

City of Adelanto

Adelanto, California

Annual Financial Report

For the Year Ended June 30, 2021

Prepared by
Finance Department



City of Adelanto
Annual Financial Report
For the Year Ended June 30, 2021
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the City Council of the City of Adelanto
Adelanto, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Adelanto, California (the "City"), as of and for the year ended June 30, 2021, 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.

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

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

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, as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

To the Honorable Mayor and Members
of the City Council of the City of Adelanto
Adelanto, California
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The PwC Group, LLP

Santa Ana, California
March 7, 2024

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Adelanto
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 18,231,332	\$ 17,526,504	\$ 35,757,836
Accounts receivable, net	2,874,930	2,033,519	4,908,449
Interest receivable	9,413	9,425	18,838
Prepaid items	-	1,407,239	1,407,239
Internal balances	(2,658,488)	2,658,488	-
Total current assets	18,457,187	23,635,175	42,092,362
Noncurrent assets:			
Cash and investments with fiscal agent	606,594	12,524,172	13,130,766
Due from Fiduciary Funds	2,773,785	-	2,773,785
Successor agency loan receivable	-	10,635,346	10,635,346
Capital assets:			
Nondepreciable	17,024,300	8,031,786	25,056,086
Depreciable, net	55,139,641	50,866,741	106,006,382
Total capital assets	72,163,941	58,898,527	131,062,468
Total noncurrent assets	75,544,320	82,058,045	157,602,365
Total assets	94,001,507	105,693,220	199,694,727
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related deferred outflows	366,629	191,308	557,937
OPEB-related deferred outflows	203,465	-	203,465
Deferred loss on refunding	-	8,920,609	8,920,609
Total deferred outflows of resources	570,094	9,111,917	9,682,011

City of Adelanto
Statement of Net Position (Continued)
June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	575,089	590,569	1,165,658
Accrued liabilities	85,746	57,426	143,172
Interest payable	-	1,751,325	1,751,325
Deposits payable	622,899	1,221,700	1,844,599
Compensated absences - due within one year	83,240	16,242	99,482
Claims payable - due within one year	32,402	-	32,402
Long-term debt - due within one year	140,000	3,160,000	3,300,000
Total current liabilities	1,539,376	6,797,262	8,336,638
Noncurrent liabilities:			
Compensated absences - due in more than one year	122,117	4,064	126,181
Claims payable - due in more than one year	317,598	-	317,598
Long-term debt - due in more than one year	-	74,709,092	74,709,092
Aggregate net pension liability	392,792	145,145	537,937
Net OPEB liability	3,935,460	-	3,935,460
Total noncurrent liabilities	4,767,967	74,858,301	79,626,268
Total liabilities	6,307,343	81,655,563	87,962,906
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows	281,115	152,148	433,263
Total deferred inflows of resources	281,115	152,148	433,263
NET POSITION			
Net investment in capital assets	72,239,555	(9,142,153)	63,097,402
Restricted for:			
Development	8,795,757	-	8,795,757
Streets and roads	9,291,113	-	9,291,113
Community development	825,470	-	825,470
Other purposes	1,085,172	66,996	1,152,168
Total restricted	19,997,512	66,996	20,064,508
Unrestricted	(4,253,924)	42,072,583	37,818,659
Total net position	\$ 87,983,143	\$ 32,997,426	\$ 120,980,569

City of Adelanto
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,797,487	\$ 1,769,753	\$ -	\$ -
Public safety	13,167,714	222,787	1,769,109	152,429
Public works	4,515,926	3,107,974	2,609,745	1,773,201
Community development	896,831	248,793	194,165	-
Parks and recreation	444,455	-	6,416	604,010
Interest and fiscal charges	7,000	-	-	-
Total governmental activities	22,829,413	5,349,307	4,579,435	2,529,640
Business-type Activities:				
Public Utility Authority	13,273,182	19,697,940	-	-
Adelanto Community Benefit Corporation	23,628	33,763	-	-
Total business-type activities	13,296,810	19,731,703	-	-
Total primary government	\$ 36,126,223	\$ 25,081,010	\$ 4,579,435	\$ 2,529,640

City of Adelanto
Statement of Activities (Continued)
For the Year Ended June 30, 2021

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Governmental Activities:			
General government	\$ (2,027,734)	\$ -	\$ (2,027,734)
Public safety	(11,023,389)	-	(11,023,389)
Public works	2,974,994	-	2,974,994
Community development	(453,873)	-	(453,873)
Parks and recreation	165,971	-	165,971
Interest and fiscal charges	(7,000)	-	(7,000)
Total governmental activities	(10,371,031)	-	(10,371,031)
Business-type Activities:			
Public Utility Authority	-	6,424,758	6,424,758
Adelanto Community Benefit Corporation	-	10,135	10,135
Total business-type activities	-	6,434,893	6,434,893
Total primary government	(10,371,031)	6,434,893	(3,936,138)
General revenues and transfers:			
General revenues:			
Taxes:			
Sales taxes	2,342,187	-	2,342,187
Property taxes	452,522	-	452,522
Franchise taxes	1,502,634	-	1,502,634
Transient occupancy taxes	13,931	-	13,931
Measure R taxes	2,680,123	-	2,680,123
Total taxes	6,991,397	-	6,991,397
Motor vehicle in lieu - unrestricted	3,261,674	-	3,261,674
Use of money and property	289,102	970,104	1,259,206
Miscellaneous revenue	225,511	-	225,511
Total general revenues	10,767,684	970,104	11,737,788
Transfers	1,323,431	(1,323,431)	-
Changes in net position	1,720,084	6,081,566	7,801,650
Net position - beginning of year	86,263,059	26,915,860	113,178,919
Net position - end of year	\$ 87,983,143	\$ 32,997,426	\$ 120,980,569

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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City of Adelanto
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 6,290,560	\$ 11,940,772	\$ 18,231,332
Cash and investments with fiscal agents	390,980	215,614	606,594
Accounts receivable, net	744,484	2,130,446	2,874,930
Interest receivable	-	9,413	9,413
Due from other funds	1,588,202	-	1,588,202
Due from Fiduciary Funds	2,773,785	-	2,773,785
Advances to other funds	-	6,778,449	6,778,449
Total assets	\$ 11,788,011	\$ 21,074,694	\$ 32,862,705
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 452,204	\$ 122,885	\$ 575,089
Accrued liabilities	82,620	3,126	85,746
Due to other funds	-	1,588,202	1,588,202
Deposit payable	622,899	-	622,899
Advances from other funds	9,436,937	-	9,436,937
Total liabilities	10,594,660	1,714,213	12,308,873
Deferred inflows of resources:			
Unavailable revenue - taxes	-	406,087	406,087
Unavailable revenue - developer fees	-	697,787	697,787
Unavailable revenue - intergovernmental	-	678,750	678,750
Total deferred inflows of resources	-	1,782,624	1,782,624
Fund balances:			
Nonspendable	2,773,785	-	2,773,785
Restricted	-	18,683,729	18,683,729
Unassigned (deficit)	(1,580,434)	(1,105,872)	(2,686,306)
Total fund balances (deficits)	1,193,351	17,577,857	18,771,208
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,788,011	\$ 21,074,694	\$ 32,862,705

City of Adelanto
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2021

Total Fund Balances - Total Governmental Funds	\$ 18,771,208
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds. Those assets consist of:

Amount reported in government-wide statement of position:

Nondepreciable assets	\$ 17,024,300	
Depreciable assets	55,139,641	72,163,941

Some of the City's receivables for operating and capital grant reimbursements will be collected after year end, but are not available soon enough to pay for current-period expenditures, and therefore, are reported as unavailable revenues in the governmental funds.

1,782,624

Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

Pension related deferred outflows of resources	366,629	
Aggregate net pension liabilities		(392,792)
Pension related deferred inflows of resources		(281,115)

Net other postemployment benefits liability and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

OPEB related deferred outflows of resources	203,465	
Net OPEB liabilities		(3,935,460)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly are not reported as fund liabilities. All liabilities, both current and long-term are reported in the Statement of Net Position. Balances at June 30, 2021 are:

Claims payable	(350,000)	
Compensated absences		(205,357)
Note payable		(140,000)

Net position of governmental activities	\$ 87,983,143
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City of Adelanto
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Taxes	\$ 10,253,071	\$ 1,397,969	\$ 11,651,040
Licenses, permits and fees	4,057,819	-	4,057,819
Fines and forfeitures	49,197	-	49,197
Investment earnings	284,434	66,957	351,391
Charges for services	660,447	-	660,447
Developer fees	-	2,186,531	2,186,531
Intergovernmental	26,157	3,984,369	4,010,526
Miscellaneous	404,194	-	404,194
Total revenues	<u>15,735,319</u>	<u>7,635,826</u>	<u>23,371,145</u>
EXPENDITURES:			
Current:			
General government	3,437,388	4,667	3,442,055
Public safety	12,402,161	598,449	13,000,610
Public works	2,053,366	421,003	2,474,369
Community development	675,906	57,964	733,870
Parks and recreation	401,180	21,833	423,013
Capital outlay	11,800	1,631,711	1,643,511
Debt service:			
Interest and fiscal charges	-	7,000	7,000
Total expenditures	<u>18,981,801</u>	<u>2,742,627</u>	<u>21,724,428</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,246,482)</u>	<u>4,893,199</u>	<u>1,646,717</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	2,731,020	550	2,731,570
Transfers out	(81)	(1,408,058)	(1,408,139)
Total other financing sources (uses)	<u>2,730,939</u>	<u>(1,407,508)</u>	<u>1,323,431</u>
NET CHANGES IN FUND BALANCES	(515,543)	3,485,691	2,970,148
FUND BALANCES:			
Beginning of year	1,708,894	14,092,166	15,801,060
End of year	<u>\$ 1,193,351</u>	<u>\$ 17,577,857</u>	<u>\$ 18,771,208</u>

City of Adelanto
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds: \$ 2,970,148

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those capital assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital expenditures exceeded depreciation in the current period:

Capital outlay expenditures, net of \$87 which was expensed	\$ 1,643,598	
Depreciation expense	<u>(2,179,574)</u>	(535,976)

Certain accrued revenues such as grants do not provide current financial resources and therefore, are not reported in the governmental funds as revenues. This is the amount of the net change in these accrued revenue amounts during the current period. (311,746)

Governmental funds report activity of long-term liabilities and contingencies as revenues and expenditures, but they are included as increases and reductions on the long-term liabilities and contingent liabilities in the Statement of Net Position.

Satisfaction of legal liability		166,667
Net change in claims payable		(36,432)

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

Change in compensated absences,		(35,705)
Pension expense, net of pension contribution made after measurement date in the amount of \$99,335		(274,010)
OPEB expense, net of OPEB contribution made after measurement date in the amount of \$203,465		<u>(222,862)</u>

Change in net position of governmental activities **\$ 1,720,084**

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Adelanto
Statement of Net Position
Proprietary Funds
June 30, 2021

	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	Public Utility Authority	Adelanto Community Benefit Corporation	Total
ASSETS			
Current assets:			
Cash and investments	\$ 17,459,508	\$ 66,996	\$ 17,526,504
Accounts receivable, net	2,031,666	1,853	2,033,519
Interest receivable	9,425	-	9,425
Prepaid items	1,407,239	-	1,407,239
Total current assets	<u>20,907,838</u>	<u>68,849</u>	<u>20,976,687</u>
Noncurrent assets:			
Cash and investments with fiscal agent	12,524,172	-	12,524,172
Advances to other funds	2,780,484	-	2,780,484
Successor agency loan receivable	10,635,346	-	10,635,346
Capital assets:			
Capital assets, not being depreciated	8,031,786	-	8,031,786
Capital assets, being depreciated, net	50,866,741	-	50,866,741
Total capital assets	<u>58,898,527</u>	<u>-</u>	<u>58,898,527</u>
Total noncurrent assets	<u>84,838,529</u>	<u>-</u>	<u>84,838,529</u>
Total assets	<u>105,746,367</u>	<u>68,849</u>	<u>105,815,216</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related deferred outflows	191,308	-	191,308
Deferred loss on bond refunding	8,920,609	-	8,920,609
Total deferred outflows of resources	<u>9,111,917</u>	<u>-</u>	<u>9,111,917</u>

(Continued)

City of Adelanto
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2021

	Major Fund	Non-Major Fund	
	Public Utility	Adelanto Community	
	Authority	Benefit Corporation	Total
LIABILITIES			
Current liabilities:			
Accounts payable	588,716	1,853	590,569
Accrued liabilities	57,426	-	57,426
Interest payable	1,751,325	-	1,751,325
Deposits payable	1,221,700	-	1,221,700
Compensated absences, due within one year	16,242	-	16,242
Bonds payable, due within one year	3,160,000	-	3,160,000
Advances from other funds, due in one year	9,239	-	9,239
Total current liabilities	6,804,648	1,853	6,806,501
Noncurrent liabilities:			
Advances from other funds	112,757	-	112,757
Compensated absences, due in more than one year	4,064	-	4,064
Bonds payable, due in more than one year	74,709,092	-	74,709,092
Net pension liability	145,145	-	145,145
Total noncurrent liabilities	74,971,058	-	74,971,058
Total liabilities	81,775,706	1,853	81,777,559
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows	152,148	-	152,148
Total deferred inflows of resources	152,148	-	152,148
NET POSITION			
Net investment in capital assets	(9,142,153)	-	(9,142,153)
Restricted for community benefits	-	66,996	66,996
Unrestricted	42,072,583	-	42,072,583
Total net position	\$ 32,930,430	\$ 66,996	\$ 32,997,426

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City of Adelanto
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Major Fund	Non-Major Fund	
	Public Utility Authority	Adelanto Community Benefit Corporation	Total
OPERATING REVENUES:			
Sales and service charges	\$ 16,023,410	\$ 33,653	\$ 16,057,063
Availability charges	677,759	-	677,759
Connection fees	2,384,790	-	2,384,790
Miscellaneous	611,981	110	612,091
Total operating revenues	19,697,940	33,763	19,731,703
OPERATING EXPENSES:			
General and administrative	1,485,733	2,595	1,488,328
Salaries and benefits	364,017	-	364,017
Contractual services	905,729	-	905,729
Water operations	3,045,636	-	3,045,636
Sewer operations	472,227	985	473,212
Utilities	991,280	-	991,280
Community events	-	20,048	20,048
Depreciation	1,593,604	-	1,593,604
Total operating expenses	8,858,226	23,628	8,881,854
OPERATING INCOME	10,839,714	10,135	10,849,849
NONOPERATING REVENUES (EXPENSES):			
Investment earnings	969,927	177	970,104
Amortization, interest and other nonoperating expenses	(4,414,956)	-	(4,414,956)
Total nonoperating revenues (expenses)	(3,445,029)	177	(3,444,852)
INCOME BEFORE TRANSFERS	7,394,685	10,312	7,404,997
TRANSFERS:			
Transfers out	(1,323,431)	-	(1,323,431)
Total transfers	(1,323,431)	-	(1,323,431)
CHANGES IN NET POSITION	6,071,254	10,312	6,081,566
NET POSITION:			
Beginning of year	26,859,176	56,684	26,915,860
End of year	\$ 32,930,430	\$ 66,996	\$ 32,997,426

City of Adelanto
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Major Fund	Non-Major Fund	
	Public Utility Authority	Adelanto Community Benefit Corporation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 20,693,119	\$ 33,763	\$ 20,726,882
Cash paid to suppliers for goods and services	(7,134,482)	(22,604)	(7,157,086)
Cash paid to employees for services	(208,989)	-	(208,989)
Net cash provided by operating activities	13,349,648	11,159	13,360,807
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Receipts of successor agency loan receivable principal	751,326		
Transfers to other funds	(1,323,431)	-	(1,323,431)
Advances to and payments on interfund advances	(2,566,406)	-	(2,566,406)
Net cash (used in) noncapital financing activities	(3,138,511)	-	(3,889,837)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(731,151)	-	(731,151)
Principal paid on capital debt	(3,030,000)	-	(3,030,000)
Interest paid on capital debt	(3,921,705)	-	(3,921,705)
Net cash (used in) capital and related financing activities	(7,682,856)	-	(7,682,856)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings	1,003,676	177	1,003,853
Net cash provided by investing activities	1,003,676	177	1,003,853
Net increase in cash and cash equivalents	3,531,957	11,336	3,543,293
CASH AND CASH EQUIVALENTS:			
Beginning of year	26,451,723	55,660	26,507,383
End of year	<u>\$ 29,983,680</u>	<u>\$ 66,996</u>	<u>\$ 30,050,676</u>
CASH AND CASH EQUIVALENTS:			
Cash and investments	\$ 17,459,508	\$ 66,996	17,526,504
Cash with fiscal agent	12,524,172	-	12,524,172
Total cash and cash equivalents	<u>\$ 29,983,680</u>	<u>\$ 66,996</u>	<u>\$ 30,050,676</u>

