City of Upland**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

	OPEB Trust Fund	Successor Agency Private-purpose Trust Fund	Custodial Funds
<b>ASSETS</b>			
Cash and Investments	\$ -	\$ 968,326	\$ 6,017,883
Cash and Investments with Fiscal Agent	-	2,256,162	17,726,846
Investments:			
Moderate Index PLUS	1,780,155	-	-
Notes Receivable, Net	-	202,383	-
Land Held for Resale	-	3,358,000	44,653
	<u>1,780,155</u>	<u>6,784,871</u>	<u>23,789,382</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	-	111,497	-
	<u>-</u>	<u>111,497</u>	<u>-</u>
<b>LIABILITIES</b>			
Accounts Payable	-	2,000	1,469,463
Accrued Salaries and Wages	-	308,024	-
Deposits Payable	-	-	4,010,318
Interest Payable	-	190,592	-
Bonds Payable	-	14,892,673	-
	<u>-</u>	<u>15,393,289</u>	<u>5,479,781</u>
<b>NET POSITION</b>			
Restricted for:			
OPEB	1,780,155	-	-
Successor Agency	-	(8,496,921)	-
Individuals and Organizations	-	-	18,309,601
	<u>\$ 1,780,155</u>	<u>\$ (8,496,921)</u>	<u>\$ 18,309,601</u>

The accompanying notes are an integral part of this statement.

**City of Upland**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
**Year Ended June 30, 2023**

	OPEB Trust Fund	Successor Agency Private-purpose Trust Fund	Custodial Funds
<b>ADDITIONS</b>			
Contributions:			
Taxes and assessments collected for others	\$ -	\$ 1,141,529	\$ 6,985,909
Contributions from Bondholders	-	-	4,161,514
Investment Earnings:			
Interest Income	133,943	117	7,878
 Total Additions	 <u>133,943</u>	 <u>1,141,646</u>	 <u>11,155,301</u>
<b>DEDUCTIONS</b>			
General and Administrative	-	-	6,403,177
Development Services	-	202,660	-
Recipient Payments	-	-	176,173
Distributions to Shareholders	-	-	3,875,851
Interest Expense	-	372,753	-
Other Expenses	9,815	-	-
 Total Deductions	 <u>9,815</u>	 <u>575,413</u>	 <u>10,455,201</u>
 Change in Net Position	 124,128	 566,233	 700,100
 Net Position - Beginning of Year	 <u>1,656,027</u>	 <u>(9,063,154)</u>	 <u>17,609,501</u>
 Net Position - End of Year	 <u>\$ 1,780,155</u>	 <u>\$ (8,496,921)</u>	 <u>\$ 18,309,601</u>

The accompanying notes are an integral part of this statement.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A) Financial Reporting Entity**

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

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

Blended Component Unit

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

Discretely Presented Component Units

The West End Consolidated Water Company (Company) is a mutual water company and, in accordance with the Internal Revenue Code Section 501(c)(12), is exempt from Federal income taxes. The Company was formed to provide water services to its shareholders. As of June 30, 2023, the City of Upland owns 91% of the outstanding stock of the Company, representing a majority equity interest. The primary purpose of stock ownership is to secure rights to well water pumped. The Company is governed by a 5 member board, made up of one member appointed from each participating agency.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

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

The San Antonio Water Company is a mutual water company and, in accordance with the Internal Revenue Code Section 501(c)(12), is exempt from Federal income taxes. The Company was formed to develop, distribute, supply and deliver water to its shareholders. As of June 30, 2023, the City of Upland owns 68% of the outstanding stock of the Company, representing a majority equity interest. The primary purpose of stock ownership is to secure rights to well water pumped. The Company is governed by a 7-member board of directors elected annually by the shareholders. One Upland City Council member is also on the board of the Company.

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

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

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

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

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

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

Government-wide Financial Statements:

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

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

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not included among program revenues are reported instead as *general revenues*.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

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

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

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

Fund Financial Statements

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

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

Governmental Funds

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

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

Proprietary and Fiduciary Funds

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

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

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

**C) Fund Classifications**

The City reports the following major governmental funds:

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

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

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

The City reports the following major enterprise funds:

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

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

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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

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

Additionally, the City reports the following fund types:

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

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

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

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

**D) Cash and Investments**

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

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

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

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

**E) Inventories and Prepaid Items**

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

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

**City of Upland  
Notes to Financial Statements  
Year Ended June 30, 2023**

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

**F) Land Held for Resale**

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

**G) Property Taxes**

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

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

**H) Claims and Judgements**

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

**I) Employee Leave Benefits**

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

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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

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

**J) Capital Assets**

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

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

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

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

**K) Notes and Loans Receivable**

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

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

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

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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

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

**M) Pensions**

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

**N) Other Postemployment Benefits (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used: June 30, 2021 Valuation Date; June 30, 2022 Measurement Date; and July 1, 2021 through June 30, 2022 Measurement Period.

**O) Net Position Flow Assumption**

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

**P) Fund Balance**

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

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

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

The City's committed fund balance includes:

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

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

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

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

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

**Q) Fair Value Measurements**

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

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

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

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

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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

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

**R) Use of Estimates**

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

**S) Leases**

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

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

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

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

**2) CASH AND INVESTMENTS**

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

	Government-wide			Total
	Statement of Net Position		Fiduciary Funds	
	Governmental Activities	Business-Type Activities		
Cash and Investments	\$ 94,470,120	\$ 30,477,400	\$ 6,986,209	\$ 131,933,729
Restricted Cash and Investments	7,309,835	865,343	1,780,155	9,955,333
Cash and Investments with Fiscal Agent	-	15,500,914	19,983,008	35,483,922
<b>Total Cash and Investments</b>	<b>\$ 101,779,955</b>	<b>\$ 46,843,657</b>	<b>\$ 28,749,372</b>	<b>\$ 177,372,984</b>

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**2) CASH AND INVESTMENTS – Continued**

Cash and investments as of June 30, 2023 consist of the following:

Cash on Hand	\$	12,800
Deposits with Financial Institutions		20,192,293
Investments		157,167,891
Total Cash and Investments		\$ 177,372,984

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

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

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

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

Investments Authorized by Debt Agreements

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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**2) CASH AND INVESTMENTS – Continued**

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

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 36 Months	37 to 60 Months	More than 60 Months
US Treasury Obligations	\$ 2,561,857	\$ 991,540	\$ 1,352,055	\$ 218,262	\$ -
U.S. Government Agency Securities	58,931,606	7,585,406	37,470,056	13,876,144	-
CAMP	25,098,674	25,098,674	-	-	-
Certificates of Deposit	19,841,581	4,361,062	11,544,678	3,935,841	-
Municipal Obligations	1,532,380	-	1,308,970	223,410	-
Money Market Mutual Funds	8,751,029	8,751,029	-	-	-
Local Agency Investment Fund (LAIF)	4,966,842	4,966,842	-	-	-
Mutual Funds	15,500,914	15,500,914	-	-	-
Held by Fiscal Agent					
Money Market Mutual Funds	19,983,008	19,983,008	-	-	-
Total Pooled Investments	\$ 157,167,891	\$ 87,238,475	\$ 51,675,759	\$ 18,253,657	\$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City's Investment Policy, or debt agreements, and the actual rating as of year-end for each investment type.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**2) CASH AND INVESTMENTS – Continued**

Investment Type	Total	Minimum	Aaa	Aaa3 - Aa1	A1, A2, A3	Not Rated	Exempt from Rating
		Legal Rating					
US Treasury Obligations	\$ 2,561,857	N/A	\$ 2,561,857	\$ -	\$ -	\$ -	\$ -
U.S. Government Agency Securities	58,931,606	N/A	58,931,606	-	-	-	-
CAMP	25,098,674	N/A	-	-	-	25,098,674	-
Certificates of Deposit	19,841,581	N/A	-	-	-	19,841,581	-
Municipal Obligations	1,532,380	N/A	-	1,532,380	-	-	-
Money Market Mutual Funds	8,751,029	A	8,751,029	-	-	-	-
Local Agency Investment Fund (LAIF)	4,966,842	N/A	-	-	-	4,966,842	-
Mutual Funds	15,500,914	A	15,500,914	-	-	-	-
Held by Fiscal Agent							
Money Market Mutual Funds	19,983,008	A	19,983,008	-	-	-	-
<b>Total Pooled Investments</b>	<b>\$ 157,167,891</b>		<b>\$ 105,728,414</b>	<b>\$ 1,532,380</b>	<b>\$ -</b>	<b>\$ 49,907,097</b>	<b>\$ -</b>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2023, the City's investments with each of the following issuers exceed 5% of its total investments.

Issuer	Investment Type	Reported Amount	Maturity	Interest (%)
FFCB	Federal Agency Securities	\$ 8,526,364	2023-2026	.280 - 1.17
FHLB	Federal Agency Securities	32,753,296	2023-2028	.200 - 5.47
FHLMC	Federal Agency Securities	13,544,687	2024-2027	.300 - 5.40

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

Investment in State Investment Pool

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

CAMP

The City also participates in the California Asset Management Program (CAMP), a California Joint Powers

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**2) CASH AND INVESTMENTS – Continued**

Authority (JPA) established in 1989 to provide California public agencies with professional investment services. The CAMP investment pool is permitted for all local agencies under California Government Code Section 53601(p).

Based upon the fair value measurements described in Note 1, the City held the following investments as of June 30, 2023:

Investment Type	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
US Treasury Obligations	\$ 2,561,857	\$ 2,561,857	\$ -	\$ -
U.S. Government Agency Securities	58,931,606	-	58,931,606	-
Medium-term Notes	25,098,674	-	25,098,674	-
Certificates of Deposit	19,841,581	-	19,841,581	-
Municipal Obligations	1,532,380	-	1,532,380	-
<b>Total</b>	<b>\$ 107,966,098</b>	<b>\$ 2,561,857</b>	<b>\$ 105,404,241</b>	<b>\$ -</b>

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

Due to/from - As of June 30, 2023, the General Fund has an outstanding receivable from non-major governmental funds of \$112,973 to cover current year operating deficits. These deficits will be repaid with future revenues and when receivables are collected.

Interfund transfers for the year ended June 30, 2023 are as follows:

TRANSFERS OUT	TRANSFERS IN			Total
	Nonmajor Governmental Funds	Sewer Utility Fund	Internal Service Funds	
General Fund	\$ 1,747,052	\$ -	\$ 873,750	\$ 2,620,802
Solid Waste Fund	-	265,000	-	265,000
	<b>\$ 1,747,052</b>	<b>\$ 265,000</b>	<b>\$ 873,750</b>	<b>\$ 2,885,802</b>

The General Fund transferred \$1,747,052 to the nonmajor governmental funds to fund projects. In addition, the General Fund transferred \$873,750 to the Internal Service Funds for claims liabilities, vehicle replacements, and information systems. The Solid Waste Fund transferred \$265,000 to the Sewer Fund to pay for landfill costs.

Advances to/from Other Funds

The Water and Sewer Enterprise Funds advanced \$15,750,000 and \$5,000,000, respectively, to the General Fund. In order to enable the City to paydown a portion of the General Fund's share of the City's unfunded accrued liability ("UAL") with California Public Employees' Retirement System, the City is leasing the real property as described in the agreement dated April 1, 2022. The City of Upland Financing Authority, a joint powers public financing authority promises to pay to the City of Upland Sewer Fund, the amount of \$5,000,000 and the City of Upland Water Fund \$15,750,000. The principal balance of the note shall bear interest at the rate of 1.92 % per annum, and the final note payments are due and payable on October 1, 2037. The amount due to the Water and Sewer Enterprise Funds is \$14,905,000 and \$4,731,746, respectively, as of June 30, 2023.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**4) CAPITAL ASSETS**

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

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 5,053,610	\$ -	\$ (160)	\$ 5,053,450
Rights of Way	103,432,811	-	-	103,432,811
Street Trees	3,537,384	-	-	3,537,384
Construction in Progress	1,721,324	1,946,465	(1,186,503)	2,481,286
Total Capital Assets, Not Being Depreciated	<u>113,745,129</u>	<u>1,946,465</u>	<u>(1,186,663)</u>	<u>114,504,931</u>
<b>Capital Assets Being Depreciated:</b>				
Building and improvements	43,905,472	551,008	(3,230)	44,453,250
Land Improvements	5,680,955	-	-	5,680,955
Park Improvements	12,370,161	-	-	12,370,161
Equipment	7,868,259	1,503,895	(301,939)	9,070,215
Vehicles	4,515,731	550,440	(178,789)	4,887,382
Infrastructure - Bridge	4,081,500	-	-	4,081,500
Infrastructure - Street System	188,475,969	974,410	-	189,450,379
Infrastructure - Storm Drains	25,287,770	-	-	25,287,770
Total Capital Assets Being Depreciated	<u>292,185,817</u>	<u>3,579,753</u>	<u>(483,958)</u>	<u>295,281,612</u>
<b>Less Accumulated Depreciation:</b>				
Building and improvements	(15,386,187)	(850,976)	-	(16,237,163)
Land Improvements	(774,435)	(486,726)	-	(1,261,161)
Park Improvements	(7,766,567)	(396,587)	-	(8,163,154)
Equipment	(5,911,364)	(757,826)	301,939	(6,367,251)
Vehicles	(2,938,074)	(582,335)	178,789	(3,341,620)
Infrastructure - Bridge	(163,260)	(81,630)	-	(244,890)
Infrastructure - Street System	(86,183,463)	(4,872,952)	-	(91,056,415)
Infrastructure - Storm Drains	(5,174,183)	(252,878)	-	(5,427,061)
Total Accumulated Depreciation	<u>(124,297,533)</u>	<u>(8,281,910)</u>	<u>480,728</u>	<u>(132,098,715)</u>
Total Capital Assets Being Depreciated, Net	<u>167,888,284</u>	<u>(4,702,157)</u>	<u>(3,230)</u>	<u>163,182,897</u>
Governmental Activities, Capital Assets, Net	<u>\$ 281,633,413</u>	<u>\$ (2,755,692)</u>	<u>\$ (1,189,893)</u>	<u>\$ 277,687,828</u>

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

General Government	\$ 1,365,642
Public Safety	871,599
Engineering and Public Works	5,581,043
Community Services	463,626
	<u>\$ 8,281,910</u>

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**4) CAPITAL ASSETS – Continued**

<b>Business Type Activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 2,954,861	\$ -	\$ -	\$ 2,954,861
Construction in Progress	12,904,585	4,698,422	(539,625)	17,063,382
Total Capital Assets, Not Being Depreciated	<u>15,859,446</u>	<u>4,698,422</u>	<u>(539,625)</u>	<u>20,018,243</u>
<b>Capital Assets Being Depreciated:</b>				
Pipelines	69,790,120	-	-	69,790,120
Reservoirs	37,935,771	-	-	37,935,771
Building and improvements	55,818	-	-	55,818
Land Improvements	9,870	-	-	9,870
Treatment Facilities	14,549,932	-	-	14,549,932
Wells/pumps	5,340,879	-	-	5,340,879
Sewer Manholes	2,784,068	226,030	(3,000)	3,007,098
Machinery and Equipment	1,752,019	384,366	-	2,136,385
Vehicles	3,093,916	957,339	(45,670)	4,005,585
Total Capital Assets Being Depreciated	<u>135,312,393</u>	<u>1,567,735</u>	<u>(48,670)</u>	<u>136,831,458</u>
<b>Less Accumulated Depreciation:</b>				
Pipelines	(19,962,266)	(1,406,570)	-	(21,368,836)
Reservoirs	(15,241,216)	(738,483)	-	(15,979,699)
Land Improvements	(3,948)	(2,103)	-	(6,051)
Treatment Facilities	(7,418,648)	(290,999)	-	(7,709,647)
Wells/pumps	(1,809,475)	(105,253)	-	(1,914,728)
Sewer Manholes	(2,187,939)	(31,116)	3,000	(2,216,055)
Machinery and Equipment	(1,298,262)	(142,679)	-	(1,440,941)
Vehicles	(2,079,789)	(339,589)	45,670	(2,373,708)
Total Accumulated Depreciation	<u>(50,001,543)</u>	<u>(3,056,792)</u>	<u>48,670</u>	<u>(53,009,665)</u>
Total Capital Assets Being Depreciated, Net	<u>85,310,850</u>	<u>(1,489,057)</u>	<u>-</u>	<u>83,821,793</u>
<b>Business Activities, Capital Assets, Net</b>	<u><u>\$ 101,170,296</u></u>	<u><u>\$ 3,209,365</u></u>	<u><u>\$ (539,625)</u></u>	<u><u>\$ 103,840,036</u></u>

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

Water Utility	\$ 2,299,491
Solid Waste Utility	1,116
Sewer Utility	756,185
	<u><u>\$ 3,056,792</u></u>

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**5) LONG-TERM LIABILITIES**

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due in one year
<b>Governmental Activities</b>					
Compensated Absences Payable	\$ 2,115,044	\$ 1,434,886	\$ 1,223,083	\$ 2,326,847	\$ 1,125,344
Net OPEB Liability	10,946,662	-	3,596,849	7,349,813	-
Net Pension Liability	75,239,756	15,787,099	-	91,026,855	-
Claims Payable	9,831,729	659,066	1,772,943	8,717,852	2,382,349
Loans from Direct Borrowings:					
2021 Multifamily Housing Loan	12,402,398	-	655,747	11,746,651	676,299
Energy Efficiency Lease	2,145,401	-	171,137	1,974,264	172,741
CREBS Lease Agreement	4,386,028	-	83,657	4,302,371	98,346
Total Direct Borrowings	18,933,827	-	910,541	18,023,286	947,386
Total Government Activities	<u>\$ 117,067,018</u>	<u>\$ 17,881,051</u>	<u>\$ 7,503,416</u>	<u>\$ 127,444,653</u>	<u>\$ 4,455,079</u>

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

2021 Multifamily Housing Loan (direct borrowing)

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

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

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

The following represents the future annual debt service requirements:

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**5) LONG-TERM LIABILITIES – Continued**

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 676,299	\$ 353,447	\$ 1,029,746
2025	697,495	332,251	1,029,746
2026	719,356	310,390	1,029,746
2027	741,901	287,845	1,029,746
2028	765,153	264,592	1,029,745
2029-2033	4,200,871	947,857	5,148,728
2034-2038	3,945,576	259,221	4,204,797
Totals	<u>\$ 11,746,651</u>	<u>\$ 2,755,603</u>	<u>\$ 14,502,254</u>

