

City of Upland, California Annual Comprehensive Financial Report



**Fiscal Year Ended
June 30, 2025**

CITY OF UPLAND, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2025

Prepared by
Finance Division

City of Upland
Annual Comprehensive Financial Report
Year Ended June 30, 2025

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INTRODUCTORY SECTION



December 18, 2025

To the Honorable Mayor, Members of the City Council and Citizens of the City of Upland, California:

The *Annual Comprehensive Financial Report* of the City of Upland, California for the fiscal year ended June 30, 2025 is hereby submitted.

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

The Scope of the Annual Comprehensive Financial Report

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

The City of Upland

The City of Upland is situated on the western border of San Bernardino County, bordered by the cities of Claremont, Montclair, Ontario and Rancho Cucamonga. Upland, known as the "City of Gracious Living", is nestled at the base of the San Gabriel Mountains and encompasses 15.2 square miles. It has an estimated population of 79,684 people as of July 2024.

It was the year of 1882 when brothers, George and W.B. Chaffey, arrived in California from Canada seeking a new place for a colony. The wide stretch of green against the foothills was lush and fertile, and they had found that for which they were looking. After acquiring the land,



they used wise and long-range planning which facilitated giving Upland its unique characteristics. Upland's wide, main, thorough way named Euclid Avenue (which the Chaffey's named after the "Father" of geometry) is still an attraction and the envy of many. Upland was incorporated on May 15, 1906 and utilizes a Council-Manager form of government. The City provides a wide range of traditional municipal and public enterprise services.

Services Provided by the City of Upland

Municipal Services

General Administrative Support
Public Safety
Highways and Streets
Public Improvements
Planning and Zoning
Development Services and Housing
Library and Cultural
Recreation and Parks

Public Enterprise Services

Water Utility
Solid Waste Utility
Sewer Utility

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

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

Local Economy

The United States' economy is estimated to have grown by 3.8% in 2025 compared to the same quarter a year ago largely due to consumers making and spending more. The City of Upland saw a decrease in its sales tax revenues, which reduced by 0.8% in Fiscal Year 2024/25. The decrease is primarily due to a decline in auto/transportation sales and fuel stations given the reduction of gas per gallon costs.



The federal government's approval of the American Rescue Plan Act (ARPA) in March 2021 provided Upland with \$15.2 million, and a unique opportunity to invest in the community. During Fiscal Year 2024/25, the City spent \$2.3 million on public safety enhancements, upgraded technology systems, park improvements and infrastructure projects. All ARPA funding must be fully expended no later than December 31, 2026.

The U.S. Federal Reserve has shifted from a rapid tightening in 2022 to holding steady and beginning cuts, with four interest rate reductions over the past year. Nevertheless, with the year-over-year Consumer Price Index (CPI) rising to 3.0% as of September 2025, the economic outlook remains uncertain. Ongoing tariff uncertainty, and tighter credit conditions are expected to constrain growth, resulting in modest expansion in consumer spending and business activity. These conditions are further compounded by signs of labor market softening. The unemployment rate increased to 4.6% in November 2025, the highest level observed since September 2021, accompanied by net job losses in June and August 2025.

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

In June 2024, the City Council adopted a resolution reaffirming a General Fund Reserve Policy, which was originally adopted June 2021. The Reserve Policy establishes an economic uncertainty reserve of 25% and an emergency disaster contingency reserve. When those are fully funded, any year-end operating surplus will go to the pension stabilization reserve (45%), infrastructure improvement reserve (30%), building replacement reserve (15%) and general plan update reserve (5%), with the remaining 5% set aside as unassigned. This intentional setting aside of funds ensures that money is available to address needs both in the present and the future.

The City of Upland's economic growth continued during Fiscal Year 2024/25. Real estate assessed values increased from the prior fiscal year by \$634.9 million or a net taxable value increase of 4.9%. The inflation adjustment for 2025/26 will be the full 2.0% allowed by Proposition 13 as received in the prior year. The median sale price of a detached single family residential home in Upland is \$860,500; a 0.6% increase compared to the previous year.

As interest rates decline, housing inventory is expected to moderately increase in 2026 which will keep both home sales and prices strong. The market conditions should continue to keep property tax revenue stable in the coming year.

Sales tax revenue for Fiscal Year 2024/25 totaled \$23.8 million, a 3.3% decline from the previous year. This performance places the City behind most other San Bernardino County



communities, indicating a downward economic trend locally. Looking ahead, HdL's latest forecast projects that sales tax revenues in Fiscal Year 2025/26 will fall by an additional \$1.6 million. This anticipated decline is driven by a more cautious outlook for the building and construction sector, as well as rising economic uncertainty amid increasing recession risks.

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 budget by June 30 biennially. 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 in the adoption of the biennial budget. Revenues and expenditures are monitored throughout the year, with a first quarter, and mid-year budget updated provided to the City Council each fiscal year.

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 HUD Economic Development Initiative Special Revenue Fund and the Public Financing Authority Debt Service funds for which no budget is legally adopted and therefore no budget comparison schedule will be presented.



OTHER RELEVANT INFORMATION

Auditor's Opinion

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

Certificate of Achievement


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Upland for its ACFR for the fiscal year ended June 30, 2024. To receive the award, a governmental unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards, and satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement program requirements and we are submitting it to GFOA.

Acknowledgements


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

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

Respectfully submitted,



Michael Blay
City Manager



Stephen Parker, CPA
Assistant City Manager

Officials of the City of Upland

Elected Officials

Bill Velto, Mayor

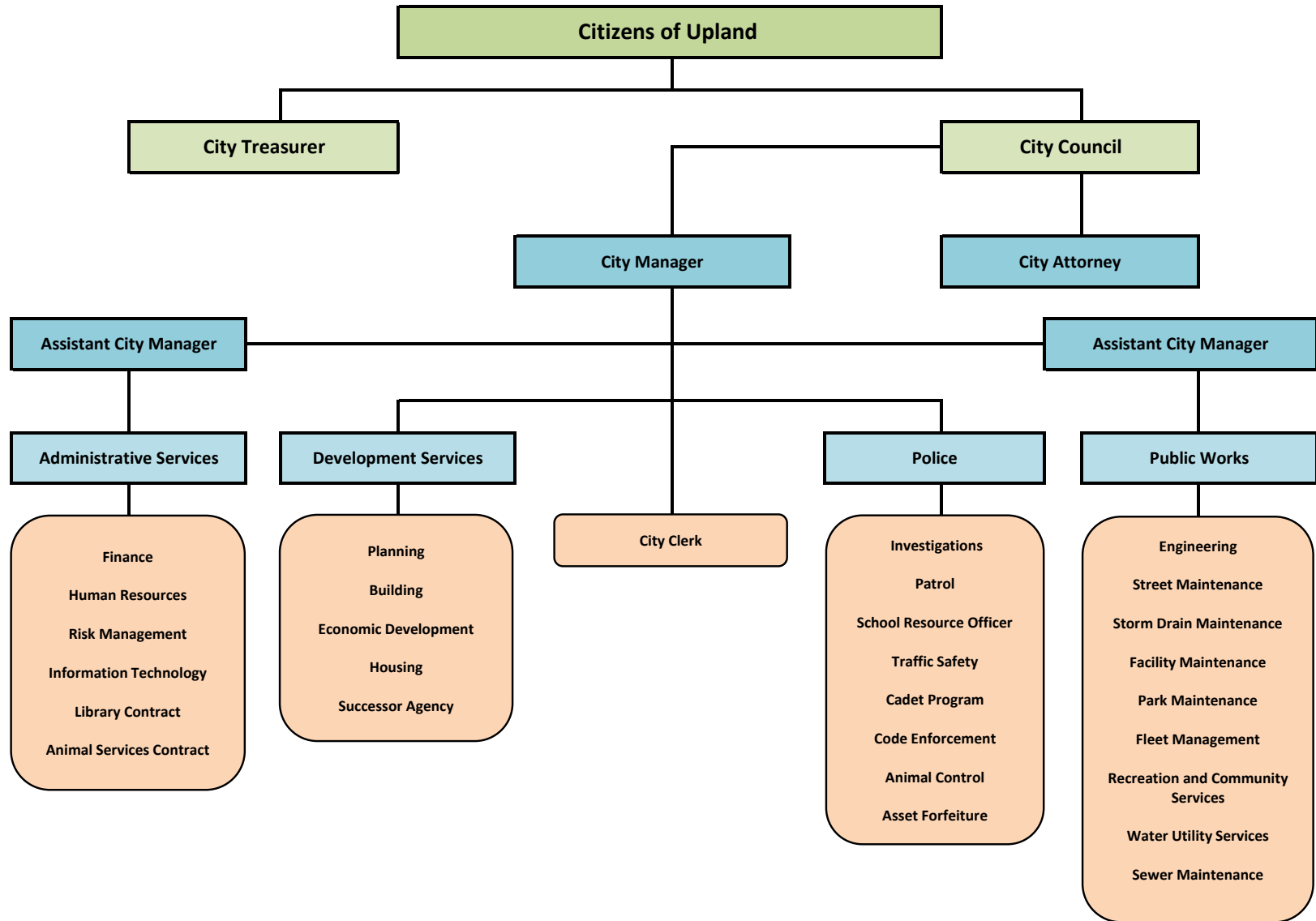
Shannan Maust	Councilmember District 1
James Breitling	Councilmember District 2
Carlos A. Garcia	Councilmember District 3
Rudy Zuniga	Councilmember District 4
Greg Bradley	City Treasurer

Executive Staff

Michael Blay, City Manager

Stephen Parker, CPA	Assistant City Manager - Administrative Services
Damien Arrula	Assistant City Manager - Public Works
Marcelo Blanco	Chief of Police
Robert D. Dalquest	Development Services Director
Stephen Deitsch	City Attorney

City of Upland
Organizational Chart
Fiscal Year 2024-25





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Upland
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Independent Auditor's Report

The Honorable City Council
City of Upland, California

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Upland, California (City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Upland, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the West End Consolidated Water Company and the San Antonio Water Company, which represent 100%, 100%, and 100%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the West End Consolidated Water Company and the San Antonio Water Company, are based solely on the report of other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Van Lant & Fankhanel, LLP

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report date December 22, 2025, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.



December 22, 2025
Murrieta, CA

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2025

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, 2025. 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 \$472.3 million; this is an increase of \$18.1 million or 4.0% in comparison with the prior year.
- ◆ The City's total assets and deferred outflows increased by \$0.6 million during the fiscal year. The largest change was cash increased by \$15.6 million, receivables increased by 1.2 million and capital assets inventory decreased by \$0.2 million. Other significant changes include a \$14.5 million decrease in deferred outflows of resources primarily for pensions and other post-employment benefits (OPEB) related to the differences between the employer's contributions and the employer's proportionate share of contributions.
- ◆ The City's liabilities and deferred inflows decreased by \$17.5 million. Significant changes from prior year balances include a decrease of \$12.4 million in deferred inflows of resources primarily for pension and OPEB related items due to a change in employer's proportion and differences; a decrease of \$5.7 million for noncurrent liabilities due in more than one year primarily due to a decrease of \$4.4 in net pension liability; an increase of \$1.0 million for current liabilities due in less than one year; a decrease in unearned revenue of \$2.3 million as the City spent ARPA funds received in 2021 and 2022; and an increase of \$2.9 million in accounts payable and other current liabilities.
- ◆ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$81.9 million, an increase of \$4.9 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 \$191.7 million, an increase of \$9.2 million in comparison with the prior year.
- ◆ At the end of the fiscal year, the unassigned fund balance for the General Fund was (\$7.4 million) due to GASB rules surrounding an internal borrowing. This represents an improvement of \$1.2 million from the prior year. Restricted fund balance increased by \$3.4 million to \$10.9 million and assigned fund balance remained at zero as fund balance cannot be assigned if unassigned fund balance is negative. Additional information can be found in footnote 1 section P and footnote 14.

Using This Annual Report

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

Reporting the City's Most Significant Funds

An analysis of the City's major funds begins on page 9. The fund financial statements begin on page 19 and provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law, grant requirements or by bond covenants. The City Council has established many other funds to help it control and manage other monies for specific purposes. The City's two kinds of funds - governmental and proprietary - use different accounting approaches.

- ◆ Governmental funds - Most of the City's basic services are reported in governmental funds which focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be used (in the future) to finance the City's programs. The difference of results in the governmental fund's statements to those in the government-wide financial statements are explained in a reconciliation schedule following the governmental funds financial statements.
- ◆ Proprietary funds - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows. The City uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities; an example of such is the City's Self-Insurance fund. The internal service funds are reported with governmental activities in the government-wide financial statements.
- ◆ Fiduciary Funds – The City is responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on pages 29 and 30 respectively. The City excludes these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring the assets reported in these funds are used for their intended purposes.

Reporting the City as a Whole

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

City of Upland's Total Net Position

As noted earlier, the City's combined Total Net Position is \$472.3 million. The City's net position increased by \$18.1 million due to an increase in liabilities and assets (including deferred outflows of resources) of \$0.6 million and a decrease of deferred inflows of resources by \$17.5 million. Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses, changes in and total net position are presented in the Statement of Activities. The City's combined Net Position for the fiscal year ended June 30, 2025 was:

Table 1
Net Position (In Millions)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 116.1	\$ 110.9	\$ 129.6	\$ 119.4	\$ 245.7	\$ 230.3
Capital assets	287.8	286.6	106.9	108.3	394.7	394.9
Total assets	403.9	397.5	236.5	227.7	640.4	625.2
Deferred outflows of resources	30.6	45.2	1.7	1.7	32.3	46.9
Long-term liabilities	120.6	123.2	34.8	37.9	155.4	161.1
Other liabilities	16.3	18.5	11.0	8.1	27.3	26.6
Total liabilities	136.9	141.7	45.8	46.0	182.7	187.7
Deferred inflows of resources	17.0	29.2	0.7	1.0	17.7	30.2
Net position:						
Net investment in capital assets	271.4	269.1	87.4	86.8	358.8	355.9
Restricted	48.3	42.0	-	-	48.3	42.0
Unrestricted	(39.1)	(39.3)	104.3	95.6	65.2	56.3
Total net position	\$ 280.6	\$ 271.8	\$ 191.7	\$ 182.4	\$ 472.3	\$ 454.2

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

Table 2
Change in Net Position
(In Millions)

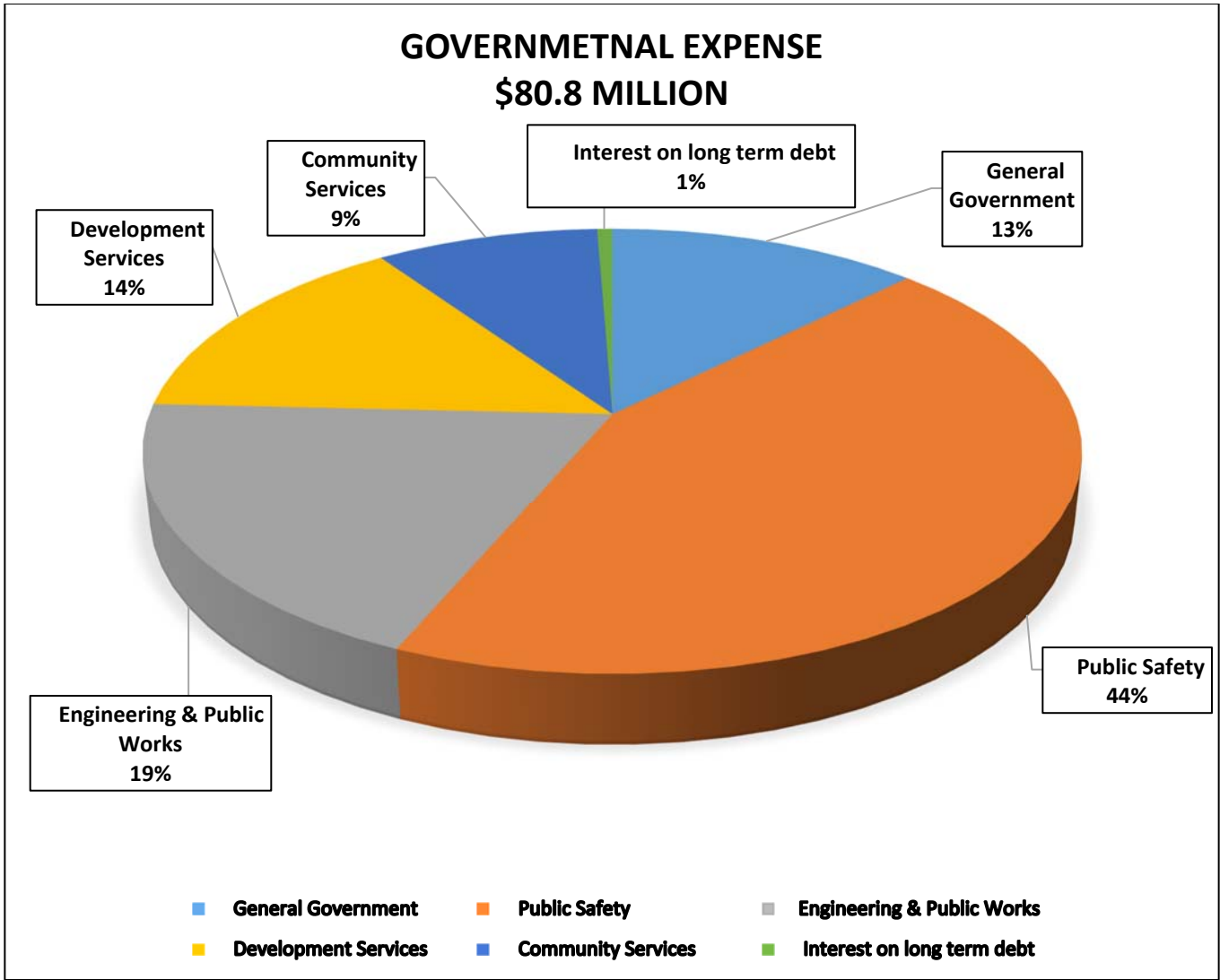
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for services	\$ 16.2	\$ 14.0	\$ 67.4	\$ 59.6	\$ 83.6	\$ 73.6
Operating						
Contributions/Grants	7.7	9.3	0.1	0.1	7.8	9.4
Capital Contributions	11.5	9.8	-	-	11.5	9.8
General Revenues						
Taxes						
Property Taxes	22.7	21.8	-	-	22.7	21.8
Sales Tax	23.8	24.6	-	-	23.8	24.6
Franchise Taxes	1.3	1.5	-	-	1.3	1.5
Transient Occupancy Taxes	0.4	0.4	-	-	0.4	0.4
Business License Taxes	1.2	1.3	-	-	1.2	1.3
Other Taxes	0.4	0.6	-	-	0.4	0.6
Investment Income	3.7	2.3	-	1.7	3.7	4.0
Motor Vehicle In Lieu	0.1	0.1	-	-	0.1	0.1
Sale of Capital Asset	-	-	-	-	-	-
Miscellaneous Revenues	0.1	0.1	2.9	-	3.0	0.1
Total Revenues	<u>89.1</u>	<u>85.8</u>	<u>70.4</u>	<u>61.4</u>	<u>159.5</u>	<u>147.2</u>
Expenses						
General government	10.2	7.3	-	-	10.2	7.3
Public Safety	35.4	33.5	-	-	35.4	33.5
Public Works	15.6	13.7	-	-	15.6	13.7
Development Services	11.8	9.5	-	-	11.8	9.5
Community Services	7.3	6.9	-	-	7.3	6.9
Interest on long term debt	0.5	0.9	-	-	0.5	0.9
Water	-	-	27.7	25.4	27.7	25.4
Refuse	-	-	21.2	18.6	21.2	18.6
Sewer	-	-	12.9	12.6	12.9	12.6
Total Expenses	<u>80.8</u>	<u>71.8</u>	<u>61.8</u>	<u>56.6</u>	<u>142.6</u>	<u>128.4</u>
Transfers	0.5	-	(0.5)	-	-	-
Change in Net Position	8.3	14.0	8.6	4.8	16.9	18.8
Net Position- Beginning, as previous reported error corrections	<u>271.8</u>	<u>257.8</u>	<u>182.4</u>	<u>177.6</u>	<u>454.2</u>	<u>435.4</u>
Net position- Beginning, as adjusted	-	-	1.2	-	1.2	-
Net Position end of year	<u>\$ 280.6</u>	<u>\$ 271.8</u>	<u>\$ 191.7</u>	<u>\$ 182.4</u>	<u>\$ 472.3</u>	<u>\$ 454.2</u>

Governmental Activities

Governmental activities' net position increased in total by \$8.8 million. The City's governmental activities revenue totaled \$89.1 million which is a \$3.3 million increase from the prior year. Significant changes are highlighted below:

- ◆ Charges for services revenue totaled \$16.2 million which is an increase of \$2.2 million, or 15.7%, primarily related to a \$0.2 million increase in general government revenue, \$0.6 million increase in public safety revenue, decrease of \$0.2 million decrease in engineering and public works services revenue, \$1.2 million increase in development services revenue, and a \$0.4 million increase in community services revenue.
- ◆ Operating grants and contributions decreased by \$1.6 million primarily due to fewer ARPA projects completed in engineering and public works resulting in less revenue earned. Public safety increased by \$1.0 million, general government and public safety decreased by \$0.6 million and \$0.6 million, respectively. The City received a total of \$15.2 million under the ARPA funding, to date \$12.1 million has been spent on various projects.
- ◆ Capital grants and contributions increased by \$1.7 million, or 17.3%. Most of the increase occurred in the engineering and public works department due to increases in Gas Tax, RMRA and Measure I revenues, and an increase in interest income and unrealized gain on investments.
- ◆ Property tax increased by \$0.9 million over the previous year, or 4.1%, as current secured tax grew due to increased home values and transfers of ownership.
- ◆ Sales tax decreased by \$0.8 million, or 3.3%. The decrease is primarily due to a decreases in auto/transportation sales and fuel stations given the decrease of gas per gallon costs.
- ◆ Investment income saw an increase of \$1.4 million this year as a result of investments in higher interest rate fixed securities as historically low interest rate securities mature, in addition to investment increases in Local Agency Investment Fund (LAIF) and California Asset Management Pool (CAMP).

Governmental activities expenses totaled \$80.8 million this year, which is a \$9.0 million, or 12.5%, increase over the prior year. General government costs increased \$2.9 million due to a change in Net Pension Liability and related deferred inflows and outflows; public safety costs increased \$1.9 million; public works costs increased \$1.9 million; development services costs increased \$2.3 million; community services costs increased \$0.4 million; and interest on long-term debt decreased \$0.4 million.



Business-type Activities

Total resources available during the year to finance Proprietary Fund (Business-type) activities were \$191.7 million, an increase of \$8.1 million and a prior year correction of \$1.2 million over the net position as of June 30, 2024 of \$182.4 million.

As shown in the Statement of Activities, the amount paid by users for services was \$67.4 million compared to \$59.6 million reported in the prior year. The cost of all Proprietary (Business-type) activities increased \$5.2 million this year to \$61.8 million compared to \$56.6 million reported last year. Significant changes are highlighted below by specific proprietary fund.

The City’s Major Funds

The City’s governmental funds reported a combined fund balance of \$81.9 million, and its enterprise funds reported combined net position of \$191.7 million. Major changes are discussed below:

- ◆ The fund balance at year-end for the City’s General Fund of \$21.6 million is an increase from the prior year of \$3.8 million. Revenues increased by \$2.0 million as result of an increase in property tax of \$0.9 million, investment income of \$1.5 million, licenses and permits of \$0.4 million, and a decrease in sales tax of \$0.8 million. Other one-time financing sources decreased by \$4.0 million as a result of the one-time reconciliation of Development Impact Fees in 2024.

Expenditures increased by \$8.4 million. The change is due to increases in all functions: \$4.0 million in public safety, \$0.3 million in engineering and public works, \$0.6 million in community services, \$2.6 million in general government, and \$1.4 million in development services. Increase in expenditures was due to an increase of \$3.7 million in PERS UAL costs, \$1.8 million in personnel costs, \$2.0 million in contract and other services, \$0.4 million in Workers' Comp and General Liability, and \$0.3 million in Information Systems. Other one-time financing uses decreased by \$6.1 million, primarily to internal service funds for claim expenses, software equipment, and vehicle purchases, resulting in a net increase in expenditures of \$2.3 million.

- ◆ The Housing Fund's fund balance decreased \$0.9 million, or 8.2% over prior year. This decrease is a result of a decrease in land held for resale. Overall increase of \$0.2 million in revenue, and an increase in expenses of \$0.6 million due to land held for resale and increased low income housing activity.
- ◆ The Other Grants Special Revenue Fund newly falls under the City's major funds as the fund balance decreased \$1.5 million. This decrease is a result of expenditures in general government \$1.0 million in public safety for police station locker room upgrades and the downtown surveillance camera installation, \$0.4 million in development services for traffic control improvements and the downtown parking structure design, and \$0.9 million in community services for the Baldy View dog park.
- ◆ The ARPA Fund has a \$0 fund balance at year end due to year-end adjustments for unearned revenue. ARPA Fund has remaining cash of \$3.3 million encumbered in various public safety enhancements, upgraded technology systems, park improvements and infrastructure projects. Total expenses for the fiscal year were \$2.3 million, a decrease of \$2.5 million, or 52.1%, over the last fiscal year. ARPA monies must be fully expended by December 31, 2026, except for transportation and Title I projects which must be expended by September 30, 2026.
- ◆ Total Water Enterprise Fund revenues exceeded total expenses by \$7.5 million. Operating revenues increased by \$4.8 million compared to the prior year, including increases of \$4.0 million due to an increase in water rates and an increase of \$0.8 million in licenses and permits revenue and other revenue. Operating expenses increased by \$0.7 million due to increases in maintenance and operations of \$0.9 million, depreciation of \$0.3 million, and a decrease in administrative costs of \$0.5 million. Non-operating revenue decreased by a net amount of \$0.1 million, due to an increase in investment income and decrease in joint venture income.
- ◆ The Solid Waste Utility Fund net position increased approximately \$1.0 million, or 255.18%, mainly due to a \$1.2 million prior year fund balance correction and a transfer in of \$0.5 million for Fiscal Year 2024/25 for reimbursement of landfill costs from the Sewer Fund. Charges for services were up \$1.8 million due to a Consumer Price Index (CPI) rate increase. Operating expenses increased \$2.6 million which is made up of a \$3.0 million increase for contractual services due to contract amendments approved in August and December 2024 which included barrel pressure washing, catch basin cleaning, sweeping service program along with Pacific Trail and power washing around City Hall and the Library, and a \$0.4 million decrease in administrative costs due to a reduction in salary costs to Solid Waste due to Burrtec assuming responsibility for residential billing effective July 1, 2023. Non-operating revenue increased by a net amount of \$0.1 million, due to increases in investment income and intergovernmental income.
- ◆ The Sewer Utility Fund net position remained at \$34.4 million. Operating revenues increased by \$1.2 million due to the increase in charges for services of \$0.9 million, and licenses and permits of \$0.3 million as well. Operating expenses increased overall by \$0.5 million primarily due to a slight increase in administrative expenses of \$0.2 million, \$0.5 million increase in contractual services with Inland Empire Utilities Agency, and a decrease of \$0.2 million in maintenance and operations due to completion of capital improvement projects in Fiscal Year 2024/25.