(Continued)

City of Adelanto
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2021

	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	Public Utility	Adelanto Community	
	Authority	Benefit Corporation	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 10,839,714	\$ 10,135	10,849,849
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,593,604	-	1,593,604
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	816,077	-	816,077
(Increase) decrease in prepaid items	89,954	-	89,954
(Increase) decrease in deferred outflows of resources related to pensions	(155,475)	-	(155,475)
Increase (decrease) in accounts payable	99,457	1,024	100,481
Increase (decrease) in accrued liabilities	(285,108)	-	(285,108)
Increase (decrease) in compensated absences	(4,571)	-	(4,571)
Increase (decrease) in deposits payable	89,148	-	89,148
Increase (decrease) in net pension liabilities (assets)	136,245	-	136,245
Increase (decrease) in deferred inflows of resources related to pensions	130,603	-	130,603
Total adjustment	2,509,934	1,024	2,510,958
Net cash provided by operating activities	<u>\$ 13,349,648</u>	<u>\$ 11,159</u>	<u>\$ 13,360,807</u>
Schedule of Noncash Capital and Related Financing Activities			
Amortization of deferred loss on refunding	\$ 573,198	\$ -	\$ 573,198
Amortization of bond premiums and discounts	\$ (147,128)	\$ -	\$ (147,128)
Amortization of prepaid bond insurance	\$ 89,954	\$ -	\$ 89,954

(Concluded)

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FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Adelanto
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Private-Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and investments	\$ 10,662,762	\$ 1,670,445
Cash and investments with fiscal agents	4,836,829	924,149
Interest receivable	3,575	604
Notes receivable	542,355	-
Total assets	<u>16,045,521</u>	<u>2,595,198</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on debt refunding	250,593	-
Total deferred outflows of resources	<u>250,593</u>	<u>-</u>
LIABILITIES		
Accounts payable	454	-
Advance from City	2,773,785	-
Interest payable	819,480	-
Bonds payable	5,827,113	-
Loans payable	23,314,766	-
Other long-term liabilities	45,682,640	-
Total liabilities	<u>78,418,238</u>	<u>-</u>
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	27,857	2,595,198
Held in trust for dissolution of RDA	(62,149,981)	-
Total Net Position (Deficit)	<u><u>\$ (62,122,124)</u></u>	<u><u>\$ 2,595,198</u></u>

City of Adelanto
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS:		
Special assessments for other governments	\$ -	\$ 611,294
RDA property tax trust fund distribution	4,314,936	-
Interest income	120,570	5,338
Miscellaneous	-	11,790
Total additions	<u>4,435,506</u>	<u>628,422</u>
DEDUCTIONS:		
Administration	58,434	1,023
Project payments	24,077	-
Payments on conduit bonds - interest	-	569,657
Interest expense	5,083,373	-
Total deductions	<u>5,165,884</u>	<u>570,680</u>
CHANGE IN NET POSITION	(730,378)	57,742
NET POSITION (DEFICIT):		
Beginning of year	(61,391,746)	2,537,456
End of year	<u>\$ (62,122,124)</u>	<u>\$ 2,595,198</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Adelanto
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For the Year Ended June 30, 2021

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City of Adelanto
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For the Year Ended June 30, 2021

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City of Adelanto
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

The basic financial statements of the City of Adelanto, California (the “City”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting standards in the United States. The more significant of the City’s accounting policies are described below.

A. Financial Reporting Entity

The City was incorporated on December 22, 1970, under the laws of the State of California and enjoys all the rights and privileges applicable to a general law city. The City is governed by an elected five member City Council. The City provides a variety of services including general administration, public safety, street maintenance, community development, parks and recreation, and providing water and wastewater services.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Blended Component Units

The financial reporting entity consists of the primary government, the City, and its component units. Component units are legally separate entities for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Although the following are legally separate from the City, they have been “blended” as though they are part of the City because the component unit’s governing body is substantially the same as the City’s and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component unit; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

Adelanto Public Financing Authority

The Adelanto Public Financing Authority (the “Financing Authority”) was established pursuant to a Joint Powers Agreement dated September 12, 1989, by and between the City and the now dissolved Adelanto Redevelopment Agency in accordance with the provisions of the laws of the State of California. The Financing Authority was created for the purpose of providing financing for public capital improvements for the City and the Financing Agency through the acquisition by the Financing Authority of such public capital improvements and/or the purchase by the Authority of local obligations.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Blended Component Units (Continued)

Adelanto Public Utility Authority

The Adelanto Public Utility Authority (the “Utility Authority”) was formed by action of the City Council on October 22, 1996. The Utility Authority was formed for the purpose of purchasing and operating the City’s wastewater operations. In conjunction with that purchase, the Utility Authority issued bonds to finance the down payment to the City and the construction of a wastewater treatment plant. The Utility Authority also issued a note payable to the City to finance the purchase of the existing wastewater assets. During February of 2000, the Utility Authority entered into a purchase agreement with the Adelanto Water Authority to purchase the Adelanto Water Authority’s water system. The purchase price consisted of amounts sufficient to refund all the outstanding prior water bonds and assumptions of the Adelanto Water Authority’s obligations under the original agreement dated January 9, 1996, under which the Water Authority was formed by the City. The Utility Authority issues separate component unit financial statements. The other component units do not have separately issued financial statements. The financial statements of the component units can be obtained at City Hall.

B. Basis of Accounting and Measurement Focus

Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered 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. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Government - Wide Financial Statements

The City’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government - Wide Financial Statements (Continued)

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in Net Position as presented in these statements to the Net Position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except for that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed from the Balance Sheet and revenue is recognized.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences.

The City reports the following major Governmental Fund:

General Fund - The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following Proprietary Funds:

The *Public Utility Authority Enterprise Fund* (a major fund) is used to account for the operation and maintenance of the wastewater and water system within the City's boundaries.

The *Adelanto Community Benefit Corporation Enterprise Fund* (a nonmajor fund) is used to account for the activities of the City's nonprofit public benefit corporation that provides for community activities and coordinates beautification and other community enhancement opportunities.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent agency funds and private purpose trust funds. Both custodial funds and the private purpose trust funds are accounted for on the full accrual basis of accounting.

Fiduciary fund types are accounted for according to the nature of the fund. The City's Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.. They are used to account for various assessment districts for which the City acts as an agent for debt service activity, as the City is prohibited from levying additional taxes for these districts. Such funds include Assessment District 1A and Community Facilities District 2006-2 Bond Fund.

The City's private purpose trust fund is a fiduciary fund type used by the City to report assets, liabilities and activities of the Successor Agency to the Redevelopment Agency (Successor Agency) for the City and Luetke Foundation. Its results of operations are presented on the Statement of Changes of Fiduciary Net Position.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Successor Agency of the Redevelopment Agency for the City of Adelanto

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Adelanto (City) that previously had reported a redevelopment agency within the reporting entity as a blended component unit. The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 12-001. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs that State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Luetke Foundation

The purposes were providing general education scholarships for residents of the City, education and/or training for youth fire explorers posted in the City volunteering to become trained firefighters, and training and/or education of the city code enforcement officer, in particular for education regarding arson and fire related nuisance abatement

C. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

Certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

C. Cash, Cash Equivalents and Investments (Continued)

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset-backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-backed Securities are subject to market risk as to change in interest rates.

For purpose of the statement of cash flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all cash and investments with fiscal agent as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

U.S. GAAP establishes a framework for measuring fair value, and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

D. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines and other fees. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

E. Prepaid Items

Certain payments to vendors applicable to future accounting periods are recorded as prepaid items. Prepaid items do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is shown as nonspendable.

F. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” or “advances to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Governmental-Wide Financial Statements as “internal balances.”

G. Restricted Assets

Certain proceeds of the City’s long-term debt, as well as certain resources set aside for its repayment, are classified as restricted assets on the financial statements because they are maintained in separate blank accounts and their use is limited by applicable bond covenants.

In the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, these bond monies may be invested in accordance with the ordinance; resolutions, and indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions, and indentures are generally more restrictive than the City’s general investment policy. In no instance have additional types of investments been authorized that are not permitted by the City’s general investment policy.

H. Capital Assets

Capital assets, which include land, buildings, improvements, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Gifts or contributions of capital assets are recorded at acquisition value when received. City policy has set the capitalization threshold for reporting capital assets at \$5,000 if they have an expected useful life of 2 years or more. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Assets	Years
Buildings and Improvements	10 to 50
Machinery, Furniture, and Equipment	5 to 30
Vehicles	8 to 10
Infrastructure	15 to 65

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include:

- Street system
- Site amenities such as parking and landscaped areas used by the City in the conduct of its business

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

H. Capital Assets (Continued)

Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land. These subsystems were not delineated in the Basic Financial Statements. The appropriate operating department maintains information regarding the subsystems.

For all infrastructure systems, the City elected to use the Basic Approach for infrastructure reporting. Estimated historical costs were developed in one of three ways: (1) historical records; (2) standard unit costs appropriate for the construction/acquisition date; or (3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the estimated historical cost.

Interest accrued during capital assets construction, if any, is capitalized for the Business-type Activities and Proprietary Funds as part of the asset cost.

I. Interest Payable

In the Government-Wide Financial Statements, interest payable of long-term debt is recognized as the liability is incurred for Governmental Fund types and Proprietary Fund types.

In the Fund Financial Statements, Proprietary Fund types recognize the interest payable when the liability is incurred.

J. Unearned Revenues

In the Government-Wide Financial Statements, unearned revenues is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the Government-Wide Financial Statements are prepaid charges for services.

In the Fund Financial Statements, unearned revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unearned revenue for transactions for which revenues have not been earned, or for which funds are not available to meet current financial obligations. Typical transactions for which unearned revenue is recorded are grants received but not yet earned interest on interfund advances receivable, long-term assessments and loans receivable.

K. 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 has been incurred prior to fiscal year end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated.

L. Compensated Absences

The City has compensated absences of regular vacation (for all departments) and sick leave (for selected departments based on contractual agreements) which are accounted for in accordance with U.S. GAAP. The City's liability for vested and unpaid compensated absences that exceed expendable available financial resources for governmental fund types is reported in the Government-Wide Financial Statements.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

L. Compensated Absences (Continued)

Compensated absences liabilities of governmental activities are generally liquidated by the General Fund, while the amounts recorded in the business-type activities are liquidated by the fund that originally incurred the expense.

M. Bond Premiums and Discounts

For governmental fund statements, bond premiums and discounts are recognized during the current period. Bond proceeds are reported as other financing sources of the applicable premium or discount.

For government-wide and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the bonds using a straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

N. Long-Term Debt

Government-Wide Financial Statements

Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities.

Fund Financial Statements

The Governmental Fund Financial Statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Proprietary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 10). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

P. Other Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 11).

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the sources of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Q. Deferred Outflows/Inflows of Resources

The Statement and Net Position and the Balance Sheet report separate sections for deferred outflows of resources, and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets that applies to future periods.

Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods.

R. Net Position

In the Government-Wide Financial Statements and the proprietary fund financial statements, Net Position are classified in the following categories:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of debt and deferred gain on refinancing that are attributed to the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred outflows/inflows of resources related to those assets.

Unrestricted - This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

S. Fund Balances

In the Governmental Fund Financial Statements fund balances are classified in the following categories:

Nonspendable - Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted - Restricted fund balances encompass the portion of net resources subject to externally enforceable legal restrictions. This includes externally restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed - Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself (resolution or ordinance) at its highest level of decision making, normally the governing body and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City.

Assigned - Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized the City Manager and the Director of Finance for that purpose. The City Council may also assign fund balance, however, unlike commitments, assignments generally only exist temporarily, and additional action does not normally have to be taken for the removal of an assignment.

Unassigned - These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other categories, or negative balances in all other funds.

T. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When an expense is incurred for purposes for which both restricted and unrestricted Net Position are available, the City's policy is to apply restricted Net Position first.

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which all restricted, committed, assigned and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

U. Property Taxes

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	January 1st	
Levy Date	July 1st to June 30th	
Due Date	November 1st	- 1st Installment
	February 1st	- 2nd Installment
Delinquent Date	December 10th	- 1st Installment
	April 10th	- 2nd Installment

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 prescribed by the state statutes. A delinquency penalty of 10 percent is assessed by the County of San Bernardino. If taxes become delinquent, subject properties may be deeded to the State and may be sold by the County for taxes plus a 1.5 percent per month redemption fee.

V. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

W. New Governmental Accounting Standards Implemented

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2021. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests— An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The application of this statement did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2021.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

W. New Governmental Accounting Standards Implemented (Continued)

GASB Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

GASB Statement No. 98

The Annual Comprehensive Financial Report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Those provision are effective for fiscal years ending after December 15, 2021. The City has elected early implementation of this statement. Application of this statement did not have a material effect on the City’s financial statements for the fiscal year ending June 30, 2021.

Note 2 – Cash and Investments

The following is a summary of pooled cash and investments, including cash and investments with fiscal agents at June 30, 2021.

	Primary Government		Fiduciary	
	Governmental	Business-type	Funds	Total
	Activities	Activities		
Cash and investments	\$ 18,231,332	\$ 17,526,504	\$ 12,333,207	\$ 48,091,043
Cash and investments with fiscal agents	606,594	12,524,172	5,760,978	18,891,744
Total cash and investments	\$ 18,837,926	\$ 30,050,676	\$ 18,094,185	\$ 66,982,787

Cash and investments consisted of the following at June 30, 2021:

Cash on hand	\$ 4,350
Deposits with financial institutions	20,249,376
Investments	46,729,061
Total cash and investments	\$ 66,982,787

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

A. Deposits

At June 30, 2021, the carrying amount of the City's deposits was \$20,249,376 and the bank balances were \$21,562,815. The total bank balance was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

B. Investments

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

The following table 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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	None
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Banker's Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	10%
Certificate of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities			
Lending Agreements	92 days	20%	None
Medium-term Corporate Notes	5 years	30%	None
Mutual Funds and Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	None

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.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

C. Risks Disclosures

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy provides that final maturities of securities cannot exceed five years. However, under the investment policy, reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds. Specific maturities of investments depend on liquidity needs. At June 30, 2021, the City's pooled cash and investments had the following maturities:

Investment Type	Total	Remaining Maturity		
		1 Year or Less	1 Year to 5 Years	More than 5 Years
Local Agency Investment Funds (LAIF)	\$ 28,190,492	\$ 28,190,492	\$ -	\$ -
California Community Foundation Investment Pool	37,805	37,805	-	-
Held by fiscal agent:				
Money market mutual funds	16,952,957	16,952,957	-	-
Investment contracts	1,547,807	-	-	1,547,807
Total investments	\$ 46,729,061	\$ 45,181,254	\$ -	\$ 1,547,807

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 or debt agreements, and the actual rating as of the fiscal year for each investment type.

Investment Type	Total	Rating as of Year End		
		AAA	AAA/AA+	Not Rated
Local Agency Investment Funds (LAIF)	\$ 28,190,492	\$ -	\$ -	\$ 28,190,492
California Community Foundation Investment Pool	37,805	-	-	37,805
Held by fiscal agent:				
Money market mutual funds	16,952,957	-	-	16,952,957
Investment contracts	1,547,807	-	-	1,547,807
Total investments	\$ 46,729,061	\$ -	\$ -	\$ 46,729,061

Concentration of Credit Risk

The investment policy of the City contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. 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 the total City investments.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

C. Risks Disclosures (Continued)

Custodial Credit Risk

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 government units by pledging securities in an undivided collateral pool held by 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 deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

D. External Investment Pool

The City's investments with LAIF at June 30, 2021, included a small portion of the pooled funds invested in Structured Notes and Asset-Backed Securities. These investments may include the following:

Structured Notes – debt securities (other than asset-back securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities – generally mortgage-backed securities which entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

As of June 30, 2021, the City had \$28,190,492 invested in LAIF, which had invested 2.31% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF as of June 30, 2021, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value. The credit quality rating of LAIF is unrated as of June 30, 2021.

