

CITY OF UPLAND, CALIFORNIA
Comprehensive Annual Financial Report
Year ended June 30, 2013

Prepared by
Finance Division
Administrative Services Department

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City of Upland
Comprehensive Annual Financial Report
Year ended June 30, 2013

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January 29, 2014

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

The *Comprehensive Annual Financial Report* of the City of Upland, California for the fiscal year ended June 30, 2013 is hereby submitted.

The Comprehensive Annual Financial Report (CAFR) is prepared in accordance with generally accepted accounting principles as promulgated by the Government Accounting Standards Board (GASB). GASB has primary responsibility for determining current accounting and financial reporting standards for activities and transactions of state and local government entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, the data enclosed is accurate in all material aspects; it is presented in a manner designed to fairly set forth the financial position and results of operations of the city as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included. For a more detailed discussion and analysis of the City's financial performance, refer to Management's Discussion and Analysis on page 5.

The Scope of the Comprehensive Annual Financial Report

In accordance with GAAP, the CAFR combines the financial statements of the City of Upland together with the Successor Agency to the former Upland Community Redevelopment Agency (UCRA) and the Upland Public Financing Authority (Authority). Although the Successor Agency to UCRA and the Authority are legally separate from the City, the City has certain responsibilities with respect to 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 74,907 persons as of December 2013.

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.

City of Upland

460 North Euclid Avenue, Upland, CA 91786-4732 • (909) 931-4100 • Fax (909) 931-4123 • TDD (909) 735-2929 • www.ci.upland.ca.us

Upland's wide street, which the Chaffey's named "Euclid" 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	
<u>Municipal Services</u>	<u>Public Enterprise Services</u>
General Administrative Support	Water Utility
Police and Fire Protection	Solid Waste Utility
Highways and Streets	Sewer Utility
Public Improvements	Animal Services
Planning and Zoning	
Development Services and Housing	
Library and Cultural	
Recreation and Parks	

The City Council consists of a directly elected Mayor and four Council members elected by the community at large. Council terms are for four years, elections are held every two years at which time either the mayor and one Council member, or three Council members are elected. The City Council appoints a City Manager to administer the affairs of the City, as well as a City Attorney. A listing of names of officials of the City of Upland and a City organization chart are included in the Introductory Section of this CAFR.

Officials responsible for City financial administration are the City Treasurer, City Manager and the Administrative Services Director. 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 Administrative Services Director 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.

Outlook for the Future

While there has been some positive movement in the local economy, the General Fund Balance continued to stay below the 10% reserve limit. To address this, management has presented forty-six (46) measures to a City Council appointed "Fiscal Response Task Force". The measures cover one-time revenue measures, new sources of revenues and potential expenditure reductions. Once the measures have been prioritized by the Task Force and ratified by the city Council, management will begin the process of implementing each of the measures. The City has an adopted a balanced operating budget for fiscal year 2013-14 and additional controls have been put in place to keep spending within these budgeted amounts.

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 generally accepted accounting principles. 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 control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

The City maintains budgetary controls 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 the appropriated amount) is at the fund level. 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 of accomplishing budgetary control.

OTHER RELEVANT INFORMATION

Auditor's Opinion

Included in the Financial Section is the independent auditors' opinion, which is a significant part of the CAFR. In this report, Mayer Hoffman McCann P.C., Certified Public Accountants, express their opinion that the financial statements are presented fairly in conformity with generally accepted accounting principles. The opinion is unqualified and therefore signifies a substantial level of achievement. This firm also conducts and prepares the single audit report as required by federal and state agencies.

Certificate of Achievement

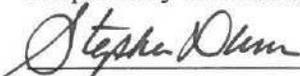
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Upland for its CAFR for the fiscal year ended June 30, 2012. To receive the award, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards, and satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement program requirements and we are submitting it to GFOA.

Acknowledgements

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

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

Respectfully submitted,



Stephen Dunn
City Manager



Stephanie A. Mendenhall
Administrative Services Director

Officials of the City of Upland

Elected Officials

Ray Musser, Mayor

Debbie Stone

Mayor Pro Tem

Brendan Brandt

Council Member

Gino Filippi

Council Member

Glenn Bozar

Council Member

Dan Morgan

City Treasurer

Executive Staff

Stephen C. Dunn, City Manager

Stephanie Mendenhall

Administrative Services Director

Roberta Knighten

Community Services Director

Jeff Zwack

Development Services Director

Rosemary Hoerning

Public Works Director

Jeff Mendenhall

Police Chief

Richard Mayhew

Fire Chief

Kimberly Hall Barlow

City Attorney



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

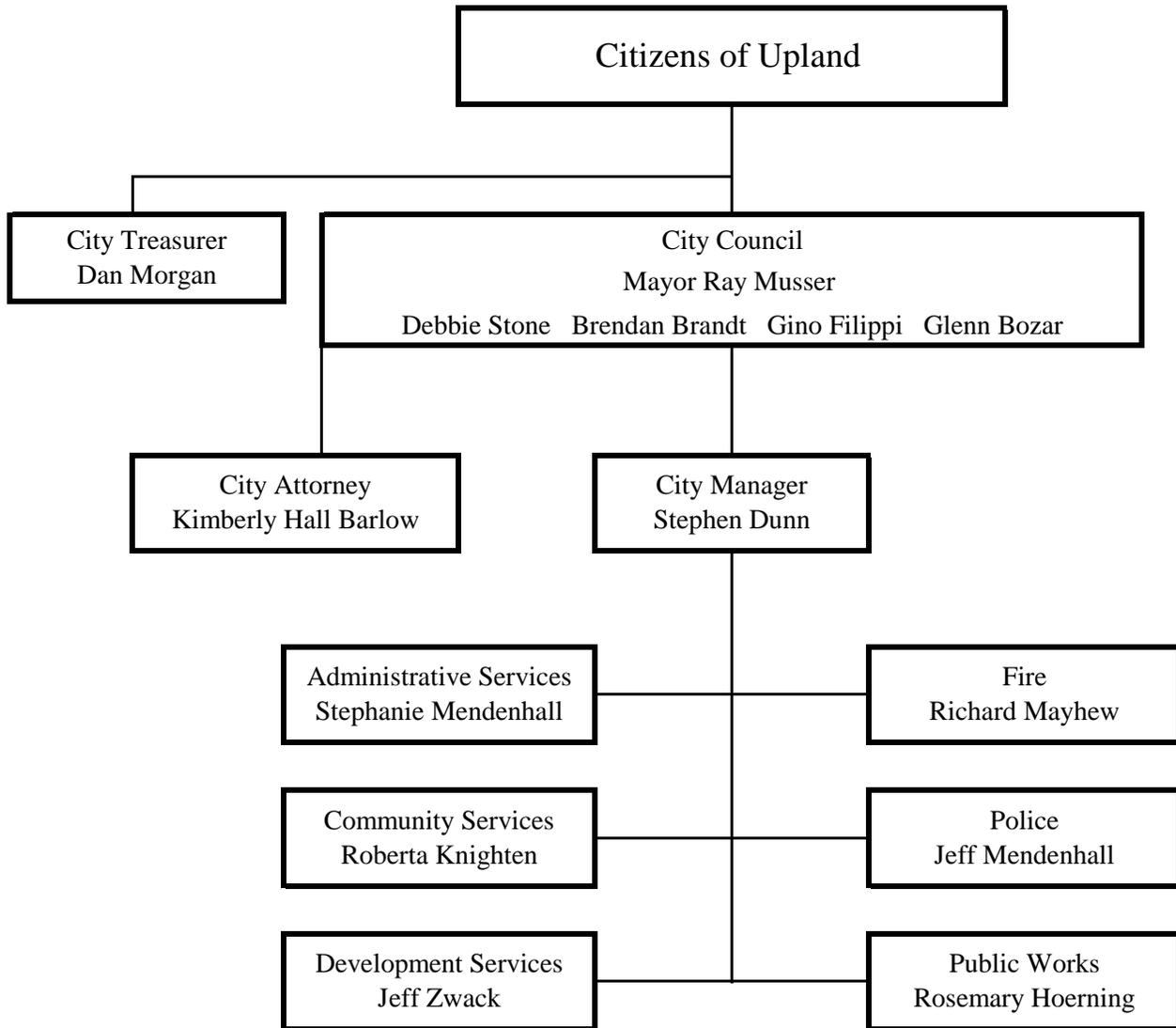
**City of Upland
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

**City of Upland
Organizational Chart
Fiscal Year 2012-13**





Mayer Hoffman McCann P.C.

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Honorable Mayor and City Council
City of Upland
Upland, California

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the statement of revenues, expenditures and changes in fund balances – budget to actual of the general fund, Home program fund, Calhome program fund and housing fund of the City of Upland, California, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Honorable Mayor and City Council
City of Upland
Upland, California
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Upland, California, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows, and the statement of revenues, expenditures and changes in fund balances – budget to actual of the general fund, Home program fund, Calhome program fund and housing fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

The accompanying financial statements have been prepared assuming that the City will continue as a going concern. As discussed in note 17, the City has suffered substantial recurring losses in its General Fund that have caused a significant diminishment of General Fund resources and that raise substantial doubt about the City's ability to continue as a going concern. Management's plans in regards to these matters are also described in note 17. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

As described further in notes 1 and 19 to the financial statements, during the year ended June 30, 2013, the City implemented GASB Statements No. 63 and 65. Our opinion is not modified with respect to this matter.

The financial statements for the year ended June 30, 2013, reflect a prior period adjustment as described further in note 19 to the financial statements. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the City of Upland's 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 19 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial

Honorable Mayor and City Council
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reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Upland's basic financial statements. The *combining and individual nonmajor fund financial statements*, the *introductory section* and the *statistical section* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The *combining and individual nonmajor fund financial statements* are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *combining and individual nonmajor fund financial statements* are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The *introductory section* and the *statistical section* have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2014 on our consideration of the City of Upland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Upland's internal control over financial reporting and compliance.

Mayer Hoffman McCann P.C.

Irvine, California
January 29, 2014

MANAGEMENT'S DISCUSSION & ANALYSIS

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2013

Our discussion and analysis of the City of Upland's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2013. It should be read in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Financial Highlights

- ◆ City of Upland's Total Net Position at the close of the fiscal year is \$397.3 million; this is an improvement of \$.4 million in comparison with the prior year. Of this amount, \$17.8 million may be used to meet the City's ongoing obligations to citizens and creditors.
- ◆ The City's total liabilities increased by \$.6 million during the current fiscal year. The changes in liabilities are related to lower accounts payable and an increase in deposits payable.
- ◆ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14.4 million, an increase of \$3.4 million in comparison with the prior year.
- ◆ As of the close of the current fiscal year, the City's enterprise funds reported combined total net position of \$113.3 million, a decrease of \$.6 million in comparison with the prior year.
- ◆ At the end of the fiscal year, unassigned fund balance for the general fund was \$.7 million or 2% of the FY 2013-14 Annual Budget-General Fund operating expenditures.

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

Our analysis of the City's major funds begins on page 15. The fund's financial statements begin on page 18 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 and by bond covenants. However, the City Council established many other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using certain taxes and other money (like grants received from the U.S. Department of Housing and Urban Development). 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, which 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 spent in the near future to finance the City's programs. The difference of results in the Governmental funds statements to those in the Governmental-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 we report in the government-wide statements but provide more detail and additional information, such as cash flows. We use 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 such as 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 of the City's fiduciary activities are reported in a separate Statement of Assets and Liabilities and Statement of Changes in Assets and Liabilities on page 113 and 114 respectively. We exclude 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 that the assets reported in these funds are used for their intended purposes.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities include all the assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. 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, such as the condition of the City's roads, to assess the overall health of the City.

City of Upland's Total Net Position

As noted earlier, the City's combined Total Net Position is \$397.3 million. The City's net position increased by \$.4 million due to a slight increase in revenues. Overall, the City's financial position was consistent with the prior year. 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 (in millions) for the fiscal year ended June 30, 2013 was as follows:

Table 1
Net Position
(In Millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and other assets	\$25.2	\$23.0	\$41.2	\$43.1	\$66.4	\$66.1
Capital assets	298.0	298.2	87.8	87.0	385.8	385.2
Total assets	<u>\$323.2</u>	<u>\$321.2</u>	<u>\$129.0</u>	<u>\$130.1</u>	<u>\$452.2</u>	<u>\$451.3</u>
Long-term liabilities	30.7	29.5	11.4	11.6	42.1	41.1
Other liabilities	8.5	8.7	4.4	4.6	12.9	13.3
Total liabilities	<u>\$39.2</u>	<u>\$38.2</u>	<u>\$15.8</u>	<u>\$16.2</u>	<u>\$55.0</u>	<u>\$54.4</u>
Net position:						
Net investment in capital assets	281.2	279.5	76.1	75.1	357.3	354.6
Restricted	22.2	16.0	-	-	22.2	16.0
Unrestricted	(19.4)	(12.5)	37.2	38.8	17.8	26.3
Total Net Position	<u>\$284.0</u>	<u>\$283.0</u>	<u>\$113.3</u>	<u>\$113.9</u>	<u>\$397.3</u>	<u>\$396.9</u>

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, Sewer, and Animal Services operations. A comparison of each program's revenues and expenses (in millions) for the current years is presented below.

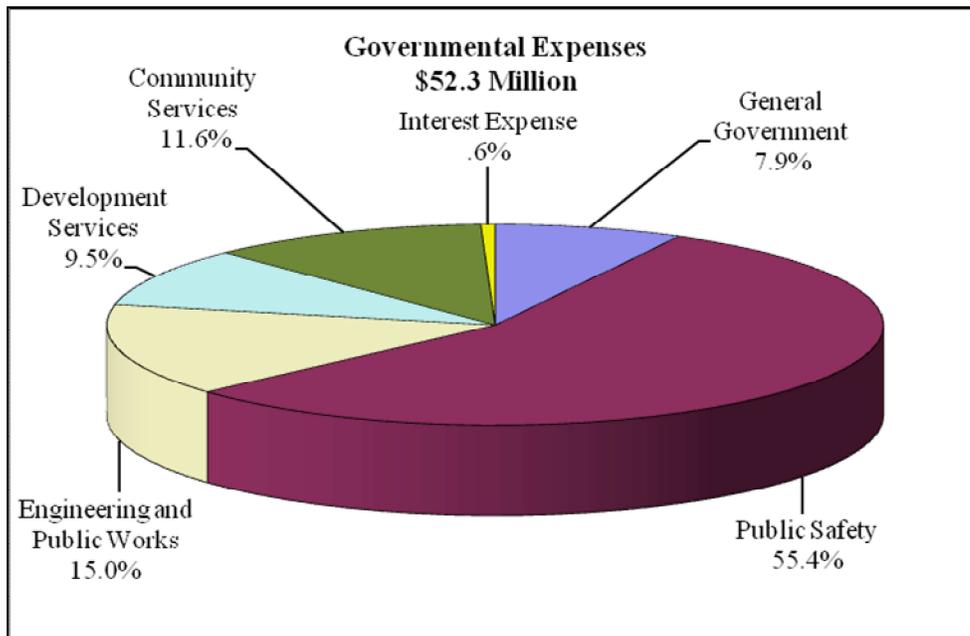
Table 2
Change in Net position
(In Millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues						
Program Revenues						
Charges for services	\$8.8	\$6.9	\$33.7	\$33.8	\$42.5	\$40.7
Operating Grants	6.6	6.5	-	-	6.6	6.5
Capital Contributions	2.6	1.8	-	-	2.6	1.8
General Revenues						
Taxes						
Property Taxes	17.2	16.3	-	-	17.2	16.3
Tax Increment	-	4.8	-	-	-	4.8
Sales Taxes	10.2	10.0	-	-	10.2	10.0
Other Taxes	1.6	1.7	-	-	1.6	1.7
Investment Income	-	0.1	-	0.2	-	0.1
Motor Vehicle In Lieu	0.2	0.2	-	-	0.2	0.2
Gain on sale of assets	-	-	-	-	-	-
Miscellaneous Revenues	0.6	0.5	-	-	0.6	0.5
Extraordinary Gain	-	23.5	-	-	-	23.5
Total Revenues	<u>\$47.8</u>	<u>\$72.3</u>	<u>\$33.7</u>	<u>\$34.0</u>	<u>\$81.5</u>	<u>\$106.3</u>
Expenses						
General government	\$4.1	\$5.1	\$-	\$-	\$4.1	\$5.1
Public Safety	29.0	30.7	-	-	29.0	30.7
Public Works	7.8	12.1	-	-	7.8	12.1
Development Services	5.0	5.2	-	-	5.0	5.2
Community Services	6.1	4.6	-	-	6.1	4.6
Interest on long term	0.3	1.3	-	-	0.3	1.3
Water	-	-	17.0	17.9	17.0	17.9
Refuse	-	-	9.2	9.3	9.2	9.3
Sewer	-	-	5.8	5.9	5.8	5.9
Animal Services	-	-	1.1	1.1	1.1	1.1
Total Expenses	<u>\$52.3</u>	<u>\$59.0</u>	<u>\$33.1</u>	<u>\$34.2</u>	<u>\$85.4</u>	<u>\$93.2</u>
Excess/(Deficiency) Before Special Items and Transfers	(\$4.5)	\$13.3	\$0.6	(\$0.2)	(\$3.9)	\$13.1
Transfers	5.9	1.2	(1.0)	(1.2)	4.9	-
Increase (Decrease) in Net Position	\$1.4	\$14.5	(\$0.4)	(\$1.4)	\$1.0	\$13.1
Net Position at beginning of year, as restated (note 19)	<u>\$282.6</u>	<u>\$268.5</u>	<u>\$113.7</u>	<u>\$115.3</u>	<u>\$396.3</u>	<u>\$383.8</u>
Net Position end of year	<u>\$284.0</u>	<u>\$283.0</u>	<u>\$113.3</u>	<u>\$113.9</u>	<u>\$397.3</u>	<u>\$396.9</u>

Governmental Activities

Revenues and transfers for the City's governmental activities totaled \$53.7 million, while total expenses totaled \$52.4 million. The City's net position increased by \$1.3 million. The significant changes are highlighted below.

- ◆ Charges for services increased by \$1.9 million or 28% from the prior year, primarily due to Development Services.
- ◆ Investment income showed a decrease of approximately \$.07 million or 74% from the prior year, primarily due to a stagnant economy and declining interest rates.
- ◆ Property Taxes increased by \$.9 million or 6 % from the prior year, primarily due to General Fund receiving pass thru payments from Successor Agency to UCRA.
- ◆ Sales Tax increased by \$.2 million or 2%, primarily due to Sales Tax revenue from new retail businesses opening in the City.
- ◆ The cost of all governmental activities for the fiscal year was \$52.4 million, compared to \$59.0 million in the prior year. The decrease was a result of employee layoffs, lack of grant funding and overall reduced spending due to declining reserves.



Business-type Activities

As shown in the Statement of Activities, the amount paid by users for services was about \$33.7 million. The cost of all Proprietary (Business-type) activities this year was \$33.1 million.

Total resources available during the year to finance Proprietary Fund (Business type) activities were \$147.4 million consisting of Net Position at July 1, 2012 of \$113.7 million and revenues of \$33.7 million. Expenses during the year totaled \$33.1 million; thus net position were decreased by \$.4 million to \$113.3 million.

The City's Major Funds

The City's governmental funds reported a combined fund balance of \$14.4 million, and its enterprise funds reported combined net position of \$113.3 million. The major changes are as follows:

- ◆ The fund balance at year-end for the City's General fund of approximately \$.9 million is an overall decrease of \$.07 million, primarily due to decline in revenues, continuation of high legal expenditures, and increased operational expenses.
- ◆ The HOME and CalHOME program fund balance shows an increase of \$.1 million due to program reimbursements from the State and loan payoffs.
- ◆ The Housing fund balance increased by \$5.1 million primarily due to a transfer from Successor Agency to UCRA to correct prior year balances between the two funds.
- ◆ The Water Utility fund remained flat as compared to the prior year. Water realized a decrease of \$.3 million, less than 1% in net position.
- ◆ The Solid Waste Utility fund declined further by \$.3 million. Solid Waste fund expenditures have been higher than CPI revenue adjustment resulting in annual fund balance decline for the last two fiscal years. A rate study is underway to evaluate the revenues and expenditures to correct the funding shortfall. City expects to make a decision on the rate study findings in fiscal year 2013-2014.
- ◆ The Sewer Utility Fund also remained pretty much flat as compared to the prior year. Sewer Utility fund realized an increase of \$.5 million or 2.0% in net position.
- ◆ The Animal Services fund balance decreased by \$.5 million or 9% as expenses continue to exceed revenues and minimal grants are available to fund the program.

General Fund Budgetary Highlights

Over the course of the year the City Council revised the City budget several times. These budget amendments and supplemental appropriations that were approved after the beginning of the year are included in the final budget column. Comparing the fiscal year 2012-13 adopted General Fund budget of \$39.9 million to the final budget of \$41.4 million shows an increase of \$1.5 million. Actual expenditures for the General Fund were \$40.1 million, \$1.3 million under the final budget amounts. Resources available for appropriation were \$.9 million under the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2013, the City had \$385.7 million invested in a broad range of capital assets, including police and fire vehicles, buildings, park facilities, roads, and water and sewer lines.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$5.0	\$6.0	\$2.0	\$2.0	\$7.0	\$8.0
Rights of way	103.4	103.4	-	-	103.4	103.4
Street trees	3.5	3.5	-	-	3.5	3.5
Construction in progress	2.8	3.3	2.3	1.3	5.1	4.6
Other capital assets	183.3	182.0	83.5	83.7	266.8	265.7
Totals	<u>\$298.0</u>	<u>\$298.2</u>	<u>\$87.8</u>	<u>\$87.0</u>	<u>\$385.8</u>	<u>\$385.2</u>

The City's fiscal year 2013-14 capital budget appropriates another \$18.1 million for capital projects, principally for the completion of its various reconstruction and improvement projects. Additional information on the City's capital assets can be found on pages 58-60 of this report.

Debt

At June 30, 2013, the City had \$45.5 million in debt outstanding versus \$45.2 million in the prior year, an increase of \$.3 million.

Table 4
Debt at Year-End
(In Millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Housing Revenue Bonds	\$18.0	\$18.0	\$-	\$-	\$18.0	\$18.0
Lease Revenue Bonds	1.0	1.2	12.0	12.2	13.0	13.4
Compensated Absences	2.7	2.8	0.3	0.4	3.0	3.2
Other Post Employment	2.7	2.0	-	-	2.7	2.0
Claims Payable	8.9	8.1	-	-	8.9	8.1
Totals	<u>\$33.3</u>	<u>\$32.1</u>	<u>\$12.3</u>	<u>\$12.6</u>	<u>\$45.6</u>	<u>\$44.7</u>

Additional detailed information on long-term debt activity can be found on pages 61-70 of this report.

Economic Condition and Outlook

On a national level, the economic recovery has experienced slight gains. Statewide housing activity has shown signs of recovering with an increase in multi-family construction to meet the demand of an increase of renters. The median home price growth in California was 23.8% higher in 2013 compared to the previous year. This may stabilize as interest rates rise.

The region has experienced some job gains and an increase in sales taxes. As far as unemployment goes, the Inland Empire's unemployment rate has improved with a reported 1.8% drop from last year. Although this is a positive movement, it does not mean the region is out of the woods yet.

The City of Upland has also seen some positive movement in its local economy. Development activity has begun, and there are several new residential developments under construction, causing a slight increase in building permit revenues. These small construction projects are expected to continue through FY 2014-15. Sales tax revenues recently reported an increase of 2% over last year and the opening of new stores in the Colonies will generate new sales tax revenue in the coming fiscal year. Although reports are positive, it is uncertain if the growth will continue and if the pace will be sufficient to meet ongoing costs. The City will continue to exercise significant fiscal prudence in the current year and into the future years in order to establish a healthy reserve.

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 Director, 460 North Euclid Avenue, Upland, CA 91786.