General Fund Budgetary Highlights

Over the course of the year, the operating budget received several revisions. The budget amendments and supplemental appropriations approved after the beginning of the year are included in the final budget column (net of interagency transactions) on page 72 of the financial statements. Comparing the Fiscal Year 2024/25 adopted General Fund budget of \$58.6 million to the final budget of \$59.1 million reflects an increase of \$0.5 million. Actual expenditures for the General Fund of \$59.8 million were \$0.7 million higher than final budgeted amounts. The general government function's actual expenditures were \$2.4 million higher than the final budgeted amount. This budget variance is primarily the result of the

City’s budget practice of recording personnel vacancy and maintenance and operations allowance of (\$2.7 million) in the general government accounts, an increase of \$0.4 million due to a funds transfer to the OPEB trust fund, and overall decreased spending of \$0.1 million in maintenance and operations.

The Fiscal Year 2024/25 adopted revenue budget was approved at \$58.5 million and was projected to increase by \$0.8 million to \$59.4 million which reflected expected increases in property tax revenue and investment income. By the end of the year, actual General Fund revenues exceeded final budgeted revenues by an additional \$2.7 million. Notable increases included property tax which exceeded the adjusted budgeted balance by \$0.5 million, licenses and permits by \$0.3 million, charges for services by \$0.3 million, fines and penalties by \$0.4 million, investment income which exceeded the budgeted amount by \$2.7 million, and other revenue by \$0.5 million. Revenue categories that did not meet their final adjusted expectations included sales tax, franchise taxes, other taxes and rental income. Sales tax revenue was projected to decrease by approximately \$0.3 million, but the actual decrease was \$1.4 million primarily due to decreased sales in the auto-transportation sector. With signs of weakness in the labor market, concerns are heightened regarding consumer demand specifically facing auto sales with tariffs and restrictive financing conditions. The General Fund’s overall positive results for the year increased fund balance, allowing staff to fund reserves in compliance with the fund balance and pension funding policies approved by City Council. Fund Balance detail can be found in more detail in footnote 14 to the financial statements.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2025, the City had \$394.7 million invested in a broad range of capital assets, including police vehicles, buildings, park facilities, roads, and water and sewer lines. This represents an decrease (net of accumulated depreciation) of \$0.2 million from the prior year. This decrease is the result of decreases in new capital assets being depreciated. Governmental activities capital assets increased by \$1.2 and Business-type activities decreased by \$1.4 million.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 5.1	\$ 5.1	\$ 3.0	\$ 3.0	\$ 8.1	\$ 8.1
Rights of way	103.4	103.4	-	-	103.4	103.4
Street trees	3.5	3.5	-	-	3.5	3.5
Construction in progress	3.9	12.2	2.0	4.3	5.9	16.5
Other capital assets	171.9	162.4	101.9	101.0	273.8	263.4
Totals	<u>\$ 287.8</u>	<u>\$ 286.6</u>	<u>\$ 106.9</u>	<u>\$ 108.3</u>	<u>\$ 394.7</u>	<u>\$ 394.9</u>

The City’s Fiscal Year 2024/25 capital budget appropriated an additional \$14.2 million for capital projects, primarily for streets and infrastructure projects, including Foothill Boulevard improvements which is estimated to cost \$13.2 million, as well as Water Utility capital projects to improve the San Antonio Canyon Water Treatment Plant and upgrade the SCADA system. A few major projects completed in Fiscal Year 2024/25 were Arrow Highway Rehabilitation (Benson to Mountain and Mountain to San Antonio), Palm Ave (9th to Arrow) and Water Main Replacement (Benson to Mountain, Mountain to San Antonio, and Palm Avenue). Additional information on the City’s capital assets can be found in Note 4 to the financial statements.

Long-Term Liabilities

As of June 30, 2025, the City had \$162.2 million in outstanding debt versus \$167.0 million in the prior year. This represents an overall decrease of \$4.8 million. The decrease is due to \$4.5 million in net pension liability, and \$2.8 million in other long-term liabilities, offset by a net increase of \$1.5 million in claims payable, \$0.6 million in compensated absences, and \$0.5 million in OPEB liability.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Compensated Absences	\$ 3.2	\$ 2.7	\$ 0.6	\$ 0.5	\$ 3.8	\$ 3.2
Net OPEB Liability/Obligation	7.4	7.1	1.7	1.6	9.1	8.7
Net Pension Liability	90.7	94.3	0.1	1.0	90.8	95.3
Claims Payable	7.7	6.2	-	-	7.7	6.2
Multifamily Housing Rev Bonds	10.4	11.1	-	-	10.4	11.1
Energy Efficiency Lease	1.6	1.8	-	-	1.6	1.8
CREBS Lease Agreement	4.1	4.2	-	-	4.1	4.2
Water Revenue Bonds	-	-	13.2	14.0	13.2	14.0
Water Refunding Bonds	-	-	6.0	6.5	6.0	6.5
SWRCB Loan Payable	-	-	15.5	16.0	15.5	16.0
Totals	<u>\$ 125.1</u>	<u>\$ 127.4</u>	<u>\$ 37.1</u>	<u>\$ 39.6</u>	<u>\$ 162.2</u>	<u>\$ 167.0</u>

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

Economic Condition and Outlook

The City of Upland's economic growth continued during Fiscal Year 2024/25. Real estate assessed values increased from the prior fiscal year by \$634.9 million or a net taxable value increase of 4.9%. The inflation adjustment for 2025/26 will be the full 2.0% allowed by Proposition 13 as received in the prior year. The median sale price of a detached single family residential home in Upland is \$860,500; a 0.6% increase compared to the previous year.

As interest rates decline, housing inventory is expected to moderately increase in 2026 which will keep both home sales and prices strong. The market conditions should continue to keep property tax revenue stable in the coming year.

Sales tax revenue for Fiscal Year 2024/25 totaled \$23.8 million, a 3.3% decline from the previous year. This performance places the City behind most other San Bernardino County communities, indicating a downward economic trend locally. Looking ahead, HdL's latest forecast projects that sales tax revenues in Fiscal Year 2025/26 will fall by an additional \$1.6 million. This anticipated decline is driven by a more cautious outlook for the building and construction sector, as well as rising economic uncertainty amid increasing recession risks.

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 91786.

BASIC FINANCIAL STATEMENTS

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City of Upland
Statement of Net Position
June 30, 2025

	Primary Government		Component Units		
			West End Consolidated Water Company	San Antonio Water Company	
	Governmental Activities	Business-type Activities	Total	December 31, 2024	December 31, 2024
ASSETS					
Cash and Investments	\$ 94,931,382	\$ 44,546,981	\$ 139,478,363	\$ 1,021,988	\$ 4,961,083
Receivables:					
Accounts, Net	1,401,541	11,475,235	12,876,776	62,679	1,125,255
Accrued Interest	441,538	-	441,538	-	-
Notes, Net	8,793,752	-	8,793,752	-	-
Leases	4,239,520	-	4,239,520	-	-
Accrued Interest on Notes	3,198,619	-	3,198,619	-	-
Due From Other Governments	8,763,400	38,681	8,802,081	-	-
Inventory and Prepaid Items	358,592	8,305,134	8,663,726	12,751	102,857
Internal Balances	(17,337,778)	17,337,778	-	-	-
Land Held for Resale	330,000	-	330,000	-	-
Restricted Assets:					
Cash and Investments with Fiscal Agent	-	15,502,547	15,502,547	-	-
Cash and Investments	10,995,479	577,468	11,572,947	-	-
Investment in Joint Ventures	-	31,815,557	31,815,557	-	-
Capital Assets, Not Being Depreciated:	115,924,150	4,964,054	120,888,204	495,870	1,457,627
Capital Assets, Net of Accumulated Depreciation:	171,906,422	101,893,584	273,800,006	839,813	24,622,297
Total Assets	403,946,617	236,457,019	640,403,636	2,433,101	32,269,119
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related Items	2,121,458	477,730	2,599,188	-	-
Pension Related Items	28,522,030	1,257,330	29,779,360	-	-
Total Deferred Outflows of Resources	30,643,488	1,735,060	32,378,548	-	-
LIABILITIES					
Accounts Payable	5,530,648	7,535,216	13,065,864	362,611	202,389
Accrued Salaries and Benefits	666,979	171,586	838,565	-	-
Accrued Interest Payable	-	84,987	84,987	-	-
Deposits Payable	1,776,896	577,468	2,354,364	-	1,700
Retention Payable	310,506	97,614	408,120	-	-
Unearned Revenue	3,491,125	243,360	3,734,485	-	-
Noncurrent Liabilities:					
Due Within One Year	4,560,736	2,249,487	6,810,223	-	-
Due in More Than One Year	120,588,328	34,805,718	155,394,046	-	133,710
Total Liabilities	136,925,218	45,765,436	182,690,654	362,611	337,799
DEFERRED INFLOWS OF RESOURCES					
Lease Related	4,239,520	-	4,239,520	-	-
Deferred Gain on Refunding	-	289,557	289,557	-	-
OPEB Related Items	1,925,172	433,529	2,358,701	-	-
Pension Related Items	10,859,223	-	10,859,223	-	-
Total Deferred Inflows of Resources	17,023,915	723,086	17,747,001	-	-
NET POSITION					
Net Investment in Capital Assets	271,432,541	87,375,896	358,808,437	1,335,683	26,079,924
Restricted for:					
Public Safety	3,019,201	-	3,019,201	-	-
Engineering and Public Works	5,960,416	-	5,960,416	-	-
Development Services	28,195,400	-	28,195,400	-	-
Community Services	11,154,891	-	11,154,891	-	-
Unrestricted	(39,121,477)	104,327,661	65,206,184	734,807	5,851,396
Total Net Position	\$ 280,640,972	\$ 191,703,557	\$ 472,344,529	\$ 2,070,490	\$ 31,931,320

The accompanying notes are an integral part of this statement.

City of Upland
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 10,177,540	\$ 548,786	\$ 585,043	\$ 210,022
Public Safety	35,369,622	2,000,514	4,447,542	190,468
Engineering and Public Works	15,596,022	1,693,608	865,566	11,074,413
Development Services	11,846,049	10,868,408	1,680,551	-
Community Services	7,309,119	1,082,796	149,042	-
Interest on Long-Term Debt	552,610	-	-	-
Total Governmental Activities	80,850,962	16,194,112	7,727,744	11,474,903
Business-type Activities:				
Water Utility	27,676,498	33,885,917	-	-
Solid Waste Utility	21,204,315	20,298,341	104,040	-
Sewer Utility	12,925,965	13,177,765	-	-
Total Business-type Activities	61,806,778	67,362,023	104,040	-
Total Primary Government	\$ 142,657,740	\$ 83,556,135	\$ 7,831,784	\$ 11,474,903
Component Units:				
West End Consolidated Water Company	\$ 808,990	\$ 287,658	\$ -	\$ -
San Antonio Water Company	5,336,688	5,231,000	-	-
Total Component Units	\$ 6,145,678	\$ 5,518,658	\$ -	\$ -

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
- Transfers In/(Out)
- Total General Revenues and Transfers

Change in Net Position

- Net Position - Beginning, as previously reported
- Error Corrections
- Net Position - Beginning, as adjusted

The accompanying notes are an integral part of this statement.

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position

			Component Units	
			West End Consolidated Water Company December 31, 2024	San Antonio Water Company December 31, 2024
Primary Government		Total		
Governmental Activities	Business-type Activities		West End Consolidated Water Company December 31, 2024	San Antonio Water Company December 31, 2024
\$ (8,833,689)	\$ -	\$ (8,833,689)	\$ -	\$ -
(28,731,098)	-	(28,731,098)	-	-
(1,962,435)	-	(1,962,435)	-	-
702,910	-	702,910	-	-
(6,077,281)	-	(6,077,281)	-	-
(552,610)	-	(552,610)	-	-
<u>(45,454,203)</u>	<u>-</u>	<u>(45,454,203)</u>	<u>-</u>	<u>-</u>
-	6,209,419	6,209,419	-	-
-	(801,934)	(801,934)	-	-
-	251,800	251,800	-	-
<u>-</u>	<u>5,659,285</u>	<u>5,659,285</u>	<u>-</u>	<u>-</u>
<u>(45,454,203)</u>	<u>5,659,285</u>	<u>(39,794,918)</u>	-	-
			(521,332)	-
			-	(105,688)
			<u>(521,332)</u>	<u>(105,688)</u>
22,726,721	-	22,726,721	-	-
23,802,311	-	23,802,311	-	-
1,307,281	-	1,307,281	-	-
407,993	-	407,993	-	-
1,170,067	-	1,170,067	-	-
420,582	-	420,582	-	-
124,346	-	124,346	-	-
121,115	-	121,115	-	-
3,689,678	2,969,387	6,659,065	-	187,549
535,698	(535,698)	-	-	-
<u>54,305,792</u>	<u>2,433,689</u>	<u>56,739,481</u>	<u>-</u>	<u>187,549</u>
8,851,589	8,092,974	16,944,563	(521,332)	81,861
271,789,383	182,423,135	454,212,518	2,591,822	31,849,459
-	1,187,448	1,187,448	-	-
<u>271,789,383</u>	<u>183,610,583</u>	<u>455,399,966</u>	<u>2,591,822</u>	<u>31,849,459</u>
<u>\$ 280,640,972</u>	<u>\$ 191,703,557</u>	<u>\$ 472,344,529</u>	<u>\$ 2,070,490</u>	<u>\$ 31,931,320</u>

**City of Upland
Balance Sheet
Governmental Funds
June 30, 2025**

	General	Special Revenue		
		Housing	Other Grants	ARPA
ASSETS				
Cash and Investments	\$ 25,283,091	\$ 4,845,928	\$ -	\$ 3,312,124
Restricted Cash	10,726,609	205,914	-	-
Receivables:				
Accounts	1,001,477	295,714	-	-
Accrued Interest	441,538	-	-	-
Notes, net	54,341	4,799,127	-	-
Leases	4,239,520	-	-	-
Accrued Interest on Notes	-	1,929,947	-	-
Due from Other Governments	4,245,931	-	2,364,771	-
Due from Other Funds	2,709,434	-	-	-
Inventory and Prepaid Items	189,890	-	-	-
Land Held for Resale	-	330,000	-	-
Total Assets	\$ 48,891,831	\$ 12,406,630	\$ 2,364,771	\$ 3,312,124
LIABILITIES				
Accounts Payable	\$ 3,174,411	\$ 145,818	\$ 25,488	\$ 227,629
Accrued Salaries and Benefits	543,483	22,572	-	4,595
Due to Other Funds	-	-	1,896,661	-
Deposits Payable	1,391,129	209,277	-	-
Retentions Payable	-	-	16,802	39,136
Advances from Other Funds	17,337,778	-	-	-
Unearned Revenue	-	-	425,488	3,040,764
Total Liabilities	22,446,801	377,667	2,364,439	3,312,124
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	555,814	1,929,947	2,364,771	-
Lease Related	4,239,520	-	-	-
Total Deferred Inflows of Resources	4,795,334	1,929,947	2,364,771	-
FUND BALANCE (DEFICITS)				
Nonspendable	244,231	-	-	-
Restricted	10,911,937	10,099,016	-	-
Committed	17,980,673	-	-	-
Assigned	-	-	-	-
Unassigned	(7,487,145)	-	(2,364,439)	-
Total Fund Balances (Deficits)	21,649,696	10,099,016	(2,364,439)	-
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 48,891,831	\$ 12,406,630	\$ 2,364,771	\$ 3,312,124

The accompanying notes are an integral part of this statement.

Non-major Governmental	Total
\$ 49,347,848	\$ 82,788,991
62,956	10,995,479
79,201	1,376,392
-	441,538
3,940,284	8,793,752
-	4,239,520
1,268,672	3,198,619
2,152,698	8,763,400
-	2,709,434
-	189,890
-	330,000
<u>\$ 56,851,659</u>	<u>\$ 123,827,015</u>
\$ 967,371	\$ 4,540,717
53,105	623,755
812,773	2,709,434
176,490	1,776,896
254,568	310,506
-	17,337,778
24,873	3,491,125
<u>2,289,180</u>	<u>30,790,211</u>
2,051,777	6,902,309
-	4,239,520
<u>2,051,777</u>	<u>11,141,829</u>
-	244,231
52,255,559	73,266,512
-	17,980,673
869,320	869,320
(614,177)	(10,465,761)
<u>52,510,702</u>	<u>81,894,975</u>
<u>\$ 56,851,659</u>	<u>\$ 123,827,015</u>

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City of Upland
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2025

Fund balances of governmental funds \$ 81,894,975

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	426,666,155	
Accumulated Depreciation	<u>(140,052,704)</u>	286,613,451

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds. 6,902,309

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

Compensated Absences		(3,022,733)
Multifamily Housing Revenue Note		(10,372,857)
CREBS Lease Payable		(4,090,007)
Energy Efficiency Lease Payable		(1,624,661)
Net Pension Liability		(86,459,842)
Net OPEB Liability		(7,034,723)

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		27,718,991
Deferred Inflows Related to Pensions		(10,859,223)
Deferred Outflows Related to OPEB		2,008,912
Deferred Inflows Related to OPEB		(1,823,042)

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. 789,422

Net position of governmental activities \$ 280,640,972

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, 2025

	General	Special Revenue		
		Housing	Other Grants	ARPA
REVENUES				
Taxes	\$ 49,880,578	\$ -	\$ -	\$ -
Licenses & Permits	2,506,381	-	-	-
Charges for Services	3,172,342	50,964	-	-
Fines and Penalties	946,800	-	-	-
Investment Income	3,634,827	250,692	-	210,022
Rental Income	741,594	5,476,228	-	-
Intergovernmental	586,856	-	525,730	2,351,130
Other Revenue	621,435	234,381	-	-
Total Revenues	62,090,813	6,012,265	525,730	2,561,152
EXPENDITURES				
Current:				
General Government	6,800,253	-	16,146	477,962
Public Safety	32,800,878	-	858,820	200,605
Engineering and Public Works	10,121,042	-	-	862,905
Development Services	4,053,722	5,882,274	531,754	694,149
Community Services	5,531,850	-	578,177	115,509
Debt Service:				
Principal	290,880	697,495	-	-
Interest	220,359	332,251	-	-
Total Expenditures	59,818,984	6,912,020	1,984,897	2,351,130
Excess (Deficiency) of Revenues over Expenditures	2,271,829	(899,755)	(1,459,167)	210,022
OTHER FINANCING SOURCES (USES)				
Transfer In	1,941,486	-	-	-
Transfer Out	(384,853)	-	-	(476,217)
Total Other Financing Sources (Uses)	1,556,633	-	-	(476,217)
Net Change in Fund Balances	3,828,462	(899,755)	(1,459,167)	(266,195)
Fund Balances, Beginning of year, as previously reported	17,821,234	10,998,771	-	266,195
Change within financial reporting entity (nonmajor to major)	-	-	(905,272)	-
Fund Balances, Beginning of year, as adjusted	17,821,234	10,998,771	(905,272)	266,195
Fund Balances, Ending	\$ 21,649,696	\$ 10,099,016	\$ (2,364,439)	\$ -

Non-major Governmental	Total
\$ 1,478,111	\$ 51,358,689
4,685,353	7,191,734
-	3,223,306
-	946,800
2,246,909	6,342,450
4,500	6,222,322
7,571,705	11,035,421
43,179	898,995
<u>16,029,757</u>	<u>87,219,717</u>
-	7,294,361
2,374,223	36,234,526
8,159,335	19,143,282
682,369	11,844,268
325,406	6,550,942
-	988,375
-	552,610
<u>11,541,333</u>	<u>82,608,364</u>
<u>4,488,424</u>	<u>4,611,353</u>
125,000	2,066,486
<u>(929,571)</u>	<u>(1,790,641)</u>
<u>(804,571)</u>	<u>275,845</u>
<u>3,683,853</u>	<u>4,887,198</u>
47,921,577	77,007,777
905,272	-
<u>48,826,849</u>	<u>77,007,777</u>
<u>\$ 52,510,702</u>	<u>\$ 81,894,975</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, 2025

Net change in fund balances-total governmental funds \$ 4,887,198

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	9,469,059
Depreciation Expense	(8,129,468)
Loss on Disposal	(297,159)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 1,947,137

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 Leases	290,880
Principal Paid on 2021 Multifamily Housing Loan	697,495

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	(467,196)
Net Change in Net Pension Liability	3,365,524
Net Change in Net OPEB Liability	(348,331)
Net Change in Deferred Outflows Pension Related Amounts	(14,058,661)
Net Change in Deferred Inflows Pension Related Amounts	11,192,957
Net Change in Deferred Outflows OPEB Related Amounts	9,568
Net Change in Deferred Inflows OPEB Related Amounts	775,515

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. (482,929)

Change in net position of governmental activities \$ 8,851,589

The accompanying notes are an integral part of this statement.

City of Upland
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Solid Waste Utility	Sewer Utility	Totals	Internal Service Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ 33,211,665	\$ 1,728,012	\$ 9,607,304	\$ 44,546,981	\$ 12,142,391
Accounts Receivable, Net	6,062,925	3,089,237	2,323,073	11,475,235	25,149
Due from Other Governments	31,456	71	7,154	38,681	-
Inventory and Prepaid Items	8,304,822	-	312	8,305,134	168,702
Total Current Assets	47,610,868	4,817,320	11,937,843	64,366,031	12,336,242
Noncurrent Assets:					
Restricted Cash and Investments	538,796	-	38,672	577,468	-
Cash with Fiscal Agent	15,502,547	-	-	15,502,547	-
Advances to Other Funds	13,160,000	-	4,177,778	17,337,778	-
Equity Interest	31,815,557	-	-	31,815,557	-
Capital Assets, Not Being Depreciated:					
Land	2,954,861	-	-	2,954,861	-
Construction in Progress	1,308,696	78,008	622,489	2,009,193	-
Capital Assets, Net of Accumulated Depreciation	82,229,551	52,469	19,611,564	101,893,584	1,217,121
Total Noncurrent Assets	147,510,008	130,477	24,450,503	172,090,988	1,217,121
Total Assets	195,120,876	4,947,797	36,388,346	236,457,019	13,553,363
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related Items	306,184	42,626	128,920	477,730	112,546
Pension Related Items	832,866	96,365	328,099	1,257,330	803,039
Total Deferred Outflows of Resources	1,139,050	138,991	457,019	1,735,060	915,585
LIABILITIES					
Current Liabilities:					
Accounts Payable	2,809,967	3,140,469	1,584,780	7,535,216	989,931
Accrued Salaries and Benefits	111,500	16,140	43,946	171,586	43,224
Accrued Interest Payable	84,987	-	-	84,987	-
Unearned Revenue	-	243,360	-	243,360	-
Retentions Payable	95,348	-	2,266	97,614	-
Deposits Payable	538,796	-	38,672	577,468	-
Current Portion of Long-Term Liabilities:					
Claims and Judgments Payable	-	-	-	-	2,004,272
Compensated Absences	192,023	29,863	81,324	303,210	71,749
Loans Payable	424,277	-	-	424,277	-
Revenue Bonds Payable	1,522,000	-	-	1,522,000	-
Total Current Liabilities	5,778,898	3,429,832	1,750,988	10,959,718	3,109,176
Noncurrent Liabilities:					
Claims and Judgments Payable	-	-	-	-	5,745,597
Net OPEB Liability	1,072,183	149,267	451,445	1,672,895	394,105
Net Pension Liability	108,796	9,785	37,777	156,358	4,219,946
Compensated Absences	230,301	28,639	66,684	325,624	108,572
Loans Payable	15,069,841	-	-	15,069,841	-
Revenue Bonds Payable	17,581,000	-	-	17,581,000	-
Total Noncurrent Liabilities	34,062,121	187,691	555,906	34,805,718	10,468,220
Total Liabilities	39,841,019	3,617,523	2,306,894	45,765,436	13,577,396
DEFERRED INFLOWS OF RESOURCES					
Deferred Gain on Refunding	289,557	-	-	289,557	-
OPEB Related Items	277,855	38,683	116,991	433,529	102,130
Pension Related Items	-	-	-	-	-
Total Deferred Outflows of Resources	567,412	38,683	116,991	723,086	102,130
NET POSITION					
Net Investment in Capital Assets	67,013,632	130,477	20,231,787	87,375,896	1,217,121
Unrestricted	88,837,863	1,300,105	14,189,693	104,327,661	(427,699)
Total Net Position	\$ 155,851,495	\$ 1,430,582	\$ 34,421,480	\$ 191,703,557	\$ 789,422

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, 2025

	Business-type Activities - Enterprise Funds				Governmental
	Water	Solid Waste	Sewer	Totals	Internal
	Utility	Utility	Utility		Service Funds
OPERATING REVENUES					
Charges for Services	\$ 32,836,588	\$ 20,298,341	\$ 12,757,862	\$ 65,892,791	\$ 10,552,030
Licenses and Permits	894,514	-	419,863	1,314,377	-
Other	154,815	-	40	154,855	111,447
Total Operating Revenue	33,885,917	20,298,341	13,177,765	67,362,023	10,663,477
OPERATING EXPENSES					
Administrative Costs	4,246,337	1,404,766	865,813	6,516,916	-
Maintenance and Operations	18,864,935	-	2,900,078	21,765,013	6,409,597
Contractual Services	373,988	19,798,433	8,217,399	28,389,820	253,724
Customer Service	154,273	-	-	154,273	-
Claims Expense	-	-	-	-	4,732,357
Depreciation	2,702,061	1,116	936,959	3,640,136	350,286
Total Operating Expenses	26,341,594	21,204,315	12,920,249	60,466,158	11,745,964
Operating Income (Loss)	7,544,323	(905,974)	257,516	6,895,865	(1,082,487)
NONOPERATING REVENUES (EXPENSES)					
Investment Income	2,079,419	68,129	821,839	2,969,387	319,705
Share of Joint Venture Net Income (loss)	(371,030)	-	-	(371,030)	-
Gain/ (Loss) on Disposal of Capital Assets	(353,831)	-	(5,716)	(359,547)	20,000
Interest Expense	(610,043)	-	-	(610,043)	-
Intergovernmental	-	104,040	-	104,040	-
Total Nonoperating Revenues (Expenses)	744,515	172,169	816,123	1,732,807	339,705
Income Before Contributions and Transfers	8,288,838	(733,805)	1,073,639	8,628,672	(742,782)
Transfers In	-	574,167	-	574,167	259,853
Transfers Out	-	-	(1,109,865)	(1,109,865)	-
Change in Net Position	8,288,838	(159,638)	(36,226)	8,092,974	(482,929)
Total Net Position, Beginning, as previously reported	147,562,657	402,772	34,457,706	182,423,135	1,272,351
Error corrections	-	1,187,448	-	1,187,448	-
Total Net Position, Beginning, as adjusted	147,562,657	1,590,220	34,457,706	183,610,583	1,272,351
Total Net Position, Ending	<u>\$ 155,851,495</u>	<u>\$ 1,430,582</u>	<u>\$ 34,421,480</u>	<u>\$ 191,703,557</u>	<u>\$ 789,422</u>

The accompanying notes are an integral part of this statement.