Energy Efficiency Lease Agreement (direct borrowing)

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

The annual debt service requirements for the lease agreement as of June 30, 2023 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 172,741	\$ 83,285	\$ 256,026
2025	176,862	75,825	252,687
2026	183,160	68,162	251,322
2027	191,372	60,207	251,579
2028	200,307	51,879	252,186
2029-2033	1,049,822	118,318	1,168,140
Totals	<u>\$ 1,974,264</u>	<u>\$ 457,676</u>	<u>\$ 2,431,940</u>

CREBS Lease Agreement (direct borrowing)

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

The annual debt service requirements for the lease agreement as of June 30, 2023 are as follows:

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**5) LONG-TERM LIABILITIES – Continued**

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 98,346	\$ 148,070	\$ 246,416
2025	114,018	144,535	258,553
2026	130,727	140,448	271,175
2027	148,527	135,775	284,302
2028	167,479	130,475	297,954
2029-2033	1,237,704	548,127	1,785,831
2034-2038	2,405,570	218,936	2,624,506
<b>Totals</b>	<b>\$ 4,302,371</b>	<b>\$ 1,466,366</b>	<b>\$ 5,768,737</b>

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due in one year
<b>Business-type Activities</b>					
Compensated absences payable	\$ 410,329	\$ 307,560	\$ 243,544	\$ 474,345	\$ 237,632
Net OPEB Liability	2,704,246	-	864,495	1,839,751	-
Net Pension Liability	9,943,162	-	9,943,162	-	-
2022 Water Revenue Bonds	15,750,000	-	845,000	14,905,000	865,000
2021 Water Refunding Bonds	6,553,000	-	25,000	6,528,000	25,000
Loans from Direct Borrowings:					
SAWCO Loan	688,000	-	344,000	344,000	344,000
SWRCB Loan	666,627	10,564,028	-	11,230,655	-
Total Direct Borrowings	1,354,627	10,564,028	344,000	11,574,655	344,000
Total Business-type Activities	<b>\$ 36,715,364</b>	<b>\$ 10,871,588</b>	<b>\$ 12,265,201</b>	<b>\$ 35,321,751</b>	<b>\$ 1,471,632</b>

2022 Water Revenue Bonds

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

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

All system net revenues, which approximate \$7.5 million annually, are irrevocably pledged to the payment of the installment payments. Principal and interest payments on the bonds for the 2022-23 fiscal year totaled \$1,141,808. The Bond indenture contains a provision that in an event of default, outstanding amounts may become immediately due if the City is unable to make payment. The future debt service requirements are as follows:

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**5) LONG-TERM LIABILITIES – Continued**

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 865,000	\$ 277,872	\$ 1,142,872
2025	880,000	261,120	1,141,120
2026	900,000	244,032	1,144,032
2027	915,000	226,608	1,141,608
2028	935,000	208,848	1,143,848
2029-2033	4,955,000	765,168	5,720,168
2034-2038	5,455,000	265,872	5,720,872
Totals	<u>\$ 14,905,000</u>	<u>\$ 2,249,520</u>	<u>\$ 17,154,520</u>

2021 Water Refunding Bonds

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

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

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

All system net revenues, which approximate \$7.5 million annually, are irrevocably pledged to the payment of the installment payments. Principal and interest payments on the bonds for the 2022-23 fiscal year totaled \$123,108. The Bond indenture contains a provision that in an event of default, outstanding amounts may become immediately due if the City is unable to make payment. The future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 25,000	\$ 97,732	\$ 122,732
2025	560,000	93,345	653,345
2026	622,000	84,480	706,480
2027	633,000	75,068	708,068
2028	642,000	65,505	707,505
2029-2033	3,348,000	179,280	3,527,280
2034	698,000	5,235	703,235
Totals	<u>\$ 6,528,000</u>	<u>\$ 600,645</u>	<u>\$ 7,128,645</u>

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**5) LONG-TERM LIABILITIES – Continued**

SAWCO Loan Payable (direct borrowing)

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

The future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 344,000	\$ 6,467	\$ 350,467
Totals	\$ 344,000	\$ 6,467	\$ 350,467

SWRCB Loan Payable (direct borrowing)

The City has entered into a Construction Installment Sale Agreement with the California State Water Resources Control Board (State), to finance the replacement of a 7.5 MG reservoir (Project). The State has agreed to provide Project funds not to exceed \$16.5 million. As of June 30, 2023, the City has drawn down \$11,230,655 under the agreement.

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

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

**6) OTHER POST EMPLOYMENT BENEFITS**

**General Information About the OPEB Plan**

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

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

**City of Upland**  
**Notes to Financial Statements**  
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**6) OTHER POST EMPLOYMENT BENEFITS – Continued**

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

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

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

**Contributions** – The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contributions to the Plan are based on the costs to provide the benefits as described above on a pay as you go basis. For the fiscal year ended June 30, 2023, the City’s pay-as-you-go costs were \$873,479. In addition, as the City’s budget allows, the City will make additional contributions to the OPEB Trust Account, administered by the Public Agency Retirement Systems (PARS).

**Net OPEB Liability** - The City’s net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	2017 CalPERS Experience Study
Age at Retirement	Varies, 50 to 75
Health Care Trend Rate	5.80% initial, 3.9% ultimate
Inflation Rate	2.50%
Salary Changes	3.00%
Discount Rate	5.60%
Asset Return	5.64%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of June 30, 2023 are summarized in the following table:

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

**City of Upland**  
**Notes to Financial Statements**  
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**6) OTHER POST EMPLOYMENT BENEFITS – Continued**

**Discount Rate** – The discount rate of 5.60% is a blended rate between the rate of return of 5.64% and 3.54%, the resulting rate using the Bond Buyer 20-Bond GO index.

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (TOL)	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2022 (2021 Measurement Date)	\$ 15,265,518	\$ 1,614,610	\$ 13,650,908
Changes in the year:			
Service cost	212,380	-	212,380
Interest on the total OPEB liability	346,877	-	346,877
Employer contributions	-	1,019,544	(1,019,544)
Actual investment income	-	97,199	(97,199)
Differences between expected and actual experience	-	-	-
Changes of assumptions	(4,186,640)	-	(4,186,640)
Administrative Expense	-	(9,461)	9,461
Benefit payments, including refunds	(792,544)	(792,544)	-
Investment Experience	-	(273,321)	273,321
Net changes	(4,419,927)	41,417	(4,461,344)
Balance at June 30, 2023 (2022 Measurement Date)	\$ 10,845,591	\$ 1,656,027	\$ 9,189,564

**Sensitivity of the Net OPEB Liability to changes in the Discount Rate** - The following presents the net OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (4.60%)	Discount Rate (5.60%)	1% Increase (6.60%)
Net OPEB liability (asset)	\$ 10,218,991	\$ 9,189,564	\$ 8,320,187

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset)	\$ 8,582,812	\$ 9,189,564	\$ 9,907,455

**OPEB Plan Fiduciary Net Position**

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

**City of Upland  
Notes to Financial Statements  
Year Ended June 30, 2023**

**6) OTHER POST EMPLOYMENT BENEFITS – Continued**

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$46,622. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
OPEB Contributions Subsequent to the Measurement Date	\$ 873,479	\$ -
Changes of Assumptions	1,120,836	3,549,027
Net differences between expected and actual experience	540,956	494,309
Net differences between projected and actual earnings on plan investments	129,957	-
Total	\$ 2,665,228	\$ 4,043,336

The \$873,479 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 ended June 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,	
2024	\$ (426,584)
2025	(329,498)
2026	(425,814)
2027	(621,121)
2028	(448,570)
Thereafter	-

**7) TAX ABATEMENT**

The City enters into various tax abatement agreements for the purpose of attracting or retaining businesses within the City’s jurisdiction. In July 2021, a fifteen-year agreement was entered into with a commercial concrete and asphalt company. As an incentive to continue to operate within the City, for each fiscal year in which the company produces sales tax revenues to the City of Upland in excess of \$400,000, the City will pay the company 40% of sales tax revenue. In February of 2016, the City entered into an agreement with a local automobile dealership in order to entice the dealership to remain in the City of Upland and convert vacant property into sales tax generating uses. Enhancing the property for vehicle sales and servicing would require the owner to invest a substantial amount of money. In consideration of the owner’s commitment to utilize the property for sales tax generating uses and substantial financial commitment incurred to improve the property, the City will reimburse the owner a maximum of \$2,700,000 by way of an annual tax abatement. Seventy-five percent (75%) of annual sales tax revenue exceeding \$312,000 will be paid to the owner until reaching the maximum. The total sales tax abated to both companies for the fiscal year ended June 30, 2023 was \$1,073,170.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**8) DEBT WITHOUT GOVERNMENT COMMITMENT**

The City has various outstanding bond issues which are not reflected in these financial statements. These bond issues are special obligations payable solely from and secured by specific revenue sources described in the resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the Successor Agency to UCRA, the State of California or any political subdivision thereof, is pledged for the payment of these bonds. No legal obligation on the part of the City exists to make payments on the bonds from any source other than the revenues or assets pledged therefore. The programs are completely administered by trustees, and the total outstanding balance at June 30, 2023 is \$66,420,000.

**9) CLAIMS AND JUDGEMENTS**

The City is exposed to various risks of loss related to its operation, including losses associated with errors and omissions, injuries to employees and members of the public. The City's Self-funded Insurance Internal Service Fund is used to account for and finance its uninsured risks of loss. The City purchases coverage from Municipal Insurance Cooperative (MIC) for general liability coverage, with a limit up to \$20M in aggregate and \$5M per occurrence. MIC provides coverage in excess of the City's self-insured retention of \$2M. Excess general liability coverage is also obtained through excess carriers up to \$15M in limits. Homesite Insurance Company provides \$5M of first layer excess which excludes Law Enforcement Liability. Lexington Insurance Company also provides \$5M of first layer excess specific for Law Enforcement Liability. HDI Global Specialty SE provides \$5M excess \$5M for the second layer of excess over both Homesite and Lexington. Lastly, Illinois Union Insurance Company provides \$5M excess \$10M for the third layer providing the total of \$15M in limits.

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

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

The claims and judgments liability reported in the Self-funded Insurance Internal Service Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims and judgments be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. As of June 30, 2023, claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to \$8,717,852.

Changes in the claims and judgments payable amounts in fiscal years ended June 30, 2022 and 2023 for the Self-funded Insurance Fund are as follows:

Year Ended June 30,	Beginning of Year	Claims and Changes in Estimates	Claim Payments	End of Year
2023	\$ 9,831,729	\$ 659,066	\$ 1,772,943	\$ 8,717,852
2022	9,747,449	1,106,860	1,022,580	9,831,729

**City of Upland  
Notes to Financial Statements  
Year Ended June 30, 2023**

**10) PENSION PLANS**

**General Information about the Pension Plans - Miscellaneous**

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

**Benefits Provided:** The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the plan's June 30, 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.

The Plans' provisions that are in effect at June 30, 2023, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52
Monthly benefits, as a % of eligible compensation	(1)	(1)
Required employee contribution rates	8%	7.25%
Required employer contribution rates	10.96% + \$2,711,066	7.25%

**Employees Covered:** At June 30, 2023, the following number of employees were covered by the benefit terms for the Plan:

	Miscellaneous
Inactive employees or beneficiaries	
currently receiving benefits	432
Inactive employees entitled to but not yet	
receiving benefits	283
Active employees	147

**Contributions:** Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**10) PENSION PLANS – Continued**

finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer-Paid Member Contributions or situations where members are paying a portion of the employer contribution.

**Net Pension Liability**

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions:** The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Projected salary increase	(1)
Investment rate of return	6.90%
Mortality	(2)

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

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

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 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 that can be found on the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of

**City of Upland**  
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**10) PENSION PLANS – Continued**

benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return (1,2)
Global Equity - Cap Weighted	30%	4.54%
Global Equity - Non-Cap Weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

(1) An expected inflation of 2.3% used for this period.

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

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

**Changes in Net Pension Liability**

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

	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021	\$ 141,721,717	\$ 113,190,402	\$ 28,531,315
Changes in the year:			
Service cost	1,851,762	-	1,851,762
Interest on the total pension liability	9,769,936	-	9,769,936
Differences between expected and actual experience	(910,990)	-	(910,990)
Changes in assumptions	4,234,238	-	4,234,238
Contributions from the employer	-	19,650,167	(19,650,167)
Contributions from employees	-	830,404	(830,404)
Net investment income	-	(9,064,780)	9,064,780
Benefit payments, including refunds	(8,755,121)	(8,755,121)	-
Administrative/other expense	-	(70,511)	70,511
Net changes	6,189,825	2,590,159	3,599,666
Balance at June 30, 2022	\$ 147,911,542	\$ 115,780,561	\$ 32,130,981

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**10) PENSION PLANS – Continued**

**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 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

		Miscellaneous
1% Decrease		5.90%
Net Pension Liability	\$	50,992,195
Current Discount Rate		6.90%
Net Pension Liability	\$	32,130,981
1% Increase		7.90%
Net Pension Liability	\$	16,598,831

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

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

For the year ended June 30, 2023, the City recognized pension expense of \$5,682,079 for the Miscellaneous Plan. At June 30, 2023, the City reported deferred outflows and deferred inflows for the Miscellaneous Plan from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,898,487	\$ -
Differences between actual and expected experience	-	431,522
Changes in assumptions	2,005,692	-
Net differences between projected and actual earnings on plan investments	5,869,989	-
Total	\$ 11,774,168	\$ 431,522

\$3,898,487 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending	
June 30,	Amount
2024	\$ 2,569,666
2025	906,360
2026	514,068
2027	3,454,065
2028	-
Thereafter	-

**City of Upland**  
**Notes to Financial Statements**  
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**10) PENSION PLANS – Continued**

**General Information about the Pension Plans – Safety**

**Plan Description** – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-sharing Multiple-employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire). Plan assets may be used to pay benefits for any employer rate plan of the safety pool. Accordingly, rate plans within the safety pool are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the safety pool. The City sponsors five rate plans. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website: [www.calpers.ca.gov](http://www.calpers.ca.gov)

**Benefits Provided** – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2021 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2021 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

The rate plan provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Safety	Safety PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	3% @ 55	2.7% @ 55
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52
Monthly benefits, as a % of eligible compensation	(1)	(1)
Required employee contribution rates	9%	12.25%
Required employer contribution rates	21.03% + \$4,075,799	16.81% + \$33,035
(1) - Depending on years of service		

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability was \$4,108,834 in fiscal year 2023. The City’s contributions to the Plan for the year ended June 30, 2023 were \$5,465,572.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**10) PENSION PLANS – Continued**

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

As of June 30, 2023, the City reported a liability of \$58,895,874 for its proportionate share of the net pension liability. The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the Plan's net pension liability as of June 30, 2022 and 2023 (2021 and 2022 measurement date) was as follows:

Proportion - June 30, 2022	1.61424%
Proportion - June 30, 2023	0.85709%
Change - Increase (Decrease)	-0.75715%

For the year ended June 30, 2023, the City recognized pension expense of \$16,697,470. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the Safety pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 5,465,572	\$ -
Differences between actual and expected experience	2,437,486	639,563
Changes in assumptions	5,938,487	-
Change in employer's proportion and differences	7,342	28,439,605
Differences between the employer's contributions and the employer's proportionate share of contributions	18,748,969	1,294,294
Net differences between projected and actual earnings on plan investments	9,300,482	-
Total	<u>\$ 41,898,338</u>	<u>\$ 30,373,462</u>

The \$5,465,572 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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:

Year Ending June 30,	Amount
2024	\$ 521,840
2025	8,026
2026	(143,975)
2027	5,673,413
2028	-
Thereafter	-

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**10) PENSION PLANS – Continued**

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	6.90%
Mortality	(2)

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

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

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 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 that can be found on the CalPERS website.

**Long-term Expected Rate of Return** - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**10) PENSION PLANS – Continued**

Asset Class	New Strategic Allocation	Real Return (1,2)
Global Equity - Cap Weighted	30%	4.54%
Global Equity - Non-Cap Weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

(1) An expected inflation of 2.3% used for this period.

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

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

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

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

1% Decrease	5.90%
Net Pension Liability	\$ 91,941,006
Current Discount Rate	6.90%
Net Pension Liability	\$ 58,895,874
1% Increase	7.90%
Net Pension Liability	\$ 31,888,945

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

**Payable to the Pension Plan** - At June 30, 2023, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2023.

The total pension expense for the miscellaneous and safety plan was \$22,379,549.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**11) EQUITY INTERESTS**

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

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

Separate financial statements may be obtained for the San Antonio Water Company and Liquidation Trust at 139 North Euclid Avenue, Upland, California; for the West End Consolidated Water Company at 460 N. Euclid Avenue, Upland, California; and for the Water Facilities Authority at 1775 North Benson Avenue, Upland, California. The following schedule summarizes the City's investment in joint ventures at June 30, 2023 and the gain (loss) on the investment for the year then ended:

Water Company	Percentage Ownership	Total Joint Venture Equity	City's Equity Interest	City's Share of Joint Venture Net Income (Loss)
San Antonio Water Company	70.69%	\$ 30,914,771	\$ 21,853,652	\$ 580,102
West End Water Company	91.18%	2,573,333	2,346,365	384,505
Water Facilities Authority	23%	30,851,783	7,095,910	515,500
Total			<u>\$ 31,295,927</u>	<u>\$ 1,480,107</u>

**12) SUCCESSOR AGENCY ACTIVITIES**

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

	Beginning Balance	Additions	Retirements	Ending Balance	Due in one year
<b>Fiduciary Fund Long-term Debt</b>					
2013 Tax Allocation Bonds	\$ 4,690,000	\$ -	\$ 2,290,000	\$ 2,400,000	\$ 2,400,000
2016 Tax Allocation Bonds	11,400,000	-	190,000	11,210,000	205,000
Unamortized Premium	1,574,369	-	291,698	1,282,671	-
Total Fiduciary Fund Debt	<u>\$ 17,664,369</u>	<u>\$ -</u>	<u>\$ 2,771,698</u>	<u>\$ 14,892,671</u>	<u>\$ 2,605,000</u>

2013 Tax Allocation Refunding Bonds

On May 9, 2013, the Successor Agency of the former Upland Community Redevelopment Agency issued tax allocation refunding bonds in the amount of \$22,090,000 to refund the outstanding aggregate principal amount of the 1998 and 2003 Tax Allocation Bonds. Interest rates on the bonds range from 2.00% to 5.00% and are payable semi-annually on March 1 and September 1 of each year until maturity. The interest and principal of

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**12) SUCCESSOR AGENCY ACTIVITIES – Continued**

the bonds are payable from pledged tax increment revenues of the Merged Project Area. Term Bonds maturing September 1, 2018 and September 1, 2023 are subject to mandatory sinking fund redemption, in part by lot, on September 1, 2015 and September 1, 2019, respectively, and on each September 1 thereafter at a price equal to the principal amount thereof plus accrued interest. There are certain limitations regarding the issuance of parity debt as further described in the official statement.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 2,400,000	\$ 60,000	\$ 2,460,000
Totals	<u>\$ 2,400,000</u>	<u>\$ 60,000</u>	<u>\$ 2,460,000</u>

2016 Tax Allocation Refunding Bonds

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 205,000	\$ 450,787	\$ 655,787
2025	2,395,000	386,813	2,781,813
2026	2,530,000	263,888	2,793,888
2027	970,000	181,037	1,151,037
2028	1,015,000	136,263	1,151,263
2029-2033	2,100,000	424,975	2,524,975
2034-2037	1,995,000	111,582	2,106,582
Totals	<u>\$ 11,210,000</u>	<u>\$ 1,955,345</u>	<u>\$ 13,165,345</u>

**13) CONTINGENT RECEIVABLE**

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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**13) CONTINGENT RECEIVABLE - Continued**

Revenues are recognized by the City when both eligible expenditures have been incurred and annual funding allocations are approved by SBCTA. At June 30, 2023, prior expenditures related to the Foothill Boulevard Widening Project, which total over \$3.5 million are included in the Measure I projects eligible for reimbursement. However, due to limited program tax revenue accruals from 2010, only \$2,590,094 of project costs have been approved for disbursements by SBCTA and recorded as revenue as of June 30, 2023. Of this amount, \$1,807,920 was received in prior years and \$213,810 remained outstanding as of June 30, 2023. Future reimbursements are expected to coincide with annual tax revenue generated under the Measure I program for arterial transportation projects.