BASIC FINANCIAL STATEMENTS

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CITY OF UPLAND
Statement of Net Position
June 30, 2013

	Governmental Activities	Business-Type Activities	Totals	
			2013	2012
<u>Assets</u>				
Cash and investments (note 2)	\$ 14,695,341	4,255,548	18,950,889	19,319,511
Cash and investments with fiscal agent (note 2)	2,108,120	234,149	2,342,269	2,041,256
Receivables:				
Accounts	774,879	4,712,634	5,487,513	5,372,485
Accrued interest	5,241	-	5,241	57,599
Notes	9,712,051	-	9,712,051	9,450,208
Due from other governments	3,133,678	-	3,133,678	3,374,620
Inventory and prepaid items	111,648	58,762	170,410	242,700
Interfund borrowing	(7,096,883)	7,096,883	-	-
Land held for resale	1,731,389	-	1,731,389	1,731,389
Investment in joint ventures (note 13)	-	24,577,380	24,577,380	23,809,419
Capital assets (note 4):				
Capital assets not being depreciated	114,700,717	4,242,216	118,942,933	116,022,543
Capital assets, net of depreciation	183,309,393	83,533,269	266,842,662	269,184,226
Total assets	323,185,574	128,710,841	451,896,415	450,605,956
<u>Deferred outflows of resources</u>				
Deferred charge on refunding	-	383,093	383,093	510,971
Total deferred outflows of resources	-	383,093	383,093	510,971
<u>Liabilities</u>				
Accounts payable	1,451,411	2,991,469	4,442,880	5,459,766
Accrued salaries and benefits	1,068,469	81,766	1,150,235	1,047,369
Accrued interest payable	38,640	119,488	158,128	170,505
Retentions payable	249,636	-	249,636	-
Deposits payable	3,081,898	316,886	3,398,784	2,681,951
Unearned revenue	45,639	-	45,639	343,379
Noncurrent liabilities (notes 6 to 11):				
Due within one year	2,538,708	939,774	3,478,482	3,632,058
Due in more than one year	30,735,525	11,352,354	42,087,879	40,944,118
Total liabilities	39,209,926	15,801,737	55,011,663	54,279,146
<u>Net position</u>				
Net investment in capital assets	281,184,806	76,050,669	357,235,475	354,569,610
Restricted for:				
Engineering and public works	3,220,092	-	3,220,092	2,965,306
Development services	18,956,987	-	18,956,987	13,006,208
Unrestricted	(19,386,237)	37,241,528	17,855,291	26,296,657
Total net position	\$ 283,975,648	113,292,197	397,267,845	396,837,781

See accompanying notes to the basic financial statements.

CITY OF UPLAND
Statement of Activities
Year ended June 30, 2013

		Program Revenues		
Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Governmental activities:				
General government	\$ 4,113,605	1,416,615	174,105	-
Public safety	29,009,795	2,526,925	2,003,481	-
Engineering and public works	7,868,067	411,595	2,449,398	2,614,837
Development services	4,967,335	3,881,798	1,308,141	-
Community services	6,100,981	611,995	619,007	-
Interest expense	310,478	-	-	-
Total governmental activities	52,370,261	8,848,928	6,554,132	2,614,837
Business-type activities:				
Water utility	17,019,949	17,324,491	-	-
Solid waste utility	9,246,343	9,535,127	-	-
Sewer utility	5,813,597	6,294,532	-	-
Animal services	1,082,162	567,329	-	-
Total business-type activities	33,162,051	33,721,479	-	-
	\$ 85,532,312	42,570,407	6,554,132	2,614,837

General revenues:

Taxes:

Property taxes

Tax increment

Sales taxes

Other taxes

Investment income

Motor vehicle in lieu, unrestricted

Gain on sale of assets

Miscellaneous revenues

Extraordinary gain

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year, as restated (note 19)

Net position at end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Totals	
		2013	2012
(2,522,885)	-	(2,522,885)	(3,483,009)
(24,479,389)	-	(24,479,389)	(26,218,674)
(2,392,237)	-	(2,392,237)	(7,633,007)
222,604	-	222,604	(1,552,313)
(4,869,979)	-	(4,869,979)	(3,583,108)
(310,478)	-	(310,478)	(1,326,383)
<u>(34,352,364)</u>	<u>-</u>	<u>(34,352,364)</u>	<u>(43,796,494)</u>
-	304,542	304,542	(124,204)
-	288,784	288,784	60,966
-	480,935	480,935	311,851
-	(514,833)	(514,833)	(724,399)
<u>-</u>	<u>559,428</u>	<u>559,428</u>	<u>(475,786)</u>
<u>(34,352,364)</u>	<u>559,428</u>	<u>(33,792,936)</u>	<u>(44,272,280)</u>
17,207,416	-	17,207,416	16,279,713
-	-	-	4,813,601
10,167,479	-	10,167,479	9,992,768
1,603,147	-	1,603,147	1,676,719
26,819	53,563	80,382	286,388
190,258	-	190,258	179,479
-	-	-	30,032
583,147	-	583,147	531,085
-	-	-	23,491,941
<u>5,922,919</u>	<u>(1,058,593)</u>	<u>4,864,326</u>	<u>-</u>
<u>35,701,185</u>	<u>(1,005,030)</u>	<u>34,696,155</u>	<u>57,281,726</u>
1,348,821	(445,602)	903,219	13,009,446
<u>282,626,827</u>	<u>113,737,799</u>	<u>396,364,626</u>	<u>383,828,335</u>
<u>\$ 283,975,648</u>	<u>113,292,197</u>	<u>397,267,845</u>	<u>396,837,781</u>

CITY OF UPLAND
Balance Sheet - Governmental Funds
June 30, 2013

	Special Revenue			
	General	Home	CalHome	Housing
<u>Assets</u>				
Cash and investments	\$ 605,863	340,331	-	4,819,922
Cash and investments with fiscal agent	-	-	-	1,839,449
Receivables:				
Accounts	743,590	-	-	-
Accrued interest	5,241	-	-	-
Notes	27,516	3,555,262	1,734,528	4,394,745
Due from other funds (note 3)	-	-	-	-
Due from other governments	1,724,949	-	190,760	-
Inventory and prepaid items	111,648	-	-	-
Land held for resale	-	-	-	1,731,389
Total assets	\$ 3,218,807	3,895,593	1,925,288	12,785,505
<u>Liabilities</u>				
Accounts payable	\$ 681,930	-	2,431	108,525
Accrued salaries and benefits	1,043,342	-	-	5,931
Due to other funds (note 3)	-	-	227,179	-
Retentions payable	-	-	-	-
Deposits payable	625,965	-	-	-
Unearned revenue	7,131	-	-	-
Total liabilities	2,358,368	-	229,610	114,456
<u>Deferred inflows of resources</u>				
Unavailable revenue	-	3,555,262	1,738,997	4,394,745
Total deferred inflow of resources	-	3,555,262	1,738,997	4,394,745
<u>Fund balance</u>				
Nonspendable:				
Inventory and prepaid items	111,648	-	-	-
Notes receivable	27,516	-	-	-
Restricted for:				
Development services	-	340,331	-	8,276,304
Debt service	-	-	-	-
Capital projects	-	-	-	-
Unassigned	721,275	-	(43,319)	-
Total fund balances (deficit)	860,439	340,331	(43,319)	8,276,304
Total liabilities, deferred inflows of resources and fund balances	\$ 3,218,807	3,895,593	1,925,288	12,785,505

See accompanying notes to the basic financial statements.

Non-Major Governmental	Total Governmental Funds	
	2013	2012
8,796,567	14,562,683	9,767,673
268,671	2,108,120	1,771,542
23,554	767,144	557,588
-	5,241	57,599
-	9,712,051	9,450,208
-	-	379,149
1,217,969	3,133,678	3,374,620
-	111,648	103,264
-	1,731,389	1,731,389
<u>10,306,761</u>	<u>32,131,954</u>	<u>27,193,032</u>
584,219	1,377,105	1,921,860
19,196	1,068,469	974,798
1,402,993	1,630,172	789,680
249,636	249,636	-
2,455,933	3,081,898	2,484,937
38,508	45,639	338,987
<u>4,750,485</u>	<u>7,452,919</u>	<u>6,510,262</u>
576,729	10,265,733	9,626,277
<u>576,729</u>	<u>10,265,733</u>	<u>9,626,277</u>
-	111,648	103,264
-	27,516	22,498
3,564,306	12,180,941	6,483,993
268,983	268,983	268,872
2,628,474	2,628,474	3,455,803
(1,482,216)	(804,260)	722,063
<u>4,979,547</u>	<u>14,413,302</u>	<u>11,056,493</u>
<u>10,306,761</u>	<u>32,131,954</u>	<u>27,193,032</u>

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CITY OF UPLAND

Governmental Funds

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

June 30, 2013

Fund balances of governmental funds	\$ 14,413,302
Amounts reported for governmental activities in the statement of net position is different because:	
Capital assets, net of depreciation, have not been included as financial resources in governmental fund activity.	
Capital assets	367,923,281
Accumulated depreciation	(71,074,079)
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Bonds and notes payable	(18,950,000)
Compensated absences	(2,726,890)
Other post employment benefits obligation	(2,651,355)
Accrued interest payable for the current portion of interest due on bonds payable has not been reported in the governmental funds.	(38,640)
Revenues that are measurable but not available. Amounts are recorded as unearned revenue under the modified accrual basis of accounting.	10,265,733
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.	<u>(13,185,704)</u>
Net position of governmental activities	<u>\$ 283,975,648</u>

See accompanying notes to the basic financial statements.

CITY OF UPLAND
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year ended June 30, 2013

	Special Revenue			
	General	Home	CalHome	Housing
<u>Revenues</u>				
Taxes	\$ 29,792,211	-	-	-
Licenses and permits	586,813	-	-	-
Charges for services	4,362,451	-	-	-
Fines and penalties	500,389	-	-	-
Investment income	-	1,460	-	2,099
Rental income	206,232	-	-	3,105,887
Intergovernmental	1,951,732	206,035	250,760	-
Other	691,442	-	-	127,086
Total revenues	38,091,270	207,495	250,760	3,235,072
<u>Expenditures</u>				
Current:				
General government	4,805,137	-	-	-
Public safety	25,636,155	-	-	-
Engineering and public works	4,109,373	-	-	-
Development services	1,236,345	36,476	294,079	2,300,623
Community services	4,000,341	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	268,537
Pass-through payments	-	-	-	-
Total expenditures	39,787,351	36,476	294,079	2,569,160
Excess (deficiency) of revenues over (under) expenditures	(1,696,081)	171,019	(43,319)	665,912
<u>Other financing sources (uses)</u>				
Transfers in (note 14)	1,894,189	-	-	4,645,548
Transfers out (note 14)	(269,170)	-	-	(197,183)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	1,625,019	-	-	4,448,365
Extraordinary gain (loss)	-	-	-	-
Change in fund balances	(71,062)	171,019	(43,319)	5,114,277
Fund balances (deficit) at beginning of year, as restated (note 19)	931,501	169,312	-	3,162,027
Fund balances (deficit) at end of year	\$ 860,439	340,331	(43,319)	8,276,304

See accompanying notes to the basic financial statements.

Non-Major Governmental Funds	Total Governmental Funds	
	2013	2012
964,267	30,756,478	35,295,459
401,049	987,862	1,070,611
-	4,362,451	4,203,719
-	500,389	517,741
24,145	27,704	100,072
5,958	3,318,077	1,727,205
4,813,218	7,221,745	7,268,610
435,608	1,254,136	1,182,183
<u>6,644,245</u>	<u>48,428,842</u>	<u>51,365,600</u>
-	4,805,137	5,991,749
894,161	26,530,316	27,603,446
6,253,439	10,362,812	7,940,843
989,733	4,857,256	4,959,672
144,891	4,145,232	3,894,008
210,000	210,000	1,925,000
51,831	320,368	1,245,747
-	-	801,386
<u>8,544,055</u>	<u>51,231,121</u>	<u>54,361,851</u>
<u>(1,899,810)</u>	<u>(2,802,279)</u>	<u>(2,996,251)</u>
269,170	6,808,907	2,073,948
(403,696)	(870,049)	(1,129,300)
-	-	9,682
<u>(134,526)</u>	<u>5,938,858</u>	<u>954,330</u>
-	-	<u>(14,129,606)</u>
(2,034,336)	3,136,579	(16,171,527)
<u>7,013,883</u>	<u>11,276,723</u>	<u>27,228,020</u>
<u>4,979,547</u>	<u>14,413,302</u>	<u>11,056,493</u>

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CITY OF UPLAND
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities

Year ended June 30, 2013

Net changes in fund balances of governmental funds	\$ 3,136,579
Amounts reported for governmental activities in the statement of activities is different because:	
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>	
Capital expenditures	6,690,333
Depreciation expense	(6,543,691)
Disposal of capital assets	(25,807)
<p>Changes in long-term liabilities are reported as expenditures and other financing sources (uses) in the governmental funds, but are reported as increases and decreases of long-term liabilities in the statement of net position.</p>	
Principal reduction	210,000
The statement of net position includes accrued interest on long term debt.	9,890
To record as an expense the net change in compensated absences in the statement of activities.	65,079
To record as an expense the net change in the other post employment benefit obligation in the statement of activities.	(627,171)
Revenues that are measurable but not available. Amounts are not recorded as revenue under the modified accrual basis of accounting.	639,456
Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.	(2,205,847)
Change in net position of governmental activities	\$ 1,348,821

See accompanying notes to the basic financial statements.

CITY OF UPLAND
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive	Prior Year
	Original	Final		(Negative)	Actual
Revenues:					
Taxes:					
Property taxes	\$ 17,345,500	17,424,230	17,207,416	(216,814)	16,279,713
Business license tax	810,000	810,000	814,383	4,383	783,091
Sales and use tax	10,412,910	10,412,910	10,167,479	(245,431)	9,992,768
Franchise tax	1,170,710	1,170,710	1,236,293	65,583	1,358,901
Other	194,020	255,290	366,640	111,350	317,943
Total taxes	<u>29,933,140</u>	<u>30,073,140</u>	<u>29,792,211</u>	<u>(280,929)</u>	<u>28,732,416</u>
Licenses and permits	571,090	571,090	586,813	15,723	572,021
Charges for services	4,631,930	4,679,032	4,362,451	(316,581)	4,203,719
Fines and penalties	208,750	482,850	500,389	17,539	517,741
Investment income	21,700	22,210	-	(22,210)	243
Rental income	488,920	488,320	206,232	(282,088)	356,069
Intergovernmental	934,700	1,613,976	1,951,732	337,756	1,054,160
Other	336,260	221,084	691,442	470,358	683,976
Total revenues	<u>37,126,490</u>	<u>38,151,702</u>	<u>38,091,270</u>	<u>(60,432)</u>	<u>36,120,345</u>
Expenditures:					
Current:					
General government	5,881,070	6,147,292	4,805,137	1,342,155	5,991,749
Public safety:					
Police	14,023,150	15,420,463	16,174,073	(753,610)	16,638,001
Fire	9,546,050	9,600,986	9,462,082	138,904	9,979,584
Engineering and public works	4,685,390	4,053,434	4,109,373	(55,939)	4,367,607
Development services	2,116,790	1,261,078	1,236,345	24,733	1,104,842
Community services	2,757,210	4,082,078	4,000,341	81,737	3,870,683
Total expenditures	<u>39,009,660</u>	<u>40,565,331</u>	<u>39,787,351</u>	<u>777,980</u>	<u>41,952,466</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,883,170)</u>	<u>(2,413,629)</u>	<u>(1,696,081)</u>	<u>717,548</u>	<u>(5,832,121)</u>
Other financing sources (uses):					
Transfers in	2,735,670	2,758,940	1,894,189	(864,751)	1,266,064
Transfers out	(852,500)	(875,770)	(269,170)	606,600	(636,116)
Proceeds from sale of capital assets	-	-	-	-	9,682
Total other financing sources (uses)	<u>1,883,170</u>	<u>1,883,170</u>	<u>1,625,019</u>	<u>(258,151)</u>	<u>639,630</u>
Change in fund balances	-	(530,459)	(71,062)	459,397	(5,192,491)
Fund balances at beginning of year	931,501	931,501	931,501	-	6,123,992
Fund balances at end of year	<u>\$ 931,501</u>	<u>401,042</u>	<u>860,439</u>	<u>459,397</u>	<u>931,501</u>

See accompanying notes to the basic financial statements.

CITY OF UPLAND
Home Program Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with	Prior Year Actual
	Original	Final		Final Budget - Positive (Negative)	
Revenues:					
Investment income	\$ -	-	1,460	1,460	-
Intergovernmental	522,780	522,780	206,035	(316,745)	800,457
Other	-	-	-	-	194,968
Total revenues	<u>522,780</u>	<u>522,780</u>	<u>207,495</u>	<u>(315,285)</u>	<u>995,425</u>
Expenditures:					
Current:					
Development services	-	-	36,476	(36,476)	625,499
Total expenditures	<u>-</u>	<u>-</u>	<u>36,476</u>	<u>(36,476)</u>	<u>625,499</u>
Excess (deficiency) of revenues over (under) expenditures	<u>522,780</u>	<u>522,780</u>	<u>171,019</u>	<u>(351,761)</u>	<u>369,926</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	422,278
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>422,278</u>
Net change in fund balance	522,780	522,780	171,019	(351,761)	792,204
Fund balances (deficit) at beginning of year	<u>169,312</u>	<u>169,312</u>	<u>169,312</u>	<u>-</u>	<u>(622,892)</u>
Fund balances (deficit) at end of year	<u>\$ 692,092</u>	<u>692,092</u>	<u>340,331</u>	<u>(351,761)</u>	<u>169,312</u>

See accompanying notes to the basic financial statements.

CITY OF UPLAND
CalHome Program Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with	Prior
	Original	Final		Final Budget - Positive (Negative)	Year Actual
Revenues:					
Intergovernmental	\$ -	-	250,760	250,760	319,101
Total revenues	<u>-</u>	<u>-</u>	<u>250,760</u>	<u>250,760</u>	<u>319,101</u>
Expenditures:					
Current:					
Development services	165,270	165,270	294,079	(128,809)	251,689
Total expenditures	<u>165,270</u>	<u>165,270</u>	<u>294,079</u>	<u>(128,809)</u>	<u>251,689</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(165,270)</u>	<u>(165,270)</u>	<u>(43,319)</u>	<u>121,951</u>	<u>67,412</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	372,172
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>372,172</u>
Net change in fund balance	(165,270)	(165,270)	(43,319)	121,951	439,584
Fund balances (deficit) at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(439,584)</u>
Fund balances (deficit) at end of year	<u>\$ (165,270)</u>	<u>(165,270)</u>	<u>(43,319)</u>	<u>121,951</u>	<u>-</u>

See accompanying notes to the basic financial statements.

CITY OF UPLAND
Housing Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with	Prior Year Actual
	Original	Final		Final Budget - Positive (Negative)	
Revenues:					
Investment income	\$ -	-	2,099	2,099	-
Rental income	3,055,430	3,055,430	3,105,887	50,457	465,000
Other	-	-	127,086	127,086	-
Total revenues	3,055,430	3,055,430	3,235,072	179,642	465,000
Expenditures:					
Current:					
Development services	5,031,190	5,031,190	2,300,623	2,730,567	-
Debt service:					
Interest and fiscal charges	798,000	798,000	268,537	529,463	110,190
Total expenditures	5,829,190	5,829,190	2,569,160	3,260,030	110,190
Excess (deficiency) of revenues over (under) expenditures	(2,773,760)	(2,773,760)	665,912	3,439,672	354,810
Other financing sources (uses):					
Transfers in	-	-	4,645,548	4,645,548	-
Transfers out	(197,180)	(197,180)	(197,183)	(3)	(422,278)
Total other financing sources (uses)	(197,180)	(197,180)	4,448,365	4,645,545	(422,278)
Extraordinary gain (loss)	-	-	-	-	3,229,495
Change in fund balances	(2,970,940)	(2,970,940)	5,114,277	8,085,217	3,162,027
Fund balances at beginning of year	3,162,027	3,162,027	3,162,027	-	-
Fund balances at end of year	\$ 191,087	191,087	8,276,304	8,085,217	3,162,027

See accompanying notes to the basic financial statements.

CITY OF UPLAND
Statement of Net Position- Proprietary Funds
June 30, 2013

	Business-Type Activities-Enterprise Funds			
	Water Utility	Solid Waste Utility	Sewer Utility	Animal Services
<u>Assets</u>				
Current assets:				
Cash and investments	\$ 2,172,512	9,932	2,073,084	20
Receivables:				
Accounts	2,548,136	1,183,299	981,199	-
Due from other funds (note 3)	3,752,306	-	4,593,711	-
Inventory and prepaid items	56,270	-	-	2,492
Total current assets	<u>8,529,224</u>	<u>1,193,231</u>	<u>7,647,994</u>	<u>2,512</u>
Noncurrent assets:				
Restricted cash and investments				
with fiscal agent	234,149	-	-	-
Unamortized debt issuance costs	-	-	-	-
Advances to other funds (note 3)	923,000	-	-	-
Investment in joint ventures	24,577,380	-	-	-
Capital assets:				
Land	1,995,981	-	-	-
Construction in progress	1,822,137	-	424,098	-
Other capital assets, net	<u>62,205,359</u>	<u>1,474</u>	<u>13,957,943</u>	<u>7,368,493</u>
Total noncurrent assets	<u>91,758,006</u>	<u>1,474</u>	<u>14,382,041</u>	<u>7,368,493</u>
Total assets	<u>100,287,230</u>	<u>1,194,705</u>	<u>22,030,035</u>	<u>7,371,005</u>
<u>Deferred Outflows of Resources</u>				
Deferred charge on refunding	383,093	-	-	-
Total deferred charge on refunding	<u>383,093</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	1,479,174	685,024	805,903	21,368
Accrued salaries and wages	52,983	2,036	14,065	12,682
Due to other funds (note 3)	-	760,474	-	1,411,660
Interest payable	119,488	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	198,398	-	33,993	84,495
Current portion of long-term liabilities:				
Compensated absences	113,606	4,148	40,675	31,345
Revenue bonds payable	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>2,713,649</u>	<u>1,451,682</u>	<u>894,636</u>	<u>1,561,550</u>
Long-term liabilities:				
Advances from other funds (note 3)	-	-	-	-
Claims and judgments payable	-	-	-	-
Compensated absences	67,998	24,917	42,905	7,569
Revenue bonds payable	<u>11,208,965</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>11,276,963</u>	<u>24,917</u>	<u>42,905</u>	<u>7,569</u>
Total liabilities	<u>13,990,612</u>	<u>1,476,599</u>	<u>937,541</u>	<u>1,569,119</u>
<u>Net position</u>				
Net investment in capital assets	54,298,661	1,474	14,382,041	7,368,493
Unrestricted	<u>32,381,050</u>	<u>(283,368)</u>	<u>6,710,453</u>	<u>(1,566,607)</u>
Total net position	<u>\$ 86,679,711</u>	<u>(281,894)</u>	<u>21,092,494</u>	<u>5,801,886</u>

See accompanying notes to the basic financial statements.

Business-Type Activities		Governmental Activities	
Enterprise Funds		Internal Service Funds	
2013	2012	2013	2012
4,255,548	9,352,365	132,658	199,473
4,712,634	4,814,469	7,735	428
8,346,017	5,685,113	-	-
58,762	58,362	-	81,074
<u>17,372,961</u>	<u>19,910,309</u>	<u>140,393</u>	<u>280,975</u>
234,149	269,714	-	-
-	141,438	-	-
923,000	-	-	-
24,577,380	23,809,419	-	-
1,995,981	1,995,981	-	-
2,246,235	1,361,801	-	-
<u>83,533,269</u>	<u>83,674,476</u>	<u>1,160,908</u>	<u>1,446,144</u>
<u>113,510,014</u>	<u>111,252,829</u>	<u>1,160,908</u>	<u>1,446,144</u>
<u>130,882,975</u>	<u>131,163,138</u>	<u>1,301,301</u>	<u>1,727,119</u>
383,093	510,791	-	-
<u>383,093</u>	<u>510,791</u>	<u>-</u>	<u>-</u>
2,991,469	3,256,061	74,306	281,845
81,766	71,786	-	785
2,172,134	1,018,651	4,543,711	4,255,931
119,488	121,975	-	-
-	4,392	-	-
316,886	197,014	-	-
189,774	263,479	2,225	18,911
750,000	760,000	-	-
<u>6,621,517</u>	<u>5,693,358</u>	<u>4,620,242</u>	<u>4,557,472</u>
-	-	923,000	-
-	-	8,923,734	8,146,464
143,389	114,798	20,029	3,040
<u>11,208,965</u>	<u>11,986,534</u>	<u>-</u>	<u>-</u>
<u>11,352,354</u>	<u>12,101,332</u>	<u>9,866,763</u>	<u>8,149,504</u>
<u>17,973,871</u>	<u>17,794,690</u>	<u>14,487,005</u>	<u>12,706,976</u>
76,050,669	75,066,229	1,160,908	1,446,144
<u>37,241,528</u>	<u>38,813,010</u>	<u>(14,346,612)</u>	<u>(12,426,001)</u>
<u>113,292,197</u>	<u>113,879,239</u>	<u>(13,185,704)</u>	<u>(10,979,857)</u>

See accompanying notes to the basic financial statements.