City of Upland
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds				Governmental
	Water Utility	Solid Waste Utility	Sewer Utility	Totals	Internal Service Funds
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 34,145,981	\$ 20,300,231	\$ 13,402,547	\$ 67,848,759	\$ -
Cash Received from User Departments	-	-	-	-	10,667,807
Cash Paid to Suppliers for Goods and Services	(19,785,006)	(18,762,990)	(10,345,036)	(48,893,032)	(7,542,049)
Cash Paid to Employees for Services	(4,852,492)	(679,169)	(1,958,975)	(7,490,636)	(1,571,186)
Net Cash from Operating Activities	9,508,483	858,072	1,098,536	11,465,091	1,554,572
Cash Flows from Noncapital Financing Activities					
Grant Revenue	-	104,040	-	104,040	-
Cash Paid (to) from Other Funds	880,000	574,167	(830,500)	623,667	259,853
Net Cash from Noncapital Financing Activities	880,000	678,207	(830,500)	727,707	259,853
Cash Flows from Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(2,060,020)	(60,325)	(421,439)	(2,541,784)	(524,525)
Proceeds from the Sale of Assets	-	-	-	-	20,000
Principal Paid on Debt	(1,856,366)	-	-	(1,856,366)	-
Interest Paid on Debt	(656,765)	-	-	(656,765)	-
Net Cash from Capital and Related Financing Activities	(4,573,151)	(60,325)	(421,439)	(5,054,915)	(504,525)
Cash Flows from Investing Activities					
Interest on Investments	2,079,419	68,129	821,839	2,969,387	319,705
Net Cash from Investing Activities	2,079,419	68,129	821,839	2,969,387	319,705
Net Increase (Decrease) in Cash and Cash Equivalents	7,894,751	1,544,083	668,436	10,107,270	1,629,605
Cash and Cash Equivalents, Beginning of Year	41,358,257	183,929	8,977,540	50,519,726	10,512,786
Cash and Cash Equivalents, End of Year	\$ 49,253,008	\$ 1,728,012	\$ 9,645,976	\$ 60,626,996	\$ 12,142,391
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ 7,544,323	\$ (905,974)	\$ 257,516	\$ 6,895,865	\$ (1,082,487)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,702,061	1,116	936,959	3,640,136	350,286
(Increase) Decrease in Accounts Receivable	123,998	80,092	231,346	435,436	4,330
(Increase) Decrease in Due from Other Governments	152,848	482	(6,564)	146,766	-
(Increase) Decrease in Inventory and Prepaid Items	(1,038,910)	-	(312)	(1,039,222)	211,336
(Increase) Decrease in Deferred Outflows - Pensions	(3,442)	4,997	(8,754)	(7,199)	449,272
(Increase) Decrease in Deferred Outflows - OPEB	15,134	25	(1,753)	13,406	13,573
Increase (Decrease) in Accounts Payable	739,605	1,818,598	(43,540)	2,514,663	334,201
Increase (Decrease) in Accrued Salaries and Benefits	24,370	5,139	6,992	36,501	7,593
Increase (Decrease) in Retention Payable	(110,873)	-	(55,994)	(166,867)	-
Increase (Decrease) in Deposits Payable	(16,782)	-	-	(16,782)	-
Increase (Decrease) in Compensated Absences	88,576	15,573	28,376	132,525	35,906
Increase (Decrease) in Net Pension Liability	(570,261)	(73,173)	(223,610)	(867,044)	(214,290)
Increase (Decrease) in Net OPEB Liability	(2,400)	6,631	26,162	30,393	(27,677)
Increase (Decrease) in Deferred Inflows - OPEB	(139,764)	(16,750)	(48,288)	(204,802)	(61,790)
Increase (Decrease) in Unearned Revenue	-	(78,684)	-	(78,684)	-
Increase (Decrease) in Claims and Judgments	-	-	-	-	1,534,319
Net Cash Provided (Used) by Operating Activities	\$ 9,508,483	\$ 858,072	\$ 1,098,536	\$ 11,465,091	\$ 1,554,572

The accompanying notes are an integral part of this statement.

**City of Upland
Statement of Net Position
Fiduciary Funds
June 30, 2025**

	OPEB Trust Fund	Successor Agency Private-purpose Trust Fund	Custodial Funds
ASSETS			
Cash and Investments	\$ -	\$ 2,645,866	\$ 12,750,255
Cash and Investments with Fiscal Agent	-	-	6,461,048
Investments:			
Moderate Index PLUS	2,747,152	-	-
Notes Receivable, Net	-	33,001	-
Land Held for Resale	-	2,493,000	67,231
	<u>2,747,152</u>	<u>5,171,867</u>	<u>19,278,534</u>
Total Assets	<u>2,747,152</u>	<u>5,171,867</u>	<u>19,278,534</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	-	38,965	-
	<u>-</u>	<u>38,965</u>	<u>-</u>
LIABILITIES			
Accounts Payable	-	-	12,000
Accrued Salaries and Wages	-	252	-
Deposits Payable	-	-	6,925,945
Interest Payable	-	108,387	-
Bonds Payable	-	9,518,400	-
	<u>-</u>	<u>9,627,039</u>	<u>6,937,945</u>
Total Liabilities	<u>-</u>	<u>9,627,039</u>	<u>6,937,945</u>
NET POSITION			
Restricted for:			
OPEB	2,747,152	-	-
Successor Agency	-	(4,416,207)	-
Individuals and Organizations	-	-	12,340,589
	<u>2,747,152</u>	<u>(4,416,207)</u>	<u>12,340,589</u>
	<u>\$ 2,747,152</u>	<u>\$ (4,416,207)</u>	<u>\$ 12,340,589</u>

The accompanying notes are an integral part of this statement.

City of Upland
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2025

	OPEB Trust Fund	Successor Agency Private-purpose Trust Fund	Custodial Funds
ADDITIONS			
Contributions:			
Taxes and assessments collected for others	\$ 528,909	\$ 2,706,256	\$ 6,456,092
Contributions from Bondholders	-	-	193,637
Investment Earnings:			
Interest Income	251,151	13,245	142,268
Total Additions	<u>780,060</u>	<u>2,719,501</u>	<u>6,791,997</u>
DEDUCTIONS			
General and Administrative	-	-	97,327
Development Services	-	881,447	-
Recipient Payments	-	-	4,599,221
Distributions to Shareholders	-	-	5,183,971
Interest Expense	-	268,073	-
Other Expenses	6,495	-	-
Total Deductions	<u>6,495</u>	<u>1,149,520</u>	<u>9,880,519</u>
Change in Net Position	773,565	1,569,981	(3,088,522)
Net Position - Beginning of Year	<u>1,973,587</u>	<u>(5,986,188)</u>	<u>15,429,111</u>
Net Position - End of Year	<u>\$ 2,747,152</u>	<u>\$ (4,416,207)</u>	<u>\$ 12,340,589</u>

The accompanying notes are an integral part of this statement.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A) Financial Reporting Entity

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

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

Blended Component Unit

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

Discretely Presented Component Units

The West End Consolidated Water Company (Company) is a mutual water company and, in accordance with the Internal Revenue Code Section 501(c)(12), is exempt from Federal income taxes. The Company was formed to provide water services to its shareholders. As of June 30, 2025, the City of Upland owns 91% of the outstanding stock of the Company, representing a majority equity interest. The primary purpose of stock ownership is to secure rights to well water pumped. The Company is governed by a 5 member board, made up of one member appointed from each participating agency.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The San Antonio Water Company is a mutual water company and, in accordance with the Internal Revenue Code Section 501(c)(12), is exempt from Federal income taxes. The Company was formed to develop, distribute, supply and deliver water to its shareholders. As of June 30, 2025, the City of Upland owns 71% of the outstanding stock of the Company, representing a majority equity interest. The primary purpose of stock ownership is to secure rights to well water pumped. The Company is governed by a 7-member board of directors elected annually by the shareholders. One Upland City Council member is also on the board of the Company.

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

West End Consolidated Water Company
460 N. Euclid Avenue
Upland, CA 91786

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

B) Basis of Accounting and Measurement Focus

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

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

Government-wide Financial Statements:

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

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

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

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

Fund Financial Statements

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

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

Governmental Funds

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

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

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

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Proprietary and Fiduciary Funds

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

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

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

C) Fund Classifications

The City reports the following major governmental funds:

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

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

Other Grants Fund – This fund accounts for revenue and expenditures related to grants restricted for specific purposes other than public safety.

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

The City reports the following major enterprise funds:

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

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

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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

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

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

D) Cash and Investments

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

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

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

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

E) Inventories and Prepaid Items

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

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

**City of Upland
Notes to Financial Statements
Year Ended June 30, 2025**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

F) Land Held for Resale

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

G) Property Taxes

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

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

H) Claims and Judgements

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

I) Employee Leave Benefits

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

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

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

J) Capital Assets

Capital assets (including infrastructure) greater than \$10,000 are capitalized and recorded at cost or at the estimated fair value of the assets at the time of acquisition where complete historical records have not been maintained. Contributed capital assets are valued at their acquisition value at the date of the contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

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

K) Notes and Loans Receivable

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

L) Deferred Outflows/Inflows of Resources

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

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

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

M) Pensions

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

N) Other Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used: June 30, 2023 Valuation Date; June 30, 2023 Measurement Date; and July 1, 2023 through June 30, 2024 Measurement Period.

O) Net Position Flow Assumption

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

P) Fund Balance

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

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

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

The City's committed fund balance includes:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- **Economic Uncertainty Reserve:**
Fund balance in the General Fund has been committed for economic uncertainties. Under the City's Ordinance, this reserve can be used if an economic impact resulting in a 5% or more decrease in property or sales taxes occurs. The City Council, through resolution, has established the current Economic Uncertainty Reserve at \$15,400,000.

- **Emergency Disaster Contingency Reserve:**
Fund balance in the General Fund has been committed for emergency contingencies. An emergency shall mean natural disasters, catastrophic events, or any situation requiring the declaration of an emergency as defined by Upland Municipal Code Section 2.20. The City Council, through resolution, has established the Emergency Disaster Contingency Reserve at \$1,000,000.

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

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

Q) Fair Value Measurements

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

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

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

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

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

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

R) Use of Estimates

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

S) Leases

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

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

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

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

2) CASH AND INVESTMENTS

Cash and investments as of June 30, 2025 are classified in the accompanying financial statements as follows:

	Government-wide			Total
	Statement of Net Position		Fiduciary Funds	
	Governmental Activities	Business-Type Activities		
Cash and Investments	\$ 94,931,382	\$ 44,546,981	\$ 15,396,121	\$ 154,874,484
Restricted Cash and Investments	10,995,479	577,468	2,747,152	14,320,099
Cash and Investments with Fiscal Agent	-	15,502,547	6,461,048	21,963,595
Total Cash and Investments	\$ 105,926,861	\$ 60,626,996	\$ 24,604,321	\$ 191,158,178

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS – Continued

Cash and investments as of June 30, 2025 consist of the following:

Cash on Hand	\$	33,148
Deposits with Financial Institutions		4,924,560
Investments		186,200,470
Total Cash and Investments		\$ 191,158,178

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

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

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

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

Investments Authorized by Debt Agreements

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

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

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	\$ 3,209,748	\$ -	\$ 236,818	\$ 2,972,930	\$ -
U.S. Government Agency Securities	78,316,442	21,679,045	11,635,850	45,001,547	-
CAMP	40,835,362	40,835,362	-	-	-
Certificates of Deposit	16,777,037	5,451,529	6,647,886	4,677,622	-
Medium-Term Notes	2,020,400	-	-	2,020,400	-
Municipal Obligations	5,728,893	314,093	242,335	5,172,465	-
Money Market Mutual Funds	2,569,850	2,569,850	-	-	-
Local Agency Investment Fund (LAIF)	1,305,381	1,305,381	-	-	-
Mutual Funds	13,473,761	13,473,761	-	-	-
Held by Fiscal Agent					
Money Market Mutual Funds	21,963,596	21,963,596	-	-	-
Total Pooled Investments	<u>\$ 186,200,470</u>	<u>\$ 107,592,617</u>	<u>\$ 18,762,889</u>	<u>\$ 59,844,964</u>	<u>\$ -</u>

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, 2025

2) CASH AND INVESTMENTS – Continued

Investment Type	Total	Minimum				
		Legal Rating	Aaa	Aa3 - Aa1	A1, A2, A3	Not Rated
US Treasury Obligations	\$ 3,209,748	N/A	\$ 3,209,748	\$ -	\$ -	\$ -
U.S. Government Agency Securities	78,316,442	N/A	-	78,316,442	-	-
CAMP	40,835,362	N/A	-	-	-	40,835,362
Certificates of Deposit	16,777,037	N/A	-	-	-	16,777,037
Medium-Term Notes	2,020,400	N/A	-	-	2,020,400	-
Municipal Obligations	5,728,893	N/A	-	5,728,893	-	-
Money Market Mutual Funds	2,569,850	A	2,569,850	-	-	-
Local Agency Investment Fund (LAIF)	1,305,381	N/A	-	-	-	1,305,381
Mutual Funds	13,473,761	A	13,473,761	-	-	-
Held by Fiscal Agent						
Money Market Mutual Funds	21,963,596	A	21,963,596	-	-	-
Total Pooled Investments	\$ 186,200,470		\$ 41,216,955	\$ 84,045,335	\$ 2,020,400	\$ 58,917,780

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, 2025, the City's investments with each of the following issuers exceed 5% of its total investments.

Issuer	Investment Type	Reported Amount	Maturity	Interest (%)
FHLB	Federal Agency Securities	\$ 43,024,054	2025-2030	.200 - 4.375
FHLMC	Federal Agency Securities	24,743,664	2025-2030	.550 - 4.850
FNMA	Federal Agency Securities	9,532,545	2025-2030	.710 - 4.850

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

Investment in State Investment Pool

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

CAMP

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

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS – Continued

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

Based upon the fair value measurements described in Note 1, the City held the following investments as of June 30, 2025:

Investment Type	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
US Treasury Obligations	\$ 3,209,748	\$ 3,209,748	\$ -	\$ -
U.S. Government Agency Securities	78,316,442	-	78,316,442	-
CAMP	40,835,362	-	40,835,362	-
Medium-Term Notes	2,020,400	-	2,020,400	-
Certificates of Deposit	16,777,037	-	16,777,037	-
Municipal Obligations	5,728,893	-	5,728,893	-
Total	\$ 146,887,882	\$ 3,209,748	\$ 143,678,134	\$ -

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from - As of June 30, 2025, the General Fund has an outstanding receivable from the Other Grants Special Revenue Fund and non-major governmental funds of \$1,896,661 and \$812,773, respectively, 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, 2025 are as follows:

TRANSFERS OUT	TRANSFERS IN				Total
	General Fund	Nonmajor Governmental Funds	Solid Waste Utility Fund	Internal Service Funds	
General Fund	\$ -	\$ 125,000	\$ -	\$ 259,853	\$ 384,853
ARPA	476,217	-	-	-	476,217
Sewer Utility Fund	535,698	-	574,167	-	1,109,865
Nonmajor Governmental Funds	929,571	-	-	-	929,571
	\$ 1,941,486	\$ 125,000	\$ 574,167	\$ 259,853	\$ 2,900,506

The General Fund transferred \$125,000 to the nonmajor governmental funds to fund projects and nonmajor funds transferred \$929,571 to the General Fund for various capital projects from prior years. In addition, the General Fund transferred \$259,853 to the Internal Service Funds for vehicle replacements and information systems. The Sewer Utility Fund Fund transferred \$535,698 to the General Fund and \$574,167 to the Solid Waste Utility Fund for personnel costs that should have been charged to the Sewer Utility fund in prior years. The ARPA fund transferred \$476,217 to the General Fund from investment earnings.

Advances to/from Other Funds

The Water and Sewer Enterprise Funds advanced \$15,750,000 and \$5,000,000, respectively, to the General Fund. In order to enable the City to paydown a portion of the General Fund's share of the City's unfunded accrued liability ("UAL") with California Public Employees' Retirement System, the City is leasing the real property as

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

described in the agreement dated April 1, 2022. The City of Upland Financing Authority, a joint powers public financing authority promises to pay to the City of Upland Sewer Fund, the amount of \$5,000,000 and the City of Upland Water Fund \$15,750,000. The principal balance of the note shall bear interest at the rate of 1.92 % per annum, and the final note payments are due and payable on October 1, 2037. The amount due to the Water and Sewer Enterprise Funds is \$13,160,000 and \$4,177,778, respectively, as of June 30, 2025.

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 is as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 5,053,450	\$ -	\$ -	\$ 5,053,450
Rights of Way	103,432,811	-	-	103,432,811
Street Trees	3,537,384	-	-	3,537,384
Construction in Progress	12,245,147	6,384,623	(14,729,265)	3,900,505
Total Capital Assets, Not Being Depreciated	124,268,792	6,384,623	(14,729,265)	115,924,150
Capital Assets Being Depreciated:				
Building and improvements	46,397,548	2,670,012	(18,250)	49,049,310
Land Improvements	6,833,164	964,986	-	7,798,150
Park Improvements	13,067,751	1,688,093	-	14,755,844
Equipment	9,321,340	1,179,610	(67,872)	10,433,078
Vehicles	6,042,787	943,997	(212,574)	6,774,210
Infrastructure - Bridge	4,081,500	-	-	4,081,500
Infrastructure - Street System	190,207,267	8,694,780	(3,269,820)	195,632,227
Infrastructure - Storm Drains	25,287,770	2,196,747	-	27,484,517
Total Capital Assets Being Depreciated	301,239,127	18,338,225	(3,568,516)	316,008,836
Less Accumulated Depreciation:				
Building and improvements	(17,090,008)	(891,731)	365	(17,981,374)
Land Improvements	(1,747,887)	(509,771)	-	(2,257,658)
Park Improvements	(8,559,741)	(443,085)	-	(9,002,826)
Equipment	(7,020,493)	(741,514)	67,872	(7,694,135)
Vehicles	(3,885,652)	(668,413)	212,575	(4,341,490)
Infrastructure - Bridge	(326,520)	(81,630)	-	(408,150)
Infrastructure - Street System	(94,583,777)	(4,890,732)	2,990,545	(96,483,964)
Infrastructure - Storm Drains	(5,679,939)	(252,878)	-	(5,932,817)
Total Accumulated Depreciation	(138,894,017)	(8,479,754)	3,271,357	(144,102,414)
Total Capital Assets Being Depreciated, Net	162,345,110	9,858,471	(297,159)	171,906,422
Governmental Activities, Capital Assets, Net	<u>\$ 286,613,902</u>	<u>\$ 16,243,094</u>	<u>\$ (15,026,424)</u>	<u>\$ 287,830,572</u>

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

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

4) CAPITAL ASSETS – Continued

General Government	\$ 1,089,374
Public Safety	1,005,782
Engineering and Public Works	5,624,640
Development Services	1,781
Community Services	758,177
	\$ 8,479,754

Business Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 2,954,861	\$ -	\$ -	\$ 2,954,861
Construction in Progress	4,385,583	1,550,836	(3,927,226)	2,009,193
Total Capital Assets, Not Being Depreciated	7,340,444	1,550,836	(3,927,226)	4,964,054
Capital Assets Being Depreciated:				
Pipelines	71,267,172	3,623,994	(1,636,908)	73,254,258
Reservoirs	54,824,551	97,868	-	54,922,419
Building and improvements	55,818	-	-	55,818
Land Improvements	9,870	-	-	9,870
Treatment Facilities	15,057,728	-	-	15,057,728
Wells/pumps	5,340,879	-	-	5,340,879
Sewer Manholes	3,007,098	-	-	3,007,098
Machinery and Equipment	2,142,463	333,938	-	2,476,401
Vehicles	4,606,502	862,374	-	5,468,876
Total Capital Assets Being Depreciated	156,312,081	4,918,174	(1,636,908)	159,593,347
Less Accumulated Depreciation:				
Pipelines	(21,841,774)	(1,425,344)	1,277,361	(21,989,757)
Reservoirs	(16,718,182)	(1,076,258)	-	(17,794,440)
Land Improvements	(8,154)	(2,103)	-	(10,257)
Treatment Facilities	(8,000,646)	(301,154)	-	(8,301,800)
Wells/pumps	(2,019,981)	(105,253)	-	(2,125,234)
Sewer Manholes	(2,250,834)	(34,780)	-	(2,285,614)
Machinery and Equipment	(1,650,158)	(163,810)	-	(1,813,968)
Vehicles	(2,847,259)	(531,434)	-	(3,378,693)
Total Accumulated Depreciation	(55,336,988)	(3,640,136)	1,277,361	(57,699,763)
Total Capital Assets Being Depreciated, Net	100,975,093	1,278,038	(359,547)	101,893,584
Business Activities, Capital Assets, Net	\$ 108,315,537	\$ 2,828,874	\$ (4,286,773)	\$ 106,857,638

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

Water Utility	\$ 2,702,063
Solid Waste Utility	1,116
Sewer Utility	936,959
	\$ 3,640,138

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

5) LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due in one year
Governmental Activities					
Compensated Absences Payable, Net	\$ 2,699,952	\$ 503,102	\$ -	\$ 3,203,054	\$ 1,523,221
Net OPEB Liability	7,108,174	320,654	-	7,428,828	-
Net Pension Liability	94,259,602	-	3,579,814	90,679,788	-
Claims Payable	6,215,550	3,993,944	2,459,625	7,749,869	2,004,272
Loans from Direct Borrowings:					
2021 Multifamily Housing Loan	11,070,352	-	697,495	10,372,857	719,356
Energy Efficiency Lease	1,801,523	-	176,862	1,624,661	183,160
CREBS Lease Agreement	4,204,025	-	114,018	4,090,007	130,727
Total Direct Borrowings	17,075,900	-	988,375	16,087,525	1,033,243
Total Government Activities	<u>\$ 127,359,178</u>	<u>\$ 4,817,700</u>	<u>\$ 7,027,814</u>	<u>\$ 125,149,064</u>	<u>\$ 4,560,736</u>

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

2021 Multifamily Housing Loan (direct borrowing)

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

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

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

The following represents the future annual debt service requirements:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

5) LONG-TERM LIABILITIES – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 719,356	\$ 310,390	\$ 1,029,746
2027	741,901	287,845	1,029,746
2028	765,153	264,592	1,029,745
2029	789,135	240,611	1,029,746
2030	811,777	217,969	1,029,746
2031-2035	4,456,844	691,885	5,148,729
2036-2038	2,088,691	75,729	2,164,420
Totals	<u>\$ 10,372,857</u>	<u>\$ 2,089,021</u>	<u>\$ 12,461,878</u>

Energy Efficiency Lease Agreement (direct borrowing)

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

The annual debt service requirements for the lease agreement as of June 30, 2025 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 183,160	\$ 68,162	\$ 251,322
2027	191,372	60,207	251,579
2028	200,307	51,879	252,186
2029	210,252	43,171	253,423
2030	222,403	34,009	256,412
2031-2033	617,167	41,138	658,305
Totals	<u>\$ 1,624,661</u>	<u>\$ 298,566</u>	<u>\$ 1,923,227</u>

CREBS Lease Agreement (direct borrowing)

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

The annual debt service requirements for the lease agreement as of June 30, 2025 are as follows:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

5) LONG-TERM LIABILITIES – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 130,727	\$ 140,448	\$ 271,175
2027	148,527	135,775	284,302
2028	167,479	130,475	297,954
2029	187,643	124,510	312,153
2030	209,083	117,836	326,919
2031-2035	1,807,624	448,088	2,255,712
2036-2038	1,438,924	76,629	1,515,553
Totals	\$ 4,090,007	\$ 1,173,761	\$ 5,263,768

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due in one year
Business-type Activities					
Compensated absences payable, Net	\$ 496,309	\$ 132,525	\$ -	\$ 628,834	\$ 303,210
Net OPEB Liability	1,642,502	30,393	-	1,672,895	-
Net Pension Liability	1,023,402	-	867,047	156,355	-
2022 Water Revenue Bonds	14,040,000	-	880,000	13,160,000	900,000
2021 Water Refunding Bonds	6,503,000	-	560,000	5,943,000	622,000
Loans from Direct Borrowings:					
SWRCB Loan	15,910,484	-	416,366	15,494,118	424,277
Total Direct Borrowings	15,910,484	-	416,366	15,494,118	424,277
Total Business-type Activities	\$ 39,615,697	\$ 162,918	\$ 2,723,413	\$ 37,055,202	\$ 2,249,487

2022 Water Revenue Bonds

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

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

All system net revenues, which approximate \$7.5 million annually, are irrevocably pledged to the payment of the installment payments. Principal and interest payments on the bonds for the 2024/25 fiscal year totaled \$1,141,120. 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, 2025

5) LONG-TERM LIABILITIES – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 900,000	\$ 244,032	\$ 1,144,032
2027	915,000	226,608	1,141,608
2028	935,000	208,848	1,143,848
2029	955,000	190,704	1,145,704
2030	970,000	172,224	1,142,224
2031-2035	5,150,000	571,200	5,721,200
2036-2041	3,335,000	96,912	3,431,912
Totals	<u>\$ 13,160,000</u>	<u>\$ 1,710,528</u>	<u>\$ 14,870,528</u>

2021 Water Refunding Bonds

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

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

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

All system net revenues, which approximate \$7.5 million annually, are irrevocably pledged to the payment of the installment payments. Principal and interest payments on the bonds for the 2024/25 fiscal year totaled \$653,345. The Bond indenture contains a provision that in an event of default, outstanding amounts may become immediately due if the City is unable to make payment. The future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 622,000	\$ 84,480	\$ 706,480
2027	633,000	75,068	708,068
2028	642,000	65,505	707,505
2029	651,000	55,808	706,808
2030	658,000	45,990	703,990
2031-2034	2,737,000	82,717	2,819,717
Totals	<u>\$ 5,943,000</u>	<u>\$ 409,568</u>	<u>\$ 6,352,568</u>

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

5) LONG-TERM LIABILITIES – Continued

SWRCB Loan Payable (direct borrowing)

The City has entered into a Construction Installment Sale Agreement with the California State Water Resources Control Board (State), to finance the replacement of a 7.5 MG reservoir (Project). The State has agreed to provide Project funds not to exceed \$16.5 million. As of June 30, 2025, the City has drawn down \$16,446,414 under the agreement.