E. California Community Foundation Investment Pool

The City's investments with California Community Foundation Investment Pool for the Chief John Luetke Educational Fund at June 30, 2010. The City administers an endowment private-purpose trust fund, which is restricted by the donor for the purposes of generating enough funds from earned interest to donate funds on behalf of the Chief John Luetke Educational Fund towards investing in local education. Donor-restricted endowments are reported at fair value. The amount of net appreciation on investments of the donor-restricted endowment that is available for authorization for expenditure by the City is \$37,805 at June 30, 2021. The City authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor and with approval of the City Council.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

F. Fair Value Measurements

Fair value of assets measured on a recurring basis at June 30, 2021, are as follows:

Investments not subject to the fair value hierarchy:	
Local Agency Investment Funds (LAIF)	\$ 28,190,492
California Community Foundation Investment Pool	37,805
Money market mutual funds	16,952,957
Investment contracts	1,547,807
Total investments not subject to the fair value hierarchy	46,729,061
Total investments	\$ 46,729,061

Note 3 – Interfund Balances and Transactions

A. Due to/Due from Other Funds

Amounts due to/from other funds represent short-term loans between funds to assist in covering current fiscal year expenditures (expenses). As of June 30, 2021, interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Road Maintenance & Rehabilitation SB -1	\$ 47,783	Overdrawn Cash
General Fund	Federal Grants Special Revenue Fund	755,814	Overdrawn Cash
General Fund	State/County Grants Special Revenue Fund	725,121	Overdrawn Cash
General Fund	Community Development Block Grant Special Revenue Fund	56,079	Overdrawn Cash
General Fund	Traffic Offender Special Revenue Fund	3,405	Overdrawn Cash
	Total	\$ 1,588,202	

Current interfund balances arise in the normal course of operations to cover cash shortages and are expected to be repaid shortly after the end of the fiscal year.

B. Transfers In/Out

Interfund transfers for the year ended June 30, 2021 were as follows:

Transfers In	Transfers Out	Amount	Purpose
Drainage Impact Special Revenue Fund	General Fund	81	Reimbursement
Drainage Impact Special Revenue Fund	Public Utility Authority Enterprise Fund	469	Reimbursement
	Subtotal	550	
General Fund	Gas Tax Special Revenue Fund	680,000	Financing program services
General Fund	Federal Grant Special Revenue Fund	253,238	Financing program services
General Fund	Road Maintenance & Rehabilitation SB-1 Special Revenue Fund		Financing program services
General Fund	Public Safety 1/2 Cent Special Revenue Fund	120,000	Financing program services
General Fund	Traffic Offender Special Revenue Fund		Financing program services
General Fund	COPS Grant Special Revenue Fund	125,000	Financing program services
General Fund	Communities Facilities District Special Revenue Fund	13,968	Financing program services
General Fund	LLMA Annexation Special Revenue Fund	215,852	Financing program services
General Fund	Public Utility Authority Enterprise Fund	1,322,962	Interest on interfund advance
	Subtotal	2,731,020	
	Total	\$ 2,731,570	

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 3 – Interfund Balances and Transactions (Continued)

C. Long-Term Advances

At June 30, 2021, the balances of long-term advances were as follows:

Advances From	Advances To	Amount	Purpose
Drainage Impact Special Revenue Fund	General Fund	\$ 74,771	Interfund advance agreement
Drainage Impact Special Revenue Fund	General Fund	1,863,537	Operating loan
Drainage Impact Special Revenue Fund	General Fund	2,147,381	Operating loan
Park development Special Revenue Fund	General Fund	1,000,000	Operating loan
Traffic Impact Special Revenue Fund	General Fund	1,570,764	Operating loan
Public Utility Authority Enterprise Fund	General Fund	2,780,484	Operating loan
		<u>9,436,937</u>	
Drainage Impact Special Revenue Fund	Public Utility Authority Enterprise Fund	121,996	Interfund advance agreement
	Total	<u><u>\$ 9,558,933</u></u>	

Interfund Advance Agreements

On November 12, 2013, an inter-fund loan agreement of \$300,000 was approved by the City. The Drainage Impact Special Revenue Fund loaned the General Fund \$114,000 and the Public Utility Authority \$186,000 for their respective portion on the purchase of financial and billing software. Interest on the loans accrues at an interest rate of 0.26% (LAIF interest rate as of the effective date). Payments are due annually of \$5,857 from the General Fund and \$9,556 from the Public Utility Authority. The outstanding balances are \$74,771 from the General Fund and \$121,996 from the Public Utility Authority as of June 30, 2021.

The future scheduled advance repayments are as of follows:

General Fund - Interfund advance agreement			
Year Ending June 30,	Principal	Interest	Total
2022	\$ 5,662	\$ 194	\$ 5,856
2023	5,677	180	5,857
2024	5,692	165	5,857
2025	5,707	150	5,857
2026	5,722	135	5,857
2026-2031	28,833	452	29,285
2032-2034	17,478	93	17,571
Total	<u>\$ 74,771</u>	<u>\$ 1,369</u>	<u>\$ 76,140</u>

Drainage Impact Fund - Interfund advance agreement			
Year Ending June 30,	Principal	Interest	Total
2022	\$ 9,239	\$ 317	\$ 9,556
2023	9,263	293	9,556
2024	9,287	269	9,556
2025	9,311	245	9,556
2026	9,335	221	9,556
2026-2031	47,042	738	47,780
2032-2034	28,519	149	28,668
Total	<u>\$ 121,996</u>	<u>\$ 2,232</u>	<u>\$ 124,228</u>

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 3 – Interfund Balances and Transactions (Continued)

C. Long-Term Advances (Continued)

Operating Loans

The General Fund has two operating loans totaling \$4,010,918 from the Drain Impact Special Revenue Fund.

The \$1,863,537 operating loan accrues at an interest rate of 2.34% (LAIF interest rate as of the effective date). Payments are due annually from the General Fund. The outstanding balance is \$1,863,537 from the General Fund as of June 30, 2021.

The future scheduled advance repayments are as of follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ -	\$ 43,625	\$ 43,625
2023	-	43,625	43,625
2024	-	43,625	43,625
2025	-	43,625	43,625
2026	124,236	43,625	167,861
2027-2031	621,179	174,502	795,681
2032-2036	621,179	101,793	722,972
2037-2040	496,943	29,084	526,027
Total	\$ 1,863,537	\$ 523,504	\$ 2,387,041

The \$2,147,381 operating loan accrues at an interest rate of 0.784% (LAIF interest rate as of the effective date). Payments are due annually from the General Fund. The outstanding balance is \$2,147,381 from the General Fund as of June 30, 2021.

The future scheduled advance repayments are as of follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ -	\$ 16,835	\$ 16,835
2023	-	16,835	16,835
2024	-	16,835	16,835
2025	-	16,835	16,835
2026	-	16,835	16,835
2027-2031	715,794	72,953	788,747
2032-2036	715,794	44,894	760,688
2037-2040	715,793	16,835	732,628
Total	\$ 2,147,381	\$ 218,857	\$ 2,366,238

The General Fund has an operating loan of \$1,000,000 from the Park Development Special Revenue Fund. Interest accrues at an interest rate of 0.784% (LAIF interest rate as of the effective date). Payments are due annually from the General Fund. The outstanding balance is \$1,000,000 from the General Fund as of June 30, 2021.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 3 – Interfund Balances and Transactions (Continued)

C. Long-Term Advances (Continued)

Operating Loans (Continued)

The future scheduled advance repayments are as of follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ -	\$ 7,840	\$ 7,840
2023	-	7,840	7,840
2024	-	7,840	7,840
2025	-	7,840	7,840
2026	-	7,840	7,840
2027-2031	333,333	33,974	367,307
2032-2036	333,334	20,907	354,241
2037-2040	333,333	7,840	341,173
Total	<u>\$ 1,000,000</u>	<u>\$ 101,921</u>	<u>\$ 1,101,921</u>

The General Fund has an operating loan of \$1,570,764 from the Traffic Impact Special Revenue Fund. Interest accrues at an interest rate of 0.784% (LAIF interest rate as of the effective date). Payments are due annually from the General Fund. The outstanding balance is \$1,570,764 from the General Fund as of June 30, 2021.

The future scheduled advance repayments are as of follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ -	\$ 12,315	\$ 12,315
2023	-	12,315	12,315
2024	-	12,315	12,315
2025	-	12,315	12,315
2026	-	12,315	12,315
2027-2031	523,588	53,365	576,953
2032-2036	523,588	32,840	556,428
2037-2040	523,588	12,315	535,903
Total	<u>\$ 1,570,764</u>	<u>\$ 160,095</u>	<u>\$ 1,730,859</u>

The General Fund has an operating loan of \$2,780,484 from the Public Utility Authority Enterprise Fund. This operating loan is not expected to be repaid within a year and has no minimum required repayments or interest accrued on the loan.

Wastewater System Purchase Note. On November 1, 1996, the Adelanto Public Utility Authority entered into a purchase agreement with the City to purchase the City's wastewater operations. The Authority issued a note payable in the amount of \$10,267,874, with accrued interest at 7.5% per annum. On January 26, 1998, the governing Board of the Authority and the City Council agreed to amend the purchase note on a retroactive basis to eliminate any accrual of interest payable to the City until such time as all outstanding bonds are repaid, which at that time was scheduled for November 1, 2026. As per this agreement, any unpaid balance at that time will accrue interest at 7.5%. In September 2005, the interest rate was amended to accrue on the unpaid balance at the rate of 5.0% per annum. Payments on the note payable are due quarterly each year. The outstanding balance on the Wastewater System Purchase Note was paid in full at June 30, 2021.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 4 – Advances to Fiduciary Funds

Due from fiduciary funds as of June 30, 2021, was as follows:

DUE TO CITY/DUE FROM FIDUCIARY FUNDS

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Luetke Foundation Private Purpose Trust Fund	\$ 9,948	Reimbursement
General Fund	Successor Agency Private Purpose Trust Fund	2,763,837	Advances
	Total	\$ 2,773,785	

The advances between the City and the Luetke Foundation Private Purpose Trust Fund were to provide the Foundation with funding for projects and have no stated interest rate. There is no future minimum debt service requirement as repayment will be made when funds are available. The outstanding balance of the advance was \$9,948 as of June 30, 2021.

The advances between the City of Adelanto and the Successor Agency were to provide the Successor Agency with funding for projects and have no stated interest rate. There is no future minimum debt service requirement as repayment will be made when funds are available. The outstanding balance of the advance was \$2,763,837 as of June 30, 2021.

Note 5 – Notes and Loans Receivable

Loan Receivable – Public Utility Authority Enterprise Fund

The Adelanto Public Utility Authority purchased the Adelanto Public Financing Authority (“PFA”) Local Agency Third Subordinated Revenue Bonds, 1995 Series C. These bonds are considered conduit debt (See Note 8) of the Adelanto PFA since the bond is secured from the loans with the Adelanto Improvement Agency. As of February 1, 2012, the Adelanto Improvement Agency was dissolved and the Successor Agency of the Adelanto Improvement Agency oversees the remaining activities of the former Adelanto Improvement Agency. Since the Adelanto PFA bonds are considered conduit debt, these amounts are reflected as loans receivable in the Statement of Net Position for the Public Utility Authority Enterprise Fund. The outstanding balance of these loans is \$10,635,346. This amount includes \$8,975,786 of accreted interest.

Notes Receivable – Successor Agency Private Purpose Trust Fund

The notes receivable consists of mostly agreements for the sale of land parcels by the former Adelanto Improvement Agency. Interest on the agreements varies from no interest to 5% per annum. The outstanding balance of notes receivable was \$542,355 as of June 30, 2021.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Capital Assets

A. Governmental Activities

Summary of changes in capital assets for governmental activities for the year ended June 30, 2021 are as follows:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital assets, not being depreciated:					
Land and rights of way	\$ 16,986,300	\$ 38,000	\$ -	\$ -	\$ 17,024,300
Total capital assets, not being depreciated	16,986,300	38,000	-	-	17,024,300
Capital assets, being depreciated:					
Buildings and improvements	13,038,362	11,800	-	-	13,050,162
Machinery and equipment	1,724,784	37,238	-	-	1,762,022
Vehicles	2,277,978	306,283	-	-	2,584,261
Infrastructure	107,885,302	1,250,277	-	-	109,135,579
Total capital assets, being depreciated	124,926,426	1,605,598	-	-	126,532,024
Less accumulated depreciation for:					
Buildings and improvements	(7,899,261)	(287,665)	-	-	(8,186,926)
Machinery and equipment	(1,595,879)	(33,700)	-	-	(1,629,579)
Vehicles	(2,001,643)	(47,059)	-	-	(2,048,702)
Infrastructure	(57,716,026)	(1,811,150)	-	-	(59,527,176)
Total accumulated depreciation	(69,212,809)	(2,179,574)	-	-	(71,392,383)
Total capital assets, being depreciated, net	55,713,617	(573,976)	-	-	55,139,641
Capital assets, net	\$ 72,699,917	\$ (535,976)	\$ -	\$ -	\$ 72,163,941

Depreciation expense was charged to functions/programs as follows:

General government	\$ 103,425
Public safety	51,972
Public works	1,896,738
Parks and recreation	127,439
Total depreciation expense	\$ 2,179,574

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Capital Assets (Continued)

B. Business-Type Activities

Summary of changes in capital assets for business-type activities for the year ended June 30, 2021 are as follows:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital assets, not being depreciated:					
Land and rights of way	\$ 908,300	\$ -	\$ -	\$ -	\$ 908,300
Water rights	7,000,800	-	-	-	7,000,800
Construction in progress	242,437	122,687	-	(242,438)	122,686
Total capital assets, not being depreciated	8,151,537	122,687	-	(242,438)	8,031,786
Capital assets, being depreciated:					
Buildings and improvements	20,984,501	-	-	-	20,984,501
Machinery and equipment	8,811,489	-	-	-	8,811,489
Computer equipment	341,081	-	-	-	341,081
Vehicles	32,325	-	-	-	32,325
Infrastructure	49,945,118	608,464	-	242,438	50,796,020
Total capital assets, being depreciated	80,114,514	608,464	-	242,438	80,965,416
Less accumulated depreciation for:					
Buildings and improvements	(8,645,189)	(414,277)	-	-	(9,059,466)
Machinery and equipment	(4,508,651)	(286,280)	-	-	(4,794,931)
Computer equipment	(204,648)	(68,216)	-	-	(272,864)
Vehicles	(9,697)	(3,233)	-	-	(12,930)
Infrastructure	(15,136,886)	(821,598)	-	-	(15,958,484)
Total accumulated depreciation	(28,505,071)	(1,593,604)	-	-	(30,098,675)
Total capital assets, being depreciated, net	51,609,443	(985,140)	-	242,438	50,866,741
Capital assets, net	\$ 59,760,980	\$ (862,453)	\$ -	\$ -	\$ 58,898,527

Depreciation expense for business-type activities for the year ended June 30, 2021 was \$1,593,604.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Long-Term Debt

A. Governmental Activities

Summary of changes in governmental activities long-term debt for the year ended June 30, 2021 are as follows:

	Original Issuance	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year	Due in More Than One Year
Governmental Activities:							
Direct Borrowings:							
Note Payable	\$ 140,000	\$ 140,000	\$ -	\$ -	\$ 140,000	\$ 140,000	\$ -
Total governmental activities	<u>\$ 140,000</u>	<u>\$ 140,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,000</u>	<u>\$ 140,000</u>	<u>\$ -</u>

Notes Payable

On October 29, 2018, the City entered into a note payable with Sovel Group, LLC for the purchase of property near the Adelanto Stadium. Interest on the note payable accrues at a rate of 5.00% per annum. Principal on the note payable is due three years from the agreement date with interest paid in semi-annual payments. The outstanding balance on the note payable is \$140,000 at June 30, 2021.

