



# CITY OF UPLAND, CALIFORNIA

## Comprehensive Annual Financial Report

### Year ended June 30, 2020



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

Prepared by  
Finance Division

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

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	i - iv
List of City Officials	v
Organizational Chart	vi
GFOA Certificate of Achievement for Excellence in Financial Reporting	vii
 <b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	1 - 3
<b>Management's Discussion &amp; Analysis</b>	4 - 11
 <b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13 - 14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Position - Proprietary Funds	19
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	20
Statement of Cash Flows - Proprietary Funds	21
Statement of Net Position - Fiduciary Funds	22
Statement of Changes in Net Position - Fiduciary Funds	23
Notes to Financial Statements	24 - 58
 <b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
General Fund	59
Housing Special Revenue Fund	60
Notes to Required Supplementary Information	61
Schedule of Changes in the Net Pension Liability – Miscellaneous Plan	62 - 63
Schedule of Changes in the Net Pension Liability - Safety Plan	64
Schedule of the City's Proportionate Share of the Net Pension Liability	65
Schedule of Contributions	66
Schedule of Changes in the Net OPEB Liability and Related Ratios	67
 <b>Supplementary Information</b>	
Non-major Governmental Funds:	
Combining Balance Sheet	70 - 73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	74 - 77

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

**TABLE OF CONTENTS - Continued**

	<u>Page</u>
<b>Supplementary Information - Continued</b>	
Budgetary Comparison Schedules for Non-major Funds:	
Gas Tax	78
Home Program	79
CalHome Program	80
Community Development Block Grant	81
Measure I	82
Air Quality Management District	83
Parking and Business Improvement	84
SB 509 Public Safety Augmentation	85
Asset Forfeiture	86
Public Safety Grants	87
Other Grants	88
Park Acquisition and Development	89
General Capital Development	90
Storm Drain Development	91
Street and Traffic Safety Development	92
General Capital Projects	93
Street and Alley Repair	94
Energy Efficiency Improvements	95
Internal Service Funds:	96
Combining Statement of Net Position - Internal Service Funds	97
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds	98
Combining Statement of Cash Flows - Internal Service Funds	99
Agency Funds:	100
Combining Statement of Assets and Liabilities - Agency Funds	101 - 102
Combining Statement of Changes in Assets and Liabilities - Agency Funds	103 - 105
<b>STATISTICAL SECTION</b>	
Net Position by Component	107 - 108
Changes in Net Position	109 - 112
Fund Balances of Governmental Funds	113 - 114
Changes in Fund Balances of Governmental Funds	115 - 116
Assessed Value and Estimated Actual Value of Taxable Property by Major Type	117 - 118
Water Sales by User Type	119
Direct and Overlapping Property Tax Rates	120 - 121
Principal Property Tax Payers	122
Principal Water Purchasers	123
Property Tax Levies and Collections	124
Ratios of Outstanding Debt by Type	125 - 126
Direct and Overlapping Debt	127
Legal Debt Margin Information	128 - 129
Pledged Revenue Coverage	130 - 131
Demographic and Economic Statistics	132
Principal Employers	133
Full-time Equivalent City Government Employees by Function	134
Capital Asset Statistics by Function	135 - 136
Operating Indicators by Function	137 - 138

## **INTRODUCTORY SECTION**



February 25, 2021

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

The *Comprehensive Annual Financial Report* of the City of Upland, California for the fiscal year ended June 30, 2020 is hereby submitted.

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

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

In accordance with Generally Accepted Accounting Principles (GAAP), the CAFR combines the financial statements of the City of Upland together with the Successor Agency to the former Upland Community Redevelopment Agency (UCRA) and the Upland Public Financing Authority (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 78,969 persons as of March 2020.

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 CAFR.

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' longest economic expansion on record came to a sudden and unexpected end at the end of the first quarter of 2020 due to the economic shutdown in an effort to contain the COVID-19 pandemic. Sales tax revenues were projected to drop \$1.9 million, with recoveries taking years. The City responded in kind, with reductions made to Maintenance and Operations budgets, General Fund vehicle purchases halted, public safety positions frozen and more.

The federal government's approval of the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided essential funds that allowed the City to acquire PPE, retrofit City buildings which enabled the City to open to a socially distanced and masked public in May 2020, provided equipment to enable high-risk employees to work remotely, and provided funds to allow public safety workers to mitigate and respond to the COVID-19 public health emergency. Over \$0.5 million in CARES Act funds were able to be applied to Fiscal Year 19/20, with another \$2.0 million anticipated to be available in FY 20/21. CARES Act provided one-time payments to taxpayers, expanded unemployment benefits, and loan and grant programs for small businesses.

This quick response from the federal government has proven essential and invaluable. While the effects of the pandemic are likely to have ramifications for many years, a large number of businesses were able to re-open in an adaptive manner. The benefits were seen immediately in the City. Sales tax revenues only decreased by \$1.0 million in FY 19/20. Recent projections by HdL, the City's sales tax consultants, indicate that revenues for FY 20/21 should exceed the originally budgeted figures for FY 19/20 – providing a recovery two years earlier than originally expected. Much remains unknown about the future, with variants

of COVID-19 spreading throughout the globe, millions of people months behind on rent, and a large number of businesses shuttered because of the pandemic.

General Fund revenues exceeded budgeted revenues and expenditures were lower than amended budgeted figures in Fiscal Year 2019/20. Difficult, yet prudent cost saving measures taken are expected to garner similar results in Fiscal Year 2020/21. The City will continue to make intentional efforts to address its pension liability, including the establishment of a pension liability funding plan.

### **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 annual 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 at a minimum.

## **OTHER RELEVANT INFORMATION**

### **Auditor's Opinion**

Included in the Financial Section is the independent auditors' opinion, which is a significant part of the CAFR. 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**

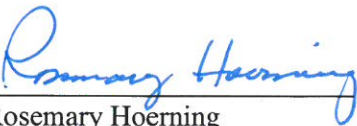
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Upland for its CAFR for the fiscal year ended June 30, 2019. To receive the award, a governmental unit must publish an easily readable and efficiently organized CAFR 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**

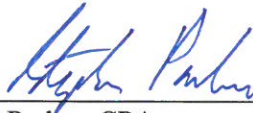
Our sincere appreciation and thanks for the support of the City Council and City department staff for their continuing cooperation. Special thanks are also extended to the Finance Division staff whose dedication and perseverance resulted in producing this report.

In keeping with past practice, a copy of this CAFR 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 CAFR will also be available online at [www.ci.upland.ca.us](http://www.ci.upland.ca.us).

Respectfully submitted,



Rosemary Hoerning  
City Manager



Stephen Parker, CPA  
Assistant City Manager

# **Officials of the City of Upland**

## **Elected Officials**

**Debbie Stone, Mayor**

**Rudy Zuniga**

**Janice Elliott**

**Bill Velto**

**Vacant**

**Mayor Pro Tem District 4**

**Councilmember District 2**

**Councilmember District 3**

**Councilmember At Large**

**Larry Kinley**

**City Treasurer**

## **Executive Staff**

**Rosemary Hoerning, City Manager**

**Stephen Parker**

**Steven Flower**

**Robert D. Dalquest**

**Darren Goodman**

**Steve Nix**

**Assistant City Manager**

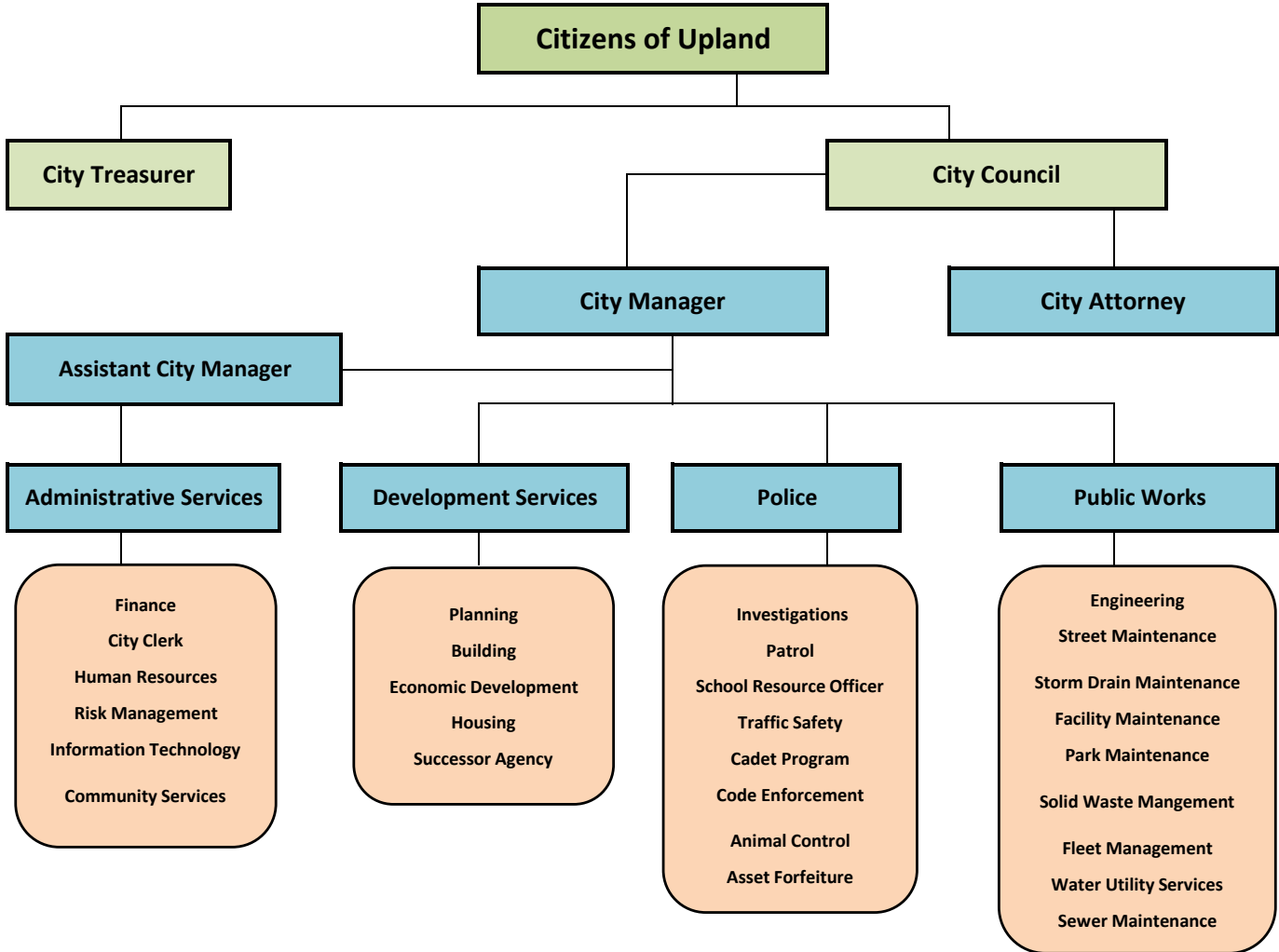
**Interim City Attorney**

**Development Services Director**

**Chief of Police**

**Interim Public Works Director**

**City of Upland  
Organizational Chart  
Fiscal Year 2019-20**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Upland  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**



## Independent Auditor's Report

The Honorable City Council  
City of Upland, California

### Report on the Financial Statements

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

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

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

---

**Van Lant & Fankhanel, LLP**

29970 Technology Drive, Suite 105 A  
Murrieta, CA 92563  
909.856.6879

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Upland, California, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the supplementary information as listed in the table of contents, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2021, on our consideration of the City of Upland'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* and should be considered in assessing the results of our audit.

*Van Lant & Fankhaenel, LLP*

February 25, 2021

## **Management's Discussion and Analysis Fiscal Year Ended June 30, 2020**

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, 2020. 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 \$388.2 million; this is an increase of \$36.4 million in comparison with the prior year.
- ◆ The City's total assets increased by \$34.1 million during the fiscal year. The largest change was an increase in cash and investments of \$18.2 million. Other significant changes include an increase in capital assets of \$14.3 million and an increase of \$1.9 million in the value of the City's investment in joint ventures.
- ◆ The City's liabilities increased by \$1.2 million. Significant changes from prior year balances include an increase of long-term liabilities of \$2.5 million, partially offset by decreases in accounts, deposits and retentions payable of \$1.2 million. Details are presented in Footnote 5 of the financial statements.
- ◆ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$77.7 million, an increase of \$9.4 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 \$143.0 million, an increase of \$17.7 million in comparison with the prior year.
- ◆ At the end of the fiscal year, unassigned fund balance for the General Fund was \$16.4 million. This represents 39.9% of the General Fund's FY 2019/20 Final Budget operating expenditures and exceeds the 20% threshold City Council designated as the minimum operating reserve on March 9, 2020 by \$8.2 million.

### **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**

The analysis of the City's major funds begins on page 8. The fund financial statements begin on page 15 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 Assets and Liabilities and Statement of Changes in Assets and Liabilities on pages 101 and 105 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, which is similar to the 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 \$388.2 million. The City's net position increased by \$36.4 million due to an increase in assets (including deferred outflows of resources) totaling \$39.5 million and liabilities and deferred inflows of resources increased by \$3.1 million. Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses, changes in and total net position are presented in the Statement of Activities. The City's combined Net Position for the fiscal year ended June 30, 2020 was:

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 90.4	\$ 80.3	\$ 83.4	\$ 73.7	\$ 173.8	\$ 154.0
Capital assets	288.0	283.5	88.3	78.5	376.3	362.0
Total assets	378.4	363.8	171.7	152.2	550.1	516.0
Deferred outflows of resources	18.8	14.2	2.0	1.2	20.8	15.4
Long-term liabilities	138.5	143.6	24.2	22.2	162.7	165.8
Other liabilities	9.5	5.7	6.0	5.6	15.5	11.3
Total liabilities	148.0	149.3	30.2	27.8	178.2	177.1
Deferred inflows of resources	4.0	2.2	0.5	0.3	4.5	2.5
Net position:						
Net investment in capital assets	267.0	262.5	80.7	70.5	347.7	333.0
Restricted	52.2	44.9	-	-	52.2	44.9
Unrestricted	(74.0)	(80.9)	62.3	54.8	(11.7)	(26.1)
Total net position	\$ 245.2	\$ 226.5	\$ 143.0	\$ 125.3	\$ 388.2	\$ 351.8

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 revenues and expenses for the current years is presented below:

**Table 2**  
Change in Net Position  
(In Millions)

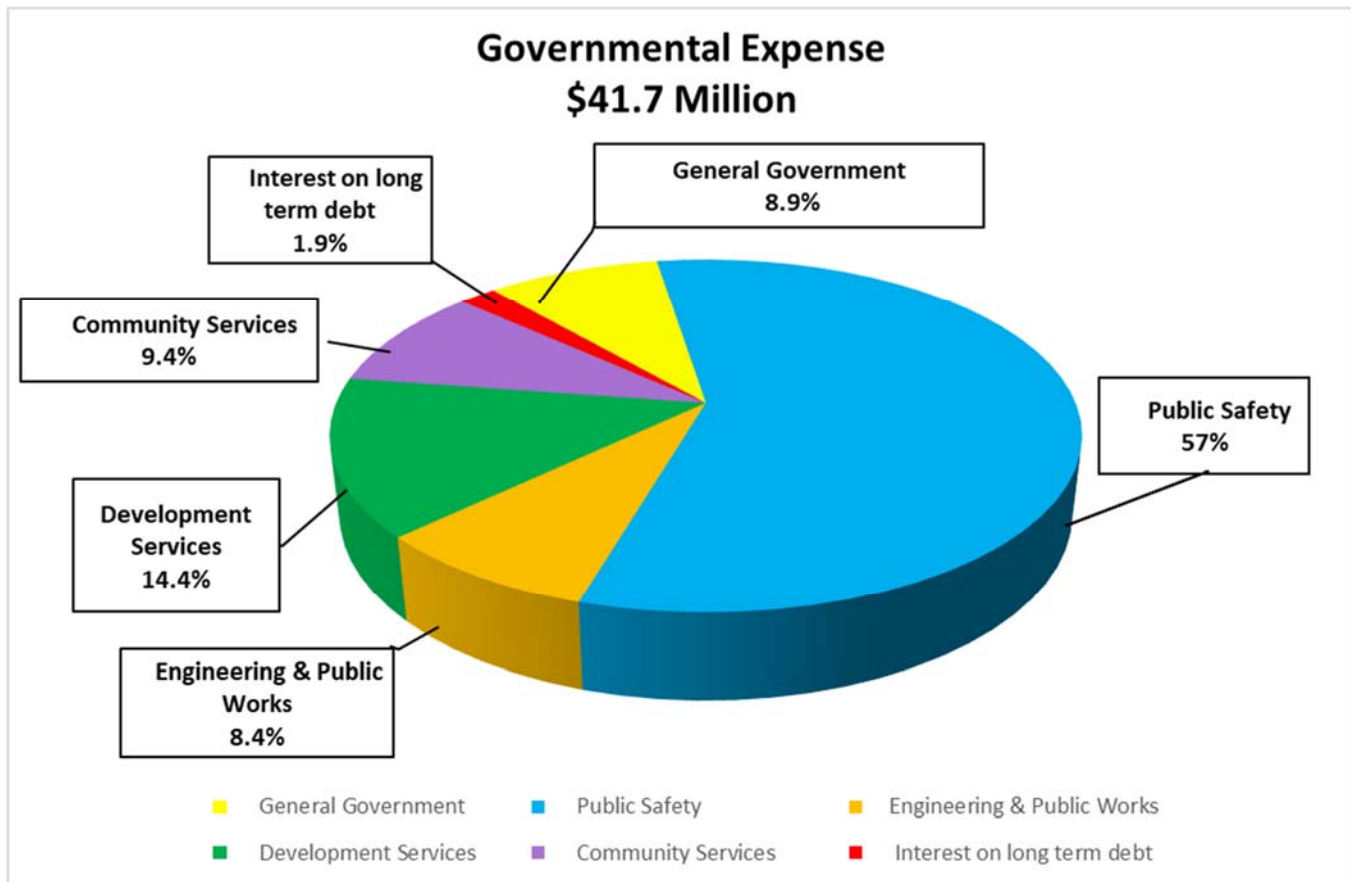
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program Revenues						
Charges for services	13.7	12.5	52.1	49.5	65.8	62.0
Operating Contributions/Grants	2.5	2.3	-	0.1	2.5	2.4
Capital Contributions	8.2	8.8	9.9	1.5	18.1	10.3
General Revenues						
Taxes						
Property Taxes	18.1	16.8	-	-	18.1	16.8
Sales Tax	13.6	14.5	-	-	13.6	14.5
Franchise Taxes	1.3	1.2	-	-	1.3	1.2
Transient Occupancy Taxes	0.1	0.2	-	-	0.1	0.2
Business License Taxes	1.1	1.0	-	-	1.1	1.0
Other Taxes	0.3	0.2	-	-	0.3	0.2
Investment Income	1.2	0.1	1.2	0.7	2.4	0.8
Motor Vehicle In Lieu	0.1	0.0	-	-	0.1	0.0
Gain on sale of assets	-	-	-	-	-	-
Miscellaneous Revenues	0.2	0.8	-	-	0.2	0.8
Total Revenues	<u>60.4</u>	<u>58.4</u>	<u>63.2</u>	<u>51.8</u>	<u>123.6</u>	<u>110.2</u>
<b>Expenses</b>						
General government	3.7	4.0	-	-	3.7	4.0
Public Safety	23.8	27.3	-	-	23.8	27.3
Public Works	3.5	12.1	-	-	3.5	12.1
Development Services	6.0	6.0	-	-	6.0	6.0
Community Services	3.9	4.3	-	-	3.9	4.3
Interest on long term debt	0.8	0.8	-	-	0.8	0.8
Water	-	-	20.5	21.5	20.5	21.5
Refuse	-	-	13.8	12.3	13.8	12.3
Sewer	-	-	10.0	9.4	10.0	9.4
Total Expenses	<u>41.7</u>	<u>54.5</u>	<u>44.3</u>	<u>43.2</u>	<u>86.0</u>	<u>97.7</u>
Special Items	-	-	-	-	-	-
Transfers	-	-	-	(0.8)	-	(0.8)
Change in Net Position	18.7	3.9	18.9	7.8	37.6	11.7
Net Position at beginning of year, as restated (note 17)	<u>226.5</u>	<u>222.6</u>	<u>124.1</u>	<u>117.5</u>	<u>350.6</u>	<u>340.1</u>
Net Position end of year	<u>\$ 245.2</u>	<u>\$ 226.5</u>	<u>\$ 143.0</u>	<u>\$ 125.3</u>	<u>\$ 388.2</u>	<u>\$ 351.8</u>

## Governmental Activities

Governmental activities net position increased in total by \$18.7 million. The City’s governmental activities revenue totaled \$60.4 million which is a \$2 million increase over the prior year. Significant changes are highlighted below:

- ◆ Charges for services revenue totaled \$13.7 million which is an increase of \$1.2 million or 9.6%, primarily related to increased development.
- ◆ Operating and capital grants decreased \$0.4 million or a minimal 3.6%.
- ◆ Residential property sales of new construction, property tax resets and sales of older homes resulted in an increase of \$1.3 million in property tax revenue.
- ◆ Sales tax decreased by \$0.9 million. Stay-at-home orders effective March 19, 2020 in California (due to the COVID-19 pandemic) were a significant factor in the beginning of a sales tax revenue freefall.
- ◆ Investment income increased by \$1.1 million as a result of higher cash balances to invest at higher yields.

Governmental activities expenses were \$41.7 million which is a \$12.8 million or 23.4% decrease from the prior year. General Government costs decreased \$0.3 million; Public Safety costs decreased \$3.5 million; Public Works costs decreased \$8.6 million; Community Services costs decreased \$0.4 million while Development Services costs and interest on long term debt expense remained the same as the prior year.



## Business-type Activities

Total resources available during the year to finance Proprietary Fund (Business-type) activities were \$124.1 million after restatement (detailed in footnote 17) of beginning net position. Net Position as of June 30, 2020 is \$143.0 million which is an increase of \$18.9 million or 14.1% from operations.