Interest is accrued on the loan at 1.9% per annum, beginning with each drawdown. The City must pay interest annually during Project construction. Principal payments are not required until Project completion, with a final payment date of April 1, 2053. The loan is secured by a lien on and pledge of net revenues in the City's Water Fund. The City is required to establish and maintain a reserve fund prior to Project completion, in an amount equal to one year's debt service on the loan.

The annual debt service requirements for the loan agreement as of June 30, 2025 are as follows:

June 30,	Principal	Interest	Total
2026	\$ 424,277	\$ 294,388	\$ 718,665
2027	432,338	286,327	718,665
2028	440,553	278,113	718,666
2029	448,923	269,742	718,665
2030	457,453	261,213	718,666
2031-2035	2,420,991	1,172,339	3,593,330
2036-2040	2,659,888	933,437	3,593,325
2041-2045	2,922,365	670,960	3,593,325
2046-2050	3,210,742	382,584	3,593,326
2051-2053	2,076,588	79,405	2,155,993
Totals	<u>\$ 15,494,118</u>	<u>\$ 4,628,508</u>	<u>\$ 20,122,626</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”). Dependents are eligible to enroll, and benefits continue to surviving spouses.

Benefits Provided – Retirees are offered medical, dental, and vision coverage. Eligibility for retiree health benefits requires retirement from the City on or after age 50 (age 52 for PEPRA New hires) with at least five years of CalPERS service. Retirement benefits must begin within 120 days of employment termination with the City. Enrollment must be completed within 60 days of retirement, or during any future open enrollment period, if the retiree is not already enrolled in the medical plan. Coverage is for life. Surviving spouses and eligible dependents may continue coverage. Eligible retirees who meet additional requirements based on years of service with the City and hire date receive a subsidy from the City. The retirees are not required to be enrolled in a City plan. A surviving spouse and other eligible dependents are entitled to continue coverage under a City-sponsored plan, but they are required to pay the full premium. The amount that the City contributes depends on the amount of service credit earned while working for the City. Small groups are receiving different benefits based on court orders and special arrangements.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

6) OTHER POST EMPLOYMENT BENEFITS – Continued

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

Employees Covered by Benefit Terms – As of the June 30, 2023 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	246
Active employees	189
Total	435

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, 2024, the City’s pay-as-you-go costs were \$1,281,371. In addition, as the City’s budget allows, the City will make additional contributions to the OPEB Trust Account, administered by the Public Agency Retirement Systems (PARS).

Net OPEB Liability - The City’s net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	CalPERS Assumption Model, effective November 17, 2021
Age at Retirement	50, 52 for PEPRA New Employees
Health Care Trend Rate	7.40% initial, 4.14% ultimate
Inflation Rate	2.30%
Salary Changes	2.80%
Discount Rate	4.87%
Asset Return	6.60%

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

6) OTHER POST EMPLOYMENT BENEFITS – Continued

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, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Rate of Return
US Equity	26%	5.17%
International Equity	14%	7.38%
US Aggregate Bonds	60%	4.19%
Total	<u>100%</u>	

Discount Rate – The discount rate of 5.87% is a blended rate between the rate of return of 6.60% and 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, 2024 (2023 Measurement Date)	\$ 10,530,831	\$ 1,780,155	\$ 8,750,676
Changes in the year:			
Service cost	240,958	-	240,958
Interest on the total OPEB liability	603,470	-	603,470
Employer contributions	-	1,281,371	(1,281,371)
Actual investment income	-	200,185	(200,185)
Differences between expected and actual experience	57,301	-	57,301
Changes of assumptions	924,121	-	924,121
Administrative Expense	-	(6,753)	6,753
Benefit payments, including refunds	(982,403)	(982,403)	-
Investment Experience	-	-	-
Net changes	<u>843,447</u>	<u>492,400</u>	<u>351,047</u>
Balance at June 30, 2025 (2024 Measurement Date)	<u>\$ 11,374,278</u>	<u>\$ 2,272,555</u>	<u>\$ 9,101,723</u>

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 (3.87%)	Discount Rate (4.87%)	1% Increase (5.87%)
Net OPEB liability (asset)	\$ 10,164,197	\$ 9,101,723	\$ 8,177,602

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

6) OTHER POST EMPLOYMENT BENEFITS – Continued

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset)	\$ 8,403,962	\$ 9,101,723	\$ 9,928,199

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, 2025, the City recognized OPEB expense of \$506,266. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
OPEB Contributions Subsequent to the Measurement Date	\$ 1,179,916	\$ -
Changes of Assumptions	931,656	2,353,855
Differences between expected and actual experience	487,616	-
Net differences between projected and actual earnings on plan investments	-	4,846
Total	\$ 2,599,188	\$ 2,358,701

The \$1,179,916 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ended June 30, 2026. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,		
2026	\$	(314,098)
2027		(509,405)
2028		(336,854)
2029		148,236
2030		72,692
Thereafter		-

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

7) TAX ABATEMENT

The City enters into various tax abatement agreements for the purpose of attracting or retaining businesses within the City's jurisdiction. In July 2021, a 15-year agreement was entered into with a commercial concrete and asphalt company. As an incentive to continue to operate within the City, for each fiscal year in which the company produces sales tax revenues to the City of Upland in excess of \$400,000, the City will pay the company 40% of sales tax revenue. In February 2016, the City entered into an agreement with a local automobile dealership in order to entice the dealership to remain in the City of Upland and convert vacant property into sales tax generating uses. Enhancing the property for vehicle sales and servicing would require the owner to invest a substantial amount of money. In consideration of the owner's commitment to utilize the property for sales tax generating uses and substantial financial commitment incurred to improve the property, the City will reimburse the owner a maximum of \$2,700,000 by way of an annual tax abatement. Seventy-five percent (75%) of annual sales tax revenue exceeding \$312,000 will be paid to the owner until reaching the maximum. The total sales tax abated to both companies for the fiscal year ended June 30, 2025 was \$1,257,380.

8) DEBT WITHOUT GOVERNMENT COMMITMENT

The City has various outstanding bond issues which are not reflected in these financial statements. These bond issues are special obligations payable solely from and secured by specific revenue sources described in the resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the Successor Agency to UCRA, the State of California or any political subdivision thereof, is pledged for the payment of these bonds. No legal obligation on the part of the City exists to make payments on the bonds from any source other than the revenues or assets pledged therefore. The programs are completely administered by trustees, and the total outstanding balance at June 30, 2025 is \$63,900,000.

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 \$20 million in aggregate and \$5 million per occurrence. MIC provides coverage in excess of the City's self-insured retention of \$2 million. Excess general liability coverage is also obtained through excess carriers up to \$15 million in limits. Homesite Insurance Company provides \$5 million of first layer excess which excludes Law Enforcement Liability. Lexington Insurance Company also provides \$5 million of first layer excess specific for Law Enforcement Liability. HDI Global Specialty SE provides \$5 million excess \$5 million for the second layer of excess over both Homesite and Lexington. Lastly, Illinois Union Insurance Company provides \$5 million excess \$10 million for the third layer providing the total of \$15 million in limits.

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

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

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

9) CLAIMS AND JUDGEMENTS - Continued

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, 2025, claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to \$7,749,869.

Changes in the claims and judgments payable amounts in fiscal years ended June 30, 2024 and 2025 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
2025	\$ 6,215,550	\$ 3,993,943	\$ 2,459,624	\$ 7,749,869
2024	8,717,852	1,948,681	4,450,983	6,215,550

10) PENSION PLANS

General Information about the Pension Plans - Miscellaneous

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

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, 2023 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, 2025, are summarized as follows:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

10) PENSION PLANS – Continued

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 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	8.00%	8.00%
Required employer contribution rates	11.94% + \$3,665,636	11.94%

(1) - Depending on years of service

Employees Covered: At June 30, 2025, the following number of employees were covered by the benefit terms for the Plan:

	Miscellaneous
Inactive employees or beneficiaries	
currently receiving benefits	452
Inactive employees entitled to but not yet	
receiving benefits	316
Active employees	161

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 Plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 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, 2023 actuarial valuations were determined using the following actuarial assumptions:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

10) PENSION PLANS – Continued

	Miscellaneous
Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Projected salary increase	(1)
Investment rate of return	6.90%
Mortality	(2)

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

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

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

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

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

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

10) PENSION PLANS – Continued

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

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

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

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

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, 2023	\$ 153,788,970	\$ 118,349,844	\$ 35,439,126
Changes in the year:			
Service cost	2,170,287	-	2,170,287
Interest on the total pension liability	10,415,444	-	10,415,444
Changes of benefit terms	-	-	-
Differences between expected and actual experience	679,466	-	679,466
Contributions from the employer	-	4,056,747	(4,056,747)
Contributions from employees	-	1,000,291	(1,000,291)
Net investment income	-	11,190,637	(11,190,637)
Benefit payments, including refunds	(9,210,224)	(9,210,224)	-
Administrative/other expense	-	(96,302)	96,302
Net changes	4,054,973	6,941,149	(2,886,176)
Balance at June 30, 2024	\$ 157,843,943	\$ 125,290,993	\$ 32,552,950

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

10) PENSION PLANS – Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Miscellaneous
1% Decrease	5.90%
Net Pension Liability	\$ 52,373,292
Current Discount Rate	6.90%
Net Pension Liability	\$ 32,552,950
1% Increase	7.90%
Net Pension Liability	\$ 16,236,361

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, 2025, the City recognized pension expense of \$5,624,252 for the Miscellaneous Plan. At June 30, 2025, the City reported deferred outflows and deferred inflows for the Miscellaneous Plan from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 5,270,989	\$ -
Differences between actual and expected experience	458,109	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	1,918,888	-
Total	\$ 7,647,986	\$ -

\$5,270,989 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, 2026. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending	Amount
June 30,	
2026	\$ 500,744
2027	2,982,632
2028	(471,434)
2029	(634,945)
2030	-
Thereafter	-

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

10) PENSION PLANS – Continued

General Information about the Pension Plans – Safety

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

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, 2023 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2024 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

The rate plan provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Safety	Safety PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	3.0% @ 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	9.00%	14.50%
Required employer contribution rates	25.41% + \$6,165,705	15.77% + \$95,829
(1) - Depending on years of service		

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

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability was \$6,261,534 in fiscal year 2025. The City’s contributions to the Plan for the year ended June 30, 2025 were \$8,228,761.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

10) PENSION PLANS – Continued

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

As of June 30, 2025, the City reported a liability of \$58,283,193 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, 2024, 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, 2023 rolled forward to June 30, 2024 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, 2024 and 2025 (2023 and 2024 measurement date) was as follows:

Proportion - June 30, 2024	0.80059%
Proportion - June 30, 2025	0.79940%
Change - Increase (Decrease)	-0.00119%

For the year ended June 30, 2025, the City recognized pension expense of \$1,224,483. At June 30, 2025, 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	\$ 8,228,761	\$ -
Differences between actual and expected experience	4,756,427	154,652
Changes in assumptions	1,435,978	-
Change in employer's proportion and differences	32,221	8,467,254
Differences between the employer's contributions and the employer's proportionate share of contributions	4,860,844	2,237,317
Net differences between projected and actual earnings on plan investments	2,817,143	-
Total	\$ 22,131,374	\$ 10,859,223

The \$8,228,761 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2026	\$ (570,995)
2027	4,996,370
2028	(418,086)
2029	(963,899)
2030	-
Thereafter	-

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

10) PENSION PLANS – Continued

Actuarial Assumptions – The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	6.90%
Mortality	(2)

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

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

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

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

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

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

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

10) PENSION PLANS – Continued

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

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

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

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

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

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

1% Decrease	5.90%
Net Pension Liability	\$ 93,071,524
Current Discount Rate	6.90%
Net Pension Liability	\$ 58,283,193
1% Increase	7.90%
Net Pension Liability	\$ 29,831,230

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, 2025, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2025.

The total pension expense for the miscellaneous and safety plan was \$6,848,735.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

11) EQUITY INTERESTS

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

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

Separate financial statements may be obtained for the San Antonio Water Company and Liquidation Trust at 139 North Euclid Avenue, Upland, California; for the West End Consolidated Water Company at 460 N. Euclid Avenue, Upland, California; and for the Water Facilities Authority at 1775 North Benson Avenue, Upland, California. The following schedule summarizes the City's investment in joint ventures at June 30, 2025 and the gain (loss) on the investment for the year then ended:

Water Company	Percentage Ownership	Total Joint Venture Equity	City's Equity Interest	City's Share of Joint Venture Net Income (Loss)
San Antonio Water Company	70.61%	\$ 31,931,320	\$ 22,547,134	\$ 57,099
West End Water Company	91.18%	2,070,490	1,887,873	(475,351)
Water Facilities Authority	23%	32,089,349	7,380,550	47,222
Total			<u>\$ 31,815,557</u>	<u>\$ (371,030)</u>

12) SUCCESSOR AGENCY ACTIVITIES

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

	Beginning Balance	Additions	Retirements	Ending Balance	Due in one year
Fiduciary Fund Long-term Debt					
2016 Tax Allocation Bonds	\$ 11,005,000	\$ -	\$ 2,395,000	\$ 8,610,000	\$ 2,530,000
Unamortized Premium	990,973	-	82,573	908,400	-
Total Fiduciary Fund Debt	<u>\$ 11,995,973</u>	<u>\$ -</u>	<u>\$ 2,477,573</u>	<u>\$ 9,518,400</u>	<u>\$ 2,530,000</u>

2016 Tax Allocation Refunding Bonds

On September 14, 2016, the Successor Agency of the former Upland Community Redevelopment Agency issued tax allocation refunding bonds in the amount of \$12,275,000 to refund the outstanding aggregate principal amount of the 2006 Tax Allocation Bonds. Interest rates on the 2016 Bonds range from 2.00% to 5.00%, and payments are due semi-annually on March 1 and September 1 of each year until maturity. The

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

12) SUCCESSOR AGENCY ACTIVITIES – Continued

interest and principal of the bonds are payable from pledged tax increment revenues of the Merged Project Area. Term Bonds maturing September 1, 2036 are subject to mandatory sinking fund redemption, in part by lot, on September 1, 2029, and on each September 1 thereafter at a price equal to the principal amount thereof, plus accrued interest.

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

Fiscal Year Ending	Principal	Interest	Total
June 30,			
2026	\$ 2,530,000	\$ 263,888	\$ 2,793,888
2027	970,000	181,037	1,151,037
2028	1,015,000	136,263	1,151,263
2029	345,000	107,006	452,006
2030	420,000	97,350	517,350
2031-2035	2,305,000	303,807	2,608,807
2036-2037	1,025,000	28,394	1,053,394
Totals	<u>\$ 8,610,000</u>	<u>\$ 1,117,745</u>	<u>\$ 9,727,745</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, 2025, 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, 2025. Of this amount, \$1,807,920 was received in prior years and \$213,810 remained outstanding as of June 30, 2025. 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, 2025

14) FUND BALANCE

The City's governmental fund balances at June 30, 2025, are presented below:

	General Fund	Housing Fund	Other Grants	ARPA Fund	Total Non-major Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventory and Prepaid Items	\$ 189,890	\$ -	\$ -	\$ -	\$ -	\$ 189,890
Long-term Notes Receivable	54,341	-	-	-	-	54,341
Restricted:						
Disability Access	185,328	-	-	-	-	185,328
Section 115 Pension Trust	10,726,609	-	-	-	-	10,726,609
Low and Moderate Income Housing	-	10,099,016	-	-	7,166,586	17,265,602
Public Safety	-	-	-	-	4,376,667	4,376,667
Street Maintenance	-	-	-	-	20,686,352	20,686,352
Air Pollution Reduction Measures	-	-	-	-	145,311	145,311
Downtown Parking & Business Improvement	-	-	-	-	297,151	297,151
Underground Utilities	-	-	-	-	176,824	176,824
Capital Improvements	-	-	-	-	795,082	795,082
Park Acquisition and Development	-	-	-	-	12,486,258	12,486,258
Storm Drain	-	-	-	-	2,114,443	2,114,443
Street and Traffic Safety	-	-	-	-	3,005,661	3,005,661
Street and Alley Repair	-	-	-	-	1,005,224	1,005,224
Committed to:						
Economic Uncertainty Reserve	15,400,000	-	-	-	-	15,400,000
Emergency Contingency	1,000,000	-	-	-	-	1,000,000
General Plan Update	1,068,607	-	-	-	-	1,068,607
Legal/Labor Negotiations	200,000	-	-	-	-	200,000
Park District 1	27,867	-	-	-	-	27,867
Park District 2	79,596	-	-	-	-	79,596
Park District 4	204,603	-	-	-	-	204,603
Assigned:						
General Capital Improvements	-	-	-	-	869,320	869,320
Unassigned	(7,487,145)	-	(2,364,439)	-	(614,177)	(10,465,761)
Total Fund Balance	\$ 21,649,696	\$ 10,099,016	\$ (2,364,439)	\$ -	\$ 52,510,702	\$ 81,894,975

The deficit unassigned fund balance in the Major governmental funds will be repaid when receivables are collected and from future revenues. The deficit unassigned fund balance in the General Fund is primarily related to a 15-year Lease Agreement between the General Fund and the Water and Sewer funds. The outstanding balance as of June 30, 2025 is \$17,337,778; with \$1,185,714 due in Fiscal Year 2025/26. In accordance with the City's General Fund reserve policy, balances are categorized as assigned for Infrastructure Improvements totaling \$4,849,604 and Building Maintenance Improvements totaling \$3,336,492 but have been eliminated to offset the deficit unassigned fund balance.

15) COMMITMENTS AND CONTINGENCIES

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

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

The City had approximately \$3,191,463 in outstanding construction contract obligations as of June 30, 2025.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

15) COMMITMENTS AND CONTINGENCIES - Continued

State Water Resource Control Board Loans

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

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

16) LEASES

Lease Receivable - In prior fiscal years, the City entered into various land lease agreements with third parties to lease pieces of land owned by the City. The initial lease terms ranged from 4 to 44 years. The City currently receives monthly payments from all leases of \$70,285. The City recognized \$577,282 in lease revenue and \$302,767 in interest revenue during the current fiscal year related to the various leases. As of June 30, 2025, the City's receivable for lease payments was \$4,239,520. Also, the City has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease terms. As of June 30, 2025, the balance of the deferred inflow of resources was \$4,239,520.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

17) RESTATEMENTS TO FUND BALANCE/NET POSITION

The City had the following restatements to fund balance/net position during the fiscal year ended June 30, 2025:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances		
	Solid Waste Utility	Other Grants	Non-major Governmental
Net position or fund balances, Beginning of Year, As previously reported	\$ 402,772	\$ -	\$ 47,921,577
Error Correction:			
Corrections to accounts receivable	1,187,448	-	-
Changes within the financial reporting entity	-	(905,272)	905,272
Net position or fund balances, Beginning of Year, As restated	<u>\$ 1,590,220</u>	<u>\$ (905,272)</u>	<u>\$ 48,826,849</u>

18) DISCRETELY PRESENTED COMPONENT UNITS

West End Consolidated Water Company

Capital assets activity for the West End Consolidated Water Company for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 8,574	\$ -	\$ -	\$ 8,574
Water Rights	487,296	-	-	487,296
Total Capital Assets, Not Depreciated	<u>495,870</u>	<u>-</u>	<u>-</u>	<u>495,870</u>
Capital Assets Being Depreciated:				
Facility and Fencing Improvements	22,810	-	-	22,810
Boosters	26,374	-	-	26,374
Wells	1,280,137	-	-	1,280,137
Reservoirs	59,528	-	-	59,528
Pipelines	259,772	-	-	259,772
Pumps and Equipment	269,045	-	-	269,045
Total Capital Assets Being Depreciated	<u>1,917,666</u>	<u>-</u>	<u>-</u>	<u>1,917,666</u>
Less Accumulated Depreciation:	<u>1,045,400</u>	<u>32,453</u>	<u>-</u>	<u>1,077,853</u>
Net Capital Assets Being Depreciated	<u>872,266</u>	<u>(32,453)</u>	<u>-</u>	<u>839,813</u>
West End, Capital Assets, Net	<u>\$ 1,368,136</u>	<u>\$ (32,453)</u>	<u>\$ -</u>	<u>\$ 1,335,683</u>

City of Upland
Notes to Financial Statements
Year Ended June 30, 2025

18) DISCRETELY PRESENTED COMPONENT UNITS - Continued

San Antonio Water Company

Capital assets activity for the San Antonio Water Company for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land and Water Rights	\$ 920,161	\$ -	\$ -	\$ 920,161
Construction in Progress	6,009,056	943,573	6,415,163	537,466
Total Capital Assets, Not Depreciated	<u>6,929,217</u>	<u>943,573</u>	<u>6,415,163</u>	<u>1,457,627</u>
Capital Assets Being Depreciated:				
Tunnels and Forebay	1,587,111	5,794	-	1,592,905
Wells, Shafts, Building	4,910,920	3,357,250	-	8,268,170
Pipelines	19,228,760	498,647	-	19,727,407
Boosters	2,629,885	-	-	2,629,885
Reservoirs	3,081,787	2,224,784	3,685	5,302,886
All Other	4,777,275	430,443	59,603	5,148,115
Total Capital Assets Being Depreciated	<u>36,215,738</u>	<u>6,516,918</u>	<u>63,288</u>	<u>42,669,368</u>
Less Accumulated Depreciation:	<u>16,926,674</u>	<u>1,120,397</u>	<u>-</u>	<u>18,047,071</u>
Net Capital Assets Being Depreciated	<u>19,289,064</u>	<u>5,396,521</u>	<u>63,288</u>	<u>24,622,297</u>
San Antonio, Capital Assets, Net	<u>\$ 26,218,281</u>	<u>\$ 6,340,094</u>	<u>\$ 6,478,451</u>	<u>\$ 26,079,924</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property Taxes	\$ 22,281,710	\$ 22,281,710	\$ 22,772,343	\$ 490,633
Business License Taxes	1,166,080	1,166,080	1,170,067	3,987
Sales and Use Tax	24,591,400	25,226,000	23,802,311	(1,423,689)
Franchise Tax	1,464,980	1,464,980	1,307,281	(157,699)
Other	1,057,360	1,057,360	828,576	(228,784)
Licenses and Permits	1,959,930	2,156,755	2,506,381	349,626
Charges for Services	2,818,500	2,838,500	3,172,342	333,842
Fines and Penalties	526,910	526,910	946,800	419,890
Investment Income	931,570	931,570	3,634,827	2,703,257
Rental Income	1,292,070	1,097,070	741,594	(355,476)
Intergovernmental	333,580	513,210	586,856	73,646
Other Revenue	100,380	108,653	621,435	512,782
	<u>58,524,470</u>	<u>59,368,798</u>	<u>62,090,813</u>	<u>2,722,015</u>
EXPENDITURES				
Current:				
General Government	4,376,766	4,403,601	6,800,253	(2,396,652)
Public Safety	33,595,140	33,832,933	32,800,878	1,032,055
Engineering and Public Works	11,102,290	10,238,092	10,121,042	117,050
Development Services	3,387,530	4,425,944	4,053,722	372,222
Community Services	5,650,300	5,679,838	5,531,850	147,988
Debt Service:				
Principal	290,930	290,930	290,880	50
Interest and Fiscal Charges	220,384	220,384	220,359	25
	<u>58,623,340</u>	<u>59,091,722</u>	<u>59,818,984</u>	<u>(727,262)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(98,870)</u>	<u>277,076</u>	<u>2,271,829</u>	<u>1,994,753</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,433,928	1,941,486	507,558
Transfers Out	-	(795,342)	(384,853)	410,489
	<u>-</u>	<u>638,586</u>	<u>1,556,633</u>	<u>918,047</u>
Net Change in Fund Balances	(98,870)	915,662	3,828,462	2,912,800
Fund Balances, Beginning	<u>17,821,234</u>	<u>17,821,234</u>	<u>17,821,234</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 17,722,364</u>	<u>\$ 18,736,896</u>	<u>\$ 21,649,696</u>	<u>\$ 2,912,800</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Housing Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 500	\$ 500	\$ 50,964	\$ 50,464
Investment Income	25,000	25,000	250,692	225,692
Rental Income	5,200,000	5,200,000	5,476,228	276,228
Other Revenue	62,380	62,380	234,381	172,001
	<hr/>		<hr/>	
Total Revenues	5,287,880	5,287,880	6,012,265	724,385
<hr/>				
EXPENDITURES				
Current:				
Development Services	3,954,810	4,517,740	5,882,274	(1,364,534)
Debt Service:				
Principal	695,710	695,710	697,495	(1,785)
Interest & Fiscal Charges	334,050	334,050	332,251	1,799
	<hr/>		<hr/>	
Total Expenditures	4,984,570	5,547,500	6,912,020	(1,364,520)
<hr/>				
Excess (Deficiency) of Revenues over Expenditures	303,310	(259,620)	(899,755)	(640,135)
<hr/>				
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	(7,678)	-	7,678
	<hr/>		<hr/>	
Total Other Financing Sources (Uses)	-	(7,678)	-	7,678
<hr/>				
Net Change in Fund Balance	303,310	(267,298)	(899,755)	(632,457)
<hr/>				
Fund Balance, Beginning	10,998,771	10,998,771	10,998,771	-
<hr/>				
Fund Balance, Ending	<u>\$ 11,302,081</u>	<u>\$ 10,731,473</u>	<u>\$ 10,099,016</u>	<u>\$ (632,457)</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, 2025