The future debt service requirements for the notes payable are as follows:

Year Ending June 30	Principal	Interest	Total
2022	<u>\$ 140,000</u>	<u>\$ 3,500</u>	<u>\$ 143,500</u>

B. Business-Type Activities

Summary of changes in business-type activities long-term debt for the year ended June 30, 2021 are as follows:

	Original Issuance	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year	Due In More Than One Year
Business-Type Activities:							
Public Borrowings:							
2014A Fixed Rate Revenue Bonds	\$ 14,130,000	\$ 10,440,000	\$ -	\$ (855,000)	\$ 9,585,000	\$ 900,000	\$ 8,685,000
Add: Bond Premium		272,166	-	(14,325)	257,841	-	257,841
2017A Fixed Rate Refunding Bonds	29,145,000	29,145,000	-	(645,000)	28,500,000	645,000	27,855,000
Add: Bond Premium		2,978,317	-	(156,754)	2,821,563	-	2,821,563
2017B Fixed Rate Refunding Bonds	7,015,000	38,570,000	-	(1,530,000)	37,040,000	1,615,000	35,425,000
Subtract: Bond Discount		(359,263)	-	23,951	(335,312)	-	(335,312)
Total business-type activities	<u>\$ 50,290,000</u>	<u>\$ 81,046,220</u>	<u>\$ -</u>	<u>\$ (3,177,128)</u>	<u>\$ 77,869,092</u>	<u>\$ 3,160,000</u>	<u>\$ 74,709,092</u>

Fixed Rate Revenue Bonds, 2014 Series A

On or about December 30, 2014, the Adelanto Public Utility Authority issued \$14,130,000 Fixed Rate Revenue Bonds, 2014 Series A, to pay costs related to a legal settlement with Ambac Assurance Corporation and to finance certain capital improvements. Interest on the bonds is payable July 1st and January 1st of each year. Interest on the bonds accrues at rate of 4.00% and 5.00% per annum. Principal on the serial bonds are payable in annual installments, ranging from \$265,000 to \$1,045,000, commencing July 1, 2015 through July 1, 2039. The balance in the debt service reserve account as of June 30, 2021, is \$1,176,541, which is sufficient to cover the Bond Indenture Reserve Requirement.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

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

Year Ending June 30	Principal	Interest	Total
2022	\$ 900,000	\$ 456,750	\$ 1,356,750
2023	940,000	410,750	1,350,750
2024	990,000	362,500	1,352,500
2025	1,045,000	311,625	1,356,625
2026	265,000	278,875	543,875
2027-2031	1,525,000	1,178,125	2,703,125
2032-2036	1,955,000	745,125	2,700,125
2037-2040	1,965,000	202,875	2,167,875
Total	<u>\$ 9,585,000</u>	<u>\$ 3,946,625</u>	<u>\$ 13,531,625</u>

Revenues Pledged

The Authority has pledged a portion of water and wastewater revenues to repay the 2014 Series A Fixed Rate Revenue Bonds. The bond is secured solely by water and wastewater operating revenues. Total principal and interest remaining on the bond is \$13,531,625 payable through fiscal year 2040. For the current year, principal and interest paid by the water and wastewater operating revenues was \$855,000 and \$500,625.

Fixed Rate Revenue Refunding Bonds, 2017 Series A

On or about December 28, 2017, the Adelanto Public Utility Authority issued \$29,145,000 Fixed Rate Refunding Revenue Bonds, 2017 Series A, to refund a portion of the Authority's Fixed Rate Refunding Revenue Bonds, 2009 Series A. Interest on the bonds is payable July 1st and January 1st of each year. Interest on the bonds accrues at rate of 5.00% per annum. Principal on the serial bonds are payable in annual installments, ranging from \$595,000 to \$5,150,000, commencing July 1, 2020 through July 1, 2039.

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

Year Ending June 30	Principal	Interest	Total
2022	\$ 645,000	\$ 1,408,875	\$ 2,053,875
2023	645,000	1,376,625	2,021,625
2024	645,000	1,344,375	1,989,375
2025	640,000	1,312,250	1,952,250
2026	635,000	1,280,375	1,915,375
2027-2031	3,135,000	5,930,625	9,065,625
2032-2036	3,040,000	5,155,500	8,195,500
2037-2040	19,115,000	1,972,375	21,087,375
Total	<u>\$ 28,500,000</u>	<u>\$ 19,781,000</u>	<u>\$ 48,281,000</u>

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Revenues Pledged

The Authority has pledged a portion of water and wastewater revenues to repay the 2017 Series A Fixed Rate Revenue Refunding Bonds. The bond is secured solely by water and wastewater operating revenues. Total principal and interest remaining on the bond is \$48,281,000 payable through fiscal year 2040. For the current year, principal and interest paid by the water and wastewater operating revenues was \$645,000 and \$1,457,250.

Fixed Rate Revenue Refunding Bonds, 2017 Series B

On or about December 28, 2017, the Adelanto Public Utility Authority issued \$41,710,000 Fixed Rate Refunding Revenue Bonds, 2017 Series B, to refund a portion of the Authority's Fixed Rate Refunding Revenue Bonds, 2009 Series A. Interest on the bonds is payable July 1st and January 1st of each year. Interest on the bonds accrues at rate of 3% to 4.75% per annum. Principal on the serial bonds are payable in annual installments, ranging from \$1,455,000 to \$3,610,000, commencing July 1, 2018 through July 1, 2035.

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

Year Ending June 30	Principal	Interest	Total
2022	\$ 1,615,000	\$ 1,572,156	\$ 3,187,156
2023	1,700,000	1,516,163	3,216,163
2024	1,795,000	1,453,878	3,248,878
2025	1,895,000	1,385,813	3,280,813
2026	2,005,000	1,311,434	3,316,434
2027-2031	11,950,000	5,171,734	17,121,734
2032-2036	16,080,000	1,992,785	18,072,785
Total	<u>\$ 37,040,000</u>	<u>\$ 14,403,963</u>	<u>\$ 51,443,963</u>

The Authority has pledged a portion of water and wastewater revenues to repay the 2017 Series B Fixed Rate Revenue Refunding Bonds. The bond is secured solely by water and wastewater operating revenues. Total principal and interest remaining on the bond is \$51,443,963 payable through fiscal year 2036. For the current year, principal and interest paid by the water and wastewater operating revenues was \$1,530,000 and \$1,650,038.

Defeased Debt

Fixed Rate Refunding Revenue Bonds, 2009 Series A

On or about December 28, 2017, the Adelanto Public Utility Authority issued \$29,145,000 Fixed Rate Refunding Revenue Bonds, 2017 Series A with an interest rate of 5% and \$41,710,000 Fixed Rate Refunding Revenue Bonds, 2017 Series B with interest rates of 3% to 4.75% to advance refund the Fixed Rate Refunding Revenue Bonds, 2009 Series A. The net proceeds were deposited in an irrevocable trust to provide funds for the future debt service payment on the refunded bonds. Accordingly, those trust account assets and the liability for those defeased bonds are not included in the Authority's financial statements. At June 30, 2021, \$64,230,000 of defeased bonds remain outstanding.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Funds

Summary of changes in fiduciary funds long-term debt for the year ended June 30, 2021 are as follows:

	Original Issuance	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year	Due In More Than One Year
Successory Agency:							
Tax Allocation Bonds:							
Public Borrowings:							
1993B Tax Allocation Bonds	\$ 15,095,983	\$ 4,295,000	\$ -	\$ (990,000)	\$ 3,305,000	\$ 1,045,000	\$ 2,260,000
2007 Tax Allocation Bonds	3,560,000	2,705,000	-	(90,000)	2,615,000	95,000	2,520,000
Subtract: Bond Discount		(121,088)	-	28,201	(92,887)	-	(92,887)
Total Tax Allocation Bonds	18,655,983	6,878,912	-	(1,051,799)	5,827,113	1,140,000	4,687,113
Loans Payable:							
Direct Borrowings:							
1995A Local Agency Taxable Subordinated Revenue Bonds	7,400,000	2,460,000	-	-	2,460,000	-	2,460,000
1995B Local Agency 2nd Subordinated Revenue Bonds	17,560,000	10,795,000	-	(535,000)	10,260,000	565,000	9,695,000
1995C Local Agency 3rd Subordinated Revenue Bonds	11,786,856	11,428,762	857,157	(1,650,573)	10,635,346	1,706,674	8,928,672
Subtract: Loan Discount		(47,157)	-	6,577	(40,580)	-	(40,580)
Total Loans Payable	36,746,856	24,636,605	857,157	(2,178,996)	23,314,766	2,271,674	21,043,092
Other Long-Term Liabilities:							
Direct Borrowings:							
Intermountain Power Agency Settlement Agreement	1,989,390	1,989,390	-	-	1,989,390	-	1,989,390
San Bernardino County Tax Increment Loans - Loan Portion	n/a	13,356,686	-	-	13,356,686	-	13,356,686
San Bernardino County Tax Increment Loans - Accrued Interest Portion	n/a	27,468,217	2,868,347	-	30,336,564	-	30,336,564
Total Other Long-Term Liabilities	1,989,390	42,814,293	2,868,347	-	45,682,640	-	45,682,640
Total Successor Agency	\$ 57,392,229	\$ 74,329,810	\$ 3,725,504	\$ (3,230,795)	\$ 74,824,519	\$ 3,411,674	\$ 71,412,845

Tax Allocations Bonds

Adelanto Improvement Project Tax Allocation Refunding Bonds, 1993 Series B

On or about December 30, 1993, the Adelanto Improvement Agency issued \$15,095,983 Tax Allocation Refunding Bonds, 1993 Series B, to advance refund a portion of the outstanding 1990 Adelanto Improvement Project Tax Allocation Bonds, 1991 Adelanto Improvement Project Tax Allocation Bonds and the 1993A Adelanto Improvement Project Subordinated Tax Allocation Bonds. Interest on the bonds is payable June 1st and December 1st of each year. Interest on the remaining term bonds accrues at a rate of 5.50% per annum. Principal on the serial bonds are payable in annual installments, ranging from \$175,000 to \$1,160,000, commencing December 1, 2002 through December 1, 2023. The balance of debt service reserve account as of June 30, 2021, is \$1,226,942 which is sufficient to cover the Bond Indenture Reserve Requirement.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Funds (Continued)

Tax Allocations Bonds (Continued)

Adelanto Improvement Project Tax Allocation Refunding Bonds, 1993 Series B (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,045,000	\$ 153,038	\$ 1,198,038
2023	1,100,000	94,050	1,194,050
2024	1,160,000	31,900	1,191,900
Total	<u>\$ 3,305,000</u>	<u>\$ 278,988</u>	<u>\$ 3,583,988</u>

Adelanto Improvement Project No. 3 2007 Tax Allocation Bonds

On or about December 19, 2007, the Adelanto Improvement Agency issued \$3,560,000 Adelanto Improvement Project No. 3 2007 Tax Allocation Bonds to fund redevelopment projects of the Agency, fund the reserve requirement and pay the costs of issuance on the bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the remaining term bonds accrues at rates between 4.00% and 6.00% per annum. Principal on the bonds are payable in annual installments ranging from \$55,000 to \$235,000, commencing September 1, 2008 through September 1, 2037. The balance of debt service reserve account as of June 30, 2021, is \$251,921, which is sufficient to cover the Bond Indenture Reserve Requirement.

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 95,000	\$ 153,265	\$ 248,265
2023	100,000	147,950	247,950
2024	-	145,200	145,200
2025	-	145,200	145,200
2026	-	145,200	145,200
2027-2030	585,000	603,150	1,188,150
2031-2035	-	550,500	550,500
2036-2038	1,835,000	165,150	2,000,150
Total	<u>\$ 2,615,000</u>	<u>\$ 2,055,615</u>	<u>\$ 4,670,615</u>

Loans Payable to the Adelanto Public Financing Authority

The Adelanto Public Financing Authority (the "Authority") has issued Local Agency Subordinated Revenue Bonds for financing projects of the former Adelanto Improvement Agency (the "Successor Agency") and to provide funds for the various debt obligations of the Successor Agency. The Successor Agency has entered into loan agreements with the Authority which mirror the bonds issued by the Authority except for Local Agency Third Subordinated Revenue Bonds, 1995 Series C which require prepayments on the Authority's capital appreciation bonds. Concurrent with the execution and delivery of the loan agreements, the Authority issued the aggregate principal amount of its Local Agency Subordinated Revenue Bonds to the Successor Agency.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Funds (Continued)

Loans Payable to the Adelanto Public Financing Authority (Continued)

Local Agency Taxable Subordinated Revenue Bonds, 1995 Series A

On or about January 9, 1996, the Adelanto Public Financing Authority (the “Authority”), issued \$7,400,000 Local Agency Taxable Subordinated Revenue Bonds, 1995 Series A, to provide funds (Agency loan) to the Successor Agency to advance refund the Adelanto Improvement Project Tax Allocation Refunding Bonds, 1993 Series B and the Adelanto Improvement Project Subordinated Tax Allocation Refunding and Improvements Bonds, 1993 Series C. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates between 5.60% and 7.20% per annum. Principal on the serial bonds are payable in annual installments, ranging from \$15,000 to \$1,275,000, commencing September 1, 1997 through September 1, 2025. The balance of debt service reserve account as of June 30, 2021, is \$740,065, which is sufficient to cover the Bond Indenture Reserve Requirement.

The future debt service requirements for the loans payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ -	\$ 177,120	\$ 177,120
2023	-	177,120	177,120
2024	-	177,120	177,120
2025	1,185,000	134,460	1,319,460
2026	1,275,000	45,900	1,320,900
Total	<u>\$ 2,460,000</u>	<u>\$ 711,720</u>	<u>\$ 3,171,720</u>

Local Agency Second Subordinated Revenue Bonds, 1995 Series B

On or about January 9, 1996, the Adelanto Public Financing Authority (the “Authority”), issued \$17,560,000 Local Agency Second Subordinated Revenue Bonds, 1995 Series B, to provide funds (Agency loan) to the Successor Agency to advance refund the Adelanto Improvement Project Tax Allocation Refunding Bonds, 1993 Series B and the Adelanto Improvement Project Subordinated Tax Allocation Refunding and Improvements Bonds, 1993 Series C. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates between 5.05% and 6.30% per annum. Principal on the serial bonds are payable in annual installments, ranging from \$160,000 to \$2,460,000, commencing September 1, 1998 through September 1, 2028. The balance of debt service reserve account as of June 30, 2021, is \$1,547,807, which is sufficient to cover the Bond Indenture Reserve Requirement.

The future debt service requirements for the loans payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 565,000	\$ 685,620	1,250,620
2023	605,000	643,500	1,248,500
2024	645,000	598,500	1,243,500
2025	725,000	549,180	1,274,180
2026	765,000	495,540	1,260,540
2027-2029	6,955,000	689,400	7,644,400
Total	<u>\$ 10,260,000</u>	<u>\$ 3,661,740</u>	<u>\$ 13,921,740</u>

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Funds (Continued)

Loans Payable to the Adelanto Public Financing Authority (Continued)

Local Agency Third Subordinated Revenue Bonds, 1995 Series C

On or about January 9, 1996, the Adelanto Public Financing Authority (the “Authority”), issued \$11,786,856 Local Agency Taxable Third Subordinated Revenue Bonds (Capital Appreciation Bonds), 1995 Series C, to provide funds to the Successor Agency to advance refund the Adelanto Improvement Project Tax Allocation Refunding Bonds, 1993 Series B and the Adelanto Improvement Project Subordinated Tax Allocation Refunding and Improvements Bonds, 1993 Series C. Interest on the bonds is compounded September 1st and March 1st of each year and payable at maturity. Interest on the bonds accrues at a rate of 7.50% per annum. Principal on the bonds and all outstanding interest are due September 1, 2028. Principal on the Agency loans are payable vary from \$94,006 to \$1,081,968 beginning September 1, 1996 through September 1, 2028. The outstanding balance at June 30, 2021 is \$1,659,560 with accreted interest payable of \$9,117,385.