As shown in the Statement of Activities, the amount paid by users for services was \$52.1 million compared to \$49.5 million reported in the prior year. Capital and operating grants increased by \$8.3 million over amounts reported last year. The cost of all Proprietary (Business-type) activities increased \$1 million this year to \$44.2 million compared to \$43.2 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 \$77.7 million, and its enterprise funds reported combined net position of \$143 million. Major changes are discussed below:

- ◆ The fund balance at year-end for the City's General Fund of \$24.3 million is an increase from the prior year of \$1.0 million. Although revenues and other financing sources decreased by \$2.0 million and expenditures and other financing uses increased by \$5.3 million, revenues still exceeded expenditures by \$1.0 million. Property taxes increased \$0.2 million from new home sales during the year. Sales tax revenue decreased \$0.9 million due to the COVID pandemic stay at home orders experienced during the last quarter of the fiscal year. Investment income decreased by \$0.4 million as interest rates dramatically decreased in the second half of the year. Current year's transfers in were zero compared to the \$0.7 million that was transferred into the General Fund from the Enterprise funds for their share of making the self-insurance fund whole in the prior year. Expenses increased \$2.1 million, \$2.0 million of which was incurred by the public safety division. This represents an 8.8% increase, and is the result of a 4% salary increase, a special stipend for each of the two previous years, and increased staffing of approved positions. Transfers out increased \$3.2 million due to mid-year adjustments prompted by a substantial prior year surplus. Amounts transferred included: \$1.5 million to the self-insurance fund to eliminate negative cash balances and \$1.7 million to the capital project fund for necessary projects.
- ◆ The Housing Fund's fund balance increased \$153,182 or 1.5% over prior year balances. Even though actual revenues increased \$131,852 and actual expenditures increased \$173,831, or 4.2% from negotiated salary increases, total revenues still exceeded total expenditures by \$153,182.
- ◆ Water Enterprise Fund operating revenues, which consists of charges for water usage, increased \$1.5 million or 5.7%. The increase resulted from the addition of approximately 1,000 newly constructed residential and multi-family units added to the system. Non-operating revenue increased a total of \$1.8 million, of which \$1.6 million was from sharing of joint venture net income described more thoroughly in Note 11. In addition, interest income increased \$0.2 million or 65% from substantial increases in Water Fund cash balances earning interest. Operating expenses only increased by \$0.2 million, primarily related to salary increases. Non-operating expenses increased \$0.3 million, primarily relating to from loses on the disposal/deletions of capital assets. Total revenues exceeding total expenses by \$7.8 million and capital contributions of \$5.5 million resulted in an overall increase in Water Fund net position of \$12.1 million after taking into consideration the \$1.2 million restatement of net position discussed in footnote 17.
- ◆ The Solid Waste Utility Fund net position decreased approximately \$0.2 million or 28.4%. Charges for services increased \$1.1 million due to service rate increases effective September 1, 2018 and the addition of approximately 600 new residential customers from new construction. Operating expenses increased \$1.5 million, \$0.6 in administrative costs and \$0.9 million for contractual services which will fluctuate based on the number of bins serviced and disposal cost based on actual waste tonnage. Net position accumulation will be necessary to comply with various state mandated programs required to be implemented in the future.
- ◆ The Sewer Utility Fund net position increased by \$5.9 million or 23.6%. Operating revenues increased minimally resulting from additional service accounts from new residential construction otherwise, service rates have not changed for several years. Non-operating revenue, mainly investment income, increased \$0.2 million resulting from higher cash

balances. Operating expenses increased \$0.5 million or 5.7%. Even though the total increase in revenue was minimal and expenses increased, net position increased from operations by \$1.2 million as final revenues still exceeded total expenses for the year. The fund also received capital contributions totaling \$4.4 million.

### General Fund Budgetary Highlights

Over the course of the year, the operating budget received several revisions. The budget amendments and supplemental appropriations that were approved after the beginning of the year are included in the final budget column (net of interagency transactions) on page 59 of the financial statements. Comparing the Fiscal Year 2019/20 adopted General Fund budget of \$39.9 million to the final budget of \$41.1 million reflects an increase of \$1.2 million. Actual expenditures for the General Fund of \$38.1 million were \$3.1 million less than final budgeted amounts. The Fiscal Year 2019/20 adopted revenue budget started at \$40.9 million and was decreased to \$39.3 million to reflect an expected shortfall of sales tax and property tax due to the onset of the COVID pandemic. Actual revenue for the General Fund of \$42.7 million exceeded the final budgeted amount by \$3.5 million. Overall, the General Fund’s positive results for the year significantly increased fund balance to the point that it exceeds the minimum 12.5% reserve requirement in the City’s municipal code, as well as the current approved minimum operating reserve balance of 20%. Fund Balance detail can be found in more detail in footnote 14.

### Capital Assets and Debt Administration

#### Capital Assets

As of June 30, 2020, the City had \$376.4 million invested in a broad range of capital assets, including police vehicles, buildings, park facilities, roads, and water and sewer lines. Capital assets (net of accumulated depreciation) increased overall by \$14.5 million primarily due to the completion and capitalization of capital improvement projects including the solar energy project and multiple vehicle and equipment replacements.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 5.1	\$ 5.1	\$ 3.8	\$ 2.1	\$ 8.9	\$ 7.2
Rights of way	103.4	103.4	-	-	103.4	103.4
Street trees	3.5	3.5	-	-	3.5	3.5
Construction in progress	5.1	6.9	1.3	3.0	6.4	9.9
Other capital assets	170.9	164.5	83.3	73.4	254.2	237.9
Totals	<u>\$ 288.0</u>	<u>\$ 283.4</u>	<u>\$ 88.4</u>	<u>\$ 78.5</u>	<u>\$ 376.4</u>	<u>\$ 361.9</u>

The City’s Fiscal Year 2019/20 capital budget appropriated another \$14.2 million for capital projects, principally for the completion of its various construction and improvement projects. Additional information on the City’s capital assets can be found in Note 4 to the financial statements.

#### Long-Term Debt

As of June 30, 2020, the City had \$168.1 million in outstanding debt versus \$165.8 million in the prior year. This represents an increase of \$2.3 million. Debt issues decreased by \$1.3 million in accordance with their principal payment amortization schedule’s but increased overall by \$0.4 million resulting from debt incurred for the purchase of land for \$1.7 million. Compensated absences, OPEB and net pension liabilities increased by \$1.7 million. Changes result from usage or accumulation of paid leaves, and the results of updated actuarial valuations. Claims payable increased by \$0.2 million, which compared to the prior year’s increase of \$2.4 million is a great improvement. New claims for the year remained

consistent with the prior year; however, expenditures related to the payout of settlements and reserve adjustments increased by \$2.4 million. Management has been working hard to resolve, settle and close older claims.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
1.0 Compensated Absences	\$ 2.0	\$ 1.7	\$ 0.4	\$ 0.3	\$ 2.4	\$ 2.0
2.0 Net OPEB Liability/obligation	9.7	10.3	2.3	2.9	12.0	13.2
3.0 Net Pension Liability	100.7	100.2	13.5	11.5	114.2	111.7
4.0 Claims Payable	10.5	10.3	-	-	10.5	10.3
5.0 Multifamily Housing Rev Bonds	13.4	13.9	-	-	13.4	13.9
6.0 Energy Efficiency Lease	2.5	2.6	-	-	2.5	2.6
7.0 CREBS Lease Agreement	4.5	4.5	-	-	4.5	4.5
8.0 Housing Revenue Bonds	-	-	-	-	-	-
9.0 Capital Lease	-	-	-	-	-	-
10.0 Revenue Refunding Bonds	-	-	7.2	7.6	7.2	7.6
11.0 SAWCO Loan Payable	-	-	1.4	-	1.4	-
Totals	<u>\$ 143.3</u>	<u>\$ 143.5</u>	<u>\$ 24.8</u>	<u>\$ 22.3</u>	<u>\$ 168.1</u>	<u>\$ 165.8</u>

Additional detailed information on long-term debt activity can be found in Note 5. Claims and judgements payable information can be found in Note 9. Calculations and information related to the OPEB liability can be found in Note 6 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 2019/20. Real estate assessed values increased from the prior fiscal year by \$451 million or a net taxable value increase of 4.8%. This change is moderately less than the 6.5% increase experienced countywide. According to HdL, Coren and Cone (HdL), the City's net taxable value increased another 5.6% for the 2020/21 tax roll, which again is slightly less than the increase experienced countywide of 5.8%. The inflation adjustment for 2021/22 will be 1.036% rather than the full 2% allowed by Proposition 13. Sales of single-family and non-single-family properties through November of 2020 will add \$210.8 million to the 2021/22 tax rolls. The property tax revenue from these sales will help offset the lower inflation adjustment.

A high volume of development activity is expected to continue into Fiscal Year 2021/22 resulting in increases in anticipated building permit revenue and eventually property tax and sales tax revenue.

Sales taxes in Fiscal Year 2019/20 ended 6.4% lower than the prior year resulting from the effects of the COVID-19 pandemic. With the local economy exceeding expectations, the latest projections by HdL project FY 2020/21 sales tax revenues to exceed Fiscal Year 2019/20's revenues by 8.1%, or \$1.1 million. The quick recovery of sales tax revenues provides hope that Upland will be able to recover from the adverse effects of the pandemic more quickly than originally anticipated.

Fiscal Year 2019/20 General Fund operations resulted in a surplus (revenue exceeded expenditures) for the 5<sup>th</sup> year in a row. City leadership will work hard with the City Council to address long-term financial strategies to ensure sustainability despite the specific challenges of increased annual pension contributions, the OPEB liability, the pressure of providing new services (state mandates), addressing homelessness, the COVID-19 pandemic, and recruitment and retention of highly skilled workers.

### **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, 2020**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 61,425,783	\$ 41,567,970	\$ 102,993,753
Receivables:			
Accounts, Net	1,491,759	8,595,989	10,087,748
Accrued Interest	344,496	-	344,496
Notes, Net	10,058,948	-	10,058,948
Accrued Interest on Notes	2,660,760	-	2,660,760
Due From Other Governments	4,840,251	271	4,840,522
Inventory and Prepaid Items	244,108	5,221,181	5,465,289
Land Held for Resale	1,731,389	-	1,731,389
Restricted Assets:			
Cash and Investments with Fiscal Agent	263,512	-	263,512
Cash and Investments	7,287,018	616,547	7,903,565
Investment in Joint Ventures	-	27,367,752	27,367,752
Capital Assets, Not Being Depreciated:	117,148,857	5,066,931	122,215,788
Capital Assets, Net of Accumulated Depreciation:	170,854,662	83,274,085	254,128,747
Total Assets	<u>378,351,543</u>	<u>171,710,726</u>	<u>550,062,269</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB Related Items	1,220,864	283,404	1,504,268
Pension Related Items	17,548,852	1,748,945	19,297,797
Total Deferred Outflows of Resources	<u>18,769,716</u>	<u>2,032,349</u>	<u>20,802,065</u>
<b>LIABILITIES</b>			
Accounts Payable	1,887,563	4,155,567	6,043,130
Accrued Salaries and Benefits	970,773	228,156	1,198,929
Accrued Interest Payable	-	85,493	85,493
Deposits Payable	1,678,888	616,532	2,295,420
Retention Payable	250,591	4,635	255,226
Unearned Revenue	34,104	40,633	74,737
Noncurrent Liabilities:			
Due Within One Year	4,705,700	897,271	5,602,971
Due in More Than One Year	138,476,452	24,218,350	162,694,802
Total Liabilities	<u>148,004,071</u>	<u>30,246,637</u>	<u>178,250,708</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB Related Items	1,208,931	280,634	1,489,565
Pension Related Items	2,755,328	185,560	2,940,888
Total Deferred Inflows of Resources	<u>3,964,259</u>	<u>466,194</u>	<u>4,430,453</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	266,996,077	80,694,523	347,690,600
Restricted for:			
Public Safety	1,889,953	-	1,889,953
Engineering and Public Works	9,923,082	-	9,923,082
Development Services	31,863,735	-	31,863,735
Community Services	8,550,639	-	8,550,639
Unrestricted	(74,070,557)	62,335,721	(11,734,836)
Total Net Position	<u>\$ 245,152,929</u>	<u>\$ 143,030,244</u>	<u>\$ 388,183,173</u>

The accompanying notes are an integral part of this statement.

**City of Upland**  
**Statement of Activities**  
**Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 3,740,648	\$ 583,514	\$ 324,376	\$ 210,269
Public Safety	23,786,129	1,644,528	1,422,778	467,863
Engineering and Public Works	3,524,461	5,038,970	1,357	5,759,704
Development Services	5,931,597	6,038,238	688,166	-
Community Services	3,910,878	395,733	82,286	1,791,835
Interest on Long-Term Debt	817,235	-	-	-
Total Governmental Activities	<u>41,710,948</u>	<u>13,700,983</u>	<u>2,518,963</u>	<u>8,229,671</u>
Business-type Activities:				
Water Utility	20,513,809	27,703,940	-	5,455,131
Solid Waste Utility	13,787,098	13,772,383	-	-
Sewer Utility	9,946,531	10,606,800	-	4,427,850
Total Business-type Activities	<u>44,247,438</u>	<u>52,083,123</u>	<u>-</u>	<u>9,882,981</u>
Total Primary Government	<u>\$ 85,958,386</u>	<u>\$ 65,784,106</u>	<u>\$ 2,518,963</u>	<u>\$ 18,112,652</u>

General Revenues:

Taxes:

Property Taxes

Sales Taxes

Franchise Taxes

Transient Occupancy Taxes

Business License Tax

Other Taxes

Motor Vehicle in-lieu

Miscellaneous Revenues

Investment Income

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Restatement of Net Position

Net Position - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (2,622,489)	\$ -	\$ (2,622,489)
(20,250,960)	-	(20,250,960)
7,275,570	-	7,275,570
794,807	-	794,807
(1,641,024)	-	(1,641,024)
(817,235)	-	(817,235)
<u>(17,261,331)</u>	<u>-</u>	<u>(17,261,331)</u>
-	12,645,262	12,645,262
-	(14,715)	(14,715)
-	5,088,119	5,088,119
<u>-</u>	<u>17,718,666</u>	<u>17,718,666</u>
<u>(17,261,331)</u>	<u>17,718,666</u>	<u>457,335</u>
18,055,721	-	18,055,721
13,579,780	-	13,579,780
1,252,055	-	1,252,055
156,698	-	156,698
1,133,401	-	1,133,401
277,339	-	277,339
62,114	-	62,114
180,584	-	180,584
1,232,765	1,187,036	2,419,801
<u>35,930,457</u>	<u>1,187,036</u>	<u>37,117,493</u>
18,669,126	18,905,702	37,574,828
226,483,803	125,307,135	351,790,938
<u>-</u>	<u>(1,182,593)</u>	<u>(1,182,593)</u>
<u>\$ 245,152,929</u>	<u>\$ 143,030,244</u>	<u>\$ 388,183,173</u>

**City of Upland  
Balance Sheet  
Governmental Funds  
June 30, 2020**

	General	Special Revenue Housing	Non-major Governmental	Total
<b>ASSETS</b>				
Cash and Investments	\$ 15,938,886	\$ 2,996,473	\$ 37,769,579	\$ 56,704,938
Cash with Fiscal Agent	-	-	263,512	263,512
Restricted Cash	7,092,232	194,786	-	7,287,018
Receivables:				
Accounts	1,132,479	95,575	227,239	1,455,293
Accrued Interest	344,496	-	-	344,496
Notes, net	19,157	5,197,935	4,841,856	10,058,948
Accrued Interest on Notes	-	1,422,848	1,237,912	2,660,760
Due from Other Governments	2,790,019	-	2,050,232	4,840,251
Due from Other Funds	756,752	-	-	756,752
Inventory and Prepaid Items	48,904	-	-	48,904
Land Held for Resale	-	1,731,389	-	1,731,389
<b>Total Assets</b>	<b>\$ 28,122,925</b>	<b>\$ 11,639,006</b>	<b>\$ 46,390,330</b>	<b>\$ 86,152,261</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,351,570	\$ 111,177	\$ 273,298	\$ 1,736,045
Accrued Salaries and Benefits	819,253	32,533	56,096	907,882
Due to Other Funds	-	-	756,752	756,752
Deposits Payable	1,485,202	193,686	-	1,678,888
Retentions Payable	-	-	250,591	250,591
Unearned Revenue	-	-	34,104	34,104
<b>Total Liabilities</b>	<b>3,656,025</b>	<b>337,396</b>	<b>1,370,841</b>	<b>5,364,262</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	190,803	1,422,848	1,499,916	3,113,567
<b>Total Deferred Inflows of Resources</b>	<b>190,803</b>	<b>1,422,848</b>	<b>1,499,916</b>	<b>3,113,567</b>
<b>FUND BALANCE (DEFICITS)</b>				
Nonspendable	68,061	-	-	68,061
Restricted	53,073	9,878,762	43,766,249	53,698,084
Committed	7,750,840	-	-	7,750,840
Assigned	-	-	-	-
Unassigned	16,404,123	-	(246,676)	16,157,447
<b>Total Fund Balances (Deficits)</b>	<b>24,276,097</b>	<b>9,878,762</b>	<b>43,519,573</b>	<b>77,674,432</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances (Deficits)</b>	<b>\$ 28,122,925</b>	<b>\$ 11,639,006</b>	<b>\$ 46,390,330</b>	<b>\$ 86,152,261</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, 2020**

Fund balances of governmental funds \$ 77,674,432

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	395,183,574	
Accumulated Depreciation	<u>(108,063,430)</u>	287,120,144

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds. 3,113,567

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

Compensated Absences		(1,930,975)
Multifamily Housing Revenue Note		(13,372,270)
CREBS Lease Payable		(4,472,265)
Energy Efficiency Lease Payable		(2,467,501)
Net Pension Liability		(97,561,181)
Net OPEB Liability		(9,044,790)

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		17,145,290
Deferred Inflows Related to Pensions		(2,712,511)
Deferred Outflows Related to OPEB		1,140,385
Deferred Inflows Related to OPEB		(1,129,240)

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. (8,350,156)

Net position of governmental activities \$ 245,152,929

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, 2020**

	General	Special Revenue Housing	Non-major Governmental	Total
<b>REVENUES</b>				
Taxes	\$ 34,454,995	\$ -	\$ 1,050,239	\$ 35,505,234
Licenses & Permits	2,585,074	-	3,579,883	6,164,957
Charges for Services	2,843,447	-	-	2,843,447
Fines and Penalties	893,964	-	-	893,964
Investment Income	738,463	68,709	872,314	1,679,486
Rental Income	798,634	4,278,834	79,105	5,156,573
Intergovernmental	110,425	-	6,701,735	6,812,160
Other Revenue	282,119	111,693	156,793	550,605
<b>Total Revenues</b>	<b>42,707,121</b>	<b>4,459,236</b>	<b>12,440,069</b>	<b>59,606,426</b>
<b>EXPENDITURES</b>				
Current:				
General Government	1,842,721	-	113,608	1,956,329
Public Safety	24,439,998	-	1,537,683	25,977,681
Engineering and Public Works	6,439,011	-	3,403,356	9,842,367
Development Services	1,833,967	3,224,143	677,828	5,735,938
Community Services	3,072,556	-	168,427	3,240,983
Debt Service:				
Principal	161,685	533,721	-	695,406
Interest	269,045	548,190	-	817,235
<b>Total Expenditures</b>	<b>38,058,983</b>	<b>4,306,054</b>	<b>5,900,902</b>	<b>48,265,939</b>
Excess (Deficiency) of Revenues over Expenditures	4,648,138	153,182	6,539,167	11,340,487
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	-	-	1,725,996	1,725,996
Transfer Out	(3,673,616)	-	-	(3,673,616)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,673,616)</b>	<b>-</b>	<b>1,725,996</b>	<b>(1,947,620)</b>
Net Change in Fund Balances	974,522	153,182	8,265,163	9,392,867
Fund Balances, Beginning	23,301,575	9,725,580	35,254,410	68,281,565
Fund Balances, Ending	<u>\$ 24,276,097</u>	<u>\$ 9,878,762</u>	<u>\$ 43,519,573</u>	<u>\$ 77,674,432</u>

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, 2020**

Net change in fund balances-total governmental funds \$ 9,392,867

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	11,451,499
Depreciation Expense	(6,798,028)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 773,648

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	161,685
Principal Paid on Housing Revenue Note	533,721

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	(341,240)
Net Change in Net Pension Liability	(196,870)
Net Change in Net OPEB Liability	554,703
Net Change in Deferred Outflows Pension Related Amounts	3,557,705
Net Change in Deferred Inflows Pension Related Amounts	(935,205)
Net Change in Deferred Outflows OPEB Related Amounts	818,158
Net Change in Deferred Inflows OPEB Related Amounts	(731,431)

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. 427,914

Change in net position of governmental activities \$ 18,669,126

The accompanying notes are an integral part of this statement.