	Budgeted Amounts		Actual Amounts	Variance - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 75,000	\$ 8,584,042	\$ 525,730	\$ (8,058,312)
Other Revenue	-	-	-	-
Total Revenues	<u>75,000</u>	<u>8,584,042</u>	<u>525,730</u>	<u>(8,058,312)</u>
EXPENDITURES				
Current:				
General Government	-	94,043	16,146	77,897
Public Safety	75,000	1,772,109	858,820	913,289
Development Services	-	1,157,479	531,754	625,725
Community Services	-	640,689	578,177	62,512
Public Works	-	4,000,000	-	4,000,000
Total Expenditures	<u>75,000</u>	<u>7,570,277</u>	<u>1,984,897</u>	<u>5,679,423</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>1,013,765</u>	<u>(1,459,167)</u>	<u>(2,378,889)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	1,013,765	(1,459,167)	(2,472,932)
Fund Balance, Beginning, as adjusted	<u>(905,272)</u>	<u>(905,272)</u>	<u>(905,272)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (905,272)</u>	<u>\$ 108,493</u>	<u>\$ (2,364,439)</u>	<u>\$ (2,472,932)</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - ARPA Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ -	\$ -	\$ 210,022	\$ 210,022
Intergovernmental	-	-	2,351,130	2,351,130
Total Revenues	-	-	2,561,152	2,561,152
EXPENDITURES				
Current:				
General Government	94,180	1,753,434	477,962	1,275,472
Public Safety	-	271,318	200,605	70,713
Engineering and Public Works	1,553,600	3,991,462	862,905	3,128,557
Development Services	122,570	966,419	694,149	272,270
Community Services	-	115,509	115,509	-
Total Expenditures	1,770,350	7,098,142	2,351,130	4,747,012
Excess (Deficiency) of Revenues over Expenditures	(1,770,350)	(7,098,142)	210,022	7,308,164
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	(504,356)	(476,217)	28,139
Total Other Financing Sources (Uses)	-	(504,356)	(476,217)	28,139
Net Change in Fund Balance	(1,770,350)	(7,602,498)	(266,195)	7,336,303
Fund Balance, Beginning	266,195	266,195	266,195	-
Fund Balance, Ending	\$ (1,504,155)	\$ (7,336,303)	\$ -	\$ 7,336,303

City of Upland
Notes to Required Supplementary Information
Year Ended June 30, 2025

BUDGETS AND BUDGETARY ACCOUNTING

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

The City Council approves the biennial budget submitted by the City Manager prior to the beginning of the new fiscal year. A workshop and public hearing 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 \$2,284,672. The City Manager is authorized to transfer budget within a department, within the same fund. Transfers of budget between departments may only be authorized by the City Manager, within the same fund. The City Manager is authorized to increase appropriations only in those instances where there is an offsetting source of revenue received or put on deposit with the city. The City Council is authorized to transfer budget between funds. 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.

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 HUD Economic Development Initiative Special Revenue Fund and the Public Financing Authority Debt Service funds for which no budget is legally adopted and therefore no budget comparison schedule will be presented.

City of Upland
Required Supplementary Information
Year Ended June 30, 2025

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

	Measurement Period			
	2024	2023	2022	2021
Total Pension Liability				
Service cost	\$ 2,170,287	\$ 2,070,254	\$ 1,851,762	\$ 1,692,908
Interest on total pension liability	10,415,444	10,152,697	9,769,936	9,678,380
Changes in assumptions	-	-	4,234,238	-
Changes of benefit terms	-	247,341	-	-
Differences between expected and actual experience	679,466	2,485,916	(910,990)	1,115,756
Benefit payments, including refunds	(9,210,224)	(9,078,780)	(8,755,121)	(8,330,169)
Net change in total pension liability	4,054,973	5,877,428	6,189,825	4,156,875
Total pension liability - beginning	153,788,970	147,911,542	141,721,717	137,564,842
Total pension liability - ending (a)	<u>\$ 157,843,943</u>	<u>\$ 153,788,970</u>	<u>\$ 147,911,542</u>	<u>\$ 141,721,717</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 4,056,747	\$ 3,882,671	\$ 19,650,167	\$ 4,063,124
Contributions - employee	1,000,291	837,654	830,404	633,415
Net investment income	11,190,637	7,012,878	(9,064,780)	21,384,568
Benefit payments	(9,210,224)	(9,078,780)	(8,755,121)	(8,330,169)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative/Other Expense	(96,302)	(85,140)	(70,511)	(95,434)
Net change in plan fiduciary net position	6,941,149	2,569,283	2,590,159	17,655,504
Plan fiduciary net position - beginning	118,349,844	115,780,561	113,190,402	95,534,898
Plan fiduciary net position - ending (b)	<u>\$ 125,290,993</u>	<u>\$ 118,349,844</u>	<u>\$ 115,780,561</u>	<u>\$ 113,190,402</u>
Net pension liability - ending (a) - (b)	<u>\$ 32,552,950</u>	<u>\$ 35,439,126</u>	<u>\$ 32,130,981</u>	<u>\$ 28,531,315</u>
Plan fiduciary net position as a percentage of the total pension liability	79.38%	76.96%	78.28%	79.87%
Covered payroll	\$ 11,101,211	\$ 10,622,134	\$ 9,422,945	\$ 9,373,798
Net pension liability as percentage of covered payroll	293.24%	333.63%	340.99%	304.37%

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

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

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

Measurement Period						
	2020	2019	2018	2017	2016	2015
	\$ 1,461,755	\$ 1,581,166	\$ 1,568,587	\$ 1,728,641	\$ 1,603,986	\$ 1,778,643
	9,399,565	9,162,859	8,880,290	8,747,118	8,670,714	8,475,794
	-	-	(600,917)	7,056,199	-	(2,015,694)
	-	-	-	-	-	-
	532,528	1,054,267	(675,727)	(1,671,546)	(1,502,457)	(3,437,406)
	(8,056,083)	(7,756,492)	(7,358,347)	(7,154,726)	(6,299,318)	(5,934,069)
	3,337,765	4,041,800	1,813,886	8,705,686	2,472,925	(1,132,732)
	134,227,077	130,185,277	128,371,391	119,665,705	117,192,780	118,325,512
	<u>\$ 137,564,842</u>	<u>\$ 134,227,077</u>	<u>\$ 130,185,277</u>	<u>\$ 128,371,391</u>	<u>\$ 119,665,705</u>	<u>\$ 117,192,780</u>
	\$ 4,697,971	\$ 3,311,285	\$ 2,999,453	\$ 2,352,967	\$ 2,239,207	\$ 1,977,651
	670,433	754,481	655,077	670,114	703,361	703,031
	4,621,628	5,949,555	7,384,991	9,227,177	429,550	1,971,870
	(8,056,083)	(7,756,492)	(7,358,347)	(7,154,726)	(6,299,318)	(5,934,069)
	-	1,301	-	-	(301)	-
	(132,141)	(65,111)	(398,906)	(122,962)	(52,573)	(97,096)
	1,801,808	2,195,019	3,282,268	4,972,570	(2,980,074)	(1,378,613)
	93,733,090	91,538,071	88,255,803	83,283,233	86,263,307	87,641,920
	<u>\$ 95,534,898</u>	<u>\$ 93,733,090</u>	<u>\$ 91,538,071</u>	<u>\$ 88,255,803</u>	<u>\$ 83,283,233</u>	<u>\$ 86,263,307</u>
	<u>\$ 42,029,944</u>	<u>\$ 40,493,987</u>	<u>\$ 38,647,206</u>	<u>\$ 40,115,588</u>	<u>\$ 36,382,472</u>	<u>\$ 30,929,473</u>
	69.45%	69.83%	70.31%	68.75%	69.60%	73.61%
	\$ 8,343,351	\$ 8,524,725	\$ 8,430,545	\$ 9,034,865	\$ 9,183,479	\$ 10,003,615
	503.75%	475.02%	458.42%	444.01%	396.17%	309.18%

**City of Upland
Required Supplementary Information
Year Ended June 30, 2025**

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

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

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

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

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5% 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, 2025**

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

Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2024	0.79940%	\$ 58,283,193	\$ 10,250,168	568.61%	78.78%
2023	0.85709%	59,843,878	8,058,111	742.65%	78.78%
2022	1.61424%	58,895,874	7,777,162	757.29%	75.39%
2021	1.04750%	56,651,603	7,767,343	729.36%	75.36%
2020	0.72025%	78,366,541	7,473,800	1048.55%	64.98%
2019	0.71858%	73,633,282	6,845,982	1075.57%	66.40%

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

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

Benefit Changes: None

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

**City of Upland
Required Supplementary Information
Year Ended June 30, 2025**

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2025	\$ 5,270,989	\$ (5,270,989)	\$ -	\$ 11,561,795	45.59%
2024	4,067,668	(4,067,668)	-	11,101,211	36.64%
2023	3,898,487	(3,898,487)	-	10,622,134	36.70%
2022	4,482,400	(19,737,848)	(15,255,448)	9,422,945	47.57%
2021	4,088,720	(4,088,720)	-	9,373,798	43.62%
2020	3,734,440	(4,734,440)	(1,000,000)	8,343,351	44.76%
2019	3,335,368	(3,335,368)	-	8,524,725	39.13%
2018	2,999,453	(2,999,453)	-	8,430,545	35.58%
2017	2,352,967	(2,352,967)	-	9,034,865	26.04%
2016	2,239,207	(2,239,207)	-	9,183,479	24.38%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2025	\$ 8,228,761	\$ (8,228,761)	\$ -	\$ 10,702,850	76.88%
2024	5,501,011	(5,501,011)	-	10,250,168	53.67%
2023	5,465,572	(5,465,572)	-	8,058,111	67.83%
2022	7,227,924	(37,727,924)	(30,500,000)	7,777,162	92.94%
2021	7,041,790	(7,041,790)	-	7,767,343	90.66%
2020	6,210,535	(6,210,535)	-	7,473,800	83.10%
2019	5,322,942	(5,322,942)	-	6,845,982	77.75%
2018	4,816,496	(4,816,496)	-	7,851,917	61.34%
2017	4,870,870	(4,870,870)	-	11,286,708	43.16%
2016	4,265,372	(4,265,372)	-	10,755,149	39.66%

**City of Upland
Required Supplementary Information
Year Ended June 30, 2025**

Schedule of Contributions - Continued

Notes to Schedule of Plan Contributions:

Valuation Date:	June 30, 2023
Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Assets valuation method:	Direct rate smoothing
Inflation:	2.30%
Salary Increases:	Varies by entry age and service
Payroll Growth:	2.85%
Investment rate of return:	6.90% net of pension investment and administrative expenses, including inflation
Retirement Age:	All other actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from 2001 to 2019. Including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov .
Mortality:	Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

City of Upland
Required Supplementary Information
Year Ended June 30, 2025

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

	Measurement Period		
	2024	2023	2022
Total OPEB Liability			
Service cost	\$ 240,958	\$ 218,751	\$ 212,380
Interest on total OPEB liability	603,470	595,145	346,877
Changes in assumptions	924,121	(573,620)	(4,186,640)
Changes in benefits	-	-	-
Differences between expected and actual experience	57,301	318,443	-
Benefit payments, including refunds	(982,403)	(873,479)	(792,544)
Net change in total OPEB liability	843,447	(314,760)	(4,419,927)
Total OPEB liability - beginning	10,530,831	10,845,591	15,265,518
Total OPEB liability - ending (a)	<u>\$ 11,374,278</u>	<u>\$ 10,530,831</u>	<u>\$ 10,845,591</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 1,281,371	\$ 873,479	\$ 1,019,544
Net Investment Income	200,185	133,943	(176,122)
Benefit payments	(982,403)	(873,479)	(792,544)
Administrative Expense	(6,753)	(9,815)	(9,461)
Net change in plan fiduciary net position	492,400	124,128	41,417
Plan fiduciary net position - beginning	1,780,155	1,656,027	1,614,610
Plan fiduciary net position - ending (b)	<u>\$ 2,272,555</u>	<u>\$ 1,780,155</u>	<u>\$ 1,656,027</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 9,101,723</u>	<u>\$ 8,750,676</u>	<u>\$ 9,189,564</u>
Plan fiduciary net position as a percentage of the total OPEB liability	20.0%	16.9%	15.3%
Covered - employee payroll	18,080,387	16,897,727	19,439,899
Net OPEB liability as a percentage of covered-employee payroll	50.34%	51.79%	47.27%

Notes to Schedule of Changes

The discount rate from the 2019 Actuarial Valuation to the 2021 Actuarial Valuation changed from 5.91% of 5.64%. The discount rate from the 2021 Actuarial Valuation to the 2023 Actuarial Valuation changed from 5.64% to 5.87%.

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

City of Upland
Required Supplementary Information
Year Ended June 30, 2025

Measurement Period				
2021	2020	2019	2018	2017
\$ 226,606	\$ 166,888	\$ 390,159	\$ 557,634	\$ 538,257
326,794	448,931	573,095	562,756	547,618
(171,113)	2,001,839	784,435	(1,049,491)	-
-	-	-	(1,080,543)	-
841,486	-	(1,821,317)	-	-
(772,138)	(853,875)	(591,246)	(699,692)	(669,865)
451,635	1,763,783	(664,874)	(1,709,336)	416,010
14,813,883	13,050,100	13,714,974	15,424,310	15,008,300
<u>\$ 15,265,518</u>	<u>\$ 14,813,883</u>	<u>\$ 13,050,100</u>	<u>\$ 13,714,974</u>	<u>\$ 15,424,310</u>
\$ 997,138	\$ 853,875	\$ 591,246	\$ 699,692	\$ 1,669,865
231,516	51,511	69,490	54,034	966
(772,138)	(853,875)	(591,246)	(699,692)	(669,865)
(6,956)	(5,696)	(2,660)	(2,595)	-
449,560	45,815	66,830	51,439	1,000,966
1,165,050	1,119,235	1,052,405	1,000,966	-
<u>\$ 1,614,610</u>	<u>\$ 1,165,050</u>	<u>\$ 1,119,235</u>	<u>\$ 1,052,405</u>	<u>\$ 1,000,966</u>
<u>\$ 13,650,908</u>	<u>\$ 13,648,833</u>	<u>\$ 11,930,865</u>	<u>\$ 12,662,569</u>	<u>\$ 14,423,344</u>
10.6%	7.9%	8.6%	7.7%	6.5%
19,086,465	16,470,676	15,729,836	16,282,462	20,253,855
71.52%	82.87%	75.85%	77.77%	71.21%

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

**City of Upland
Non-Major Governmental Funds
Year Ended June 30, 2025**

SPECIAL REVENUE FUNDS

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

Gas Tax Fund

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

HOME Program Fund

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

CalHOME Program Fund

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

Community Development Block Grant Fund

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

Measure I Fund

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

Air Quality Management District Fund

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

Parking and Business Improvement Area Fund

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

SB509 Public Safety Augmentation Fund

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

Asset Forfeiture Fund

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

Public Safety Grants Fund

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

HUD Economic Development Initiative

To account for revenues and expenditures related to HUD grants to be used for development initiatives.

**City of Upland
Non-Major Governmental Funds
Year Ended June 30, 2025**

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.

Fire DIF Fund

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

Police DIF Fund

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

Quimby Fees Fund

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

General DIF Fund

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

Storm Drain DIF 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 Facility DIF Fund

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

General Capital Projects Fund

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

Street and Alley Repair Fund

To account for projects for street and alley repairs funded by waste management agreements.

Park DIF 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.

City of Upland
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2025

	Special Revenue			Community Development Block Grant
	Gas Tax	HOME Program	CalHOME Program	
ASSETS				
Cash and Investments	\$ 9,483,220	\$ 2,488,102	\$ 739,200	\$ -
Restricted Cash	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Notes, net	-	2,473,768	1,466,516	-
Accrued Interest on Notes	-	850,593	418,079	-
Due from Other Governments	567,862	-	-	297,692
Total Assets	\$ 10,051,082	\$ 5,812,463	\$ 2,623,795	\$ 297,692
LIABILITIES				
Accounts Payable	\$ 27,668	\$ 1,000	\$ -	\$ 104,980
Accrued Salaries and Benefits	6,079	-	-	3,057
Due to Other Funds	-	-	-	120,060
Deposits Payable	-	-	-	-
Retentions Payable	138,576	-	-	10,817
Unearned Revenue	-	-	-	-
Total Liabilities	172,323	1,000	-	238,914
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	850,593	418,079	-
Total Deferred Inflows of Resources	-	850,593	418,079	-
FUND BALANCE (DEFICITS)				
Restricted	9,878,759	4,960,870	2,205,716	58,778
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	9,878,759	4,960,870	2,205,716	58,778
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 10,051,082	\$ 5,812,463	\$ 2,623,795	\$ 297,692

Special Revenue					
Measure I	Air Quality Management District	Parking and Business Improvement	SB 509 Public Safety Augmentation	Asset Forfeiture	Public Safety Grants
\$ 10,677,086	\$ 145,518	\$ 152,349	\$ -	\$ 1,633,193	\$ 1,726,365
-	-	-	-	62,956	-
-	-	15,103	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
361,714	27,249	-	110,846	-	36,733
<u>\$ 11,038,800</u>	<u>\$ 172,767</u>	<u>\$ 167,452</u>	<u>\$ 110,846</u>	<u>\$ 1,696,149</u>	<u>\$ 1,763,098</u>
\$ 198,685	\$ 90	\$ 27,824	\$ -	\$ -	\$ 339,926
2,375	117	-	32,310	-	7,037
-	-	-	78,536	-	-
-	-	-	-	62,956	-
30,147	-	1,255	-	-	-
-	-	-	-	-	24,873
<u>231,207</u>	<u>207</u>	<u>29,079</u>	<u>110,846</u>	<u>62,956</u>	<u>371,836</u>
-	27,249	-	-	-	5,254
-	27,249	-	-	-	5,254
10,807,593	145,311	138,373	-	1,633,193	1,386,008
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,807,593</u>	<u>145,311</u>	<u>138,373</u>	<u>-</u>	<u>1,633,193</u>	<u>1,386,008</u>
<u>\$ 11,038,800</u>	<u>\$ 172,767</u>	<u>\$ 167,452</u>	<u>\$ 110,846</u>	<u>\$ 1,696,149</u>	<u>\$ 1,763,098</u>

City of Upland
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2025

	Special Revenue		Capital Projects	
	HUD		Fire DIF	Police DIF
	Economic Dev. Initiative	CARES ACT		
ASSETS				
Cash and Investments	\$ -	\$ -	\$ 47,928	\$ 1,038,193
Restricted Cash	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Notes, net	-	-	-	-
Accrued Interest on Notes	-	-	-	-
Due from Other Governments	614,177	-	-	-
Total Assets	\$ 614,177	\$ -	\$ 47,928	\$ 1,038,193
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 41,762	\$ -
Accrued Salaries and Benefits	-	-	-	-
Due to Other Funds	614,177	-	-	-
Deposits Payable	-	-	-	-
Retentions Payable	-	-	-	7,283
Unearned Revenue	-	-	-	-
Total Liabilities	614,177	-	41,762	7,283
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	614,177	-	-	-
Total Deferred Inflows of Resources	614,177	-	-	-
FUND BALANCE (DEFICITS)				
Restricted	-	-	6,166	1,030,910
Assigned	-	-	-	-
Unassigned	(614,177)	-	-	-
Total Fund Balances (Deficits)	(614,177)	-	6,166	1,030,910
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 614,177	\$ -	\$ 47,928	\$ 1,038,193

Capital Projects							
Quimby Fees	General DIF	Storm Drain DIF	Street and Traffic Facility DIF	General Capital Projects	Street & Alley Repair	Park DIF	Total
\$ 11,179,845	\$ 798,290	\$ 2,114,443	\$ 1,014,300	\$ 3,993,801	\$ 951,998	\$ 1,164,017	\$ 49,347,848
-	-	-	-	-	-	-	62,956
-	-	-	-	-	64,098	-	79,201
-	-	-	-	-	-	-	3,940,284
-	-	-	-	-	-	-	1,268,672
-	-	-	-	136,425	-	-	2,152,698
<u>\$ 11,179,845</u>	<u>\$ 798,290</u>	<u>\$ 2,114,443</u>	<u>\$ 1,014,300</u>	<u>\$ 4,130,226</u>	<u>\$ 1,016,096</u>	<u>\$ 1,164,017</u>	<u>\$ 56,851,659</u>
\$ 2,603	\$ -	\$ -	\$ -	\$ 203,213	\$ -	\$ 19,620	\$ 967,371
-	-	-	-	1,303	827	-	53,105
-	-	-	-	-	-	-	812,773
-	504	-	-	-	-	113,030	176,490
22,351	2,704	-	-	31,390	10,045	-	254,568
-	-	-	-	-	-	-	24,873
<u>24,954</u>	<u>3,208</u>	<u>-</u>	<u>-</u>	<u>235,906</u>	<u>10,872</u>	<u>132,650</u>	<u>2,289,180</u>
-	-	-	-	136,425	-	-	2,051,777
-	-	-	-	136,425	-	-	2,051,777
11,154,891	795,082	2,114,443	1,014,300	2,888,575	1,005,224	1,031,367	52,255,559
-	-	-	-	869,320	-	-	869,320
-	-	-	-	-	-	-	(614,177)
<u>11,154,891</u>	<u>795,082</u>	<u>2,114,443</u>	<u>1,014,300</u>	<u>3,757,895</u>	<u>1,005,224</u>	<u>1,031,367</u>	<u>52,510,702</u>
<u>\$ 11,179,845</u>	<u>\$ 798,290</u>	<u>\$ 2,114,443</u>	<u>\$ 1,014,300</u>	<u>\$ 4,130,226</u>	<u>\$ 1,016,096</u>	<u>\$ 1,164,017</u>	<u>\$ 56,851,659</u>

City of Upland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2025

	Special Revenue			
	Gas Tax	HOME Program	CalHOME Program	Community Development Block Grant
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Charges for Services	-	-	-	-
Investment Income	579,864	72,905	22,815	-
Rental Income	-	-	-	-
Intergovernmental	4,365,366	-	-	546,316
Other Revenue	-	37,179	6,000	-
Total Revenues	<u>4,945,230</u>	<u>110,084</u>	<u>28,815</u>	<u>546,316</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Engineering and Public Works	3,825,523	-	-	-
Development Services	-	93,440	42,614	546,315
Community Services	-	-	-	-
Total Expenditures	<u>3,825,523</u>	<u>93,440</u>	<u>42,614</u>	<u>546,315</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,119,707</u>	<u>16,644</u>	<u>(13,799)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>1,119,707</u>	<u>16,644</u>	<u>(13,799)</u>	<u>1</u>
Fund Balances - Beginning, as previously reported	8,759,052	4,944,226	2,219,515	58,777
Change within financial reporting entity (nonmajor to major)	-	-	-	-
Fund Balances - Beginning, as adjusted	<u>8,759,052</u>	<u>4,944,226</u>	<u>2,219,515</u>	<u>58,777</u>
Fund Balances - Ending	<u>\$ 9,878,759</u>	<u>\$ 4,960,870</u>	<u>\$ 2,205,716</u>	<u>\$ 58,778</u>

Measure I	Special Revenue					
	Air Quality Management District	Parking and Business Improvement	SB 509 Public Safety Augmentation	Asset Forfeiture	Public Safety Grants	Formerly Non-major Other Grants
\$ -	\$ -	\$ 66,860	\$ 1,411,251	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
537,095	3,613	4,386	-	51,116	49,578	-
-	-	-	-	-	-	-
2,048,463	103,467	-	-	98,737	409,356	-
-	-	-	-	-	-	-
<u>2,585,558</u>	<u>107,080</u>	<u>71,246</u>	<u>1,411,251</u>	<u>149,853</u>	<u>458,934</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	1,411,251	174,877	515,173	-
1,162,154	122,908	64,005	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,162,154</u>	<u>122,908</u>	<u>64,005</u>	<u>1,411,251</u>	<u>174,877</u>	<u>515,173</u>	<u>-</u>
-	-	-	-	-	-	-
1,423,404	(15,828)	7,241	-	(25,024)	(56,239)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,423,404</u>	<u>(15,828)</u>	<u>7,241</u>	<u>-</u>	<u>(25,024)</u>	<u>(56,239)</u>	<u>-</u>
9,384,189	161,139	131,132	-	1,658,217	1,442,247	(905,272)
-	-	-	-	-	-	905,272
<u>9,384,189</u>	<u>161,139</u>	<u>131,132</u>	<u>-</u>	<u>1,658,217</u>	<u>1,442,247</u>	<u>-</u>
<u>\$ 10,807,593</u>	<u>\$ 145,311</u>	<u>\$ 138,373</u>	<u>\$ -</u>	<u>\$ 1,633,193</u>	<u>\$ 1,386,008</u>	<u>\$ -</u>