**14) FUND BALANCE**

The City's governmental fund balances at June 30, 2023, are presented below:

	General Fund	Housing Fund	ARPA Fund	Total Non-major Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>					
Inventory and Prepaid Items	\$ 119,423	\$ -	\$ -	\$ -	\$ 119,423
Long-term Notes Receivable	21,481	-	-	-	21,481
<b>Restricted:</b>					
Disability Access	138,063	-	-	-	138,063
Section 115 Pension Trust	3,876,869	-	-	-	3,876,869
Low and Moderate Income Housing	-	11,454,493	-	7,074,962	18,529,455
Public Safety	-	-	-	2,918,821	2,918,821
Street Maintenance	-	-	-	19,383,957	19,383,957
Air Pollution Reduction Measures	-	-	-	290,225	290,225
Downtown Parking & Business Improvement	-	-	-	292,866	292,866
Underground Utilities	-	-	-	2,581,891	2,581,891
Capital Improvements	-	-	-	2,232,339	2,232,339
Park Acquisition and Development	-	-	-	10,045,431	10,045,431
Storm Drain	-	-	-	5,312,308	5,312,308
Street and Traffic Safety	-	-	-	1,309,070	1,309,070
Street and Alley Repair	-	-	-	1,005,450	1,005,450
<b>Committed to:</b>					
Economic Uncertainty Reserve	12,400,000	-	-	-	12,400,000
Emergency Contingency	1,000,000	-	-	-	1,000,000
General Plan Update	552,395	-	-	-	552,395
Memorial Park Improvements	140,000	-	-	-	140,000
Legal/Labor Negotiations	450,000	-	-	-	450,000
Pensions	403,163	-	-	-	403,163
OPEB	50,395	-	-	-	50,395
Continuing Appropriations	52,620	-	-	-	52,620
<b>Assigned:</b>					
General Capital Improvements	-	-	-	440,421	440,421
<b>Unassigned</b>	<u>(9,434,292)</u>	<u>-</u>	<u>(427,443)</u>	<u>(133,913)</u>	<u>(9,995,648)</u>
Total Fund Balance	<u>\$ 9,770,117</u>	<u>\$ 11,454,493</u>	<u>\$ (427,443)</u>	<u>\$ 52,753,828</u>	<u>\$ 73,550,995</u>

The deficit unassigned fund balance in the Major governmental funds will be repaid when receivables are collected and from future revenues. In accordance with the City's General Fund reserve policy, balances were categorized as assigned for Infrastructure Improvements totaling \$2,020,872 and Building Maintenance Improvements totaling \$1,500,086 but have been eliminated to offset the deficit unassigned fund balance.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**15) COMMITMENTS AND CONTINGENCIES**

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

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

The City had approximately \$3,622,590 in outstanding construction contract obligations as of June 30, 2023.

State Water Resource Control Board Loans

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

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

**16) LEASES**

***Lease Receivable*** - In prior fiscal years, the City entered into various land lease agreements with third parties to lease pieces of land owned by the City. The initial lease terms ranged from 4 to 44 years. The City currently receives monthly payments from all leases of \$95,337. The City recognized \$573,804 in lease revenue and \$277,216 in interest revenue during the current fiscal year related to the various leases. As of June 30, 2023, the City's receivable for lease payments was \$6,372,546. Also, the City has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflow of resources was \$6,372,546.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**17) DISCRETELY PRESENTED COMPONENT UNITS**

West End Consolidated Water Company

Capital assets activity for the West End Consolidated Water Company for the year ended December 31, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 8,574	\$ -	\$ -	\$ 8,574
Water Rights	487,296	-	-	487,296
Total Capital Assets, Not Depreciated	495,870	-	-	495,870
Capital Assets Being Depreciated:				
Facility and Fencing Improvements	22,810	-	-	22,810
Boosters	26,374	-	-	26,374
Wells	1,280,137	-	-	1,280,137
Reservoirs	59,528	-	-	59,528
Pipelines	259,772	-	-	259,772
Pumps and Equipment	269,045	-	-	269,045
Total Capital Assets Being Depreciated	1,917,666	-	-	1,917,666
Less Accumulated Depreciation:	980,494	32,453	-	1,012,947
Net Capital Assets Being Depreciated	937,172	(32,453)	-	904,719
West End, Capital Assets, Net	<u>\$ 1,433,042</u>	<u>\$ (32,453)</u>	<u>\$ -</u>	<u>\$ 1,400,589</u>

San Antonio Water Company

Capital assets activity for the San Antonio Water Company for the year ended December 31, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land and Water Rights	\$ 920,161	\$ -	\$ -	\$ 920,161
Construction in Progress	2,211,330	102,519	829,622	1,484,227
Total Capital Assets, Not Depreciated	3,131,491	102,519	829,622	2,404,388
Capital Assets Being Depreciated:				
Tunnels and Forebay	1,587,111	-	-	1,587,111
Wells, Shafts, Building	4,910,920	-	-	4,910,920
Pipelines	18,532,025	696,735	-	19,228,760
Boosters	2,500,593	-	-	2,500,593
Reservoirs	3,081,787	-	-	3,081,787
All Other	4,755,237	211,322	4,033	4,962,526
Total Capital Assets Being Depreciated	35,367,673	908,057	4,033	36,271,697
Less Accumulated Depreciation:	15,096,318	1,015,651	(4,033)	16,107,936
Net Capital Assets Being Depreciated	20,271,355	(107,594)	-	20,163,761
San Antonio, Capital Assets, Net	<u>\$ 23,402,846</u>	<u>\$ (5,075)</u>	<u>\$ 829,622</u>	<u>\$ 22,568,149</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property Taxes	\$ 19,177,650	\$ 20,894,081	\$ 20,400,537	\$ (493,544)
Business License Taxes	1,100,000	1,075,000	1,220,003	145,003
Sales and Use Tax	18,404,120	20,243,730	21,274,685	1,030,955
Franchise Tax	1,284,520	1,284,520	1,489,329	204,809
Other	828,000	864,000	937,615	73,615
Licenses and Permits	1,681,570	1,854,570	2,776,093	921,523
Charges for Services	2,459,510	2,634,590	2,909,017	274,427
Fines and Penalties	565,830	530,330	640,866	110,536
Investment Income	110,000	110,000	287,127	177,127
Rental Income	847,030	850,450	691,685	(158,765)
Intergovernmental	128,000	158,000	147,577	(10,423)
Other Revenue	146,510	170,960	377,637	206,677
	<u>46,732,740</u>	<u>50,670,231</u>	<u>53,152,171</u>	<u>2,481,940</u>
<b>EXPENDITURES</b>				
Current:				
General Government	4,362,080	2,935,195	3,721,545	(786,350)
Public Safety	26,995,010	27,195,255	24,473,670	2,721,585
Engineering and Public Works	8,649,390	9,152,090	8,301,412	850,678
Development Services	2,603,510	2,780,810	2,489,937	290,873
Community Services	4,069,950	4,410,190	4,304,519	105,671
Debt Service:				
Principal	1,368,080	1,368,080	254,794	1,113,286
Interest and Fiscal Charges	759,260	759,260	629,035	130,225
	<u>48,807,280</u>	<u>48,600,880</u>	<u>44,174,912</u>	<u>4,425,968</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,074,540)</u>	<u>2,069,351</u>	<u>8,977,259</u>	<u>6,907,908</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,444,620	-	-	-
Transfers Out	(240,000)	(2,620,802)	(2,620,802)	-
Sale of Capital Assets	-	-	15,000	15,000
	<u>2,204,620</u>	<u>(2,620,802)</u>	<u>(2,605,802)</u>	<u>15,000</u>
Net Change in Fund Balances	130,080	(551,451)	6,371,457	6,922,908
Fund Balances, Beginning	<u>3,398,660</u>	<u>3,398,660</u>	<u>3,398,660</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 3,528,740</u>	<u>\$ 2,847,209</u>	<u>\$ 9,770,117</u>	<u>\$ 6,922,908</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Housing Special Revenue Fund**  
**Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ 860	\$ 860
Investment Income	15,000	15,000	(11,054)	(26,054)
Rental Income	4,600,000	4,600,000	4,846,732	246,732
Other Revenue	198,280	198,280	85,014	(113,266)
	<u>4,813,280</u>	<u>4,813,280</u>	<u>4,921,552</u>	<u>108,272</u>
<b>EXPENDITURES</b>				
Current:				
Development Services	2,952,690	2,952,690	3,329,767	(377,077)
Debt Service:				
Principal	654,065	654,065	655,747	(1,682)
Interest & Fiscal Charges	375,685	375,685	373,999	1,686
Issuance Costs	-	-	-	-
	<u>3,982,440</u>	<u>3,982,440</u>	<u>4,359,513</u>	<u>(377,073)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>830,840</u>	<u>830,840</u>	<u>562,039</u>	<u>(268,801)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Issuance of Debt	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	830,840	830,840	562,039	(268,801)
Fund Balance, Beginning	<u>10,892,454</u>	<u>10,892,454</u>	<u>10,892,454</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 11,723,294</u>	<u>\$ 11,723,294</u>	<u>\$ 11,454,493</u>	<u>\$ (268,801)</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - ARPA Special Revenue Fund**  
**Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Investment Income	\$ 35,000	\$ 35,000	\$ (120,317)	\$ (155,317)
Intergovernmental	198,280	198,280	3,121,595	2,923,315
Total Revenues	<u>233,280</u>	<u>233,280</u>	<u>3,001,278</u>	<u>2,767,998</u>
<b>EXPENDITURES</b>				
Current:				
General Government	6,585,830	7,185,741	1,036,526	6,149,215
Public Safety	-	-	813,514	(813,514)
Engineering and Public Works	-	-	640,002	(640,002)
Development Services	-	-	588,353	(588,353)
Community Services	-	-	43,200	(43,200)
Total Expenditures	<u>6,585,830</u>	<u>7,185,741</u>	<u>3,121,595</u>	<u>4,064,146</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(6,352,550)</u>	<u>(6,952,461)</u>	<u>(120,317)</u>	<u>6,832,144</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Issuance of Debt	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(6,352,550)	(6,952,461)	(120,317)	6,832,144
Fund Balance, Beginning	<u>(307,126)</u>	<u>(307,126)</u>	<u>(307,126)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (6,659,676)</u>	<u>\$ (7,259,587)</u>	<u>\$ (427,443)</u>	<u>\$ 6,832,144</u>

**City of Upland**  
**Notes to Required Supplementary Information**  
**Year Ended June 30, 2023**

**BUDGETS AND BUDGETARY ACCOUNTING**

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

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

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

**City of Upland**  
**Required Supplementary Information**  
**Year Ended June 30, 2023**

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

	Measurement Period		
	2022	2021	2020
<b>Total Pension Liability</b>			
Service cost	\$ 1,851,762	\$ 1,692,908	\$ 1,461,755
Interest on total pension liability	9,769,936	9,678,380	9,399,565
Changes in assumptions	4,234,238	-	-
Differences between expected and actual experience	(910,990)	1,115,756	532,528
Benefit payments, including refunds	(8,755,121)	(8,330,169)	(8,056,083)
Net change in total pension liability	6,189,825	4,156,875	3,337,765
Total pension liability - beginning	141,721,717	137,564,842	134,227,077
Total pension liability - ending (a)	<u>\$ 147,911,542</u>	<u>\$ 141,721,717</u>	<u>\$ 137,564,842</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 19,650,167	\$ 4,063,124	\$ 4,697,971
Contributions - employee	830,404	633,415	670,433
Net investment income	(9,064,780)	21,384,568	4,621,628
Benefit payments	(8,755,121)	(8,330,169)	(8,056,083)
Net Plan to Plan Resource Movement	-	-	-
Administrative/Other Expense	(70,511)	(95,434)	(132,141)
Net change in plan fiduciary net position	2,590,159	17,655,504	1,801,808
Plan fiduciary net position - beginning	113,190,402	95,534,898	93,733,090
Plan fiduciary net position - ending (b)	<u>\$ 115,780,561</u>	<u>\$ 113,190,402</u>	<u>\$ 95,534,898</u>
Net pension liability - ending (a) - (b)	<u>\$ 32,130,981</u>	<u>\$ 28,531,315</u>	<u>\$ 42,029,944</u>
Plan fiduciary net position as a percentage of the total pension liability	78.28%	79.87%	69.45%
Covered payroll	\$ 8,467,768	\$ 8,066,572	\$ 8,343,351
Net pension liability as percentage of covered payroll	379.45%	353.70%	503.75%

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

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

Changes in Assumptions: In 2022, the accounting discount rate reduced from 7.15 percent to 6.90 percent. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

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

Measurement Period						
	2019	2018	2017	2016	2015	2014
\$	1,581,166	\$ 1,568,587	\$ 1,728,641	\$ 1,603,986	\$ 1,778,643	\$ 2,058,203
	9,162,859	8,880,290	8,747,118	8,670,714	8,475,794	8,374,645
	-	(600,917)	7,056,199	-	(2,015,694)	-
	1,054,267	(675,727)	(1,671,546)	(1,502,457)	(3,437,406)	-
	(7,756,492)	(7,358,347)	(7,154,726)	(6,299,318)	(5,934,069)	(5,480,303)
	4,041,800	1,813,886	8,705,686	2,472,925	(1,132,732)	4,952,545
	130,185,277	128,371,391	119,665,705	117,192,780	118,325,512	113,372,967
\$	<u>134,227,077</u>	<u>\$ 130,185,277</u>	<u>\$ 128,371,391</u>	<u>\$ 119,665,705</u>	<u>\$ 117,192,780</u>	<u>\$ 118,325,512</u>
\$	3,311,285	\$ 2,999,453	\$ 2,352,967	\$ 2,239,207	\$ 1,977,651	\$ 1,880,762
	754,481	655,077	670,114	703,361	703,031	846,655
	5,949,555	7,384,991	9,227,177	429,550	1,971,870	13,175,373
	(7,756,492)	(7,358,347)	(7,154,726)	(6,299,318)	(5,934,069)	(5,480,303)
	1,301	-	-	(301)	-	-
	(65,111)	(398,906)	(122,962)	(52,573)	(97,096)	-
	2,195,019	3,282,268	4,972,570	(2,980,074)	(1,378,613)	10,422,487
	91,538,071	88,255,803	83,283,233	86,263,307	87,641,920	77,219,433
\$	<u>93,733,090</u>	<u>\$ 91,538,071</u>	<u>\$ 88,255,803</u>	<u>\$ 83,283,233</u>	<u>\$ 86,263,307</u>	<u>\$ 87,641,920</u>
\$	<u>40,493,987</u>	<u>\$ 38,647,206</u>	<u>\$ 40,115,588</u>	<u>\$ 36,382,472</u>	<u>\$ 30,929,473</u>	<u>\$ 30,683,592</u>
	69.83%	70.31%	68.75%	69.60%	73.61%	74.07%
\$	8,524,725	\$ 8,430,545	\$ 9,034,865	\$ 9,183,479	\$ 10,003,615	\$ 11,030,619
	475.02%	458.42%	444.01%	396.17%	309.18%	278.17%

**City of Upland  
Required Supplementary Information  
Year Ended June 30, 2023**

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

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

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

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

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

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

**City of Upland  
Required Supplementary Information  
Year Ended June 30, 2023**

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

Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2022	1.61424%	\$ 58,895,874	\$ 7,777,162	757.29%	75.39%
2021	1.04750%	56,651,603	7,767,343	729.36%	75.36%
2020	0.72025%	78,366,541	7,473,800	1048.55%	64.98%
2019	0.71858%	73,633,282	6,845,982	1075.57%	66.40%

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

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

**Benefit Changes:** None

**Changes in Assumptions:** In 2022, the accounting discount rate changed from 7.15% to 6.90%. In 2017, the accounting discount rate changed from 7.65% to 7.15%.