The future debt service requirements for the loans payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 253,544	\$ 1,453,130	1,706,674
2023	242,697	1,515,770	1,758,467
2024	232,754	1,582,543	1,815,297
2025	222,811	1,647,696	1,870,507
2026	213,320	1,714,260	1,927,580
2027-2029	494,434	4,585,921	5,080,355
Total	<u>\$ 1,659,560</u>	<u>\$ 12,499,320</u>	<u>\$ 14,158,880</u>

Other Long-Term Liabilities

Intermountain Power Agency Settlement Agreement

The former Adelanto Improvement Agency entered into an agreement with the Intermountain Power Agency (IPA) in April 1993 regarding reimbursement of certain incremental property taxes generated by parcels owned by the IPA within the Agency project areas for 1992 and prior years. The IPA had filed appeals relating to the assessed value of these parcels for 1989 through 1992. As a condition of the agreement with the Agency, the IPA agreed to withdraw such appeals. The IPA filed an appeal for the 1993 assessed value, which was granted in September 1997. The IPA also filed appeals for fiscal years 1995 and 1996.

The agreement states that if the IPA seeks a reassessment of the assessed value of the parcels (i.e., the 1993 appeal) and is successful in any future claim resulting in a reduction in property taxes assessed by the County or other taxing entity, the Agency agrees to reimburse the IPA for those amounts (to a maximum of \$2,200,000) that the IPA calculates that it would have lost in refunds as a result of dismissing the appeals for 1992 and prior. The reimbursement is to be paid by the Agency each year, beginning 90 days from a final decision by the County, resulting in a reduced tax assessment, in an annual amount equal to \$78,751 multiplied by a “Fractional Amount” as defined in the agreement. The term “Fractional Amount” has been determined to be the amount of the actual reduction in the tax assessment as determined by the County divided by an amount equal to the reduction in such tax assessment sought by the IPA.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Funds (Continued)

Other Long-Term Liabilities (Continued)

Intermountain Power Agency Settlement Agreement (Continued)

Amounts due under the agreement are payable annually beginning 90 days after the final decision and continuing on or before September 30 of each year until the obligation (\$2,200,000 multiplied by the “Fractional Amount”) is paid in full. Amounts due to the IPA under this agreement are subordinate to all tax allocation bonds of the Agency, whenever incurred. Based on the assessment reduction received by the IPA for 1993, the liability that the Agency has incurred under this agreement is \$1,989,390. Scheduled payments have been deferred by the Agency due to subordination to the tax allocation bonds outstanding. Since the Agency was principal beneficiary of such property taxes, the full amount of such payments has been established as a long-term liability in the financial statements as of June 30, 2021.

San Bernardino County Tax Increment Loans

During fiscal year 1996, the former Redevelopment Agency and San Bernardino County amended the pass-through agreement for incremental property taxes in the Project Area. Under the revised agreement, the Agency is required to relinquish approximately 33% of incremental property taxes to the County, of which approximately one-half (16.26%) would be subordinate to the Agency’s existing long-term debt. The County will loan to the Agency, at the rate of 7% per annum, the amount of the deferred incremental property taxes needed to meet debt service requirements on the refunding bonds plus amounts needed up to \$100,000 annually, to administer the Agency’s long-term debt. Any such loans are subordinate to the 1995 Series A, B, and C of the Adelanto Public Financing Authority refunding bonds. Currently, the Successor Agency and the County of San Bernardino are in litigation over the estimated amounts outstanding. The outstanding amounts reflect the amounts owed estimated by the County of San Bernardino. The outstanding balance on the loans at June 30, 2021 was \$13,356,686 with interest payable of \$30,336,564.

Note 8 – Conduit Debt

The following bond issues are not reported 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 County, the State of California, or any political subdivision thereof, is pledged for payment of these bonds.

Community Facilities District Bonds

Bonds issued for improvements in certain special assessment districts in accordance with the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, are liabilities of the property owners and are secured by liens against the assessed property. The City acts as an agent for collection of principal and interest payments by the property owners and remittance of such monies to the bondholders.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Conduit Debt (Continued)

Community Facilities District Bonds (Continued)

Neither the faith and credit, nor the general taxing power, of the City of Adelanto have been pledged to the payment of the bonds. Therefore, none of the following special assessment bonds have been included in the accompanying financial statements.

District Bonds	Amount of Issue	Outstanding at End of Year
Community Facilities District No. 2006-2 IA1, 2015 Special Tax Bonds	\$ 3,575,000	\$ 3,495,000
Community Facilities District No. 2006-2 IA2, 2015A Special Tax Bonds	3,715,000	3,715,000
Community Facilities District No. 2006-2 IA2, 2015B Special Tax Bonds	2,480,000	2,335,000
Total	<u>\$ 9,770,000</u>	<u>\$ 9,545,000</u>

Adelanto Public Financing Authority Bonds

The Adelanto Public Financing Authority (the “PFA”) issued local agency subordinated revenue bonds to provide loans to the former Adelanto Improvement Agency. The loans were used to finance various redevelopment activities which include refunding previous long-term liabilities. The bonds are secured from the former Adelanto Improvement Agency (Successor Agency) loan payments (tax revenues). The Adelanto PFA also issued local agency revenue bonds which were used to purchase or refund Assessment District bonds. The local agency revenue bonds are secured from payments on the Assessment District bonds (special assessments on property owners).

Neither the faith and credit, nor the general taxing power, of the City of Adelanto have been pledged to the payment of the bonds. The Adelanto PFA has no taxing power. Therefore, none of the following bonds have been included in the accompanying financial statements.

Local Agency Subordinated Revenue Bonds - Successor Agency	Amount of Issue	Outstanding at End of Year
Local Agency Taxable Subordinated Revenue Bonds, 1995 Series A	\$ 7,400,000	\$ 2,460,000
Local Agency 2nd Subordinated Revenue Bonds, 1995 Series B	17,560,000	10,260,000
Local Agency 3rd Subordinated Revenue Bonds, 1995 Series C	11,786,856	10,594,766 ⁽¹⁾
Total	<u>\$ 36,746,856</u>	<u>\$ 23,314,766</u>

⁽¹⁾ This amount included accreted interest of \$8,975,785 and loan discount of \$45,580.

Note 9 – Compensated Absences

Summary of changes in compensated absences for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Classification	
					Due Within One Year	Due In More Than One Year
Governmental Activities	\$ 169,651	\$ 176,859	\$ (141,153)	\$ 205,357	\$ 83,240	\$ 122,117
Business-Type Activities	24,877	16,964	(21,535)	20,306	16,242	4,064
Total	<u>\$ 194,528</u>	<u>\$ 193,823</u>	<u>\$ (162,688)</u>	<u>\$ 225,663</u>	<u>\$ 99,482</u>	<u>\$ 126,181</u>

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Pension Plans

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution after measurement date:			
Miscellaneous	\$ 86,941	\$ 48,947	\$ 135,888
Safety	12,394	-	12,394
Difference between expected and actual experience:			
Miscellaneous	13,286	7,480	20,766
Safety	10,467	-	10,467
Difference in projected and actual earnings on pension investments:			
Miscellaneous	7,659	4,312	11,971
Safety	2,934	-	2,934
Adjustments due to differences in proportions			
Miscellaneous	231,920	130,569	362,489
Safety	1,028	-	1,028
Total deferred outflows of resources	\$ 366,629	\$ 191,308	\$ 557,937
Net pension liabilities:			
Miscellaneous	\$ 257,813	\$ 145,145	\$ 402,958
Safety	134,979	-	134,979
Total net pension liabilities	\$ 392,792	\$ 145,145	\$ 537,937
Deferred inflows of Resources:			
Change in assumptions:			
Miscellaneous	\$ 1,839	\$ 1,035	\$ 2,874
Safety	450	-	450
Adjustments due to differences in proportions			
Safety	3,481	-	3,481
Differences between City's contributions and proportionate share of contributions			
Miscellaneous	268,411	151,113	419,524
Safety	6,934	-	6,934
Total deferred inflows of resources	\$ 281,115	\$ 152,148	\$ 433,263
Pension expenses:			
Miscellaneous	\$ 357,427	\$ 160,322	\$ 517,749
Safety	15,918	-	15,918
Total pension expenses	\$ 373,345	\$ 160,322	\$ 533,667

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Pension Plans (Continued)

B. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in either the City’s Miscellaneous Employee Pension Plan (Miscellaneous Plan) or Safety Employee Pension Plan (Safety Plan), both of which are cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members of the Miscellaneous Plan and Safety Plan with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees’ Retirement Law.

Benefits Provided

The Plans’ provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	Miscellaneous PEPRA	Safety⁽²⁾
	Prior to January 1, 2013	On or After January 1, 2013	Prior to January 1, 2013
Benefit formula	2.0% @ 60	2.0% @ 62	2.0% @ 55
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	60	62	55
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0%
Required employee contribution rate	7.000%	6.750%	0.000%
Required employer contribution rate	8.794%	7.732%	0.000%

⁽²⁾ Note the City currently does not have any safety employees. The Safety Plan represents former safety employees.

At June 30, 2021, the following employees were covered by the benefit terms for the miscellaneous plan:

	Miscellaneous	Miscellaneous PEPRA	Safety
Active employees	11	10	-
Transferred and terminated employees	102	15	5
Retired employees and beneficiaries	46	-	3
Total	159	25	8

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Pension Plans (Continued)

B. General Information about the Pension Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The required contribution rates are shown in the Benefit Provided Section at page 70.

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

As of June 30, 2021, the City reported net pension liabilities for its proportionate shares of the Net Pension Liability of the Plans as follows:

	Plan Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Miscellaneous Plan			
Balance at: 6/30/19 (Valuation date)	\$ 11,373,201	\$ 11,228,485	\$ 144,716
Balance at: 6/30/20 (Measurement date)	11,541,467	11,138,509	402,958
Net changes during 2019-2020	168,266	(89,976)	258,242
	Plan Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Safety Plan			
Balance at: 6/30/19 (Valuation date)	\$ 466,501	\$ 337,115	\$ 129,386
Balance at: 6/30/20 (Measurement date)	468,389	333,410	134,979
Net changes during 2019-2020	1,888	(3,705)	5,593

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, and the total pension liability for each Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability/(asset) was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2019 and 2020, measurement periods was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2019	0.00361%	0.00207%
Proportion - June 30, 2020	0.00955%	0.00203%
Change - Increase/(Decrease)	0.00594%	-0.00005%

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Pension Plans (Continued)

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2021, the City recognized pension expense of \$517,749 and \$15,918, for the Miscellaneous and Safety Plans, respectively.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for the 2019-2020 measurement period is 3.8 years, which was obtained by dividing the total service years of 548,581 (the sum of remaining service lifetimes of the active employees) by 145,663 (the total number of participants: active, inactive, and retired).

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 135,888	\$ -
Difference between expected and actual experience	20,766	-
Changes of assumptions	-	2,874
Net difference between projected and actual earnings on pension plan investments	11,971	-
Employer contributions in excess/(under) proportionate share of contributions	-	419,524
Adjustments due to difference in proportions	362,489	-
Total	<u>\$ 531,114</u>	<u>\$ 422,398</u>

Safety Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 12,394	\$ -
Difference between expected and actual experience	10,467	-
Changes of assumptions	-	450
Net difference between projected and actual earnings on pension plan investments	2,934	-
Employer contributions in excess/(under) proportionate share of contributions	-	6,934
Adjustments due to difference in proportions	1,028	3,481
Total	<u>\$ 26,823</u>	<u>\$ 10,865</u>

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Pension Plans (Continued)

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

	Aggregate Total	
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 148,282	\$ -
Difference between expected and actual experience	31,233	-
Changes of assumptions	-	3,324
Net difference between projected and actual earnings on pension plan investments	14,905	-
Employer contributions in excess/(under) proportionate share of contributions	-	426,458
Adjustments due to difference in proportions	363,517	3,481
Total	<u>\$ 557,937</u>	<u>\$ 433,263</u>

For the Miscellaneous Plan and Safety Plan, \$135,888 and \$12,394, respectively, totaling \$148,282 was reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2020	\$ 24,200	\$ (870)	\$ 23,330
2021	(41,020)	1,323	(39,697)
2022	(16,094)	1,641	(14,453)
2023	5,742	1,470	7,212
2024	-	-	-
Thereafter	-	-	-
Total	<u>\$ (27,172)</u>	<u>\$ 3,564</u>	<u>\$ (23,608)</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Pension Plans (Continued)

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

¹The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class¹	Assumed asset Allocation	Real Return Years 1 - 10²	Real Return Years 11 +³
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

¹In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.00% was used for this period.

³ An expected inflation of 2.92% was used for this period.

Change of Assumption

There were not changes in assumptions.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Pension Plans (Continued)

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate

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

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate

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

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous	\$ 1,938,846	\$ 402,958	\$ (866,098)
Safety	198,588	134,979	82,781
Total	<u>\$ 2,137,434</u>	<u>\$ 537,937</u>	<u>\$ (783,317)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Payable to the Pension Plan

At June 30, 2021, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2021.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Other Post Employment Health Benefits

A. General Information about OPEB

Plan Description

The City provides postemployment health benefits through a single-employer defined benefit plan administered by the City. Employees of the Miscellaneous bargaining group and other non-represented employees, who retire from the City with ten years or more of contiguous City service, are eligible for a Post-Retirement Health Benefit for themselves and spouse or child or children. This benefit is finite in nature and provides for the cost of benefits for one year only. This cost is computed at the rate of the current health care premiums and the current dental premiums, in place at the time of retirement.

Eligibility

Employees of the City are eligible for retiree health benefits if they retire within 120 days of their separation date.

Employees Covered by Benefit Terms

Membership in the plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

Inactive employees, spouses, or beneficiaries currently receiving benefit payments:	32
Inactive employees entitled to but not yet receiving benefit payments:	-
Active employees:	<u>5</u>
Total	<u>37</u>

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council. These benefits are for employees who have worked for the City for a period of ten years and are at least 50 years of age when they separate from the service of the City, and were employed by the City on July 1, 2004. Employees hired after July 1, 2004 are not eligible for the retiree medical benefits under the plan. The table below is a summary of the retiree medical benefits.

<u>Description</u>	
Benefit Types Provided	Medical Only
Duration of Benefits	Lifetime
Required Service	10 Years
Minimum Age	50
Dependent Coverage	No
City Contribution %	100%
City Cap	\$900 Per Month ⁽¹⁾

⁽¹⁾ Former City Correctional Facility employees have a cap of \$420 per month.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Other Post Employment Health Benefits

B. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2019 and rollforwarded to June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The total OPEB liability at June 30, 2021 was \$3,7935,460.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.45%
Inflation	2.50%
Healthcare Cost Trend Rates	
Pre-Medicare	6.5% *
Medicare	4% *
Salary Increases	2.75% **
Mortality Rates	Based on CalPERS tables

- Projections of the sharing of benefit-related costs are based on an established pattern of practice.
- Experience studies come from the CalPERS Pension Assumption Model, revised May 14, 2018.
- Inactive employees (retirees) pay the cost of benefits in excess of the City's contribution.
- There were no ad hoc postemployment benefit changes (including ad hoc COLAs) to the plan.

**Trending down to 3.84% over 55 years. Applies to calendar years*

***Additional merit-based increases based on CalPERS merit salary increase tables*

Discount Rate

The discount rate used to measure the total OPEB liability was 2.45 percent. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date. Currently, the City is under a pay-as-you-go method, and the OPEB plan has no fiduciary net position.