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

	Business-type Activities - Enterprise Funds				Governmental
	Water Utility	Solid Waste Utility	Sewer Utility	Totals	Internal Service Funds
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 24,108,462	\$ 1,954,183	\$ 15,505,325	\$ 41,567,970	\$ 4,720,845
Accounts Receivable, Net	5,096,315	1,636,362	1,863,312	8,595,989	36,466
Due from Other Governments	-	115	156	271	-
Inventory and Prepaid Items	5,221,181	-	-	5,221,181	195,204
<b>Total Current Assets</b>	<b>34,425,958</b>	<b>3,590,660</b>	<b>17,368,793</b>	<b>55,385,411</b>	<b>4,952,515</b>
Noncurrent Assets:					
Restricted Cash and Investments	577,875	-	38,672	616,547	-
Investment in Joint Ventures	27,367,752	-	-	27,367,752	-
Capital Assets, Not Being Depreciated:					
Land	3,775,574	-	-	3,775,574	-
Construction in Progress	1,179,979	-	111,378	1,291,357	52,388
Capital Assets, Net of Accumulated Depreciation	65,302,853	-	17,971,232	83,274,085	830,987
<b>Total Noncurrent Assets</b>	<b>98,204,033</b>	<b>-</b>	<b>18,121,282</b>	<b>116,325,315</b>	<b>883,375</b>
<b>Total Assets</b>	<b>132,629,991</b>	<b>3,590,660</b>	<b>35,490,075</b>	<b>171,710,726</b>	<b>5,835,890</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
OPEB Related Items	186,379	17,901	79,124	283,404	80,479
Pension Related Items	1,109,139	165,739	474,067	1,748,945	403,562
<b>Total Deferred Outflows of Resources</b>	<b>1,295,518</b>	<b>183,640</b>	<b>553,191</b>	<b>2,032,349</b>	<b>484,041</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	1,780,512	1,664,609	710,446	4,155,567	151,518
Accrued Salaries and Wages	154,859	19,530	53,767	228,156	62,891
Interest Payable	85,493	-	-	85,493	-
Unearned Revenue	-	40,633	-	40,633	-
Retentions Payable	4,635	-	-	4,635	-
Deposits Payable	577,860	-	38,672	616,532	-
Current Portion of Long-Term Liabilities:					
Claims and Judgments Payable	-	-	-	-	3,027,092
Compensated Absences	104,117	13,961	55,193	173,271	51,725
Loans Payable	344,000	-	-	344,000	-
Revenue Bonds Payable	380,000	-	-	380,000	-
<b>Total Current Liabilities</b>	<b>3,431,476</b>	<b>1,738,733</b>	<b>858,078</b>	<b>6,028,287</b>	<b>3,293,226</b>
Noncurrent Liabilities:					
Claims and Judgments Payable	-	-	-	-	7,477,615
Net OPEB Liability	1,478,234	141,977	627,563	2,247,774	638,301
Net Pension Liability	8,536,132	1,275,561	3,648,508	13,460,201	3,105,887
Compensated Absences	118,702	21,368	71,812	211,882	32,550
Loans Payable	1,032,000	-	-	1,032,000	-
Revenue Bonds Payable	7,266,493	-	-	7,266,493	-
<b>Total Noncurrent Liabilities</b>	<b>18,431,561</b>	<b>1,438,906</b>	<b>4,347,883</b>	<b>24,218,350</b>	<b>11,254,353</b>
<b>Total Liabilities</b>	<b>21,863,037</b>	<b>3,177,639</b>	<b>5,205,961</b>	<b>30,246,637</b>	<b>14,547,579</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
OPEB Related Items	184,557	17,726	78,351	280,634	79,691
Pension Related Items	117,677	17,585	50,298	185,560	42,817
<b>Total Deferred Outflows of Resources</b>	<b>302,234</b>	<b>35,311</b>	<b>128,649</b>	<b>466,194</b>	<b>122,508</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	62,611,913	-	18,082,610	80,694,523	883,375
Unrestricted	49,148,325	561,350	12,626,046	62,335,721	(9,233,531)
<b>Total Net Position</b>	<b>\$ 111,760,238</b>	<b>\$ 561,350</b>	<b>\$ 30,708,656</b>	<b>\$ 143,030,244</b>	<b>\$ (8,350,156)</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, 2020**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Solid Waste Utility	Sewer Utility	Totals	Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 26,915,210	\$ 13,772,188	\$ 10,258,772	\$ 50,946,170	\$ 8,020,168
Licenses and Permits	611,690	-	347,082	958,772	-
Other	177,040	195	946	178,181	148,174
<b>Total Operating Revenue</b>	<b>27,703,940</b>	<b>13,772,383</b>	<b>10,606,800</b>	<b>52,083,123</b>	<b>8,168,342</b>
<b>OPERATING EXPENSES</b>					
Administrative Costs	4,696,293	1,724,355	476,836	6,897,484	-
Maintenance and Operations	14,666,783	-	2,392,607	17,059,390	4,086,922
Contractual Services	185,502	12,062,743	6,457,037	18,705,282	226,364
Customer Service	215,732	-	-	215,732	-
Claims Expense	-	-	-	-	5,226,914
Depreciation	1,998,963	-	596,237	2,595,200	249,857
<b>Total Operating Expenses</b>	<b>21,763,273</b>	<b>13,787,098</b>	<b>9,922,717</b>	<b>45,473,088</b>	<b>9,790,057</b>
Operating Income (Loss)	5,940,667	(14,715)	684,083	6,610,035	(1,621,715)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	613,802	56,639	516,595	1,187,036	69,759
Share of Joint Venture Net Income (loss)	1,919,880	-	-	1,919,880	-
Gain/ (Loss) on Disposal of Capital Assets	(357,242)	-	(23,814)	(381,056)	32,250
Interest Expense	(313,174)	-	-	(313,174)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,863,266</b>	<b>56,639</b>	<b>492,781</b>	<b>2,412,686</b>	<b>102,009</b>
Income Before Contributions and Transfers	7,803,933	41,924	1,176,864	9,022,721	(1,519,706)
Capital Contributions	5,455,131	-	4,427,850	9,882,981	-
Transfers In	-	-	265,000	265,000	1,947,620
Transfers Out	-	(265,000)	-	(265,000)	-
Change in Net Position	13,259,064	(223,076)	5,869,714	18,905,702	427,914
Total Net Position, Beginning	99,683,767	784,426	24,838,942	125,307,135	(8,778,070)
Restatement of Net Position	(1,182,593)	-	-	(1,182,593)	-
<b>Total Net Position, Ending</b>	<b>\$ 111,760,238</b>	<b>\$ 561,350</b>	<b>\$ 30,708,656</b>	<b>\$ 143,030,244</b>	<b>\$ (8,350,156)</b>

The accompanying notes are an integral part of this statement.

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

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Solid Waste Utility	Sewer Utility	Totals	Internal Service Funds
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers	\$ 27,194,741	\$ 13,603,857	\$ 10,587,988	\$ 51,386,586	\$ -
Cash Received from User Departments	-	-	-	-	8,175,403
Cash Paid to Suppliers for Goods and Services	(17,036,483)	(13,233,491)	(8,391,890)	(38,661,864)	(8,210,815)
Cash Paid to Employees for Services	(2,923,541)	21,063	(1,267,603)	(4,170,081)	(1,287,179)
Net Cash from Operating Activities	<u>7,234,717</u>	<u>391,429</u>	<u>928,495</u>	<u>8,554,641</u>	<u>(1,322,591)</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Cash Paid for Investment in Joint Ventures	(12,999)	-	-	(12,999)	-
Cash Paid (to) from Other Funds	-	(265,000)	265,000	-	1,947,620
Net Cash from Noncapital Financing Activities	<u>(12,999)</u>	<u>(265,000)</u>	<u>265,000</u>	<u>(12,999)</u>	<u>1,947,620</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition and Construction of Capital Assets	(2,367,894)	-	(555,161)	(2,923,055)	(126,744)
Proceeds from the Sale of Assets	-	-	16,000	16,000	32,250
Proceeds from Loans Issued	1,720,000	-	-	1,720,000	-
Principal Paid on Debt	(709,000)	-	-	(709,000)	-
Interest Paid on Debt	(351,149)	-	-	(351,149)	-
Net Cash from Capital and Related Financing Activities	<u>(1,708,043)</u>	<u>-</u>	<u>(539,161)</u>	<u>(2,247,204)</u>	<u>(94,494)</u>
<b>Cash Flows from Investing Activities</b>					
Interest on Investments	613,802	56,639	516,595	1,187,036	69,759
Net Cash from Investing Activities	<u>613,802</u>	<u>56,639</u>	<u>516,595</u>	<u>1,187,036</u>	<u>69,759</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	6,127,477	183,068	1,170,929	7,481,474	600,294
Cash and Cash Equivalents, Beginning of Year	18,558,860	1,771,115	14,373,068	34,703,043	4,120,551
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 24,686,337</u>	<u>\$ 1,954,183</u>	<u>\$ 15,543,997</u>	<u>\$ 42,184,517</u>	<u>\$ 4,720,845</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>					
Operating income (loss)	\$ 5,940,667	\$ (14,715)	\$ 684,083	\$ 6,610,035	\$ (1,621,715)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,998,963	-	596,237	2,595,200	249,857
(Increase) Decrease in Accounts Receivable	(530,472)	(209,104)	(18,738)	(758,314)	7,061
(Increase) Decrease in Due from Other Governments	30,740	(55)	(74)	30,611	-
(Increase) Decrease in Inventory and Prepaid Items	(752,138)	-	-	(752,138)	20,459
(Increase) Decrease in Deferred Outflows - Pensions	(422,008)	(98,324)	(157,179)	(677,511)	(136,785)
(Increase) Decrease in Deferred Outflows - OPEB	(133,717)	(12,843)	(56,767)	(203,327)	(57,740)
Increase (Decrease) in Accounts Payable	(90,147)	105,108	(391,264)	(376,303)	(181,990)
Increase (Decrease) in Accrued Salaries and Benefits	48,593	8,260	13,706	70,559	8,069
Increase (Decrease) in Retention Payable	(78,080)	-	(8,868)	(86,948)	-
Increase (Decrease) in Deposits Payable	(9,467)	-	-	(9,467)	-
Increase (Decrease) in Compensated Absences	30,510	10,559	6,536	47,605	(32,838)
Increase (Decrease) in Net Pension Liability	1,169,974	552,859	251,419	1,974,252	245,995
Increase (Decrease) in Net OPEB Liability	(90,658)	(8,708)	(38,488)	(137,854)	(39,147)
Increase (Decrease) in Deferred Inflows - Pensions	2,416	6,277	(2,857)	5,836	(1,933)
Increase (Decrease) in Deferred Inflows - OPEB	119,541	11,482	50,749	181,772	51,617
Increase (Decrease) in Unearned Revenue	-	40,633	-	40,633	-
Increase (Decrease) in Claims and Judgments	-	-	-	-	166,499
Net Cash Provided (Used) by Operating Activities	<u>\$ 7,234,717</u>	<u>\$ 391,429</u>	<u>\$ 928,495</u>	<u>\$ 8,554,641</u>	<u>\$ (1,322,591)</u>
<b>Non Cash Investing, Capital and Financing Activities:</b>					
Amortization of Premium on Bonds	\$ 34,345	\$ -	\$ -	\$ 34,345	\$ -
Contributions of Capital Assets	5,455,131	-	4,427,850	9,882,981	-

The accompanying notes are an integral part of this statement.

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

	OPEB Trust Fund	Successor Agency Private-purpose Trust Fund	Agency Funds
<b>ASSETS</b>			
Cash and Investments	\$ -	\$ 3,315,803	\$ 7,379,678
Cash and Investments with Fiscal Agent	-	2,255,985	14,716,331
Investments:			
Moderate Index PLUS	1,165,050	-	-
Notes Receivable, Net	-	371,723	-
Land Held for Resale	-	3,358,000	49,165
	1,165,050	9,301,511	\$ 22,145,174
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	-	318,466	\$ -
	-	318,466	\$ -
<b>LIABILITIES</b>			
Accounts Payable	-	1,535	\$ 2,561
Accrued Salaries and Wages	-	80,451	-
Deposits Payable	-	-	7,454,544
Interest Payable	-	292,481	-
Bonds Payable	-	22,922,763	14,688,069
	-	23,297,230	\$ 22,145,174
<b>NET POSITION</b>			
Net Position Restricted for OPEB	\$ 1,165,050		
Net Position Held in Trust		\$ (13,677,253)	

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, 2020**

	<u>OPEB Trust Fund</u>	<u>Successor Agency Private-purpose Trust Fund</u>
<b>ADDITIONS</b>		
Taxes	\$ -	\$ 3,431,458
Investment Income	51,511	82,471
	<u>51,511</u>	<u>3,513,929</u>
Total Additions		
	<u>51,511</u>	<u>3,513,929</u>
<b>DEDUCTIONS</b>		
Development Services	-	270,950
Interest Expense	-	674,071
Other Expenses	5,696	-
	<u>5,696</u>	<u>945,021</u>
Total Deductions		
	<u>5,696</u>	<u>945,021</u>
Change in Net Position	45,815	2,568,908
Net Position - Beginning of Year	1,119,235	(16,577,383)
Restatement of Net Position	-	331,222
	<u>-</u>	<u>331,222</u>
Net Position - End of Year	<u>\$ 1,165,050</u>	<u>\$ (13,677,253)</u>

The accompanying notes are an integral part of this statement.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**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.

Included within the financial reporting entity of the City is the Upland Public Financing Authority because it meets the above-mentioned criteria.

Upland Public Financing Authority

The Upland Public Financing Authority (Authority) is a Joint Exercise of Powers Authority under the Laws of the State of California. The Authority is 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 Authority in December 1988, by execution of a Joint Exercise of Powers Agreement. The purpose of the Authority is to provide financing to the City for various project purposes. Since the City Council serves as the governing board for the Authority, it is considered to be a blended component unit. 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.

**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-

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

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

type activities of the primary government (including its blended component units), as well as its discretely presented component units. The City has no 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*.

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.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

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

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.

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.

Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of City revenues and expenses. The private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

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

**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.

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.

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.

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

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.

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

**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.

**City of Upland  
Notes to Financial Statements  
Year Ended June 30, 2020**

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

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**

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.

**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.

**City of Upland  
Notes to Financial Statements  
Year Ended June 30, 2020**

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

**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.

**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:

<u>Governmental Activities</u>		<u>Business-type Activities</u>	
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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

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

**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 position 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 position 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.

**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, 2019 Valuation Date; June 30, 2019 Measurement Date; and July 1, 2018 through June 30, 2019 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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

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

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.

*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.

*Reserve Policy* – the City shall strive to obtain, and maintain, a minimum unassigned fund balance of at least 12.5% of General Fund operating expenditures with a goal of bringing the total level of reserves up to 25% of operating expenditures. This is considered the minimum level necessary to maintain the City's credit worthiness and to adequately provide for economic uncertainties, local disasters and other hardships or downturns in the local economy; contingencies for unforeseen operating or capital needs; and cash flow requirements.

Once the 12.5% reserve is met, any additional reserves will go to other funds that rely on the General Fund for revenue to eliminate their deficit fund balances. If unassigned fund balance exceeds 25% of operating expenditures, the excess will go into a Committed Fund Balance to be used for economic uncertainty. The purpose would be to provide the fiscal capacity to absorb one-time emergency situations without disrupting day-to-day operations. 20.0% of the fiscal year ended June 30, 2020 General Fund operating budget is \$8,386,340. The General Fund unassigned fund balance at June 30, 2020 is \$16,223,614.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

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

**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.

**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.

**2) CASH AND INVESTMENTS**

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

	Government-wide Statement of Net Position			Total
	Governmental Activities	Business-Type Activities	Fiduciary Funds	
Cash and Investments	\$ 61,425,783	\$ 41,567,970	\$ 11,860,531	\$ 114,854,284
Restricted Cash and Investments	7,287,018	616,547	-	7,903,565
Cash and Investments with Fiscal Agent	263,512	-	16,972,316	17,235,828
<b>Total Cash and Investments</b>	<b>\$ 68,976,313</b>	<b>\$ 42,184,517</b>	<b>\$ 28,832,847</b>	<b>\$ 139,993,677</b>

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**2) CASH AND INVESTMENTS – Continued**

Cash and investments as of June 30, 2020 consist of the following:

Cash on Hand	\$	12,600
Deposits with Financial Institutions		11,443,392
Investments		128,537,685
<b>Total Cash and Investments</b>		<b>\$ 139,993,677</b>

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
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, 2020**

**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	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government Agency Securities	37,195,865	4,520,955	9,643,440	23,031,470	-
Medium-term Notes	626,274	100,284	525,990	-	-
Certificates of Deposit	14,403,845	4,041,167	5,946,519	4,416,159	-
Money Market Mutual Funds	8,257,281	8,257,281	-	-	-
Local Agency Investment Fund (LAIF)	42,100,052	42,100,052	-	-	-
Mutual Funds	8,982,037	8,982,037	-	-	-
Held by Fiscal Agent					
Money Market Mutual Funds	16,972,331	16,972,331	-	-	-
Total Pooled Investments	\$128,537,685	\$ 84,974,107	\$ 16,115,949	\$ 27,447,629	\$ -

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, 2020**

**2) CASH AND INVESTMENTS – Continued**

Investment Type	Total	Minimum Legal Rating	Aaa	Aaa3 - Aa1	A1, A2, A3	Not Rated
US Treasury Obligations	\$ -	N/A	\$ -	\$ -	\$ -	\$ -
U.S. Government Agency Securities	37,195,865	N/A	37,195,865	-	-	-
Medium-term Notes	626,274	A	525,990	-	100,284	-
Certificates of Deposit	14,403,845	N/A	-	-	-	14,403,845
Money Market Mutual Funds	8,257,281	A	8,257,281	-	-	-
Local Agency Investment Fund (LAIF)	42,100,052	N/A	-	-	-	42,100,052
Mutual Funds	8,982,037	N/A	-	-	-	8,982,037
Held by Fiscal Agent						
Money Market Mutual Funds	16,972,331	A	16,972,331	-	-	-
<b>Total Pooled Investments</b>	<b>\$128,537,685</b>		<b>\$ 62,951,467</b>	<b>\$ -</b>	<b>\$ 100,284</b>	<b>\$ 65,485,934</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, 2020, 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	\$ 14,619,360	2021-2025	.590 - 2.11
FHLMC	Federal Agency Securities	12,270,528	2024-2025	.510 - 2.00

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

Investment in State Investment Pool

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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**2) CASH AND INVESTMENTS – Continued**

Based upon the fair value measurements described in Note 1, the City held the following investments as of June 30, 2020:

Investment Type	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
US Treasury Obligations	\$ -	\$ -	\$ -	\$ -
U.S. Government Agency Securities	37,195,865	-	37,195,865	-
Medium-term Notes	626,274	-	626,274	-
Certificates of Deposit	14,403,845	-	14,403,845	-
<b>Total</b>	<b>\$ 52,225,984</b>	<b>\$ -</b>	<b>\$ 52,225,984</b>	<b>\$ -</b>

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

Due to/From

As of June 30, 2020, the General Fund has an outstanding receivable from non-major governmental funds of \$756,752 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, 2020 are as follows:

TRANSFERS OUT	TRANSFERS IN			Total
	Nonmajor Governmental Funds	Sewer Utility Fund	Internal Service Funds	
General Fund	\$ 1,725,996	\$ -	\$ 1,947,620	\$ 3,673,616
Solid Waste Fund	-	265,000	-	265,000
	<b>\$ 1,725,996</b>	<b>\$ 265,000</b>	<b>\$ 1,947,620</b>	<b>\$ 3,938,616</b>

The General Fund transferred \$1,725,996 to the nonmajor governmental funds to fund projects. In addition, the General Fund transferred \$1,947,620 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.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**4) CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 is as follows:

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 5,053,610	\$ -	\$ -	\$ 5,053,610
Rights of Way	103,432,811	-	-	103,432,811
Street Trees	3,537,384	-	-	3,537,384
Construction in Progress	6,935,205	1,415,952	(3,226,105)	5,125,052
Total Capital Assets, Not Being Depreciated	<u>118,959,010</u>	<u>1,415,952</u>	<u>(3,226,105)</u>	<u>117,148,857</u>
<b>Capital Assets Being Depreciated:</b>				
Building and improvements	42,542,735	187,867	-	42,730,602
Land Improvements	1,093,419	-	-	1,093,419
Park Improvements	12,224,414	-	-	12,224,414
Equipment	6,649,140	446,562	-	7,095,702
Vehicles	3,662,651	773,128	(312,681)	4,123,098
Infrastructure - Bridge	-	4,081,500	-	4,081,500
Infrastructure - Street System	180,846,266	5,684,182	(877,758)	185,652,690
Infrastructure - Storm Drains	22,640,276	2,215,157	-	24,855,433
Total Capital Assets Being Depreciated	<u>269,658,901</u>	<u>13,388,396</u>	<u>(1,190,439)</u>	<u>281,856,858</u>
<b>Less Accumulated Depreciation:</b>				
Building and improvements	(12,874,517)	(832,569)	-	(13,707,086)
Land Improvements	(231,764)	(27,973)	-	(259,737)
Park Improvements	(6,635,043)	(404,341)	-	(7,039,384)
Equipment	(4,617,608)	(566,184)	-	(5,183,792)
Vehicles	(2,379,030)	(337,698)	312,681	(2,404,047)
Infrastructure - Street System	(73,958,195)	(4,652,717)	877,758	(77,733,154)
Infrastructure - Storm Drains	(4,448,593)	(226,403)	-	(4,674,996)
Total Accumulated Depreciation	<u>(105,144,750)</u>	<u>(7,047,885)</u>	<u>1,190,439</u>	<u>(111,002,196)</u>
Total Capital Assets Being Depreciated, Net	<u>164,514,151</u>	<u>6,340,511</u>	<u>-</u>	<u>170,854,662</u>
<b>Governmental Activities, Capital Assets, Net</b>	<u><u>\$ 283,473,161</u></u>	<u><u>\$ 7,756,463</u></u>	<u><u>\$ (3,226,105)</u></u>	<u><u>\$ 288,003,519</u></u>

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

General Government	\$ 731,934
Public Safety	798,337
Engineering and Public Works	5,062,425
Community Services	455,189
	<u>\$ 7,047,885</u>

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**4) CAPITAL ASSETS – Continued**

<b>Business Type Activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 2,058,694	\$ 1,716,880	\$ -	\$ 3,775,574
Construction in Progress	3,062,727	615,916	(2,387,286)	1,291,357
Total Capital Assets, Not Being Depreciated	<u>5,121,421</u>	<u>2,332,796</u>	<u>(2,387,286)</u>	<u>5,066,931</u>
Capital Assets Being Depreciated:				
Pipelines	52,868,133	12,143,362	(1,315,227)	63,696,268
Reservoirs	37,930,167	-	-	37,930,167
Land Improvements	9,870	-	-	9,870
Treatment Facilities	14,549,932	-	-	14,549,932
Wells/pumps	5,340,879	-	-	5,340,879
Sewer Manholes	2,784,068	-	-	2,784,068
Machinery and Equipment	1,323,409	137,978	-	1,461,387
Vehicles	2,592,800	579,186	(56,435)	3,115,551
Total Capital Assets Being Depreciated	<u>117,399,258</u>	<u>12,860,526</u>	<u>(1,371,662)</u>	<u>128,888,122</u>
Less Accumulated Depreciation:				
Pipelines	(18,252,041)	(1,057,363)	918,171	(18,391,233)
Reservoirs	(13,022,699)	(740,743)	-	(13,763,442)
Land Improvements	(987)	(987)	-	(1,974)
Treatment Facilities	(6,545,651)	(290,999)	-	(6,836,650)
Wells/pumps	(1,492,021)	(105,737)	-	(1,597,758)
Sewer Manholes	(2,056,186)	(50,424)	-	(2,106,610)
Machinery and Equipment	(1,021,041)	(72,344)	-	(1,093,385)
Vehicles	(1,602,817)	(276,603)	56,435	(1,822,985)
Total Accumulated Depreciation	<u>(43,993,443)</u>	<u>(2,595,200)</u>	<u>974,606</u>	<u>(45,614,037)</u>
Total Capital Assets Being Depreciated, Net	<u>73,405,815</u>	<u>10,265,326</u>	<u>(397,056)</u>	<u>83,274,085</u>
Business Activities, Capital Assets, Net	<u>\$ 78,527,236</u>	<u>\$ 12,598,122</u>	<u>\$ (2,784,342)</u>	<u>\$ 88,341,016</u>

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

Water Utility	\$ 1,998,963
Sewer Utility	<u>596,237</u>
	<u>\$ 2,595,200</u>

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**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	\$ 1,706,848	\$ 1,265,498	\$ 957,096	\$ 2,015,250	\$ 939,030
Net OPEB Liability	10,276,941	-	593,850	9,683,091	-
Net Pension Liability	100,224,203	442,865	-	100,667,068	-
Claims Payable	10,338,208	4,186,959	4,020,460	10,504,707	3,027,092
Loans from Direct Borrowings:					
2017 Multifamily Housing Rev. Note	13,905,991	-	533,721	13,372,270	557,098
Energy Efficiency Lease	2,607,262	-	139,761	2,467,501	151,846
CREBS Lease Agreement	4,494,189	-	21,924	4,472,265	30,634
Total Direct Borrowings	21,007,442	-	695,406	20,312,036	739,578
Total Government Activities	<u>\$ 143,553,642</u>	<u>\$ 5,895,322</u>	<u>\$ 6,266,812</u>	<u>\$ 143,182,152</u>	<u>\$ 4,705,700</u>

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

2017 Multifamily Housing Revenue Note (direct borrowing)

On July 26, 2017, the City entered into a Multifamily Housing Revenue Note agreement in the amount of \$14,865,000 for the purpose of refunding the 2007 Housing Revenue Bonds. Proceeds from the loan were used to refund in full the 2007 Multifamily Housing Revenue Bonds. The 2007 Multifamily Housing Revenue 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 2017 Housing Revenue Note, the 2007 Bonds are considered defeased and the liability has been removed from these financial statements. Principal and interest 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:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 557,098	\$ 524,814	\$ 1,081,912
2022	579,825	502,116	1,081,941
2023	603,417	478,495	1,081,912
2024	626,750	455,162	1,081,912
2025	653,536	428,376	1,081,912
2026-2030	3,688,413	1,721,147	5,409,560
2031-2035	4,503,898	905,662	5,409,560
2036-2038	2,159,333	95,144	2,254,477
Totals	<u>\$ 13,372,270</u>	<u>\$ 5,110,916</u>	<u>\$ 18,483,186</u>

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

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

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 are to be used to pay for the 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, 2020 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 151,846	\$ 104,521	\$ 256,367
2022	164,463	97,859	262,322
2023	171,137	90,646	261,783
2024	172,741	83,285	256,026
2025	176,862	75,825	252,687
2026-2030	1,007,494	257,428	1,264,922
2031-2033	622,958	41,138	664,096
Totals	<u>\$ 2,467,501</u>	<u>\$ 750,702</u>	<u>\$ 3,218,203</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 are 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, 2020 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 30,634	\$ 154,510	\$ 185,144
2022	55,603	153,375	208,978
2023	83,657	151,088	234,745
2024	98,346	148,070	246,416
2025	114,018	144,535	258,553
2026-2030	843,459	649,044	1,492,503
2031-2035	1,807,624	448,088	2,255,712
2036-2038	1,438,924	76,629	1,515,553
Totals	<u>\$ 4,472,265</u>	<u>\$ 1,925,339</u>	<u>\$ 6,397,604</u>

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

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

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	\$ 337,548	\$ 50,989	\$ 3,384	\$ 385,153	\$ 173,271
Net OPEB Liability	2,385,628	-	137,854	2,247,774	-
Net Pension Liability	11,485,949	1,974,252	-	13,460,201	-
SAWCO Loan Payable	-	1,720,000	344,000	1,376,000	344,000
2011 Revenue Refunding Bonds	7,565,000	-	365,000	7,200,000	380,000
Unamortized premium	480,839	-	34,345	446,494	-
Total Business-type Activities	<u>\$ 22,254,964</u>	<u>\$ 3,745,241</u>	<u>\$ 884,583</u>	<u>\$ 25,115,622</u>	<u>\$ 897,271</u>

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
2021	\$ 344,000	\$ 25,869	\$ 369,869
2022	344,000	19,402	363,402
2023	344,000	12,934	356,934
2024	344,000	6,467	350,467
Totals	<u>\$ 1,376,000</u>	<u>\$ 64,672</u>	<u>\$ 1,440,672</u>

2011 Lease Revenue Refunding Bonds (Water System)

In December 2011, the City issued \$12,140,000 of 2011 Lease Revenue Refunding Bonds to provide for the advance refunding of the remaining portion of the City's 2003 Lease Revenue Refunding Bonds and 2003 Lease Revenue Bonds. Interest rates on the bonds range from 2.0% to 4.0% and are payable semi-annually on April 1 and October 1 of each year until maturity on October 1, 2033. The reserve requirement at June 30, 2019 of \$723,500 was fully satisfied.