**City of Upland  
Required Supplementary Information  
Year Ended June 30, 2023**

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2023	\$ 3,898,487	\$ (3,898,487)	\$ -	\$ 11,412,853	34.16%
2022	4,482,400	(19,737,848)	(15,255,448)	8,437,768	53.12%
2021	4,088,720	(4,088,720)	-	8,066,572	50.69%
2020	3,734,440	(4,734,440)	(1,000,000)	8,343,351	44.76%
2019	3,335,368	(3,335,368)	-	8,524,725	39.13%
2018	2,999,453	(2,999,453)	-	8,430,545	35.58%
2017	2,352,967	(2,352,967)	-	9,034,865	26.04%
2016	2,239,207	(2,239,207)	-	9,183,479	24.38%
2015	1,977,651	(1,977,651)	-	10,003,615	19.77%
2014	1,880,762	(1,880,762)	-	11,030,619	17.05%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2023	\$ 5,465,572	\$ (5,465,572)	\$ -	\$ 8,058,111	67.83%
2022	7,227,924	(37,727,924)	(30,500,000)	7,777,162	92.94%
2021	7,041,790	(7,041,790)	-	7,767,343	90.66%
2020	6,210,535	(6,210,535)	-	7,473,800	83.10%
2019	5,322,942	(5,322,942)	-	6,845,982	77.75%
2018	4,816,496	(4,816,496)	-	7,851,917	61.34%
2017	4,870,870	(4,870,870)	-	11,286,708	43.16%
2016	4,265,372	(4,265,372)	-	10,755,149	39.66%
2015	3,611,390	(3,611,390)	-	11,241,479	32.13%
2014	3,380,630	(3,380,630)	-	11,699,414	28.90%

**City of Upland  
Required Supplementary Information  
Year Ended June 30, 2023**

**Schedule of Contributions - Continued**

**Notes to Schedule of Plan Contributions:**

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

**City of Upland**  
**Required Supplementary Information**  
**Year Ended June 30, 2023**

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

	Measurement Period		
	2022	2021	2020
<b>Total OPEB Liability</b>			
Service cost	\$ 212,380	\$ 226,606	\$ 166,888
Interest on total OPEB liability	346,877	326,794	448,931
Changes in assumptions	(4,186,640)	(171,113)	2,001,839
Changes in benefits	-	-	-
Differences between expected and actual experience	-	841,486	-
Benefit payments, including refunds	(792,544)	(772,138)	(853,875)
Net change in total OPEB liability	(4,419,927)	451,635	1,763,783
Total OPEB liability - beginning	15,265,518	14,813,883	13,050,100
Total OPEB liability - ending (a)	<u>\$ 10,845,591</u>	<u>\$ 15,265,518</u>	<u>\$ 14,813,883</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 1,019,544	\$ 997,138	\$ 853,875
Net Investment Income	(176,122)	231,516	51,511
Benefit payments	(792,544)	(772,138)	(853,875)
Administrative Expense	(9,461)	(6,956)	(5,696)
Net change in plan fiduciary net position	41,417	449,560	45,815
Plan fiduciary net position - beginning	1,614,610	1,165,050	1,119,235
Plan fiduciary net position - ending (b)	<u>\$ 1,656,027</u>	<u>\$ 1,614,610</u>	<u>\$ 1,165,050</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 9,189,564</u>	<u>\$ 13,650,908</u>	<u>\$ 13,648,833</u>
Plan fiduciary net position as a percentage of the total OPEB liability	15.3%	10.6%	7.9%
Covered - employee payroll	19,439,899	19,086,465	16,470,676
Net OPEB liability as a percentage of covered-employee payroll	47.27%	71.52%	82.87%

**Notes to Schedule of Changes**

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

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

**City of Upland**  
**Required Supplementary Information**  
**Year Ended June 30, 2023**

Measurement Period		
2019	2018	2017
\$ 390,159	\$ 557,634	\$ 538,257
573,095	562,756	547,618
784,435	(1,049,491)	-
-	(1,080,543)	-
(1,821,317)	-	-
(591,246)	(699,692)	(669,865)
(664,874)	(1,709,336)	416,010
13,714,974	15,424,310	15,008,300
<u>\$ 13,050,100</u>	<u>\$ 13,714,974</u>	<u>\$ 15,424,310</u>
\$ 591,246	\$ 699,692	\$ 1,669,865
69,490	54,034	966
(591,246)	(699,692)	(669,865)
(2,660)	(2,595)	-
66,830	51,439	1,000,966
1,052,405	1,000,966	-
<u>\$ 1,119,235</u>	<u>\$ 1,052,405</u>	<u>\$ 1,000,966</u>
<u>\$ 11,930,865</u>	<u>\$ 12,662,569</u>	<u>\$ 14,423,344</u>
8.6%	7.7%	6.5%
15,729,836	16,282,462	20,253,855
75.85%	77.77%	71.21%

## **SUPPLEMENTARY INFORMATION**

**NON-MAJOR GOVERNMENTAL FUNDS**

**City of Upland  
Non-Major Governmental Funds  
Year Ended June 30, 2023**

**SPECIAL REVENUE FUNDS**

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

***Gas Tax Fund***

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

***HOME Program Fund***

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

***CalHOME Program Fund***

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

***Community Development Block Grant Fund***

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

***Measure I Fund***

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

***Air Quality Management District Fund***

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

***Parking and Business Improvement Area Fund***

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

***SB509 Public Safety Augmentation Fund***

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

***Asset Forfeiture Fund***

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

***Public Safety Grants Fund***

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

***Other Grants Fund***

To account for revenue and expenditures related to grants restricted for specific purposes other than public safety.

**City of Upland  
Non-Major Governmental Funds  
Year Ended June 30, 2023**

**SPECIAL REVENUE FUNDS - Continued**

***CARES ACT Fund***

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

**CAPITAL PROJECT FUNDS**

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

***Park Acquisition and Development Fund***

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

***General Capital Development Fund***

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

***Storm Drain Development Fund***

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

***Street and Traffic Safety Development Fund***

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

***General Capital Projects Fund***

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

***Street and Alley Repair Fund***

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

***Energy Efficiency Improvements***

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

**City of Upland  
Combining Balance Sheet  
Non-major Governmental Funds  
June 30, 2023**

	Special Revenue			
	Gas Tax	HOME Program	CalHOME Program	Community Development Block Grant
<b>ASSETS</b>				
Cash and Investments	\$ 10,506,528	\$ 2,097,456	\$ 718,636	\$ -
Restricted Cash	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Notes, net	-	2,759,427	1,514,190	-
Accrued Interest on Notes	-	915,028	362,224	-
Due from Other Governments	485,040	-	-	310,044
<b>Total Assets</b>	<b>\$ 10,991,568</b>	<b>\$ 5,771,911</b>	<b>\$ 2,595,050</b>	<b>\$ 310,044</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 73,398	\$ 10,278	\$ -	\$ 204,010
Accrued Salaries and Benefits	4,442	-	-	1,488
Due to Other Funds	-	-	-	31,982
Deposits Payable	-	-	-	-
Retentions Payable	9,436	-	-	13,786
Unearned Revenue	-	-	4,469	-
<b>Total Liabilities</b>	<b>87,276</b>	<b>10,278</b>	<b>4,469</b>	<b>251,266</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	915,028	362,224	7,070
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>915,028</b>	<b>362,224</b>	<b>7,070</b>
<b>FUND BALANCE (DEFICITS)</b>				
Restricted	10,904,292	4,846,605	2,228,357	51,708
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>10,904,292</b>	<b>4,846,605</b>	<b>2,228,357</b>	<b>51,708</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances (Deficits)</b>	<b>\$ 10,991,568</b>	<b>\$ 5,771,911</b>	<b>\$ 2,595,050</b>	<b>\$ 310,044</b>

Special Revenue

Measure I	Air Quality Management District	Parking and Business Improvement	SB 509 Public Safety Augmentation	Asset Forfeiture	Public Safety Grants	Other Grants
\$ 8,100,204	\$ 265,574	\$ 231,909	\$ -	\$ 1,441,812	\$ 1,122,376	\$ 205,387
-	-	-	-	62,956	-	-
-	-	9,249	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
509,924	26,394	-	110,535	-	253,959	154,463
<u>\$ 8,610,128</u>	<u>\$ 291,968</u>	<u>\$ 241,158</u>	<u>\$ 110,535</u>	<u>\$ 1,504,768</u>	<u>\$ 1,376,335</u>	<u>\$ 359,850</u>
\$ 122,756	\$ 34	\$ -	\$ -	\$ 877	\$ 29,438	\$ 6,851
1,246	1,709	-	28,899	-	-	767
-	-	-	80,991	-	-	-
-	-	-	-	62,956	-	-
6,461	-	-	-	-	-	-
-	-	-	-	-	31,002	331,682
<u>130,463</u>	<u>1,743</u>	<u>-</u>	<u>109,890</u>	<u>63,833</u>	<u>60,440</u>	<u>339,300</u>
-	-	-	-	-	168,920	154,463
-	-	-	-	-	168,920	154,463
8,479,665	290,225	241,158	645	1,440,935	1,146,975	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(133,913)
<u>8,479,665</u>	<u>290,225</u>	<u>241,158</u>	<u>645</u>	<u>1,440,935</u>	<u>1,146,975</u>	<u>(133,913)</u>
<u>\$ 8,610,128</u>	<u>\$ 291,968</u>	<u>\$ 241,158</u>	<u>\$ 110,535</u>	<u>\$ 1,504,768</u>	<u>\$ 1,376,335</u>	<u>\$ 359,850</u>

Continued

**City of Upland**  
**Combining Balance Sheet**  
**Non-major Governmental Funds - Continued**  
**June 30, 2023**

	Special Revenue	Capital Projects		
	CARES ACT	Park Acquisition & Development	General Capital Development	Storm Drain Development
<b>ASSETS</b>				
Cash and Investments	\$ 29,201	\$ 10,033,730	\$ 2,232,339	\$ 5,311,685
Restricted Cash	-	1,257,934	223,711	321,184
Receivables:				
Accounts	-	-	-	635
Notes, net	-	-	-	-
Accrued Interest on Notes	-	-	-	-
Due from Other Governments	-	-	-	-
<b>Total Assets</b>	<b>\$ 29,201</b>	<b>\$ 11,291,664</b>	<b>\$ 2,456,050</b>	<b>\$ 5,633,504</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 24,304	\$ -	\$ -
Accrued Salaries and Benefits	-	188	-	11
Due to Other Funds	-	-	-	-
Deposits Payable	-	1,257,934	223,711	321,184
Retentions Payable	-	-	-	-
Unearned Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>1,282,426</b>	<b>223,711</b>	<b>321,195</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICITS)</b>				
Restricted	29,201	10,009,238	1,791,918	5,312,309
Assigned	-	-	440,421	-
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>29,201</b>	<b>10,009,238</b>	<b>2,232,339</b>	<b>5,312,309</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances (Deficits)</b>	<b>\$ 29,201</b>	<b>\$ 11,291,664</b>	<b>\$ 2,456,050</b>	<b>\$ 5,633,504</b>

Capital Projects				
Street and Traffic Safety Development	General Capital Projects	Street & Alley Repair	Energy Efficiency Improvements	Total
\$ 1,309,159	\$ 3,359,569	\$ 951,857	\$ -	\$ 47,917,422
165,262	-	-	-	2,031,047
-	-	54,229	-	64,113
-	-	-	-	4,273,617
-	-	-	-	1,277,252
-	-	-	-	1,850,359
<u>\$ 1,474,421</u>	<u>\$ 3,359,569</u>	<u>\$ 1,006,086</u>	<u>\$ -</u>	<u>\$ 57,413,810</u>
\$ -	\$ -	\$ -	\$ -	\$ 471,946
89	-	420	-	39,259
-	-	-	-	112,973
165,262	-	-	-	2,031,047
-	-	216	-	29,899
-	-	-	-	367,153
<u>165,351</u>	<u>-</u>	<u>636</u>	<u>-</u>	<u>3,052,277</u>
-	-	-	-	1,607,705
-	-	-	-	1,607,705
1,309,070	3,359,569	1,005,450	-	52,447,320
-	-	-	-	440,421
-	-	-	-	(133,913)
<u>1,309,070</u>	<u>3,359,569</u>	<u>1,005,450</u>	<u>-</u>	<u>52,753,828</u>
<u>\$ 1,474,421</u>	<u>\$ 3,359,569</u>	<u>\$ 1,006,086</u>	<u>\$ -</u>	<u>\$ 57,413,810</u>

**City of Upland**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**Year Ended June 30, 2023**

	Special Revenue			
	Gas Tax	HOME Program	CalHOME Program	Community Development Block Grant
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Charges for Services	-	-	-	-
Investment Income	(20,375)	31,789	11,535	-
Rental Income	-	-	-	-
Intergovernmental	3,769,635	-	-	1,062,529
Other Revenue	-	35,436	-	-
<b>Total Revenues</b>	<b>3,749,260</b>	<b>67,225</b>	<b>11,535</b>	<b>1,062,529</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Engineering and Public Works	1,788,455	-	-	-
Development Services	-	-	32,555	1,069,599
Community Services	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>1,788,455</b>	<b>-</b>	<b>32,555</b>	<b>1,069,599</b>
Excess (Deficiency) of Revenues Over Expenditures	1,960,805	67,225	(21,020)	(7,070)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	1,960,805	67,225	(21,020)	(7,070)
Fund Balances - Beginning	8,943,487	4,779,380	2,249,377	58,778
Fund Balances - Ending	<u>\$ 10,904,292</u>	<u>\$ 4,846,605</u>	<u>\$ 2,228,357</u>	<u>\$ 51,708</u>

Special Revenue

Measure I	Air Quality Management District	Parking and Business Improvement	SB 509 Public Safety Augmentation	Asset Forfeiture	Public Safety Grants	Other Grants
\$ -	\$ -	\$ 101,840	\$ 1,478,551	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(34,345)	3,971	3,010	1,373	16,954	21,176	7,376
-	-	-	-	-	-	-
2,094,460	130,290	-	-	680,494	357,483	1,134,927
-	-	-	-	-	-	-
<u>2,060,115</u>	<u>134,261</u>	<u>104,850</u>	<u>1,479,924</u>	<u>697,448</u>	<u>378,659</u>	<u>1,142,303</u>
-	-	-	-	-	-	-
-	-	-	1,479,923	1,896	604,691	-
554,239	77,236	59,455	-	-	-	-
-	-	-	-	-	-	660,861
-	-	-	-	-	-	553,228
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>554,239</u>	<u>77,236</u>	<u>59,455</u>	<u>1,479,923</u>	<u>1,896</u>	<u>604,691</u>	<u>1,214,089</u>
<u>1,505,876</u>	<u>57,025</u>	<u>45,395</u>	<u>1</u>	<u>695,552</u>	<u>(226,032)</u>	<u>(71,786)</u>
-	-	29,552	-	-	-	-
-	-	-	-	-	-	-
-	-	29,552	-	-	-	-
1,505,876	57,025	74,947	1	695,552	(226,032)	(71,786)
<u>6,973,789</u>	<u>233,200</u>	<u>166,211</u>	<u>644</u>	<u>745,383</u>	<u>1,373,007</u>	<u>(62,127)</u>
<u>\$ 8,479,665</u>	<u>\$ 290,225</u>	<u>\$ 241,158</u>	<u>\$ 645</u>	<u>\$ 1,440,935</u>	<u>\$ 1,146,975</u>	<u>\$ (133,913)</u>

Continued

**City of Upland**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds - Continued**  
**Year Ended June 30, 2023**

	Special Revenue	Capital Projects		
	CARES ACT	Park Acquisition & Development	General Capital Development	Storm Drain Development
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	310,255	48,287	381,495
Charges for Services	-	-	-	-
Investment Income	330	(18,550)	(3,216)	(7,319)
Rental Income	-	-	-	45,381
Intergovernmental	47,835	-	-	-
Other Revenue	-	-	-	-
<b>Total Revenues</b>	<b>48,165</b>	<b>291,705</b>	<b>45,071</b>	<b>419,557</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Engineering and Public Works	-	342,231	344	60,104
Development Services	-	-	-	-
Community Services	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>342,231</b>	<b>344</b>	<b>60,104</b>
Excess (Deficiency) of Revenues Over Expenditures	48,165	(50,526)	44,727	359,453
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	48,165	(50,526)	44,727	359,453
Fund Balances - Beginning	(18,964)	10,059,764	2,187,612	4,952,856
Fund Balances - Ending	<b>\$ 29,201</b>	<b>\$ 10,009,238</b>	<b>\$ 2,232,339</b>	<b>\$ 5,312,309</b>

Capital Projects				
Street and Traffic Safety Development	General Capital Projects	Street & Alley Repair	Energy Efficiency Improvements	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,580,391
191,580	-	350,000	-	1,281,617
-	74,880	-	-	74,880
12,638	-	(2,083)	-	24,264
-	-	-	-	45,381
-	-	-	-	9,277,653
-	141,010	-	-	176,446
<u>204,218</u>	<u>215,890</u>	<u>347,917</u>	<u>-</u>	<u>12,460,632</u>
-	-	-	-	-
-	-	-	-	2,086,510
198,812	221,595	29,575	5,670	3,337,716
-	-	-	-	1,763,015
-	-	-	-	553,228
-	-	-	-	-
-	-	-	-	-
<u>198,812</u>	<u>221,595</u>	<u>29,575</u>	<u>5,670</u>	<u>7,740,469</u>
<u>5,406</u>	<u>(5,705)</u>	<u>318,342</u>	<u>(5,670)</u>	<u>4,720,163</u>
-	1,717,500	-	-	1,747,052
-	-	-	-	-
-	1,717,500	-	-	1,747,052
5,406	1,711,795	318,342	(5,670)	6,467,215
<u>1,303,664</u>	<u>1,647,774</u>	<u>687,108</u>	<u>5,670</u>	<u>46,286,613</u>
<u>\$ 1,309,070</u>	<u>\$ 3,359,569</u>	<u>\$ 1,005,450</u>	<u>\$ -</u>	<u>\$ 52,753,828</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Gas Tax Special Revenue Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income		(20,375)	(20,375)
Intergovernmental	4,079,220	3,769,635	(309,585)
Other Revenue	-	-	-
	<u>4,079,220</u>	<u>3,749,260</u>	<u>(329,960)</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	<u>10,588,115</u>	<u>1,788,455</u>	<u>8,799,660</u>
	<u>10,588,115</u>	<u>1,788,455</u>	<u>8,799,660</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(6,508,895)</u>	<u>1,960,805</u>	<u>8,469,700</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(6,508,895)	1,960,805	8,469,700
Fund Balance, Beginning	<u>8,943,487</u>	<u>8,943,487</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,434,592</u>	<u>\$ 10,904,292</u>	<u>\$ 8,469,700</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - HOME Program Special Revenue Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income	800	31,789	30,989
Intergovernmental	-	-	-
Other Revenue	47,500	35,436	(12,064)
Total Revenues	<u>48,300</u>	<u>67,225</u>	<u>18,925</u>
<b>EXPENDITURES</b>			
Current:			
Development Services	355,000	-	355,000
Total Expenditures	<u>355,000</u>	<u>-</u>	<u>355,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(306,700)</u>	<u>67,225</u>	<u>373,925</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(306,700)	67,225	373,925
Fund Balance, Beginning	<u>4,779,380</u>	<u>4,779,380</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 4,472,680</u></u>	<u><u>\$ 4,846,605</u></u>	<u><u>\$ 373,925</u></u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - CalHOME Program Special Revenue Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income	200	11,535	11,335
Intergovernmental	-	-	-
Other Revenue	35,000	-	(35,000)
	<u>35,200</u>	<u>11,535</u>	<u>(23,665)</u>
Total Revenues	<u>35,200</u>	<u>11,535</u>	<u>(23,665)</u>
<b>EXPENDITURES</b>			
Current:			
Development Services	675,000	32,555	642,445
	<u>675,000</u>	<u>32,555</u>	<u>642,445</u>
Total Expenditures	<u>675,000</u>	<u>32,555</u>	<u>642,445</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(639,800)</u>	<u>(21,020)</u>	<u>618,780</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(639,800)	(21,020)	618,780
Fund Balance, Beginning	<u>2,249,377</u>	<u>2,249,377</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,609,577</u>	<u>\$ 2,228,357</u>	<u>\$ 618,780</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - CDBG Special Revenue Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 1,628,210	\$ 1,062,529	\$ (565,681)
Other Revenue	-	-	-
Total Revenues	1,628,210	1,062,529	(565,681)
<b>EXPENDITURES</b>			
Current:			
Development Services	1,629,730	1,069,599	560,131
Total Expenditures	1,629,730	1,069,599	560,131
Excess (Deficiency) of Revenues over Expenditures	(1,520)	(7,070)	(5,550)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(1,520)	(7,070)	(5,550)
Fund Balance, Beginning	58,778	58,778	-
Fund Balance, Ending	\$ 57,258	\$ 51,708	\$ (5,550)