Change in the Total OPEB Liability

	Net OPEB Liability
Balance at June 30, 2019	\$ 3,708,366
Changes Recognized for the Measurement Period:	
Service Cost	19,922
Interest on the total OPEB liability	113,578
Difference between expected and actual experience	3,627
Changes of assumptions	289,199
Benefit payments	(199,232)
Net Changes during July 1, 2019 to June 30, 2020	227,094
Balance at June 30, 2020 (Measurement Date)	\$ 3,935,460

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Other Post Employment Health Benefits (Continued)

B. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current discount rate:

Plan's Net OPEB Liability		
Discount Rate - 1% (1.45%)	Current Discount Rate (2.45%)	Discount Rate + 1% (3.45%)
\$ 4,431,613	\$ 3,935,460	\$ 3,521,743

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5 percent decreasing to 3.8 percent) or 1-percentage-point higher (7.5 percent decreasing to 3.8 percent) than the current healthcare cost trend rates:

Plan's Net OPEB Liability		
Trend Rate - 1% (5.50%)	Healthcare Cost Trend Rates (6.50%)	Trend Rate + 1% (7.50%)
\$ 3,526,733	\$ 3,935,460	\$ 4,415,074

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$426,326. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 203,465	\$ -
Total	\$ 203,465	\$ -

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 0.8 years, which was determined as of June 30, 2019, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

OPEB Plan Fiduciary Net Position

Currently, the City is under a pay-as-you-go method, and the OPEB plan has no fiduciary net position.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 12 – Risk Management and Self-Insurance

In 2020, the City became a member of Independent Cities Risk Management Authority (ICRMA). ICRMA was established in 1980 to provide excess insurance coverage, risk management, and self-insurance services for California cities. ICRMA is a Joint Powers Authority directed by a governing board consisting of one representative from each member city and membership is currently at fifteen member cities.

ICRMA liability program for members provide coverage up to \$37 million per occurrence. ICRMA members participate in risk sharing pools for losses up to \$3 million and The City's retained limit at \$250,000.

The ICRMA workers' compensation program combines self-funding and group purchased excess insurance. The ICRMA program covers \$2 million per occurrence and \$1.5 million buffer per occurrence with The City's retained limit at \$350,000.

The City participates in the property, auto, equipment, cyber, crime insurance, and terrorism insurance program offered by ICRMA. The property coverage limit is \$250 million with a \$250,000 deductible per occurrence. The auto coverage limit is \$10 million with a \$25,000 deductible per occurrence. The equipment coverage is \$250 million with a \$10,000 deductible per occurrence. The cyber insurance coverage limit is \$3 million per member and a pooled aggregate of \$10 million with a \$15,000 deductible per occurrence. The City's participation in crime and terrorism insurance includes coverage limits of \$5 million and \$10 million per occurrence with deductibles of \$25,000 and \$25,000, respectively.

Under the liability programs risk-sharing pool, each member's share of total claims liabilities, including IBNR's, is determined by the application of risk factors to specific characteristics of each member which provides the relative share of each member in total losses of ICRMA. These losses are paid from premiums charged to the members which are established at levels to fund all claims costs. The claims liability is estimated based on actuarial studies of the liability and workers' compensation program using a 2% discount rate.

Changes in the balances of claims liabilities during the past three years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2018-2019	\$ 163,186	\$ 184,347	\$ (55,454)	\$ 292,079
2019-2020	292,079	291,803	(270,314)	313,568
2020-2021	313,568	138,553	(102,121)	350,000

During the past three fiscal years none of the above programs of protection have had settlements or judgements that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 13 – Classification of Fund Balances

At June 30, 2021, fund balances are classified as follows:

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable:			
Due from Fiduciary Funds	\$ 2,773,785	\$ -	\$ 2,773,785
Total nonspendable	<u>2,773,785</u>	<u>-</u>	<u>2,773,785</u>
Restricted:			
Development	-	8,795,757	8,795,757
Streets and roads	-	8,187,239	8,187,239
Air quality management	-	133,670	133,670
Law enforcement	-	356,646	356,646
Public safety	-	215,378	215,378
Community development	-	615,561	615,561
Lighting and landscape maintenance	-	379,478	379,478
Total restricted	<u>-</u>	<u>18,683,729</u>	<u>18,683,729</u>
Unassigned (deficit)	<u>(1,580,434)</u>	<u>(1,105,872)</u>	<u>(2,686,306)</u>
Total	<u><u>\$ 1,193,351</u></u>	<u><u>\$ 17,577,857</u></u>	<u><u>\$ 18,771,208</u></u>

Note 14 – Net Investment in Capital Assets

Net Investment in Capital Assets at June 30, 2021, consisted of the following:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Capital assets, nondepreciable	\$ 17,024,300	\$ 8,031,786
Capital assets, depreciable, net	55,139,641	50,866,741
Unspent bond proceeds - Cash with fiscal agent	215,614	907,803
Deferred amount on refunding	-	8,920,609
Long-term debt:		
Note Payable	(140,000)	-
2014A Fixed Rate Revenue Bonds	-	(9,842,841)
2017A Fixed Rate Refunding Bonds	-	(31,321,563)
2017B Fixed Rate Refunding Bonds	-	(36,704,688)
Total net investment in capital assets	<u><u>\$ 72,239,555</u></u>	<u><u>\$ (9,142,153)</u></u>

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 15 – Other Required Disclosures

A. Deficit Net Position/Fund Balances

At June 30, 2021, the Governmental Activities Statement of Net Position had an unrestricted net position deficit of \$(4,253,924).

At June 30, 2021, the following funds had deficit net position or deficit unrestricted net position, which will be eliminated through the reduction in future expenses and/or the use of new funding sources:

Fund	Fund Type	Deficit
Federal Grants Special Revenue Fund	Special Revenue Fund	\$ (817,538)
State and County Grants Special Revenue Fund	Special Revenue Fund	(204,842)
Community Development Block Grant Special Revenue Fund	Special Revenue Fund	(82,089)
Traffic Offender Special Revenue Fund	Special Revenue Fund	(1,403)

At June 30, 2021, the General Fund had a deficit unrestricted fund balance in the amount of \$(1,580,434) which will be eliminated through the reduction in future expenses.

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2021, expenditures exceeded appropriations in the following funds/functions:

Fund	Function	Excess Expenditures
General Fund	General Government - City Council	\$ 917
General Fund	General Government - Non-department	219,773
General Fund	Public works - LLMD	98,434
Park Development Impact Special Revenue Fund	Public works	10,283
Drainage Impact Special Revenue Fund	Public works	91
Traffic Impact Special Revenue Fund	Public works	160
Fire Mitigation Special Revenue Fund	Public works	213
Gas Tax Special Revenue Fund	Public works	37
TDA Article 8 Special Revenue Fund	Public works	361
Road Maintenance & Rehabilitation SB-1 Special Revenue Fund	Public works	147
Federal Grants Special Revenue Fund	General government	1,467
Federal Grants Special Revenue Fund	Public safety	216,464
Community Development Block Grant Special Revenue Fund	Community development	14,274
AQMD/California AB Distributions Special Revenue Fund	Public works	119
Police Asset Seizure Special Revenue Fund	Public safety	15
Public Safety 1/2 Cent Special Revenue Fund	Public safety	166
Traffic Offender Special Revenue Fund	Public safety	3
COPS Special Revenue Fund	Public safety	24
Measure I 1990-2010 Special Revenue Fund	Public works	92
Community Facilities District Special Revenue Fund	Public works	232

City of Adelanto
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 16 – Commitments and Contingencies

General Litigation

There are various claims and legal actions pending against the City for which no provision has been made in the accompanying general purpose financial statements. In the opinion of the City attorney and City management, liabilities arising from these claims and legal actions, if any, will not have an adverse material effect on the financial position of the City.

Grants

The City has received federal grants for specific purposes that are subject to review and audit by the federal government. Although such audits could result in expenditure disallowance under grant terms, the disallowances and any required reimbursements are not expected to be material.

Other Matters

As of June 30, 2021, in the opinion of City Management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

Note 17 – Subsequent Events

American Rescue Plan Act

On March, 2021, the American Rescue Plan Act was signed into delivering \$65 billion of direct and flexible aid to cities and towns across the nation to provide substantial flexibility for each government to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest hit by the crisis. Based on the City's population, the City was allocated \$8,145,245 and received in two installments. The City received the first installment on July 20, 2021 and the second installment on July 21, 2021.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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City of Adelanto
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2021

1. Budgetary Information

The City Council has the responsibility for adoption of the City's budget. Budgets are adopted for most governmental funds. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments. The City Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts entered into by the City are subject to annual review by the City Council. Hence, they are legally one year contracts with an option for renewal for another fiscal year

Budgeted revenue and expenditures amounts shown represent the City's originally-adopted legal budget, adjusted for unanticipated revenues and appropriations during the course of the fiscal year. Budget amounts, as adjusted, reported for the governmental funds of the City, as adopted, on a basis consistent with accounting principles generally accepted in the United States of America.

Budgets were adopted for all general, special revenue, capital projects, and debt service funds.

City of Adelanto
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 8,240,774	\$ 9,573,674	\$ 10,253,071	\$ 679,397
Licenses, permits and fees	2,721,100	3,459,604	4,057,819	598,215
Fines, forfeitures and penalties	63,500	44,130	49,197	5,067
Investment earnings	268,852	270,952	660,447	389,495
Charges for services	1,560,412	1,939,943	284,434	(1,655,509)
Intergovernmental revenues	58,500	57,500	26,157	(31,343)
Miscellaneous	-	376,428	404,194	27,766
Total revenues	12,913,138	15,722,231	15,735,319	13,088
EXPENDITURES:				
Current:				
General government:				
City council	130,369	126,244	127,161	(917)
Administration	666,502	637,683	526,221	111,462
City Clerk	228,060	92,150	47,521	44,629
Finance	644,868	868,816	681,350	187,466
City attorney	1,322,664	1,002,000	563,335	438,665
Human resources	204,859	153,359	88,867	64,492
Information technology	367,475	347,475	183,541	163,934
Non-department	1,031,364	976,964	1,196,737	(219,773)
Vehicle maintenance	59,300	60,200	22,655	37,545
Total general government	4,655,461	4,264,891	3,437,388	827,503
Public safety:				
Police	7,132,569	7,271,265	6,974,695	296,570
Fire	5,281,184	5,287,184	5,161,669	125,515
Code enforcement	225,241	159,239	158,668	571
Animal control	128,378	170,378	107,129	63,249
Total public safety	12,767,372	12,888,066	12,402,161	485,905
Public Works:				
Streets	295,727	253,453	220,085	33,368
Facility maintenance	255,705	259,905	122,359	137,546
LLMD	381,618	569,118	667,552	(98,434)
Building and safety	481,000	540,500	444,960	95,540
Engineering	495,250	603,250	598,410	4,840
Total public works	1,909,300	2,226,226	2,053,366	172,860

City of Adelanto
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund (Continued)
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
Current:				
Community development:				
Planning and economic development	604,980	709,980	675,906	34,074
Total community development	604,980	709,980	675,906	34,074
Parks and recreation:				
Parks and grounds	390,895	337,045	252,628	84,417
Senior center	46,120	50,520	32,792	17,728
Community center	8,750	12,250	9,252	2,998
Adelanto stadium	800,000	870,367	106,508	763,859
Total parks and recreation	1,245,765	1,270,182	401,180	869,002
Capital outlay:				
Public Work	-	11,800	11,800	-
Total capital outlay	-	11,800	11,800	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,269,740)	(5,648,914)	(3,246,482)	(2,376,256)
OTHER FINANCING SOURCES (USES):				
Transfers in	8,299,740	8,552,978	2,731,020	(5,821,958)
Transfers out	(830,000)	(892,096)	(81)	892,015
Total other financing sources (uses)	7,469,740	7,660,882	2,730,939	(4,929,943)
NET CHANGE IN FUND BALANCE	\$ (800,000)	\$ 2,011,968	(515,543)	\$ (7,306,199)
FUND BALANCE:				
Beginning of year			1,708,894	
End of year			<u>\$ 1,193,351</u>	

City of Adelanto
Required Supplementary Information (Unaudited)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2021

Last Ten Fiscal Years¹

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Measurement period	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
City's proportion of the net pension liability (asset)	-0.00458%	-0.00929%	-0.00120%	0.00090%	-0.00057%
City's proportionate share of the net pension liability (asset)	\$ (285,241)	\$ (637,507)	\$ (104,151)	\$ 88,947	\$ (55,378)
City's covered payroll	\$ 2,992,415	\$ 1,823,881	\$ 1,651,349	\$ 2,011,038	\$ 2,684,367
City's proportionate share of the net pension liability as a percentage of its covered payroll	<u>-9.53%</u>	<u>-34.95%</u>	<u>-6.31%</u>	<u>4.42%</u>	<u>-2.06%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>103.66%</u>	<u>108.15%</u>	<u>101.25%</u>	<u>99.06%</u>	<u>100.53%</u>

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

Measurement period	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
City's proportion of the net pension liability	0.00238%	0.00181%	0.00125%	0.00124%	0.00130%
City's proportionate share of the net pension liability	\$ 148,254	\$ 124,441	\$ 108,439	\$ 123,272	\$ 125,424
City's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
City's proportionate share of the net pension liability as a percentage of its covered payroll	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>66.21%</u>	<u>70.88%</u>	<u>74.92%</u>	<u>73.38%</u>	<u>73.05%</u>

¹ Historical information is presented only for measurement periods for which GASB No. 68 is presented for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

City of Adelanto
Required Supplementary Information (Unaudited)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2021

Last Ten Fiscal Years¹

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Measurement period	2018-19	2019-20
City's proportion of the net pension liability (asset)	0.001410%	0.003700%
City's proportionate share of the net pension liability (asset)	\$ 144,716	\$ 402,958
City's covered payroll	\$ 2,144,959	\$ 1,736,905
City's proportionate share of the net pension liability as a percentage of its covered payroll	<u>6.75%</u>	<u>23.20%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>98.73%</u>	<u>96.51%</u>

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

Measurement period	2018-19	2019-20
City's proportion of the net pension liability (asset)	0.00126%	0.00124%
City's proportionate share of the net pension liability (asset)	\$ 129,386	\$ 134,797
City's covered payroll	\$ -	\$ -
City's proportionate share of the net pension liability as a percentage of its covered payroll	<u>n/a</u>	<u>n/a</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>72.26%</u>	<u>72.26%</u>

City of Adelanto
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2021

Last Ten Fiscal Years¹

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Fiscal year	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 169,801	\$ 137,427	\$ 117,014	\$ 142,700	\$ 189,851
Contributions in relation to the actuarially determined contribution	(169,801)	(137,427)	(117,014)	(142,700)	(189,851)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 2,992,415	\$ 1,823,881	\$ 1,651,349	\$ 2,011,038	\$ 2,684,367
Contributions as a percentage of covered payroll.	5.67%	7.53%	7.09%	7.10%	7.07%

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

Fiscal year	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 44,884	\$ 45,965	\$ 3,936	\$ 4,794	\$ 9,117
Contributions in relation to the actuarially determined contribution	(44,884)	(45,965)	(3,943)	(4,796)	(9,148)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ (2)</u>	<u>\$ (31)</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll.	n/a	n/a	n/a	n/a	n/a

¹ Historical information is presented only for measurement periods for which GASB No. 68 is presented for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

² The City currently does not have any safety employees. The Safety Plan represents former safety employees.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were derived from the June 30, 2018 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	15 year smoothed market
Inflation	2.50%
Salary increases	Various by entry age and service
Payroll Growth	2.75%
Investment rate of return	7.00%
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

City of Adelanto
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2021

Last Ten Fiscal Years¹

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Fiscal year	2018-19	2019-20	2020-21
Actuarially determined contribution	\$ 190,621	\$ 163,909	\$ 135,888
Contributions in relation to the actuarially determined contribution	(190,657)	(163,909)	(135,888)
Contribution deficiency (excess)	<u>\$ (36)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 2,396,476	\$ 1,736,905	\$ 1,784,670
Contributions as a percentage of covered payroll.	7.96%	9.44%	7.61%

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

Fiscal year	2018-19	2019-20	2020-21
Actuarially determined contribution	\$ 11,534	\$ 11,398	\$ 12,394
Contributions in relation to the actuarially determined contribution	(11,561)	(11,403)	(12,394)
Contribution deficiency (excess)	<u>\$ (27)</u>	<u>\$ (5)</u>	<u>\$ -</u>
Covered payroll	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll.	n/a	n/a	n/a

City of Adelanto
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
For the Year Ended June 30, 2021

Last Ten Fiscal Years¹

Other Postemployment Benefits ("OPEB") Plan

Measurement period	2016-17 ¹	2017-18	2018-19	2019-20
Total OPEB liability				
Service cost	\$ 22,912	\$ 23,571	\$ 23,074	\$ 19,922
Interest	72,802	73,383	71,904	113,578
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	56,642	(15,328)	532,100	3,627
Changes of assumptions	(98,357)	(12,607)	1,222,332	289,199
Benefit payments, including refunds of employee contributions	(81,502)	(78,595)	(208,527)	(199,232)
Net change in total pension liability	(27,503)	(9,576)	1,640,883	227,094
Total OPEB liability - beginning	2,104,562	2,077,059	2,067,483	3,708,366
Total OPEB liability - ending (a)	\$ 2,077,059	\$ 2,067,483	\$ 3,708,366	\$ 3,935,460
OPEB fiduciary net position				
Contributions - employer	\$ -	\$ -	\$ -	\$ -
Contributions - employee	-	-	-	-
Net investment income	-	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-
Administrative expense	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -
Plan net OPEB liability - ending (a) - (b)	\$ 2,077,059	\$ 2,067,483	\$ 3,708,366	\$ 3,935,460
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 1,024,839	\$ 1,053,022	\$ 448,167	\$ 433,626
Plan net OPEB liability as a percentage of covered payroll	202.67%	196.34%	827.45%	907.57%

¹ Historical information is presented only for measurement periods for which GASB No. 75 is presented for periods after GASB 75 implementation in fiscal year of 2017-18 (measurement period of 2016-17). Additional years of information will be displayed as it becomes available.