Continued

City of Upland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds - Continued
Year Ended June 30, 2025

	Special Revenue		Capital Projects	
	HUD		Fire DIF	Police DIF
	Economic Dev. Initiative	CARES ACT		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	230,772
Charges for Services	-	-	-	-
Investment Income	-	-	2,004	55,103
Rental Income	-	-	-	-
Intergovernmental	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>2,004</u>	<u>285,875</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	60,274	212,648
Engineering and Public Works	330,003	-	-	-
Development Services	-	-	-	-
Community Services	-	-	-	-
Total Expenditures	<u>330,003</u>	<u>-</u>	<u>60,274</u>	<u>212,648</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(330,003)</u>	<u>-</u>	<u>(58,270)</u>	<u>73,227</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	(30,067)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(30,067)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(330,003)</u>	<u>(30,067)</u>	<u>(58,270)</u>	<u>73,227</u>
Fund Balances - Beginning, as previously reported	(284,174)	30,067	64,436	957,683
Change within financial reporting entity (nonmajor to major)	-	-	-	-
Fund Balances - Beginning, as adjusted	<u>(284,174)</u>	<u>30,067</u>	<u>64,436</u>	<u>957,683</u>
Fund Balances - Ending	<u>\$ (614,177)</u>	<u>\$ -</u>	<u>\$ 6,166</u>	<u>\$ 1,030,910</u>

Capital Projects

Quimby Fees	General DIF	Storm Drain DIF	Street and Traffic Facility DIF	General Capital Projects	Street & Alley Repair	Park DIF	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,478,111
2,140,128	263,693	758,397	565,386	-	384,589	342,388	4,685,353
-	-	-	-	-	-	-	-
558,651	40,616	136,968	32,985	-	54,001	45,209	2,246,909
-	-	-	-	4,500	-	-	4,500
-	-	-	-	-	-	-	7,571,705
-	-	-	-	-	-	-	43,179
<u>2,698,779</u>	<u>304,309</u>	<u>895,365</u>	<u>598,371</u>	<u>4,500</u>	<u>438,590</u>	<u>387,597</u>	<u>16,029,757</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,374,223
330,927	4,553	266,371	15,771	1,803,208	233,912	-	8,159,335
-	-	-	-	-	-	-	682,369
<u>279,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,356</u>	<u>325,406</u>
<u>609,977</u>	<u>4,553</u>	<u>266,371</u>	<u>15,771</u>	<u>1,803,208</u>	<u>233,912</u>	<u>46,356</u>	<u>11,541,333</u>
<u>2,088,802</u>	<u>299,756</u>	<u>628,994</u>	<u>582,600</u>	<u>(1,798,708)</u>	<u>204,678</u>	<u>341,241</u>	<u>4,488,424</u>
-	-	-	-	125,000	-	-	125,000
-	-	-	-	(899,504)	-	-	(929,571)
-	-	-	-	(774,504)	-	-	(804,571)
<u>2,088,802</u>	<u>299,756</u>	<u>628,994</u>	<u>582,600</u>	<u>(2,573,212)</u>	<u>204,678</u>	<u>341,241</u>	<u>3,683,853</u>
9,066,089	495,326	1,485,449	431,700	6,331,107	800,546	690,126	47,921,577
-	-	-	-	-	-	-	905,272
<u>9,066,089</u>	<u>495,326</u>	<u>1,485,449</u>	<u>431,700</u>	<u>6,331,107</u>	<u>800,546</u>	<u>690,126</u>	<u>48,826,849</u>
<u>\$ 11,154,891</u>	<u>\$ 795,082</u>	<u>\$ 2,114,443</u>	<u>\$ 1,014,300</u>	<u>\$ 3,757,895</u>	<u>\$ 1,005,224</u>	<u>\$ 1,031,367</u>	<u>\$ 52,510,702</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, 2025

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Investment Income	\$ 48,510	\$ 579,864	\$ 531,354
Intergovernmental	<u>6,181,620</u>	<u>4,365,366</u>	<u>(1,816,254)</u>
Total Revenues	<u>6,230,130</u>	<u>4,945,230</u>	<u>(1,284,900)</u>
EXPENDITURES			
Current:			
Engineering and Public Works	<u>13,354,622</u>	<u>3,825,523</u>	<u>9,529,099</u>
Total Expenditures	<u>13,354,622</u>	<u>3,825,523</u>	<u>9,529,099</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(7,124,492)</u>	<u>1,119,707</u>	<u>8,244,199</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(7,124,492)	1,119,707	8,244,199
Fund Balance, Beginning	<u>8,759,052</u>	<u>8,759,052</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 1,634,560</u></u>	<u><u>\$ 9,878,759</u></u>	<u><u>\$ 8,244,199</u></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, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ 5,000	\$ 72,905	\$ 67,905
Other Revenue	<u>33,000</u>	<u>37,179</u>	<u>4,179</u>
Total Revenues	<u>38,000</u>	<u>110,084</u>	<u>72,084</u>
EXPENDITURES			
Current:			
Development Services	<u>1,010,000</u>	<u>93,440</u>	<u>916,560</u>
Total Expenditures	<u>1,010,000</u>	<u>93,440</u>	<u>916,560</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(972,000)</u>	<u>16,644</u>	<u>988,644</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(972,000)	16,644	988,644
Fund Balance, Beginning	<u>4,944,226</u>	<u>4,944,226</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 3,972,226</u></u>	<u><u>\$ 4,960,870</u></u>	<u><u>\$ 988,644</u></u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - CalHOME Program Special Revenue Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ 3,500	\$ 22,815	\$ 19,315
Intergovernmental	480,000	-	(480,000)
Other Revenue	20,000	6,000	(14,000)
Total Revenues	<u>503,500</u>	<u>28,815</u>	<u>(474,685)</u>
EXPENDITURES			
Current:			
Development Services	880,000	42,614	837,386
Total Expenditures	<u>880,000</u>	<u>42,614</u>	<u>837,386</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(376,500)</u>	<u>(13,799)</u>	<u>362,701</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(376,500)	(13,799)	362,701
Fund Balance, Beginning	<u>2,219,515</u>	<u>2,219,515</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 1,843,015</u></u>	<u><u>\$ 2,205,716</u></u>	<u><u>\$ 362,701</u></u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - CDBG Special Revenue Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,085,698	\$ 546,316	\$ (539,382)
Other Revenue	-	-	-
Total Revenues	<u>1,085,698</u>	<u>546,316</u>	<u>(539,382)</u>
EXPENDITURES			
Current:			
Development Services	<u>1,085,698</u>	<u>546,315</u>	<u>539,383</u>
Total Expenditures	<u>1,085,698</u>	<u>546,315</u>	<u>539,383</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>1</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	1	1
Fund Balance, Beginning	<u>58,777</u>	<u>58,777</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 58,777</u></u>	<u><u>\$ 58,778</u></u>	<u><u>\$ 1</u></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, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ 36,320	\$ 537,095	\$ 500,775
Intergovernmental	2,136,670	2,048,463	(88,207)
Other Revenue	-	-	-
Total Revenues	<u>2,172,990</u>	<u>2,585,558</u>	<u>412,568</u>
EXPENDITURES			
Current:			
Engineering and Public Works	<u>5,502,881</u>	<u>1,162,154</u>	<u>4,340,727</u>
Total Expenditures	<u>5,502,881</u>	<u>1,162,154</u>	<u>4,340,727</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,329,891)</u>	<u>1,423,404</u>	<u>4,753,295</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(3,329,891)	1,423,404	4,753,295
Fund Balance, Beginning	<u>9,384,189</u>	<u>9,384,189</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 6,054,298</u></u>	<u><u>\$ 10,807,593</u></u>	<u><u>\$ 4,753,295</u></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, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 3,613	\$ 3,613
Intergovernmental	100,000	103,467	3,467
Total Revenues	100,000	107,080	7,080
EXPENDITURES			
Current:			
Engineering and Public Works	131,564	122,908	8,656
Total Expenditures	131,564	122,908	8,656
Excess (Deficiency) of Revenues over Expenditures	(31,564)	(15,828)	15,736
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(31,564)	(15,828)	15,736
Fund Balance, Beginning	161,139	161,139	-
Fund Balance, Ending	\$ 129,575	\$ 145,311	\$ 15,736

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, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 58,500	\$ 66,860	\$ 8,360
Investment Income	1,000	4,386	3,386
Total Revenues	<u>59,500</u>	<u>71,246</u>	<u>11,746</u>
EXPENDITURES			
Current:			
Engineering and Public Works	87,824	64,005	23,819
Total Expenditures	<u>87,824</u>	<u>64,005</u>	<u>23,819</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(28,324)</u>	<u>7,241</u>	<u>35,565</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(28,324)	7,241	35,565
Fund Balance, Beginning	<u>131,132</u>	<u>131,132</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 102,808</u>	<u>\$ 138,373</u>	<u>\$ 35,565</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, 2025

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Taxes	<u>\$ 1,432,850</u>	<u>\$ 1,411,251</u>	<u>\$ (21,599)</u>
Total Revenues	<u>1,432,850</u>	<u>1,411,251</u>	<u>(21,599)</u>
EXPENDITURES			
Current:			
Public Safety	<u>1,432,850</u>	<u>1,411,251</u>	<u>21,599</u>
Total Expenditures	<u>1,432,850</u>	<u>1,411,251</u>	<u>21,599</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><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, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 51,116	\$ 51,116
Fines and Forfeitures	-	-	-
Intergovernmental	-	98,737	98,737
Total Revenues	<u>-</u>	<u>149,853</u>	<u>149,853</u>
EXPENDITURES			
Current:			
Public Safety	908,768	174,877	733,891
Total Expenditures	<u>908,768</u>	<u>174,877</u>	<u>733,891</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(908,768)</u>	<u>(25,024)</u>	<u>883,744</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(908,768)	(25,024)	883,744
Fund Balance, Beginning	<u>1,658,217</u>	<u>1,658,217</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 749,449</u>	<u>\$ 1,633,193</u>	<u>\$ 883,744</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, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income		49,578	49,578
Intergovernmental	497,656	409,356	(88,300)
Other Revenue	-	-	-
	<u>497,656</u>	<u>458,934</u>	<u>(38,722)</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Safety	<u>1,703,408</u>	<u>515,173</u>	<u>1,188,235</u>
Total Expenditures	<u>1,703,408</u>	<u>515,173</u>	<u>1,188,235</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,205,752)</u>	<u>(56,239)</u>	<u>1,149,513</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,205,752)	(56,239)	1,149,513
Fund Balance, Beginning	<u>1,442,247</u>	<u>1,442,247</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 236,495</u>	<u>\$ 1,386,008</u>	<u>\$ 1,149,513</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - CARES ACT Special Revenue Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
General Government		-	-
Public Safety	-	-	-
Engineering and Public Works	-	-	-
Development Services	-	-	-
Community Services	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>(30,067)</u>	<u>(30,067)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(30,067)</u>	<u>(30,067)</u>	<u>-</u>
Net Change in Fund Balances	(30,067)	(30,067)	-
Fund Balance, Beginning	<u>30,067</u>	<u>30,067</u>	
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Fire DIF Capital Projects Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ -	\$ -	\$ -
Investment Income	-	2,004	2,004
Intergovernmental	-	-	-
Other Revenue	-	-	-
	<u>-</u>	<u>2,004</u>	<u>2,004</u>
Total Revenues	<u>-</u>	<u>2,004</u>	<u>2,004</u>
EXPENDITURES			
Current:			
Public Safety	64,279	60,274	4,005
Community Services	-	-	-
	<u>64,279</u>	<u>60,274</u>	<u>4,005</u>
Total Expenditures	<u>64,279</u>	<u>60,274</u>	<u>4,005</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(64,279)</u>	<u>(58,270)</u>	<u>6,009</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(64,279)	(58,270)	6,009
Fund Balance, Beginning	<u>64,436</u>	<u>64,436</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 157</u>	<u>\$ 6,166</u>	<u>\$ 6,009</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Police DIF Capital Projects Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 120,000	\$ 230,772	\$ 110,772
Investment Income	-	55,103	55,103
Intergovernmental	-	-	-
Other Revenue	-	-	-
	<u>120,000</u>	<u>285,875</u>	<u>165,875</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Safety	585,000	212,648	372,352
Community Services	-	-	-
	<u>585,000</u>	<u>212,648</u>	<u>372,352</u>
Total Expenditures			
Excess (Deficiency) of Revenues over Expenditures	<u>(465,000)</u>	<u>73,227</u>	<u>538,227</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(465,000)	73,227	538,227
Fund Balance, Beginning	<u>957,683</u>	<u>957,683</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 492,683</u>	<u>\$ 1,030,910</u>	<u>\$ 538,227</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Quimby Fees Capital Projects Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 1,020,000	\$ 2,140,128	\$ 1,120,128
Investment Income	-	558,651	558,651
Intergovernmental	-	-	-
Other Revenue	-	-	-
	<u>1,020,000</u>	<u>2,698,779</u>	<u>1,678,779</u>
EXPENDITURES			
Current:			
Engineering and Public Works	2,436,484	330,927	2,105,557
Community Services	345,862	279,050	66,812
	<u>2,782,346</u>	<u>609,977</u>	<u>2,172,369</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,762,346)</u>	<u>2,088,802</u>	<u>3,851,148</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,762,346)	2,088,802	3,851,148
Fund Balance, Beginning	<u>9,066,089</u>	<u>9,066,089</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 7,303,743</u></u>	<u><u>\$ 11,154,891</u></u>	<u><u>\$ 3,851,148</u></u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General DIF Capital Projects Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 130,000	\$ 263,693	\$ 133,693
Investment Income	-	40,616	40,616
Intergovernmental	-	-	-
Other Revenue	-	-	-
	<u>130,000</u>	<u>304,309</u>	<u>174,309</u>
EXPENDITURES			
Current:			
Public Safety	400,000	4,553	395,447
Community Services	-	-	-
	<u>400,000</u>	<u>4,553</u>	<u>395,447</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(270,000)</u>	<u>299,756</u>	<u>569,756</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(270,000)	299,756	569,756
Fund Balance, Beginning	<u>495,326</u>	<u>495,326</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 225,326</u></u>	<u><u>\$ 795,082</u></u>	<u><u>\$ 569,756</u></u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Storm Drain DIF Capital Projects Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 400,000	\$ 758,397	\$ 358,397
Investment Income	-	136,968	136,968
Rental Income	75,250	-	(75,250)
	<u>475,250</u>	<u>895,365</u>	<u>420,115</u>
EXPENDITURES			
Current:			
Engineering and Public Works	490,330	266,371	223,959
Community Services	-	-	-
	<u>490,330</u>	<u>266,371</u>	<u>223,959</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(15,080)</u>	<u>628,994</u>	<u>644,074</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(15,080)	628,994	644,074
Fund Balance, Beginning	<u>1,485,449</u>	<u>1,485,449</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 1,470,369</u></u>	<u><u>\$ 2,114,443</u></u>	<u><u>\$ 644,074</u></u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Street & Traffic Facility DIF Capital Projects Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 290,000	\$ 565,386	\$ 275,386
Investment Income	-	32,985	32,985
Intergovernmental	-	-	-
Other Revenue	-	-	-
	<u>290,000</u>	<u>598,371</u>	<u>308,371</u>
EXPENDITURES			
Current:			
Engineering and Public Works	325,000	15,771	309,229
Community Services	-	-	-
	<u>325,000</u>	<u>15,771</u>	<u>309,229</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(35,000)</u>	<u>582,600</u>	<u>617,600</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(35,000)	582,600	617,600
Fund Balance, Beginning	<u>431,700</u>	<u>431,700</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 396,700</u></u>	<u><u>\$ 1,014,300</u></u>	<u><u>\$ 617,600</u></u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Capital Projects Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,995,590	\$ -	\$ (1,995,590)
Investment Income	-	-	-
Charges for Services	-	-	-
Rental Income	-	4,500	4,500
	<u>1,995,590</u>	<u>4,500</u>	<u>(1,991,090)</u>
Total Revenues			
EXPENDITURES			
Current:			
Engineering and Public Works	5,118,248	1,803,208	3,315,040
Community Services	-	-	-
	<u>5,118,248</u>	<u>1,803,208</u>	<u>3,315,040</u>
Total Expenditures			
Excess (Deficiency) of Revenues over Expenditures	<u>(3,122,658)</u>	<u>(1,798,708)</u>	<u>1,323,950</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	125,000	125,000	-
Transfers Out	(899,505)	(899,504)	1
	<u>(774,505)</u>	<u>(774,504)</u>	<u>1</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(3,897,163)	(2,573,212)	1,323,951
Fund Balance, Beginning	<u>6,331,107</u>	<u>6,331,107</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,433,944</u>	<u>\$ 3,757,895</u>	<u>\$ 1,323,951</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, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 374,900	\$ 384,589	\$ 9,689
Investment Income	-	54,001	54,001
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>374,900</u>	<u>438,590</u>	<u>63,690</u>
EXPENDITURES			
Current:			
Engineering and Public Works	869,089	233,912	635,177
Community Services	-	-	-
Total Expenditures	<u>869,089</u>	<u>233,912</u>	<u>635,177</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(494,189)</u>	<u>204,678</u>	<u>698,867</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(494,189)	204,678	698,867
Fund Balance, Beginning	<u>800,546</u>	<u>800,546</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 306,357</u></u>	<u><u>\$ 1,005,224</u></u>	<u><u>\$ 698,867</u></u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Park DIF Capital Projects Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 180,000	\$ 342,388	\$ 162,388
Investment Income	-	45,209	45,209
Intergovernmental	-	-	-
Other Revenue	-	-	-
	<u>180,000</u>	<u>387,597</u>	<u>207,597</u>
EXPENDITURES			
Current:			
Engineering and Public Works	-	-	-
Community Services	45,000	46,356	(1,356)
	<u>45,000</u>	<u>46,356</u>	<u>(1,356)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>135,000</u>	<u>341,241</u>	<u>206,241</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	135,000	341,241	206,241
Fund Balance, Beginning	<u>690,126</u>	<u>690,126</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 825,126</u></u>	<u><u>\$ 1,031,367</u></u>	<u><u>\$ 206,241</u></u>

INTERNAL SERVICE FUNDS

**City of Upland
Internal Service Funds
Year Ended June 30, 2025**

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, 2025

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
ASSETS					
Current Assets:					
Cash and Investments	\$ 5,014,896	\$ 1,704,048	\$ 4,317,113	\$ 1,106,334	\$ 12,142,391
Accounts Receivable - Net	-	-	25,149	-	25,149
Inventory and Prepaid Items	107,574	55,146	5,982	-	168,702
Total Current Assets	<u>5,122,470</u>	<u>1,759,194</u>	<u>4,348,244</u>	<u>1,106,334</u>	<u>12,336,242</u>
Noncurrent Assets:					
Capital Assets, Not Being Depreciated					
Construction In Progress	-	-	-	-	-
Capital Assets, Depreciable, Net	-	120,228	1,096,893	-	1,217,121
Total Noncurrent Assets	<u>-</u>	<u>120,228</u>	<u>1,096,893</u>	<u>-</u>	<u>1,217,121</u>
Total Assets	<u>5,122,470</u>	<u>1,879,422</u>	<u>5,445,137</u>	<u>1,106,334</u>	<u>13,553,363</u>
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related Items	23,133	12,476	35,090	41,847	112,546
Pension Related Items	123,133	148,371	260,796	270,739	803,039
Total Deferred Outflows of Resources	<u>146,266</u>	<u>160,847</u>	<u>295,886</u>	<u>312,586</u>	<u>915,585</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	134,349	203,126	539,315	113,141	989,931
Accrued Salaries and Wages	8,463	1,912	13,678	19,171	43,224
Current Portion of Long-Term Liabilities:					
Claims and Judgments Payable	2,004,272	-	-	-	2,004,272
Compensated Absences	14,504	4,750	26,591	25,904	71,749
Total Current Liabilities	<u>2,161,588</u>	<u>209,788</u>	<u>579,584</u>	<u>158,216</u>	<u>3,109,176</u>
Noncurrent Liabilities:					
Claims and Judgments Payable	5,745,597	-	-	-	5,745,597
Net OPEB Liability	81,006	43,688	122,874	146,537	394,105
Net Pension Liability	580,676	835,432	1,404,031	1,399,807	4,219,946
Compensated Absences	2,953	7,446	74,721	23,452	108,572
Total Noncurrent Liabilities	<u>6,410,232</u>	<u>886,566</u>	<u>1,601,626</u>	<u>1,569,796</u>	<u>10,468,220</u>
Total Liabilities	<u>8,571,820</u>	<u>1,096,354</u>	<u>2,181,210</u>	<u>1,728,012</u>	<u>13,577,396</u>
DEFERRED INFLOWS OF RESOURCES					
OPEB Related Items	20,992	11,321	31,842	37,975	102,130
Pension Related Items	-	-	-	-	-
Total Deferred Inflows of Resources	<u>20,992</u>	<u>11,321</u>	<u>31,842</u>	<u>37,975</u>	<u>102,130</u>
NET POSITION					
Net Investment in Capital Assets	-	120,228	1,096,893	-	1,217,121
Unrestricted	(3,324,076)	812,366	2,431,078	(347,067)	(427,699)
Total Net Position	<u>\$ (3,324,076)</u>	<u>\$ 932,594</u>	<u>\$ 3,527,971</u>	<u>\$ (347,067)</u>	<u>\$ 789,422</u>

City of Upland
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2025

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
OPERATING REVENUES					
Charges for Services	\$ 4,939,220	\$ 842,980	\$ 3,312,750	\$ 1,457,080	\$ 10,552,030
Other Operating Revenues	2,098	-	109,349	-	111,447
Total Operating Revenues	<u>4,941,318</u>	<u>842,980</u>	<u>3,422,099</u>	<u>1,457,080</u>	<u>10,663,477</u>
OPERATING EXPENSES					
Maintenance and Operations	364,751	1,512,730	2,784,161	1,747,955	6,409,597
Contractual Services	253,724	-	-	-	253,724
Claims Expense	4,732,357	-	-	-	4,732,357
Depreciation	-	99,330	250,956	-	350,286
Total Operating Expenses	<u>5,350,832</u>	<u>1,612,060</u>	<u>3,035,117</u>	<u>1,747,955</u>	<u>11,745,964</u>
Operating Income (Loss)	<u>(409,514)</u>	<u>(769,080)</u>	<u>386,982</u>	<u>(290,875)</u>	<u>(1,082,487)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Income	115,209	52,022	118,367	34,107	319,705
Gain/(Loss) on Disposal of Capital Assets	-	20,000	-	-	20,000
Total Nonoperating Revenues (Expenses)	<u>115,209</u>	<u>72,022</u>	<u>118,367</u>	<u>34,107</u>	<u>339,705</u>
Income (Loss) Before Operating Transfers	<u>(294,305)</u>	<u>(697,058)</u>	<u>505,349</u>	<u>(256,768)</u>	<u>(742,782)</u>
Capital Contributions	-	-	-	-	-
Transfers In	-	-	173,353	86,500	259,853
Transfers Out	-	-	-	-	-
Change in Net Position	<u>(294,305)</u>	<u>(697,058)</u>	<u>678,702</u>	<u>(170,268)</u>	<u>(482,929)</u>
Net Position - Beginning of Year	<u>(3,029,771)</u>	<u>1,629,652</u>	<u>2,849,269</u>	<u>(176,799)</u>	<u>1,272,351</u>
Net Position - End of Year	<u>\$ (3,324,076)</u>	<u>\$ 932,594</u>	<u>\$ 3,527,971</u>	<u>\$ (347,067)</u>	<u>\$ 789,422</u>

City of Upland
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2025

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from User Departments	\$ 4,941,318	\$ 843,142	\$ 3,426,267	\$ 1,457,080	\$ 10,667,807
Cash Paid to Suppliers for Goods and Services	(3,297,264)	(1,156,413)	(1,964,175)	(1,124,197)	(7,542,049)
Cash Paid to Employees for Services	(282,239)	(236,235)	(468,525)	(584,187)	(1,571,186)
Net Cash from Operating Activities	<u>1,361,815</u>	<u>(549,506)</u>	<u>993,567</u>	<u>(251,304)</u>	<u>1,554,572</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Cash Paid (to) from Other Funds	-	-	173,353	86,500	259,853
Advances Paid (to) from Other Funds	-	-	-	-	-
Net Cash from Noncapital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>173,353</u>	<u>86,500</u>	<u>259,853</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash Received from Sale of Capital Assets	-	20,000	-	-	20,000
Acquisition and Construction of Capital Assets	-	-	(524,525)	-	(524,525)
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>20,000</u>	<u>(524,525)</u>	<u>-</u>	<u>(504,525)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	115,209	52,022	118,367	34,107	319,705
Net Cash from Investing Activities	<u>115,209</u>	<u>52,022</u>	<u>118,367</u>	<u>34,107</u>	<u>319,705</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,477,024	(477,484)	760,762	(130,697)	1,629,605
Cash and Cash Equivalents, Beginning of the Year	3,537,872	2,181,532	3,556,351	1,237,031	10,512,786
Cash and Cash Equivalents, End of the Year	<u>\$ 5,014,896</u>	<u>\$ 1,704,048</u>	<u>\$ 4,317,113</u>	<u>\$ 1,106,334</u>	<u>\$ 12,142,391</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:					
Operating Income (Loss)	\$ (409,514)	\$ (769,080)	\$ 386,982	\$ (290,875)	\$ (1,082,487)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	-	99,330	250,956	-	350,286
Changes in Operating Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	-	162	4,168	-	4,330
(Increase) Decrease in Due from Other Governments	-	-	-	-	-
(Increase) Decrease in Inventory and Prepaid Items	142,840	74,478	(5,982)	-	211,336
(Increase) Decrease in Deferred Outflows - Pensions	51,253	93,590	156,641	147,788	449,272
(Increase) Decrease in Deferred Outflows - OPEB	(1,154)	12,120	5,467	(2,860)	13,573
Increase (Decrease) in Accounts Payable	83,501	29,649	283,281	(62,230)	334,201
Increase (Decrease) in Accrued Salaries and Benefits	2,461	(6,411)	3,397	8,146	7,593
Increase (Decrease) in Compensated Absences	921	(914)	15,946	19,953	35,906
Increase (Decrease) in Net Pension Liability	(42,737)	(23,215)	(73,657)	(74,681)	(214,290)
Increase (Decrease) in Net OPEB Liability	7,500	(38,568)	(12,761)	16,152	(27,677)
Increase (Decrease) in Deferred Inflows - Pensions	-	-	-	-	-
Increase (Decrease) in Deferred Inflows - OPEB	(7,575)	(20,647)	(20,871)	(12,697)	(61,790)
Increase (Decrease) in Claims Payable	1,534,319	-	-	-	1,534,319
Net Cash from Operating Activities	<u>\$ 1,361,815</u>	<u>\$ (549,506)</u>	<u>\$ 993,567</u>	<u>\$ (251,304)</u>	<u>\$ 1,554,572</u>