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Measure I Special Revenue Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income		(34,345)	(34,345)
Intergovernmental	1,623,180	2,094,460	471,280
Other Revenue	-	-	-
	<u>1,623,180</u>	<u>2,060,115</u>	<u>436,935</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	<u>2,583,240</u>	<u>554,239</u>	<u>2,029,001</u>
	<u>2,583,240</u>	<u>554,239</u>	<u>2,029,001</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(960,060)</u>	<u>1,505,876</u>	<u>2,465,936</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(960,060)	1,505,876	2,465,936
Fund Balance, Beginning	<u>6,973,789</u>	<u>6,973,789</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 6,013,729</u>	<u>\$ 8,479,665</u>	<u>\$ 2,465,936</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Air Quality Management District Special Revenue Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income		3,971	3,971
Intergovernmental	99,400	130,290	30,890
Other Revenue	-	-	-
	<u>99,400</u>	<u>134,261</u>	<u>34,861</u>
Total Revenues	<u>99,400</u>	<u>134,261</u>	<u>34,861</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	<u>322,680</u>	<u>77,236</u>	<u>245,444</u>
	<u>322,680</u>	<u>77,236</u>	<u>245,444</u>
Total Expenditures	<u>322,680</u>	<u>77,236</u>	<u>245,444</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(223,280)</u>	<u>57,025</u>	<u>280,305</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(223,280)	57,025	280,305
Fund Balance, Beginning	<u>233,200</u>	<u>233,200</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 9,920</u>	<u>\$ 290,225</u>	<u>\$ 280,305</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Parking & Business Improvement Special Revenue Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 58,500	\$ 101,840	\$ 43,340
Investment Income	100	3,010	2,910
Total Revenues	<u>58,600</u>	<u>104,850</u>	<u>46,250</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	<u>205,831</u>	<u>59,455</u>	<u>146,376</u>
Total Expenditures	<u>205,831</u>	<u>59,455</u>	<u>146,376</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(147,231)</u>	<u>45,395</u>	<u>192,626</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	29,552	29,552	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>29,552</u>	<u>29,552</u>	<u>-</u>
Net Change in Fund Balances	(117,679)	74,947	192,626
Fund Balance, Beginning	<u>166,211</u>	<u>166,211</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 48,532</u></u>	<u><u>\$ 241,158</u></u>	<u><u>\$ 192,626</u></u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - SB 509 Public Safety Augmentation Special Revenue Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 1,422,700	\$ 1,478,551	\$ 55,851
Investment Income		1,373	1,373
Intergovernmental	-	-	-
Other Revenue	-	-	-
	<u>1,422,700</u>	<u>1,479,924</u>	<u>57,224</u>
Total Revenues			
<b>EXPENDITURES</b>			
Current:			
Public Safety	<u>1,512,900</u>	<u>1,479,923</u>	<u>32,977</u>
Total Expenditures	<u>1,512,900</u>	<u>1,479,923</u>	<u>32,977</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(90,200)</u>	<u>1</u>	<u>90,201</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(90,200)	1	90,201
Fund Balance, Beginning	<u>644</u>	<u>644</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (89,556)</u>	<u>\$ 645</u>	<u>\$ 90,201</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Asset Forfeiture Special Revenue Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ -	\$ 16,954	\$ 16,954
Fines and Forfeitures	-	-	-
Intergovernmental	-	680,494	680,494
Total Revenues	<u>-</u>	<u>697,448</u>	<u>697,448</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	5,000	1,896	3,104
Total Expenditures	<u>5,000</u>	<u>1,896</u>	<u>3,104</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,000)</u>	<u>695,552</u>	<u>700,552</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(5,000)	695,552	700,552
Fund Balance, Beginning	<u>745,383</u>	<u>745,383</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 740,383</u></u>	<u><u>\$ 1,440,935</u></u>	<u><u>\$ 700,552</u></u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Public Safety Grants Special Revenue Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income		21,176	21,176
Intergovernmental	694,785	357,483	(337,302)
Other Revenue	-	-	-
	<u>694,785</u>	<u>378,659</u>	<u>(316,126)</u>
Total Revenues			
<b>EXPENDITURES</b>			
Current:			
Public Safety	<u>2,087,545</u>	<u>604,691</u>	<u>1,482,854</u>
	<u>2,087,545</u>	<u>604,691</u>	<u>1,482,854</u>
Total Expenditures			
Excess (Deficiency) of Revenues over Expenditures	<u>(1,392,760)</u>	<u>(226,032)</u>	<u>1,166,728</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(1,392,760)	(226,032)	1,166,728
Fund Balance, Beginning	<u>1,373,007</u>	<u>1,373,007</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (19,753)</u>	<u>\$ 1,146,975</u>	<u>\$ 1,166,728</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Other Grants Special Revenue Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income	-	7,376	7,376
Intergovernmental	2,006,537	1,134,927	(871,610)
Other Revenue	225,070	-	(225,070)
	<u>2,231,607</u>	<u>1,142,303</u>	<u>(1,089,304)</u>
<b>EXPENDITURES</b>			
Current:			
Development Services	1,303,910	660,861	643,049
Community Services	775,501	553,228	222,273
	<u>2,079,411</u>	<u>1,214,089</u>	<u>865,322</u>
Excess (Deficiency) of Revenues over Expenditures	<u>152,196</u>	<u>(71,786)</u>	<u>(223,982)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	152,196	(71,786)	(223,982)
Fund Balance, Beginning	<u>(62,127)</u>	<u>(62,127)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 90,069</u>	<u>\$ (133,913)</u>	<u>\$ (223,982)</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - CARES ACT Special Revenue Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ -	\$ 330	\$ 330
Intergovernmental	-	47,835	47,835
Total Revenues	-	48,165	48,165
<b>EXPENDITURES</b>			
Current:			
General Government		-	-
Public Safety	-	-	-
Engineering and Public Works	-	-	-
Development Services	-	-	-
Community Services	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	48,165	48,165
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	48,165	48,165
Fund Balance, Beginning	(18,964)	(18,964)	
Fund Balance, Ending	\$ (18,964)	\$ 29,201	\$ 48,165

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Park Acquisition & Development Capital Projects Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ 800,000	\$ 310,255	\$ (489,745)
Investment Income	-	(18,550)	(18,550)
Intergovernmental	-	-	-
Other Revenue	-	-	-
	<u>800,000</u>	<u>291,705</u>	<u>(508,295)</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	1,418,045	342,231	1,075,814
Community Services	-	-	-
	<u>1,418,045</u>	<u>342,231</u>	<u>1,075,814</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(618,045)</u>	<u>(50,526)</u>	<u>567,519</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(618,045)	(50,526)	567,519
Fund Balance, Beginning	<u>10,059,764</u>	<u>10,059,764</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 9,441,719</u></u>	<u><u>\$ 10,009,238</u></u>	<u><u>\$ 567,519</u></u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Capital Development Capital Projects Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ 195,000	\$ 48,287	\$ (146,713)
Investment Income	-	(3,216)	(3,216)
Intergovernmental	-	-	-
Other Revenue	-	-	-
	<u>195,000</u>	<u>45,071</u>	<u>(149,929)</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	109,112	344	108,768
Community Services	-	-	-
	<u>109,112</u>	<u>344</u>	<u>108,768</u>
Excess (Deficiency) of Revenues over Expenditures	<u>85,888</u>	<u>44,727</u>	<u>(41,161)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	85,888	44,727	(41,161)
Fund Balance, Beginning	<u>2,187,612</u>	<u>2,187,612</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 2,273,500</u></u>	<u><u>\$ 2,232,339</u></u>	<u><u>\$ (41,161)</u></u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Storm Drain Development Capital Projects Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ 290,000	\$ 381,495	\$ 91,495
Investment Income	-	(7,319)	(7,319)
Rental Income	76,200	45,381	(30,819)
	<u>366,200</u>	<u>419,557</u>	<u>53,357</u>
Total Revenues			
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	2,068,621	60,104	2,008,517
Community Services	-	-	-
	<u>2,068,621</u>	<u>60,104</u>	<u>2,008,517</u>
Total Expenditures			
Excess (Deficiency) of Revenues over Expenditures	<u>(1,702,421)</u>	<u>359,453</u>	<u>2,061,874</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(1,702,421)	359,453	2,061,874
Fund Balance, Beginning	<u>4,952,856</u>	<u>4,952,856</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 3,250,435</u>	<u>\$ 5,312,309</u>	<u>\$ 2,061,874</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Street & Traffic Safety Development Capital Projects Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ 370,000	\$ 191,580	\$ (178,420)
Investment Income	16,000	12,638	(3,362)
Intergovernmental	-	-	-
Other Revenue	-	-	-
	<u>386,000</u>	<u>204,218</u>	<u>(181,782)</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	545,777	198,812	346,965
Community Services	-	-	-
	<u>545,777</u>	<u>198,812</u>	<u>346,965</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(159,777)</u>	<u>5,406</u>	<u>165,183</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Issuance of Debt	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(159,777)	5,406	165,183
Fund Balance, Beginning	<u>1,303,664</u>	<u>1,303,664</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,143,887</u>	<u>\$ 1,309,070</u>	<u>\$ 165,183</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Capital Projects Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ -	\$ -	\$ -
Investment Income	-	-	-
Charges for Services	-	74,880	74,880
Other Revenue	77,485	141,010	63,525
	<u>77,485</u>	<u>141,010</u>	<u>63,525</u>
Total Revenues	<u>77,485</u>	<u>215,890</u>	<u>138,405</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	1,051,711	221,595	830,116
Community Services	-	-	-
	<u>1,051,711</u>	<u>221,595</u>	<u>830,116</u>
Total Expenditures	<u>1,051,711</u>	<u>221,595</u>	<u>830,116</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(974,226)</u>	<u>(5,705)</u>	<u>968,521</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,717,500	1,717,500	-
Transfers Out	-	-	-
Issuance of Debt	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,717,500</u>	<u>1,717,500</u>	<u>-</u>
Net Change in Fund Balances	743,274	1,711,795	968,521
Fund Balance, Beginning	<u>1,647,774</u>	<u>1,647,774</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,391,048</u>	<u>\$ 3,359,569</u>	<u>\$ 968,521</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Street & Alley Repair Capital Projects Fund**  
**Year Ended June 30, 2023**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ 240,000	\$ 350,000	\$ 110,000
Investment Income	-	(2,083)	(2,083)
Intergovernmental	-	-	-
Other Revenue	-	-	-
	<u>240,000</u>	<u>347,917</u>	<u>107,917</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	891,096	29,575	861,521
Community Services	-	-	-
	<u>891,096</u>	<u>29,575</u>	<u>861,521</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(651,096)</u>	<u>318,342</u>	<u>969,438</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Issuance of Debt	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(651,096)	318,342	969,438
Fund Balance, Beginning	<u>687,108</u>	<u>687,108</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 36,012</u></u>	<u><u>\$ 1,005,450</u></u>	<u><u>\$ 969,438</u></u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Energy Efficiency Improvements Capital Projects Fund**  
**Year Ended June 30, 2023**

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

**INTERNAL SERVICE FUNDS**

**City of Upland  
Internal Service Funds  
Year Ended June 30, 2023**

**INTERNAL SERVICE FUNDS**

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

***Self-funded Insurance Fund***

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

***Vehicle Replacement Fund***

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

***Information Systems Fund***

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

***Building Maintenance Fund***

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

**City of Upland**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2023**

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 3,603,937	\$ 1,430,597	\$ 3,037,687	\$ 1,578,363	\$ 9,650,584
Accounts Receivable - Net	2,888	-	33,250	-	36,138
Inventory and Prepaid Items	130,074	131,583	11,125	-	272,782
Total Current Assets	<u>3,736,899</u>	<u>1,562,180</u>	<u>3,082,062</u>	<u>1,578,363</u>	<u>9,959,504</u>
Noncurrent Assets:					
Capital Assets, Not Being Depreciated					
Construction In Progress	-	-	10,759	-	10,759
Capital Assets, Depreciable, Net	-	363,545	1,064,436	-	1,427,981
Total Noncurrent Assets	<u>-</u>	<u>363,545</u>	<u>1,075,195</u>	<u>-</u>	<u>1,438,740</u>
Total Assets	<u>3,736,899</u>	<u>1,925,725</u>	<u>4,157,257</u>	<u>1,578,363</u>	<u>11,398,244</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
OPEB Related Items	27,985	22,654	44,243	42,644	137,526
Pension Related Items	248,435	271,983	476,854	445,064	1,442,336
Total Deferred Outflows of Resources	<u>276,420</u>	<u>294,637</u>	<u>521,097</u>	<u>487,708</u>	<u>1,579,862</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	29,991	146,684	125,215	109,924	411,814
Accrued Salaries and Wages	4,924	5,382	7,557	8,603	26,466
Current Portion of Long-Term Liabilities:					
Claims and Judgments Payable	2,856,713	-	-	-	2,856,713
Compensated Absences	9,645	4,602	19,775	20,744	54,766
Total Current Liabilities	<u>2,901,273</u>	<u>156,668</u>	<u>152,547</u>	<u>139,271</u>	<u>3,349,759</u>
Noncurrent Liabilities:					
Claims and Judgments Payable	5,861,139	-	-	-	5,861,139
Net OPEB Liability	96,490	78,111	152,547	147,033	474,181
Net Pension Liability	751,865	825,766	1,442,681	1,346,288	4,366,600
Compensated Absences	3,697	2,812	45,824	20,149	72,482
Total Noncurrent Liabilities	<u>6,713,191</u>	<u>906,689</u>	<u>1,641,052</u>	<u>1,513,470</u>	<u>10,774,402</u>
Total Liabilities	<u>9,614,464</u>	<u>1,063,357</u>	<u>1,793,599</u>	<u>1,652,741</u>	<u>14,124,161</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
OPEB Related Items	42,455	34,368	67,119	64,693	208,635
Pension Related Items	9,105	9,968	17,477	16,312	52,862
Total Deferred Inflows of Resources	<u>51,560</u>	<u>44,336</u>	<u>84,596</u>	<u>81,005</u>	<u>261,497</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	-	363,545	1,075,195	-	1,438,740
Unrestricted	(5,652,705)	749,124	1,724,964	332,325	(2,846,292)
Total Net Position	<u>\$ (5,652,705)</u>	<u>\$ 1,112,669</u>	<u>\$ 2,800,159</u>	<u>\$ 332,325</u>	<u>\$ (1,407,552)</u>

**City of Upland**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**Year Ended June 30, 2023**

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 5,275,683	\$ 746,160	\$ 2,698,512	\$ 995,364	\$ 9,715,719
Other Operating Revenues	140	-	140,245	-	140,385
Total Operating Revenues	<u>5,275,823</u>	<u>746,160</u>	<u>2,838,757</u>	<u>995,364</u>	<u>9,856,104</u>
<b>OPERATING EXPENSES</b>					
Maintenance and Operations	443,740	947,084	2,845,978	1,249,795	5,486,597
Contractual Services	305,302	-	-	-	305,302
Claims Expense	2,897,707	-	-	-	2,897,707
Depreciation	-	133,538	283,938	-	417,476
Total Operating Expenses	<u>3,646,749</u>	<u>1,080,622</u>	<u>3,129,916</u>	<u>1,249,795</u>	<u>9,107,082</u>
Operating Income (Loss)	<u>1,629,074</u>	<u>(334,462)</u>	<u>(291,159)</u>	<u>(254,431)</u>	<u>749,022</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Income	42,887	23,334	50,419	21,779	138,419
Gain/(Loss) on Disposal of Capital Assets	-	41,250	-	-	41,250
Total Nonoperating Revenues (Expenses)	<u>42,887</u>	<u>64,584</u>	<u>50,419</u>	<u>21,779</u>	<u>179,669</u>
Income (Loss) Before Operating Transfers	1,671,961	(269,878)	(240,740)	(232,652)	928,691
Capital Contributions	-	-	-	-	-
Transfers In	-	150,000	250,000	473,750	873,750
Transfers Out	-	-	-	-	-
Change in Net Position	1,671,961	(119,878)	9,260	241,098	1,802,441
Net Position - Beginning of Year	<u>(7,324,666)</u>	<u>1,232,547</u>	<u>2,790,899</u>	<u>91,227</u>	<u>(3,209,993)</u>
Net Position - End of Year	<u>\$ (5,652,705)</u>	<u>\$ 1,112,669</u>	<u>\$ 2,800,159</u>	<u>\$ 332,325</u>	<u>\$ (1,407,552)</u>