CITY OF UPLAND
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
Year ended June 30, 2013

	Business-Type Activities-Enterprise Funds			
	Water Utility	Solid Waste Utility	Sewer Utility	Animal Services
Operating revenues:				
Charges for services	\$ 15,164,902	9,534,627	6,046,329	168,542
Licenses and permits	112,409	-	223,131	215,362
Fines and penalties	215,145	-	-	33,670
Other	1,064,074	500	25,072	149,755
Total operating revenues	<u>16,556,530</u>	<u>9,535,127</u>	<u>6,294,532</u>	<u>567,329</u>
Operating expenses:				
Administrative costs	2,820,358	383,301	200,430	710,715
Maintenance and operations	10,514,929	120,571	828,398	195,709
Contractual services	359,098	8,741,227	4,312,204	-
Customer service	973,660	-	-	-
Claims expense	-	-	-	-
Depreciation	1,700,641	1,244	472,565	166,663
Total operating expenses	<u>16,368,686</u>	<u>9,246,343</u>	<u>5,813,597</u>	<u>1,073,087</u>
Operating income (loss)	<u>187,844</u>	<u>288,784</u>	<u>480,935</u>	<u>(505,758)</u>
Nonoperating revenues (expenses):				
Investment income	22,177	-	31,386	-
Share of joint venture net income (loss) (note 13)	767,961	-	-	-
Gain (loss) on sale of assets	-	-	-	-
Interest expense	(651,263)	-	-	(9,075)
Miscellaneous revenue (expense)	-	-	-	-
Total nonoperating revenues (expenses)	<u>138,875</u>	<u>-</u>	<u>31,386</u>	<u>(9,075)</u>
Income (loss) before transfers and capital contributions	<u>326,719</u>	<u>288,784</u>	<u>512,321</u>	<u>(514,833)</u>
Transfers and capital contributions:				
Transfers in (note 14)	-	-	245,000	-
Transfers out (note 14)	(474,735)	(504,763)	(289,632)	(34,463)
Capital contributions:				
Contributed from other funds	-	-	-	-
Total transfers and capital contributions	<u>(474,735)</u>	<u>(504,763)</u>	<u>(44,632)</u>	<u>(34,463)</u>
Changes in net position	<u>(148,016)</u>	<u>(215,979)</u>	<u>467,689</u>	<u>(549,296)</u>
Net position at beginning of year, as restated (note 19)	<u>86,827,727</u>	<u>(65,915)</u>	<u>20,624,805</u>	<u>6,351,182</u>
Net position at end of year	<u>\$ 86,679,711</u>	<u>(281,894)</u>	<u>21,092,494</u>	<u>5,801,886</u>

See accompanying notes to the basic financial statements.

Business-Type Activities		Governmental Activities	
Enterprise Funds		Internal Service Funds	
2013	2012	2013	2012
30,914,400	29,982,486	2,854,112	2,823,713
550,902	753,425	-	-
248,815	208,811	-	-
1,239,401	2,087,610	7,851	500
<u>32,953,518</u>	<u>33,032,332</u>	<u>2,861,963</u>	<u>2,824,213</u>
4,114,804	4,371,875	-	-
11,659,607	13,039,720	45,517	347,821
13,412,529	12,925,209	1,422,543	646,465
973,660	624,221	-	-
-	-	3,056,435	5,217,993
2,341,113	2,483,523	596,314	678,324
<u>32,501,713</u>	<u>33,444,548</u>	<u>5,120,809</u>	<u>6,890,603</u>
<u>451,805</u>	<u>(412,216)</u>	<u>(2,258,846)</u>	<u>(4,066,390)</u>
53,563	186,316	-	1,668
767,961	791,501	-	-
-	20,350	68,938	55,025
(660,338)	(802,242)	-	-
-	(52,829)	-	-
<u>161,186</u>	<u>143,096</u>	<u>68,938</u>	<u>56,693</u>
<u>612,991</u>	<u>(269,120)</u>	<u>(2,189,908)</u>	<u>(4,009,697)</u>
245,000	245,000	105,260	250,510
(1,303,593)	(1,440,158)	(121,199)	-
-	-	-	436,775
<u>(1,058,593)</u>	<u>(1,195,158)</u>	<u>(15,939)</u>	<u>687,285</u>
(445,602)	(1,464,278)	(2,205,847)	(3,322,412)
<u>113,737,799</u>	<u>115,343,517</u>	<u>(10,979,857)</u>	<u>(7,657,445)</u>
<u>113,292,197</u>	<u>113,879,239</u>	<u>(13,185,704)</u>	<u>(10,979,857)</u>

See accompanying notes to the basic financial statements.

CITY OF UPLAND
Statement of Cash Flows-Proprietary Funds
Year ended June 30, 2013

	Business-Type Activities-Enterprise Funds			
	Water Utility	Solid Waste Utility	Sewer Utility	Animal Services
Cash flows from operating activities:				
Cash received from customers	\$ 17,591,284	10,311,078	2,720,579	951,081
Cash received from user departments	-	-	-	-
Cash payments to suppliers for goods and services	(9,535,317)	(9,787,855)	(697,641)	(340,465)
Cash payments to employees for services	(5,751,338)	(126,524)	(4,488,138)	(567,058)
Net cash provided by (used for) operating activities	<u>2,304,629</u>	<u>396,699</u>	<u>(2,465,200)</u>	<u>43,558</u>
Cash flows from noncapital financing activities:				
Cash transferred from other funds	-	-	245,000	-
Cash transferred to other funds	(474,735)	(504,763)	(289,632)	(34,463)
Net cash provided by (used for) noncapital financing activities	<u>(474,735)</u>	<u>(504,763)</u>	<u>(44,632)</u>	<u>(34,463)</u>
Cash flows from capital and related financing activities:				
Cash paid for acquisition and construction of capital assets	(2,596,309)	-	(488,031)	-
Cash received from sale of capital assets	-	-	-	-
Debt issuance costs	-	-	-	-
Proceeds from debt refunding	-	-	-	-
Principal paid on debt	(760,000)	-	-	-
Interest paid on debt	(553,623)	-	-	(9,075)
Net cash proved by (used for) capital and related financing activities	<u>(3,909,932)</u>	<u>-</u>	<u>(488,031)</u>	<u>(9,075)</u>
Cash flows from investing activities:				
Interest received on investments	22,177	-	31,386	-
Net cash provided by (used for) investing activities	<u>22,177</u>	<u>-</u>	<u>31,386</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(2,057,861)	(108,064)	(2,966,477)	20
Cash and cash equivalents at beginning of year	4,464,522	117,996	5,039,561	-
Cash and cash equivalents at end of year	<u>\$ 2,406,661</u>	<u>9,932</u>	<u>2,073,084</u>	<u>20</u>

See accompanying notes to the basic financial statements.

Business-Type Activities		Governmental Activities	
Enterprise Funds		Internal Service Funds	
2013	2012	2013	2012
31,574,022	33,129,063	-	-
-	-	3,777,656	2,827,692
(20,361,278)	(24,966,361)	(3,516,411)	(2,717,622)
<u>(10,933,058)</u>	<u>(5,105,911)</u>	<u>(1,043)</u>	<u>(228,675)</u>
279,686	3,056,791	260,202	(118,605)
245,000	765,320	105,260	250,510
<u>(1,303,593)</u>	<u>(7,125,271)</u>	<u>(121,199)</u>	<u>-</u>
<u>(1,058,593)</u>	<u>(6,359,951)</u>	<u>(15,939)</u>	<u>250,510</u>
(3,084,340)	(3,795,818)	(311,078)	-
-	-	-	65,900
-	339,193	-	-
-	12,140,000	-	-
(760,000)	(13,335,000)	-	-
<u>(562,698)</u>	<u>(840,232)</u>	<u>-</u>	<u>-</u>
<u>(4,407,038)</u>	<u>(5,491,857)</u>	<u>(311,078)</u>	<u>65,900</u>
53,563	186,316	-	1,668
<u>53,563</u>	<u>186,316</u>	<u>-</u>	<u>1,668</u>
(5,132,382)	(8,608,701)	(66,815)	199,473
9,622,079	18,230,780	199,473	-
<u>4,489,697</u>	<u>9,622,079</u>	<u>132,658</u>	<u>199,473</u>

See accompanying notes to the basic financial statements.

CITY OF UPLAND
Statement of Cash Flows-Proprietary Funds
(Continued)

	Business-Type Activities-Enterprise Funds			
	Water Utility	Solid Waste Utility	Sewer Utility	Animal Services
Reconciliation of amounts reported on the Statement of Net Position:				
Net Position:				
Cash and investments	\$ 2,172,512	9,932	2,073,084	20
Cash with fiscal agents	<u>234,149</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ 2,406,661</u>	<u>9,932</u>	<u>2,073,084</u>	<u>20</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	<u>\$ 187,844</u>	<u>288,784</u>	<u>480,935</u>	<u>(505,758)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,700,641	1,244	472,565	166,663
Miscellaneous income (expense)	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-
(Increase) decrease in accounts receivable	116,514	15,477	(30,156)	-
(Increase) decrease in prepaid expense	-	-	-	-
(Increase) decrease in due from other funds	914,156	-	(3,575,060)	-
(Increase) decrease in inventory	-	-	-	(400)
(Increase) decrease in advances to other funds	(923,000)	-	-	-
Increase (decrease) in accounts payable	311,388	(666,913)	191,317	(11,423)
Increase (decrease) in accrued salaries and benefits	6,315	(812)	2,101	2,376
Increase (decrease) in due to other funds	-	760,474	-	393,009
Increase (decrease) in unearned revenue	-	-	-	(4,392)
Increase (decrease) in advances from other funds	-	-	-	-
Increase (decrease) in deposits payable	4,084	-	31,292	(4,465)
Increase (decrease) in compensated absences	(13,313)	(1,555)	(38,194)	7,948
Increase (decrease) in claims and judgments payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total adjustments	<u>2,116,785</u>	<u>107,915</u>	<u>(2,946,135)</u>	<u>549,316</u>
Net cash provided by (used for) operating activities	<u>\$ 2,304,629</u>	<u>396,699</u>	<u>(2,465,200)</u>	<u>43,558</u>
<u>Noncash Capital Financing, and Investing Activities</u>				
Contributed assets	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to the basic financial statements.

Business-Type Activities		Governmental Activities	
Enterprise Funds		Internal Service Funds	
2013	2012	2013	2012
4,255,548	9,352,365	132,658	199,473
234,149	269,714	-	-
<u>4,489,697</u>	<u>9,622,079</u>	<u>132,658</u>	<u>199,473</u>
<u>451,805</u>	<u>(412,216)</u>	<u>(2,258,846)</u>	<u>(4,066,390)</u>
2,341,113	2,483,523	596,314	678,324
-	(52,829)	-	-
-	17,250	68,938	-
101,835	63,358	(7,307)	3,979
-	-	81,074	90,629
(2,660,904)	-	-	-
(400)	(13,641)	-	-
(923,000)	-	-	-
(175,631)	956,523	(207,539)	(20,022)
9,980	(369)	(785)	(4,242)
1,153,483	-	287,780	1,149,380
(4,392)	(344)	-	-
-	-	923,000	-
30,911	26,116	-	-
(45,114)	(10,580)	303	(2,674)
-	-	<u>777,270</u>	<u>2,052,411</u>
<u>(172,119)</u>	<u>3,469,007</u>	<u>2,519,048</u>	<u>3,947,785</u>
<u>279,686</u>	<u>3,056,791</u>	<u>260,202</u>	<u>(118,605)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>436,775</u>

See accompanying notes to the basic financial statements.

CITY OF UPLAND
Statement of Fiduciary Net Position
June 30, 2013

	Agency Funds	Successor Agency to UCRA	Totals	
			2013	2012
<u>Assets</u>				
Cash and investments (note 2)	\$ 3,011,652	462,909	3,474,561	11,676,321
Cash and investments with fiscal agent (note 2)	3,800,612	4,371,068	8,171,680	7,028,910
Receivables:				
Accounts	355,951	3,300	359,251	394,547
Notes	-	1,461,745	1,461,745	195,465
Land held for resale	-	2,742,889	2,742,889	3,472,889
Unamortized bond issuance costs	-	-	-	796,208
Total current assets	<u>7,168,215</u>	<u>9,041,911</u>	<u>16,210,126</u>	<u>23,564,340</u>
Noncurrent assets:				
Capital assets (note 18)	-	1,821,687	1,821,687	1,449,401
Total noncurrent assets	-	1,821,687	1,821,687	1,449,401
Total assets	<u>7,168,215</u>	<u>10,863,598</u>	<u>18,031,813</u>	<u>25,013,741</u>
<u>Deferred outflows of resources</u>				
Deferred charge on refunding	-	719,922	719,922	-
Total deferred outflows of resources	-	719,922	719,922	-
<u>Liabilities</u>				
Accounts payable	-	18,819	18,819	3,278,374
Deposits payable	19,111	-	19,111	20,205
Accrued salaries and wages	-	481	481	5,834
Interest payable	-	837,536	837,536	570,271
Due to bondholders	7,149,104	-	7,149,104	7,292,973
Current portion of long-term liabilities:				
Bonds payable (note 18)	-	1,960,000	1,960,000	1,785,000
Total current liabilities	<u>7,168,215</u>	<u>2,816,836</u>	<u>9,985,051</u>	<u>12,952,657</u>
Long-term liabilities (note 18):				
Bonds payable	-	36,640,249	36,640,249	37,640,000
Total long-term liabilities	-	36,640,249	36,640,249	37,640,000
Total liabilities	<u>7,168,215</u>	<u>39,457,085</u>	<u>46,625,300</u>	<u>50,592,657</u>
<u>Net Position</u>				
Net investment in capital assets	-	1,821,687	1,821,687	1,449,401
Unrestricted	-	(29,695,252)	(29,695,252)	(27,028,317)
Total net position	<u>\$ -</u>	<u>(27,873,565)</u>	<u>(27,873,565)</u>	<u>(25,578,916)</u>

See accompanying notes to the basic financial statements.

CITY OF UPLAND
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
Year ended June 30, 2013

	<u>Additions</u>	<u>2013</u>	<u>2012</u>
Taxes		\$ 6,449,470	2,892,966
Investment income		105,959	156,209
Rental income		19,543	1,669,453
Other		8,836	9,820
Total additions		<u>6,583,808</u>	<u>4,728,448</u>
	<u>Deductions</u>		
Development services		251,029	3,046,509
Interest expense		2,014,639	718,941
Cost of issuance		613,083	-
Contributions to City (note 14)		4,864,326	-
Pass-through payments		-	3,049,973
Total deductions		<u>7,743,077</u>	<u>6,815,423</u>
Additions over (under) deductions			
before extraordinary loss		(1,159,269)	(2,086,975)
Extraordinary loss		-	(23,491,941)
Changes in fiduciary net position		(1,159,269)	(25,578,916)
Net position at beginning of year, as restated (note 19)		<u>(26,714,296)</u>	-
Net position at end of year		<u>\$ (27,873,565)</u>	<u>(25,578,916)</u>

See accompanying notes to the basic financial statements.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(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) Reporting Entity

The City of Upland 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 of Upland and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

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

Upland Public Financing Authority

The Upland Public Financing Authority (the Authority) is a Joint Exercise of Powers Authority under the Laws of the State of California. The Authority is authorized to issue bonds under the Mello-Roos Local Bond Pooling Act of 1985 (Article 1 through 4, Section 6500). The City of Upland Community Redevelopment Agency formed the Authority, in December 1988, by execution of the Joint Exercise of Powers Agreement. The purpose of the Authority is to provide financing to the Agency and the City for various project purposes.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(1) Summary of Significant Accounting Policies, (Continued)

Since the City Council serves as the governing board for this component unit, all of the City's component units 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 interfund data of the primary government.

(b) Basis of Accounting and Measurement Focus

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

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

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government 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. The City of Upland has no discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded 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 transaction are recognized in accordance with the requirements of GASB Statement No. 33.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(1) Summary of Significant Accounting Policies, (Continued)

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

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. 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 fund individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(1) Summary of Significant Accounting Policies, (Continued)

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified accrual basis of accounting*. Revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days for all revenues.

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 where cash is received by the government.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(1) Summary of Significant Accounting Policies, (Continued)

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.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Proprietary and Fiduciary Funds

The City’s enterprise and internal service funds are proprietary funds. In the fund financial statements, the 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. In the fund financial statements, 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 an other financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability, rather than as an expense. Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of City revenues and expenses. The private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(1) Summary of Significant Accounting Policies, (Continued)

(c) Fund Classifications

The City reports the following major governmental funds:

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

Home Program Fund - This fund accounts for housing rehab loans/grants from the State Department of Housing and Community Development. These loans/grants are provided for single-family rehab, neighborhood restoration, and first time homebuyers.

CalHome Program Fund - This fund accounts for housing rehab loans/grants from the CalHome program. These loans/grants are provided for single-family rehab, neighborhood restoration, and first time homebuyers.

Housing Fund - This fund accounts for the housing activities of the City that were previously accounted for in the low and moderate housing redevelopment agency fund.

The City of Upland reports the following major enterprise funds:

Water Utility Fund - This fund accounts for the sale of water to Upland'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 assisted by City staff and an outside billing company for non-residential accounts. Activities include recycling and green waste programs.

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

Animal Services Fund - This fund records all City animal services transactions.

Additionally, the City reports the following fund types:

Internal Service Funds - These funds are used to account for self-funded insurance and vehicle replacement. Departments of the City are charged for the services provided or benefits received from these funds.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(1) Summary of Significant Accounting Policies, (Continued)

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

Private Purpose Trust Fund - Used to account for the activities of the Redevelopment Obligation Retirement Fund, and other Successor Agency activities, which accumulates resources for obligations previously incurred by the former Upland Redevelopment Agency.

(d) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded, is employed in the governmental funds. Encumbrances at year end are reported as restricted, committed, or assigned fund balance depending on the resources that have been identified to fund the applicable encumbrance.

(e) Cash and Investments

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

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

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

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 months or less. Cash equivalents represent the proprietary funds' share in the cash and investment pool of the City of Upland. Certain restricted assets and deposits of proprietary funds consist of investments which are not considered to be cash equivalents as defined above and therefore excluded from the statements of cash flows.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(1) Summary of Significant Accounting Policies, (Continued)

(g) Inventories

Inventories held by the General and Water Utility Enterprise Funds are capitalized 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 office supplies, small hand tools, cement, custodial supplies, herbicides and pesticides. Water Utility Enterprise Fund inventories consist primarily of water pipe, water meters, valves and fittings.

(h) Land Held for Resale

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

(i) 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 of Upland accrues only those taxes which are received within 90 days after year end.

The property tax calendar is as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Date:	First Installment - November 1 Second Installment - February 1
Delinquent Date:	First Installment - December 11 Second Installment - April 11

Taxes are collected by San Bernardino County and are remitted to the City periodically. Dates and percentages are as follows:

December 10	30% Advance
January 16	Collection No. 1
April 10	10% Advance
May 15	Collection No. 2
July 31	Collection No. 3

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(1) Summary of Significant Accounting Policies, (Continued)

(j) Claims and Judgments

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 year end 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.

(k) Employee Leave Benefits

In accordance with GASB Statement No. 16, a liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

Under GASB Statement No. 16, a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits 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.

(l) Capital Assets

Capital assets (including infrastructure) greater than \$5,000 are capitalized and recorded at cost or at the estimated fair value of the assets at the time of acquisition where complete historical records have not been maintained. Contributed capital assets are valued at their estimated fair market 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 fixed 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.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(1) Summary of Significant Accounting Policies, (Continued)

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements and in the fund financial statements of the proprietary funds.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

The following schedule summarizes capital asset useful lives:

Governmental Activities:

Buildings	50 years
Park improvements	50 years
Equipment	5 years
Vehicles	5-10 years
Infrastructure – street system	30-100 years
Infrastructure – storm drains	100 years

Business-type Activities:

Pipelines	50 years
Reservoirs	50 years
Treatment facilities	50 years
Equipment	5 years
Vehicles	5-10 years

(m) Notes and Loans Receivable

The accompanying financial statements reflect the recording of certain loans receivable that represent loans made to private developers, private homeowners and other parties. Where reasonably estimable, an allowance for doubtful accounts has been recorded to reflect management's best estimate of probable losses associated with non-repayment. An estimate of any additional potential losses associated with non-repayment cannot be reasonably estimated at this time.

(n) Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(1) Summary of Significant Accounting Policies, (Continued)

(o) 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, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

(p) Net Position Flow Assumption

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

(q) Fund Balance

General Fund Reserve Policy

The City's policy is to maintain a General Fund Reserve equal to 10% of its operating budget. 10% of the fiscal year ending June 30, 2013 General Fund operating budget is \$3,935,586. Fund balance of the General Fund at June 30, 2013 is \$860,439.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(1) Summary of Significant Accounting Policies, (Continued)

Nonspendable 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).

Spendable Fund Balance

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 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 resolution to constitute a formal action of City Council for the purposes of establishing committed fund balance.

Assigned Fund Balance – this includes amounts that are intended to be used for specific purposes as indicated either by City Council or by persons to whom City Council has delegated the authority to assign amounts for specific purposes.

Unassigned Fund Balance – this includes the remaining spendable amounts which are not included in one of the other classifications.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the Council.

(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.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(1) Summary of Significant Accounting Policies, (Continued)

(s) Budgets and Budgetary Data

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the fiscal year. Public hearings are conducted prior to the adoption by City Council.

Total appropriations for each fund may only be increased or decreased by the City Council by passage of a resolution amending the budget. During the year, there were budgetary appropriation increases amounting to \$2,723,993.

The City Manager has authority to adjust the amounts appropriated between the departments and activities of a fund, provided, however, that the total appropriations for each fund may not exceed the amounts provided in the budget resolution.

The level on which expenditures may not legally exceed appropriations is the fund level.

The City Manager is also authorized to approve continuing appropriations at year-end for capital improvement projects and other expenditures previously approved by the City Council.

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 Sanitary Sewer Facility Development special revenue fund for which no budget is legally adopted and therefore no budget comparison schedule will be presented.

(2) Cash and Investments

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$18,950,889
Cash and investments with fiscal agent	2,342,269

Fiduciary funds:

Cash and investments	3,474,561
Cash and investments with fiscal agent	<u>8,171,680</u>

Total cash and investments	<u>\$32,939,399</u>
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CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(2) Cash and Investments, (Continued)

Cash and investments as of June 30, 2013 consist of the following:

Cash on hand	\$ 28,090
Deposits with financial institutions	531,222
Investments	<u>32,380,087</u>
Total cash and investments	<u>\$32,939,399</u>

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 trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy

<u>Investment Types</u> <u>Authorized by State Law</u>	<u>Authorized</u> <u>By Investment</u> <u>Policy</u>	<u>*Maximum</u> <u>Maturity</u>	<u>*Maximum</u> <u>Percentage</u> <u>Of Portfolio</u>	<u>*Maximum</u> <u>Investment</u> <u>In One Issuer</u>
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	No	180 days	40%	30%
Commercial Paper	Yes	270 days	15%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	No	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	Yes	5 years	30%	5%
Mutual Funds	Yes	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

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

Additionally, the City's investment policy requires at least 50% of the portfolio to mature in three years or less, 30% in two years or less, and 20% within one year or less.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(2) Cash and Investments, (Continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee 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 trustee, 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>
U.S. Treasury Obligations	None
Federal Agency Securities (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 that 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 trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(2) Cash and Investments, (Continued)

<u>Investment Type</u>		<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>	<u>More Than 60 Months</u>
Negotiable certificates of deposit	\$ 2,835,000	2,243,000	592,000	-	-
Local Agency Investment Fund	15,897,442	15,897,442	-	-	-
Money Market Funds	3,133,696	3,133,696	-	-	-
Held by fiscal agent:					
Money market mutual funds	<u>10,513,949</u>	<u>10,513,949</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$32,380,087</u>	<u>31,788,087</u>	<u>592,000</u>	<u>-</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 (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

<u>Investment Type</u>		<u>Minimum Legal Rating</u>	<u>A2</u>	<u>Aa3</u>	<u>Not Rated</u>
Negotiable certificates of deposit	\$ 2,835,000	N/A	-	-	2,835,000
Local Agency Investment Fund	15,897,442	N/A	-	-	15,897,442
Money Market Funds	3,133,696	A	-	3,133,696	-
Held by fiscal agent:					
Money market mutual funds	<u>10,513,949</u>	A	<u>10,513,949</u>	<u>-</u>	<u>-</u>
Total	<u>\$32,380,087</u>		<u>10,513,949</u>	<u>3,133,696</u>	<u>18,732,442</u>

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, 2013 there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(2) Cash and Investments, (Continued)

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.