The Bonds are secured by a pledge of net revenues of the water system and requires that the City 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 are irrevocably pledged to the payment of the installment payments, which approximate \$26 million annually. Principal and interest payments on the bonds for the 2019-20 fiscal year totaled \$716,150. 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, 2020**

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 380,000	\$ 336,250	\$ 716,250
2022	395,000	320,750	715,750
2023	410,000	304,650	714,650
2024	430,000	287,850	717,850
2025	440,000	268,250	708,250
2026-2030	2,575,000	976,875	3,551,875
2031-2034	2,570,000	264,500	2,834,500
Totals	<u>\$ 7,200,000</u>	<u>\$ 2,759,125</u>	<u>\$ 9,959,125</u>

**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 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, 2019 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	229
Active employees	198
Total	<u>427</u>

**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, 2020, the City’s pay-as-you-go costs were \$853,875. 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).

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

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

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

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	2017 CalPERS Active Mortality
Age at Retirement	Varies, 55 to 62
Health Care Trend Rate	5.40% initial, 4.0% ultimate
Inflation Rate	2.50%
Salary Changes	3.00%
Discount Rate	3.51%
Asset Return	5.91%

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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Rate of Return
Fixed Income	45%	1.75%
Equities	50%	5.00%
Cash	5%	0.00%
Total	<u>100.00%</u>	

**Discount Rate** – The discount rate of 3.51% is a blended rate between the rate of return of 5.91% and 3.13%, 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, 2019 (2018 Measurement Date)	\$ 13,714,974	\$ 1,052,405	\$ 12,662,569
Changes in the year:			
Service cost	390,159	-	390,159
Interest on the total OPEB liability	573,095	-	573,095
Employer contributions	-	591,246	(591,246)
Actual investment income	-	69,490	(69,490)
Differences between expected and actual experience	(1,821,317)	-	(1,821,317)
Changes of assumptions	784,435	-	784,435
Administrative Expense	-	(2,660)	2,660
Benefit payments, including refunds	(591,246)	(591,246)	-
Net changes	<u>(664,874)</u>	<u>66,830</u>	<u>(731,704)</u>
Balance at June 30, 2020 (2019 Measurement Date)	<u>\$ 13,050,100</u>	<u>\$ 1,119,235</u>	<u>\$ 11,930,865</u>

**City of Upland  
Notes to Financial Statements  
Year Ended June 30, 2020**

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

**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 (2.51%)	Discount Rate (3.51%)	1% Increase (4.51%)
Net OPEB liability (asset)	\$ 13,502,672	\$ 11,930,865	\$ 10,614,640

**Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates** - The following presents the net OPEB liability of the District, as well as what the District'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)	\$ 11,247,920	\$ 11,930,865	\$ 12,740,511

**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.

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$190,945. 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	\$ 853,875	\$ -
Changes of Assumptions	641,551	-
Net differences between expected and actual experience	-	1,489,565
Net differences between projected and actual earnings on plan investments	8,842	-
Total	\$ 1,504,268	\$ 1,489,565

The \$853,875 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

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

Year Ending June 30,		
2021	\$	(184,532)
2022		(184,533)
2023		(187,939)
2024		(189,626)
2025		(92,542)
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 June 2007, a fifteen-year agreement was entered into with a commercial concrete and asphalt company. As an incentive to continue to operate within the City, the City will pay the company the greater of 60% of all sales tax revenue generated in any fiscal year or \$400,000. The amount of sales tax abated to that company for the fiscal year ended June 30, 2020 was \$326,880.

**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 therefor. The programs are completely administered by trustees, and the total outstanding balance at June 30, 2020 is \$52,200,000.

**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 \$10M. MIC provides coverage in excess of the City's self-insured retention of \$400,000. Excess general liability coverage is also obtained through excess carriers up to \$20M in limits. Starstone National Insurance provides \$10M excess and Market Insurance Company provides the second layer of excess coverage.

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

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

The claims and judgments liability reported in the Self-funded Insurance Internal Service Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims and judgments be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. As of June 30, 2020, claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to \$10,504,707.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**9) CLAIMS AND JUDGEMENTS – Payable**

Changes in the claims and judgments payable amounts in fiscal years ended June 30, 2019 and 2020 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
2020	\$ 10,338,208	\$ 4,186,959	\$ 4,020,460	\$ 10,504,707
2019	7,943,882	4,041,717	1,647,391	10,338,208

**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.

**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, 2018 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, 2020, 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%	6.75%
Required employer contribution rates	10.779% + \$2,880,692	6.75%

(1) - Depending on years of service

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**10) PENSION PLANS – Continued**

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

	Miscellaneous
Inactive employees or beneficiaries	
currently receiving benefits	404
Inactive employees entitled to but not yet	
receiving benefits	249
Active employees	146

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

**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 Plans is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions:** The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation date	June 30, 2018
Measurement date	June 30, 2019
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

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

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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**10) PENSION PLANS – Continued**

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

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

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

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

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

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

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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**10) PENSION PLANS – Continued**

**Changes in Net Pension Liability**

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

	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	\$ 130,185,277	\$ 91,538,071	\$ 38,647,206
Changes in the year:			
Service cost	1,581,166	-	1,581,166
Interest on the total pension liability	9,162,859	-	9,162,859
Changes of benefit terms	-	-	-
Differences between expected and actual experience	1,054,267	-	1,054,267
Changes in assumptions	-	-	-
Net Plan to Plan Resource Movement	-	1,301	(1,301)
Contributions from the employer	-	3,311,285	(3,311,285)
Contributions from employees	-	754,481	(754,481)
Net investment income	-	5,949,555	(5,949,555)
Benefit payments, including refunds	(7,756,492)	(7,756,492)	-
Administrative/other expense	-	(65,111)	65,111
Net changes	4,041,800	2,195,019	1,846,781
Balance at June 30, 2019	\$ 134,227,077	\$ 93,733,090	\$ 40,493,987

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

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	\$ 57,483,746
Current Discount Rate	7.15%
Net Pension Liability	\$ 40,493,987
1% Increase	8.15%
Net Pension Liability	\$ 26,470,084

**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, 2020, the City recognized pension expense of \$4,854,174 for the Miscellaneous Plan. At June 30, 2020, the City reported deferred outflows and deferred inflows for the Miscellaneous Plan from the following sources:

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**10) PENSION PLANS – Continued**

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,734,440	\$ -
Differences between actual and expected experience	527,133	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	558,242
<b>Total</b>	<b>\$ 5,261,573</b>	<b>\$ 558,242</b>

\$4,734,440 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, 2021. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Miscellaneous	
Year Ending June 30,	
2021	\$ 884,365
2022	(846,487)
2023	(158,125)
2024	89,138
2025	-
Thereafter	-

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

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

**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, 2018 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2018 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**10) PENSION PLANS – Continued**

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

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 55	2.7% @ 55
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52
Monthly benefits, as a % of eligible compensation	(1)	(1)
Required employee contribution rates	9%	12.25%
Required employer contribution rates	19.764% + \$5,100,748	11.50%

(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 \$5,100,748 in fiscal year 2020.

The City’s contributions to the Plan for the year ended June 30, 2020 were \$6,210,535.

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

As of June 30, 2020, the City reported a liability of \$73,633,282 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, 2019, 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, 2018 rolled forward to June 30, 2019 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, 2018 and 2019 was as follows:

Proportion - June 30, 2018	0.71858%
Proportion - June 30, 2019	0.71858%
Change - Increase (Decrease)	0.00000%

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**10) PENSION PLANS – Continued**

For the year ended June 30, 2020, the City recognized pension expense of \$6,787,236. At June 30, 2020, 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	\$ 6,210,535	\$ -
Differences between actual and expected experience	4,807,589	-
Changes in assumptions	3,018,100	588,979
Change in employer's proportion and differences	-	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	780,716
Net differences between projected and actual earnings on plan investments	-	1,012,951
<b>Total</b>	<b>\$ 14,036,224</b>	<b>\$ 2,382,646</b>

The \$6,210,535 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, 2021. 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,	
2021	\$ 5,095,045
2022	(470,737)
2023	621,645
2024	197,090
2025	-
Thereafter	-

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

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

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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**10) PENSION PLANS – Continued**

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

**Long-term Expected Rate of Return** - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows.

Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

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

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

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

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

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

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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**10) PENSION PLANS – Continued**

1% Decrease	6.15%
Net Pension Liability	\$ 103,668,913
Current Discount Rate	7.15%
Net Pension Liability	\$ 73,633,282
1% Increase	8.15%
Net Pension Liability	\$ 49,008,770

**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, 2020, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2020.

**11) JOINT VENTURES**

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 investment in the Authority has been recorded using the equity method of accounting and is reflected as an investment in joint venture 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 investment in joint venture 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, 2020 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	68%	\$ 27,068,668	\$ 19,140,169	\$ 1,698,389
West End Water Company	91%	2,406,146	2,193,924	13,297
Water Facilities Authority	23%	26,233,298	6,033,659	208,194
Total			\$ 27,367,752	\$ 1,919,880

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**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	\$ 11,035,000	\$ -	\$ 2,030,000	\$ 9,005,000	\$ 2,115,000
2016 Tax Allocation Bonds	11,930,000	-	170,000	11,760,000	175,000
Unamortized Premium	2,449,460	-	291,695	2,157,765	-
<b>Total Fiduciary Fund Debt</b>	<b>\$ 25,414,460</b>	<b>\$ -</b>	<b>\$ 2,491,695</b>	<b>\$ 22,922,765</b>	<b>\$ 2,290,000</b>

2013 Tax Allocation Refunding Bonds

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 2,115,000	\$ 364,800	\$ 2,479,800
2022	2,200,000	278,500	2,478,500
2023	2,290,000	177,250	2,467,250
2024	2,400,000	60,000	2,460,000
<b>Totals</b>	<b>\$ 9,005,000</b>	<b>\$ 880,550</b>	<b>\$ 9,885,550</b>

2016 Tax Allocation Refunding Bonds

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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**12) SUCCESSOR AGENCY ACTIVITIES – Continued**

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 175,000	\$ 472,513	\$ 647,513
2022	185,000	466,188	651,188
2023	190,000	458,687	648,687
2024	205,000	450,787	655,787
2025	2,395,000	386,813	2,781,813
2026-2030	5,280,000	785,344	6,065,344
2031-2035	2,305,000	303,807	2,608,807
2036-2037	1,025,000	28,394	1,053,394
Totals	<u>\$ 11,760,000</u>	<u>\$ 3,352,533</u>	<u>\$ 15,112,533</u>

**13) CONTINGENT RECEIVABLE**

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

Revenues are recognized by the City when both eligible expenditures have been incurred and annual funding allocations are approved by SBCTA. At June 30, 2020, 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, 2020. Of this amount, \$1,807,920 was received in prior years and \$213,810 remained outstanding as of June 30, 2020. Future reimbursements are expected to coincide with annual tax revenue generated under the Measure I program for arterial transportation projects.

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**14) FUND BALANCE**

The City's governmental fund balances at June 30, 2020, are presented below:

	General Fund	Housing Fund	Total Non-major Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Inventory and Prepaid Items	\$ 48,904	\$ -	\$ -	\$ 48,904
Long-term Notes Receivable	19,157	-	-	19,157
<b>Restricted:</b>				
Disability Access	73,367	-	-	73,367
Low and Moderate Income Housing	-	9,878,762	-	9,878,762
Public Safety - Asset Forfeiture/Grants	-	-	1,890,234	1,890,234
Housing - HOME/CalHOME Program	-	-	6,787,955	6,787,955
Housing - CDBG	-	-	57,512	57,512
Street Maintenance	-	-	14,677,237	14,677,237
Air Pollution Reduction Measures	-	-	221,529	221,529
Downtown Parking & Business Improvement	-	-	240,740	240,740
Solar and Energy Efficiency Improvements	-	-	36,165	36,165
Capital Improvements	-	-	3,498,141	3,498,141
Park Acquisition and Development	-	-	8,550,639	8,550,639
Storm Drain	-	-	4,138,757	4,138,757
Street and Traffic Safety	-	-	2,662,644	2,662,644
Street and Alley Repair	-	-	996,483	996,483
<b>Committed to:</b>				
Memorial Park Improvements	140,000	-	-	140,000
Section 115 Pension Trust	7,092,232	-	-	7,092,232
Legal/Labor Negotiations	450,000	-	-	450,000
Continuing Appropriations	228,823	-	-	228,823
<b>Assigned:</b>				
Library Literacy Program	-	-	8,213	8,213
<b>Unassigned</b>	<b>16,223,614</b>	<b>-</b>	<b>(246,676)</b>	<b>15,976,938</b>
Total Fund Balance	<u>\$ 24,276,097</u>	<u>\$ 9,878,762</u>	<u>\$ 43,519,573</u>	<u>\$ 77,674,432</u>

Included in unassigned fund balance in the General Fund is a reserve fund balance of \$8,386,340 or 20% of the original budgeted operating expenditures for fiscal year 2019-20. The reserve has been established by City Ordinance 1901 (Section 2.2016) and can only be used for emergencies or unforeseen events and requires a four-fifths vote by the City Council.

**15) COMMITMENTS AND CONTINGENCIES**

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

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

**City of Upland**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**15) COMMITMENTS AND CONTINGENCIES Continued**

The City had approximately \$310,882 in outstanding construction contract obligations as of June 30, 2020.

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 estimated construction period is 12 to 18 months. The City will make progress payment requests to the State for reimbursement of payments made by the City for eligible project expenses. The first reimbursement for eligible costs was received from the State on September 23, 2020.

**16) IMPLEMENTATION OF GASB PRONOUNCEMENTS**

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

*GASB 84 - Fiduciary Activities:* This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

*GASB 87 - Leases:* This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

*GASB 90 - Majority Equity Interests:* The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

*GASB 91 - Conduit Debt Obligations:* The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

**17) RESTATEMENT OF NET POSITION**

The restatement of net position in the Statement of Activities and Statement of Revenues, Expenses, and Changes in Net Position of \$1,182,593 is to reduce accounts receivable for utility billings recorded in prior years.

The restatement of net position in the Successor Agency Private-purpose Trust Fiduciary fund of \$331,222 was to record long-term loans receivable issued in prior years but never recorded as a receivable.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property Taxes	\$ 16,914,910	\$ 16,914,910	\$ 17,671,147	\$ 756,237
Business License Taxes	965,000	965,000	1,133,401	168,401
Sales and Use Tax	14,412,470	12,626,470	13,579,780	953,310
Franchise Tax	1,230,000	1,230,000	1,252,055	22,055
Other	740,530	740,530	818,612	78,082
Licenses and Permits	2,545,720	2,593,301	2,585,074	(8,227)
Charges for Services	2,448,740	2,523,501	2,843,447	319,946
Fines and Penalties	632,600	647,600	893,964	246,364
Investment Income	125,000	125,000	738,463	613,463
Rental Income	751,840	751,840	798,634	46,794
Intergovernmental	60,570	60,570	110,425	49,855
Other Revenue	40,350	72,287	282,119	209,832
<b>Total Revenues</b>	<b>40,867,730</b>	<b>39,251,009</b>	<b>42,707,121</b>	<b>3,456,112</b>
<b>EXPENDITURES</b>				
Current:				
General Government	2,583,800	3,126,037	1,842,721	1,283,316
Public Safety	25,078,480	25,295,486	24,439,998	855,488
Engineering and Public Works	6,631,630	6,870,504	6,439,011	431,493
Development Services	1,797,920	1,934,260	1,833,967	100,293
Community Services	3,368,540	3,457,959	3,072,556	385,403
Debt Service:				
Principal	161,860	161,860	161,685	175
Interest and Fiscal Charges	266,020	266,020	269,045	(3,025)
<b>Total Expenditures</b>	<b>39,888,250</b>	<b>41,112,126</b>	<b>38,058,983</b>	<b>3,053,143</b>
Excess (Deficiency) of Revenues over Expenditures	979,480	(1,861,117)	4,648,138	6,509,255
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(1,112,800)	(3,592,420)	(3,673,616)	(81,196)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,112,800)</b>	<b>(3,592,420)</b>	<b>(3,673,616)</b>	<b>(81,196)</b>
Net Change in Fund Balances	(133,320)	(5,453,537)	974,522	6,428,059
Fund Balances, Beginning	23,301,575	23,301,575	23,301,575	-
Fund Balances, Ending	<u>\$ 23,168,255</u>	<u>\$ 17,848,038</u>	<u>\$ 24,276,097</u>	<u>\$ 6,428,059</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Housing Special Revenue Fund**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$ 15,000	\$ 15,000	\$ 68,709	\$ 53,709
Rental Income	4,000,000	4,000,000	4,278,834	278,834
Other Revenue	150,000	150,000	111,693	(38,307)
Total Revenues	<u>4,165,000</u>	<u>4,165,000</u>	<u>4,459,236</u>	<u>294,236</u>
<b>EXPENDITURES</b>				
Current:				
Development Services	3,023,330	3,046,330	3,224,143	(177,813)
Debt Service:				
Principal	546,260	546,260	533,721	12,539
Interest & Fiscal Charges	535,650	535,650	548,190	(12,540)
Total Expenditures	<u>4,105,240</u>	<u>4,128,240</u>	<u>4,306,054</u>	<u>(177,814)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>59,760</u>	<u>36,760</u>	<u>153,182</u>	<u>116,422</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	59,760	36,760	153,182	116,422
Fund Balance, Beginning	<u>9,725,580</u>	<u>9,725,580</u>	<u>9,725,580</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 9,785,340</u></u>	<u><u>\$ 9,762,340</u></u>	<u><u>\$ 9,878,762</u></u>	<u><u>\$ 116,422</u></u>

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

**BUDGETS AND BUDGETARY ACCOUNTING**

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

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the fiscal year. Public hearings are conducted prior to the adoption by City Council. Appropriations for each fund may only be increased or decreased by the City Council. During the year, there were budgetary appropriation increases amounting to \$1,920,067. 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 CARES Act Special Revenue and 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, 2020**

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

	Measurement Period		
	2019	2018	2017
<b>Total Pension Liability</b>			
Service cost	\$ 1,581,166	\$ 1,568,587	\$ 1,728,641
Interest on total pension liability	9,162,859	8,880,290	8,747,118
Changes in assumptions	-	(600,917)	7,056,199
Differences between expected and actual experience	1,054,267	(675,727)	(1,671,546)
Benefit payments, including refunds	(7,756,492)	(7,358,347)	(7,154,726)
Net change in total pension liability	4,041,800	1,813,886	8,705,686
Total pension liability - beginning	130,185,277	128,371,391	119,665,705
Total pension liability - ending (a)	<u>\$ 134,227,077</u>	<u>\$ 130,185,277</u>	<u>\$ 128,371,391</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 3,311,285	\$ 2,999,453	\$ 2,352,967
Contributions - employee	754,481	655,077	670,114
Net investment income	5,949,555	7,384,991	9,227,177
Benefit payments	(7,756,492)	(7,358,347)	(7,154,726)
Net Plan to Plan Resource Movement	1,301	-	-
Administrative/Other Expense	(65,111)	(398,906)	(122,962)
Net change in plan fiduciary net position	2,195,019	3,282,268	4,972,570
Plan fiduciary net position - beginning	91,538,071	88,255,803	83,283,233
Plan fiduciary net position - ending (b)	<u>\$ 93,733,090</u>	<u>\$ 91,538,071</u>	<u>\$ 88,255,803</u>
Net pension liability - ending (a) - (b)	<u>\$ 40,493,987</u>	<u>\$ 38,647,206</u>	<u>\$ 40,115,588</u>
Plan fiduciary net position as a percentage of the total pension liability	69.83%	70.31%	68.75%
Covered payroll	\$ 8,524,725	\$ 8,430,545	\$ 9,034,865
Net pension liability as percentage of covered payroll	475.02%	458.42%	444.01%

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

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

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

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

	Measurement Period		
	2016	2015	2014
\$	1,603,986	\$ 1,778,643	\$ 2,058,203
	8,670,714	8,475,794	8,374,645
	-	(2,015,694)	-
	(1,502,457)	(3,437,406)	-
	(6,299,318)	(5,934,069)	(5,480,303)
	2,472,925	(1,132,732)	4,952,545
	117,192,780	118,325,512	113,372,967
\$	<u>119,665,705</u>	<u>\$ 117,192,780</u>	<u>\$ 118,325,512</u>
\$	2,239,207	\$ 1,977,651	\$ 1,880,762
	703,361	703,031	846,655
	429,550	1,971,870	13,175,373
	(6,299,318)	(5,934,069)	(5,480,303)
	(301)	-	-
	(52,573)	(97,096)	-
	(2,980,074)	(1,378,613)	10,422,487
	86,263,307	87,641,920	77,219,433
\$	<u>83,283,233</u>	<u>\$ 86,263,307</u>	<u>\$ 87,641,920</u>
\$	<u>36,382,472</u>	<u>\$ 30,929,473</u>	<u>\$ 30,683,592</u>
	69.60%	73.61%	74.07%
\$	9,183,479	\$ 10,003,615	\$ 11,030,619
	396.17%	309.18%	278.17%

**City of Upland**  
**Required Supplementary Information**  
**Year Ended June 30, 2020**

**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, 2020**

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

<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a % of Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
2019	0.71858%	\$ 73,633,282	\$ 6,845,982	1075.57%	66.40%

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

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

**Benefit Changes:** None

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

**City of Upland  
Required Supplementary Information  
Year Ended June 30, 2020**

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2020	\$ 3,734,440	\$ (4,734,440)	\$ (1,000,000)	\$ 9,011,640	41.44%
2019	3,335,368	(3,335,368)	-	8,524,725	39.13%
2018	2,999,453	(2,999,453)	-	8,430,545	35.58%
2017	2,352,967	(2,352,967)	-	9,034,865	26.04%
2016	2,239,207	(2,239,207)	-	9,183,479	24.38%
2015	1,977,651	(1,977,651)	-	10,003,615	19.77%
2014	1,880,762	(1,880,762)	-	11,030,619	17.05%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
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%

**Notes to Schedule of Plan Contributions:**

Valuation Date: June 30, 2017  
Actuarial cost method: Entry age normal  
Amortization method: Level percentage of payroll, closed  
Assets valuation method: Direct rate smoothing  
Inflation: 2.63%  
Salary Increases: Varies by entry age and service  
Payroll Growth: 2.85%  
Investment rate of return: 7.25% net of pension investment and administrative expenses, including inflation  
Retirement Age: All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015. Including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).  
Mortality: The mortality table used was developed using CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016.