**City of Upland**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year Ended June 30, 2023**

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from User Departments	\$ 5,273,170	\$ 746,160	\$ 2,842,362	\$ 995,364	\$ 9,857,056
Cash Paid to Suppliers for Goods and Services	(4,634,669)	(672,447)	(2,325,454)	(717,781)	(8,350,351)
Cash Paid to Employees for Services	(33,869)	(290,612)	(268,277)	(545,791)	(1,138,549)
Net Cash from Operating Activities	<u>604,632</u>	<u>(216,899)</u>	<u>248,631</u>	<u>(268,208)</u>	<u>368,156</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Cash Paid (to) from Other Funds	-	150,000	250,000	473,750	873,750
Advances Paid (to) from Other Funds	-	-	-	-	-
Net Cash from Noncapital and Related Financing Activities	<u>-</u>	<u>150,000</u>	<u>250,000</u>	<u>473,750</u>	<u>873,750</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Cash Received from Sale of Capital Assets	-	41,250	-	-	41,250
Acquisition and Construction of Capital Assets	-	(52,243)	(650,926)	-	(703,169)
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>(10,993)</u>	<u>(650,926)</u>	<u>-</u>	<u>(661,919)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	42,887	23,335	50,419	21,779	138,420
Net Cash from Investing Activities	<u>42,887</u>	<u>23,335</u>	<u>50,419</u>	<u>21,779</u>	<u>138,420</u>
Net Increase (Decrease) in Cash and Cash Equivalents	647,519	(54,557)	(101,876)	227,321	718,407
Cash and Cash Equivalents, Beginning of the Year	2,956,418	1,485,154	3,139,563	1,351,042	8,932,177
Cash and Cash Equivalents, End of the Year	<u>\$ 3,603,937</u>	<u>\$ 1,430,597</u>	<u>\$ 3,037,687</u>	<u>\$ 1,578,363</u>	<u>\$ 9,650,584</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:</b>					
Operating Income (Loss)	\$ 1,629,074	\$ (334,462)	\$ (291,159)	\$ (254,431)	\$ 749,022
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	-	133,538	283,938	-	417,476
Changes in Operating Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(2,653)	-	3,605	-	952
(Increase) Decrease in Due from Other Governments	-	-	-	-	-
(Increase) Decrease in Inventory and Prepaid Items	62,437	(46,366)	16,116	-	32,187
(Increase) Decrease in Deferred Outflows - Pensions	(177,280)	(180,784)	(353,585)	(300,749)	(1,012,398)
(Increase) Decrease in Deferred Outflows - OPEB	1,733	8,400	5,176	10,448	25,757
Increase (Decrease) in Accounts Payable	(8,589)	106,713	85,935	65,130	249,189
Increase (Decrease) in Accrued Salaries and Benefits	639	2,201	1,501	2,234	6,575
Increase (Decrease) in Compensated Absences	767	(4,192)	(750)	(2,418)	(6,593)
Increase (Decrease) in Net Pension Liability	346,720	306,496	740,811	524,586	1,918,613
Increase (Decrease) in Net OPEB Liability	(25,003)	(48,842)	(49,486)	(70,016)	(193,347)
Increase (Decrease) in Deferred Inflows - Pensions	(142,155)	(183,900)	(244,565)	(290,469)	(861,089)
Increase (Decrease) in Deferred Inflows - OPEB	32,819	24,299	51,094	47,477	155,689
Increase (Decrease) in Claims Payable	(1,113,877)	-	-	-	(1,113,877)
<b>Net Cash from Operating Activities</b>	<u>\$ 604,632</u>	<u>\$ (216,899)</u>	<u>\$ 248,631</u>	<u>\$ (268,208)</u>	<u>\$ 368,156</u>

## **CUSTODIAL FUNDS**

**City of Upland  
Custodial Funds  
Year Ended June 30, 2023**

**CUSTODIAL FUNDS**

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

***Community Facilities District 2003-2 Area 1 Fund***

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

***Community Facilities District 2003-2 Area 2 Fund***

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

***Community Facilities District 2015-1 Area 1 Fund***

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

***Community Facilities District 2016-1 Area 1 Fund***

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

***Community Facilities District 2016-2 Maintenance Fund***

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

***Community Facilities District 2017-1 Maintenance Fund***

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

***Community Facilities District 2016-1 Area 2 Fund***

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

***Assessment District 84-1 Fund***

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

***Sanitary Sewer Facility Development Fund***

To account for fees collected on behalf of IEUA to expand the region's sanitary sewage facilities to accommodate current and future growth.

***Welfare Committee Fund***

To account for voluntary employee contributions used to provide future financial assistance to employees in the event of a personal financial emergency, as determined by the committee.

***West End Consolidated Water Company (Water Company)***

To account for monies held on behalf of the Water Company.

**City of Upland  
Custodial Funds  
Year Ended June 30, 2023**

**CUSTODIAL FUNDS - Continued**

***Community Facilities District 2003-1***

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

***Community Facilities District 2022-1***

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

***Community Facilities District 2015-1 Area 2***

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

**City of Upland**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2023**

	Community Facilities District 2003-2 Area 1	Community Facilities District 2003-2 Area 2	Community Facilities District 2015-1 Area 1	Community Facilities District 2016-1 Area 1	Community Facilities District 2016-2
<b>ASSETS</b>					
Cash and Investments	\$ 26,162	\$ 20,000	\$ 20,000	\$ 20,000	\$ 232,229
Cash with Fiscal Agent	1,640,517	2,615,776	1,076,848	893,973	-
Accounts Receivable	9,015	-	8,080	6,361	778
	<u>1,675,694</u>	<u>2,635,776</u>	<u>1,104,928</u>	<u>920,334</u>	<u>233,007</u>
Total Assets					
<b>LIABILITIES</b>					
Deposits Payable	-	-	27,829	150,500	15,784
Due to City of Upland	-	-	-	-	-
Accounts Payable	1,750	-	-	-	232
	<u>1,750</u>	<u>-</u>	<u>27,829</u>	<u>150,500</u>	<u>16,016</u>
Total Liabilities					
<b>NET POSITION</b>					
Restricted for:					
Organizations and Individuals	1,673,944	2,635,776	1,077,099	769,834	216,991
Other Governments	-	-	-	-	-
	<u>\$ 1,673,944</u>	<u>\$ 2,635,776</u>	<u>\$ 1,077,099</u>	<u>\$ 769,834</u>	<u>\$ 216,991</u>
Total Net Position					

<u>Community Facilities District 2017-1</u>	<u>Community Facilities District 2016-1 Area 2</u>	<u>Assessment District 84-1</u>	<u>Sanitary Sewer Facility Development</u>	<u>Welfare Committee</u>	<u>West End Consolidated Water Co.</u>	<u>Community Facilities District 2003-1</u>
\$ 7,177	\$ 24,369	\$ -	\$ 4,938,855	\$ 29,009	\$ 507,685	\$ 20,000
-	2,695,089	-	-	-	-	261,003
207	4,913	-	-	-	-	3,713
<u>7,384</u>	<u>2,724,371</u>	<u>-</u>	<u>4,938,855</u>	<u>29,009</u>	<u>507,685</u>	<u>284,716</u>
-	164,308	-	3,472,281	-	-	-
-	-	-	-	-	-	-
907	-	-	1,466,574	-	-	-
<u>907</u>	<u>164,308</u>	<u>-</u>	<u>4,938,855</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,477	2,560,063	-	-	29,009	507,685	284,716
-	-	-	-	-	-	-
<u>\$ 6,477</u>	<u>\$ 2,560,063</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,009</u>	<u>\$ 507,685</u>	<u>\$ 284,716</u>

Continued

**City of Upland**  
**Combining Statement of Fiduciary Net Position - Continued**  
**Custodial Funds**  
**June 30, 2023**

	Community Facilities District 2022-1	Community Facilities District 2015-1 Area 2	<u>Total</u>
<b>ASSETS</b>			
Cash and Investments	\$ 148,828	\$ 23,569	\$ 6,017,883
Cash with Fiscal Agent	3,998,701	4,544,939	17,726,846
Accounts Receivable	-	11,586	44,653
	<u>4,147,529</u>	<u>4,580,094</u>	<u>23,789,382</u>
<b>LIABILITIES</b>			
Deposits Payable	177,866	1,750	4,010,318
Due to City of Upland	-	-	-
Accounts Payable	-	-	1,469,463
	<u>177,866</u>	<u>1,750</u>	<u>5,479,781</u>
<b>NET POSITION</b>			
Restricted for:			
Organizations and Individuals	3,969,663	4,578,344	18,309,601
Other Governments	-	-	-
	<u>\$ 3,969,663</u>	<u>\$ 4,578,344</u>	<u>\$ 18,309,601</u>

**City of Upland**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Year Ended June 30, 2023**

	Community Facilities District 2003-2 Area 1	Community Facilities District 2003-2 Area 2	Community Facilities District 2015-1 Area 1	Community Facilities District 2016-1 Area 1	Community Facilities District 2016-2
<b>ADDITIONS</b>					
Contributions:					
Taxes and assessments collected for others	\$ 1,658,324	\$ 1,329,554	\$ 547,411	\$ 531,251	\$ 57,873
Contributions from Bondholders	-	-	-	2,037	-
Investment Earnings:					
Interest Income	-	-	-	-	-
<b>Total Additions</b>	<b>1,658,324</b>	<b>1,329,554</b>	<b>547,411</b>	<b>533,288</b>	<b>57,873</b>
<b>DEDUCTIONS</b>					
General and Administrative	26,311	19,441	16,200	-	18,737
Recipient Payments	-	-	-	-	-
Distribution to Shareholders	298,218	1,315,094	511,419	510,582	-
<b>Total Deductions</b>	<b>324,529</b>	<b>1,334,535</b>	<b>527,619</b>	<b>510,582</b>	<b>18,737</b>
Net Increase (decrease) in fiduciary net position	1,333,795	(4,981)	19,792	22,706	39,136
Net Position, beginning of the year	340,149	2,640,757	1,057,307	747,128	177,855
Net Position, end of the year	<u>\$ 1,673,944</u>	<u>\$ 2,635,776</u>	<u>\$ 1,077,099</u>	<u>\$ 769,834</u>	<u>\$ 216,991</u>

<u>Community Facilities District 2017-1</u>	<u>Community Facilities District 2016-1 Area 2</u>	<u>Assessment District 84-1</u>	<u>Sanitary Sewer Facility Development</u>	<u>Welfare Committee</u>	<u>West End Consolidated Water Co.</u>	<u>Community Facilities District 2003-1</u>
\$ 11,450	\$ 577,823	\$ -	\$ 1,469,948	\$ -	\$ -	\$ 139,396
-	-	-	-	-	-	-
-	-	-	-	-	7,878	-
<u>11,450</u>	<u>577,823</u>	<u>-</u>	<u>1,469,948</u>	<u>-</u>	<u>7,878</u>	<u>139,396</u>
23,625	15,697	2,752	1,466,574	-	-	16,389
-	-	-	3,374	-	-	-
<u>-</u>	<u>555,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,320</u>
<u>23,625</u>	<u>570,952</u>	<u>2,752</u>	<u>1,469,948</u>	<u>-</u>	<u>-</u>	<u>137,709</u>
(12,175)	6,871	(2,752)	-	-	7,878	1,687
<u>18,652</u>	<u>2,553,192</u>	<u>2,752</u>	<u>-</u>	<u>29,009</u>	<u>499,807</u>	<u>283,029</u>
<u>\$ 6,477</u>	<u>\$ 2,560,063</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,009</u>	<u>\$ 507,685</u>	<u>\$ 284,716</u>

Continued

**City of Upland**  
**Combining Statement of Changes in Fiduciary Net Position - Continued**  
**Custodial Funds**  
**For the Year Ended June 30, 2023**

	Community Facilities District 2022-1	Community Facilities District 2015-1 Area 2	Total
<b>ADDITIONS</b>			
Contributions:			
Taxes and assessments collected for others	\$ -	\$ 662,879	\$ 6,985,909
Contributions from Bondholders	4,159,477	-	4,161,514
Investment Earnings:			
Interest Income	-	-	7,878
Total Additions	4,159,477	662,879	11,155,301
<b>DEDUCTIONS</b>			
General and Administrative	2,701	4,794,750	6,403,177
Recipient Payments	158,076	14,723	176,173
Distribution to Shareholders	-	563,963	3,875,851
Total Deductions	160,777	5,373,436	10,455,201
Net Increase (decrease) in fiduciary net position	3,998,700	(4,710,557)	700,100
Net Position, beginning of the year	(29,037)	9,288,901	17,609,501
Net Position, end of the year	\$ 3,969,663	\$ 4,578,344	\$ 18,309,601

## **STATISTICAL SECTION**

**City of Upland**  
**Description of Statistical Section Contents**  
**June 30, 2023**

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

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	124
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	134
<u>Debt Capacity</u> these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	142
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	149
<u>Operating Information</u> these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	151

**CITY OF UPLAND**

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

	Fiscal Year Ended June 30,			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 272,320,453	\$ 274,795,930	\$ 269,132,382	\$ 267,791,299
Restricted	18,336,004	14,482,775	25,659,378	40,844,504
Unrestricted	(253,534)	(62,716,819)	(64,259,153)	(74,170,029)
Total governmental activities net position	<u>\$ 290,402,923</u>	<u>\$ 226,561,886</u>	<u>\$ 230,532,607</u>	<u>\$ 234,465,774</u>
Business-type activities				
Net investment in capital assets	\$ 75,114,852	\$ 68,450,050	\$ 67,891,850	\$ 68,761,226
Restricted	-	-	-	-
Unrestricted	36,705,400	27,528,096	34,916,716	39,989,572
Total business-type activities net position	<u>\$ 111,820,252</u>	<u>\$ 95,978,146</u>	<u>\$ 102,808,566</u>	<u>\$ 108,750,798</u>
Primary government				
Net investment in capital assets	\$ 347,435,305	\$ 343,245,980	\$ 337,024,232	\$ 336,552,525
Restricted	18,336,004	14,482,775	25,659,378	40,844,504
Unrestricted	36,451,866	(35,188,723)	(29,342,437)	(34,180,457)
Total primary government net position	<u>\$ 402,223,175</u>	<u>\$ 322,540,032</u>	<u>\$ 333,341,173</u>	<u>\$ 343,216,572</u>

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,					
2018	2019	2020	2021	2022	2023
\$ 262,318,491	\$ 262,465,719	\$ 266,996,077	\$ 267,040,558	\$ 262,699,586	\$ 259,609,120
42,616,153	44,877,724	52,227,409	43,407,782	44,713,616	49,087,106
(83,164,838)	(80,859,640)	(74,070,557)	(59,600,057)	(62,075,620)	(50,852,573)
<u>\$ 221,769,806</u>	<u>\$ 226,483,803</u>	<u>\$ 245,152,929</u>	<u>\$ 250,848,283</u>	<u>\$ 245,337,582</u>	<u>\$ 257,843,653</u>
\$ 69,511,985	\$ 70,481,398	\$ 80,694,523	\$ 11,916,179	\$ 92,647,094	\$ 85,967,254
-	-	-	-	-	-
48,033,153	54,825,737	62,335,721	141,256,446	73,065,524	91,632,078
<u>\$ 117,545,138</u>	<u>\$ 125,307,135</u>	<u>\$ 143,030,244</u>	<u>\$ 153,172,625</u>	<u>\$ 165,712,618</u>	<u>\$ 177,599,332</u>
\$ 331,830,476	\$ 332,947,117	\$ 347,690,600	\$ 278,956,737	\$ 355,346,680	\$ 345,576,374
42,616,153	44,877,724	52,227,409	43,407,782	44,713,616	49,087,106
(35,131,685)	(26,033,903)	(11,734,836)	81,656,389	10,989,904	40,779,505
<u>\$ 339,314,944</u>	<u>\$ 351,790,938</u>	<u>\$ 388,183,173</u>	<u>\$ 404,020,908</u>	<u>\$ 411,050,200</u>	<u>\$ 435,442,985</u>

**CITY OF UPLAND**

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

	Fiscal Year Ended June 30,			
	2014	2015	2016	2017
<b>Expenses</b>				
Governmental activities:				
General government	\$ 4,709,996	\$ 3,050,233	\$ 5,626,905	\$ 3,080,619
Public safety	24,047,934	27,468,131	27,178,673	32,174,086
Engineering and public works	9,879,986	9,281,467	11,049,238	9,819,952
Development services	3,174,496	5,447,239	5,214,410	5,407,099
Community services	4,057,338	5,073,673	4,308,397	3,691,035
Interest expense	286,492	284,269	281,359	358,679
Total governmental activities expenses	46,156,242	50,605,012	53,658,982	54,531,470
Business-type activities:				
Water utility	19,565,979	20,124,035	16,121,912	18,483,205
Solid waste utility	9,322,648	9,872,451	9,602,172	10,051,229
Sewer utility	6,278,008	7,457,367	7,063,779	7,818,112
Animal services	1,020,821	-	-	-
Total business-type activities expenses	36,187,456	37,453,853	32,787,863	36,352,546
Total primary government expenses	\$ 82,343,698	\$ 88,058,865	\$ 86,446,845	\$ 90,884,016
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,508,984	\$ 1,658,124	\$ 1,124,713	\$ 305,373
Public safety	2,930,767	3,593,175	3,789,627	3,541,745
Engineering and public works	579,582	660,583	246,341	776,173
Development services	4,541,765	4,612,643	4,933,961	5,461,323
Community services	1,058,570	1,097,518	1,072,754	495,702
Operating grants and contributions	6,234,320	7,014,790	5,120,131	5,933,967
Capital grants and contributions	1,636,573	2,712,801	3,926,465	4,337,377
Total governmental activities program revenues	18,490,561	21,349,634	20,213,992	20,851,660
Business-type activities				
Charges for services:				
Water utility	18,184,343	22,713,562	18,601,289	21,299,753
Solid waste utility	9,592,364	10,355,699	10,544,776	11,103,446
Sewer utility	6,432,824	7,233,341	8,068,428	9,705,668
Animal services	384,674	-	-	-
Operating grants and contributions	23,220	21,672	15,519	63,207
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	34,617,425	40,324,274	37,230,012	42,172,074
Total primary government program revenues	\$ 53,107,986	\$ 61,673,908	\$ 57,444,004	\$ 63,023,734
Net (expenses)/revenue				
Governmental activities	\$ (27,665,681)	\$ (29,255,378)	\$ (33,444,990)	\$ (33,679,810)
Business-type activities	(1,570,031)	2,870,421	4,442,149	5,819,528
Total net revenues (expense)	\$ (29,235,712)	\$ (26,384,957)	\$ (29,002,841)	\$ (27,860,282)