Notes to Schedule:

Changes of Assumptions: In 2020, the accounting discount rate decreased to 2.45 percent from 3.13 from 2019. In 2019, the accounting discount rate decreased to 3.13 percent from 3.65 from 2018. In 2018, the accounting discount rate increased from 3.56 percent to 3.65 percent from 2017.

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds:

Park Development Impact – Accounts for the receipt and expenditures of park impact fees charged to new development.

Drainage Impact - Accounts for the drainage impact fees charged to new development. Moneys are used for new drainage facilities.

Traffic Impact - Accounts for the receipt and expenditures of traffic impact fees charged to new development.

Fire Mitigation Impact - Accounts for fire mitigation fees charged to new development. Moneys are used to pay for fire safety and prevention services.

Gas Tax - Accounts for the receipt and expenditure of State Highway Users Tax funds. The funds are to be used for street related purposes.

TDA Article 8 - Accounts for local transportation funds received from SANBAG. Funds are spent on street related purposes.

Road Maintenance & Rehabilitation SB-1 - Accounts for the funds received and expenditures for the road maintenance and rehabilitation account (RMRA) under SB-1.

Federal Grants - Accounts for monies received for miscellaneous federal grants and related expenditures.

State/County Grants - Accounts for monies received for miscellaneous State and County grants and related expenditures.

Community Development Block Grant - Accounts for revenue allocated from the Federal Housing and Urban Development Department (through the County of San Bernardino) to be spent in low/moderate income areas of the City

AQMD/California AB Distributions - Accounts for allocations from the Mojave Air Quality Management District. Funds are spent on air-pollution reduction programs.

Police Asset Seizure - Accounts for state allocated funds to fund special education programs.

Public Safety ½ Cent - Accounts for the State sales tax Public Safety Augmentation Fund moneys. The money is transferred to the General Fund for increased public safety expenditures.

Traffic Offender - Accounts for the revenue received from vehicle release fees and is used for traffic patrol purposes.

COPS Grant - Accounts for the State Citizens Option for Public Safety (COPS) Grant Program and is used for police overtime purposes.

Measure I 1990-2010 - Accounts for the County's 1/2 cent sales tax revenues. This portion of the funds must be spent on arterial road projects.

Measure I 70% Local - Accounts for state allocated ½ cent sales tax revenues. This portion is used to fund freeway and traffic congestion mitigation projects.

Community Facilities District - Accounts for the special tax levy placed on certain tracts to pay for public safety services and other improvements.

Landscaping and Lighting Maintenance District ("LLMD") Annexation - Accounts for the special tax levy placed on certain tracts to pay for landscaping improvements and lighting expense.

Capital Project Fund:

Capital Improvement Projects – accounts for the City's miscellaneous improvement projects.

City of Adelanto
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds				
	Park Development Impact	Drainage Impact	Traffic Impact	Fire Mitigation Impact	Gas Tax
ASSETS					
Cash and investments	\$ 1,141,537	\$ 1,802,921	\$ 1,393,238	\$ 431,228	\$ 811,104
Cash and investments with fiscal agents	-	-	-	-	-
Accounts receivable, net	-	-	697,787	-	-
Interest receivable	905	3,509	1,231	129	689
Due from other funds	-	-	-	-	-
Advances to other funds	1,000,000	4,207,685	1,570,764	-	-
Total assets	\$ 2,142,442	\$ 6,014,115	\$ 3,663,020	\$ 431,357	\$ 811,793
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 7,771	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	7,771	-	-	-	-
Deferred Inflows of Resources:					
Unavailable revenues - taxes	-	-	-	-	-
Unavailable revenues - developer fees	-	-	697,787	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-
Total deferred inflows of resources	-	-	697,787	-	-
Fund Balances:					
Restricted	2,134,671	6,014,115	2,965,233	431,357	811,793
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficits)	2,134,671	6,014,115	2,965,233	431,357	811,793
Total liabilities, deferred inflows of resources and fund balances	\$ 2,142,442	\$ 6,014,115	\$ 3,663,020	\$ 431,357	\$ 811,793

(Continued)

City of Adelanto
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds				
	TDA Article 8	Road Maintenance & Rehabilitation SB-1	Federal Grants	State/County Grants	Community Development Block Grant
ASSETS					
Cash and investments	\$ 1,387,697	\$ 485,138	\$ -	\$ 536,350	\$ 3,750
Cash and investments with fiscal agents	-	-	-	-	-
Accounts receivable, net	449,930	120,479	18,911	-	220,306
Interest receivable	795	115	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	\$ 1,838,422	\$ 605,732	\$ 18,911	\$ 536,350	\$ 224,056
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 58,598	\$ 16,071	\$ 40,157
Accrued liabilities	-	-	3,126	-	-
Due to other funds	-	47,783	755,814	725,121	56,079
Total liabilities	-	47,783	817,538	741,192	96,236
Deferred Inflows of Resources:					
Unavailable revenues - taxes	-	-	-	-	-
Unavailable revenues - developer fees	-	-	-	-	-
Unavailable revenue - intergovernmental	449,930	-	18,911	-	209,909
Total deferred inflows of resources	449,930	-	18,911	-	209,909
Fund Balances:					
Restricted	1,388,492	557,949	-	-	-
Unassigned (deficit)	-	-	(817,538)	(204,842)	(82,089)
Total fund balances (deficits)	1,388,492	557,949	(817,538)	(204,842)	(82,089)
Total liabilities, deferred inflows of resources and fund balances	\$ 1,838,422	\$ 605,732	\$ 18,911	\$ 536,350	\$ 224,056

(Continued)

City of Adelanto
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds				
	AQMD/ California AB Distractions	Police Asset Seizure	Public Safety 1/2 Cent	Traffic Offender	COPS Grant
ASSETS					
Cash and investments	\$ 133,670	\$ 16,383	\$ 199,045	\$ 2,002	\$ 339,988
Cash and investments with fiscal agents	-	-	-	-	-
Accounts receivable, net	-	-	16,333	-	-
Interest receivable	-	-	-	-	275
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	<u>\$ 133,670</u>	<u>\$ 16,383</u>	<u>\$ 215,378</u>	<u>\$ 2,002</u>	<u>\$ 340,263</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	3,405	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,405</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenues - taxes	-	-	-	-	-
Unavailable revenues - developer fees	-	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted	133,670	16,383	215,378	-	340,263
Unassigned (deficit)	-	-	-	(1,403)	-
Total fund balances (deficits)	<u>133,670</u>	<u>16,383</u>	<u>215,378</u>	<u>(1,403)</u>	<u>340,263</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 133,670</u>	<u>\$ 16,383</u>	<u>\$ 215,378</u>	<u>\$ 2,002</u>	<u>\$ 340,263</u>

(Continued)

City of Adelanto
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds				Capital Projects
	Measure I 1990-2010	Measure I 70% Local	Community Facilities District	LLMD Annexation	Capital Improvement Projects
ASSETS					
Cash and investments	\$ 353,673	\$ 1,908,660	\$ 615,096	\$ 379,292	-
Cash and investments with fiscal agents	-	-	-	-	215,614
Accounts receivable, net	-	606,700	-	-	-
Interest receivable	190	924	465	186	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	<u>\$ 353,863</u>	<u>\$ 2,516,284</u>	<u>\$ 615,561</u>	<u>\$ 379,478</u>	<u>\$ 215,614</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 288	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>288</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenues - taxes	-	406,087	-	-	-
Unavailable revenues - developer fees	-	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>406,087</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted	353,863	2,109,909	615,561	379,478	215,614
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficits)	<u>353,863</u>	<u>2,109,909</u>	<u>615,561</u>	<u>379,478</u>	<u>215,614</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 353,863</u>	<u>\$ 2,516,284</u>	<u>\$ 615,561</u>	<u>\$ 379,478</u>	<u>\$ 215,614</u>

(Continued)

City of Adelanto
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Total Nonmajor Governmental Funds
ASSETS	
Cash and investments	\$ 11,940,772
Cash and investments with fiscal agents	215,614
Accounts receivable, net	2,130,446
Interest receivable	9,413
Due from other funds	-
Advances to other funds	6,778,449
Total assets	\$ 21,074,694
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 122,885
Accrued liabilities	3,126
Due to other funds	1,588,202
Total liabilities	1,714,213
Deferred Inflows of Resources:	
Unavailable revenues - taxes	406,087
Unavailable revenues - developer fees	697,787
Unavailable revenue - intergovernmental	678,750
Total deferred inflows of resources	1,782,624
Fund Balances:	
Restricted	18,683,729
Unassigned (deficit)	(1,105,872)
Total fund balances (deficits)	17,577,857
Total liabilities, deferred inflows of resources and fund balances	\$ 21,074,694

(Concluded)

City of Adelanto
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

Special Revenue Funds

	Park Development Impact	Drainage Impact	Traffic Impact	Fire Mitigation Impact	Gas Tax
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	6,416	24,059	8,636	1,143	4,781
Charges for services	-	-	-	-	-
Developer fees	604,010	409,763	1,020,329	152,429	-
Intergovernmental revenues	-	-	-	-	787,474
Miscellaneous	-	-	-	-	-
Total revenues	610,426	433,822	1,028,965	153,572	792,255
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	91	160	213	37
Community development	-	-	-	-	-
Parks and recreation	21,833	-	-	-	-
Capital outlay	38,000	-	-	-	-
Debt service:					
Interest and fiscal charges	7,000	-	-	-	-
Total expenditures	66,833	91	160	213	37
REVENUES OVER (UNDER) EXPENDITURES	543,593	433,731	1,028,805	153,359	792,218
OTHER FINANCING SOURCES (USES):					
Transfers in	-	550	-	-	-
Transfers out	-	-	-	-	(680,000)
Total other financing sources (uses)	-	550	-	-	(680,000)
NET CHANGES IN FUND BALANCES	543,593	434,281	1,028,805	153,359	112,218
FUND BALANCES (DEFICITS):					
Beginning of year	1,591,078	5,579,834	1,936,428	277,998	699,575
End of year	\$ 2,134,671	\$ 6,014,115	\$ 2,965,233	\$ 431,357	\$ 811,793

(Continued)

City of Adelanto
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds				
	TDA Article 8	Road Maintenance & Rehabilitation SB-1	Federal Grants	State/County Grants	Community Development Block Grant
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	5,843	989	-	-	-
Charges for services	-	-	-	-	-
Developer fees	-	-	-	-	-
Intergovernmental revenues	-	661,140	880,672	728,866	769,324
Miscellaneous	-	-	-	-	-
Total revenues	5,843	662,129	880,672	728,866	769,324
EXPENDITURES:					
Current:					
General government	-	-	4,667	-	-
Public safety	-	-	425,821	172,420	-
Public works	361	147	390,480	680	-
Community development	-	-	-	-	39,274
Parks and recreation	-	-	-	-	-
Capital outlay	-	488,722	343,434	-	761,555
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	361	488,869	1,164,402	173,100	800,829
REVENUES OVER (UNDER) EXPENDITURES	5,482	173,260	(283,730)	555,766	(31,505)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(253,238)	-	-
Total other financing sources (uses)	-	-	(253,238)	-	-
NET CHANGES IN FUND BALANCES	5,482	173,260	(536,968)	555,766	(31,505)
FUND BALANCES (DEFICITS):					
Beginning of year	1,383,010	384,689	(280,570)	(760,608)	(50,584)
End of year	\$ 1,388,492	\$ 557,949	\$ (817,538)	\$ (204,842)	\$ (82,089)

(Continued)

City of Adelanto
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

Special Revenue Funds

	AQMD/ California AB Distributions	Police Asset Seizure	Public Safety 1/2 Cent	Traffic Offender	COPS Grant
REVENUES:					
Taxes	\$ -	\$ -	\$ 172,092	\$ -	\$ -
Investment earnings	149	18	216	5	1,921
Charges for services	-	-	-	-	-
Developer fees	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	156,893
Miscellaneous	-	-	-	-	-
Total revenues	<u>149</u>	<u>18</u>	<u>172,308</u>	<u>5</u>	<u>158,814</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	15	166	3	24
Public works	119	-	-	-	-
Community development	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>119</u>	<u>15</u>	<u>166</u>	<u>3</u>	<u>24</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>30</u>	<u>3</u>	<u>172,142</u>	<u>2</u>	<u>158,790</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(120,000)	-	(125,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(120,000)</u>	<u>-</u>	<u>(125,000)</u>
NET CHANGES IN FUND BALANCES	<u>30</u>	<u>3</u>	<u>52,142</u>	<u>2</u>	<u>33,790</u>
FUND BALANCES (DEFICITS):					
Beginning of year	133,640	16,380	163,236	(1,405)	306,473
End of year	<u>\$ 133,670</u>	<u>\$ 16,383</u>	<u>\$ 215,378</u>	<u>\$ (1,403)</u>	<u>\$ 340,263</u>

(Continued)

City of Adelanto
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds				Capital Projects
	Measure I 1990-2010	Measure I 70% Local	Community Facilities District	LLMD Annexation	Capital Improvement Projects
REVENUES:					
Taxes	\$ -	\$ 991,462	\$ 3,460	\$ 230,955	\$ -
Investment earnings	1,358	6,749	3,228	1,446	-
Charges for services	-	-	-	-	-
Developer fees	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>1,358</u>	<u>998,211</u>	<u>6,688</u>	<u>232,401</u>	<u>-</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	92	20,991	-	7,632	-
Community development	-	-	18,690	-	-
Parks and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>92</u>	<u>20,991</u>	<u>18,690</u>	<u>7,632</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,266</u>	<u>977,220</u>	<u>(12,002)</u>	<u>224,769</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(13,968)	(215,852)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(13,968)</u>	<u>(215,852)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>1,266</u>	<u>977,220</u>	<u>(25,970)</u>	<u>8,917</u>	<u>-</u>
FUND BALANCES (DEFICITS):					
Beginning of year	<u>352,597</u>	<u>1,132,689</u>	<u>641,531</u>	<u>370,561</u>	<u>215,614</u>
End of year	<u>\$ 353,863</u>	<u>\$ 2,109,909</u>	<u>\$ 615,561</u>	<u>\$ 379,478</u>	<u>\$ 215,614</u>

(Continued)

City of Adelanto
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Total Nonmajor Governmental Funds
REVENUES:	
Taxes	\$ 1,397,969
Investment earnings	66,957
Charges for services	-
Developer fees	2,186,531
Intergovernmental revenues	3,984,369
Miscellaneous	-
Total revenues	<u>7,635,826</u>
EXPENDITURES:	
Current:	
General government	4,667
Public safety	598,449
Public works	421,003
Community development	57,964
Parks and recreation	21,833
Capital outlay	1,631,711
Debt service:	
Interest and fiscal charges	7,000
Total expenditures	<u>2,742,627</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>4,893,199</u>
OTHER FINANCING SOURCES (USES):	
Transfers in	550
Transfers out	(1,408,058)
Total other financing sources (uses)	<u>(1,407,508)</u>
NET CHANGES IN FUND BALANCES	3,485,691
FUND BALANCES (DEFICITS):	
Beginning of year	14,092,166
End of year	<u><u>\$ 17,577,857</u></u>