As of June 30, 2013, City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
Negotiable certificates of deposit (FDIC Insured)	\$1,100,000

Investment in State Investment Pool

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

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(3) Due From and To Other Funds

Interfund receivable and payable balances at June 30, 2013 are as follows:

<u>Due From</u>	<u>Due To</u>					<u>Total</u>
	<u>Governmental Activities</u>		<u>Business Type Activities</u>			
	<u>Self Funded Liability Fund</u>	<u>CalHome</u>	<u>Nonmajor Governmental Funds</u>	<u>Solid Waste Utility Fund</u>	<u>Animal Services Fund</u>	
Water Utility Fund	\$ -	227,179	1,402,993	710,474	1,411,660	3,752,306
Sewer Utility Fund	<u>4,543,711</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>4,593,711</u>
	<u>\$4,543,711</u>	<u>227,179</u>	<u>1,402,993</u>	<u>760,474</u>	<u>1,411,660</u>	<u>8,346,017</u>

Interfund receivable and payable balances are a result of short-term cash borrowings to cover deficit cash balances at June 30, 2013.

<u>Advances From</u>	<u>Advances To Water Utility Fund</u>
Self Funded Liability Fund	\$ <u>923,000</u>

In fiscal year 2013 the Water Utility Fund loaned the Self Funded Liability Fund \$923,000 to cover costs associated with legal bills. The loan is to be repaid with annual payments of \$92,300 and maturing on July 1, 2023. According to the terms of the agreement the loan shall bear interest at the rate of the City's quarterly average return per the local agency investment fund.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(4) Capital Assets

Capital asset activity for the year ended June 30, 2013 is as follows:

Governmental activities:	<u>Balance at June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
Capital assets not depreciated:				
Land	\$ 4,959,458	-	-	4,959,458
Rights of way	103,432,811	-	-	103,432,811
Street trees	3,537,384	-	-	3,537,384
Construction in progress	<u>3,252,921</u>	<u>5,922,294</u>	<u>(6,404,151)</u>	<u>2,771,064</u>
Total capital assets not depreciated	<u>115,182,574</u>	<u>5,922,294</u>	<u>(6,404,151)</u>	<u>114,700,717</u>
Buildings and improvements	\$ 38,253,140	721,477	-	38,974,617
Park improvements	12,366,871	-	-	12,366,871
Equipment	6,467,063	15,747	-	6,482,810
Vehicles	6,307,680	341,893	(323,222)	6,326,351
Infrastructure – street system	167,566,552	5,588,732	-	173,155,284
Infrastructure – storm drains	<u>21,396,748</u>	<u>815,419</u>	<u>-</u>	<u>22,212,167</u>
Total cost of depreciable assets	<u>252,358,054</u>	<u>7,483,268</u>	<u>(323,222)</u>	<u>259,518,100</u>
Less accumulated depreciation:				
Buildings and improvements	(6,997,826)	(1,379,617)	-	(8,377,443)
Park improvements	(4,549,412)	(404,684)	-	(4,954,096)
Equipment	(4,046,332)	(604,354)	-	(4,650,686)
Vehicles	(4,861,536)	(570,516)	297,415	(5,134,637)
Infrastructure – street system	(46,013,760)	(3,966,865)	-	(49,980,625)
Infrastructure – storm drains	<u>(2,897,251)</u>	<u>(213,969)</u>	<u>-</u>	<u>(3,111,220)</u>
Total accumulated depreciation	<u>(69,366,117)</u>	<u>(7,140,005)</u>	<u>297,415</u>	<u>(76,208,707)</u>
Net depreciable assets	182,991,937	343,263	(25,807)	183,309,393
Capital assets, net	<u>\$ 298,174,511</u>	<u>6,265,557</u>	<u>(6,429,958)</u>	<u>298,010,110</u>

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(4) Capital Assets, (Continued)

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

General government	\$ 761,347
Public safety	761,347
Engineering and public works	4,308,413
Community services	<u>1,308,898</u>

\$7,140,005

Business-type activities:	<u>Balance at June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
Capital assets not depreciated:				
Land	\$ 1,995,981	-	-	1,995,981
Construction in progress	<u>1,361,801</u>	<u>1,197,141</u>	<u>(312,707)</u>	<u>2,246,235</u>
Total capital assets not depreciated	<u>3,357,782</u>	<u>1,197,141</u>	<u>(312,707)</u>	<u>4,242,216</u>
Pipelines	46,526,159	2,162,222	-	48,688,381
Reservoirs	36,921,912	-	-	36,921,912
Buildings	7,835,120	-	-	7,835,120
Treatment facilities	13,918,076	-	-	13,918,076
Wells/Pumps	4,150,266	-	-	4,150,266
Sewer Manholes	2,784,068	-	-	2,784,068
Equipment and machinery	1,615,715	11,314	-	1,627,029
Vehicles	<u>1,527,172</u>	<u>26,370</u>	<u>-</u>	<u>1,553,542</u>
Total cost of depreciable assets	<u>115,278,488</u>	<u>2,199,906</u>	<u>-</u>	<u>117,478,394</u>
Less accumulated depreciation:				
Pipelines	(13,814,057)	(708,287)	-	(14,522,344)
Reservoirs	(7,947,948)	(726,006)	-	(8,673,954)
Buildings	(313,251)	(156,702)	-	(469,953)
Treatment facilities	(4,559,759)	(278,361)	-	(4,838,120)
Wells/ Pumps	(807,671)	(82,590)	-	(890,261)
Sewer Manholes	(2,046,155)	(45,050)	-	(2,091,205)
Equipment	(815,273)	(223,696)	-	(1,038,969)
Vehicles	<u>(1,299,898)</u>	<u>(120,421)</u>	<u>-</u>	<u>(1,420,319)</u>
Total accumulated depreciation	<u>(31,604,012)</u>	<u>(2,341,113)</u>	<u>-</u>	<u>(33,945,125)</u>
Net depreciable assets	83,674,476	(141,207)	-	83,533,269
Capital assets, net	<u>\$ 87,032,258</u>	<u>1,055,934</u>	<u>(312,707)</u>	<u>87,775,485</u>

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(4) Capital Assets, (Continued)

Depreciation expense was charged in the following programs of the primary government:

Water Utility	\$1,700,641
Solid Waste Utility	1,244
Sewer Utility	472,565
Animal Services	<u>166,663</u>
	<u>\$2,341,113</u>

(5) Accumulated Fund Deficits

The following funds reported deficits in fund balances/net position as of June 30, 2013:

	<u>Deficit Balance</u>
Major Funds:	
CalHome	\$(43,319)
Non-Major Funds:	
Capital Projects Funds:	
General Capital Improvements	(1,203,110)
Community Facilities District	(294,629)
Enterprise Fund:	
Solid Waste Utility	(281,894)
Fiduciary Fund:	
Successor Agency to UCRA	(27,873,565)
Internal Service Fund:	
Self-Funded Liability	(14,382,231)

Management's explanations for the resolution of accumulated fund deficits are summarized as follows:

Special Revenue Funds

The deficit fund balance of \$43,319 in the CalHome fund is the result of pending program reimbursements.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(5) Accumulated Fund Deficits, (Continued)

Capital Projects Funds

The deficit fund balance of \$1,203,110 in the General Capital Improvements fund and \$294,629 in the Community Facilities District fund is the result of pending reimbursements.

Enterprise Fund

The deficit balance of \$281,894 in the Solid Waste Utility Fund is the result of expenditures being higher than CPI revenue adjustments resulting in an annual decline in Solid Waste Fund reserves. City Council approved the retention of a consultant to evaluate the Solid Waste Program revenues and expenditures and develop a recommended rate adjustment to correct the program funding shortfall.

Fiduciary Fund

The deficit balance of \$27,873,565 in the Successor Agency to UCRA is the result of the disillusion of the Upland Redevelopment Agency in fiscal year 2012.

Internal Service Fund:

The deficit fund balance of \$14,382,231 in the Self-Funded Liability Fund is a result of increased legal costs and claims and will be covered through future charges.

(6) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2013 are as follows:

	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013	Due within One year
Governmental activities:					
Compensated absences payable *	\$ 2,813,920	2,530,830	(2,595,606)	2,749,144	2,318,708
Claims payable	8,146,464	2,706,449	(1,929,179)	8,923,734	-
Other post employment liabilities*	2,024,184	1,103,051	(475,880)	2,651,355	-
2002 Lease Revenue Bonds	1,160,000	-	(210,000)	950,000	220,000
2007 Housing Revenue Bonds	<u>18,000,000</u>	<u>-</u>	<u>-</u>	<u>18,000,000</u>	<u>-</u>
Total long-term liabilities	<u>\$32,144,568</u>	<u>6,340,330</u>	<u>(5,210,665)</u>	<u>33,274,233</u>	<u>2,538,708</u>

* For governmental activities, compensated absences and other post employment benefit liabilities are generally liquidated by the general fund.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(6) Long-Term Liabilities, (Continued)

Changes in general long-term liabilities for business-type activities for the year ended June 30, 2013 (including unamortized discounts) are as follows:

Business-type activities:	Balance at <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>June 30, 2013</u>	Due within <u>One year</u>
Compensated absences payable	\$ <u>378,277</u>	<u>235,280</u>	<u>(280,394)</u>	<u>333,163</u>	<u>189,774</u>
Lease Revenue Bonds:					
2011 Revenue Refunding Bonds	12,140,000	-	(760,000)	11,380,000	750,000
Unamortized premium	<u>606,534</u>	<u>-</u>	<u>(27,569)</u>	<u>578,964</u>	<u>-</u>
Total long-term liabilities	<u>\$13,124,811</u>	<u>235,280</u>	<u>(1,067,963)</u>	<u>12,292,128</u>	<u>939,774</u>

Governmental Activities:

2002 Lease Revenue Refunding Bonds (Police Building)

In June 2002, the City issued \$3,040,000 of 2002 Lease Revenue Refunding Bonds to provide for the advance refunding of the remaining portion of the City's 1992 Certificates of Participation.

The bonds consist of \$1,880,000 of serial bonds and \$1,160,000 of term bonds. The serial bonds accrue interest at rates between 1.60% and 3.85% and mature between August 1, 2002 and August 1, 2012. The term bonds accrue interest at a rate of 4.60% and mature on August 1, 2016.

The reserve requirement at June 30, 2013 of \$263,175 was fully satisfied. At June 30, 2013 the outstanding principal of the Lease Revenue Bonds is \$950,000.

2007 Housing Revenue Bonds

On August 1, 2007, the Agency issued revenue refunding bonds in the amount of \$18,000,000 to finance redevelopment projects benefiting the Project Area and to advance refund the Agency's \$6,700,000, Housing Revenue Bonds, issue of 1999.

The bonds bear interest at a variable rate that resets weekly. Interest on the bonds is payable on the first Wednesday of each month beginning September 5, 2007. Principal is payable on August 1, 2037. Payments of principal and interest are secured by a pledge of revenues generated by apartment rentals, a ten year irrevocable letter of credit issued by East West Bank, and a ten year irrevocable standby letter of credit issued by Federal

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(6) Long-Term Liabilities, (Continued)

2007 Housing Revenue Bonds, (Continued)

Home Loan Bank of San Francisco. The principal balance of outstanding bonds at June 30, 2013 is \$18,000,000. Interest on the 2007 Housing Revenue Bonds were estimated based on the variable interest rate of 0.23% at June 30, 2013. The above bonds are payable from certain housing related revenues (rents, etc.) that have been assigned to the Housing Fund of the City of Upland pursuant to Assembly Bills 1X26 and 1484.

Business-type Activities:

2011 Lease Revenue Refunding Bonds (Water System)

In December 2011, the City issued \$12,140,000 of 2011 Lease Revenue Refunding Bonds to provide for the advance refunding of the remaining portion of the City's 2003 Lease Revenue Refunding Bonds and 2003 Lease Revenue Bonds.

Interest rates on the bonds range from 2.0% to 4.0% and are payable semi-annually on April 1 and October 1 of each year until maturity on October 1, 2023.

The reserve requirement at June 30, 2013 of \$664,375 was fully satisfied. At June 30, 2013 the outstanding principal of the Lease Revenue Bonds is \$11,380,000

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(6) Long-Term Liabilities, (Continued)

The annual debt service requirements for the bonds as of June 30, 2013 are as follows:

Year ending June 30	Governmental Activities				Business-type activities	
	<u>2002 Lease Revenue</u>		<u>2007 Housing Revenue</u>		<u>2011 Lease Revenue</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 220,000	38,640	-	41,425	750,000	472,700
2015	235,000	28,175	-	41,425	765,000	453,950
2016	245,000	17,135	-	41,425	790,000	431,000
2017	250,000	5,750	-	41,425	815,000	407,300
2018	-	-	-	41,425	340,000	382,850
2019	-	-	-	41,425	355,000	372,650
2020	-	-	-	41,425	365,000	358,450
2021	-	-	-	41,425	380,000	343,850
2022	-	-	-	41,425	395,000	328,650
2023	-	-	-	41,425	410,000	312,850
2024	-	-	-	41,425	430,000	296,450
2025	-	-	-	41,425	440,000	279,250
2026	-	-	-	41,425	465,000	257,250
2027	-	-	-	41,425	490,000	234,000
2028	-	-	-	41,425	515,000	209,500
2029	-	-	-	41,425	540,000	183,750
2030	-	-	-	41,425	565,000	156,750
2031	-	-	-	41,425	600,000	128,500
2032	-	-	-	41,425	625,000	98,500
2033	-	-	-	41,425	655,000	67,250
2034	-	-	-	41,425	690,000	34,500
2035	-	-	-	41,425	-	-
2036	-	-	-	41,425	-	-
2037	-	-	18,000,000	41,425	-	-
Totals	\$ 950,000	89,700	18,000,000	994,200	11,380,000	5,809,950

(7) Post Employment Benefit Plan

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

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(7) Post Employment Benefit Plan, (Continued)

Eligibility: Employees are eligible for retiree health benefits if they retire from the City on or after age 50 with at least 5 years of service, and are eligible for a PERS pension. Membership of the plan consisted of the following at June 30, 2013, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	211
Active plan members	<u>266</u>
Total	<u>477</u>

City's Funding Policy: The contribution requirements of plan members and the City are established and may be amended by City Council. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For fiscal year 2012-13, the City contributed \$475,880 to the plan for current premiums.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

Annual required contribution	\$1,127,671
Interest on net OPEB obligation	91,088
Adjustments for net OPEB obligation	<u>(115,708)</u>
Annual OPEB cost (expense)	1,103,051
Contributions made (including premiums paid)	<u>(475,880)</u>
Increase in net OPEB obligation	627,171
Net OPEB obligation-beginning of year	<u>2,024,184</u>
Net OPEB obligation-end of year	<u>\$2,651,355</u>

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(7) Post Employment Benefit Plan, (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/11	\$1,028,000	37%	\$1,357,815
6/30/12	\$1,090,000	39%	\$2,024,184
6/30/13	\$1,103,051	43%	\$2,651,355

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Actuarial Cost Method. The actuarial assumptions included a 4.5 percent investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, a general inflation rate of 2.8% and an annual healthcare trend rate of 7.5 percent initially, reduced by decrements of 0.5 percent per year to an ultimate rate of 5 percent after the sixth year. The UAAL is being amortized as a level percentage of projected payroll over 20 years open period. It is assumed the City's payroll will increase 3.0% per year.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(7) Post Employment Benefit Plan, (Continued)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
6/30/08	\$0	\$8,249,000	\$8,249,000	0%	\$21,599,000	38.2%
6/30/11	\$0	\$8,675,000	\$8,675,000	0%	\$24,016,000	36.1%
6/30/13	\$0	\$13,050,933	\$13,050,933	0%	\$19,459,000	67.1%

(8) Letter of Credit

The City has a letter of credit securing the payment of principal and interest on the Housing Revenue Bonds. The letter of credit is issued in favor of the trustees and enables the trustees to make drawings against the letter of credit for payment of principal and interest amounts.

The terms of the letter of credit are summarized as follows:

<u>Letter of Credit</u>	<u>Trustee</u>	<u>Amount</u>	<u>Expiration Date</u>
East-West Bank Housing Revenue Bonds, Series 2007	U.S. Bank	\$14,230,795	July 31, 2017

(9) Defeasance of Debt

The City has defeased certain certificates of participation and bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt issues. Accordingly, the trust account assets and the liability for the defeased debt issues are not included in the City's financial statements. As of June 30, 2013, the following outstanding debt issues are considered defeased:

1988 Revenue Bonds, Series B	\$6,315,000
1986 Certificates of Participation (Police)	1,770,000
1986 Certificates of Participation (Water)	3,120,000
1992 Certificates of Participation (Police)	1,780,000
1992 Certificates of Participation (Water)	3,170,000

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(10) Debt Without Government Commitment, (Continued)

The following issues of Bonds are not reflected in the City's financial statements because they 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 or Agency exists to make payments on the bonds from any source other than the revenues or assets pledged therefore. The programs are completely administered by the trustees.

<u>Type and Bond Issuer</u>	<u>Original Amount Date of Issue</u>	<u>Outstanding of Issue</u>	<u>at June 30, 2013</u>
Multi-Family Residential Housing Loan to Lender Revenue Bonds, New American Federal Credit Union Project, Americana Development Corporation, Los Angeles, California, 1983 Series A	April 1, 1983	\$ 4,165,000	4,165,000
Upland Community Redevelopment Agency Multi-Family Housing Revenue Refunding Bonds (Northwoods 1682) 1989 Series B	May 1, 1989	7,775,000	3,200,000
Upland Community Redevelopment Agency Multi-Family Housing Revenue Refunding Bonds (Pebble Grove) 1989 Series C	May 1, 1989	7,200,000	600,000
Housing Authority of the City of Upland Revenue Bonds, Issue A of 1990	May 1, 1990	10,145,000	8,200,000
1991 Sunset Haven Project Certificates of Participation, Sunset Haven, A California Nonprofit Public Benefit Corporation	June 1, 1991	6,200,000	3,160,000
1993 Series, Certificate of Participation, San Antonio Community Hospital, Upland, California	September 1, 1993	34,735,000	16,280,000

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(10) Debt Without Government Commitment, (Continued)

<u>Type and Bond Issuer</u>	<u>Original Amount Date of Issue</u>	<u>Outstanding of Issue</u>	<u>at June 30, 2013</u>
Variable Rate Demand Multifamily Housing Revenue Refunding Bonds, Issue A and B (Northwoods 168 Project)	February 9, 2000	7,775,000	7,775,000
Variable Rate Demand Multifamily Housing Revenue Refunding Bonds, Issue A and B (Northwoods 156 Project)	February 9, 2000	7,100,000	7,100,000
Community Facilities District 2003-2 Improvement District 1 (The Colonies at San Antonio)	March 13, 2004	19,650,000	17,945,000
Community Facilities District 2003-2 Improvement District 2 (The Colonies at San Antonio)	March 13, 2004	22,500,000	21,665,000
Community Facilities District 2003-1 Series A of 2004 (Upland 54)	December 22, 2004	1,750,000	1,515,000

(11) Claims and Judgments

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 Internal Service Risk Management Fund is used to account for and finance its uninsured risks of loss. The City purchases commercial insurance from Independent Cities Risk Management Authority (ICRMA) for general liability claims. Under this policy, ICRMA covers claims in excess of the City's self-insured retention of \$500,000.

The City of Upland purchases commercial workers' compensation insurance from ICRMA. Under this policy, Employers recover claims in excess of the City's self insured retention of \$750,000.

In the past three years, no claims for general liability or workers' compensation have exceeded the City's self-insured retention level.

The claims and judgments liability reported in the Internal Service Self-Funded Insurance 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, 2013, claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to \$8,923,734.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(11) Claims and Judgments, (Continued)

Changes in the claims and judgments payable amounts in fiscal years ended June 30, 2012 and 2013 for the Self-Funded Insurance Fund are as follows:

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2011-12	\$ 6,094,053	4,225,003	(2,172,592)	8,146,464
2012-13	8,146,464	2,706,449	(1,929,179)	8,923,734

(12) Defined Benefit Pension Plan (PERS)

The City of Upland contributes to the California Public Employees Retirement System (PERS), a cost sharing public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. PERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost sharing plans that are administered by PERS. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Contributions and Funding Policy

Miscellaneous and safety participants are required to contribute 8% and 9%, respectively, of their annual covered salary. The City is required to contribute at an actuarially determined rate. The rate for the year ended June 30, 2013 is 15.466% for miscellaneous participants and 22.409% for safety participants, percent of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by City Council in conjunction with applicable labor contracts. The City's contributions to the miscellaneous plan for the years ending June 30, 2011, 2012, and 2013 were \$2,658,854, \$2,313,018 and \$1,733,782 respectively, and were equal to the required contributions for each year. The City's contributions to the safety plan for the years ending June 30, 2011, 2012, and 2013 were \$3,230,098, \$3,850,684 and \$3,060,784 respectively, and were equal to the required contributions for each year.

(13) Joint Ventures

The City has an 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.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(13) Joint Ventures, (Continued)

The City's primary motivation for owning shares in the water companies is to secure rights to well water pumped by the two companies. Two Upland City Council members are also on the Board of San Antonio Water Company. As development takes place within the City, the City requires developers to contribute 1.5 shares for each acre developed. The City's investment in the Authority has been recorded using the equity method of accounting and is reflected as an investment in joint venture in the accompanying financial statements.

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

The following schedule summarizes the City's investment in joint ventures at June 30, 2013 and the gain (loss) on the investment for the year then ended:

<u>Water Company</u>	<u>Percentage Ownership</u>	<u>Total Joint Venture Equity</u>	<u>City's Equity Interest</u>	<u>City's Share of Joint Venture Net Income (Loss)</u>
San Antonio Water Company	68%	\$24,403,627	16,562,742	5,721
West End Water Company	91%	2,327,724	2,122,418	463,942
Water Facilities Authority	23%	25,507,436	<u>5,892,220</u>	<u>298,298</u>
Total			<u>\$ 24,577,380</u>	<u>767,961</u>

Separate financial statements may be obtained for the San Antonio Water Company and Liquidation Trust at 139 North Euclid Avenue in Upland, California, for the West End Consolidated Water Company at 460 N. Euclid Avenue in Upland, California, and for the Water Facilities Authority at 1775 North Benson Avenue in Upland, California.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(14) Transfers In/Transfers Out

The following schedule summarizes the City's transfer activity:

	<u>Transfers In</u>					<u>Total</u>
	<u>Governmental Activities</u>			<u>Business- Type Activites</u>	<u>Internal Service Funds</u>	
	<u>General Fund</u>	<u>Housing Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Sewer Utility Fund</u>	<u>Self Funded Liability Fund</u>	
<u>Transfers Out</u>						
Governmental Funds:						
Major Funds:						
General Fund	\$ -	-	269,170	-	-	269,170
Housing Fund	197,183	-	-	-	-	197,183
Nonmajor Other						
Governmental Funds	298,436	-	-	-	105,260	403,696
Proprietary Funds:						
Major Funds:						
Water Utility Fund	474,735	-	-	-	-	474,735
Solid Waste Utility Fund	259,763	-	-	245,000	-	504,763
Sewer Utility Fund	289,632	-	-	-	-	289,632
Animal Services Fund	34,463	-	-	-	-	34,463
Internal Service Funds	121,199	-	-	-	-	121,199
Private Purpose Trust Fund	<u>218,778</u>	<u>4,645,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,864,326</u>
	<u>1,894,189</u>	<u>4,645,548</u>	<u>269,170</u>	<u>245,000</u>	<u>105,260</u>	<u>7,159,167</u>

- Various funds transferred a total of \$1,656,627 to the General Fund to cover personnel and administrative costs.
- The General Fund transferred \$269,170 to Other Governmental Funds for the 2002 Lease Revenue Bond debt service payment and personnel expenses.
- Solid Waste Utility Fund transferred \$245,000 to the Sewer Utility Fund to pay for landfill costs.
- Asset Forfeiture Fund transferred \$105,260 to the Vehicle Replacement Fund for public safety vehicle purchases.
- The Successor Agency to the UCRA transferred \$4,645,548 to the Housing Fund as a result of the Due Diligence Review completed by the Department of Finance.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(15) Jointly Governed Organizations

The City of Upland is a member of Inland Regional Narcotics Enforcement Team (I.R.N.E.T.), a joint powers authority of the police departments of the cities in San Bernardino and Riverside Counties, and participating counties federal and State law enforcement agencies. The Organization was formed on September 18, 1989, with the mission to promote coordinated law enforcement efforts and to address emerging criminal justice issues, mainly in the areas of drug trafficking and money laundering. The executive council consists of police chiefs of the cities and resident agents in charge of the federal and state law enforcement agencies. All financial decisions were made by the executive council. The members received monetary distributions from the asset seizures based on their respective contribution to the effort. Financial information for I.R.N.E.T. is not available. The City of Upland's percentage of participation is 3.57%.