**City of Upland  
Required Supplementary Information  
Year Ended June 30, 2020**

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

	Measurement Period		
	2019	2018	2017
<b>Total OPEB Liability</b>			
Service cost	\$ 390,159	\$ 557,634	\$ 538,257
Interest on total OPEB liability	573,095	562,756	547,618
Changes in assumptions	784,435	(1,049,491)	-
Changes in benefits	-	(1,080,543)	-
Differences between expected and actual experience	(1,821,317)	-	-
Benefit payments, including refunds	(591,246)	(699,692)	(669,865)
Net change in total OPEB liability	(664,874)	(1,709,336)	416,010
Total OPEB liability - beginning	13,714,974	15,424,310	15,008,300
Total OPEB liability - ending (a)	<u>\$ 13,050,100</u>	<u>\$ 13,714,974</u>	<u>\$ 15,424,310</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 591,246	\$ 699,692	\$ 1,669,865
Net Investment Income	69,490	54,034	966
Benefit payments	(591,246)	(699,692)	(669,865)
Administrative Expense	(2,660)	(2,595)	-
Net change in plan fiduciary net position	66,830	51,439	1,000,966
Plan fiduciary net position - beginning	1,052,405	1,000,966	-
Plan fiduciary net position - ending (b)	<u>\$ 1,119,235</u>	<u>\$ 1,052,405</u>	<u>\$ 1,000,966</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 11,930,865</u>	<u>\$ 12,662,569</u>	<u>\$ 14,423,344</u>
Plan fiduciary net position as a percentage of the total OPEB liability	8.6%	7.7%	6.5%
Covered - employee payroll	15,729,836	16,282,462	20,253,855
Net OPEB liability as a percentage of covered-employee payroll	75.85%	77.77%	71.21%

**Notes to Schedule of Changes:**

The discount rate from the 2017 Actuarial Valuation to the 2019 Actuarial Valuation changed from 6.25% to 5.91%.

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

## **SUPPLEMENTARY INFORMATION**

**NON-MAJOR GOVERNMENTAL FUNDS**

**City of Upland  
Non-Major Governmental Funds  
Year Ended June 30, 2020**

**SPECIAL REVENUE FUNDS**

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

***Gas Tax Fund***

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

***HOME Program Fund***

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

***CalHOME Program Fund***

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

***Community Development Block Grant Fund***

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

***Measure I Fund***

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

***Air Quality Management District Fund***

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

***Parking Business Improvement Area Fund***

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

***SB509 Public Safety Augmentation Fund***

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

***Asset Forfeiture Fund***

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

***Public Safety Grants Fund***

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

***Other Grants Fund***

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

**City of Upland  
Non-Major Governmental Funds  
Year Ended June 30, 2020**

**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, fire, and police facilities.

***Storm Drain Development Fund***

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

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

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

***General Capital Fund***

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

***Street and Alley Repair Fund***

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

***Energy Efficiency Improvements***

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

**City of Upland  
Combining Balance Sheet  
Non-major Governmental Funds  
June 30, 2020**

	Special Revenue			
	Gas Tax	HOME Program	CalHOME Program	Community Development Block Grant
<b>ASSETS</b>				
Cash and Investments	\$ 7,500,180	\$ 1,561,354	\$ 370,869	\$ -
Cash with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	-	18,345	-	-
Notes, net	-	3,013,027	1,828,829	-
Accrued Interest on Notes	-	894,420	343,492	-
Due from Other Governments	775,933	-	-	235,004
<b>Total Assets</b>	<b>\$ 8,276,113</b>	<b>\$ 5,487,146</b>	<b>\$ 2,543,190</b>	<b>\$ 235,004</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 14,666	\$ -	\$ -	\$ 25,160
Accrued Salaries and Benefits	6,302	-	-	2,255
Due to Other Funds	-	-	-	150,077
Deposits Payable	-	-	-	-
Retentions Payable	12,710	-	-	-
Unearned Revenue	-	-	4,469	-
<b>Total Liabilities</b>	<b>33,678</b>	<b>-</b>	<b>4,469</b>	<b>177,492</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	894,420	343,492	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>894,420</b>	<b>343,492</b>	<b>-</b>
<b>FUND BALANCE (DEFICITS)</b>				
Restricted	8,242,435	4,592,726	2,195,229	57,512
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>8,242,435</b>	<b>4,592,726</b>	<b>2,195,229</b>	<b>57,512</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances (Deficits)</b>	<b>\$ 8,276,113</b>	<b>\$ 5,487,146</b>	<b>\$ 2,543,190</b>	<b>\$ 235,004</b>

Measure I	Special Revenue					
	Air Quality Management District	Parking and Business Improvement	SB 509 Public Safety Augmentation	Asset Forfeiture	Public Safety Grants	Other Grants
\$ 6,296,358	\$ 38,104	\$ 234,517	\$ -	\$ 727,956	\$ 1,132,250	\$ 194
-	-	-	-	-	-	-
-	160,000	9,713	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
278,529	24,562	-	61,943	-	51,976	51,233
<u>\$ 6,574,887</u>	<u>\$ 222,666</u>	<u>\$ 244,230</u>	<u>\$ 61,943</u>	<u>\$ 727,956</u>	<u>\$ 1,184,226</u>	<u>\$ 51,427</u>
\$ 134,500	\$ 889	\$ 3,490	\$ -	\$ -	\$ 3,318	\$ 2,701
1,429	248	-	37,907	-	3,583	2,810
-	-	-	23,755	-	-	8,068
-	-	-	-	-	-	-
4,156	-	-	-	-	-	-
-	-	-	-	-	-	29,635
<u>140,085</u>	<u>1,137</u>	<u>3,490</u>	<u>61,662</u>	<u>-</u>	<u>6,901</u>	<u>43,214</u>
-	-	-	-	-	15,328	-
-	-	-	-	-	15,328	-
6,434,802	221,529	240,740	281	727,956	1,161,997	8,213
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>6,434,802</u>	<u>221,529</u>	<u>240,740</u>	<u>281</u>	<u>727,956</u>	<u>1,161,997</u>	<u>8,213</u>
<u>\$ 6,574,887</u>	<u>\$ 222,666</u>	<u>\$ 244,230</u>	<u>\$ 61,943</u>	<u>\$ 727,956</u>	<u>\$ 1,184,226</u>	<u>\$ 51,427</u>

Continued

**City of Upland**  
**Combining Balance Sheet**  
**Non-major Governmental Funds - Continued**  
**June 30, 2020**

	Special Revenue	Capital Projects		
	CARES ACT	Park Acquisition & Development	General Capital Development	Storm Drain Development
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 8,558,939	\$ 2,089,033	\$ 4,149,960
Cash with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	-	-	-	3,123
Notes, net	-	-	-	-
Accrued Interest on Notes	-	-	-	-
Due from Other Governments	571,052	-	-	-
<b>Total Assets</b>	<b>\$ 571,052</b>	<b>\$ 8,558,939</b>	<b>\$ 2,089,033</b>	<b>\$ 4,153,083</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 8,300	\$ -	\$ 14,247
Accrued Salaries and Benefits	-	-	-	79
Due to Other Funds	571,052	-	-	-
Deposits Payable	-	-	-	-
Retentions Payable	-	-	-	-
Unearned Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>571,052</b>	<b>8,300</b>	<b>-</b>	<b>14,326</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	246,676	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>246,676</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICITS)</b>				
Restricted	-	8,550,639	2,089,033	4,138,757
Assigned	-	-	-	-
Unassigned	(246,676)	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>(246,676)</b>	<b>8,550,639</b>	<b>2,089,033</b>	<b>4,138,757</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances (Deficits)</b>	<b>\$ 571,052</b>	<b>\$ 8,558,939</b>	<b>\$ 2,089,033</b>	<b>\$ 4,153,083</b>

Capital Projects				
Street and Traffic Safety Development	General Capital Projects	Street & Alley Repair	Energy Efficiency Improvements	Total
\$ 2,662,644	\$ 1,475,135	\$ 972,086	\$ -	\$ 37,769,579
-	-	-	263,512	263,512
-	-	36,058	-	227,239
-	-	-	-	4,841,856
-	-	-	-	1,237,912
-	-	-	-	2,050,232
<u>\$ 2,662,644</u>	<u>\$ 1,475,135</u>	<u>\$ 1,008,144</u>	<u>\$ 263,512</u>	<u>\$ 46,390,330</u>
\$ -	\$ 66,027	\$ -	\$ -	\$ 273,298
-	-	1,483	-	56,096
-	-	-	3,800	756,752
-	-	-	-	-
-	-	10,178	223,547	250,591
-	-	-	-	34,104
-	66,027	11,661	227,347	1,370,841
-	-	-	-	1,499,916
-	-	-	-	1,499,916
2,662,644	1,409,108	996,483	36,165	43,766,249
-	-	-	-	-
-	-	-	-	(246,676)
<u>2,662,644</u>	<u>1,409,108</u>	<u>996,483</u>	<u>36,165</u>	<u>43,519,573</u>
<u>\$ 2,662,644</u>	<u>\$ 1,475,135</u>	<u>\$ 1,008,144</u>	<u>\$ 263,512</u>	<u>\$ 46,390,330</u>

**City of Upland**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**Year Ended June 30, 2020**

	Special Revenue			
	Gas Tax	HOME Program	CalHOME Program	Community Development Block Grant
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Investment Income	189,446	21,215	7,232	-
Rental Income	-	-	-	-
Intergovernmental	3,716,202	-	-	367,686
Other Revenue	-	38,552	115,393	-
<b>Total Revenues</b>	<b>3,905,648</b>	<b>59,767</b>	<b>122,625</b>	<b>367,686</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Engineering and Public Works	1,908,308	-	-	-
Development Services	-	150,354	149,852	367,687
Community Services	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>1,908,308</b>	<b>150,354</b>	<b>149,852</b>	<b>367,687</b>
Excess (Deficiency) of Revenues Over Expenditures	1,997,340	(90,587)	(27,227)	(1)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Issuance of Debt	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>1,997,340</b>	<b>(90,587)</b>	<b>(27,227)</b>	<b>(1)</b>
Fund Balances - Beginning	6,245,095	4,683,313	2,222,456	57,513
Fund Balances - Ending	<u>\$ 8,242,435</u>	<u>\$ 4,592,726</u>	<u>\$ 2,195,229</u>	<u>\$ 57,512</u>

Measure I	Special Revenue					
	Air Quality Management District	Parking and Business Improvement	SB 509 Public Safety Augmentation	Asset Forfeiture	Public Safety Grants	Other Grants
\$ -	\$ -	\$ 61,806	\$ 988,433	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
155,555	1,311	4,547	2,119	11,305	18,065	371
-	-	-	-	-	-	-
1,574,575	259,404	-	-	14,696	390,739	54,057
-	-	-	-	-	-	384
1,730,130	260,715	66,353	990,552	26,001	408,804	54,812
-	-	-	-	-	-	-
-	-	-	990,552	1,000	212,608	-
546,857	309,550	91,394	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	54,441
-	-	-	-	-	-	-
-	-	-	-	-	-	-
546,857	309,550	91,394	990,552	1,000	212,608	54,441
1,183,273	(48,835)	(25,041)	-	25,001	196,196	371
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,183,273	(48,835)	(25,041)	-	25,001	196,196	371
5,251,529	270,364	265,781	281	702,955	965,801	7,842
\$ 6,434,802	\$ 221,529	\$ 240,740	\$ 281	\$ 727,956	\$ 1,161,997	\$ 8,213

Continued

**City of Upland**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds - Continued**  
**Year Ended June 30, 2020**

	Special Revenue	Capital Projects		
	CARES ACT	Park Acquisition & Development	General Capital Development	Storm Drain Development
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	1,577,368	601,566	787,707
Investment Income	-	214,467	50,565	104,079
Rental Income	-	-	-	79,105
Intergovernmental	324,376	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>324,376</u>	<u>1,791,835</u>	<u>652,131</u>	<u>970,891</u>
<b>EXPENDITURES</b>				
Current:				
General Government	113,608	-	-	-
Public Safety	333,523	-	-	-
Engineering and Public Works	-	26,568	-	20,483
Development Services	9,935	-	-	-
Community Services	113,986	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>571,052</u>	<u>26,568</u>	<u>-</u>	<u>20,483</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(246,676)</u>	<u>1,765,267</u>	<u>652,131</u>	<u>950,408</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Issuance of Debt	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(246,676)	1,765,267	652,131	950,408
Fund Balances - Beginning	-	6,785,372	1,436,902	3,188,349
Fund Balances - Ending	<u>\$ (246,676)</u>	<u>\$ 8,550,639</u>	<u>\$ 2,089,033</u>	<u>\$ 4,138,757</u>

Capital Projects				
Street and Traffic Safety Development	General Capital Projects	Street & Alley Repair	Energy Efficiency Improvements	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,050,239
401,528	-	211,714	-	3,579,883
67,750	-	23,030	1,257	872,314
-	-	-	-	79,105
-	-	-	-	6,701,735
2,464	-	-	-	156,793
<u>471,742</u>	<u>-</u>	<u>234,744</u>	<u>1,257</u>	<u>12,440,069</u>
-	-	-	-	113,608
-	-	-	-	1,537,683
-	411,031	10,246	78,919	3,403,356
-	-	-	-	677,828
-	-	-	-	168,427
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>411,031</u>	<u>10,246</u>	<u>78,919</u>	<u>5,900,902</u>
<u>471,742</u>	<u>(411,031)</u>	<u>224,498</u>	<u>(77,662)</u>	<u>6,539,167</u>
-	1,725,996	-	-	1,725,996
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>1,725,996</u>	<u>-</u>	<u>-</u>	<u>1,725,996</u>
471,742	1,314,965	224,498	(77,662)	8,265,163
2,190,902	94,143	771,985	113,827	35,254,410
<u>\$ 2,662,644</u>	<u>\$ 1,409,108</u>	<u>\$ 996,483</u>	<u>\$ 36,165</u>	<u>\$ 43,519,573</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, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income	51,230	189,446	138,216
Intergovernmental	3,285,480	3,716,202	430,722
Other Revenue	-	-	-
Total Revenues	<u>3,336,710</u>	<u>3,905,648</u>	<u>568,938</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	<u>8,652,886</u>	<u>1,908,308</u>	<u>6,744,578</u>
Total Expenditures	<u>8,652,886</u>	<u>1,908,308</u>	<u>6,744,578</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,316,176)</u>	<u>1,997,340</u>	<u>7,313,516</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	(5,316,176)	1,997,340	7,313,516
Fund Balance, Beginning	<u>6,245,095</u>	<u>6,245,095</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 928,919</u>	<u>\$ 8,242,435</u>	<u>\$ 7,313,516</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, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income	13,000	21,215	8,215
Intergovernmental	-	-	-
Other Revenue	218,000	38,552	(179,448)
Total Revenues	<u>231,000</u>	<u>59,767</u>	<u>(171,233)</u>
<b>EXPENDITURES</b>			
Current:			
Development Services	<u>205,000</u>	<u>150,354</u>	<u>54,646</u>
Total Expenditures	<u>205,000</u>	<u>150,354</u>	<u>54,646</u>
Excess (Deficiency) of Revenues over Expenditures	<u>26,000</u>	<u>(90,587)</u>	<u>(116,587)</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	26,000	(90,587)	(116,587)
Fund Balance, Beginning	<u>4,683,313</u>	<u>4,683,313</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 4,709,313</u>	<u>\$ 4,592,726</u>	<u>\$ (116,587)</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, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income	4,000	7,232	3,232
Intergovernmental	-	-	-
Other Revenue	50,000	115,393	65,393
Total Revenues	<u>54,000</u>	<u>122,625</u>	<u>68,625</u>
<b>EXPENDITURES</b>			
Current:			
Development Services	<u>210,000</u>	<u>149,852</u>	<u>60,148</u>
Total Expenditures	<u>210,000</u>	<u>149,852</u>	<u>60,148</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(156,000)</u>	<u>(27,227)</u>	<u>128,773</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	(156,000)	(27,227)	128,773
Fund Balance, Beginning	<u>2,222,456</u>	<u>2,222,456</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,066,456</u>	<u>\$ 2,195,229</u>	<u>\$ 128,773</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - CDBG Special Revenue Fund**  
**Year Ended June 30, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 638,560	\$ 367,686	\$ (270,874)
Other Revenue	-	-	-
Total Revenues	<u>638,560</u>	<u>367,686</u>	<u>(270,874)</u>
<b>EXPENDITURES</b>			
Current:			
Development Services	<u>1,025,714</u>	<u>367,687</u>	<u>658,027</u>
Total Expenditures	<u>1,025,714</u>	<u>367,687</u>	<u>658,027</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(387,154)</u>	<u>(1)</u>	<u>387,153</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	(387,154)	(1)	387,153
Fund Balance, Beginning	<u>57,513</u>	<u>57,513</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (329,641)</u>	<u>\$ 57,512</u>	<u>\$ 387,153</u>