CUSTODIAL FUNDS

**City of Upland
Custodial Funds
Year Ended June 30, 2025**

CUSTODIAL FUNDS

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

Community Facilities District 2003-2 Area 1 Fund

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

Community Facilities District 2003-2 Area 2 Fund

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

Community Facilities District 2015-1 Area 1 Fund

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

Community Facilities District 2016-1 Area 1 Fund

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

Community Facilities District 2016-2 Maintenance Fund

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

Community Facilities District 2017-1 Maintenance Fund

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

Community Facilities District 2016-1 Area 2 Fund

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

Sanitary Sewer Facility Development Fund

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

Welfare Committee Fund

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

West End Consolidated Water Company (Water Company)

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

**City of Upland
Custodial Funds
Year Ended June 30, 2025**

CUSTODIAL FUNDS - Continued

Community Facilities District 2003-1

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

Community Facilities District 2022-1

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

Community Facilities District 2015-1 Area 2

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

City of Upland
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025

	Community Facilities District 2003-2 Area 1	Community Facilities District 2003-2 Area 2	Community Facilities District 2015-1 Area 1	Community Facilities District 2016-1 Area 1	Community Facilities District 2016-2
ASSETS					
Cash and Investments	\$ 1,565,949	\$ 1,333,272	\$ 361,656	\$ 410,236	\$ 312,676
Cash with Fiscal Agent	287,726	1,328,155	728,560	578,353	-
Accounts Receivable	13,819	30,941	-	269	6,139
Total Assets	<u>1,867,494</u>	<u>2,692,368</u>	<u>1,090,216</u>	<u>988,858</u>	<u>318,815</u>
LIABILITIES					
Deposits Payable	-	-	27,829	150,500	15,784
Accounts Payable	1,250	1,250	1,750	1,750	-
Total Liabilities	<u>1,250</u>	<u>1,250</u>	<u>29,579</u>	<u>152,250</u>	<u>15,784</u>
NET POSITION					
Restricted for:					
Organizations and Individuals	1,866,244	2,691,118	1,060,637	836,608	303,031
Other Governments	-	-	-	-	-
Total Net Position	<u>\$ 1,866,244</u>	<u>\$ 2,691,118</u>	<u>\$ 1,060,637</u>	<u>\$ 836,608</u>	<u>\$ 303,031</u>

<u>Community Facilities District 2017-1</u>	<u>Community Facilities District 2016-1 Area 2</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>
\$ -	\$ 578,110	\$ 6,564,159	\$ 29,009	\$ 538,680	\$ 158,610
-	2,164,333	-	-	-	124,917
174	10,364	-	-	-	3,728
<u>174</u>	<u>2,752,807</u>	<u>6,564,159</u>	<u>29,009</u>	<u>538,680</u>	<u>287,255</u>
-	164,308	6,564,159	-	-	-
-	1,750	-	-	-	1,250
-	166,058	6,564,159	-	-	1,250
174	2,586,749	-	29,009	538,680	286,005
-	-	-	-	-	-
<u>\$ 174</u>	<u>\$ 2,586,749</u>	<u>\$ -</u>	<u>\$ 29,009</u>	<u>\$ 538,680</u>	<u>\$ 286,005</u>

Continued

City of Upland
Combining Statement of Fiduciary Net Position - Continued
Custodial Funds
June 30, 2025

	Community Facilities District 2022-1	Community Facilities District 2015-1 Area 2	Total
ASSETS			
Cash and Investments	\$ 495,741	\$ 402,157	\$ 12,750,255
Cash with Fiscal Agent	491,248	757,756	6,461,048
Accounts Receivable	-	1,797	67,231
	<u>986,989</u>	<u>1,161,710</u>	<u>19,278,534</u>
LIABILITIES			
Deposits Payable	3,365	-	6,925,945
Accounts Payable	1,250	1,750	12,000
	<u>4,615</u>	<u>1,750</u>	<u>6,937,945</u>
NET POSITION			
Restricted for:			
Organizations and Individuals	982,374	1,159,960	12,340,589
Other Governments	-	-	-
	<u>\$ 982,374</u>	<u>\$ 1,159,960</u>	<u>\$ 12,340,589</u>

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City of Upland
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2025

	Community Facilities District 2003-2 Area 1	Community Facilities District 2003-2 Area 2	Community Facilities District 2015-1 Area 1	Community Facilities District 2016-1 Area 1	Community Facilities District 2016-2
ADDITIONS					
Contributions:					
Taxes and assessments collected for others	\$ 1,452,893	\$ 1,347,254	\$ 542,351	\$ 523,038	\$ 62,041
Contributions from bondholders	-	-	-	8,512	-
Investment Earnings:					
Interest income	-	-	-	-	-
Total Additions	<u>1,452,893</u>	<u>1,347,254</u>	<u>542,351</u>	<u>531,550</u>	<u>62,041</u>
DEDUCTIONS					
General and administrative	16,119	23,755	2,167	-	15,185
Recipient payments	-	-	-	-	-
Distribution to shareholders	<u>1,376,584</u>	<u>1,313,547</u>	<u>548,044</u>	<u>512,016</u>	<u>-</u>
Total Deductions	<u>1,392,703</u>	<u>1,337,302</u>	<u>550,211</u>	<u>512,016</u>	<u>15,185</u>
Net Increase (decrease) in fiduciary net position	60,190	9,952	(7,860)	19,534	46,856
Net Position, beginning of the year	<u>1,806,054</u>	<u>2,681,166</u>	<u>1,068,497</u>	<u>817,074</u>	<u>256,175</u>
Net Position, end of the year	<u>\$ 1,866,244</u>	<u>\$ 2,691,118</u>	<u>\$ 1,060,637</u>	<u>\$ 836,608</u>	<u>\$ 303,031</u>

<u>Community Facilities District 2017-1</u>	<u>Community Facilities District 2016-1 Area 2</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>
\$ 12,765	\$ 574,407	\$ 935,613	\$ -	\$ -	\$ 138,124
10,625	-	-	-	-	-
-	-	-	-	15,931	-
<u>23,390</u>	<u>574,407</u>	<u>935,613</u>	<u>-</u>	<u>15,931</u>	<u>138,124</u>
22,362	1,730	-	-	-	13,822
-	-	935,613	-	-	-
-	554,305	-	-	-	124,040
<u>22,362</u>	<u>556,035</u>	<u>935,613</u>	<u>-</u>	<u>-</u>	<u>137,862</u>
1,028	18,372	-	-	15,931	262
(854)	2,568,377	-	29,009	522,749	285,743
<u>\$ 174</u>	<u>\$ 2,586,749</u>	<u>\$ -</u>	<u>\$ 29,009</u>	<u>\$ 538,680</u>	<u>\$ 286,005</u>

Continued

City of Upland
Combining Statement of Changes in Fiduciary Net Position - Continued
Custodial Funds
For the Year Ended June 30, 2025

	Community Facilities District 2022-1	Community Facilities District 2015-1 Area 2	Total
ADDITIONS			
Contributions:			
Taxes and assessments collected for others	\$ 283,488	\$ 584,118	\$ 6,456,092
Contributions from bondholders	174,500	-	193,637
Investment Earnings:			
Interest income	126,337	-	142,268
Total Additions	584,325	584,118	6,791,997
DEDUCTIONS			
General and administrative	-	2,187	97,327
Recipient payments	3,663,608	-	4,599,221
Distribution to shareholders	196,213	559,222	5,183,971
Total Deductions	3,859,821	561,409	9,880,519
Net Increase (decrease) in fiduciary net position	(3,275,496)	22,709	(3,088,522)
Net Position, beginning of the year	4,257,870	1,137,251	15,429,111
Net Position, end of the year	\$ 982,374	\$ 1,159,960	\$ 12,340,589

STATISTICAL SECTION

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City of Upland
Description of Statistical Section Contents
June 30, 2025

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

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.	135
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	145
<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.	155
<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.	163
<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.	165

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

CITY OF UPLAND

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

	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	\$ 269,132,382	\$ 267,791,299	\$ 262,318,491	\$ 262,465,719	\$ 266,996,077
Restricted	25,659,378	40,844,504	42,616,153	44,877,724	52,227,409
Unrestricted	(64,259,153)	(74,170,029)	(83,164,838)	(80,859,640)	(74,070,557)
Total governmental activities net position	<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>
Business-type activities					
Net investment in capital assets	\$ 67,891,850	\$ 68,761,226	\$ 69,511,985	\$ 70,481,398	\$ 80,694,523
Restricted	-	-	-	-	-
Unrestricted	34,916,716	39,989,572	48,033,153	54,825,737	62,335,721
Total business-type activities net position	<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>
Primary government					
Net investment in capital assets	\$ 337,024,232	\$ 336,552,525	\$ 331,830,476	\$ 332,947,117	\$ 347,690,600
Restricted	25,659,378	40,844,504	42,616,153	44,877,724	52,227,409
Unrestricted	(29,342,437)	(34,180,457)	(35,131,685)	(26,033,903)	(11,734,836)
Total primary government net position	<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>

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,				
2021	2022	2023	2024	2025
\$ 267,040,558	\$ 262,699,586	\$ 259,609,120	\$ 269,109,213	\$ 271,432,541
43,407,782	44,713,616	49,087,106	41,993,925	48,329,908
(59,600,057)	(62,075,620)	(50,852,573)	(39,313,755)	(39,121,477)
<u>\$ 250,848,283</u>	<u>\$ 245,337,582</u>	<u>\$ 257,843,653</u>	<u>\$ 271,789,383</u>	<u>\$ 280,640,972</u>
\$ 11,916,179	\$ 92,647,094	\$ 85,967,254	\$ 86,777,534	\$ 87,375,896
-	-	-	-	-
141,256,446	73,065,524	91,632,078	95,645,601	104,327,661
<u>\$ 153,172,625</u>	<u>\$ 165,712,618</u>	<u>\$ 177,599,332</u>	<u>\$ 182,423,135</u>	<u>\$ 191,703,557</u>
\$ 278,956,737	\$ 355,346,680	\$ 345,576,374	\$ 355,886,747	\$ 358,808,437
43,407,782	44,713,616	49,087,106	41,993,925	48,329,908
81,656,389	10,989,904	40,779,505	56,331,846	65,206,184
<u>\$ 404,020,908</u>	<u>\$ 411,050,200</u>	<u>\$ 435,442,985</u>	<u>\$ 454,212,518</u>	<u>\$ 472,344,529</u>

CITY OF UPLAND

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

	Fiscal Year Ended June 30,			
	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government	\$ 5,626,905	\$ 3,080,619	\$ 4,539,492	\$ 4,033,829
Public safety	27,178,673	32,174,086	27,927,892	27,265,506
Engineering and public works	11,049,238	9,819,952	11,468,377	12,092,590
Development services	5,214,410	5,407,099	6,624,913	6,059,857
Community services	4,308,397	3,691,035	3,370,656	4,255,538
Interest expense	281,359	358,679	715,062	840,116
Total governmental activities expenses	<u>53,658,982</u>	<u>54,531,470</u>	<u>54,646,392</u>	<u>54,547,436</u>
Business-type activities:				
Water utility	16,121,912	18,483,205	19,989,900	21,525,637
Solid waste utility	9,602,172	10,051,229	11,042,468	12,316,577
Sewer utility	7,063,779	7,818,112	9,285,699	9,387,370
Total business-type activities expenses	<u>32,787,863</u>	<u>36,352,546</u>	<u>40,318,067</u>	<u>43,229,584</u>
Total primary government expenses	<u>\$ 86,446,845</u>	<u>\$ 90,884,016</u>	<u>\$ 94,964,459</u>	<u>\$ 97,777,020</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,124,713	\$ 305,373	\$ 382,010	\$ 1,187,018
Public safety	3,789,627	3,541,745	1,827,271	1,866,761
Engineering and public works	246,341	776,173	4,207,550	2,991,516
Development services	4,933,961	5,461,323	5,245,335	5,876,464
Community services	1,072,754	495,702	546,702	581,989
Operating grants and contributions	5,120,131	5,933,967	2,066,407	2,340,876
Capital grants and contributions	3,926,465	4,337,377	6,604,091	7,305,417
Total governmental activities program revenues	<u>20,213,992</u>	<u>20,851,660</u>	<u>20,879,366</u>	<u>22,150,041</u>
Business-type activities				
Charges for services:				
Water utility	18,601,289	21,299,753	28,076,336	26,203,575
Solid waste utility	10,544,776	11,103,446	11,687,415	12,677,799
Sewer utility	8,068,428	9,705,668	10,144,832	10,573,571
Operating grants and contributions	15,519	63,207	70,598	57,708
Capital grants and contributions	-	-	-	1,544,529
Total business-type activities program revenues	<u>37,230,012</u>	<u>42,172,074</u>	<u>49,979,181</u>	<u>51,057,182</u>
Total primary government program revenues	<u>\$ 57,444,004</u>	<u>\$ 63,023,734</u>	<u>\$ 70,858,547</u>	<u>\$ 73,207,223</u>
Net (expenses)/revenue				
Governmental activities	\$ (33,444,990)	\$ (33,679,810)	\$ (33,767,026)	\$ (32,397,395)
Business-type activities	4,442,149	5,819,528	9,661,114	7,827,598
Total net revenues (expense)	<u>\$ (29,002,841)</u>	<u>\$ (27,860,282)</u>	<u>\$ (24,105,912)</u>	<u>\$ (24,569,797)</u>

Fiscal Year Ended June 30,						
2020	2021	2022	2023	2024	2025	
\$ 3,740,648	\$ 2,148,712	\$ 899,152	\$ 3,048,383	\$ 7,280,196	\$ 10,177,540	
23,786,129	31,674,977	40,906,101	29,552,941	33,472,402	35,369,622	
3,524,461	14,653,574	14,788,452	14,227,015	13,757,703	15,596,022	
5,931,597	5,682,894	6,223,444	8,171,072	9,532,464	11,846,049	
3,910,878	3,642,911	4,449,233	5,364,573	6,866,661	7,309,119	
817,235	783,846	609,129	1,003,034	950,888	552,610	
41,710,948	58,586,914	67,875,511	61,367,018	71,860,314	80,850,962	
20,513,809	22,480,852	25,757,917	21,432,764	25,364,080	27,676,498	
13,787,098	14,487,585	15,591,348	17,899,520	18,587,584	21,204,315	
9,946,531	10,663,464	10,330,964	12,136,617	12,599,689	12,925,965	
44,247,438	47,631,901	51,680,229	51,468,901	56,551,353	61,806,778	
\$ 85,958,386	\$ 106,218,815	\$ 119,555,740	\$ 112,835,919	\$ 128,411,667	\$ 142,657,740	
\$ 583,514	\$ 795,356	\$ 359,602	\$ 270,918	\$ 281,344	\$ 548,786	
1,644,528	1,223,941	1,296,694	1,219,507	1,438,661	2,000,514	
5,038,970	4,002,120	898,698	1,557,226	1,915,037	1,693,608	
6,038,238	6,066,211	8,031,377	9,613,043	9,670,222	10,868,408	
395,733	934,551	519,862	590,286	684,158	1,082,796	
2,518,963	4,433,802	5,469,996	7,617,728	9,299,532	7,727,744	
8,229,671	7,219,514	4,881,792	7,071,529	9,814,696	11,474,903	
24,449,617	24,675,495	21,458,021	27,940,237	33,103,650	35,396,759	
27,703,940	29,333,341	28,937,984	32,893,440	29,057,054	33,885,917	
13,772,383	14,643,704	16,686,834	17,450,624	18,516,900	20,298,341	
10,606,800	10,818,913	10,595,087	11,601,219	12,005,283	13,177,765	
-	23,630	26,198	74,253	39,893	104,040	
9,882,981	2,903,615	2,622,455	-	-	-	
61,966,104	57,723,203	58,868,558	62,019,536	59,619,130	67,466,063	
\$ 86,415,721	\$ 82,398,698	\$ 80,326,579	\$ 89,959,773	\$ 92,722,780	\$ 102,862,822	
\$ (17,261,331)	\$ (33,911,419)	\$ (46,417,490)	\$ (33,426,781)	\$ (38,756,664)	\$ (45,454,203)	
17,718,666	10,091,302	7,188,329	10,550,635	3,067,777	5,659,285	
\$ 457,335	\$ (23,820,117)	\$ (39,229,161)	\$ (22,876,146)	\$ (35,688,887)	\$ (39,794,918)	

CITY OF UPLAND

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

	Fiscal Year Ended June 30,			
	2016	2017	2018	2019
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 19,309,037	\$ 20,482,854	\$ 16,343,119	\$ 16,831,839
Sales taxes	13,909,909	13,293,304	13,673,539	14,507,927
Other taxes	1,778,356	2,740,447	2,696,807	2,692,051
Investment income	216,843	326,531	(90,335)	1,012,981
Motor vehicle in lieu	429,308	223,315	40,421	36,969
Gain on sale of assets	32,589	4,180	-	132,623
Miscellaneous revenue	394,567	355,677	321,564	271,298
Special Item (Note 16)	-	-	(5,562,967)	-
Transfers	(3,000)	67,000	-	814,669
Total governmental activities	<u>36,067,609</u>	<u>37,493,308</u>	<u>27,422,148</u>	<u>36,300,357</u>
Business-type activities:				
Investment income	148,205	189,704	415,529	761,947
Gain on sale of assets	-	-	-	(12,879)
Legal Settlement	-	-	-	-
Transfers	3,000	(67,000)	-	(814,669)
Total business-type activities	<u>151,205</u>	<u>122,704</u>	<u>415,529</u>	<u>(65,601)</u>
Total primary government	<u>\$ 36,218,814</u>	<u>\$ 37,616,012</u>	<u>\$ 27,837,677</u>	<u>\$ 36,234,756</u>
Changes in Net Position				
Governmental activities	\$ 2,622,619	\$ 3,813,498	\$ (6,344,878)	\$ 3,902,962
Business-type activities	4,593,354	5,942,232	10,076,643	7,761,997
Total primary government	<u>\$ 7,215,973</u>	<u>\$ 9,755,730</u>	<u>\$ 3,731,765</u>	<u>\$ 11,664,959</u>

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,						
2020	2021	2022	2023	2024	2025	
\$ 18,055,721	\$ 18,818,701	\$ 19,089,687	\$ 20,342,692	\$ 21,830,284	\$ 22,726,721	
13,579,780	16,876,712	18,469,789	21,274,685	24,592,071	23,802,311	
2,819,493	2,895,754	3,614,267	3,646,945	3,809,018	3,305,923	
1,232,765	927,392	(564,701)	478,142	2,309,113	3,689,678	
62,114	57,805	90,702	81,119	97,530	124,346	
-	-	-	15,000	-	-	
180,584	30,374	207,045	94,269	72,078	121,115	
-	-	-	-	-	-	
-	-	-	-	(7,700)	535,698	
<u>35,930,457</u>	<u>39,606,738</u>	<u>40,906,789</u>	<u>45,932,852</u>	<u>52,702,394</u>	<u>54,305,792</u>	
1,187,036	51,079	(1,472,061)	1,336,079	1,748,326	2,969,387	
-	-	-	-	-	-	
-	-	6,823,725	-	-	-	
-	-	-	-	7,700	(535,698)	
<u>1,187,036</u>	<u>51,079</u>	<u>5,351,664</u>	<u>1,336,079</u>	<u>1,756,026</u>	<u>2,433,689</u>	
<u>\$ 37,117,493</u>	<u>\$ 39,657,817</u>	<u>\$ 46,258,453</u>	<u>\$ 47,268,931</u>	<u>\$ 54,458,420</u>	<u>\$ 56,739,481</u>	
\$ 18,669,126	\$ 5,695,319	\$ (5,510,701)	\$ 12,506,071	\$ 13,945,730	\$ 8,851,589	
18,905,702	10,142,381	12,539,993	11,886,714	4,823,803	8,092,974	
<u>\$ 37,574,828</u>	<u>\$ 15,837,700</u>	<u>\$ 7,029,292</u>	<u>\$ 24,392,785</u>	<u>\$ 18,769,533</u>	<u>\$ 16,944,563</u>	

CITY OF UPLAND

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

	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 63,831	\$ 75,325	\$ 64,869	\$ 73,803	\$ 68,061
Restricted	-	-	18,473	18,473	53,073
Committed	-	-	4,670,418	4,670,418	7,750,840
Assigned	-	-	-	-	-
Unassigned	14,478,664	15,254,150	9,479,082	18,538,881	16,404,123
Total General Fund	\$ 14,542,495	\$ 15,329,475	\$ 14,232,842	\$ 23,301,575	\$ 24,276,097
Other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	38,524,248	39,563,384	42,616,153	44,979,990	53,645,011
Committed	-	-	-	-	-
Assigned	-	-	7,531	-	-
Unassigned	(254,428)	(4,088)	(296)	-	(246,676)
Total Other Governmental Funds	\$ 38,269,820	\$ 39,559,296	\$ 42,623,388	\$ 44,979,990	\$ 53,398,335

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,				
2021	2022	2023	2024	2025
\$ 178,650	\$ 109,886	\$ 140,904	\$ 153,335	\$ 244,231
10,733,983	2,735,148	4,014,932	7,540,179	10,911,937
15,137,875	12,434,329	15,048,573	16,372,608	17,980,673
4,491,000	-	-	-	-
249,245	(11,880,703)	(9,434,292)	(6,244,888)	(7,487,145)
<u>\$ 30,790,753</u>	<u>\$ 3,398,660</u>	<u>\$ 9,770,117</u>	<u>\$ 17,821,234</u>	<u>\$ 21,649,696</u>

\$ -	\$ -	\$ -	\$ -	\$ -
55,210,075	57,068,653	63,901,813	59,078,844	62,354,575
-	-	-	-	-
-	191,505	440,421	1,297,145	869,320
(684,266)	(388,217)	(561,356)	(1,189,446)	(2,978,616)
<u>\$ 54,525,809</u>	<u>\$ 56,871,941</u>	<u>\$ 63,780,878</u>	<u>\$ 59,186,543</u>	<u>\$ 60,245,279</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,			
	2016	2017	2018	2019
Revenues				
Taxes	\$ 37,799,228	\$ 38,830,352	\$ 32,719,390	\$ 36,119,214
Licenses and permits	1,875,032	3,009,862	5,164,222	4,354,120
Charges for services	5,392,160	5,857,984	2,785,383	3,055,102
Fines and penalties	594,417	619,646	646,874	989,437
Investment income	187,819	86,173	38,881	1,813,945
Rental income	4,013,904	4,191,730	4,738,192	5,003,949
Intergovernmental	5,435,521	5,798,858	5,579,860	5,518,173
Other	1,273,394	1,742,663	934,735	1,727,759
Total revenues	56,571,475	60,137,268	52,607,537	58,581,699
Expenditures				
General government	3,658,673	4,950,630	2,154,855	1,918,770
Public safety	28,178,150	31,733,042	23,950,547	23,653,097
Engineering and public works	7,874,070	9,380,001	15,361,147	12,907,584
Development services	5,262,923	5,446,549	6,366,818	5,343,038
Community services	4,216,350	3,518,510	3,170,399	3,279,498
Debt service:				
Principal	258,368	288,319	18,677,299	674,583
Interest	296,236	360,854	715,062	840,116
Issuance Costs	-	-	-	-
Fiscal charges	2,258	3,575	-	-
Total expenditures	49,747,028	55,681,480	70,396,127	48,616,686
Excess (deficiency) of revenues over (under) expenditures	6,824,447	4,455,788	(17,788,590)	9,965,013
Other financing sources (uses)				
Transfers in	1,208,553	517,960	224,081	1,035,556
Transfers out	(1,525,154)	(2,164,720)	(3,693,295)	(518,892)
Proceeds from sale of capital assets	1,600	-	-	132,623
Issuance of capital leases	200,524	-	-	-
Issuance of bonds/debt	-	-	22,210,487	-
Total other financing sources(uses)	(114,477)	(1,646,760)	18,741,273	649,287
Special Item				
Payment to Unfunded Pension Liability	-	-	-	-
Net change in fund balances	\$ 6,709,970	\$ 2,809,028	\$ 952,683	\$ 10,614,300
Debt service as a percentage of noncapital expenditures*	1.1%	1.3%	31.7%	3.6%