(16) Expenditures in Excess of Appropriations

Expenditures for the year ended June 30, 2013 exceeded the appropriations of the following funds:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Major Funds:			
Home Fund	\$ -	36,476	(36,476)
CalHome Fund	165,270	294,097	(128,809)
Special Revenue Funds:			
SB 509 Public Safety Sales Tax	-	727,475	(727,475)
Police Grants	34,080	166,686	(132,606)
Other Grants	41,370	138,387	(97,017)

(17) Financial Condition and Management Plans

General Fund of the City of Upland

The General Fund is typically the focal point in analyzing the financial health of the City because the General Fund is expected to be able to cover both its costs and to act as a financial backstop for other funds in the event of revenue shortfalls. During the fiscal year ended June 30, 2013, the City reported a decrease in general fund balance of \$71,062, resulting in an ending general fund balance of \$860,439. Further, the CalHome Fund had a deficit of \$43,319, the General Capital Improvements fund has a deficit of \$1,203,110, the Community Facilities District has a deficit of \$294,629, the Solid Waste Utility has a fund deficit of \$281,894, and the Self-Funded Liability has a fund deficit of \$14,382,231. While \$43,319 of these deficits will be remedied by grant reimbursements, the General Fund is ultimately responsible for the foregoing deficits.

Management's Plans to Improve Operations and Limit City Obligations

The following are management's plans to reduce expenditures and increase revenue in future periods:

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(17) Financial Condition and Management Plans, (Continued)

To address the deficiencies within Upland General Fund and those funds that rely heavily on funding from the General Fund, management has presented forty-six (46) measures to a City Council appointed "Fiscal Response Task Force". The Task force consists of ten (10) citizens appointed by the City Council with the goal of evaluating various options available to the City to shore up fund balance and to create a surplus within the General Fund to correct the deficit balances within other funds, address unfunded liabilities and deferred maintenance as well as build up the General Fund reserves. The measures cover one-time revenue measures, new sources of revenues and potential expenditure reductions. The goal is to create a General Fund budget surplus of at least \$3.5 million per year. Once the measures have been prioritized by the Task Force and ratified by the City Council, management will begin the process of implementing each of the measures. Some measures will require a subsequent vote of the City Council while others will not.

(18) Successor Agency Activities

Changes in capital assets for the Successor Agency year ended June 30, 2013 are as follows:

	<u>Balance at June 30, 2012*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
Capital assets not depreciated:				
Land	\$1,019,571	-	-	1,019,571
Buildings and improvements	927,018	-	-	927,018
Less accumulated depreciation:				
Buildings and improvements	(106,362)	(18,540)	-	(124,902)
Capital assets, net	<u>\$ 1,840,227</u>	<u>(18,540)</u>	<u>-</u>	<u>1,821,687</u>

*Capital assets as of June 30, 2012 have been restated. See footnote 19.

Changes in long-term liabilities for the Successor Agency year ended June 30, 2013 are as follows:

	<u>Balance at June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>	<u>Due within One year</u>
Bonds Payable:					
1998 Tax Allocation Bonds	\$ 15,205,000	-	(15,205,000)	-	-
2003 Tax Allocation Bonds	9,845,000	-	(9,845,000)	-	-
2006 Tax Allocation Bonds	14,375,000	-	(165,000)	14,210,000	175,000
2013 Tax Allocation Bonds	-	22,090,000	-	22,090,000	1,785,000
Unamortized premium	-	2,300,249	-	2,300,249	-
Total long-term liabilities	<u>\$ 39,425,000</u>	<u>24,390,249</u>	<u>(25,215,000)</u>	<u>38,600,249</u>	<u>1,960,000</u>

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(18) Successor Agency Activities, (Continued)

2006 Tax Allocation Bonds

On September 1, 2006, the former Redevelopment Agency issued tax allocation refunding bonds in the amount of \$15,000,000 to finance redevelopment projects benefiting the Project Area and to advance refund the Agency's \$5,000,000 Magnolia Redevelopment Project, Tax Allocation Notes, issue of 2004.

The bonds accrue interest at 4.47% and mature on September 1, 2036. The interest and principal on the notes are payable from pledged tax increment revenues. The principal balance of outstanding notes at June 30, 2013 is \$14,210,000.

2013 Tax Allocation Refunding Bonds

On May 9, 2013, the Successor Agency of the former Redevelopment Agency issued tax allocation refunding bonds in the amount of \$22,090,000 to refund the outstanding aggregate principal amount of the 1998 and 2003 Tax Allocation Bonds.

Interest rates on the bonds range from 2.00% to 5.00% and are payable semi-annually on March 1 and September 1 of each year until maturity. The interest and principal of the bonds are payable from pledged tax increment revenues of the Merged Project Area. Term Bonds maturing September 1, 2018 and September 1, 2023 are subject to mandatory sinking fund redemption, in part by lot, on September 1, 2014 and September 1, 2019, respectively, and on each September 1 thereafter at a price equal to the principal amount thereof plus accrued interest.

There are certain limitations regarding the issuance of parity debt as further described in the official statement. The principal balance of outstanding bonds at June 30, 2013 is \$22,090,000.

The advance refunding resulted in an economic gain (difference between the present value of the debt service payments on the new and old debt) of \$2,217,759 and a reduction of total debt service payments of \$2,594,089.

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(18) Successor Agency Activities, (Continued)

The annual debt service requirements for the bonds as of June 30, 2013 are as follows:

Year ending June 30	2013 Tax <u>Allocation Bonds</u>		2006 Tax <u>Allocation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$1,785,000	680,688	175,000	611,869
2015	1,770,000	633,644	180,000	604,431
2016	1,805,000	584,388	190,000	596,781
2017	1,840,000	532,819	195,000	588,706
2018	1,900,000	578,938	205,000	580,419
2019	1,955,000	419,768	210,000	572,731
2020	2,030,000	357,930	220,000	564,331
2021	2,115,000	292,940	230,000	555,531
2022	2,200,000	224,758	240,000	546,331
2023	2,290,000	153,503	250,000	536,431
2024	2,400,000	78,570	265,000	525,806
2025	-	-	2,460,000	514,544
2026	-	-	2,580,000	409,994
2027	-	-	1,005,000	300,344
2028	-	-	1,055,000	257,631
2029	-	-	380,000	211,475
2030	-	-	460,000	194,850
2031	-	-	480,000	174,725
2032	-	-	500,000	153,725
2033	-	-	535,000	131,850
2034	-	-	560,000	107,775
2035	-	-	585,000	82,575
2036	-	-	610,000	56,250
2037	-	-	<u>640,000</u>	<u>28,800</u>
Totals	<u>\$22,090,000</u>	<u>4,537,946</u>	<u>14,210,000</u>	<u>8,907,905</u>

CITY OF UPLAND

Notes to the Basic Financial Statements

Year ended June 30, 2013

(19) Prior Period Adjustments

During the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 65 and in conformance with this new guidance, all unamortized debt issuance costs previously recorded as other assets were written off and certain revenue that had been previously recognized as unearned was recognized as revenue. The prior year adjustment has been reflected as of the last fiscal year presented in the accompanying financial statements.

An adjustment to prior year was also posted in the Private Purpose Trust Fund to write off land held for resale that had been sold in prior year.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Private Purpose Trust Fund</u>
Net Position at June 30, 2012, as previously reported	\$ 282,958,542	113,879,239	(25,578,916)
Adjustment to write off unamortized debt issuance costs	(551,945)	(141,440)	(796,208)
Adjustment to recognize revenue in accordance with the implementation of GASB 65.	220,230	-	-
Adjustment to write off land held for resale that had been sold in prior years	-	-	(730,000)
Adjustment to fixed assets reported in the Successor Agency	<u>-</u>	<u>-</u>	<u>390,828</u>
Net Position at June 30, 2012, as restated	<u>\$ 282,626,827</u>	<u>113,737,799</u>	<u>(26,714,296)</u>
	<u>Non-Major Governmental Fund</u>		
Fund Balance at June 30, 2012, as previously reported	\$ 6,793,653		
Adjustment to recognize revenue in accordance with the implementation of GASB 65.	<u>220,230</u>		
Fund Balance at June 30, 2012, as restated	<u>\$ 7,013,883</u>		

CITY OF UPLAND
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2013

	Special Revenue	<u>Debt Service</u> Public Financing Authority	Capital Projects	<u>Totals</u>	
				2013	2012
Assets:					
Cash and investments	\$ 6,159,727	349	2,636,491	8,796,567	8,590,811
Cash and investments with fiscal agent	-	268,634	37	268,671	268,673
Receivables:					
Accounts	23,554	-	-	23,554	22,976
Due from other funds	-	-	-	-	379,149
Due from other governments	<u>799,442</u>	-	<u>418,527</u>	<u>1,217,969</u>	<u>1,202,669</u>
Total assets	<u>\$ 6,982,723</u>	<u>268,983</u>	<u>3,055,055</u>	<u>10,306,761</u>	<u>10,464,278</u>
Liabilities:					
Accounts payable	\$ 484,509	-	99,710	584,219	615,446
Accrued salaries and benefits	9,537	-	9,659	19,196	17,312
Due to other funds	290,927	-	1,112,066	1,402,993	577,010
Retentions payable	-	-	249,636	249,636	-
Deposits payable	2,455,933	-	-	2,455,933	1,930,771
Unearned revenue	<u>3,786</u>	-	<u>34,722</u>	<u>38,508</u>	<u>338,937</u>
Total liabilities	<u>3,244,692</u>	<u>-</u>	<u>1,505,793</u>	<u>4,750,485</u>	<u>3,479,476</u>
Deferred inflows of resources:					
Unavailable revenue	<u>158,202</u>	-	<u>418,527</u>	<u>576,729</u>	<u>191,149</u>
Total deferred inflow of resources	<u>158,202</u>	<u>-</u>	<u>418,527</u>	<u>576,729</u>	<u>191,149</u>
Fund balance:					
Restricted for:					
Development services	3,564,306	-	-	3,564,306	3,152,654
Debt service	-	268,983	-	268,983	268,872
Capital projects	-	-	2,628,474	2,628,474	3,455,803
Unassigned	<u>15,523</u>	-	<u>(1,497,739)</u>	<u>(1,482,216)</u>	<u>(83,676)</u>
Total fund balance	<u>3,579,829</u>	<u>268,983</u>	<u>1,130,735</u>	<u>4,979,547</u>	<u>6,793,653</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,982,723</u>	<u>268,983</u>	<u>3,055,055</u>	<u>10,306,761</u>	<u>10,464,278</u>

CITY OF UPLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Non-Major Governmental Funds
Year ended June 30, 2013

	Special Revenue	Debt Service Public Financing Authority	Capital Projects	Totals	
				2013	2012
Revenues:					
Taxes	\$ 760,103	-	204,164	964,267	948,056
Licenses and permits	-	-	401,049	401,049	498,590
Investment income	16,265	112	7,768	24,145	58,004
Rental income	-	-	5,958	5,958	69,468
Intergovernmental	4,158,498	-	654,720	4,813,218	5,413,993
Other	190	-	435,418	435,608	235,831
Total revenues	<u>4,935,056</u>	<u>112</u>	<u>1,709,077</u>	<u>6,644,245</u>	<u>7,223,942</u>
Expenditures:					
Current:					
Public safety	894,161	-	-	894,161	985,861
Engineering and public works	2,426,510	-	3,826,929	6,253,439	2,922,670
Development services	989,733	-	-	989,733	1,972,370
Community services	-	-	144,891	144,891	23,325
Debt service:					
Principal	-	210,000	-	210,000	205,000
Interest and fiscal charges	-	51,831	-	51,831	60,625
Total expenditures	<u>4,310,404</u>	<u>261,831</u>	<u>3,971,820</u>	<u>8,544,055</u>	<u>6,169,851</u>
Excess (deficiency) of revenues over (under) expenditures	<u>624,652</u>	<u>(261,719)</u>	<u>(2,262,743)</u>	<u>(1,899,810)</u>	<u>1,054,091</u>
Other financing sources (uses):					
Transfers in	-	261,830	7,340	269,170	385,606
Transfers out	<u>(378,540)</u>	<u>-</u>	<u>(25,156)</u>	<u>(403,696)</u>	<u>(70,906)</u>
Total other financing sources (uses)	<u>(378,540)</u>	<u>261,830</u>	<u>(17,816)</u>	<u>(134,526)</u>	<u>314,700</u>
Change in fund balances	246,112	111	(2,280,559)	(2,034,336)	1,368,791
Fund balances at beginning of year, as restated	<u>3,333,717</u>	<u>268,872</u>	<u>3,411,294</u>	<u>7,013,883</u>	<u>5,424,862</u>
Fund balances at end of year	<u>\$ 3,579,829</u>	<u>268,983</u>	<u>1,130,735</u>	<u>4,979,547</u>	<u>6,793,653</u>

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NON-MAJOR SPECIAL REVENUE FUNDS

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

The City of Upland has the following Non-Major Special Revenue Funds:

Gas Tax Fund – To account for gasoline taxes received from the State of California to be used for street maintenance and improvements only.

Sanitary Sewer Facility Development Fund – To account for revenue collected to expand both the City's and the region's sanitary sewage facilities to accommodate current and future growth.

Community Development Block Grant Fund – To account for revenue and costs related to the activities approved and funded by the United States Department of Housing and Urban Development.

Measure I Capital Infrastructure Fund – To account for revenue received from the State of California from a special ½% sales tax to be used for street maintenance and improvements only.

Air Quality Pollution Reduction Fund – To account for the receipt of funds generated by AB2766 which sets forth requirements for reduction of air pollution from mobile sources as promulgated by the SCAQMD.

CBD Parking and Business Improvement Fund – To account for revenues received from an additional levy of the general business license tax imposed on businesses to be used for the acquisition, construction and maintenance of parking facilities for the benefit of the area.

SB509 Public Safety Sales Tax Fund – To account for revenue and expenditures related to the half-cent sales tax enacted by Proposition 172 and SB509.

Police Grants Fund – To account for revenue received by the State of California and federal government including Local Law Enforcement Block Grants and State COPS.

Other Grants Fund – To account for revenue and expenditures related to state grants for library and recycling programs.

Prop 30 – To account for revenue and expenditures related to Prop 30 activities.

CITY OF UPLAND
Non-Major Special Revenue Funds

Combining Balance Sheet

June 30, 2013

	Gas Tax	Sanitary Sewer Facility Development	CDBG	Measure I Capital Infrastructure	Air Quality Pollution Reduction
Assets:					
Cash and investments	\$ 2,643,817	2,219,572	-	545,149	38,078
Receivables:					
Accounts	-	-	-	-	23,554
Due from other funds	-	-	-	-	-
Due from other governments	147,739	-	121,007	273,077	-
	<u>\$ 2,791,556</u>	<u>2,219,572</u>	<u>121,007</u>	<u>818,226</u>	<u>61,632</u>
Liabilities:					
Accounts payable	\$ 449,382	-	10,033	-	-
Accrued salaries and benefits	2,463	-	3,828	304	-
Due to other funds	-	-	50,840	-	-
Deposits payable	-	2,219,572	-	-	-
Unearned revenue	-	-	-	-	-
	<u>451,845</u>	<u>2,219,572</u>	<u>64,701</u>	<u>304</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-
Fund balances:					
Restricted	2,339,711	-	56,306	817,922	61,632
Unassigned	-	-	-	-	-
	<u>2,339,711</u>	<u>-</u>	<u>56,306</u>	<u>817,922</u>	<u>61,632</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,791,556</u>	<u>2,219,572</u>	<u>121,007</u>	<u>818,226</u>	<u>61,632</u>

CBD Parking and Business Improvement	SB 509 Public Safety Sales Tax	Police Grants	Other Grants	Prop 30	Totals	
					2013	2012
46,936	-	551,637	114,538	-	6,159,727	5,085,527
-	-	-	-	-	23,554	22,976
-	-	-	-	-	-	84,483
-	56,527	41,332	83,840	75,920	799,442	1,202,669
<u>46,936</u>	<u>56,527</u>	<u>592,969</u>	<u>198,378</u>	<u>75,920</u>	<u>6,982,723</u>	<u>6,395,655</u>
-	-	825	24,269	-	484,509	591,046
-	-	-	2,942	-	9,537	9,390
-	56,158	110,567	73,362	-	290,927	282,344
-	-	236,361	-	-	2,455,933	1,930,771
-	-	3,786	-	-	3,786	277,468
-	56,158	351,539	100,573	-	3,244,692	3,091,019
-	-	-	82,282	75,920	158,202	191,149
-	-	-	82,282	75,920	158,202	191,149
46,936	369	241,430	-	-	3,564,306	3,152,654
-	-	-	15,523	-	15,523	(39,167)
<u>46,936</u>	<u>369</u>	<u>241,430</u>	<u>15,523</u>	<u>-</u>	<u>3,579,829</u>	<u>3,113,487</u>
<u>46,936</u>	<u>56,527</u>	<u>592,969</u>	<u>198,378</u>	<u>75,920</u>	<u>6,982,723</u>	<u>6,395,655</u>

CITY OF UPLAND
Non-Major Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2013

	Gas Tax	Sanitary Sewer Facility Development	CDBG	Measure I Capital Infrastructure	Air Quality Pollution Reduction
Revenues:					
Taxes	\$ -	-	-	-	-
Investment income	10,138	-	-	2,863	232
Intergovernmental	1,715,701	-	851,346	1,083,572	89,953
Other	-	-	-	-	-
Total revenues	<u>1,725,839</u>	<u>-</u>	<u>851,346</u>	<u>1,086,435</u>	<u>90,185</u>
Expenditures:					
Current:					
Public safety	-	-	-	-	-
Engineering and public works	1,276,622	-	-	1,108,587	41,301
Development services	-	-	851,346	-	-
Total expenditures	<u>1,276,622</u>	<u>-</u>	<u>851,346</u>	<u>1,108,587</u>	<u>41,301</u>
Excess (deficiency) of revenues over (under) expenditures	<u>449,217</u>	<u>-</u>	<u>-</u>	<u>(22,152)</u>	<u>48,884</u>
Other financing sources (uses):					
Transfers out	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,280)</u>
Total other financing sources (uses)	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,280)</u>
Change in fund balances	199,217	-	-	(22,152)	25,604
Fund balances (deficit) at beginning of year, as restated	<u>2,140,494</u>	<u>-</u>	<u>56,306</u>	<u>840,074</u>	<u>36,028</u>
Fund balances (deficit) at end of year	<u>\$ 2,339,711</u>	<u>-</u>	<u>56,306</u>	<u>817,922</u>	<u>61,632</u>

CBD Parking and Business Improvement	SB 509	Police	Other	Prop 30	Totals	
	Public Safety Sales Tax	Grants	Grants		2013	2012
32,700	727,403	-	-	-	760,103	694,850
267	-	2,765	-	-	16,265	21,334
-	-	329,358	88,568	-	4,158,498	5,410,652
-	-	190	-	-	190	46,965
<u>32,967</u>	<u>727,403</u>	<u>332,313</u>	<u>88,568</u>	<u>-</u>	<u>4,935,056</u>	<u>6,173,801</u>
-	727,475	166,686	-	-	894,161	985,861
-	-	-	-	-	2,426,510	968,861
-	-	-	138,387	-	989,733	1,321,804
<u>-</u>	<u>727,475</u>	<u>166,686</u>	<u>138,387</u>	<u>-</u>	<u>4,310,404</u>	<u>3,276,526</u>
<u>32,967</u>	<u>(72)</u>	<u>165,627</u>	<u>(49,819)</u>	<u>-</u>	<u>624,652</u>	<u>2,897,005</u>
<u>-</u>	<u>-</u>	<u>(105,260)</u>	<u>-</u>	<u>-</u>	<u>(378,540)</u>	<u>(70,906)</u>
<u>-</u>	<u>-</u>	<u>(105,260)</u>	<u>-</u>	<u>-</u>	<u>(378,540)</u>	<u>(70,906)</u>
32,967	(72)	60,367	(49,819)	-	246,112	2,826,099
13,969	441	181,063	65,342	-	3,333,717	287,388
<u>46,936</u>	<u>369</u>	<u>241,430</u>	<u>15,523</u>	<u>-</u>	<u>3,579,829</u>	<u>3,113,487</u>

CITY OF UPLAND
Gas Tax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 4,470	10,138	5,668	16,169
Intergovernmental	2,094,880	1,715,701	(379,179)	2,113,054
Other	<u>148,040</u>	<u>-</u>	<u>(148,040)</u>	<u>-</u>
Total revenues	<u>2,247,390</u>	<u>1,725,839</u>	<u>(521,551)</u>	<u>2,129,223</u>
Expenditures:				
Current:				
Engineering and public works	<u>3,318,680</u>	<u>1,276,622</u>	<u>2,042,058</u>	<u>208,533</u>
Total expenditures	<u>3,318,680</u>	<u>1,276,622</u>	<u>2,042,058</u>	<u>208,533</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,071,290)</u>	<u>449,217</u>	<u>1,520,507</u>	<u>1,920,690</u>
Other financing sources:				
Transfers out	<u>-</u>	<u>(250,000)</u>	<u>250,000</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>(250,000)</u>	<u>250,000</u>	<u>-</u>
Change in fund balances	(1,071,290)	199,217	1,770,507	1,920,690
Fund balances at beginning of year	<u>2,140,494</u>	<u>2,140,494</u>	<u>-</u>	<u>219,804</u>
Fund balances at end of year	<u>\$ 1,069,204</u>	<u>2,339,711</u>	<u>1,770,507</u>	<u>2,140,494</u>

CITY OF UPLAND
Community Development Block Grant Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Intergovernmental	\$ 536,590	851,346	314,756	756,563
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,192</u>
Total revenues	<u>536,590</u>	<u>851,346</u>	<u>314,756</u>	<u>773,755</u>
Expenditures:				
Current:				
Development services	<u>939,486</u>	<u>851,346</u>	<u>88,140</u>	<u>756,564</u>
Total expenditures	<u>939,486</u>	<u>851,346</u>	<u>88,140</u>	<u>756,564</u>
Excess revenues over expenditures	<u>(402,896)</u>	<u>-</u>	<u>402,896</u>	<u>17,191</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,191)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,191)</u>
Change in fund balances	(402,896)	-	402,896	-
Fund balances at beginning of year	<u>56,306</u>	<u>56,306</u>	<u>-</u>	<u>56,306</u>
Fund balances at end of year	<u>\$ (346,590)</u>	<u>56,306</u>	<u>402,896</u>	<u>56,306</u>

CITY OF UPLAND
Measure I Capital Infrastructure Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 6,420	2,863	(3,557)	1,369
Intergovernmental	<u>1,098,500</u>	<u>1,083,572</u>	<u>(14,928)</u>	<u>1,024,005</u>
Total revenues	<u>1,104,920</u>	<u>1,086,435</u>	<u>(18,485)</u>	<u>1,025,374</u>
Expenditures:				
Current:				
Engineering and public works	<u>2,074,870</u>	<u>1,108,587</u>	<u>966,283</u>	<u>689,460</u>
Total expenditures	<u>2,074,870</u>	<u>1,108,587</u>	<u>966,283</u>	<u>689,460</u>
Change in fund balances	(969,950)	(22,152)	947,798	335,914
Fund balances at beginning of year	<u>840,074</u>	<u>840,074</u>	<u>-</u>	<u>504,160</u>
Fund balances (deficit) at end of year	<u>\$ (129,876)</u>	<u>817,922</u>	<u>947,798</u>	<u>840,074</u>