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

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income	38,100	155,555	117,455
Intergovernmental	1,328,700	1,574,575	245,875
Other Revenue	-	-	-
Total Revenues	<u>1,366,800</u>	<u>1,730,130</u>	<u>363,330</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	<u>6,261,586</u>	<u>546,857</u>	<u>5,714,729</u>
Total Expenditures	<u>6,261,586</u>	<u>546,857</u>	<u>5,714,729</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,894,786)</u>	<u>1,183,273</u>	<u>6,078,059</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	(4,894,786)	1,183,273	6,078,059
Fund Balance, Beginning	<u>5,251,529</u>	<u>5,251,529</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 356,743</u>	<u>\$ 6,434,802</u>	<u>\$ 6,078,059</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, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income		1,311	1,311
Intergovernmental	260,000	259,404	(596)
Other Revenue	-	-	-
	<u>260,000</u>	<u>260,715</u>	<u>715</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	<u>355,210</u>	<u>309,550</u>	<u>45,660</u>
	<u>355,210</u>	<u>309,550</u>	<u>45,660</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(95,210)</u>	<u>(48,835)</u>	<u>46,375</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(95,210)	(48,835)	46,375
Fund Balance, Beginning	<u>270,364</u>	<u>270,364</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 175,154</u>	<u>\$ 221,529</u>	<u>\$ 46,375</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, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 47,000	\$ 61,806	\$ 14,806
Investment Income	8,500	4,547	(3,953)
Total Revenues	<u>55,500</u>	<u>66,353</u>	<u>10,853</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	<u>222,201</u>	<u>91,394</u>	<u>130,807</u>
Total Expenditures	<u>222,201</u>	<u>91,394</u>	<u>130,807</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(166,701)</u>	<u>(25,041)</u>	<u>141,660</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	(166,701)	(25,041)	141,660
Fund Balance, Beginning	<u>265,781</u>	<u>265,781</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 99,080</u>	<u>\$ 240,740</u>	<u>\$ 141,660</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, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 1,002,140	\$ 988,433	\$ (13,707)
Investment Income		2,119	2,119
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>1,002,140</u>	<u>990,552</u>	<u>(11,588)</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	<u>1,002,140</u>	<u>990,552</u>	<u>11,588</u>
Total Expenditures	<u>1,002,140</u>	<u>990,552</u>	<u>11,588</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</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	-	-	-
Fund Balance, Beginning	<u>281</u>	<u>281</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 281</u>	<u>\$ 281</u>	<u>\$ -</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, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ -	\$ 11,305	\$ 11,305
Intergovernmental	-	14,696	14,696
Total Revenues	<u>-</u>	<u>26,001</u>	<u>26,001</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety		1,000	(1,000)
Total Expenditures	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>25,001</u>	<u>25,001</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	-	25,001	25,001
Fund Balance, Beginning	<u>702,955</u>	<u>702,955</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 702,955</u>	<u>\$ 727,956</u>	<u>\$ 25,001</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, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income	4,900	18,065	13,165
Intergovernmental	400,670	390,739	(9,931)
Other Revenue	-	-	-
Total Revenues	<u>405,570</u>	<u>408,804</u>	<u>3,234</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	<u>1,164,981</u>	<u>212,608</u>	<u>952,373</u>
Total Expenditures	<u>1,164,981</u>	<u>212,608</u>	<u>952,373</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(759,411)</u>	<u>196,196</u>	<u>955,607</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	(759,411)	196,196	955,607
Fund Balance, Beginning	<u>965,801</u>	<u>965,801</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 206,390</u>	<u>\$ 1,161,997</u>	<u>\$ 955,607</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, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income	-	371	371
Intergovernmental	19,604	54,057	34,453
Other Revenue	530	384	(146)
Total Revenues	<u>20,134</u>	<u>54,812</u>	<u>34,678</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	-	-	-
Community Services	20,134	54,441	(34,307)
Total Expenditures	<u>20,134</u>	<u>54,441</u>	<u>(34,307)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>371</u>	<u>371</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	-	371	371
Fund Balance, Beginning	<u>7,842</u>	<u>7,842</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 7,842</u>	<u>\$ 8,213</u>	<u>\$ 371</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Park Acquisition & Development Capital Projects Fund**  
**Year Ended June 30, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ 1,600,000	\$ 1,577,368	\$ (22,632)
Investment Income	51,000	214,467	163,467
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>1,651,000</u>	<u>1,791,835</u>	<u>140,835</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	171,012	26,568	144,444
Community Services	-	-	-
Total Expenditures	<u>171,012</u>	<u>26,568</u>	<u>144,444</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,479,988</u>	<u>1,765,267</u>	<u>285,279</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	1,479,988	1,765,267	285,279
Fund Balance, Beginning	<u>6,785,372</u>	<u>6,785,372</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 8,265,360</u>	<u>\$ 8,550,639</u>	<u>\$ 285,279</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, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ 422,300	\$ 601,566	\$ 179,266
Investment Income	12,000	50,565	38,565
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>434,300</u>	<u>652,131</u>	<u>217,831</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	54,850	-	54,850
Community Services	-	-	-
Total Expenditures	<u>54,850</u>	<u>-</u>	<u>54,850</u>
Excess (Deficiency) of Revenues over Expenditures	<u>379,450</u>	<u>652,131</u>	<u>272,681</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	379,450	652,131	272,681
Fund Balance, Beginning	<u>1,436,902</u>	<u>1,436,902</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,816,352</u>	<u>\$ 2,089,033</u>	<u>\$ 272,681</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, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ 720,000	\$ 787,707	\$ 67,707
Investment Income	30,000	104,079	74,079
Rental Income	70,960	79,105	8,145
	<u>820,960</u>	<u>970,891</u>	<u>149,931</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	588,150	20,483	567,667
Community Services	-	-	-
	<u>588,150</u>	<u>20,483</u>	<u>567,667</u>
Excess (Deficiency) of Revenues over Expenditures	<u>232,810</u>	<u>950,408</u>	<u>717,598</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	232,810	950,408	717,598
Fund Balance, Beginning	<u>3,188,349</u>	<u>3,188,349</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 3,421,159</u>	<u>\$ 4,138,757</u>	<u>\$ 717,598</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, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ 720,000	\$ 401,528	\$ (318,472)
Investment Income	18,000	67,750	49,750
Intergovernmental	-	-	-
Other Revenue	-	2,464	2,464
	<u>738,000</u>	<u>471,742</u>	<u>(266,258)</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	1,629,522	-	1,629,522
Community Services	-	-	-
	<u>1,629,522</u>	<u>-</u>	<u>1,629,522</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(891,522)</u>	<u>471,742</u>	<u>1,363,264</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Issuance of Debt	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(891,522)	471,742	1,363,264
Fund Balance, Beginning	<u>2,190,902</u>	<u>2,190,902</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,299,380</u>	<u>\$ 2,662,644</u>	<u>\$ 1,363,264</u>

**City of Upland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Capital Projects Fund**  
**Year Ended June 30, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ -	\$ -	\$ -
Investment Income	-	-	-
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	2,006,306	411,031	1,595,275
Community Services	-	-	-
Total Expenditures	<u>2,006,306</u>	<u>411,031</u>	<u>1,595,275</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,006,306)</u>	<u>(411,031)</u>	<u>1,595,275</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,644,800	1,725,996	81,196
Transfers Out	-	-	-
Issuance of Debt	-	-	-
Total Other Financing Sources (Uses)	<u>1,644,800</u>	<u>1,725,996</u>	<u>81,196</u>
Net Change in Fund Balances	(361,506)	1,314,965	1,676,471
Fund Balance, Beginning	<u>94,143</u>	<u>94,143</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (267,363)</u>	<u>\$ 1,409,108</u>	<u>\$ 1,676,471</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, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ 216,000	\$ 211,714	\$ (4,286)
Investment Income	-	23,030	23,030
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>216,000</u>	<u>234,744</u>	<u>18,744</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	745,388	10,246	735,142
Community Services	-	-	-
Total Expenditures	<u>745,388</u>	<u>10,246</u>	<u>735,142</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(529,388)</u>	<u>224,498</u>	<u>753,886</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Issuance of Debt	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(529,388)	224,498	753,886
Fund Balance, Beginning	<u>771,985</u>	<u>771,985</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 242,597</u>	<u>\$ 996,483</u>	<u>\$ 753,886</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, 2020**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ -	\$ -	\$ -
Investment Income	-	1,257	1,257
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>-</u>	<u>1,257</u>	<u>1,257</u>
<b>EXPENDITURES</b>			
Current:			
Engineering and Public Works	101,857	78,919	22,938
Community Services	-	-	-
Total Expenditures	<u>101,857</u>	<u>78,919</u>	<u>22,938</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(101,857)</u>	<u>(77,662)</u>	<u>24,195</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Issuance of Debt	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(101,857)	(77,662)	24,195
Fund Balance, Beginning	<u>113,827</u>	<u>113,827</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 11,970</u>	<u>\$ 36,165</u>	<u>\$ 24,195</u>

## **INTERNAL SERVICE FUNDS**

**City of Upland  
Internal Service Funds  
Year Ended June 30, 2020**

**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, 2020**

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 648,390	\$ 605,814	\$ 1,949,760	\$ 1,516,881	\$ 4,720,845
Accounts Receivable - Net	60	-	36,406	-	36,466
Inventory and Prepaid Items	119,258	75,946	-	-	195,204
Total Current Assets	<u>767,708</u>	<u>681,760</u>	<u>1,986,166</u>	<u>1,516,881</u>	<u>4,952,515</u>
Noncurrent Assets:					
Capital Assets, Not Being Depreciated					
Construction In Progress	-	-	52,388	-	52,388
Capital Assets, Depreciable, Net	-	178,626	652,361	-	830,987
Total Noncurrent Assets	<u>-</u>	<u>178,626</u>	<u>704,749</u>	<u>-</u>	<u>883,375</u>
Total Assets	<u>767,708</u>	<u>860,386</u>	<u>2,690,915</u>	<u>1,516,881</u>	<u>5,835,890</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
OPEB Related Items	12,636	20,308	19,104	28,431	80,479
Pension Related Items	59,982	96,813	124,699	122,068	403,562
Total Deferred Outflows of Resources	<u>72,618</u>	<u>117,121</u>	<u>143,803</u>	<u>150,499</u>	<u>484,041</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	24,609	28,978	18,656	79,275	151,518
Accrued Salaries and Wages	13,285	11,186	14,605	23,815	62,891
Current Portion of Long-Term Liabilities:					
Claims and Judgments Payable	3,027,092	-	-	-	3,027,092
Compensated Absences	5,837	11,133	15,315	19,440	51,725
Total Current Liabilities	<u>3,070,823</u>	<u>51,297</u>	<u>48,576</u>	<u>122,530</u>	<u>3,293,226</u>
Noncurrent Liabilities:					
Claims and Judgments Payable	7,477,615	-	-	-	7,477,615
Net OPEB Liability	100,219	161,067	151,522	225,493	638,301
Net Pension Liability	461,631	745,089	959,707	939,460	3,105,887
Compensated Absences	631	2,433	10,431	19,055	32,550
Total Noncurrent Liabilities	<u>8,040,096</u>	<u>908,589</u>	<u>1,121,660</u>	<u>1,184,008</u>	<u>11,254,353</u>
Total Liabilities	<u>11,110,919</u>	<u>959,886</u>	<u>1,170,236</u>	<u>1,306,538</u>	<u>14,547,579</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
OPEB Related Items	12,512	20,109	18,917	28,153	79,691
Pension Related Items	6,364	10,272	13,230	12,951	42,817
Total Deferred Inflows of Resources	<u>18,876</u>	<u>30,381</u>	<u>32,147</u>	<u>41,104</u>	<u>122,508</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	-	178,626	704,749	-	883,375
Unrestricted	(10,289,469)	(191,386)	927,586	319,738	(9,233,531)
Total Net Position	<u>\$ (10,289,469)</u>	<u>\$ (12,760)</u>	<u>\$ 1,632,335</u>	<u>\$ 319,738</u>	<u>\$ (8,350,156)</u>

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

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 4,177,530	\$ 1,169,408	\$ 1,594,560	\$ 1,078,670	\$ 8,020,168
Other Operating Revenues	3,391	-	144,783	-	148,174
Total Operating Revenues	<u>4,180,921</u>	<u>1,169,408</u>	<u>1,739,343</u>	<u>1,078,670</u>	<u>8,168,342</u>
<b>OPERATING EXPENSES</b>					
Maintenance and Operations	273,986	1,357,598	1,462,398	992,940	4,086,922
Contractual Services	226,364	-	-	-	226,364
Claims Expense	5,226,914	-	-	-	5,226,914
Depreciation	-	44,656	205,201	-	249,857
Total Operating Expenses	<u>5,727,264</u>	<u>1,402,254</u>	<u>1,667,599</u>	<u>992,940</u>	<u>9,790,057</u>
Operating Income (Loss)	<u>(1,546,343)</u>	<u>(232,846)</u>	<u>71,744</u>	<u>85,730</u>	<u>(1,621,715)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Income	9,636	11,301	24,290	24,532	69,759
Gain/(Loss) on Disposal of Capital Assets	-	32,250	-	-	32,250
Total Nonoperating Revenues (Expenses)	<u>9,636</u>	<u>43,551</u>	<u>24,290</u>	<u>24,532</u>	<u>102,009</u>
Income (Loss) Before Capital Contributions and Operating Transfers	<u>(1,536,707)</u>	<u>(189,295)</u>	<u>96,034</u>	<u>110,262</u>	<u>(1,519,706)</u>
Capital Contributions	-	-	-	-	-
Transfers In	1,500,000	50,000	397,620	-	1,947,620
Transfers Out	-	-	-	-	-
Change in Net Position	<u>(36,707)</u>	<u>(139,295)</u>	<u>493,654</u>	<u>110,262</u>	<u>427,914</u>
Net Position - Beginning of Year	<u>(10,252,762)</u>	<u>126,535</u>	<u>1,138,681</u>	<u>209,476</u>	<u>(8,778,070)</u>
Net Position - End of Year	<u>\$ (10,289,469)</u>	<u>\$ (12,760)</u>	<u>\$ 1,632,335</u>	<u>\$ 319,738</u>	<u>\$ (8,350,156)</u>

**City of Upland**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year Ended June 30, 2020**

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from User Departments	\$ 4,180,861	\$ 1,176,858	\$ 1,739,014	\$ 1,078,670	\$ 8,175,403
Cash Paid to Suppliers for Goods and Services	(5,399,750)	(1,207,064)	(1,115,801)	(488,200)	(8,210,815)
Cash Paid to Employees for Services	(132,069)	(365,954)	(328,790)	(460,366)	(1,287,179)
Net Cash from Operating Activities	<u>(1,350,958)</u>	<u>(396,160)</u>	<u>294,423</u>	<u>130,104</u>	<u>(1,322,591)</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Cash Paid (to) from Other Funds	1,500,000	50,000	397,620	-	1,947,620
Advances Paid (to) from Other Funds	-	-	-	-	-
Net Cash from Noncapital and Related Financing Activities	<u>1,500,000</u>	<u>50,000</u>	<u>397,620</u>	<u>-</u>	<u>1,947,620</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Cash Received from Sale of Capital Assets	-	32,250	-	-	32,250
Acquisition and Construction of Capital Assets	-	-	(126,744)	-	(126,744)
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>32,250</u>	<u>(126,744)</u>	<u>-</u>	<u>(94,494)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	9,636	11,301	24,290	24,532	69,759
Net Cash from Investing Activities	<u>9,636</u>	<u>11,301</u>	<u>24,290</u>	<u>24,532</u>	<u>69,759</u>
Net Increase (Decrease) in Cash and Cash Equivalents	158,678	(302,609)	589,589	154,636	600,294
Cash and Cash Equivalents, Beginning of the Year	489,712	908,423	1,360,171	1,362,245	4,120,551
Cash and Cash Equivalents, End of the Year	<u>\$ 648,390</u>	<u>\$ 605,814</u>	<u>\$ 1,949,760</u>	<u>\$ 1,516,881</u>	<u>\$ 4,720,845</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:</b>					
Operating Income (Loss)	\$ (1,546,343)	\$ (232,846)	\$ 71,744	\$ 85,730	\$ (1,621,715)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	-	44,656	205,201	-	249,857
Changes in Operating Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(60)	7,450	(329)	-	7,061
(Increase) Decrease in Due from Other Governments	-	-	-	-	-
(Increase) Decrease in Inventory and Prepaid Items	24,068	(3,609)	-	-	20,459
(Increase) Decrease in Deferred Outflows - Pensions	(22,850)	(30,479)	(42,503)	(40,953)	(136,785)
(Increase) Decrease in Deferred Outflows - OPEB	(9,066)	(14,570)	(13,706)	(20,398)	(57,740)
Increase (Decrease) in Accounts Payable	(28,356)	(164,918)	(5,249)	16,533	(181,990)
Increase (Decrease) in Accrued Salaries and Benefits	3,000	(3,355)	(841)	9,265	8,069
Increase (Decrease) in Compensated Absences	(3,508)	(34,762)	(847)	6,279	(32,838)
Increase (Decrease) in Net Pension Liability	63,565	33,981	78,551	69,898	245,995
Increase (Decrease) in Net OPEB Liability	(6,146)	(9,878)	(9,293)	(13,830)	(39,147)
Increase (Decrease) in Deferred Inflows - Pensions	135	(855)	(558)	(655)	(1,933)
Increase (Decrease) in Deferred Inflows - OPEB	8,104	13,025	12,253	18,235	51,617
Increase (Decrease) in Claims Payable	166,499	-	-	-	166,499
<b>Net Cash from Operating Activities</b>	<u>\$ (1,350,958)</u>	<u>\$ (396,160)</u>	<u>\$ 294,423</u>	<u>\$ 130,104</u>	<u>\$ (1,322,591)</u>

## **AGENCY FUNDS**

**City of Upland  
Agency Funds  
Year Ended June 30, 2020**

**AGENCY FUNDS**

Agency 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 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 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.

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

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

***Sanitary Sewer Facility Development Fund***

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

***Welfare Committee Fund***

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

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

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

***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.

**City of Upland**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2020**

	Community Facilities District 2003-2 Area 1	Community Facilities District 2003-2 Area 2	Community Facilities District 2015-1	Community Facilities District 2016-1	Community Facilities District 2016-2
<b>ASSETS</b>					
Cash and Investments	\$ 27,317	\$ 18,059	\$ 2,120	\$ 1,826	\$ 50,375
Cash with Fiscal Agent	3,450,088	2,663,163	5,623,664	2,682,711	-
Accounts Receivable	22,461	16,947	1,958	4,699	318
	<u>3,499,866</u>	<u>2,698,169</u>	<u>5,627,742</u>	<u>2,689,236</u>	<u>50,693</u>
Total Assets	<u>\$ 3,499,866</u>	<u>\$ 2,698,169</u>	<u>\$ 5,627,742</u>	<u>\$ 2,689,236</u>	<u>\$ 50,693</u>
<b>LIABILITIES</b>					
Deposits Payable	\$ -	\$ -	\$ 39,411	\$ 150,500	\$ 15,784
Accounts Payable	247	31	1,781	92	92
Due to Bondholders	3,499,619	2,698,138	5,586,550	2,538,644	34,817
	<u>3,499,866</u>	<u>2,698,169</u>	<u>5,627,742</u>	<u>2,689,236</u>	<u>50,693</u>
Total Liabilities	<u>\$ 3,499,866</u>	<u>\$ 2,698,169</u>	<u>\$ 5,627,742</u>	<u>\$ 2,689,236</u>	<u>\$ 50,693</u>

<u>Community Facilities District 2017-1</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>	<u>Total</u>
\$ 28,657	\$ -	\$ 6,721,632	\$ 33,971	\$ 493,246	\$ 2,475	\$ 7,379,678
-	-	-	-	-	296,705	14,716,331
14	256	-	-	-	2,512	49,165
<u>\$ 28,671</u>	<u>\$ 256</u>	<u>\$ 6,721,632</u>	<u>\$ 33,971</u>	<u>\$ 493,246</u>	<u>\$ 301,692</u>	<u>\$ 22,145,174</u>
\$ -	\$ -	\$ 6,721,632	\$ 33,971	\$ 493,246	\$ -	\$ 7,454,544
31	256	-	-	-	31	2,561
28,640	-	-	-	-	301,661	14,688,069
<u>\$ 28,671</u>	<u>\$ 256</u>	<u>\$ 6,721,632</u>	<u>\$ 33,971</u>	<u>\$ 493,246</u>	<u>\$ 301,692</u>	<u>\$ 22,145,174</u>

**City of Upland**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**Year Ended June 30, 2020**

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>COMMUNITY FACILITIES DISTRICT 2003-2 AREA 1</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 694,479	\$ 1,515,803	\$ 2,182,965	\$ 27,317
Cash with Fiscal Agent	2,762,691	3,224,966	2,537,569	3,450,088
Accounts Receivable	5,344	22,461	5,344	22,461
Total Assets	<u>\$ 3,462,514</u>	<u>\$ 4,763,230</u>	<u>\$ 4,725,878</u>	<u>\$ 3,499,866</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 2,177,976	\$ 2,177,729	\$ 247
Due to Bondholders	3,462,514	2,601,380	2,564,275	3,499,619
Total Liabilities	<u>\$ 3,462,514</u>	<u>\$ 4,779,356</u>	<u>\$ 4,742,004</u>	<u>\$ 3,499,866</u>
<b><u>COMMUNITY FACILITIES DISTRICT 2003-2 AREA 2</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 714,310	\$ 1,228,022	\$ 1,924,273	\$ 18,059
Cash with Fiscal Agent	2,071,967	1,907,965	1,316,769	2,663,163
Accounts Receivable	-	16,947	-	16,947
Total Assets	<u>\$ 2,786,277</u>	<u>\$ 3,152,934</u>	<u>\$ 3,241,042</u>	<u>\$ 2,698,169</u>
<b>LIABILITIES</b>				
Due to Bondholders	\$ 2,784,527	\$ 1,247,946	\$ 1,334,335	\$ 2,698,138
Accounts Payable	1,750	1,917,338	1,919,057	31
Total Liabilities	<u>\$ 2,786,277</u>	<u>\$ 3,165,284</u>	<u>\$ 3,253,392</u>	<u>\$ 2,698,169</u>
<b><u>COMMUNITY FACILITIES DISTRICT 2015-1</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 177,189	\$ 438,698	\$ 613,767	\$ 2,120
Cash with Fiscal Agent	-	9,565,532	3,941,868	5,623,664
Accounts Receivable	-	1,958	-	1,958
Total Assets	<u>\$ 177,189</u>	<u>\$ 10,006,188</u>	<u>\$ 4,555,635</u>	<u>\$ 5,627,742</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 10,000	\$ 598,892	\$ 607,111	\$ 1,781
Deposits Payable	167,189	10,000	137,778	39,411
Due to Bondholders	-	9,545,434	3,958,884	5,586,550
Total Liabilities	<u>\$ 177,189</u>	<u>\$ 10,154,326</u>	<u>\$ 4,703,773</u>	<u>\$ 5,627,742</u>
<b><u>COMMUNITY FACILITIES DISTRICT 2016-1</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 189,702	\$ 595,068	\$ 782,944	\$ 1,826
Cash with Fiscal Agent	8,321,086	843,489	6,481,864	2,682,711
Accounts Receivable	21,146	4,699	21,146	4,699
Total Assets	<u>\$ 8,531,934</u>	<u>\$ 1,443,256</u>	<u>\$ 7,285,954</u>	<u>\$ 2,689,236</u>
<b>LIABILITIES</b>				
Due to Bondholders	\$ 8,381,434	\$ 675,293	\$ 6,518,083	\$ 2,538,644
Accounts Payable	-	92	-	92
Deposits Payable	150,500	-	-	150,500
Total Liabilities	<u>\$ 8,531,934</u>	<u>\$ 675,385</u>	<u>\$ 6,518,083</u>	<u>\$ 2,689,236</u>
<b><u>COMMUNITY FACILITIES DISTRICT 2016-2</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 21,545	\$ 40,166	\$ 11,336	\$ 50,375
Accounts Receivable	1,350	318	1,350	318
Total Assets	<u>\$ 22,895</u>	<u>\$ 40,484</u>	<u>\$ 12,686</u>	<u>\$ 50,693</u>
<b>LIABILITIES</b>				
Deposits Payable	\$ 15,784	\$ -	\$ -	\$ 15,784
Accounts Payable	-	92	-	92
Due to Bondholders	7,111	40,521	12,815	34,817
Total Liabilities	<u>\$ 22,895</u>	<u>\$ 40,613</u>	<u>\$ 12,815</u>	<u>\$ 50,693</u>