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

Fiscal Year Ended June 30,					
2020	2021	2022	2023	2024	2025
\$ 35,505,234	\$ 39,675,488	\$ 42,615,113	\$ 46,902,560	\$ 51,780,541	\$ 49,880,578
6,164,957	5,955,190	3,306,914	4,057,710	2,795,891	2,506,381
2,843,447	2,384,400	2,758,438	2,984,757	3,269,621	3,172,342
893,964	542,604	600,186	640,866	768,611	946,800
1,679,486	829,306	(2,483,759)	180,020	5,751,698	3,634,827
5,156,573	5,259,555	5,259,156	5,583,798	6,594,154	741,594
6,812,160	8,241,316	9,906,508	12,546,825	13,346,137	586,856
550,605	627,760	700,456	639,097	425,172	621,435
<u>59,606,426</u>	<u>63,515,619</u>	<u>62,663,012</u>	<u>73,535,633</u>	<u>84,731,825</u>	<u>62,090,813</u>
1,956,329	2,255,746	3,442,633	4,758,071	5,391,562	6,800,253
25,977,681	27,381,746	28,134,960	27,373,694	30,983,155	32,800,878
9,842,367	14,744,656	12,307,298	12,279,130	25,344,159	10,121,042
5,735,938	5,683,606	6,223,444	8,171,072	9,532,464	4,053,722
3,240,983	3,193,155	3,817,256	4,900,947	6,369,409	5,531,850
695,406	739,578	13,621,275	910,541	947,386	290,880
817,235	783,846	609,129	1,003,034	950,888	220,359
-	-	167,472	-	-	-
-	-	-	-	-	-
<u>48,265,939</u>	<u>54,782,333</u>	<u>68,323,467</u>	<u>59,396,489</u>	<u>79,519,023</u>	<u>59,818,984</u>
11,340,487	8,733,286	(5,660,455)	14,139,144	5,212,802	2,271,829
1,725,996	593,000	290,000	1,747,052	19,114,761	1,941,486
(3,673,616)	(1,715,374)	(2,158,150)	(2,620,802)	(20,870,781)	(384,853)
-	31,218	-	15,000	-	-
-	-	-	-	-	-
-	-	12,982,644	-	-	-
<u>(1,947,620)</u>	<u>(1,091,156)</u>	<u>11,114,494</u>	<u>(858,750)</u>	<u>(1,756,020)</u>	<u>1,556,633</u>
-	-	(30,500,000)	-	-	-
<u>\$ 9,392,867</u>	<u>\$ 7,642,130</u>	<u>\$ (25,045,961)</u>	<u>\$ 13,280,394</u>	<u>\$ 3,456,782</u>	<u>\$ 3,828,462</u>
4.1%	3.1%	21.8%	3.4%	3.0%	1.0%

CITY OF UPLAND

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

	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
Residential	\$ 6,401,935	\$ 6,697,951	\$ 7,059,507	\$ 7,440,680	\$ 7,822,956
Commercial	875,269	908,646	991,548	1,059,249	1,092,437
Industrial	342,277	350,443	377,242	401,508	405,874
Dry Farm	470	477	487	497	507
Govt. Owned	1,003	1,018	1,039	1,060	1,554
Institutional	9,826	13,908	11,982	12,730	8,269
Irrigated	2,015	1,640	1,673	1,707	1,741
Miscellaneous	80,400	103,978	76,233	78,464	84,498
Recreational	14,804	14,162	13,758	13,812	14,875
Vacant	84,782	91,043	132,223	127,536	150,349
SBE Nonunitary	70	70	70	69	180
Unsecured	268,858	249,241	230,214	246,034	251,133
TOTALS	\$ 8,081,709	\$ 8,432,577	\$ 8,895,976	\$ 9,383,344	\$ 9,834,373
Total Direct Rate	<u>0.17492%</u>	<u>0.17492%</u>	<u>0.17492%</u>	<u>0.08257%</u>	<u>0.09093%</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 2015/16 - 2024/25 Combined Tax Rolls; HdL Coren & Cone

Fiscal Year Ended June 30,				
2021	2022	2023	2024	2025
\$ 8,303,185	\$ 8,718,266	\$ 9,343,041	\$ 9,956,562	\$ 10,441,285
1,146,927	1,190,138	1,233,308	1,313,281	1,363,946
436,283	452,734	492,890	514,207	536,451
621	627	640	653	666
1,585	1,965	1,136	1,159	1,700
8,177	9,108	7,515	7,550	5,164
1,775	430	438	447	456
95,151	92,426	93,673	98,861	104,895
14,940	15,410	16,897	19,138	20,915
132,343	94,275	104,706	92,650	97,937
180	180	180	27	27
239,443	240,310	253,506	285,697	293,739
\$ 10,380,611	\$ 10,815,869	\$ 11,547,930	\$ 12,290,232	\$ 12,867,181
<u>0.09079%</u>	<u>0.09099%</u>	<u>0.09141%</u>	<u>0.09124%</u>	<u>0.09115%</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
2016	3,566,689,896	70.7%	650,598,432	12.9%	176,596,816	3.5%	649,350,020	12.9%
2017	3,848,856,440	71.0%	680,205,768	12.5%	177,463,748	3.3%	717,650,648	13.2%
2018	4,243,225,976	70.1%	717,147,992	11.8%	186,568,404	3.1%	909,118,452	15.0%
2019	3,804,467,128	69.4%	659,586,400	12.0%	165,040,216	3.0%	852,306,356	15.5%
2020	3,940,665,212	71.5%	592,244,708	10.7%	167,931,236	3.0%	813,682,628	14.8%
2021	4,359,818,232	71.5%	593,676,380	9.7%	212,988,512	3.5%	934,994,764	15.3%
2022	4,124,359,800	71.6%	561,967,164	9.8%	180,236,584	3.1%	889,946,464	15.5%
2023	3,265,848,784	71.8%	512,313,428	11.3%	138,144,380	3.0%	633,130,388	13.9%
2024	3,359,342,052	72.0%	516,624,152	11.1%	146,300,572	3.1%	644,970,480	13.8%
2025	3,895,117,248	70.8%	587,041,620	10.7%	174,605,640	3.2%	843,140,364	15.3%

Source: Finance Division, City of Upland

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CITY OF UPLAND

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

<u>Agency</u>	Fiscal Year Ended June 30,			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Basic Levy¹	1.00000	1.00000	1.00000	1.00000
Alta Loma Elementary Bond	0.04170	0.04080	0.05640	0.06800
Central Elementary Bond	0.06500	0.06880	0.06700	0.04650
Chaffey Community College Bond	0.01130	0.01160	0.00880	0.01530
Chaffey High School Bond	0.04090	0.03190	0.02790	0.04020
Metropolitan Water Agency	0.00350	0.00350	0.00350	0.00350
Ontario-Montclair Elementary Bond	0.02680	0.02640	0.05570	0.05550
Upland Unified School Bond	0.05250	0.06070	0.05510	0.05870
Total Direct & Overlapping² Tax Rates	<u>1.24170</u>	<u>1.24370</u>	<u>1.27440</u>	<u>1.28770</u>
City Share of 1% levy per Prop 13³	0.17482	0.17482	0.17482	0.08042
Total Direct Rate	<u>0.17492</u>	<u>0.17492</u>	<u>0.17492</u>	<u>0.08257</u>

Notes:

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

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

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

Source: San Bernardino County Assessor 2015/16 - 2024/25 Tax Rate Table; HdL Coren & Cone

Fiscal Year Ended June 30,					
2020	2021	2022	2023	2024	2025
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.06530	0.04570	0.07300	0.06280	0.04520	0.04490
0.05020	0.04890	0.06140	0.05120	0.04870	0.04750
0.02410	0.01110	0.01770	0.01370	0.01000	0.01000
0.03750	0.03520	0.03710	0.02940	0.03160	0.03180
0.00350	0.00350	0.00350	0.00350	0.00350	0.00700
0.04280	0.04580	0.04550	0.04220	0.03660	0.04240
0.05600	0.05150	0.06340	0.04630	0.05180	0.04280
1.27940	1.24170	1.30160	1.24910	1.22740	1.22640
0.09353	0.09353	0.09353	0.09353	0.09353	0.09353
0.09330	0.09079	0.09099	0.09141	0.09124	0.09115

CITY OF UPLAND

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Colonies-Pacific LLC	\$ 180,949,177	1	1.41%	\$ 140,017,686	1	1.73%
Lucas Upland LLC	85,312,800	2	0.66%			
Benson Owner LLC	84,012,300	3	0.65%			
Upland Evergreen SPE LLC	63,481,028	4	0.49%			
College Park Apartment Homes LP	57,757,835	5	0.45%	57,344,941	2	0.71%
MG Stoneridge Village Grove LLC	50,476,741	6	0.39%	42,839,161	3	0.53%
Rancho Monte Vista Apartment Homes	48,959,165	7	0.38%	41,655,748	4	0.52%
CT Retail Properties Finance II LLC	47,052,993	8	0.37%	39,933,460	5	0.49%
WNG Mountain Spring GP	43,045,449	9	0.33%	36,532,291	6	0.45%
College Business Park LLC	40,271,912	10	0.31%	34,726,001	7	0.43%
Dee Matreyek Kurth Non Exempt Trust				33,597,673	8	0.42%
NU-168 Apartments LLC				32,611,513	9	0.40%
Bre Paragon MF Alvista Portofino				27,228,209	10	0.34%
Totals	<u>\$ 701,319,400</u>		<u>5.45%</u>	<u>\$ 486,486,683</u>		<u>6.02%</u>

Source: San Bernardino County Assessor 2024/25 Combined Tax Roll and the SBE Non Unitary Tax Roll

CITY OF UPLAND

PRINCIPAL WATER PURCHASERS
CURRENT YEAR AND TEN YEARS AGO

Water Purchaser	2025			2016		
	Gallons Consumed	Rank	Percentage of Total Gallons Consumed	Gallons Consumed	Rank	Percentage of Total Gallons Consumed
City of Upland	253,085,800	1	4.6%	169,469,872	1	3.4%
Wetrustin Investment Inc.	114,981,064	2	2.1%			
Upland Unified School District	97,394,836	3	1.8%	109,651,564	4	2.2%
Mountain View Land Co.	66,005,016	4	1.2%	126,442,668	3	2.5%
San Antonio Community Hospital	45,973,576	5	0.8%	55,958,628	5	1.1%
Upland Hills Estates HOA	42,003,940	6	0.8%	38,378,384	6	0.8%
Upland Hills CC COA	38,648,412	7	0.7%	28,020,828	8	0.6%
State of California Dept of Transportation	36,207,688	8	0.7%	26,759,700	9	0.5%
Upland Cascade	29,213,888	9	0.5%			
Upland Meadows Management CO.	27,496,480	10	0.5%	29,282,704	7	0.6%
College Park Apartment Homes				22,307,604	10	0.4%
Upland Development, LLC				137,632,000	2	2.7%
Totals	<u>751,010,700</u>		<u>13.7%</u>	<u>743,903,952</u>		<u>14.8%</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 ⁽¹⁾	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2016	11,319,306	11,049,460	97.62%	N/A	11,049,460	97.62%
2017	11,883,283	11,615,501	97.75%	N/A	11,615,501	97.75%
2018	12,310,682	12,120,710	98.46%	N/A	12,120,710	98.46%
2019 ¹	6,032,861	5,900,839	97.81%	N/A	5,900,839	97.81%
2020	7,326,803	7,162,370	97.76%	N/A	7,162,370	97.76%
2021	7,730,056	7,623,675	98.62%	N/A	7,623,675	98.62%
2022	8,029,078	7,904,847	98.45%	N/A	7,904,847	98.45%
2023	8,585,254	8,425,740	98.14%	N/A	8,425,740	98.14%
2024	9,101,264	8,913,917	97.94%	N/A	8,913,917	97.94%
2025	9,437,933	9,239,221	97.89%	N/A	9,239,221	97.89%

Notes:

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

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

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CITY OF UPLAND

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

Fiscal Year Ended June 30,	Governmental Activities				Total Governmental Activities
	Lease Revenue Bonds	Housing Bonds	Capital Leases	Clean Renewable Energy Bonds	
2016	250,000	18,000,000	187,156	-	18,437,156
2017	-	18,000,000	148,837	-	18,148,837
2018	-	14,420,150	2,736,044	4,525,832	21,682,026
2019	-	13,905,615	2,607,411	4,494,189	21,007,215
2020	-	13,372,270	2,467,202	4,472,265	20,311,737
2021	-	12,815,345	2,315,651	4,441,631	19,572,628
2022	-	12,402,398	2,145,397	4,386,028	18,933,823
2023	-	11,746,651	1,974,260	4,302,372	18,023,282
2024	-	11,070,352	1,801,523	4,204,025	17,075,900
2025	-	10,372,857	1,624,656	4,090,007	16,087,520

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

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

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

Business-type Activities					
Water Lease Revenue Bonds	Direct Borrowings	Total Primary Government	Percentage of Personal Income ^(a)	Debt Per Capita ^(a)	Fiscal Year Ended June 30,
9,658,875		28,096,031	1.29%	370.79	2016
8,809,529		26,958,366	1.21%	351.07	2017
8,435,184		30,117,210	1.32%	391.05	2018
8,045,838		29,053,053	1.20%	370.19	2019
7,646,493	1,376,000	29,334,230	1.17%	372.20	2020
7,232,147	1,698,627	28,503,402	1.05%	363.04	2021
22,570,000	1,354,627	42,858,450	1.56%	541.56	2022
21,433,000	11,574,655	51,030,937	1.68%	651.10	2023
20,543,000	15,910,484	53,529,384	1.62%	683.78	2024
19,103,000	15,494,118	50,684,638	1.42%	640.44	2025

CITY OF UPLAND

**DIRECT AND OVERLAPPING BOND DEBT
JUNE 30, 2025**

2024-25 Assessed Valuation:			\$12,849,950,347
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt</u>	<u>% Applicable (1)</u>	<u>City's Share of</u>
	6/30/2025		Debt 6/30/25
Metropolitan Water District	\$17,155,000	0.316%	\$54,210
Chaffey Community College District	440,580,000	7.428	32,726,282
Upland Unified School District	71,361,110	92.754	66,190,284
Chaffey Union High School District	640,477,530	0.761	4,874,034
Alta Loma School District	53,147,782	0.607	322,607
Central School District	72,351,172	1.879	1,359,479
Ontario-Montclair School District	123,330,015	2.616	3,226,313
Upland Unified School District Community Facilities District No. 99-1	701,000	100	701,000
Upland Unified School District Community Facilities District No. 01-1	1,141,000	100	1,141,000
City of Upland Community Facilities District No. 2003-1	930,000	100	930,000
City of Upland Community Facilities District No. 2003-2, I.A. Nos. 1 & 2	23,436,000	100	23,436,000
City of Upland Community Facilities District No. 2015-1, I.A. No. 1	8,505,000	100	8,505,000
City of Upland Community Facilities District No. 2015-1, I.A. No. 2	8,700,000	100	8,700,000
City of Upland Community Facilities District No. 2016-1, I.A. No. 1	7,550,000	100	7,550,000
City of Upland Community Facilities District No. 2016-1, I.A. No. 2	7,725,000	100	7,725,000
City of Upland Community Facilities District No. 2022-1	4,305,000	100	4,305,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$171,746,209
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
San Bernardino County General Fund Obligations	\$100,765,000	3.761%	\$3,789,772
San Bernardino County Flood Control District General Fund Obligations	37,295,000	3.761	1,402,665
Chaffey Community College District General Fund Obligations	21,770,000	7.428	1,617,076
City of Upland Equipment Lease Obligations	5,714,663	100	5,714,663
City of Upland Housing Revenue Bonds	10,372,857	100	10,372,857
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$22,897,033
Less: City of Upland Housing Revenue Bonds (100% supported from housing related revenues)			10,372,857
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$12,524,176
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$8,610,000	100.00%	\$8,610,000
TOTAL GROSS DIRECT DEBT			\$16,087,520
TOTAL NET DIRECT DEBT			\$5,714,663
TOTAL OVERLAPPING DEBT			\$187,165,722
GROSS COMBINED TOTAL DEBT			\$203,253,242 (2)
NET COMBINED TOTAL DEBT			\$192,880,385
<u>Ratios to 2024-25 Assessed Valuation:</u>			
Total Overlapping Tax and Assessment Debt	1.34%		
Total Gross Direct Debt (\$16,087,520)	0.13%		
Total Net Direct Debt (\$5,714,663)	0.04%		
Gross Combined Total Debt	1.58%		
Net Combined Total Debt	1.50%		
<u>Ratios to Redevelopment Successor Agency Incremental Valuation (\$2,492,582,280):</u>			
Total Overlapping Tax Increment Debt	0.35%		

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

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

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

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CITY OF UPLAND

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

	Fiscal Year Ended June 30,			
	2016	2017	2018	2019
Debt Limit	\$ 1,210,072,895	\$ 1,263,218,981	\$ 1,332,692,325	\$ 1,405,592,832
Total Net Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	\$ 1,210,072,895	\$ 1,263,218,981	\$ 1,332,692,325	\$ 1,405,592,832
Total Net Debt Applicable to The Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2025:

Assessed Valuation	\$ 12,849,950,347
Debt Limit (15% of Assessed Value)	1,927,492,552
Debt Applicable to Limit:	
General Obligation Bonds	-
Legal Debt Margin	<u>\$ 1,927,492,552</u>

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

Source: San Bernardino County Assessor 2024/25 Combined Tax Rolls; HdL Coren & Cone

Fiscal Year Ended June 30,					
2020	2021	2022	2023	2024	2025
\$ 1,473,057,903	\$ 1,555,306,986	\$ 1,620,861,059	\$ 1,729,942,942	\$ 1,841,024,922	\$ 1,927,492,552
-	-	-	-	-	-
\$ 1,473,057,903	\$ 1,555,306,986	\$ 1,620,861,059	\$ 1,729,942,942	\$ 1,841,024,922	\$ 1,927,492,552
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF UPLAND

**PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Water Bonds					Coverage
	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2016	18,601,416	13,367,187	5,234,229	760,000	419,150	4.44
2017	21,436,735	17,418,778	4,017,957	815,000	361,406	3.42
2018	28,076,336	18,979,818	9,096,518	340,000	340,868	13.36
2019	26,203,575	19,636,043	6,567,532	355,000	327,673	9.62
2020	35,276,713	19,764,310	15,512,403	365,000	313,174	22.87
2021	31,669,481	22,037,035	9,632,446	380,000	336,250	13.45
2022	29,738,329	23,362,761	6,375,568	395,000	235,995	10.10
2023	34,373,547	20,159,227	14,214,320	870,000	394,916	11.24
2024	29,937,713	23,249,967	6,687,746	890,000	375,605	5.28
2025	33,514,887	23,639,533	9,875,354	1,440,000	354,465	5.50

Note: Water Charges and Other includes total revenues (including joint venture net income).
Operating Expenses are exclusive of depreciation.

Source: Finance Division, City of Upland

Special Assessment Bonds

Special Assessment Collections	Debt Service		Coverage
	Principal	Interest	
2,731,961	1,305,000	1,441,090	0.99
2,863,814	1,160,000	1,635,846	1.02
2,822,587	1,250,000	1,598,954	0.99
3,384,728	1,330,000	1,666,350	1.13
3,946,683	1,631,434	1,996,055	1.09
4,093,614	1,640,000	2,200,853	1.07
5,035,779	1,890,000	2,443,621	1.16
4,853,097	1,430,000	1,878,042	1.47
4,922,666	2,365,000	2,073,633	1.11
5,694,978	2,749,000	2,434,970	1.10

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>
2015	75,774	\$ 2,182,404	\$ 28,801	11,138	4.8%
2016	76,790	\$ 2,226,460	\$ 28,994	11,028	4.2%
2017	77,017	\$ 2,274,591	\$ 29,533	10,913	2.5%
2018	78,481	\$ 2,417,412	\$ 30,802	10,702	3.3%
2019	78,814	\$ 2,503,598	\$ 31,765	10,580	3.1%
2020	78,513	\$ 2,702,987	\$ 34,427	10,228	8.7%
2021	79,139	\$ 2,755,435	\$ 34,817	10,210	6.4%
2022	78,376	\$ 3,030,619	\$ 38,667	10,079	3.4%
2023	78,285	\$ 3,313,640	\$ 42,327	9,804	3.8%
2024	79,140	\$ 3,565,174	\$ 45,048	9,496	4.2%

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

CITY OF UPLAND

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

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
San Antonio Regional Hospital	2,000	1	4.6%	2,020	1	5.4%
Upland Unified School District	1,272	2	2.9%	956	2	2.5%
VCI Construction	458	3	1.1%	210	8	0.6%
Holliday Rock Co. Inc	450	4	1.0%	203	9	0.5%
Upland Rehabilitation & Care Center	370	5	0.8%	320	4	0.8%
Lewis Group	318	6	0.7%	220	7	0.6%
City of Upland	302	7	0.7%	386	3	1.0%
Target	283	8	0.6%	265	6	0.7%
Bullwinkles Family Fun Center	215	9	0.5%			
Amazon Fresh	200	10	0.5%			
Walmart				315	5	0.8%
Allied Professional Nursing Care, Inc				200	10	0.5%
Totals	5,868		13.5%	5,095		13.5%

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	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	64.00	58.00	58.00	57.00	67.00	68.00	55.00	56.00	56.00	58.00
Public safety										
Police										
Officers	74.00	75.00	75.00	75.00	75.00	75.00	78.00	78.00	78.00	80.00
Civilians	26.00	30.00	31.00	37.00	30.00	31.00	41.00	41.00	44.00	44.00
Fire										
Firefighters and officers	40.00	40.00	- ¹	-	-	-	-	-	-	-
Civilians	9.00	9.00	- ¹	-	-	-	-	-	-	-
Highways and streets										
Engineering	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Operations	23.50	23.50	23.50	23.50	23.50	24.50	34.00	36.00	37.00	39.00
Recreation	6.00	6.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	7.00
Water	24.00	24.00	24.00	27.00	31.00	31.00	33.00	36.00	36.00	36.00
Solid Waste Utility	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00
Environmental Quality	4.00	4.00	4.00	4.00	4.00	4.00	6.00	6.00	6.00	6.00
Total	273.50	272.50	223.50	231.50	238.50	242.50	257.00	264.00	268.00	275.00

Source: Finance Division, City of Upland

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

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CITY OF UPLAND

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

Function	Fiscal Year Ended June 30,			
	2016	2017	2018	2019
Fire				
Stations	5	5	1 ¹	1
Police				
Patrol Units	22	22	24	24
Motorcycles	5	4	4	5
Library				
Facilities	1	1	1	1
Recreation				
Buildings	4	4	4	4
Parks	13	13	13	13
Soccer fields (lighted)	6	6	6	6
Baseball fields (lighted)	8	8	8	8
Softball fields (lighted)	3	3	3	3
Public Works				
Miles of City Streets	209.20	209.25	209.85	210.01
Miles of State Highways	6.70	6.20	6.20	6.20
Miles of City Alleys	37.50	37.50	37.50	37.50
Water				
Miles of Water Mains	243.70	255.60	245.71	247.08
Sewer				
Miles of Sewer Lines	228.00	222.00	222.00	224.01

Source: Various Departments, City of Upland

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

² Revised 2015-2023 due to Transmap laser scan of all public streets as of September 30, 2024.

Fiscal Year Ended June 30,						
2020	2021	2022	2023	2024	2025	
1	1	1	1	1	1	1
25	24	24	25	23	25	
4	4	4	4	6	8	
1	1	1	1	1	1	1
4	4	4	4	4	4	4
13	13	13	13	13	13	13
6	6	6	6	6	6	6
8	8	8	8	8	8	8
3	3	3	3	3	3	3
210.01	210.01	210.01	210.01	191.64 ²	191.64	
6.20	6.20	6.20	6.20	6.20 ²	6.20	
37.50	37.50	37.50	37.50	37.31 ²	37.31	
247.08	247.09	247.09	247.09	249.39	249.39	
224.06	224.06	224.06	224.06	228.00	228.00	

CITY OF UPLAND

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

Function	Fiscal Year Ended June 30,			
	2016	2017	2018	2019
Function				
General government				
Building permits issued	1,176	1,095	2,040	2,327
Police				
Physical arrests	3,013	4,377	3,477	3,670
Traffic collisions	814	867	724	607
Fire				
Emergency responses	9,607	9,647	404 ¹	-
Public Works				
Miles of street sweeping	14,600	15,000	10,800	11,600
Potholes repaired	318	720	550	650
Number of trees pruned	2,378	2,273	4,288	5,850
Parks and recreation				
Community center admissions	8,868	6,864	6,703	7,208
Library				
Volumes in collection	111,548	107,760	82,577	103,466
Current Periodical & Serial Subscriptions	97	42	466	40
Audio-visual items	5,695	5,154	4,302	2,916
Water				
New meter installations	894	1,233	1,500	153
Average daily consumption (thousands of gallons)	14,209	15,572	17,276	15,650
Number of linear feet of new water pipelines	3,668	1,627	18,091	6,581
Refuse collection				
Refuse collected (tons per day)	158	151	165	158
Recyclables collected (tons per day)	68	65	76	68
Environmental Quality				
Number of sewer inspections conducted	208	211	148	145
Number of permitted dischargers/active permits	193	195	191	193

Source: Various Departments, City of Upland

¹Last date of service for the City of Upland Fire Department was July 22, 2017.

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

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

Fiscal Year Ended June 30,					
2020	2021	2022	2023	2024	2025
1,365	3,126	3,374	3,451	2,232	3,406
2,198	2,283	2,908	2,576	2,915	2,931
535	350	421	452	401	385
-	-	-	-	-	-
11,000	14,600	11,200	11,350	11,350	13,234
700	3,250	825	2,700	3,200	3,500
5,200	6,280	6,300	5,025	5,515	5,350
4,372	541	4,577	4,532	5,259	9,018
73,092	116,755	116,838	124,225	111,020	96,386
760	7,002	7,501	7,501	7,501	16,093 ²
5,340	5,006	4,736	4,925	5,065	3,642 ³
210	158	189	92	136	2,661
15,732	16,027	16,438	12,967	13,291	15,647
-	78	-	-	4,895	5,846
162	161	162	165	160	221
77	82	74	72	75	93
5	173	184	201	216	205
193	195	187	206	244	215