**CITY OF UPLAND**

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

	Fiscal Year Ended June 30,			
	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 17,656,767	\$ 18,376,071	\$ 19,309,037	\$ 20,482,854
Sales taxes	11,282,830	12,477,307	13,909,909	13,293,304
Other taxes	1,744,459	1,890,562	1,778,356	2,740,447
Investment income	61,284	93,147	216,843	326,531
Motor vehicle in lieu	217,444	852,384	429,308	223,315
Gain on sale of assets	51,530	14,151	32,589	4,180
Miscellaneous revenue	3,494,568	4,238,903	394,567	355,677
Extraordinary gain (note 21)	-	-	-	-
Special Item (note 16)	-	-	-	-
Transfers	(69,537)	122,245	(3,000)	67,000
Total governmental activities	<u>34,439,345</u>	<u>38,064,770</u>	<u>36,067,609</u>	<u>37,493,308</u>
Business-type activities:				
Investment income	28,549	99,832	148,205	189,704
Share of joint venture net income	-	-	-	-
Gain on sale of assets	-	-	-	-
Legal Settlement	-	-	-	-
Miscellaneous revenue	-	-	-	-
Transfers	69,537	(122,245)	3,000	(67,000)
Total business-type activities	<u>98,086</u>	<u>(22,413)</u>	<u>151,205</u>	<u>122,704</u>
Total primary government	<u>\$ 34,537,431</u>	<u>\$ 38,042,357</u>	<u>\$ 36,218,814</u>	<u>\$ 37,616,012</u>
<b>Changes in Net Position</b>				
Governmental activities	\$ 6,773,664	\$ 8,809,392	\$ 2,622,619	\$ 3,813,498
Business-type activities	(1,471,945)	2,848,008	4,593,354	5,942,232
Total primary government	<u>\$ 5,301,719</u>	<u>\$ 11,657,400</u>	<u>\$ 7,215,973</u>	<u>\$ 9,755,730</u>

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,						
2018	2019	2020	2021	2022	2023	
\$ 4,539,492	\$ 4,033,829	\$ 3,740,648	\$ 2,148,712	\$ 899,152	\$ 3,048,383	
27,927,892	27,265,506	23,786,129	31,674,977	40,906,101	29,552,941	
11,468,377	12,092,590	3,524,461	14,653,574	14,788,452	14,227,015	
6,624,913	6,059,857	5,931,597	5,682,894	6,223,444	8,171,072	
3,370,656	4,255,538	3,910,878	3,642,911	4,449,233	5,364,573	
715,062	840,116	817,235	783,846	609,129	1,003,034	
54,646,392	54,547,436	41,710,948	58,586,914	67,875,511	61,367,018	
19,989,900	21,525,637	20,513,809	22,480,852	25,757,917	21,432,764	
11,042,468	12,316,577	13,787,098	14,487,585	15,591,348	17,899,520	
9,285,699	9,387,370	9,946,531	10,663,464	10,330,964	12,136,617	
-	-	-	-	-	-	
40,318,067	43,229,584	44,247,438	47,631,901	51,680,229	51,468,901	
\$ 94,964,459	\$ 97,777,020	\$ 85,958,386	\$ 106,218,815	\$ 119,555,740	\$ 112,835,919	
\$ 382,010	\$ 1,187,018	\$ 583,514	\$ 795,356	\$ 359,602	\$ 270,918	
1,827,271	1,866,761	1,644,528	1,223,941	1,296,694	1,219,507	
4,207,550	2,991,516	5,038,970	4,002,120	898,698	1,557,226	
5,245,335	5,876,464	6,038,238	6,066,211	8,031,377	9,613,043	
546,702	581,989	395,733	934,551	519,862	590,286	
2,066,407	2,340,876	2,518,963	4,433,802	5,469,996	7,617,728	
6,604,091	7,305,417	8,229,671	7,219,514	4,881,792	7,071,529	
20,879,366	22,150,041	24,449,617	24,675,495	21,458,021	27,940,237	
28,076,336	26,203,575	27,703,940	29,333,341	28,937,984	32,893,440	
11,687,415	12,677,799	13,772,383	14,643,704	16,686,834	17,450,624	
10,144,832	10,573,571	10,606,800	10,818,913	10,595,087	11,601,219	
-	-	-	-	-	-	
70,598	57,708	-	23,630	26,198	74,253	
-	1,544,529	9,882,981	2,903,615	2,622,455	-	
49,979,181	51,057,182	61,966,104	57,723,203	58,868,558	62,019,536	
\$ 70,858,547	\$ 73,207,223	\$ 86,415,721	\$ 82,398,698	\$ 80,326,579	\$ 89,959,773	
\$ (33,767,026)	\$ (32,397,395)	\$ (17,261,331)	\$ (33,911,419)	\$ (46,417,490)	\$ (33,426,781)	
9,661,114	7,827,598	17,718,666	10,091,302	7,188,329	10,550,635	
\$ (24,105,912)	\$ (24,569,797)	\$ 457,335	\$ (23,820,117)	\$ (39,229,161)	\$ (22,876,146)	

Fiscal Year Ended June 30,						
2018	2019	2020	2021	2022	2023	
\$ 16,343,119	\$ 16,831,839	\$ 18,055,721	\$ 18,818,701	\$ 19,089,687	\$ 20,342,692	
13,673,539	14,507,927	13,579,780	16,876,712	18,469,789	21,274,685	
2,696,807	2,692,051	2,819,493	2,895,754	3,614,267	3,646,945	
(90,335)	1,012,981	1,232,765	927,392	(564,701)	478,142	
40,421	36,969	62,114	57,805	90,702	81,119	
-	132,623	-	-	-	15,000	
321,564	271,298	180,584	30,374	207,045	94,269	
-	-	-	-	-	-	
(5,562,967)	-	-	-	-	-	
-	814,669	-	-	-	-	
<u>27,422,148</u>	<u>36,300,357</u>	<u>35,930,457</u>	<u>39,606,738</u>	<u>40,906,789</u>	<u>45,932,852</u>	
415,529	761,947	1,187,036	51,079	(1,472,061)	1,336,079	
-	-	-	-	-	-	
-	(12,879)	-	-	-	-	
-	-	-	-	6,823,725	-	
-	-	-	-	-	-	
-	(814,669)	-	-	-	-	
<u>415,529</u>	<u>(65,601)</u>	<u>1,187,036</u>	<u>51,079</u>	<u>5,351,664</u>	<u>1,336,079</u>	
<u>\$ 27,837,677</u>	<u>\$ 36,234,756</u>	<u>\$ 37,117,493</u>	<u>\$ 39,657,817</u>	<u>\$ 46,258,453</u>	<u>\$ 47,268,931</u>	
\$ (6,344,878)	\$ 3,902,962	\$ 18,669,126	\$ 5,695,319	\$ (5,510,701)	\$ 12,506,071	
10,076,643	7,761,997	18,905,702	10,142,381	12,539,993	11,886,714	
<u>\$ 3,731,765</u>	<u>\$ 11,664,959</u>	<u>\$ 37,574,828</u>	<u>\$ 15,837,700</u>	<u>\$ 7,029,292</u>	<u>\$ 24,392,785</u>	

**CITY OF UPLAND**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

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

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,					
2018	2019	2020	2021	2022	2023
\$ 64,869	\$ 73,803	\$ 68,061	\$ 178,650	\$ 109,886	\$ 140,904
18,473	18,473	53,073	10,733,983	2,735,148	4,014,932
4,670,418	4,670,418	7,750,840	15,137,875	12,434,329	15,048,573
-	-	-	4,491,000	-	-
9,479,082	18,538,881	16,404,123	249,245	(11,880,703)	(9,434,292)
<u>\$ 14,232,842</u>	<u>\$ 23,301,575</u>	<u>\$ 24,276,097</u>	<u>\$ 30,790,753</u>	<u>\$ 3,398,660</u>	<u>\$ 9,770,117</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42,616,153	44,979,990	53,645,011	55,210,075	57,068,653	63,901,813
-	-	-	-	-	-
7,531	-	-	-	191,505	440,421
(296)	-	(246,676)	(684,266)	(388,217)	(561,356)
<u>\$ 42,623,388</u>	<u>\$ 44,979,990</u>	<u>\$ 53,398,335</u>	<u>\$ 54,525,809</u>	<u>\$ 56,871,941</u>	<u>\$ 63,780,878</u>

CITY OF UPLAND

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

	Fiscal Year Ended June 30,			
	2014	2015	2016	2017
<b>Revenues</b>				
Taxes	\$ 32,593,211	\$ 35,655,141	\$ 37,799,228	\$ 38,830,352
Licenses and permits	1,041,388	1,794,686	1,875,032	3,009,862
Charges for services	5,230,294	5,606,821	5,392,160	5,857,984
Fines and penalties	533,282	604,509	594,417	619,646
Investment income	57,147	92,100	187,819	86,173
Rental income	3,787,894	3,860,094	4,013,904	4,191,730
Intergovernmental	6,806,235	7,655,572	5,435,521	5,798,858
Other	4,659,040	5,317,007	1,273,394	1,742,663
Total revenues	54,708,491	60,585,930	56,571,475	60,137,268
<b>Expenditures</b>				
General government	5,138,890	3,420,069	3,658,673	4,950,630
Public safety	25,998,626	26,462,312	28,178,150	31,733,042
Engineering and public works	4,870,786	5,698,034	7,874,070	9,380,001
Development services	4,612,547	5,274,072	5,262,923	5,446,549
Community services	3,908,447	4,506,490	4,216,350	3,518,510
Debt service:				
Principal	220,000	235,000	258,368	288,319
Interest	293,657	282,901	296,236	360,854
Issuance Costs	-	-	-	-
Fiscal charges	3,300	6,659	2,258	3,575
Total expenditures	45,046,253	45,885,537	49,747,028	55,681,480
Excess (deficiency) of revenues over (under) expenditures	9,662,238	14,700,393	6,824,447	4,455,788
<b>Other financing sources (uses)</b>				
Transfers in	2,761,375	273,409	1,208,553	517,960
Transfers out	(3,919,838)	(2,478,470)	(1,525,154)	(2,164,720)
Extraordinary gain (loss) (note 21)	-	-	-	-
Proceeds from sale of capital assets	-	-	1,600	-
Issuance of capital leases	-	-	200,524	-
Issuance of bonds/debt	-	-	-	-
Total other financing sources(uses)	(1,158,463)	(2,205,061)	(114,477)	(1,646,760)
<b>Special Item</b>				
Payment to Unfunded Pension Liability	-	-	-	-
Net change in fund balances	\$ 8,503,775	\$ 12,495,332	\$ 6,709,970	\$ 2,809,028
Debt service as a percentage of noncapital expenditures*	1.2%	1.1%	1.1%	1.3%

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

Fiscal Year Ended June 30,					
2018	2019	2020	2021	2022	2023
\$ 32,719,390	\$ 36,119,214	\$ 35,505,234	\$ 39,675,488	\$ 42,615,113	\$ 46,902,560
5,164,222	4,354,120	6,164,957	5,955,190	3,306,914	4,057,710
2,785,383	3,055,102	2,843,447	2,384,400	2,758,438	2,984,757
646,874	989,437	893,964	542,604	600,186	640,866
38,881	1,813,945	1,679,486	829,306	(2,483,759)	180,020
4,738,192	5,003,949	5,156,573	5,259,555	5,259,156	5,583,798
5,579,860	5,518,173	6,812,160	8,241,316	9,906,508	12,546,825
934,735	1,727,759	550,605	627,760	700,456	639,097
52,607,537	58,581,699	59,606,426	63,515,619	62,663,012	73,535,633
2,154,855	1,918,770	1,956,329	2,255,746	3,442,633	4,758,071
23,950,547	23,653,097	25,977,681	27,381,746	28,134,960	27,373,694
15,361,147	12,907,584	9,842,367	14,744,656	12,307,298	12,279,130
6,366,818	5,343,038	5,735,938	5,683,606	6,223,444	8,171,072
3,170,399	3,279,498	3,240,983	3,193,155	3,817,256	4,900,947
18,677,299	674,583	695,406	739,578	13,621,275	910,541
715,062	840,116	817,235	783,846	609,129	1,003,034
-	-	-	-	167,472	-
-	-	-	-	-	-
70,396,127	48,616,686	48,265,939	54,782,333	68,323,467	59,396,489
(17,788,590)	9,965,013	11,340,487	8,733,286	(5,660,455)	14,139,144
224,081	1,035,556	1,725,996	593,000	290,000	1,747,052
(3,693,295)	(518,892)	(3,673,616)	(1,715,374)	(2,158,150)	(2,620,802)
-	-	-	-	-	-
-	132,623	-	31,218	-	15,000
-	-	-	-	-	-
22,210,487	-	-	-	12,982,644	-
18,741,273	649,287	(1,947,620)	(1,091,156)	11,114,494	(858,750)
-	-	-	-	(30,500,000)	-
\$ 952,683	\$ 10,614,300	\$ 9,392,867	\$ 7,642,130	\$ (25,045,961)	\$ 13,280,394
31.7%	3.6%	4.1%	3.1%	21.8%	3.4%

**CITY OF UPLAND**

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

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

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

Source: San Bernardino County Assessor 2013/14 - 2022/23 Combined Tax Rolls;  
HdL Coren & Cone

Fiscal Year					
2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
7,059,507	7,440,680	7,822,956	8,303,185	8,718,266	9,343,041
991,548	1,059,249	1,092,437	1,146,927	1,190,138	1,233,308
377,242	401,508	405,874	436,283	452,734	492,890
487	497	507	621	627	640
1,039	1,060	1,554	1,585	1,965	1,136
11,982	12,730	8,269	8,177	9,108	7,515
1,673	1,707	1,741	1,775	430	438
76,233	78,464	84,498	95,151	92,426	93,673
13,758	13,812	14,875	14,940	15,410	16,897
132,223	127,536	150,349	132,343	94,275	104,706
70	69	180	180	180	180
230,214	246,034	251,133	239,443	240,310	253,506
8,895,976	9,383,344	9,834,373	10,380,611	10,815,869	11,547,930
0.17492%	0.08257%	0.09093%	0.09079%	0.09099%	0.09141%

**CITY OF UPLAND**

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

Fiscal Year	Residential		Commercial		Public Agency		Irrigation	
	Gallons Consumed	% of Total	Gallons Consumed	% of Total	Gallons Consumed	% of Total	Gallons Consumed	% of Total
2014	4,930,872,848	72.8%	729,473,536	10.8%	218,617,212	3.2%	895,623,036	13.2%
2015	4,456,746,316	71.4%	718,672,416	11.5%	210,080,288	3.4%	860,493,216	13.8%
2016	3,566,689,896	70.7%	650,598,432	12.9%	176,596,816	3.5%	649,350,020	12.9%
2017	3,848,856,440	71.0%	680,205,768	12.5%	177,463,748	3.3%	717,650,648	13.2%
2018	4,243,225,976	70.1%	717,147,992	11.8%	186,568,404	3.1%	909,118,452	15.0%
2019	3,804,467,128	69.4%	659,586,400	12.0%	165,040,216	3.0%	852,306,356	15.5%
2020	3,940,665,212	71.5%	592,244,708	10.7%	167,931,236	3.0%	813,682,628	14.8%
2021	4,359,818,232	71.5%	593,676,380	9.7%	212,988,512	3.5%	934,994,764	15.3%
2022	4,124,359,800	71.6%	561,967,164	9.8%	180,236,584	3.1%	889,946,464	15.5%
2023	3,265,848,784	71.8%	512,313,428	11.3%	138,144,380	3.0%	633,130,388	13.9%

Source: Finance Division, City of Upland

**CITY OF UPLAND**

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

Agency	Fiscal Year			
	2013/14	2014/15	2015/16	2016/17
<b>Basic Levy<sup>1</sup></b>	1.00000	1.00000	1.00000	1.00000
Alta Loma Elementary Bond	0.04500	0.04370	0.04170	0.04080
Central Elementary Bond	0.07110	0.06600	0.06500	0.06880
Chaffey Community College Bond	0.01570	0.01090	0.01130	0.01160
Chaffey High School Bond	0.03710	0.02940	0.04090	0.03190
Metropolitan Water Agency	0.00350	0.00350	0.00350	0.00350
Ontario-Montclair Elementary Bond	0.02940	0.02600	0.02680	0.02640
Upland Unified School Bond	0.04840	0.04620	0.05250	0.06070
<b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b>	<u>1.25020</u>	<u>1.22570</u>	<u>1.24170</u>	<u>1.24370</u>
<b>City Share of 1% levy per Prop 13<sup>3</sup></b>	0.17482	0.17482	0.17482	0.17482
<b>Redevelopment Rate<sup>4</sup></b>	n/a	n/a	n/a	n/a
<b>Total Direct Rate<sup>5</sup></b>	<u>0.17491</u>	<u>0.17491</u>	<u>0.17492</u>	<u>0.17492</u>

**Notes:**

<sup>1</sup> 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.

<sup>2</sup> 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.