Continued

**City of Upland**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds - Continued**  
**Year Ended June 30, 2020**

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>COMMUNITY FACILITIES DISTRICT 2017-1</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 18,153	\$ 19,600	\$ 9,096	\$ 28,657
Accounts Receivable	-	14	-	14
Total Assets	<u>\$ 18,153</u>	<u>\$ 19,614</u>	<u>\$ 9,096</u>	<u>\$ 28,671</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 3,912	\$ 3,881	\$ 31
Due to Bondholders	18,153	19,601	9,114	28,640
Total Liabilities	<u>\$ 18,153</u>	<u>\$ 23,513</u>	<u>\$ 12,995</u>	<u>\$ 28,671</u>
<b><u>ASSESSMENT DISTRICT 84-1</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 243	\$ 3,514	\$ 3,757	\$ -
Accounts Receivable	-	256	-	256
Total Assets	<u>\$ 243</u>	<u>\$ 3,770</u>	<u>\$ 3,757</u>	<u>\$ 256</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 11	\$ 363	\$ 118	\$ 256
Due to Bondholders	232	-	232	-
Total Liabilities	<u>\$ 232</u>	<u>\$ 363</u>	<u>\$ 350</u>	<u>\$ 256</u>
<b><u>SANITARY SEWER FACILITY DEVELOPMENT</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 4,424,270	\$ 2,336,666	\$ 39,304	\$ 6,721,632
Total Assets	<u>\$ 4,424,270</u>	<u>\$ 2,336,666</u>	<u>\$ 39,304</u>	<u>\$ 6,721,632</u>
<b>LIABILITIES</b>				
Deposits Payable	\$ 4,424,270	\$ 2,336,666	\$ 39,304	\$ 6,721,632
Total Liabilities	<u>\$ 4,424,270</u>	<u>\$ 2,336,666</u>	<u>\$ 39,304</u>	<u>\$ 6,721,632</u>
<b><u>WELFARE COMMITTEE</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 31,316	\$ 2,655	\$ -	\$ 33,971
Total Assets	<u>\$ 31,316</u>	<u>\$ 2,655</u>	<u>\$ -</u>	<u>\$ 33,971</u>
<b>LIABILITIES</b>				
Deposits Payable	\$ 31,316	\$ 2,655	\$ -	\$ 33,971
Total Liabilities	<u>\$ 31,316</u>	<u>\$ 2,655</u>	<u>\$ -</u>	<u>\$ 33,971</u>
<b><u>WEST END CONSOLIDATED WATER CO.</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 480,000	\$ 13,246	\$ -	\$ 493,246
Total Assets	<u>\$ 480,000</u>	<u>\$ 13,246</u>	<u>\$ -</u>	<u>\$ 493,246</u>
<b>LIABILITIES</b>				
Deposits Payable	\$ 480,000	\$ 13,246	\$ -	\$ 493,246
Total Liabilities	<u>\$ 480,000</u>	<u>\$ 13,246</u>	<u>\$ -</u>	<u>\$ 493,246</u>

Continued

**City of Upland**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds - Continued**  
**Year Ended June 30, 2020**

**COMMUNITY FACILITIES DISTRICT 2003-1**

**ASSETS**

Cash and Investments	\$ 56,672	\$ 135,712	\$ 189,909	\$ 2,475
Cash with Fiscal Agent	242,206	175,339	120,840	296,705
Accounts Receivable	3,704	2,512	3,704	2,512
Total Assets	<u>\$ 302,582</u>	<u>\$ 313,563</u>	<u>\$ 314,453</u>	<u>\$ 301,692</u>

**LIABILITIES**

Accounts Payable	\$ -	\$ 184,725	\$ 184,694	\$ 31
Due to Bondholders	302,582	138,578	139,499	301,661
Total Liabilities	<u>\$ 302,582</u>	<u>\$ 323,303</u>	<u>\$ 324,193</u>	<u>\$ 301,692</u>

**TOTALS - ALL AGENCY FUNDS**

**ASSETS**

Cash and Investments	\$ 6,807,879	\$ 6,329,150	\$ 5,757,351	\$ 7,379,678
Cash with Fiscal Agent	13,397,950	15,717,291	14,398,910	14,716,331
Accounts Receivable	31,544	49,165	31,544	49,165
Total Assets	<u>\$ 20,237,373</u>	<u>\$ 22,095,606</u>	<u>\$ 20,187,805</u>	<u>\$ 22,145,174</u>

**LIABILITIES**

Accounts Payable	\$ 11,761	\$ 4,883,390	\$ 4,892,590	\$ 2,561
Deposits Payable	5,269,059	2,362,567	177,082	7,454,544
Due to Bondholders	14,956,553	14,268,753	14,537,237	14,688,069
Total Liabilities	<u>\$ 20,237,373</u>	<u>\$ 21,514,710</u>	<u>\$ 19,606,909</u>	<u>\$ 22,145,174</u>

## **STATISTICAL SECTION**

**City of Upland**  
**Description of Statistical Section Contents**  
**June 30, 2020**

This part of the City of Upland's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information 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	107
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	117
<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	125
<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	132
<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	134

CITY OF UPLAND

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

	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
Governmental activities					
Invested in capital assets, net of related debt	\$ 247,582,946	\$ 279,503,381	\$ 281,184,806	\$ 272,320,453	\$ 274,795,930
Restricted	23,099,917	15,971,514	22,177,079	18,336,004	14,482,775
Unrestricted	(2,198,045)	(12,516,353)	(19,386,237)	(253,534)	(62,716,819)
Total governmental activities net position	<u>\$ 268,484,818</u>	<u>\$ 282,958,542</u>	<u>\$ 283,975,648</u>	<u>\$ 290,402,923</u>	<u>\$ 226,561,886</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 73,202,621	\$ 75,066,229	\$ 76,050,669	\$ 75,114,852	\$ 68,450,050
Restricted	-	-	-	-	-
Unrestricted	42,140,896	38,813,010	37,241,528	36,705,400	27,528,096
Total business-type activities net position	<u>\$ 115,343,517</u>	<u>\$ 113,879,239</u>	<u>\$ 113,292,197</u>	<u>\$ 111,820,252</u>	<u>\$ 95,978,146</u>
Primary government					
Invested in capital assets, net of related debt	\$ 320,785,567	\$ 354,569,610	\$ 357,235,475	\$ 347,435,305	\$ 343,245,980
Restricted	23,099,917	15,971,514	22,177,079	18,336,004	14,482,775
Unrestricted	39,942,851	26,296,657	17,855,291	36,451,866	(35,188,723)
Total primary government net position	<u>\$ 383,828,335</u>	<u>\$ 396,837,781</u>	<u>\$ 397,267,845</u>	<u>\$ 402,223,175</u>	<u>\$ 322,540,032</u>

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,

2016	2017	2018	2019	2020
\$ 269,132,382	\$ 267,791,299	\$ 262,318,491	\$ 262,465,719	\$ 266,996,077
25,659,378	40,844,504	42,616,153	44,877,724	52,227,409
(64,259,153)	(74,170,029)	(83,164,838)	(80,859,640)	(74,070,557)
<u>\$ 230,532,607</u>	<u>\$ 234,465,774</u>	<u>\$ 221,769,806</u>	<u>\$ 226,483,803</u>	<u>\$ 245,152,929</u>
\$ 67,891,850	\$ 68,761,226	\$ 69,511,985	\$ 70,481,398	\$ 80,694,523
-	-	-	-	-
34,916,716	39,989,572	48,033,153	54,825,737	62,335,721
<u>\$ 102,808,566</u>	<u>\$ 108,750,798</u>	<u>\$ 117,545,138</u>	<u>\$ 125,307,135</u>	<u>\$ 143,030,244</u>
\$ 337,024,232	\$ 336,552,525	\$ 331,830,476	\$ 332,947,117	\$ 347,690,600
25,659,378	40,844,504	42,616,153	44,877,724	52,227,409
(29,342,437)	(34,180,457)	(35,131,685)	(26,033,903)	(11,734,836)
<u>\$ 333,341,173</u>	<u>\$ 343,216,572</u>	<u>\$ 339,314,944</u>	<u>\$ 351,790,938</u>	<u>\$ 388,183,173</u>

CITY OF UPLAND

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

	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
<b>Expenses</b>					
Governmental activities:					
General government	\$ 3,894,625	\$ 5,137,446	\$ 4,113,605	\$ 4,709,996	\$ 3,050,233
Public safety	26,883,113	30,710,194	29,009,795	24,047,934	27,468,131
Engineering and public works	8,734,681	12,074,768	7,868,067	9,879,986	9,281,467
Development services	13,322,147	5,218,453	4,967,335	3,174,496	5,447,239
Community services	3,962,221	4,584,937	6,100,981	4,057,338	5,073,673
Interest expense	2,186,876	1,326,383	310,478	286,492	284,269
Total governmental activities expenses	58,983,663	59,052,181	52,370,261	46,156,242	50,605,012
Business-type activities:					
Water utility	15,393,981	17,893,977	17,019,949	19,565,979	20,124,035
Solid waste utility	9,669,314	9,360,397	9,246,343	9,322,648	9,872,451
Sewer utility	6,098,777	5,882,096	5,813,597	6,278,008	7,457,367
Animal services	1,150,728	1,163,149	1,082,162	1,020,821	-
Total business-type activities expenses	32,312,800	34,299,619	33,162,051	36,187,456	37,453,853
Total primary government expenses	\$ 91,296,463	\$ 93,351,800	\$ 85,532,312	\$ 82,343,698	\$ 88,058,865
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 1,318,635	\$ 1,428,531	\$ 1,416,615	\$ 1,508,984	\$ 1,658,124
Public safety	2,464,321	2,509,528	2,526,925	2,930,767	3,593,175
Engineering and public works	398,112	271,742	411,595	579,582	660,583
Development services	3,789,998	2,094,944	3,881,798	4,541,765	4,612,643
Community services	690,120	624,243	611,995	1,058,570	1,097,518
Operating grants and contributions	6,637,224	6,515,231	6,554,132	6,234,320	7,014,790
Capital grants and contributions	2,113,299	1,827,726	2,614,837	1,636,573	2,712,801
Total governmental activities program revenues	17,411,709	15,271,945	18,017,897	18,490,561	21,349,634
Business-type activities:					
Charges for services:					
Water utility	22,016,148	17,769,773	17,324,491	18,184,343	22,713,562
Solid waste utility	9,617,834	9,421,363	9,535,127	9,592,364	10,355,699
Sewer utility	5,822,597	6,193,947	6,294,532	6,432,824	7,233,341
Animal services	334,927	438,750	567,329	384,674	-
Operating grants and contributions	-	-	-	23,220	21,672
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	37,791,506	33,823,833	33,721,479	34,617,425	40,324,274
Total primary government program revenues	\$ 55,203,215	\$ 49,095,778	\$ 51,739,376	\$ 53,107,986	\$ 61,673,908
Net (expenses)/revenue					
Governmental activities	\$ (41,571,954)	\$ (43,780,236)	\$ (34,352,364)	\$ (27,665,681)	\$ (29,255,378)
Business-type activities	5,478,706	(475,786)	559,428	(1,570,031)	2,870,421
Total net revenues (expense)	\$ (36,093,248)	\$ (44,256,022)	\$ (33,792,936)	\$ (29,235,712)	\$ (26,384,957)

Fiscal Year Ended June 30,				
2016	2017	2018	2019	2020
\$ 5,626,905	\$ 3,080,619	\$ 4,539,492	\$ 4,033,829	\$ 3,740,648
27,178,673	32,174,086	27,927,892	27,265,506	23,786,129
11,049,238	9,819,952	11,468,377	12,092,590	3,524,461
5,214,410	5,407,099	6,624,913	6,059,857	5,931,597
4,308,397	3,691,035	3,370,656	4,255,538	3,910,878
281,359	358,679	715,062	840,116	817,235
53,658,982	54,531,470	54,646,392	54,547,436	41,710,948
16,121,912	18,483,205	19,989,900	21,525,637	20,513,809
9,602,172	10,051,229	11,042,468	12,316,577	13,787,098
7,063,779	7,818,112	9,285,699	9,387,370	9,946,531
-	-	-	-	-
32,787,863	36,352,546	40,318,067	43,229,584	44,247,438
\$ 86,446,845	\$ 90,884,016	\$ 94,964,459	\$ 97,777,020	\$ 85,958,386
\$ 1,124,713	\$ 305,373	\$ 382,010	\$ 1,187,018	\$ 583,514
3,789,627	3,541,745	1,827,271	1,866,761	1,644,528
246,341	776,173	4,207,550	2,991,516	5,038,970
4,933,961	5,461,323	5,245,335	5,876,464	6,038,238
1,072,754	495,702	546,702	581,989	395,733
5,120,131	5,933,967	2,066,407	2,340,876	2,518,963
3,926,465	4,337,377	6,604,091	7,305,417	8,229,671
20,213,992	20,851,660	20,879,366	22,150,041	24,449,617
18,601,289	21,299,753	28,076,336	26,203,575	27,703,940
10,544,776	11,103,446	11,687,415	12,677,799	13,772,383
8,068,428	9,705,668	10,144,832	10,573,571	10,606,800
-	-	-	-	-
15,519	63,207	70,598	57,708	-
-	-	-	1,544,529	9,882,981
37,230,012	42,172,074	49,979,181	51,057,182	61,966,104
\$ 57,444,004	\$ 63,023,734	\$ 70,858,547	\$ 73,207,223	\$ 86,415,721
\$ (33,444,990)	\$ (33,679,810)	\$ (33,767,026)	\$ (32,397,395)	\$ (17,261,331)
4,442,149	5,819,528	9,661,114	7,827,598	17,718,666
\$ (29,002,841)	\$ (27,860,282)	\$ (24,105,912)	\$ (24,569,797)	\$ 457,335

**CITY OF UPLAND**

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

	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 18,288,333	\$ 16,279,713	\$ 17,207,416	\$ 17,656,767	\$ 18,376,071
Tax increment	7,628,784	4,813,601	-	-	-
Sales taxes	7,228,970	9,992,768	10,167,479	11,282,830	12,477,307
Other taxes	1,359,820	1,676,719	1,603,147	1,744,459	1,890,562
Investment income	411,082	100,072	26,819	61,284	93,147
Motor vehicle in lieu	674,770	179,479	190,258	217,444	852,384
Gain on sale of assets	47,086	9,682	-	51,530	14,151
Miscellaneous revenue	377,996	908,588	583,147	3,494,568	4,238,903
Extraordinary gain (note 21)	-	23,491,941	-	-	-
Special Item (note 16)	-	-	-	-	-
Transfers	1,135,830	1,195,158	5,922,919	(69,537)	122,245
Total governmental activities	<u>37,152,671</u>	<u>58,647,721</u>	<u>35,701,185</u>	<u>34,439,345</u>	<u>38,064,770</u>
Business-type activities:					
Investment income	330,946	186,316	53,563	28,549	99,832
Share of joint venture net income	-	-	-	-	-
Gain on sale of assets	-	20,350	-	-	-
Miscellaneous revenue	-	-	-	-	-
Transfers	(1,135,830)	(1,195,158)	(1,058,593)	69,537	(122,245)
Total business-type activities	<u>(804,884)</u>	<u>(988,492)</u>	<u>(1,005,030)</u>	<u>98,086</u>	<u>(22,413)</u>
Total primary government	<u>\$ 36,347,787</u>	<u>\$ 57,659,229</u>	<u>\$ 34,696,155</u>	<u>\$ 34,537,431</u>	<u>\$ 38,042,357</u>
<b>Changes in Net Position</b>					
Governmental activities	\$ (4,419,283)	\$ 14,867,485	\$ 1,348,821	\$ 6,773,664	\$ 8,809,392
Business-type activities	4,673,822	(1,464,278)	(445,602)	(1,471,945)	2,848,008
Total primary government	<u>\$ 254,539</u>	<u>\$ 13,403,207</u>	<u>\$ 903,219</u>	<u>\$ 5,301,719</u>	<u>\$ 11,657,400</u>

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,				
2016	2017	2018	2019	2020
\$ 19,309,037	\$ 20,482,854	\$ 16,343,119	\$ 16,831,839	\$ 18,055,721
-	-	-	-	-
13,909,909	13,293,304	13,673,539	14,507,927	13,579,780
1,778,356	2,740,447	2,696,807	2,692,051	2,819,493
216,843	326,531	(90,335)	1,012,981	1,232,765
429,308	223,315	40,421	36,969	62,114
32,589	4,180	-	132,623	-
394,567	355,677	321,564	271,298	180,584
-	-	-	-	-
-	-	(5,562,967)	-	-
(3,000)	67,000	-	814,669	-
36,067,609	37,493,308	27,422,148	36,300,357	35,930,457
148,205	189,704	415,529	761,947	1,187,036
-	-	-	-	-
-	-	-	(12,879)	-
-	-	-	-	-
3,000	(67,000)	-	(814,669)	-
151,205	122,704	415,529	(65,601)	1,187,036
\$ 36,218,814	\$ 37,616,012	\$ 27,837,677	\$ 36,234,756	\$ 37,117,493
\$ 2,622,619	\$ 3,813,498	\$ (6,344,878)	\$ 3,902,962	\$ 18,669,126
4,593,354	5,942,232	10,076,643	7,761,997	18,905,702
\$ 7,215,973	\$ 9,755,730	\$ 3,731,765	\$ 11,664,959	\$ 37,574,828

CITY OF UPLAND

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

	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$ 393,974	\$ 125,762	\$ 139,164	\$ 158,323	\$ 110,709
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	5,730,018	805,739	721,275	3,841,677	10,284,958
Total General Fund	<u>\$ 6,123,992</u>	<u>\$ 931,501</u>	<u>\$ 860,439</u>	<u>\$ 4,000,000</u>	<u>\$ 10,395,667</u>
Other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	23,005,460	10,208,668	15,078,398	18,683,199	34,769,384
Committed	-	-	-	-	-
Assigned	291,300	-	-	-	-
Unassigned	(2,192,732)	(83,676)	(1,525,535)	(112,511)	(20,372)
Total Other Governmental Funds	<u>\$ 21,104,028</u>	<u>\$ 10,124,992</u>	<u>\$ 13,552,863</u>	<u>\$ 18,570,688</u>	<u>\$ 34,749,012</u>

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,				
2016	2017	2018	2019	2020
\$ 63,831	\$ 75,325	\$ 64,869	\$ 73,803	\$ 68,061
-	-	18,473	18,473	53,073
-	-	4,670,418	4,670,418	7,750,840
-	-	-	-	-
14,478,664	15,254,150	9,479,082	18,538,881	16,404,123
<u>\$ 14,542,495</u>	<u>\$ 15,329,475</u>	<u>\$ 14,232,842</u>	<u>\$ 23,301,575</u>	<u>\$ 24,276,097</u>
\$ -	\$ -	\$ -	\$ -	\$ -
38,524,248	39,563,384	42,616,153	44,979,990	53,645,011
-	-	-	-	-
-	-	7,531	-	-
(254,428)	(4,088)	(296)	-	(246,676)
<u>\$ 38,269,820</u>	<u>\$ 39,559,296</u>	<u>\$ 42,623,388</u>	<u>\$ 44,979,990</u>	<u>\$ 53,398,335</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,				
	2011	2012	2013	2014	2015
<b>Revenues</b>					
Taxes	\$ 38,213,931	\$ 35,295,459	\$ 30,756,478	\$ 32,593,211	\$ 35,655,141
Licenses and permits	1,004,926	1,070,611	987,862	1,041,388	1,794,686
Charges for services	4,711,284	4,203,719	4,362,451	5,230,294	5,606,821
Fines and penalties	460,768	517,741	500,389	533,282	604,509
Investment income	281,201	100,072	27,704	57,147	92,100
Rental income	3,475,107	1,727,205	3,318,077	3,787,894	3,860,094
Intergovernmental	7,161,290	7,268,610	7,221,745	6,806,235	7,655,572
Other	908,044	1,182,183	1,254,136	4,659,040	5,317,007
Total revenues	56,216,551	51,365,600	48,428,842	54,708,491	60,585,930
<b>Expenditures</b>					
General government	5,360,853	5,991,749	4,805,137	5,138,890	3,420,069
Public safety	26,456,365	27,603,446	26,530,316	25,998,626	26,462,312
Engineering and public works	11,382,753	7,940,843	10,362,812	4,870,786	5,698,034
Development services	9,973,548	4,959,672	4,857,256	4,612,547	5,274,072
Community services	4,079,975	3,894,008	4,145,232	3,908,447	4,506,490
Debt service:					
Principal	1,860,000	1,925,000	210,000	220,000	235,000
Interest	2,227,951	1,242,428	317,068	293,657	282,901
Pass-through payments	1,442,542	801,386	-	-	-
Fiscal charges	3,300	3,319	3,300	3,300	6,659
Total expenditures	62,787,287	54,361,851	51,231,121	45,046,253	45,885,537
Excess (deficiency) of revenues over (under) expenditures	(6,570,736)	(2,996,251)	(2,802,279)	9,662,238	14,700,393
<b>Other financing sources (uses)</b>					
Transfers in	4,751,051	2,073,948	6,808,907	2,761,375	273,409
Transfers out	(3,615,221)	(1,129,300)	(870,049)	(3,919,838)	(2,478,470)
Extraordinary gain (loss) (note 21)	-	(14,129,606)	-	-	-
Proceeds from sale of capital assets	47,086	9,682	-	-	-
Issuance of capital leases	-	-	-	-	-
Payments to bond escrow	-	-	-	-	-
Issuance of bonds/debt	-	-	-	-	-
Total other financing sources(uses)	1,182,916	(13,175,276)	5,938,858	(1,158,463)	(2,205,061)
Net change in fund balances	\$ (5,387,820)	\$ (16,171,527)	\$ 3,136,579	\$ 8,503,775	\$ 12,495,332
Debt service as a percentage of noncapital expenditures*	7.5%	6.0%	1.2%	1.2%	1.1%

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

Fiscal Year Ended June 30,				
2016	2017	2018	2019	2020
\$ 37,799,228	\$ 38,830,352	\$ 32,719,390	\$ 36,119,214	\$ 35,505,234
1,875,032	3,009,862	5,164,222	4,354,120	6,164,957
5,392,160	5,857,984	2,785,383	3,055,102	2,843,447
594,417	619,646	646,874	989,437	893,964
187,819	86,173	38,881	1,813,945	1,679,486
4,013,904	4,191,730	4,738,192	5,003,949	5,156,573
5,435,521	5,798,858	5,579,860	5,518,173	6,812,160
1,273,394	1,742,663	934,735	1,727,759	550,605
56,571,475	60,137,268	52,607,537	58,581,699	59,606,426
3,658,673	4,950,630	2,154,855	1,918,770	1,956,329
28,178,150	31,733,042	23,950,547	23,653,097	25,977,681
7,874,070	9,380,001	15,361,147	12,907,584	9,842,367
5,262,923	5,446,549	6,366,818	5,343,038	5,735,938
4,216,350	3,518,510	3,170,399	3,279,498	3,240,983
258,368	288,319	18,677,299	674,583	695,406
296,236	360,854	715,062	840,116	817,235
-	-	-	-	-
2,258	3,575	-	-	-
49,747,028	55,681,480	70,396,127	48,616,686	48,265,939
6,824,447	4,455,788	(17,788,590)	9,965,013	11,340,487
1,208,553	517,960	224,081	1,035,556	1,725,996
(1,525,154)	(2,164,720)	(3,693,295)	(518,892)	(3,673,616)
-	-	-	-	-
1,600	-	-	132,623	-
200,524	-	-	-	-
-	-	-	-	-
-	-	22,210,487	-	-
(114,477)	(1,646,760)	18,741,273	649,287	(1,947,620)
\$ 6,709,970	\$ 2,809,028	\$ 952,683	\$ 10,614,300	\$ 9,392,867
1.1%	1.3%	31.7%	3.6%	4.1%