CITY OF UPLAND
 Air Quality Pollution Reduction Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ -	232	232	93,077
Intergovernmental	<u>85,800</u>	<u>89,953</u>	<u>4,153</u>	<u>29</u>
Total revenues	<u>85,800</u>	<u>90,185</u>	<u>4,385</u>	<u>93,106</u>
Expenditures:				
Current:				
Engineering and public works	<u>84,280</u>	<u>41,301</u>	<u>42,979</u>	<u>65,393</u>
Total expenditures	<u>84,280</u>	<u>41,301</u>	<u>42,979</u>	<u>65,393</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,520</u>	<u>48,884</u>	<u>47,364</u>	<u>27,713</u>
Other financing sources (uses):				
Transfers out	<u>(7,720)</u>	<u>(23,280)</u>	<u>(15,560)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,720)</u>	<u>(23,280)</u>	<u>(15,560)</u>	<u>-</u>
Change in fund balances	(6,200)	25,604	31,804	27,713
Fund balances at beginning of year	<u>36,028</u>	<u>36,028</u>	<u>-</u>	<u>8,315</u>
Fund balances at end of year	<u>\$ 29,828</u>	<u>61,632</u>	<u>31,804</u>	<u>36,028</u>

CITY OF UPLAND
 CBD Parking and Business Improvement Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Taxes	\$ 45,500	32,700	(12,800)	34,354
Investment income	-	267	267	63
Other	-	-	-	2,678
Total revenues	<u>45,500</u>	<u>32,967</u>	<u>(12,533)</u>	<u>37,095</u>
Expenditures:				
Current:				
Engineering and public works	<u>43,320</u>	<u>-</u>	<u>43,320</u>	<u>5,475</u>
Total expenditures	<u>43,320</u>	<u>-</u>	<u>43,320</u>	<u>5,475</u>
Change in fund balances	2,180	32,967	30,787	31,620
Fund balances (deficit) at beginning of year	<u>13,969</u>	<u>13,969</u>	<u>-</u>	<u>(17,651)</u>
Fund balances (deficit) at end of year	<u>\$ 16,149</u>	<u>46,936</u>	<u>30,787</u>	<u>13,969</u>

CITY OF UPLAND
SB 509 Public Safety Sales Tax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Taxes	\$ 705,530	727,403	21,873	660,496
Investment income	<u>670</u>	<u>-</u>	<u>(670)</u>	<u>-</u>
Total revenues	<u>706,200</u>	<u>727,403</u>	<u>21,203</u>	<u>660,496</u>
Expenditures:				
Current:				
Public safety	<u>-</u>	<u>727,475</u>	<u>(727,475)</u>	<u>660,309</u>
Total expenditures	<u>-</u>	<u>727,475</u>	<u>(727,475)</u>	<u>660,309</u>
Change in fund balances	706,200	(72)	(706,272)	187
Fund balances at beginning of year	<u>441</u>	<u>441</u>	<u>-</u>	<u>254</u>
Fund balances at end of year	<u>\$ 706,641</u>	<u>369</u>	<u>(706,272)</u>	<u>441</u>

CITY OF UPLAND
Police Grants Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 4,080	2,765	(1,315)	3,733
Intergovernmental	120,000	329,358	209,358	814,222
Other	<u>-</u>	<u>190</u>	<u>190</u>	<u>-</u>
Total revenues	<u>124,080</u>	<u>332,313</u>	<u>208,233</u>	<u>817,955</u>
Expenditures:				
Current:				
Public safety	<u>34,080</u>	<u>166,686</u>	<u>(132,606)</u>	<u>325,552</u>
Total expenditures	<u>34,080</u>	<u>166,686</u>	<u>(132,606)</u>	<u>325,552</u>
Excess (deficiency) of revenues over (under) expenditures	<u>90,000</u>	<u>165,627</u>	<u>75,627</u>	<u>492,403</u>
Other financing sources (uses):				
Transfers out	<u>(105,260)</u>	<u>(105,260)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(105,260)</u>	<u>(105,260)</u>	<u>-</u>	<u>-</u>
Change in fund balances	(15,260)	60,367	75,627	492,403
Fund balances (deficit) at beginning of year, as restated	<u>181,063</u>	<u>181,063</u>	<u>-</u>	<u>(531,570)</u>
Fund balances (deficit) at end of year	<u>\$ 165,803</u>	<u>241,430</u>	<u>75,627</u>	<u>(39,167)</u>

CITY OF UPLAND
Other Grants Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Intergovernmental	\$ 39,370	88,568	49,198	609,702
Other	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>	<u>26,825</u>
Total revenues	<u>41,370</u>	<u>88,568</u>	<u>47,198</u>	<u>636,527</u>
Expenditures:				
Current:				
Development services	<u>41,370</u>	<u>138,387</u>	<u>(97,017)</u>	<u>565,240</u>
Total expenditures	<u>41,370</u>	<u>138,387</u>	<u>(97,017)</u>	<u>565,240</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(49,819)</u>	<u>(49,819)</u>	<u>71,287</u>
Other financing sources (uses):				
Transfers out	<u>(23,270)</u>	<u>-</u>	<u>23,270</u>	<u>(53,715)</u>
Total other financing sources (uses)	<u>(23,270)</u>	<u>-</u>	<u>23,270</u>	<u>(53,715)</u>
Change in fund balances	(23,270)	(49,819)	(26,549)	17,572
Fund balances at beginning of year	<u>65,342</u>	<u>65,342</u>	<u>-</u>	<u>47,770</u>
Fund balances (deficit) at end of year	<u>\$ 42,072</u>	<u>15,523</u>	<u>(26,549)</u>	<u>65,342</u>

MAJOR AND NON-MAJOR DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

The City also has the following Non-Major Debt Service Fund:

Public Financing Authority – To account for the payment of principal and interest on the City's general debt issues.

CITY OF UPLAND
Debt Service - Public Financing Authority Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 150	112	(38)	128
Total revenues	<u>150</u>	<u>112</u>	<u>(38)</u>	<u>128</u>
Expenditures:				
Debt service:				
Principal	210,000	210,000	-	205,000
Interest and fiscal charges	<u>52,030</u>	<u>51,831</u>	<u>199</u>	<u>60,625</u>
Total expenditures	<u>262,030</u>	<u>261,831</u>	<u>199</u>	<u>265,625</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(261,880)</u>	<u>(261,719)</u>	<u>161</u>	<u>(265,497)</u>
Other financing sources:				
Transfers in	<u>260,850</u>	<u>261,830</u>	<u>980</u>	<u>265,606</u>
Total other financing sources	<u>260,850</u>	<u>261,830</u>	<u>980</u>	<u>265,606</u>
Change in fund balances	(1,030)	111	1,141	109
Fund balances at beginning of year	<u>268,872</u>	<u>268,872</u>	<u>-</u>	<u>268,763</u>
Fund balances at end of year	<u>\$ 267,842</u>	<u>268,983</u>	<u>1,141</u>	<u>268,872</u>

MAJOR AND NON-MAJOR CAPITAL PROJECTS 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 comparatively short-lived capital assets.

The City of Upland has the following Non-Major Capital Projects Funds:

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

General Capital Improvements Fund - To account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

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

Street and Traffic Safety Development Fund – To account for the revenues received from fees on various building permits to be used for improved street and traffic facilities.

Community Facilities District Capital Projects Fund - This fund is used to account for the revenues received from the issuance of Community Facilities District debt and the acquisition and construction of certain capital projects within the Community Facilities District.

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CITY OF UPLAND
Non-Major Capital Projects Funds

Combining Balance Sheet

June 30, 2013

	<u>Park Acquisition and Development</u>	<u>General Capital Improvements</u>
Assets:		
Cash and investments	\$ 934,291	-
Cash and investments with fiscal agent	-	-
Due from other funds	-	-
Due from other governments	-	418,527
Total assets	<u>\$ 934,291</u>	<u>418,527</u>
Liabilities:		
Accounts payable	\$ -	95,816
Accrued salaries and benefits	-	5,536
Retentions payable	-	249,636
Unearned revenue	-	34,722
Due to other funds	-	817,400
Total liabilities	<u>-</u>	<u>1,203,110</u>
Deferred inflows of resources:		
Unavailable revenue	-	418,527
Total deferred inflow of resources	<u>-</u>	<u>418,527</u>
Fund balances:		
Restricted	934,291	-
Unassigned	-	(1,203,110)
Total fund balances	<u>934,291</u>	<u>(1,203,110)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 934,291</u>	<u>418,527</u>

<u>Storm Drain Development</u>	<u>Street and Traffic Safety Development</u>	<u>Community Facilities District</u>	<u>Totals</u>	
			<u>2013</u>	<u>2012</u>
1,270,131	432,069	-	2,636,491	3,505,048
-	-	37	37	37
-	-	-	-	294,666
-	-	-	418,527	-
<u>1,270,131</u>	<u>432,069</u>	<u>37</u>	<u>3,055,055</u>	<u>3,799,751</u>
-	3,894	-	99,710	24,400
1,116	3,007	-	9,659	7,922
-	-	-	249,636	-
-	-	-	34,722	61,469
-	-	294,666	1,112,066	294,666
<u>1,116</u>	<u>6,901</u>	<u>294,666</u>	<u>1,505,793</u>	<u>388,457</u>
-	-	-	418,527	-
-	-	-	418,527	-
1,269,015	425,168	-	2,628,474	3,705,923
-	-	(294,629)	(1,497,739)	(294,629)
<u>1,269,015</u>	<u>425,168</u>	<u>(294,629)</u>	<u>1,130,735</u>	<u>3,411,294</u>
<u>1,270,131</u>	<u>432,069</u>	<u>37</u>	<u>3,055,055</u>	<u>3,799,751</u>

CITY OF UPLAND
Non-Major Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2013

	<u>Park Acquisition and Development</u>	<u>General Capital Improvements</u>
Revenues:		
Taxes	\$ 204,164	-
Licenses and permits	-	-
Investment income	3,323	-
Rental income	-	-
Intergovernmental	-	654,720
Other	-	46,113
	<u>207,487</u>	<u>700,833</u>
Expenditures:		
Current:		
Community services	144,891	-
Engineering and public works	-	1,841,618
	<u>144,891</u>	<u>1,841,618</u>
Excess (deficiency) of revenues over (under) expenditures	<u>62,596</u>	<u>(1,140,785)</u>
Other financing sources:		
Transfers in	-	7,340
Transfers out	-	(25,156)
	<u>-</u>	<u>(17,816)</u>
Change in fund balances	62,596	(1,158,601)
Fund balances (deficit) at beginning of year	<u>871,695</u>	<u>(44,509)</u>
Fund balances (deficit) at end of year	<u>\$ 934,291</u>	<u>(1,203,110)</u>

<u>Storm Drain Development</u>	<u>Street and Traffic Safety Development</u>	<u>Community Facilities District</u>	<u>Totals</u>	
			<u>2013</u>	<u>2012</u>
-	-	-	204,164	253,206
313,390	87,659	-	401,049	498,590
2,200	2,245	-	7,768	36,542
5,958	-	-	5,958	69,468
-	-	-	654,720	3,341
<u>211,500</u>	<u>177,805</u>	<u>-</u>	<u>435,418</u>	<u>189,136</u>
<u>533,048</u>	<u>267,709</u>	<u>-</u>	<u>1,709,077</u>	<u>1,050,283</u>
-	-	-	144,891	23,325
<u>813,875</u>	<u>1,171,436</u>	<u>-</u>	<u>3,826,929</u>	<u>2,604,375</u>
<u>813,875</u>	<u>1,171,436</u>	<u>-</u>	<u>3,971,820</u>	<u>2,627,700</u>
<u>(280,827)</u>	<u>(903,727)</u>	<u>-</u>	<u>(2,262,743)</u>	<u>(1,577,417)</u>
-	-	-	7,340	120,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,156)</u>	<u>-</u>
-	-	-	(17,816)	120,000
<u>(280,827)</u>	<u>(903,727)</u>	<u>-</u>	<u>(2,280,559)</u>	<u>(1,457,417)</u>
<u>1,549,842</u>	<u>1,328,895</u>	<u>(294,629)</u>	<u>3,411,294</u>	<u>4,868,711</u>
<u>1,269,015</u>	<u>425,168</u>	<u>(294,629)</u>	<u>1,130,735</u>	<u>3,411,294</u>

CITY OF UPLAND
 Capital Projects - Park Acquisition and Development Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Taxes	\$ 100,000	204,164	104,164	253,206
Investment income	6,930	3,323	(3,607)	7,156
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>270</u>
Total revenues	<u>106,930</u>	<u>207,487</u>	<u>100,557</u>	<u>260,632</u>
Expenditures:				
Current:				
Community services	<u>652,234</u>	<u>144,891</u>	<u>507,343</u>	<u>23,325</u>
Total expenditures	<u>652,234</u>	<u>144,891</u>	<u>507,343</u>	<u>23,325</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(545,304)</u>	<u>62,596</u>	<u>607,900</u>	<u>237,307</u>
Change in fund balances	(545,304)	62,596	607,900	237,307
Fund balances at beginning of year	<u>871,695</u>	<u>871,695</u>	<u>-</u>	<u>634,388</u>
Fund balances at end of year	<u>\$ 326,391</u>	<u>934,291</u>	<u>607,900</u>	<u>871,695</u>

CITY OF UPLAND
 Capital Projects - General Capital Improvements Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Intergovernmental	\$ 29,500	654,720	625,220	3,341
Investment income	820	-	(820)	2,550
Other	<u>1,250,000</u>	<u>46,113</u>	<u>(1,203,887)</u>	<u>188,866</u>
Total revenues	<u>1,280,320</u>	<u>700,833</u>	<u>(579,487)</u>	<u>194,757</u>
Expenditures:				
Current:				
Engineering and public works	<u>3,485,190</u>	<u>1,841,618</u>	<u>1,643,572</u>	<u>650,566</u>
Total expenditures	<u>3,485,190</u>	<u>1,841,618</u>	<u>1,643,572</u>	<u>650,566</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,204,870)</u>	<u>(1,140,785)</u>	<u>1,064,085</u>	<u>(455,809)</u>
Other financing sources:				
Transfers in	31,300	7,340	(23,960)	120,000
Transfers out	<u>-</u>	<u>(25,156)</u>	<u>25,156</u>	<u>-</u>
Total other financing sources	<u>31,300</u>	<u>(17,816)</u>	<u>1,196</u>	<u>120,000</u>
Change in fund balances	(2,173,570)	(1,158,601)	1,065,281	(335,809)
Fund balances (deficit) at beginning of year	<u>(44,509)</u>	<u>(44,509)</u>	<u>-</u>	<u>291,300</u>
Fund balances (deficit) at end of year	<u>\$ (2,218,079)</u>	<u>(1,203,110)</u>	<u>1,065,281</u>	<u>(44,509)</u>

CITY OF UPLAND
 Capital Projects - Storm Drain Development Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Licenses and permits	\$ 50,000	313,390	263,390	471,495
Investment income	17,200	2,200	(15,000)	14,971
Rental income	60,600	5,958	(54,642)	69,468
Other	<u>211,500</u>	<u>211,500</u>	<u>-</u>	<u>-</u>
Total revenues	<u>339,300</u>	<u>533,048</u>	<u>193,748</u>	<u>555,934</u>
Expenditures:				
Current:				
Engineering and public works	<u>1,341,450</u>	<u>813,875</u>	<u>527,575</u>	<u>447,153</u>
Total expenditures	<u>1,341,450</u>	<u>813,875</u>	<u>527,575</u>	<u>447,153</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,002,150)</u>	<u>(280,827)</u>	<u>721,323</u>	<u>108,781</u>
Change in fund balances	(1,002,150)	(280,827)	721,323	108,781
Fund balances at beginning of year	<u>1,549,842</u>	<u>1,549,842</u>	<u>-</u>	<u>1,441,061</u>
Fund balances at end of year	<u>\$ 547,692</u>	<u>1,269,015</u>	<u>721,323</u>	<u>1,549,842</u>

CITY OF UPLAND
 Capital Projects - Street and Traffic Safety Development Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Licenses and permits	\$ 25,000	87,659	62,659	27,095
Investment income	15,400	2,245	(13,155)	11,638
Other	<u>177,805</u>	<u>177,805</u>	<u>-</u>	<u>-</u>
Total revenues	<u>218,205</u>	<u>267,709</u>	<u>49,504</u>	<u>38,733</u>
Expenditures:				
Current:				
Engineering and public works	<u>1,477,805</u>	<u>1,171,436</u>	<u>306,369</u>	<u>341</u>
Total expenditures	<u>1,477,805</u>	<u>1,171,436</u>	<u>306,369</u>	<u>341</u>
Change in fund balances	(1,259,600)	(903,727)	355,873	38,392
Fund balances at beginning of year	<u>1,328,895</u>	<u>1,328,895</u>	<u>-</u>	<u>1,290,503</u>
Fund balances at end of year	<u>\$ 69,295</u>	<u>425,168</u>	<u>355,873</u>	<u>1,328,895</u>

CITY OF UPLAND
 Capital Projects - Community Facilities District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ -	-	-	227
Total revenues	-	-	-	227
Expenditures:				
Current:				
Engineering and public works	-	-	-	1,506,315
Total expenditures	-	-	-	1,506,315
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(1,506,088)
Change in fund balances	-	-	-	(1,506,088)
Fund balances (deficit) at beginning of year	(294,629)	(294,629)	-	1,211,459
Fund balances (deficit) at end of year	<u>\$ (294,629)</u>	<u>(294,629)</u>	<u>-</u>	<u>(294,629)</u>

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 reimbursements basis.

The City of Upland has the following Internal Service Funds:

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

Vehicle Replacement – To account for the accumulation and allocation of costs associated with the repair and maintenance of City owned vehicles.

CITY OF UPLAND
Combining Statement of Net Position
Internal Service Funds
June 30, 2013

<u>Assets</u>	<u>Self-Funded Liability</u>	<u>Vehicle Replacement</u>	<u>Totals</u>	
			<u>2013</u>	<u>2012</u>
Current assets:				
Cash and investments	\$ 95,045	37,613	132,658	199,473
Receivables:				
Accounts	7,735	-	7,735	428
Prepaid items	-	-	-	81,074
Total current assets	<u>102,780</u>	<u>37,613</u>	<u>140,393</u>	<u>280,975</u>
Noncurrent assets:				
Capital assets:				
Other capital assets, net	-	1,160,908	1,160,908	1,446,144
Total noncurrent assets	-	1,160,908	1,160,908	1,446,144
Total assets	<u>102,780</u>	<u>1,198,521</u>	<u>1,301,301</u>	<u>1,727,119</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	72,312	1,994	74,306	281,845
Accrued salaries and wages	-	-	-	785
Due to other funds	4,543,711	-	4,543,711	4,255,931
Current portion of long-term liabilities:				
Compensated absences	2,225	-	2,225	18,911
Total current liabilities	<u>4,618,248</u>	<u>1,994</u>	<u>4,620,242</u>	<u>4,557,472</u>
Long-term liabilities:				
Advances from other funds	923,000	-	923,000	-
Claims and judgments payable	8,923,734	-	8,923,734	8,146,464
Compensated absences	20,029	-	20,029	3,040
Total long-term liabilities	<u>9,866,763</u>	<u>-</u>	<u>9,866,763</u>	<u>8,149,504</u>
Total liabilities	<u>14,485,011</u>	<u>1,994</u>	<u>14,487,005</u>	<u>12,706,976</u>
<u>Net position</u>				
Net investment in capital assets	-	1,160,908	1,160,908	1,446,144
Unrestricted	<u>(14,382,231)</u>	<u>35,619</u>	<u>(14,346,612)</u>	<u>(12,426,001)</u>
Total net position	<u>\$ (14,382,231)</u>	<u>1,196,527</u>	<u>(13,185,704)</u>	<u>(10,979,857)</u>

CITY OF UPLAND
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds
Year ended June 30, 2013

	Self-Funded <u>Liability</u>	Vehicle <u>Replacement</u>	<u>Totals</u>	
			<u>2013</u>	<u>2012</u>
Operating revenues:				
Charges for services	\$ 2,854,112	-	2,854,112	2,823,713
Other	7,851	-	7,851	500
Total operating revenues	<u>2,861,963</u>	<u>-</u>	<u>2,861,963</u>	<u>2,824,213</u>
Operating expenses:				
Maintenance and operations	23,215	22,302	45,517	347,821
Contractual services	1,422,543	-	1,422,543	646,465
Claims expense	3,056,435	-	3,056,435	5,217,993
Depreciation	-	596,314	596,314	678,324
Total operating expenses	<u>4,502,193</u>	<u>618,616</u>	<u>5,120,809</u>	<u>6,890,603</u>
Operating income	<u>(1,640,230)</u>	<u>(618,616)</u>	<u>(2,258,846)</u>	<u>(4,066,390)</u>
Nonoperating revenues (expenses):				
Gain on sale of assets	-	68,938	68,938	55,025
Investment income	-	-	-	1,668
Total nonoperating revenues (expenses)	<u>-</u>	<u>68,938</u>	<u>68,938</u>	<u>56,693</u>
Income before transfers and capital contributions	<u>(1,640,230)</u>	<u>(549,678)</u>	<u>(2,189,908)</u>	<u>(4,009,697)</u>
Transfers and capital contributions:				
Transfers in	-	105,260	105,260	250,510
Transfers out	(121,199)	-	(121,199)	-
Contributed from other funds	-	-	-	436,775
Total transfers and capital contributions	<u>(121,199)</u>	<u>105,260</u>	<u>(15,939)</u>	<u>687,285</u>
Changes in net position	<u>(1,761,429)</u>	<u>(444,418)</u>	<u>(2,205,847)</u>	<u>(3,322,412)</u>
Net position at beginning of year	<u>(12,620,802)</u>	<u>1,640,945</u>	<u>(10,979,857)</u>	<u>(7,657,445)</u>
Net position at end of year	<u>\$ (14,382,231)</u>	<u>1,196,527</u>	<u>(13,185,704)</u>	<u>(10,979,857)</u>

CITY OF UPLAND
Combining Statement of Cash Flows-Internal Service Funds
Year ended June 30, 2013

	Self-Funded <u>Liability</u>	Vehicle <u>Replacement</u>	<u>Totals</u>	
			<u>2013</u>	<u>2012</u>
Cash flows from operating activities:				
Cash received from user departments	\$ 3,777,656	-	3,777,656	2,827,692
Cash payments to suppliers for goods and services	(3,560,369)	43,958	(3,516,411)	(2,717,622)
Cash payments to employees for services	(1,043)	-	(1,043)	(228,675)
Net cash provided by (used for) operating activities	<u>216,244</u>	<u>43,958</u>	<u>260,202</u>	<u>(118,605)</u>
Cash flows from noncapital financing activities:				
Cash transferred from other funds	-	105,260	105,260	250,510
Cash transferred to other funds	(121,199)	-	(121,199)	-
Net cash provided by (used for) noncapital financing activities	<u>(121,199)</u>	<u>105,260</u>	<u>(15,939)</u>	<u>250,510</u>
Cash flows from capital and related financing activities:				
Cash received from sale of capital assets	-	-	-	65,900
Cash paid for acquisition of capital assets	-	(311,078)	(311,078)	-
Net cash proved by (used for) capital and related financing activities	<u>-</u>	<u>(311,078)</u>	<u>(311,078)</u>	<u>65,900</u>
Cash flows from investing activities:				
Interest received on investments	-	-	-	1,668
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,668</u>
Net increase (decrease) in cash and cash equivalents	95,045	(161,860)	(66,815)	199,473
Cash and cash equivalents at beginning of year	<u>-</u>	<u>199,473</u>	<u>199,473</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ 95,045</u>	<u>37,613</u>	<u>132,658</u>	<u>199,473</u>

CITY OF UPLAND
Combining Statement of Cash Flows-Internal Service Funds
(Continued)

	Self-Funded	Vehicle	Totals	
	<u>Liability</u>	<u>Replacement</u>	<u>2013</u>	<u>2012</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (1,640,230)	(618,616)	(2,258,846)	(4,066,390)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	-	596,314	596,314	678,324
Gain on sale of assets	-	68,938	68,938	-
(Increase) decrease in accounts receivable	(7,307)	-	(7,307)	3,979
(Increase) decrease in prepaid expense	81,074	-	81,074	90,629
Increase (decrease) in accounts payable	(204,861)	(2,678)	(207,539)	(20,022)
Increase (decrease) in accrued salaries and benefits	(785)	-	(785)	(4,242)
Increase (decrease) in due to other funds	287,780	-	287,780	1,149,380
Increase (decrease) in advances from other funds	923,000	-	923,000	-
Increase (decrease) in compensated absences	303	-	303	(2,674)
Increase (decrease) in claims and judgments payable	<u>777,270</u>	<u>-</u>	<u>777,270</u>	<u>2,052,411</u>
Total adjustments	<u>1,856,474</u>	<u>662,574</u>	<u>2,519,048</u>	<u>3,947,785</u>
Net cash provided by operating activities	<u>\$ 216,244</u>	<u>43,958</u>	<u>260,202</u>	<u>(118,605)</u>

FIDUCIARY FUNDS

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

The City of Upland has the following Agency Funds:

1915 Assessment District 87-1 – To account for revenues received from the County to be used for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvements.