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

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

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

Source: San Bernardino County Assessor 2013/14 - 2022/23 Tax Rate Table; HdL Coren & Cone

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Fiscal Year					
<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.05640	0.06800	0.06530	0.04570	0.07300	0.06280
0.06700	0.04650	0.05020	0.04890	0.06140	0.05120
0.00880	0.01530	0.02410	0.01110	0.01770	0.01370
0.02790	0.04020	0.03750	0.03520	0.03710	0.02940
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
0.05570	0.05550	0.04280	0.04580	0.04550	0.04220
0.05510	0.05870	0.05600	0.05150	0.06340	0.04630
<u>1.27440</u>	<u>1.28770</u>	<u>1.27940</u>	<u>1.24170</u>	<u>1.30160</u>	<u>1.24910</u>
0.17482	0.08042	0.09353	0.09353	0.09353	0.09353
n/a	n/a	n/a	n/a	n/a	n/a
<u>0.17492</u>	<u>0.08257</u>	<u>0.09330</u>	<u>0.09079</u>	<u>0.09099</u>	<u>0.09141</u>

**CITY OF UPLAND**

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Colonies-Pacific LLC	175,236,100	1	1.52%	\$ 115,831,334	1	1.59%
College Park Apartment Homes LP	55,502,558	2	0.48%	57,522,638	2	0.79%
Benson Owner LLC	51,402,631	3	0.45%			
Lucas Upland LLC	50,719,365	4	0.44%			
Upland Evergreen SPE LLC	50,140,169	5	0.43%			
MG Stoneridge Village Grove LLC	48,516,668	6	0.42%	39,000,000	4	0.53%
Rancho Monte Vista Apartment Homes	47,032,696	7	0.41%	40,760,651	3	0.56%
CT Retail Properties Finance II LLC	45,225,867	8	0.39%	38,974,275	5	0.53%
WNG Mountain Spring GP	41,373,942	9	0.36%	35,654,802	6	0.49%
College Business Park LLC	38,708,103	10	0.34%			
Koll Per College Buisness Park LLC				34,726,001	7	0.48%
Holliday Rock Company Inc.				33,255,154	8	0.46%
Dee Matreyek Kurth Non Exempt Trust				32,790,672	9	0.45%
NU-168 Apartments LLC				31,828,198	10	0.44%
Totals	<u>\$ 603,858,099</u>		<u>5.23%</u>	<u>\$ 460,343,725</u>		<u>6.31%</u>

Source: San Bernardino County Assessor 2022/23 Combined Tax Roll and the SBE Non Unitary Tax Roll

**CITY OF UPLAND**

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

Water Purchaser	2023			2014		
	Gallons Consumed	Rank	Percentage of Total Gallons Consumed	Gallons Consumed	Rank	Percentage of Total Gallons Consumed
City of Upland	178,853,532	1	3.9%	240,632,348	1	3.6%
Wetrustin Invenstment Inc.	112,284,524	2	2.5%			
Upland Unified School District	78,609,564	3	1.7%	113,365,384	3	1.7%
Mountain View Land Co.	59,826,536	4	1.3%	85,217,396	5	1.3%
San Antonio Community Hospital	45,930,192	5	1.0%	46,891,372	7	0.7%
Upland Hills Estates HOA	29,679,892	6	0.7%	53,953,240	6	0.8%
Upland Cascade	27,620,648	7	0.6%	25,912,964	10	0.4%
Upland Hills CC COA	27,558,564	8	0.6%	41,877,528	8	0.6%
College Park Apartment Homes	25,681,832	9	0.6%			
Upland Meadows Management CO.	23,237,368	10	0.5%	33,196,240	9	0.5%
Upland Development, LLC				137,942,420	2	2.0%
State of California Dept of Transportation				89,189,276	4	1.3%
<b>Totals</b>	<b>609,282,652</b>		<b>13.4%</b>	<b>868,178,168</b>		<b>12.8%</b>

Source: Finance Division, City of Upland

**CITY OF UPLAND**

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years <sup>(1)</sup>	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2014	10,195,064	9,902,877	97.13%	N/A	9,902,877	97.13%
2015	10,792,671	10,512,265	97.40%	N/A	10,512,265	97.40%
2016	11,319,306	11,049,460	97.62%	N/A	11,049,460	97.62%
2017	11,883,283	11,615,501	97.75%	N/A	11,615,501	97.75%
2018	12,310,682	12,120,710	98.46%	N/A	12,120,710	98.46%
2019 <sup>1</sup>	6,032,861	5,900,839	97.81%	N/A	5,900,839	97.81%
2020	7,326,803	7,162,370	97.76%	N/A	7,162,370	97.76%
2021	7,730,056	7,623,675	98.62%	N/A	7,623,675	98.62%
2022	8,029,078	7,904,847	98.45%	N/A	7,904,847	98.45%
2023	8,585,254	8,425,740	98.14%	N/A	8,425,740	98.14%

**Notes:**

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

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

**CITY OF UPLAND**

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

Fiscal Year Ended June 30,	Governmental Activities				Total Governmental Activities
	Lease Revenue Bonds	Housing Bonds	Capital Leases	Clean Renewable Energy Bonds	
2014	730,000	18,000,000	-	-	18,730,000
2015	495,000	18,000,000	-	-	18,495,000
2016	250,000	18,000,000	187,156	-	18,437,156
2017	-	18,000,000	148,837	-	18,148,837
2018	-	14,420,150	2,736,044	4,525,832	21,682,026
2019	-	13,905,615	2,607,411	4,494,189	21,007,215
2020	-	13,372,270	2,467,202	4,472,265	20,311,737
2021	-	12,815,345	2,315,651	4,441,631	19,572,628
2022	-	12,402,398	2,145,397	4,386,028	18,933,823
2023	-	11,746,651	1,974,260	4,302,372	18,023,282

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

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

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

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Business-type Activities					
Water Lease Revenue Bonds	Direct Borrowings	Total Primary Government	Percentage of Personal Income <sup>(a)</sup>	Debt Per Capita <sup>(a)</sup>	Fiscal Year Ended June 30,
11,282,566		30,012,566	1.38%	399.38	2014
10,483,221		28,978,221	1.36%	386.00	2015
9,658,875		28,096,031	1.29%	370.79	2016
8,809,529		26,958,366	1.21%	351.07	2017
8,435,184		30,117,210	1.32%	391.05	2018
8,045,838		29,053,053	1.20%	370.19	2019
7,646,493	1,376,000	29,334,230	1.17%	372.20	2020
7,232,147	1,698,627	28,503,402	1.05%	363.04	2021
22,570,000	1,354,627	42,858,450	1.56%	541.56	2022
21,786,903	11,574,655	51,384,840	1.70%	655.62	2023

CITY OF UPLAND

**DIRECT AND OVERLAPPING BOND DEBT  
JUNE 30, 2023**

2022-23 Assessed Valuation:			\$11,532,952,948
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>	<b>Total Debt</b>		<b>City's Share of</b>
	<b>6/30/2023</b>	<b>% Applicable (1)</b>	<b>Debt 6/30/23</b>
Metropolitan Water District	\$19,215,000	0.32%	\$60,912
Chaffey Community College District	290,030,000	7.778	22,558,533
Upland Unified School District	81,880,003	92.729	75,926,508
Chaffey Union High School District	600,532,563	0.768	4,612,090
Alta Loma School District	55,603,304	0.511	284,133
Central School District	73,572,479	1.907	1,403,027
Ontario-Montclair School District	102,180,015	2.625	2,682,225
Upland Unified School District Community Facilities District No. 99-1	944,000	100	944,000
Upland Unified School District Community Facilities District No. 01-1	1,372,000	100	1,372,000
City of Upland Community Facilities District No. 2003-1	1,065,000	100	1,065,000
City of Upland Community Facilities District No. 2003-2, I.A. Nos. 1 & 2	27,030,000	100	27,030,000
City of Upland Community Facilities District No. 2015-1, I.A. No. 1	8,875,000	100	8,875,000
City of Upland Community Facilities District No. 2015-1, I.A. No. 2	9,020,000	100	9,020,000
City of Upland Community Facilities District No. 2016-1, I.A. No. 1	7,880,000	100	7,880,000
City of Upland Community Facilities District No. 2016-1, I.A. No. 2	8,245,000	100	8,245,000
City of Upland Community Facilities District No. 2022-1	4,305,000	100	4,305,000
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$176,263,428</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
San Bernardino County General Fund Obligations	\$160,860,000	3.97%	\$6,386,142
San Bernardino County Pension Obligation Bonds	62,960,000	3.97	2,499,512
San Bernardino County Flood Control District General Fund Obligations	41,065,000	3.97	1,630,281
Chaffey Community College District General Fund Obligations	25,815,000	7.778	2,007,891
<b>City of Upland Equipment Lease Obligations</b>	<b>6,282,423</b>	<b>100</b>	<b>6,282,423</b>
<b>City of Upland Housing Revenue Bonds</b>	<b>11,802,073</b>	<b>100</b>	<b>11,802,073</b>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$30,608,322</b>
<b>Less: City of Upland Housing Revenue Bonds (100% supported from housing related revenues)</b>	<b>11,802,073</b>		
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$18,806,249</b>
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	13,610,000	100.00%	\$13,610,000
<b>TOTAL GROSS DIRECT DEBT</b>			<b>\$18,084,496</b>
<b>TOTAL NET DIRECT DEBT</b>			<b>\$6,282,423</b>
TOTAL OVERLAPPING DEBT			\$202,397,254
GROSS COMBINED TOTAL DEBT			\$220,481,750 (2)
NET COMBINED TOTAL DEBT			\$208,679,677
<b>Ratios to 2022-23 Assessed Valuation:</b>			
Total Overlapping Tax and Assessment Debt		1.53%	
<b>Total Gross Direct Debt (\$18,084,496)</b>		<b>0.16%</b>	
<b>Total Net Direct Debt (\$6,282,423)</b>		<b>0.05%</b>	
Gross Combined Total Debt		1.91%	
Net Combined Total Debt		1.81%	
<b>Ratios to Redevelopment Successor Agency Incremental Valuation (\$2,141,765,540):</b>			
Total Overlapping Tax Increment Debt		0.64%	

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

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

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

**CITY OF UPLAND**

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

	Fiscal Year Ended June 30,			
	2014	2015	2016	2017
Debt Limit	\$ 1,091,662,967	\$ 1,152,315,001	\$ 1,210,072,895	\$ 1,263,218,981
Total Net Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	\$ 1,091,662,967	\$ 1,152,315,001	\$ 1,210,072,895	\$ 1,263,218,981
Total Net Debt Applicable to The Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2023:

Assessed Valuation

Debt Limit (15% of Assessed Value)

Debt Applicable to Limit:

General Obligation Bonds

Legal Debt Margin

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

<sup>1</sup> As a result of the dissolution of the Redevelopment Agency on January 31, 2012, total assessed value for the City is no longer reduced by the incremental value of the

Fiscal Year Ended June 30,					
2018	2019	2020	2021	2022	2023
\$ 1,332,692,325	\$ 1,405,592,832	\$ 1,473,057,903	\$ 1,555,306,986	\$ 1,620,861,059	\$ 1,729,942,942 <sup>1</sup>
-	-	-	-	-	-
\$ 1,332,692,325	\$ 1,405,592,832	\$ 1,473,057,903	\$ 1,555,306,986	\$ 1,620,861,059	\$ 1,729,942,942
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\$ 11,532,952,948

1,729,942,942

-

\$ 1,729,942,942

**CITY OF UPLAND**

**PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Water Bonds					Coverage
	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2014	18,184,342	16,532,719	1,651,623	750,000	463,325	1.36
2015	22,713,561	17,673,638	5,039,923	765,000	442,475	4.17
2016	18,601,416	13,367,187	5,234,229	760,000	419,150	4.44
2017	21,436,735	17,418,778	4,017,957	815,000	361,406	3.42
2018	28,076,336	18,979,818	9,096,518	340,000	340,868	13.36
2019	26,203,575	19,636,043	6,567,532	355,000	327,673	9.62
2020	35,276,713	19,764,310	15,512,403	365,000	313,174	22.87
2021	31,669,481	22,037,035	9,632,446	380,000	336,250	13.45
2022	29,738,329	23,362,761	6,375,568	395,000	235,995	10.10
2023	34,865,688	20,159,227	14,706,461	25,000	98,108	119.46

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

Source: Finance Division, City of Upland

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Special Assessment Bonds

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Special Assessment Collections	Debt Service		Coverage
	Principal	Interest	
2,935,287	700,000	2,107,620	1.05
2,973,637	820,000	2,080,248	1.03
2,731,961	1,305,000	1,441,090	0.99
2,863,814	1,160,000	1,635,846	1.02
2,822,587	1,250,000	1,598,954	0.99
3,384,728	1,330,000	1,666,350	1.13
3,946,683	1,631,434	1,996,055	1.09
4,093,614	1,640,000	2,200,853	1.07
5,035,779	1,890,000	2,443,621	1.16
4,853,097	1,430,000	1,878,042	1.47

**CITY OF UPLAND**

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

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<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (in thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2013	75,147	\$ 2,182,720	\$ 29,046	11,665	5.6%
2014	75,074	\$ 2,130,600	\$ 28,380	11,380	5.9%
2015	75,774	\$ 2,182,404	\$ 28,801	11,138	4.8%
2016	76,790	\$ 2,226,460	\$ 28,994	11,028	4.2%
2017	77,017	\$ 2,274,591	\$ 29,533	10,913	2.5%
2018	78,481	\$ 2,417,412	\$ 30,802	10,702	3.3%
2019	78,814	\$ 2,503,598	\$ 31,765	10,580	3.1%
2020	78,513	\$ 2,702,987	\$ 34,427	10,228	8.7%
2021	79,139	\$ 2,755,435	\$ 34,817	10,210	6.4%
2022	78,376	\$ 3,030,619	\$ 38,667	10,079	3.4%

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

**CITY OF UPLAND**

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

Employer	2023			2014 *		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
San Antonio Regional Hospital	2,250	1	6.0%	1,998	1	5.3%
Upland Unified School District	1,272	2	3.4%	1,200	2	3.2%
VCI Construction	518	3	1.4%			
Holliday Rock Co. Inc	350	4	0.9%	181	9	0.5%
Upland Rehabilitation & Care Center	349	5	0.9%	300	5	0.8%
Home Depot	328	6	0.9%	141	10	0.4%
WalMart	315	7	0.8%	310	4	0.8%
City of Upland	261	8	0.7%	373	3	1.0%
Target	253	9	0.7%	220	6	0.6%
Lewis Group	252	10	0.7%	200	7	0.5%
Kohl's Department Store				195	8	0.5%
Totals	<u>6,148</u>		<u>16.3%</u>	<u>5,118</u>		<u>13.5%</u>

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

CITY OF UPLAND

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	78.25	78.00	64.00	58.00	58.00	57.00	67.00	68.00	69.00	74.00
Public safety										
Police										
Officers	70.00	70.00	74.00	75.00	75.00	75.00	75.00	75.00	78.00	78.00
Civilians	22.50	22.50	26.00	30.00	31.00	37.00	30.00	31.00	31.00	33.00
Fire										
Firefighters and officers	40.00	40.00	40.00	40.00	-	-	-	-	-	- <sup>1</sup>
Civilians	9.00	9.00	9.00	9.00	-	-	-	-	-	- <sup>1</sup>
Highways and streets										
Engineering	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Operations	23.00	22.00	23.50	23.50	23.50	23.50	23.50	24.50	25.00	26.00
Recreation	7.50	7.50	6.00	6.00	5.00	5.00	5.00	5.00	5.00	6.00
Water	24.00	24.00	24.00	24.00	24.00	27.00	31.00	31.00	33.00	36.00
Solid Waste Utility	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Environmental Quality	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
<b>Total</b>	<b>281.25</b>	<b>280.00</b>	<b>273.50</b>	<b>272.50</b>	<b>223.50</b>	<b>231.50</b>	<b>238.50</b>	<b>242.50</b>	<b>251.00</b>	<b>263.00</b>

Source: Finance Division, City of Upland

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

**CITY OF UPLAND**

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

Function	Fiscal Year Ended June 30,				
	2014	2015	2016	2017	2018
Fire					
Stations	5	5	5	5	1
Police					
Patrol Units	23	22	22	22	24
Motorcycles	4	5	5	4	4
Library					
Facilities	1	1	1	1	1
Recreation					
Buildings	4	4	4	4	4
Parks	13	13	13	13	13
Soccer fields (lighted)	6	6	6	6	6
Baseball fields (lighted)	8	8	8	8	8
Softball fields (lighted)	3	3	3	3	3
Public Works					
Miles of City Streets	208.90	208.90	209.20	209.25	209.85
Miles of State Highways	6.70	6.70	6.70	6.20	6.20
Miles of City Alleys	37.50	37.50	37.50	37.50	37.50
Water					
Miles of Water Mains	240.26	240.88	243.70	255.60	245.71
Sewer					
Miles of Sewer Lines	228.00	228.00	228.00	222.00	222.00

Source: Various Departments, City of Upland

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

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Fiscal Year Ended June 30,

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
1	1	1	1	1 <sup>1</sup>
24	25	24	24	25
5	4	4	4	4
1	1	1	1	1
4	4	4	4	4
13	13	13	13	13
6	6	6	6	6
8	8	8	8	8
3	3	3	3	3
210.01	210.01	210.01	210.01	210.01
6.20	6.20	6.20	6.20	6.20
37.50	37.50	37.50	37.50	37.50
247.08	247.08	247.09	247.09	247.09
224.01	224.06	224.06	224.06	224.06

**CITY OF UPLAND**

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

Function	Fiscal Year Ended June 30,			
	2014	2015	2016	2017
Function				
General government				
Building permits issued	1,408	2,007	1,176	1,095
Police				
Physical arrests	4,272	3,532	3,013	4,377
Traffic collisions	667	690	814	867
Fire				
Emergency responses	9,482	8,855	9,607	9,647
Public Works				
Miles of street sweeping	14,484	13,009	14,600	15,000
Potholes repaired	910	2,400	318	720
Number of trees pruned	5,671	5,015	2,378	2,273
Parks and recreation				
Community center admissions	9,406	9,450	8,868	6,864
Library				
Volumes in collection	117,295	113,146	111,548	107,760
Current Periodical & Serial Subscriptions	340	83	97	42
Audio-visual items	5,911	5,947	5,695	5,154
Water				
New meter installations	1,056	981	894	1,233
Average daily consumption (thousands of gallons)	20,690	17,848	14,209	15,572
Number of linear feet of new water pipelines	-	1,531	3,668	1,627
Refuse collection				
Refuse collected (tons per day)	144	140	158	151
Recyclables collected (tons per day)	72	64	68	65
Environmental Quality				
Number of sewer inspections conducted	210	201	208	211
Number of permitted dischargers/active permits	194	197	193	195

Source: Various Departments, City of Upland

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

<sup>2</sup> City transitioned from physical magazines to electronic due to COVID and will continue to keep our holdings electronically and not paper copies.

<sup>3</sup>Physical DVDs and audiobooks on CD, does not include downloadable films and audiobooks.

Fiscal Year Ended June 30,					
2018	2019	2020	2021	2022	2023
2,040	2,327	1,365	3,126	3,374	3,451
3,477	3,670	2,198	2,283	2,908	2,576
724	607	535	350	421	452
404	-	-	-	-	-
10,800	11,600	11,000	14,600	11,200	11,350
550	650	700	3,250	825	2,700
4,288	5,850	5,200	6,280	6,300	5,025
6,703	7,208	4,372	541	4,577	4,532
82,577	103,466	73,092	116,755	116,838	124,225
466	40	760	7,002	7,501	7,501
4,302	2,916	5,340	5,006	4,736	4,925
1,500	153	210	158	189	92
17,276	15,650	15,732	16,027	16,438	12,967
18,091	6,581	-	78	-	-
165	158	162	161	162	165
76	68	77	82	74	72
148	145	5	173	184	201
191	193	193	195	187	206

<sup>1</sup>

<sup>2</sup>

<sup>3</sup>