CITY OF UPLAND

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

	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
Residential	5,276,157	5,382,875	5,498,151	5,680,385	6,068,414
Commercial	809,416	820,057	823,190	849,188	873,943
Industrial	309,820	309,414	306,113	314,762	318,293
Dry Farm	4,746	4,021	4,029	4,184	4,186
Govt. Owned	934	941	960	979	983
Institutional	17,232	12,430	12,982	14,288	10,334
Irrigated	1,876	1,890	1,928	1,967	1,976
Miscellaneous	73,372	74,576	76,292	78,275	78,792
Recreational	18,770	17,828	18,041	14,322	14,353
Vacant	69,147	71,460	68,364	74,268	65,657
SBE Nonunitary	69	69	69	69	70
Unsecured	274,428	262,654	265,091	262,039	259,893
<b>TOTALS</b>	<b>6,855,966</b>	<b>6,958,214</b>	<b>7,075,211</b>	<b>7,294,725</b>	<b>7,696,894</b>
Total Direct Rate	<u>0.29273%</u>	<u>0.29248%</u>	<u>0.29337%</u>	<u>0.17491%</u>	<u>0.17491%</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 2010/11 - 2019/20 Combined Tax Rolls; HdL Coren & Cone

Fiscal Year				
2015/16	2016/17	2017/18	2018/19	2019/20
6,401,935	6,697,951	7,059,507	7,440,680	7,822,956
875,269	908,646	991,548	1,059,249	1,092,437
342,277	350,443	377,242	401,508	405,874
470	477	487	497	507
1,003	1,018	1,039	1,060	1,554
9,826	13,908	11,982	12,730	8,269
2,015	1,640	1,673	1,707	1,741
80,400	103,978	76,233	78,464	84,498
14,804	14,162	13,758	13,812	14,875
84,782	91,043	132,223	127,536	150,349
70	70	70	69	180
268,858	249,241	230,214	246,034	251,133
8,081,709	8,432,577	8,895,976	9,383,346	9,834,373
<u>0.17492%</u>	<u>0.17492%</u>	<u>0.17492%</u>	<u>0.08257%</u>	<u>0.09330%</u>

**CITY OF UPLAND**

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

Fiscal Year	Residential		Commercial		Public Agency		Irrigation	
	Gallons Consumed	% of Total	Gallons Consumed	% of Total	Gallons Consumed	% of Total	Gallons Consumed	% of Total
2011	4,456,138,940	74.4%	648,324,512	10.8%	229,503,604	3.8%	655,200,876	10.9%
2012	4,648,953,144	74.3%	694,179,156	11.1%	238,037,536	3.8%	677,373,092	10.8%
2013	4,825,517,048	73.7%	733,835,124	11.2%	241,184,372	3.7%	750,007,632	11.4%
2014	4,930,872,848	72.8%	729,473,536	10.8%	218,617,212	3.2%	895,623,036	13.2%
2015	4,456,746,316	71.4%	718,672,416	11.5%	210,080,288	3.4%	860,493,216	13.8%
2016	3,566,689,896	70.7%	650,598,432	12.9%	176,596,816	3.5%	649,350,020	12.9%
2017	3,848,856,440	71.0%	680,205,768	12.5%	177,463,748	3.3%	717,650,648	13.2%
2018	4,243,225,976	70.1%	717,147,992	11.8%	186,568,404	3.1%	909,118,452	15.0%
2019	3,804,467,128	69.4%	659,586,400	12.0%	165,040,216	3.0%	852,306,356	15.5%
2020	3,940,665,212	71.5%	592,244,708	10.7%	167,931,236	3.0%	813,682,628	14.8%

Source: Finance Division, City of Upland

**CITY OF UPLAND**

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

<u>Agency</u>	<u>Fiscal Year</u>				
	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
<b>Basic Levy<sup>1</sup></b>	1.00000	1.00000	1.00000	1.00000	1.00000
Alta Loma Elementary Bond	0.04510	0.04530	0.04580	0.04500	0.04370
Central Elementary Bond	0.06900	0.06880	0.07270	0.07110	0.06600
Chaffey Community College Bond	0.00910	0.01530	0.01110	0.01570	0.01090
Chaffey High School Bond	0.01920	0.01940	0.01010	0.03710	0.02940
Metropolitan Water Agency	0.00370	0.00370	0.00350	0.00350	0.00350
Ontario-Montclair Elementary Bond	0.03360	0.02890	0.02740	0.02940	0.02600
Upland Unified School Bond	0.04430	0.04740	0.05240	0.04840	0.04620
<b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b>	<u>1.22400</u>	<u>1.22880</u>	<u>1.22300</u>	<u>1.25020</u>	<u>1.22570</u>
<b>City Share of 1% levy per Prop 13<sup>3</sup></b>	0.17482	0.17482	0.17482	0.17482	0.17482
<b>Redevelopment Rate<sup>4</sup></b>	1.00370	1.00370	n/a	n/a	n/a
<b>Total Direct Rate<sup>5</sup></b>	<u>0.29273</u>	<u>0.29248</u>	<u>0.29337</u>	<u>0.17491</u>	<u>0.17491</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. ERAF general fund tax shifts may not be included in tax ratio figures.

<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 to 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 purpose 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 2010/11 - 2019/20 Tax Rate Table; HdL Coren & Cone

Fiscal Year				
<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
1.00000	1.00000	1.00000	1.00000	1.00000
0.04170	0.04080	0.05640	0.06800	0.06530
0.06500	0.06880	0.06700	0.04650	0.05020
0.01130	0.01160	0.00880	0.01530	0.02410
0.04090	0.03190	0.02790	0.04020	0.03750
0.00350	0.00350	0.00350	0.00350	0.00350
0.02680	0.02640	0.05570	0.05550	0.04280
0.05250	0.06070	0.05510	0.05870	0.05600
<u>1.24170</u>	<u>1.24370</u>	<u>1.27440</u>	<u>1.28770</u>	<u>1.27940</u>
0.17482	0.17482	0.17482	0.08042	0.09353
n/a	n/a	n/a	n/a	n/a
<u>0.17492</u>	<u>0.17492</u>	<u>0.17492</u>	<u>0.08257</u>	<u>0.09330</u>

**CITY OF UPLAND**

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

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Colonies-Pacific LLC	\$ 161,854,701	1	1.65%	\$ 39,754,525	2	0.58%
College Park Apartment Homes LP	52,889,910	2	0.54%	27,105,530	9	0.40%
MG Stoneridge Village Grove LLC	46,154,546	3	0.47%			
Rancho Monte Vista Apartment Homes	44,728,904	4	0.45%	39,011,879	3	0.57%
WNG Mountain Springs GP	39,359,576	5	0.40%	34,014,157	6	0.50%
Dee Matreyek-Kurth Non Exempt Trust	36,424,095	6	0.37%			
NU-168 Apartments LLC	35,135,366	7	0.36%	30,363,633	8	0.44%
AMFP IV Alvista	35,019,865	8	0.36%			
College Business Park LLC	34,277,019	9	0.35%			
CT Retail Properties Finance II LLC	33,759,915	10	0.34%	37,180,885	5	0.54%
Granite Sr Woodlane LLC				42,647,722	1	0.62%
Koll Per College Business Park, LLC				38,493,000	4	0.56%
Bill and Mary Matreyek Trust				32,825,179	7	0.48%
Pres-Mountain Grove LP				26,133,835	10	0.38%
<b>Totals</b>	<b>\$ 519,603,897</b>		<b>5.28%</b>	<b>\$ 347,530,345</b>		<b>5.07%</b>

Source: San Bernardino County Assessor 2019/20 Combined Tax Roll and the SBE Non Unitary Tax Roll

**CITY OF UPLAND**

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

Water Purchaser	2020			2011		
	Gallons Consumed	Rank	Percentage of Total Gallons Consumed	Gallons Consumed	Rank	Percentage of Total Gallons Consumed
City of Upland	226,645,496	1	4.1%	195,541,412	1	3.3%
Upland Development, LLC	122,727,352	2	2.2%			
Upland Unified School District	103,692,996	3	1.9%	102,576,980	3	1.8%
Mountain View Land Co.	84,484,356	4	1.5%	47,015,540	5	0.8%
San Antonio Community Hospital	49,374,732	5	0.9%	54,752,852	4	0.9%
Upland Hills Estates HOA	46,589,180	6	0.8%			
State of California Dept of Trans	42,332,312	7	0.8%			
Upland Hills CC COA	39,036,624	8	0.7%			
Upland Meadows Management CO. LP	27,910,124	9	0.5%	32,022,628	6	0.5%
College Park Apartment Homes	24,452,120	10	0.4%			
Sanbag				104,972,824	2	1.7%
CALTRANS				23,573,968	8	0.4%
Upland Cascade				26,030,400	7	0.4%
Upland Housing Authority				19,223,600	9	0.3%
Upland El Dorado				14,202,276	10	0.2%
Totals	<u>767,245,292</u>		<u>13.9%</u>	<u>619,912,480</u>		<u>10.4%</u>

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
2011	9,574,988	9,209,935	96.19%	N/A	9,209,935	96.19%
2012	9,732,257	9,265,615	95.21%	N/A	9,265,615	95.21%
2013	9,881,310	9,452,806	95.66%	N/A	9,452,806	95.66%
2014	10,195,064	9,902,877	97.13%	N/A	9,902,877	97.13%
2015	10,792,671	10,512,265	97.40%	N/A	10,512,265	97.40%
2016	11,319,306	11,049,460	97.62%	N/A	11,049,460	97.62%
2017	11,883,283	11,615,501	97.75%	N/A	11,615,501	97.75%
2018	12,310,682	12,120,710	98.46%	N/A	12,120,710	98.46%
2019 <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%

**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	Tax Allocation Notes <sup>(b)</sup>	Housing Bonds	Capital Leases	Clean Renewable Energy Bonds	
2011	1,365,000	41,145,000	18,000,000	124,532	-	60,634,532
2012	1,160,000	-	18,000,000	-	-	19,160,000
2013	950,000	-	18,000,000	-	-	18,950,000
2014	730,000	-	18,000,000	-	-	18,730,000
2015	495,000	-	18,000,000	-	-	18,495,000
2016	250,000	-	18,000,000	187,156	-	18,437,156
2017	-	-	18,000,000	148,837	-	18,148,837
2018	-	-	14,420,150	2,736,044	4,525,832	21,682,026
2019	-	-	13,905,615	2,607,411	4,494,189	21,007,215
2020	-	-	13,372,270	2,467,202	4,472,265	20,311,737

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.

(b) As a result of the dissolution of the Redevelopment Agency on January 31, 2012 indebtedness was transferred to the Successor Agency.

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

---

Business-type Activities				
Water Lease Revenue Bonds	Total Primary Government	Percentage of Personal Income (a)	Debt Per Capita (a)	Fiscal Year Ended June 30,
13,327,924	73,962,456	3.46%	971.83	2011
12,746,534	31,906,534	1.45%	427.89	2012
11,958,964	30,908,964	1.41%	412.63	2013
11,282,566	30,012,566	1.38%	399.38	2014
10,483,221	28,978,221	1.36%	386.00	2015
9,658,875	28,096,031	1.29%	370.79	2016
8,809,529	26,958,366	1.21%	351.07	2017
8,435,184	30,117,210	1.32%	391.05	2018
8,045,838	29,053,053	1.20%	370.19	2019
7,646,493	27,958,230	1.12%	354.74	2020

CITY OF UPLAND

**DIRECT AND OVERLAPPING BOND DEBT**  
**JUNE 30, 2020**

<u>2019-20 Assessed Valuation:</u>			\$9,820,386,020
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt		City's Share of
	6/30/2020	% Applicable (1)	Debt 6/30/20
Metropolitan Water District	\$37,300,000	0.32%	\$118,614
Chaffey Community College District	318,275,000	8.144	25,920,316
Upland Unified School District	95,424,688	92.589	88,352,764
Chaffey Union High School District	486,526,948	0.819	3,984,656
Alta Loma School District	57,974,945	0.533	309,006
Central School District	46,983,660	2.001	940,143
Ontario-Montclair School District	114,200,015	2.759	3,150,778
Upland Unified School District Community Facilities District No. 99-1	1,273,000	100	1,273,000
Upland Unified School District Community Facilities District No. 01-1	1,685,000	100	1,685,000
City of Upland Community Facilities District No. 2003-1	1,240,000	100	1,240,000
City of Upland Community Facilities District No. 2003-2, I.A. Nos. 1 & 2	33,475,000	100	33,475,000
City of Upland Community Facilities District No. 2015-1, I.A. No. 1	9,160,000	100	9,160,000
City of Upland Community Facilities District No. 2016-1, I.A. No. 1	8,325,000	100	8,325,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$177,934,277
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
San Bernardino County General Fund Obligations	\$239,140,000	4.14%	\$9,907,570
San Bernardino County Pension Obligation Bonds	237,212,638	4.143	9,827,720
San Bernardino County Flood Control District General Fund Obligations	57,155,000	4.143	2,367,932
Chaffey Community College District General Fund Obligations	29,955,000	8.144	2,439,535
<b>City of Upland Equipment Lease Obligations</b>	<b>6,939,762</b>	<b>100</b>	<b>6,939,762</b>
<b>City of Upland Housing Revenue Bonds</b>	<b>13,372,152</b>	<b>100</b>	<b>13,372,152</b>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$44,854,671
Less: <b>City of Upland Housing Revenue Bonds (100% supported from housing related revenues)</b>	<b>13,372,152</b>		
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$31,482,519
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$20,765,000	100.00%	\$20,765,000
<b>TOTAL GROSS DIRECT DEBT</b>			<b>\$20,311,914</b>
<b>TOTAL NET DIRECT DEBT</b>			<b>\$6,939,762</b>
TOTAL OVERLAPPING DEBT			\$223,242,034
GROSS COMBINED TOTAL DEBT			\$243,553,948 (2)
NET COMBINED TOTAL DEBT			\$230,181,796
<u>Ratios to 2019-20 Assessed Valuation:</u>			
Total Overlapping Tax and Assessment Debt	1.81%		
<b>Total Gross Direct Debt (\$20,311,914)</b>	<b>0.21%</b>		
<b>Total Net Direct Debt (\$6,939,762)</b>	<b>0.07%</b>		
Gross Combined Total Debt	2.48%		
Net Combined Total Debt	2.34%		
<u>Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,763,471,593):</u>			
Total Overlapping Tax Increment Debt	1.18%		

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

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

(2) Excludes tax and revenue anticipation notes, enterprise

**CITY OF UPLAND**

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

	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
Debt Limit	\$ 882,507,215	\$ 895,958,208	\$ 1,058,579,687	\$ 1,091,662,967	\$ 1,152,315,001
Total Net Debt Applicable to Limit	-	-	-	-	-
Legal Debt Margin	\$ 882,507,215	\$ 895,958,208	\$ 1,058,579,687	\$ 1,091,662,967	\$ 1,152,315,001
Total Net Debt Applicable to The Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2019:

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 redevelopment project areas.

Fiscal Year Ended June 30,				
2016	2017	2018	2019	2020
\$ 1,210,072,895	\$ 1,263,218,981	\$ 1,332,692,325	\$ 1,405,592,832	\$ 1,473,057,903 <sup>1</sup>
-				
\$ 1,210,072,895	\$ 1,263,218,981	\$ 1,332,692,325	\$ 1,405,592,832	\$ 1,473,057,903
0.00%	0.00%	0.00%	0.00%	0.00%
				\$ 9,820,386,020
				1,473,057,903
				-
				<u>\$ 1,473,057,903</u>

**CITY OF UPLAND**

**PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Water Bonds						
Fiscal Year Ended June 30,	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2011	22,582,581	14,164,896	8,417,685	630,000	735,443	6.16
2012	16,873,954	17,468,067	(594,112)	655,000	1,023,096	(0.35)
2013	17,122,606	15,146,422	1,976,184	760,000	407,969	1.69
2014	18,184,342	16,532,719	1,651,623	750,000	463,325	1.36
2015	22,713,561	17,673,638	5,039,923	765,000	442,475	4.17
2016	18,601,416	13,367,187	5,234,229	760,000	419,150	4.44
2017	21,436,735	17,418,778	4,017,957	815,000	361,406	3.42
2018	28,076,336	18,979,818	9,096,518	340,000	340,868	13.36
2019	26,203,575	19,636,043	6,567,532	355,000	327,673	9.62
2020	35,276,713	19,764,310	15,512,403	365,000	313,174	22.87

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

Source: Finance Division, City of Upland

---

Special Assessment Bonds

---

Special Assessment Collections	Debt Service		Coverage
	Principal	Interest	
3,337,663	365,000	2,542,803	1.15
3,358,321	440,000	2,525,223	1.13
3,022,803	520,000	2,356,637	1.05
2,935,287	700,000	2,107,620	1.05
2,973,637	820,000	2,080,248	1.03
2,731,961	1,305,000	1,441,090	0.99
2,863,814	1,160,000	1,635,846	1.02
2,822,587	1,250,000	1,598,954	0.99
3,384,728	1,330,000	1,666,350	1.13
3,946,683	1,631,434	1,996,055	1.09

**CITY OF UPLAND**

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

---

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (in thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2010	76,106	\$ 2,138,350	\$ 28,097	14,232	9.9%
2011	74,568	\$ 2,193,940	\$ 29,422	11,927	9.1%
2012	74,907	\$ 2,192,004	\$ 29,263	11,908	6.5%
2013	75,147	\$ 2,182,720	\$ 29,046	11,665	5.6%
2014	75,074	\$ 2,130,600	\$ 28,380	11,380	5.9%
2015	75,774	\$ 2,182,404	\$ 28,801	11,138	4.8%
2016	76,790	\$ 2,226,460	\$ 28,994	11,028	4.2%
2017	77,017	\$ 2,274,591	\$ 29,533	10,913	2.5%
2018	78,481	\$ 2,417,412	\$ 30,802	10,702	3.3%
2019	78,814	\$ 2,503,598	\$ 31,765	10,580	3.1%

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

**CITY OF UPLAND**

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

Employer	2019*			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
San Antonio Community Hospital				2,001	1	7.9%
Upland Unified School District				1,435	2	5.7%
Home Depot				351	6	1.4%
Upland Rehabilitaion & Care Center						
Wal Mart				400	5	1.6%
Lewis Group				300	9	1.2%
Target				250	10	1.0%
Lowe's Home Center						
City of Upland				325	8	1.3%
Holliday Rock Co. Inc						
Kohl's Department Store				501	3	2.0%
Insurance Agency Network				500	4	2.0%
Shield Security				335	7	1.3%
Totals	<u>-</u>		<u>0.0%</u>	<u>6,398</u>		<u>25.2%</u>

\*2020 data not available due to COVID-19, unknown at year-end, and workplace closures.  
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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	102.00	75.00	75.50	78.25	78.00	64.00	58.00	58.00	57.00	67.00
Public safety										
Police										
Officers	85.00	76.00	70.00	70.00	70.00	74.00	75.00	75.00	75.00	75.00
Civilians	42.00	28.00	22.50	22.50	22.50	26.00	30.00	31.00	37.00	30.00
Fire										
Firefighters and officers	43.00	41.00	41.00	40.00	40.00	40.00	40.00	-	-	- <sup>1</sup>
Civilians	9.00	9.00	9.00	9.00	9.00	9.00	9.00	-	-	- <sup>1</sup>
Highways and streets										
Engineering	6.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Operations	20.00	23.00	23.00	23.00	22.00	23.50	23.50	23.50	23.50	23.50
Recreation	11.50	7.50	7.50	7.50	7.50	6.00	6.00	5.00	5.00	5.00
Water	23.00	22.00	24.00	24.00	24.00	24.00	24.00	24.00	27.00	31.00
Solid Waste Utility	1.00	-	-	-	-	-	-	-	-	1.00
Environmental Quality	6.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
<b>Total</b>	<b>348.50</b>	<b>289.50</b>	<b>279.50</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>

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,				
	2011	2012	2013	2014	2015
<b>Fire</b>					
Stations	5	5	5	5	5
<b>Police</b>					
Patrol Units	24	23	23	23	22
Motorcycles	6	6	5	4	5
<b>Library</b>					
Facilities	1	1	1	1	1
<b>Recreation</b>					
Buildings	3	3	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
<b>Public Works</b>					
Miles of City Streets	208.90	208.90	208.90	208.90	208.90
Miles of State Highways	6.70	6.70	6.70	6.70	6.70
Miles of City Alleys	37.50	37.50	37.50	37.50	37.50
<b>Water</b>					
Miles of Water Mains	240.26	240.26	240.26	240.26	240.88
<b>Sewer</b>					
Miles of Sewer Lines	228.00	228.00	228.00	228.00	228.00

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.

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

Fiscal Year Ended June 30,				
2016	2017	2018	2019	2020
5	5	1	1	1 <sup>1</sup>
22	22	24	24	25
5	4	4	5	4
1	1	1	1	1
4	4	4	4	4
13	13	13	13	13
6	6	6	6	6
8	8	8	8	8
3	3	3	3	3
209.20	209.25	209.85 <sup>2</sup>	210.01	210.01
6.70	6.20	6.20	6.20	6.20
37.50	37.50	37.50	37.50	37.50
243.70	255.60	245.71	247.08	247.08
228.00	222.00	222.00	224.01	224.06

**CITY OF UPLAND**

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

Function	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
General government					
Building permits issued	1,055	1,042	1,120	1,408	2,007
Police					
Physical arrests	4,476	3,809	3,104	4,272	3,532
Traffic collisions	755	666	634	667	690
Fire					
Emergency responses	7,120	7,300	7,865	9,482	8,855
Public Works					
Miles of street sweeping	10,488	14,172	14,484	14,484	13,009
Potholes repaired	2,184	918	831	910	2,400
Number of trees pruned	3,349	9,235	5,405	5,671	5,015
Parks and recreation					
Community center admissions	8,653	8,454	9,093	9,406	9,450
Library					
Volumes in collection	154,463	159,746	157,769	117,295	113,146
Current Periodical & Serial Subscriptions	267	81	73	340	83
Audio-visual items	8,341	8,454	7,464	5,911	5,947
Water					
New meter installations	376	292	550	1,056	981
Average daily consumption (thousands of gallons)	16,529	21,838	21,087	20,690	17,848
Number of linear feet of new water pipelines	7,380	17,240	3,859	-	1,531
Refuse collection					
Refuse collected (tons per day)	137	129	130	144	140
Recyclables collected (tons per day)	68	72	65	72	64
Environmental Quality					
Number of sewer inspections conducted	208	199	207	210	201
Number of permitted dischargers/active permits	197	196	192	194	197

Source: Various Departments, City of Upland

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

Fiscal Year Ended June 30,				
2016	2017	2018	2019	2020
1,176	1,095	2,040	2,327	1,365
3,013	4,377	3,477	3,670	2,198
814	867	724	607	535
9,607	9,647	404	0	0 <sup>1</sup>
14,600	15,000	10,800	11,600	11,000
318	720	550	650	700
2,378	2,273	4,288	5,850	5,200
8,868	6,864	6,703	7,208	4,372
111,548	107,760	82,577	103,466	73,092
97	42	466	40	760
5,695	5,154	4,302	2,916	5,340
894	1,233	1,500	153	210
14,209	15,572	17,276	15,650	15,732
3,668	1,627	18,091	6,581	-
158	151	165	158	162
68	65	76	68	77
208	211	148	145	5
193	195	191	193	193