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 improvements.

Community Facilities District 2003-2 – 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.

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

Upland 54 – 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.

CITY OF UPLAND

Combining Statement of Assets and Liabilities - Agency Funds

June 30, 2013

	1915 Assessment District 87-1	Community Facilities District 2003-1	Community Facilities District 2003-2	Welfare Committee	Upland 54	Totals	
						2013	2012
<u>Assets</u>							
Cash and investments	\$ -	1,375,233	1,408,354	19,111	208,954	3,011,652	2,909,147
Cash and investments with fiscal agent	-	2,088,988	1,584,836	-	126,788	3,800,612	4,010,955
Accounts receivable	-	355,951	-	-	-	355,951	393,076
Total assets	\$ -	3,820,172	2,993,190	19,111	335,742	7,168,215	7,313,178
<u>Liabilities</u>							
Deposits payable	\$ -	-	-	19,111	-	19,111	20,205
Due to bondholders	-	3,820,172	2,993,190	-	335,742	7,149,104	7,292,973
Total liabilities	\$ -	3,820,172	2,993,190	19,111	335,742	7,168,215	7,313,178

CITY OF UPLAND
Agency Fund

Statement of Changes in Assets and Liabilities

Year ended June 30, 2013

	<u>Balance at</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2013</u>
<u>1915 ASSESSMENT DISTRICT 87-1</u>				
<u>Assets</u>				
Cash and investments	\$ -	346,389	(346,389)	-
<u>Liabilities</u>				
Due to bondholders	\$ -	-	-	-
Accounts payable	-	346,389	(346,389)	-
	<u>\$ -</u>	<u>346,389</u>	<u>(346,389)</u>	<u>-</u>
<u>COMMUNITY FACILITIES DISTRICT 2003-1</u>				
<u>Assets</u>				
Cash and investments	\$ 1,369,532	5,701	-	1,375,233
Cash and investments with fiscal agent	2,299,162	-	(210,174)	2,088,988
Accounts receivable	391,721	-	(35,770)	355,951
	<u>\$ 4,060,415</u>	<u>5,701</u>	<u>(245,944)</u>	<u>3,820,172</u>
<u>Liabilities</u>				
Due to bondholders	<u>\$ 4,060,415</u>	<u>-</u>	<u>(240,243)</u>	<u>3,820,172</u>

CITY OF UPLAND
Agency Fund

Statement of Changes in Assets and Liabilities

(Continued)

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
<u>COMMUNITY FACILITIES DISTRICT 2003-2</u>				
<u>Assets</u>				
Cash and investments	\$ 1,324,885	83,469	-	1,408,354
Cash and investments with fiscal agent	<u>1,585,010</u>	<u>-</u>	<u>(174)</u>	<u>1,584,836</u>
	<u>\$ 2,909,895</u>	<u>83,469</u>	<u>(174)</u>	<u>2,993,190</u>
<u>Liabilities</u>				
Due to bondholders	<u>\$ 2,909,895</u>	<u>83,295</u>	<u>-</u>	<u>2,993,190</u>
<u>WELFARE COMMITTEE</u>				
<u>Assets</u>				
Cash and investments	<u>\$ 20,205</u>	<u>-</u>	<u>(1,094)</u>	<u>19,111</u>
<u>Liabilities</u>				
Deposits payable	<u>\$ 20,205</u>	<u>-</u>	<u>(1,094)</u>	<u>19,111</u>

CITY OF UPLAND
Agency Fund

Statement of Changes in Assets and Liabilities

(Continued)

	<u>Balance at</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2013</u>
<u>UPLAND 54</u>				
<u>Assets</u>				
Cash and investments	\$ 194,525	14,429	-	208,954
Cash and investments with fiscal agent	126,783	5	-	126,788
Accounts receivable	<u>1,355</u>	<u>-</u>	<u>(1,355)</u>	<u>-</u>
	<u>\$ 322,663</u>	<u>14,434</u>	<u>(1,355)</u>	<u>335,742</u>
<u>Liabilities</u>				
Due to bondholders	<u>\$ 322,663</u>	<u>14,434</u>	<u>(1,355)</u>	<u>335,742</u>
 <u>TOTALS - ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 2,909,147	449,988	(347,483)	3,011,652
Cash and investments with fiscal agent	4,010,955	5	(210,348)	3,800,612
Accounts receivable	<u>393,076</u>	<u>-</u>	<u>(37,125)</u>	<u>355,951</u>
Total assets	<u>\$ 7,313,178</u>	<u>449,993</u>	<u>(594,956)</u>	<u>7,168,215</u>
<u>Liabilities</u>				
Deposits payable	\$ 20,205	-	(1,094)	19,111
Due to bondholders	7,292,973	97,729	(241,598)	7,149,104
Accounts payable	<u>-</u>	<u>346,389</u>	<u>(346,389)</u>	<u>-</u>
Total liabilities	<u>\$ 7,313,178</u>	<u>444,118</u>	<u>(589,081)</u>	<u>7,168,215</u>

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	117
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	127
These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	
Debt Capacity	137
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.	
Demographic and Economic Information	145
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	147
These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	

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,			
	2004	2005	2006	2007
Governmental activities				
Net investment in capital assets	\$ 104,843,079	\$ 122,072,271	\$ 139,401,579	\$ 142,064,027
Restricted	53,041,383	49,221,464	39,199,589	29,221,940
Unrestricted	29,988,732	23,601,119	15,560,950	35,167,790
Total governmental activities net position	\$ 187,873,194	\$ 194,894,854	\$ 194,162,118	\$ 206,453,757
Business-type activities				
Net investment in capital assets	\$ 43,225,322	\$ 50,280,448	\$ 55,390,167	\$ 49,963,850
Restricted	-	-	-	-
Unrestricted	23,862,388	20,320,566	29,066,976	45,277,833
Total business-type activities net position	\$ 67,087,710	\$ 70,601,014	\$ 84,457,143	\$ 95,241,683
Primary government				
Net investment in capital assets	\$ 148,068,401	\$ 172,352,719	\$ 194,791,746	\$ 192,027,877
Restricted	53,041,383	49,221,464	39,199,589	29,221,940
Unrestricted	53,851,120	43,921,685	44,627,926	80,445,623
Total primary government net position	\$ 254,960,904	\$ 265,495,868	\$ 278,619,261	\$ 301,695,440

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,					
2008	2009	2010	2011	2012	2013
\$ 203,131,709	\$ 245,472,014	\$ 241,385,275	\$ 247,582,946	\$ 279,503,381	\$ 281,184,806
24,618,161	33,823,149	28,585,512	23,099,917	15,971,514	22,177,079
31,848,246	8,655,969	2,933,314	(2,198,045)	(12,516,353)	(19,386,237)
<u>\$ 259,598,116</u>	<u>\$ 287,951,132</u>	<u>\$ 272,904,101</u>	<u>\$ 268,484,818</u>	<u>\$ 282,958,542</u>	<u>\$ 283,975,648</u>
\$ 63,754,844	\$ 66,319,305	\$ 73,989,104	\$ 73,202,621	\$ 75,066,229	\$ 76,050,669
-	-	-	-	-	-
40,163,907	38,576,939	36,680,591	42,140,896	38,813,010	37,241,528
<u>\$ 103,918,751</u>	<u>\$ 104,896,244</u>	<u>\$ 110,669,695</u>	<u>\$ 115,343,517</u>	<u>\$ 113,879,239</u>	<u>\$ 113,292,197</u>
\$ 266,886,553	\$ 311,791,319	\$ 315,374,379	\$ 320,785,567	\$ 354,569,610	\$ 357,235,475
24,618,161	33,823,149	28,585,512	23,099,917	15,971,514	22,177,079
72,012,153	47,232,908	39,613,905	39,942,851	26,296,657	17,855,291
<u>\$ 363,516,867</u>	<u>\$ 392,847,376</u>	<u>\$ 383,573,796</u>	<u>\$ 383,828,335</u>	<u>\$ 396,837,781</u>	<u>\$ 397,267,845</u>

City of Upland

**Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year Ended June 30,			
	2004	2005	2006	2007
Expenses				
Governmental activities:				
General government	\$ 3,201,344	\$ 4,261,101	\$ 4,283,066	\$ 3,013,964
Public safety	17,975,034	21,456,384	23,425,371	24,131,173
Engineering and public works	5,262,501	13,869,229	10,228,416	9,070,869
Development services	3,862,325	4,866,327	6,154,683	6,913,597
Community services	4,441,662	4,958,427	5,794,921	5,202,440
Interest expense	1,990,453	2,890,402	2,241,455	2,629,911
Total governmental activities expenses	36,733,319	52,301,870	52,127,912	50,961,954
Business-type activities:				
Water utility	11,983,199	11,170,149	11,185,157	12,654,182
Solid waste utility	6,824,413	7,337,711	7,788,765	8,860,304
Sewer utility	4,535,975	4,453,695	4,524,503	4,787,995
Animal services	-	-	-	-
Total business-type activities expenses	23,343,587	22,961,555	23,498,425	26,302,481
Total primary government expenses	\$ 60,076,906	\$ 75,263,425	\$ 75,626,337	\$ 77,264,435
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 976,129	\$ 1,233,377	\$ 1,678,180	\$ 1,272,003
Public safety	2,827,034	2,833,987	2,823,659	3,088,857
Engineering and public works	343,604	554,364	362,550	505,997
Development services	2,706,784	1,783,585	3,949,919	3,501,508
Community services	699,134	640,067	623,239	604,578
Operating grants and contributions	7,109,781	8,350,796	7,130,904	5,588,669
Capital grants and contributions	40,233,268	11,497,640	3,977,652	3,644,116
Total governmental activities program revenues	54,895,734	26,893,816	20,546,103	18,205,728
Business-type activities				
Charges for services:				
Water utility	12,861,275	16,415,143	17,868,860	16,630,059
Solid waste utility	8,038,729	8,391,140	8,668,026	9,053,671
Sewer utility	4,222,828	4,453,035	4,588,634	4,893,853
Animal services	-	-	-	-
Operating grants and contributions	-	-	-	1,413,178
Capital grants and contributions	126,741	24,697	1,851,924	3,361,628
Total business-type activities program revenues	25,249,573	29,284,015	32,977,444	35,352,389
Total primary government program revenues	\$ 80,145,307	\$ 56,177,831	\$ 53,523,547	\$ 53,558,117
Net (expenses)/revenue				
Governmental activities	\$ 18,162,415	\$ (25,408,054)	\$ (31,581,809)	\$ (32,756,226)
Business-type activities	1,905,986	6,322,460	9,479,019	9,049,908
Total net revenues (expense)	\$ 20,068,401	\$ (19,085,594)	\$ (22,102,790)	\$ (23,706,318)

(Continued)

Fiscal Year Ended June 30,					
2008	2009	2010	2011	2012	2013
\$ 4,732,144	\$ 4,424,174	\$ 3,845,613	\$ 3,894,625	\$ 5,137,446	\$ 4,113,605
25,509,677	24,736,537	27,994,406	26,883,113	30,710,194	29,009,795
7,767,952	17,926,088	11,196,658	8,734,681	12,074,768	7,868,067
15,181,133	11,165,502	11,058,341	13,322,147	5,218,453	4,967,335
3,976,025	1,353,790	4,460,801	3,962,221	4,584,937	6,100,981
5,020,678	1,567,438	2,255,445	2,186,876	1,326,383	310,478
62,187,609	61,173,529	60,811,264	58,983,663	59,052,181	52,370,261
13,633,781	16,904,301	16,580,163	15,393,981	17,893,977	17,019,949
10,905,935	9,758,184	9,730,993	9,669,314	9,360,397	9,246,343
5,196,659	5,821,768	6,169,303	6,098,777	5,882,096	5,813,597
-	-	8,852	1,150,728	1,163,149	1,082,162
29,736,375	32,484,253	32,489,311	32,312,800	34,299,619	33,162,051
\$ 91,923,984	\$ 93,657,782	\$ 93,300,575	\$ 91,296,463	\$ 93,351,800	\$ 85,532,312
\$ 2,648,542	\$ 2,850,519	\$ 2,487,288	\$ 1,318,635	\$ 1,428,531	1,416,615
2,799,992	2,760,224	2,487,629	2,464,321	2,509,528	2,526,925
420,351	426,987	364,187	398,112	271,742	411,595
1,661,939	470,048	514,645	3,789,998	2,094,944	3,881,798
837,149	903,935	902,971	690,120	624,243	611,995
15,264,569	6,968,247	6,153,273	6,637,224	6,515,231	6,554,132
51,902,682	38,292,605	4,138,510	2,113,299	1,827,726	2,614,837
75,535,224	52,672,565	17,048,503	17,411,709	15,271,945	18,017,897
16,077,444	15,717,899	14,219,495	22,016,148	17,769,773	17,324,491
10,054,093	9,949,742	9,784,984	9,617,834	9,421,363	9,535,127
5,229,130	5,371,785	5,791,624	5,822,597	6,193,947	6,294,532
-	-	35,798	334,927	438,750	567,329
839,054	-	-	-	-	-
4,024,394	1,614,270	270,118	-	-	-
36,224,115	32,653,696	30,102,019	37,791,506	33,823,833	33,721,479
\$ 111,759,339	\$ 85,326,261	\$ 47,150,522	\$ 55,203,215	\$ 49,095,778	\$ 51,739,376
\$ 13,347,615	\$ (8,500,964)	\$ (43,762,761)	\$ (41,571,954)	\$ (43,780,236)	\$ (34,352,364)
6,487,740	169,443	(2,387,292)	5,478,706	(475,786)	559,428
\$ 19,835,355	\$ (8,331,521)	\$ (46,150,053)	\$ (36,093,248)	\$ (44,256,022)	\$ (33,792,936)

City of Upland

**Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year Ended June 30,			
	2004	2005	2006	2007
General Revenues and Other				
Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 7,600,178	\$ 13,270,141	\$ 15,748,826	\$ 19,068,422
Tax increment	4,728,754	5,629,001	5,624,420	6,787,912
Sales taxes	8,011,194	6,717,268	8,008,884	8,377,346
Other taxes	1,699,139	1,979,953	2,618,088	2,260,772
Investment income	378,390	2,195,137	789,382	1,809,955
Rental income	151,852	14,855	-	-
Motor vehicle in lieu	3,201,251	2,028,789	509,460	404,229
Gain on sale of assets	-	-	-	6,011,642
Miscellaneous revenue	1,110,470	1,384,341	245,233	339,302
Extraordinary gain (note 21)	-	-	-	-
Transfers	36,000	(789,771)	(3,359,744)	(11,715)
Total governmental activities	<u>26,917,228</u>	<u>32,429,714</u>	<u>30,184,549</u>	<u>45,047,865</u>
Business-type activities:				
Investment income	107,040	359,667	215,413	774,372
Share of joint venture net income	431,790	756,433	801,953	948,545
Gain on sale of assets	-	-	-	-
Miscellaneous revenue	500,000	-	-	-
Transfers	(36,000)	789,771	3,359,744	11,715
Total business-type activities	<u>1,002,830</u>	<u>1,905,871</u>	<u>4,377,110</u>	<u>1,734,632</u>
Total primary government	<u>\$ 27,920,058</u>	<u>\$ 34,335,585</u>	<u>\$ 34,561,659</u>	<u>\$ 46,782,497</u>
Changes in Net Position				
Governmental activities	\$ 45,079,643	\$ 7,021,660	\$ (1,397,260)	\$ 12,291,639
Business-type activities	2,908,816	8,228,331	13,856,129	10,784,540
Total primary government	<u>\$ 47,988,459</u>	<u>\$ 15,249,991</u>	<u>\$ 12,458,869</u>	<u>\$ 23,076,179</u>

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,						
2008	2009	2010	2011	2012	2013	
\$ 19,219,566	\$ 18,380,458	\$ 18,436,456	\$ 18,288,333	\$ 16,279,713	\$ 17,207,416	
8,456,028	8,812,255	6,016,240	7,628,784	4,813,601	-	
8,099,992	7,006,296	6,852,466	7,228,970	9,992,768	10,167,479	
1,734,650	3,205,483	1,469,692	1,359,820	1,676,719	1,603,147	
760,153	2,096,228	1,299,166	411,082	100,072	26,819	
-	-	-	-	-	-	
605,573	518,539	485,436	674,770	179,479	190,258	
359,100	564,698	292,828	47,086	9,682	-	
168,821	1,016,498	1,980,747	377,996	908,588	583,147	
-	-	-	-	23,491,941	-	
100,000	186,459	(7,864,436)	1,135,830	1,195,158	5,922,919	
<u>39,503,883</u>	<u>41,786,914</u>	<u>28,968,595</u>	<u>37,152,671</u>	<u>58,647,721</u>	<u>35,701,185</u>	
1,244,235	754,695	274,432	330,946	186,316	53,563	
10,000	-	-	-	-	-	
-	-	-	-	20,350	-	
-	-	21,875	-	-	-	
<u>(100,000)</u>	<u>(186,459)</u>	<u>7,864,436</u>	<u>(1,135,830)</u>	<u>(1,195,158)</u>	<u>(1,058,593)</u>	
<u>1,154,235</u>	<u>568,236</u>	<u>8,160,743</u>	<u>(804,884)</u>	<u>(988,492)</u>	<u>(1,005,030)</u>	
<u>\$ 40,658,118</u>	<u>\$ 42,355,150</u>	<u>\$ 37,129,338</u>	<u>\$ 36,347,787</u>	<u>\$ 57,659,229</u>	<u>\$ 34,696,155</u>	
\$ 52,851,498	\$ 33,285,950	\$ (14,794,166)	\$ (4,419,283)	\$ 14,867,485	\$ 1,348,821	
7,641,975	737,679	5,773,451	4,673,822	(1,464,278)	(445,602)	
<u>\$ 60,493,473</u>	<u>\$ 34,023,629</u>	<u>\$ (9,020,715)</u>	<u>\$ 254,539</u>	<u>\$ 13,403,207</u>	<u>\$ 903,219</u>	

City of Upland

**Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Year Ended June 30,			
	2004	2005	2006	2007
General Fund				
Reserved	\$ 5,432,017	\$ 6,070,605	\$ 4,036,110	\$ 3,757,524
Unreserved	12,007,829	10,705,621	11,646,197	16,089,365
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	\$ 17,439,846	\$ 16,776,226	\$ 15,682,307	\$ 19,846,889
Other governmental funds				
Reserved	\$ 16,235,775	\$ 14,796,471	\$ 11,274,879	\$ 11,622,432
Unreserved, reported in:				
Special revenue funds	10,061,239	14,375,747	9,015,891	4,651,173
Debt service funds	4,594,703	7,470,143	10,452,334	13,119,408
Capital projects funds	29,807,671	22,771,064	8,335,289	10,837,611
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Other Governmental Funds	\$ 60,699,388	\$ 59,413,425	\$ 39,078,393	\$ 40,230,624

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,						
2008	2009	2010	2011	2012	2013	
\$ 4,504,251	\$ 3,119,899	\$ 288,827	\$ -	\$ -	\$ -	
12,038,900	6,971,355	7,913,927	-	-	-	
-	-	-	393,974	125,762	139,164	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	5,730,018	805,739	721,275	
<u>\$ 16,543,151</u>	<u>\$ 10,091,254</u>	<u>\$ 8,202,754</u>	<u>\$ 6,123,992</u>	<u>\$ 931,501</u>	<u>\$ 860,439</u>	
\$ 11,790,857	\$ 12,039,958	\$ 10,114,180	\$ -	\$ -	\$ -	
5,513,516	5,521,555	6,401,610	-	-	-	
16,181,160	20,100,303	3,934,620	-	-	-	
8,456,396	(3,035,140)	4,357,471	-	-	-	
-	-	-	-	-	-	
-	-	-	23,005,460	10,208,668	15,078,398	
-	-	-	-	-	-	
-	-	-	291,300	-	-	
-	-	-	(2,192,732)	(83,676)	(1,525,535)	
<u>\$ 41,941,929</u>	<u>\$ 34,626,676</u>	<u>\$ 24,807,881</u>	<u>\$ 21,104,028</u>	<u>\$ 10,124,992</u>	<u>\$ 13,552,863</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,			
	2004	2005	2006	2007
Revenues				
Taxes	\$ 23,999,989	\$ 26,854,079	\$ 34,253,581	\$ 38,991,262
Licenses and permits	2,889,159	6,655,880	2,213,172	1,467,168
Charges for services	3,659,003	3,447,135	3,393,404	3,390,271
Fines and penalties	948,038	1,180,446	1,281,493	1,331,232
Investment income	605,029	2,168,691	1,861,855	2,757,757
Rental income	1,396,896	2,014,594	3,187,954	2,858,176
Intergovernmental	7,597,666	11,381,102	5,919,230	5,353,059
Contributions from property owners	37,094,936	1,623,640	-	-
Other	3,726,090	5,150,141	3,693,036	2,250,960
Total revenues	81,916,806	60,475,708	55,803,725	58,399,885
Expenditures				
General government	3,182,804	2,779,382	3,962,482	3,517,250
Public safety	18,325,307	21,441,898	23,068,053	23,719,136
Engineering and public works	23,134,184	24,053,148	20,671,707	14,623,466
Development services	4,024,563	5,634,120	11,171,822	13,868,883
Community services	4,567,518	7,409,536	6,826,240	5,527,730
Debt service				
Principal	12,470,081	1,812,089	1,861,971	3,245,000
Interest and fiscal charges	1,956,996	2,351,676	2,137,809	3,121,538
Pass-through payments	541,892	1,153,671	1,069,495	1,158,614
Total expenditures	68,203,345	66,635,520	70,769,579	68,781,617
Excess (deficiency) of revenues over (under) expenditures	13,713,461	(6,159,812)	(14,965,854)	(10,381,732)
Other financing sources (uses)				
Transfers in	4,508,572	3,755,803	5,206,790	6,151,865
Transfers out	(4,472,572)	(4,545,574)	(8,566,534)	(6,563,580)
Extraordinary gain (loss) (note 21)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	6,011,642
Issuance of capital leases	798,000	-	-	-
Payments to bond escrow	-	-	-	(4,901,382)
Issuance of bonds	1,500,000	5,000,000	-	15,000,000
Total other financing sources(uses)	2,334,000	4,210,229	(3,359,744)	15,698,545
Net change in fund balances	\$ 16,047,461	\$ (1,949,583)	\$ (18,325,598)	\$ 5,316,813
Debt service as a percentage of noncapital expenditures*	29.0%	7.5%	7.6%	11.1%

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

Debt Service = Principal + Interest and fiscal charges

Non-Capital Expenditures = Total Expenditures - Capital Outlay

Fiscal Year Ended June 30,						
2008	2009	2010	2011	2012	2013	
\$ 40,168,833	\$ 39,741,446	\$ 37,799,498	\$ 38,213,931	\$ 35,295,459	\$ 30,756,478	
891,566	948,778	992,516	1,004,926	1,070,611	987,862	
4,406,533	4,894,688	4,390,535	4,711,284	4,203,719	4,362,451	
1,290,164	926,545	638,627	460,768	517,741	500,389	
3,034,259	1,807,832	1,119,133	281,201	100,072	27,704	
3,062,207	2,348,894	3,390,859	3,475,107	1,727,205	3,318,077	
9,976,340	9,057,297	6,657,431	7,161,290	7,268,610	7,221,745	
-	-	-	-	-	-	
7,592,760	1,013,468	1,980,747	908,044	1,182,183	1,254,136	
70,422,662	60,738,948	56,969,346	56,216,551	51,365,600	48,428,842	
5,023,565	5,171,784	4,120,131	5,360,853	5,991,749	4,805,137	
26,405,130	27,883,044	27,545,584	26,456,365	27,603,446	26,530,316	
11,425,896	19,849,223	12,931,622	11,382,753	7,940,843	10,362,812	
23,197,869	12,227,932	11,046,686	9,973,548	4,959,672	4,857,256	
8,016,140	4,974,815	4,519,662	4,079,975	3,894,008	4,145,232	
8,245,000	1,740,000	1,800,000	1,860,000	1,925,000	210,000	
3,604,214	1,870,154	2,295,709	2,231,251	1,245,747	320,368	
1,552,885	1,747,905	4,852,006	1,442,542	801,386	-	
87,470,699	75,464,857	69,111,400	62,787,287	54,361,851	51,231,121	
(17,048,037)	(14,725,909)	(12,142,054)	(6,570,736)	(2,996,251)	(2,802,279)	
17,435,006	8,346,657	21,650,371	4,751,051	2,073,948	6,808,907	
(17,335,006)	(8,160,198)	(21,650,371)	(3,615,221)	(1,129,300)	(870,049)	
-	-	-	-	(14,129,606)	-	
596,576	-	292,828	47,086	9,682	-	
-	772,300	-	-	-	-	
-	-	-	-	-	-	
18,000,000	-	-	-	-	-	
18,696,576	958,759	292,828	1,182,916	(13,175,276)	5,938,858	
\$ 1,648,539	\$ (13,767,150)	\$ (11,849,226)	\$ (5,387,820)	\$ (16,171,527)	\$ 3,136,579	
18.2%	6.5%	6.3%	7.5%	6.0%	1.2%	

CITY OF UPLAND

**Assessed Value and Estimated Value of Taxable Property
(in thousands of dollars)**

Last Ten Fiscal Years

	Fiscal Year			
	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
Residential	3,598,491	3,951,395	4,372,436	5,003,729
Commercial	445,985	477,070	510,993	615,727
Industrial	106,993	137,500	162,707	198,361
Dry Farm	48	49	405	4,565
Govt. Owned	2,131	2,743	2,798	3,736
Institutional	12,706	13,531	10,685	11,613
Irrigated	652	693	678	1,772
Miscellaneous	41,199	46,860	53,613	55,452
Recreational	18,688	18,997	19,079	21,607
Vacant	65,362	42,562	112,928	57,582
SBE Nonunitary	2,270	2,272	1,469	1,381
Unsecured	165,823	172,709	169,447	203,984
Exempt				
Unknown				
TOTALS	4,460,347	4,866,380	5,417,238	6,179,508
Total Direct Rate	0.34423%	0.26875%	0.26939%	0.27251%

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 2003/04 - 2012/13 Combined Tax Rolls; HDL Coren & Cone

Fiscal Year					
<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
5,470,635	5,638,782	5,304,942	5,276,157	5,380,844	5,495,912
698,383	774,553	824,278	809,416	820,057	823,190
259,351	280,887	312,147	309,820	309,414	306,113
4,573	4,664	4,758	4,746	4,021	4,029
3,810	3,887	10,101	934	941	960
12,703	15,139	15,000	17,232	12,430	12,982
1,808	1,844	1,881	1,876	1,890	1,928
75,878	74,054	79,608	73,372	74,576	76,292
24,385	22,650	19,497	18,770	17,828	18,041
89,930	84,346	82,266	69,147	71,460	68,364
153	69	69	69	69	69
233,457	274,194	280,845	274,428	262,654	265,091
				2,031	2,239
<u>6,875,066</u>	<u>7,175,069</u>	<u>6,935,391</u>	<u>6,855,966</u>	<u>6,958,214</u>	<u>7,075,211</u>
<u>0.27771%</u>	<u>0.25824%</u>	<u>0.29355%</u>	<u>0.29273%</u>	<u>0.29248%</u>	<u>0.29337%</u>

City of Upland

**Water Sales By User Type
Last Ten Fiscal Years**

Fiscal Year	Residential		Commercial		Public Agency		Irrigation	
	Gallons Consumed	% of Total						
2004	5,404,473,536	77.9%	754,060,296	10.9%	250,630,864	3.6%	527,386,376	7.6%
2005	5,398,115,536	76.5%	828,174,380	11.7%	307,598,544	4.4%	524,663,656	7.4%
2006	5,035,010,156	77.4%	699,251,344	10.7%	286,251,372	4.4%	485,226,104	7.5%
2007	5,374,168,316	76.2%	729,630,616	10.3%	337,765,384	4.8%	612,131,784	8.7%
2008	5,517,246,504	75.2%	760,085,436	10.4%	345,603,676	4.7%	715,281,732	9.7%
2009	5,056,526,376	73.9%	777,416,596	11.4%	331,785,124	4.9%	673,292,004	9.8%
2010	4,620,895,664	74.9%	651,208,800	10.6%	239,059,304	3.9%	656,050,604	10.6%
2011	4,456,138,940	74.4%	648,324,512	10.8%	229,503,604	3.8%	655,200,876	10.9%
2012	4,648,953,144	74.3%	694,179,156	11.1%	238,037,536	3.8%	677,373,092	10.8%
2013	4,825,517,048	73.7%	733,835,124	11.2%	241,184,372	3.7%	750,007,632	11.4%

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>	<u>Fiscal Year</u>			
	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
Basic Levy	1.00000	1.00000	1.00000	1.00000
Alta Loma Elementary Bond	0.03460	0.04600	0.04180	0.03770
Central Elementary Bond	0.08410	0.08100	0.07010	0.05530
Chaffey Community College Bond	0.01390	0.01080	0.02930	0.01670
Chaffey High School Bond	0.02940	0.02640	0.02260	0.01930
Metropolitan Water Agency	0.00610	0.00580	0.00520	0.00470
Ontario-Montclair Elementary Bond	0.02700	0.02640	0.02210	0.02220
Upland Unified School Bond	0.03160	0.03050	0.03540	0.02790
Total Direct & Overlapping Tax Rates	<u>1.22670</u>	<u>1.22690</u>	<u>1.22650</u>	<u>1.18380</u>
City Share of 1% levy per Prop 13	0.17482	0.17482	0.17482	0.17482
Redevelopment Rate	1.00610	1.00580	1.00520	1.00470
Total Direct Rate	<u>0.34423</u>	<u>0.26875</u>	<u>0.26939</u>	<u>0.27251</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. ERAF general fund tax shifts may not be included in tax ratio figures.

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

⁵ Because basic and debt rates vary by tax rate area individual rates cannot be summed. The Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Source: San Bernardino County Assessor 2003/04 - 2012/13 Tax Rate Table; HDL Coren & Cone

Fiscal Year					
<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.03480	0.03010	0.03870	0.04510	0.04530	0.04580
0.05500	0.05690	0.05840	0.06900	0.06880	0.07270
0.01920	0.02090	0.01220	0.00910	0.01530	0.01110
0.01690	0.01620	0.01680	0.01920	0.01940	0.01010
0.00450	0.00430	0.00430	0.00370	0.00370	0.00350
0.01240	0.02380	0.02870	0.03360	0.02890	0.02740
0.02610	0.03420	0.03810	0.04430	0.04740	0.05240
<u>1.16890</u>	<u>1.18640</u>	<u>1.19720</u>	<u>1.22400</u>	<u>1.22880</u>	<u>1.22300</u>
0.17482	0.17482	0.17482	0.17482	0.17482	0.17482
1.00450	1.00430	1.00430	1.00370	1.00370	n/a
<u>0.27771</u>	<u>0.28524</u>	<u>0.29355</u>	<u>0.29273</u>	<u>0.29248</u>	<u>0.29377</u>

City of Upland

Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Colonies-Pacific LLC	\$ 88,401,764	1	1.25%			
College Park Apartment Homes LP	57,451,172	2	0.81%			
Granite SR Woodlane LLC	42,918,879	3	0.61%			
Rancho Monte Vista Apartment Homes	40,015,514	4	0.57%			
CT Retail Properties Finance II LLC	38,210,074	5	0.54%	\$ 36,360,873	1	0.82%
Mountain Springs	34,955,689	6	0.49%	23,360,509	3	0.52%
Koll Per College Business Park LLC	34,726,001	7	0.49%			
Bill and Mary Matreyek Trust	31,446,614	8	0.44%	28,179,814	2	0.63%
NU-168 Apartments LLC	31,204,116	9	0.44%			
Holliday Rock Company LLC	30,790,476	10	0.44%			
MG Parkview Apartments				22,045,120	4	0.49%
Pacific Canyon Club LP				19,380,000	5	0.43%
Foothill Ridge Properties LLC				15,478,500	6	0.35%
San Antonio Lakes Partners Limited				14,129,455	7	0.32%
AP-Upland Freeway Center LLC				13,542,686	8	0.30%
Lowe's HIW Inc				13,398,496	9	0.30%
CFRI Davenport Upland LLC				12,775,000	10	0.29%
Totals	<u>\$ 430,120,299</u>		<u>6.08%</u>	<u>\$ 198,650,453</u>		<u>4.45%</u>

Source: HdL Coren & Cone

City of Upland

**Principal Water Purchasers
Current Year and Ten Years Ago**

Water Purchaser	2013			2004		
	Gallons Consumed	Rank	Percentage of Total Gallons Consumed	Gallons Consumed	Rank	Percentage of Total Gallons Consumed
City of Upland	239,155,048	1	3.7%	231,794,728	1	3.3%
Upland Unified School District	116,817,404	2	1.2%	105,467,252	2	1.5%
State of California	78,400,124	3	1.8%			
Upland Development, LLC	57,628,164	4	1.2%			
Upland Hills Estates HOA	51,159,460	5	0.8%	51,276,148	5	0.7%
San Antonio Community Hospital	50,650,072	6	0.8%	77,034,276	3	1.1%
Orchard Lane Condos	48,961,836	7	0.8%	51,497,556	4	0.7%
Upland Hills CC HOA	38,896,748	8	0.6%	35,722,236	7	0.5%
Upland Meadows Management	33,879,164	9	0.6%			
Mountain View Park HOA	27,220,468	10	0.5%			
H W L Properties				38,260,200	6	0.6%
Upland Cascade				33,024,200	8	0.5%
Upland Housing Authority				32,778,108	9	0.5%
Mountain Springs Apt				31,763,820	10	0.5%
Totals	742,768,488		11.9%	688,618,524		9.9%

Source: Finance Department, 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
2004	\$ 11,898,347	\$ 11,444,069	96.18% ⁽²⁾	N/A	\$ 11,444,069	96.18%
2005	13,375,052	12,265,636	91.71%	N/A	12,265,636	91.71%
2006	14,787,477	12,813,064	86.65%	N/A	12,813,064	86.65%
2007	17,395,209	16,350,430	93.99%	N/A	16,350,430	93.99%
2008	19,331,660	17,195,429	88.95%	N/A	17,195,429	88.95%
2009	20,388,445	18,240,311	89.46%	N/A	18,240,311	89.46%
2010	20,363,864	18,416,861	90.44%	N/A	18,416,861	90.44%
2011	19,708,455	17,960,851	91.13%	N/A	17,960,851	91.13%
2012	20,102,566	18,211,409	90.59%	N/A	18,211,409	90.59%
2013	21,461,227	13,936,306	64.94%	N/A	13,936,306	64.94%

Notes:

(1) 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.

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

Source: San Bernardino Auditor-Controller's Office & HdI, Coren & Cone

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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	HUD Section 108 Loan	Tax Allocation Notes ^(b)	Housing Bonds	Capital Leases	
2004	2,625,000	750,000	37,685,000	6,700,000	680,779	48,440,779
2005	2,460,000	500,000	41,440,000	6,700,000	528,690	51,628,690
2006	2,290,000	250,000	40,160,000	6,700,000	371,737	49,771,737
2007	2,115,000	-	47,340,000	6,700,000	209,766	56,364,766
2008	1,935,000	-	45,975,000	18,000,000	1,592,094	67,502,094
2009	1,750,000	-	44,420,000	18,000,000	1,167,943	65,337,943
2010	1,560,000	-	42,810,000	18,000,000	324,622	62,694,622
2011	1,365,000	-	41,145,000	18,000,000	124,532	60,634,532
2012	1,160,000	-	-	18,000,000	-	19,160,000
2013	950,000	-	-	18,000,000	-	18,950,000

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

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

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

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

Business-type Activities	Total Primary Government	Percentage of Personal Income (a)	Debt Per Capita (a)
Water Lease Revenue Bonds			
16,929,775	65,370,554	3.77%	907.71
16,432,388	68,061,078	3.75%	934.07
15,925,001	65,696,738	3.47%	893.07
15,407,614	71,772,380	3.60%	971.95
15,211,608	82,713,702	3.97%	1,105.99
14,687,062	80,025,005	3.82%	1,072.23
13,950,288	76,644,910	3.73%	1,023.11
13,327,924	73,962,456	3.46%	971.83
12,746,534	31,906,534	1.45%	427.89
11,958,964	30,908,964	1.41%	412.63

City of Upland

**Direct and Overlapping Bond Debt
June 30, 2013**

FY 2012-13 Assessed Valuation

\$ 7,057,197,912

		Total Debt at 6/30/13	City's Share of Debt at 6/30/13
<u>Overlapping Tax and Assessment Debt:</u>			
Metropolitan Water District	0.336%	\$ 165,085,000	\$ 554,686
Chaffey Community College District	8.633%	166,063,348	14,336,249
Upland Unified School District	92.725%	88,933,155	82,463,268
Chaffey Union High School District	0.728%	182,305,000	1,327,180
Alta Loma School District	0.565%	15,439,283	87,232
Central School District	1.976%	19,603,478	387,365
Ontario-Montclair School District	2.259%	50,794,903	1,151,523
Upland Unified School District CFD No. 99-1	100.000%	1,979,000	1,979,000
Upland Unified School District CFD No. 01-1	100.000%	2,368,000	2,368,000
City of Upland Community Facilities District No. 2003-1	100.000%	1,555,000	1,555,000
City Of Upland Community Facilities District No. 2003-2, I.A. Nos. 1 & 2	100.000%	40,340,000	40,340,000
		<hr/>	<hr/>
Total Overlapping Tax and Assessment Debt		734,466,167	146,549,503
<u>Direct and Overlapping General Fund Debt:</u>			
San Bernardino County General Fund Obligations	4.316%	\$ 573,875,000	\$ 24,768,445
San Bernardino County Pension Obligations	4.316%	519,745,214	22,432,203
San Bernardino County Flood Control Dist. Gen Fund Obligations	4.316%	104,705,000	4,519,068
Chaffey Community College District Gen. Fund Obligations	8.633%	12,065,666	1,041,629
Upland Unified School District COP	92.725%	575,000	533,169
City of Upland General Fund Obligations	100.000%	950,000	950,000
		<hr/>	<hr/>
Total Direct and Overlapping General Fund Debt		1,211,915,880	54,244,514
<u>Overlapping Tax Increment Debt (Successor Agency)</u>			<hr/>
			36,300,000
Total Overlapping Debt		<hr/> \$ 1,945,432,047 <hr/>	<hr/> 236,144,017 <hr/>
Total Direct Debt			<hr/> 950,000 <hr/>
Combined Total Debt			<hr/> \$ 237,094,017 <hr/>
<u>Ratios to FY 2012-13 Assessed Valuation:</u>			
Total Overlapping Tax and Assessment Debt	2.08%		
Total Direct Debt (\$950,000)	0.01%		
Combined Total Debt	3.36%		
<u>Ratios to Redevelopment Incremental Valuation (\$1,008,926,363):</u>			
Total Overlapping Tax Increment Debt	3.60%		

(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.

Source: California Municipal Statistics, Inc.

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City of Upland

**Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt limit	\$ 577,343,157	\$ 647,402,537	\$ 723,349,925	\$ 818,148,609
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 577,343,157	\$ 647,402,537	\$ 723,349,925	\$ 818,148,609
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 2013:

Assessed Valuation

Debt limit (15% of assessed value)

Debt applicable to limit:

 General obligation bonds

Legal debt margin

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

(1) As a result of the dissolution of the Redevelopment Agency on January 31, 2012, total assessed value for the City is no longer reduced by the incremental value of the redevelopment project areas.

Fiscal Year Ended June 30,						
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	
\$ 900,487,972	\$ 933,319,281	\$ 930,115,752	\$ 882,507,215	\$ 895,958,208	\$ 1,058,579,687	(1)
-	-	-	-	-	-	
\$ 900,487,972	\$ 933,319,281	\$ 930,115,752	\$ 882,507,215	\$ 895,958,208	\$ 1,058,579,687	
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

\$ 7,057,197,912

1,058,579,687

-

\$ 1,058,579,687

City of Upland

**Pledged Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Water Bonds					
	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004	13,390,072	9,594,015	3,796,057	525,000	1,218,939	2.18
2005	17,417,098	9,348,237	8,068,861	535,000	857,972	5.79
2006	18,765,955	9,057,052	9,708,903	545,000	1,125,331	5.81
2007	19,239,969	10,468,695	8,771,274	555,000	826,844	6.35
2008	17,608,967	11,584,227	6,024,740	575,000	808,364	4.36
2009	15,613,892	14,338,698	1,275,194	595,000	547,607	1.12
2010	15,295,069	13,902,795	1,392,274	610,000	776,562	1.00
2011	22,582,581	14,164,896	8,417,685	630,000	735,443	6.16
2012	16,873,954	17,468,067	(594,112)	655,000	1,023,096	(0.35)
2013	17,122,606	15,146,422	1,976,184	760,000	407,969	1.69

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

Source: Finance Division, City of Upland

Special Assessment Bonds

Special Assessment Collections	Debt Service		Coverage
	Principal	Interest	
201,683	255,000	69,821	0.62
356,869	280,000	56,043	1.06
2,420,864	295,000	2,601,082	0.84
2,598,917	460,000	2,614,098	0.85
2,957,694	510,000	2,527,715	0.97
3,257,487	235,000	2,566,050	1.16
3,087,810	295,000	2,556,075	1.08
3,337,663	365,000	2,542,803	1.15
3,358,321	520,000	2,525,223	1.10
3,022,803	700,000	2,356,637	0.99

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>
2004	72,017	\$ 1,731,735	\$ 24,046	13,585	4.2%
2005	72,865	\$ 1,816,199	\$ 24,926	13,866	3.9%
2006	73,563	\$ 1,895,978	\$ 25,774	13,861	3.5%
2007	73,844	\$ 1,996,265	\$ 27,034	14,128	3.2%
2008	74,787	\$ 2,084,384	\$ 27,871	14,232	3.7%
2009	74,634	\$ 2,094,566	\$ 28,065	14,307	5.4%
2010	74,914	\$ 2,056,977	\$ 27,458	14,404	9.0%
2011	76,106	\$ 2,138,350	\$ 28,097	14,232	9.9%
2012	74,568	\$ 2,193,940	\$ 29,422	11,927	9.1%
2013	74,907	\$ 2,192,004	\$ 29,263	11,908	6.5%

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

City of Upland

**Principal Employers
Current Year**

Employer	2013			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
San Antonio Community Hospital	1,942	1	5.2%	2,000	1	5.0%
Upland Unified School District	1,500	2	4.0%	1,000	2	2.5%
City of Upland	398	3	1.1%	330	3	0.8%
Home Depot	374	4	1.0%			
Wal Mart	324	5	0.9%	236	5	0.6%
Target	313	6	0.8%			
Laidlaw Transit	312	7	0.8%			
Lewis Group	300	8	0.8%			
Upland Rehabilitaion & Care Center	300	9	0.8%			
Kohl's Department Store	215	10	0.6%			
Mervyns Department Store				250	4	0.6%
Surplus Home Health Services				160	6	0.4%
Totals	<u>5,978</u>		<u>15.9%</u>	<u>3,976</u>		<u>9.9%</u>

Note: Data on principal employers nine years ago is not available. In addition, data is not available to show at least 50% of employment.

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	Full-Time Equivalent Employees									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	89.15	85.40	88.40	88.40	93.75	97.75	98.00	102.00	75.00	75.50
Public safety										
Police										
Officers	82.00	82.00	82.00	82.00	84.00	84.00	84.00	85.00	76.00	70.00
Civilians	38.00	39.00	40.00	40.00	41.00	41.00	41.00	42.00	28.00	22.50
Fire										
Firefighters and officers	39.00	39.00	41.00	41.00	43.00	43.00	43.00	43.00	41.00	41.00
Civilians	4.00	5.00	4.00	4.00	4.00	4.00	9.00	9.00	9.00	9.00
Highways and streets										
Engineering	5.00	5.50	6.50	6.50	6.00	6.00	6.00	6.00	3.00	5.00
Operations	18.00	24.00	21.00	21.00	22.00	22.00	20.00	20.00	23.00	23.00
Recreation	7.20	7.20	10.20	10.20	11.50	11.50	11.50	11.50	7.50	7.50
Water	18.00	18.00	18.00	18.00	20.00	21.00	23.00	23.00	22.00	23.00
Solid Waste Utility	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Environmental Quality	4.00	4.00	4.00	5.00	6.00	6.00	6.00	6.00	5.00	2.00
Total	305.35	310.10	316.10	317.10	332.25	337.25	342.50	348.50	289.50	278.50

Source: Finance Division, City of Upland

City of Upland

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Fire										
Stations	4	4	4	4	4	4	4	5	5	5
Police										
Patrol Units	23	23	25	25	24	25	25	24	23	23
Motorcycles	6	5	6	5	6	6	6	6	6	5
Library										
Facilities	1	1	1	1	1	1	1	1	1	1
Recreation										
Buildings	3	3	3	3	3	3	3	3	3	4
Parks	13	13	13	12	12	12	12	13	13	13
Soccer fields (lighted)	6	6	6	6	6	6	6	6	6	6
Baseball fields (lighted)	7	7	7	7	7	7	7	8	8	8
Softball fields (lighted)	4	4	4	4	4	4	4	3	3	3
Public Works										
Miles of City Streets	210.12	210.12	208.90	210.12	210.12	208.90	208.90	208.90	208.90	208.90
Miles of State Highways	7.25	7.25	6.70	7.25	7.25	6.70	6.70	6.70	6.70	6.70
Miles of City Alleys	N/A	N/A	N/A	N/A	N/A	37.50	37.50	37.50	37.50	37.50
Water										
Miles of Water Mains	240.00	240.00	240.00	240.00	240.00	240.26	240.26	240.26	240.26	240.26
Sewer										
Miles of Sewer Lines	228.00	228.00	228.00	228.00	228.00	228.00	228.00	228.00	228.00	228.00

Source: Various Departments, City of Upland

City of Upland

**Operating Indicators by Function
Last Ten Fiscal Years**

Function	Fiscal Year Ended June 30,			
	2004	2005	2006	2007
Function				
General government				
Building permits issued	759	1,058	2,294	1,055
Police				
Physical arrests	5,404	6,238	6,555	4,476
Traffic collisions	151	145	N/A	755
Fire				
Emergency responses	5,251	6,099	6,081	7,120
Public Works				
Miles of street sweeping	9,216	9,216	9,216	10,488
Potholes repaired	N/A	1,000	1,040	2,184
Number of trees pruned	6,816	6,816	6,816	3,349
Parks and recreation				
Community center admissions	8,907	8,514	7,962	8,653
Library				
Volumes in collection	142,834	147,578	148,552	154,463
Current Periodical & Serial Subscriptions	234	266	267	267
Audio-visual items	7,714	7,873	7,933	8,341
Water				
New meter installations	N/A	566	600	376
Average daily consumption (thousands of gallons)	19,100	18,870	22,000	16,529
Number of linear feet of new water pipelines	N/A	1,475	1,500	7,380
Refuse collection				
Refuse collected (tons per day)	174	196	186	137
Recyclables collected (tons per day)	74	88	91	68
Environmental Quality				
Number of sewer inspections conducted	N/A	178	186	208
Number of permitted dischargers/active permits	N/A	192	187	197

Source: Various Departments, City of Upland,

Fiscal Year Ended June 30,					
2008	2009	2010	2011	2012	2013
972	827	973	1,055	1,042	1,120
5,433	3,032	5,317	4,476	3,809	3,104
750	473	610	755	666	634
6,538	6,049	6,748	7,120	7,300	7,865
9,216	9,216	9,216	10,488	14,172	14,484
2,200	1,363	2,714	2,184	918	831
7,600	6,771	7,192	3,349	9,235	5,405
10,395	9,431	9,102	8,653	8,454	8,492
148,867	148,867	148,867	154,463	159,746	157,769
267	267	267	267	81	73
7,773	7,773	7,773	8,341	8,454	7,464
534	553	676	376	292	550
23,478	19,924	22,589	16,529	21,838	21,087
13,585	1,385	-	7,380	17,240	-
176	145	138	137	129	130
70	72	68	68	72	65
216	198	214	208	199	207
187	201	202	197	196	192