(Concluded)

City of Adelanto
Combining Balance Sheet
General Fund
June 30, 2021

	General Fund	Mavericks Stadium Fund	Eliminations	Total General Fund
ASSETS				
Cash and investments	\$ 6,290,560	\$ -	\$ -	\$ 6,290,560
Cash and investments with fiscal agents	390,980	-	-	390,980
Accounts receivable, net	735,652	8,832	-	744,484
Due from other funds	1,927,276	-	(339,074)	1,588,202
Advances to Fiduciary Funds	2,773,785	-	-	2,773,785
Advances to other funds	3,094,853	-	(3,094,853)	-
Total assets	\$ 15,213,106	\$ 8,832	\$ (3,433,927)	\$ 11,788,011
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 444,065	\$ 8,139	\$ -	\$ 452,204
Accrued liabilities	82,620	-	-	82,620
Due to other funds	-	339,074	(339,074)	-
Deposit payable	614,839	8,060	-	622,899
Advances from other funds	9,436,937	3,094,853	(3,094,853)	9,436,937
Total liabilities	10,578,461	3,450,126	(3,433,927)	10,594,660
Fund balances:				
Nonspendable	5,868,638	-	(3,094,853)	2,773,785
Unassigned (deficit)	(1,233,993)	(3,441,294)	3,094,853	(1,580,434)
Total fund balances (deficits)	4,634,645	(3,441,294)	-	1,193,351
Total liabilities and fund balances	\$ 15,213,106	\$ 8,832	\$ (3,433,927)	\$ 11,788,011

City of Adelanto
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2021

	General Fund	Mavericks Stadium Fund	Eliminations	Total General Fund
REVENUES:				
Taxes	\$ 10,253,071	\$ -	\$ -	\$ 10,253,071
Licenses, permits and fees	4,057,819	-	-	4,057,819
Fines and forfeitures	49,197	-	-	49,197
Investment earnings	284,434	-	-	284,434
Charges for services	660,447	-	-	660,447
Intergovernmental	26,157	-	-	26,157
Miscellaneous	404,194	-	-	404,194
Total revenues	15,735,319	-	-	15,735,319
EXPENDITURES:				
Current:				
General government	3,437,388	-	-	3,437,388
Public safety	12,402,161	-	-	12,402,161
Public works	2,053,366	-	-	2,053,366
Community development	675,906	-	-	675,906
Parks and recreation	294,672	106,508	-	401,180
Capital outlay	11,800	-	-	11,800
Total expenditures	18,875,293	106,508	-	18,981,801
REVENUES OVER (UNDER) EXPENDITURES	(3,139,974)	(106,508)	-	(3,246,482)
OTHER FINANCING SOURCES (USES):				
Transfers in	2,731,020	800,000	(800,000)	2,731,020
Transfers out	(800,081)	-	800,000	(81)
Total other financing sources (uses)	1,930,939	800,000	-	2,730,939
NET CHANGES IN FUND BALANCES	(1,209,035)	693,492	-	(515,543)
FUND BALANCES:				
Beginning of year	5,843,680	(4,134,786)	-	1,708,894
End of year	<u>\$ 4,634,645</u>	<u>\$ (3,441,294)</u>	<u>\$ -</u>	<u>\$ 1,193,351</u>

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City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Park Development Impact Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 4,000	\$ 4,000	\$ 6,416	\$ 2,416
Developer fees	124,500	550,000	604,010	54,010
Total revenues	<u>128,500</u>	<u>554,000</u>	<u>610,426</u>	<u>56,426</u>
EXPENDITURES:				
Current:				
Public works	1,550	11,550	21,833	(10,283)
Capital outlay	42,000	38,000	38,000	-
Debt service:				
Interest and fiscal charges	7,000	7,000	7,000	-
Total expenditures	<u>50,550</u>	<u>56,550</u>	<u>66,833</u>	<u>(10,283)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>77,950</u>	<u>497,450</u>	<u>543,593</u>	<u>46,143</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,000,000)	(1,000,000)	-	1,000,000
Total other financing sources (uses)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>1,000,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (922,050)</u>	<u>\$ (502,550)</u>	<u>\$ 543,593</u>	<u>\$ 1,046,143</u>
FUND BALANCE:				
Beginning of year			1,591,078	
End of year			<u>\$ 2,134,671</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Drainage Impact Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 1,500	\$ 1,500	\$ 24,059	\$ 22,559
Developer fees	240,000	475,500	409,763	(65,737)
Total revenues	<u>241,500</u>	<u>477,000</u>	<u>433,822</u>	<u>(43,178)</u>
EXPENDITURES:				
Current:				
Public works	-	-	91	(91)
Capital outlay	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>91</u>	<u>149,909</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>91,500</u>	<u>327,000</u>	<u>433,731</u>	<u>106,731</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	551	550	(1)
Transfers out	<u>(2,147,381)</u>	<u>(2,147,381)</u>	<u>-</u>	<u>2,147,381</u>
Total other financing sources (uses)	<u>(2,147,381)</u>	<u>(2,146,830)</u>	<u>550</u>	<u>2,147,380</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,055,881)</u>	<u>\$ (1,819,830)</u>	434,281	<u>\$ 2,254,111</u>
FUND BALANCE:				
Beginning of year			<u>5,579,834</u>	
End of year			<u>\$ 6,014,115</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Traffic Impact Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 1,800	\$ 1,800	\$ 8,636	\$ 6,836
Developer fees	450,000	1,050,000	1,020,329	(29,671)
Total revenues	<u>451,800</u>	<u>1,051,800</u>	<u>1,028,965</u>	<u>(22,835)</u>
EXPENDITURES:				
Current:				
Public works	-	-	160	(160)
Total expenditures	<u>-</u>	<u>-</u>	<u>160</u>	<u>(160)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>451,800</u>	<u>1,051,800</u>	<u>1,028,805</u>	<u>(22,995)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,570,764)	(1,570,764)	-	1,570,764
Total other financing sources (uses)	<u>(1,570,764)</u>	<u>(1,570,764)</u>	<u>-</u>	<u>1,570,764</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,118,964)</u>	<u>\$ (518,964)</u>	1,028,805	<u>\$ 1,547,769</u>
FUND BALANCE:				
Beginning of year			1,936,428	
End of year			<u>\$ 2,965,233</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fire Mitigation Impact Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 1,143	\$ 1,143
Developer fees	20,000	187,500	152,429	(35,071)
Total revenues	<u>20,000</u>	<u>187,500</u>	<u>153,572</u>	<u>(33,928)</u>
EXPENDITURES:				
Current:				
Public works	-	-	213	(213)
Capital outlay	74,000	-	-	-
Total expenditures	<u>74,000</u>	<u>-</u>	<u>213</u>	<u>(213)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (54,000)</u>	<u>\$ 187,500</u>	153,359	<u>\$ (34,141)</u>
FUND BALANCE:				
Beginning of year			277,998	
End of year			<u>\$ 431,357</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 4,781	\$ 4,781
Intergovernmental revenues	841,989	841,989	787,474	(54,515)
Total revenues	<u>841,989</u>	<u>841,989</u>	<u>792,255</u>	<u>(49,734)</u>
EXPENDITURES:				
Current:				
Public works	-	-	37	(37)
Total expenditures	<u>-</u>	<u>-</u>	<u>37</u>	<u>(37)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(37)</u>	<u>(37)</u>
OTHER FINANCING (USES):				
Transfers out	(680,000)	(680,000)	(680,000)	-
Total other financing (uses)	<u>(680,000)</u>	<u>(680,000)</u>	<u>(680,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 161,989</u>	<u>\$ 161,989</u>	112,218	<u>\$ (49,771)</u>
FUND BALANCE:				
Beginning of year			699,575	
End of year			<u>\$ 811,793</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
TDA Article 8 Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 5,843	\$ 5,843
Total revenues	<u>-</u>	<u>-</u>	<u>5,843</u>	<u>5,843</u>
EXPENDITURES:				
Current:				
Public works	-	-	361	(361)
Capital outlay	<u>650,000</u>	<u>650,000</u>	<u>-</u>	<u>650,000</u>
Total expenditures	<u>650,000</u>	<u>650,000</u>	<u>361</u>	<u>649,639</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (650,000)</u></u>	<u><u>\$ (650,000)</u></u>	<u>5,482</u>	<u><u>\$ 655,482</u></u>
FUND BALANCE:				
Beginning of year			<u>1,383,010</u>	
End of year			<u><u>\$ 1,388,492</u></u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Road Maintenance & Rehabilitation SB-1 Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 989	\$ 989
Intergovernmental revenues	510,000	510,000	661,140	151,140
Total revenues	<u>510,000</u>	<u>510,000</u>	<u>662,129</u>	<u>152,129</u>
EXPENDITURES:				
Current:				
Public works	-	-	147	(147)
Capital outlay	510,000	510,000	488,722	21,278
Total expenditures	<u>510,000</u>	<u>510,000</u>	<u>488,869</u>	<u>21,131</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	173,260	<u>\$ 173,260</u>
FUND BALANCE:				
Beginning of year			384,689	
End of year			<u>\$ 557,949</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Federal Grants Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 175,000	\$ 1,181,898	\$ 880,672	\$ (301,226)
Total revenues	<u>175,000</u>	<u>1,181,898</u>	<u>880,672</u>	<u>(301,226)</u>
EXPENDITURES:				
Current:				
General government	-	3,200	4,667	(1,467)
Public safety	-	209,357	425,821	(216,464)
Public works	-	416,431	390,480	25,951
Capital outlay	-	410,093	343,434	66,659
Total expenditures	<u>-</u>	<u>1,039,081</u>	<u>1,164,402</u>	<u>(125,321)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>175,000</u>	<u>142,817</u>	<u>(283,730)</u>	<u>(426,547)</u>
OTHER FINANCING (USES):				
Transfers out	-	(253,239)	(253,238)	1
Total other financing (uses)	<u>-</u>	<u>(253,239)</u>	<u>(253,238)</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>\$ 175,000</u>	<u>\$ (110,422)</u>	<u>(536,968)</u>	<u>\$ (426,546)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(280,570)</u>	
End of year			<u>\$ (817,538)</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
State and County Grants Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 1,372,000	\$ 1,017,000	\$ 728,866	\$ (288,134)
Total revenues	<u>1,372,000</u>	<u>1,017,000</u>	<u>728,866</u>	<u>(288,134)</u>
EXPENDITURES:				
Current:				
Public safety	189,750	339,750	172,420	167,330
Public works	30,250	30,250	680	29,570
Capital outlay	<u>520,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>740,000</u>	<u>370,000</u>	<u>173,100</u>	<u>196,900</u>
NET CHANGE IN FUND BALANCE	<u>\$ 632,000</u>	<u>\$ 647,000</u>	555,766	<u>\$ (91,234)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			(760,608)	
End of year			<u>\$ (204,842)</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 1,065,000	\$ 1,065,000	\$ 769,324	\$ (295,676)
Total revenues	<u>1,065,000</u>	<u>1,065,000</u>	<u>769,324</u>	<u>(295,676)</u>
EXPENDITURES:				
Current:				
Community development	25,000	25,000	39,274	(14,274)
Capital outlay	<u>950,000</u>	<u>950,000</u>	<u>761,555</u>	<u>188,445</u>
Total expenditures	<u>975,000</u>	<u>975,000</u>	<u>800,829</u>	<u>174,171</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>90,000</u>	<u>90,000</u>	<u>(31,505)</u>	<u>(121,505)</u>
OTHER FINANCING (USES):				
Transfers out	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>	<u>90,000</u>
Total other financing (uses)	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>	<u>90,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(31,505)</u>	<u>\$ (31,505)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(50,584)</u>	
End of year			<u>\$ (82,089)</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
AQMD/California AB Distributions Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 149	\$ 149
Total revenues	<u>-</u>	<u>-</u>	<u>149</u>	<u>149</u>
EXPENDITURES:				
Current:				
Public works	-	-	119	(119)
Total expenditures	<u>-</u>	<u>-</u>	<u>119</u>	<u>(119)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	30	<u>\$ 30</u>
FUND BALANCE:				
Beginning of year			133,640	
End of year			<u>\$ 133,670</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Police Asset Seizure Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 18	\$ 18
EXPENDITURES:				
Current:				
Public safety	-	-	15	(15)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	3	<u>\$ 3</u>
FUND BALANCE:				
Beginning of year			16,380	
End of year			<u>\$ 16,383</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Safety 1/2 Cent Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 125,000	\$ 125,000	\$ 172,092	\$ 47,092
Investment earnings	-	-	216	216
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>172,308</u>	<u>47,308</u>
EXPENDITURES:				
Current:				
Public safety	-	-	166	(166)
Total expenditures	<u>-</u>	<u>-</u>	<u>166</u>	<u>(166)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>125,000</u>	<u>125,000</u>	<u>172,142</u>	<u>47,142</u>
OTHER FINANCING (USES):				
Transfers out	(120,000)	(120,000)	(120,000)	-
Total other financing (uses)	<u>(120,000)</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 5,000</u>	<u>\$ 5,000</u>	52,142	<u>\$ 47,142</u>
FUND BALANCE:				
Beginning of year			163,236	
End of year			<u>\$ 215,378</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Traffic Offender Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 5	\$ 5
Total revenues	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
EXPENDITURES:				
Current:				
Public safety	-	-	3	(3)
Total expenditures	<u>-</u>	<u>-</u>	<u>3</u>	<u>(3)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	2	<u>\$ 2</u>
FUND BALANCE (DEFICIT):				
Beginning of year			(1,405)	
End of year			<u>\$ (1,403)</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
COPS Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 1,921	\$ 1,921
Intergovernmental revenues	146,000	146,000	156,893	10,893
Total revenues	<u>146,000</u>	<u>146,000</u>	<u>158,814</u>	<u>12,814</u>
EXPENDITURES:				
Current:				
Public safety	-	-	24	(24)
Total expenditures	<u>-</u>	<u>-</u>	<u>24</u>	<u>(24)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>146,000</u>	<u>146,000</u>	<u>158,790</u>	<u>12,790</u>
OTHER FINANCING (USES):				
Transfers out	(125,000)	(125,000)	(125,000)	-
Total other financing (uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 21,000</u>	<u>\$ 21,000</u>	33,790	<u>\$ 12,790</u>
FUND BALANCE:				
Beginning of year			306,473	
End of year			<u>\$ 340,263</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure I 1990-2010 Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 1,358	\$ 1,358
Total revenues	<u>-</u>	<u>-</u>	<u>1,358</u>	<u>1,358</u>
EXPENDITURES:				
Current:				
Public works	-	-	92	(92)
Total expenditures	<u>-</u>	<u>-</u>	<u>92</u>	<u>(92)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	1,266	<u>\$ 1,266</u>
FUND BALANCE:				
Beginning of year			352,597	
End of year			<u>\$ 353,863</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure I 70% Local Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 540,000	\$ 540,000	\$ 991,462	\$ 451,462
Investment earnings	-	-	6,749	6,749
Total revenues	<u>540,000</u>	<u>540,000</u>	<u>998,211</u>	<u>458,211</u>
EXPENDITURES:				
Current:				
Public works	-	65,000	20,991	44,009
Capital outlay	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Total expenditures	<u>250,000</u>	<u>315,000</u>	<u>20,991</u>	<u>294,009</u>
NET CHANGE IN FUND BALANCE	<u>\$ 290,000</u>	<u>\$ 225,000</u>	977,220	<u>\$ 752,220</u>
FUND BALANCE:				
Beginning of year			<u>1,132,689</u>	
End of year			<u>\$ 2,109,909</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Facilities District Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 32,426	\$ 32,426	\$ 3,460	\$ (28,966)
Investment earnings	-	-	3,228	3,228
Total revenues	<u>32,426</u>	<u>32,426</u>	<u>6,688</u>	<u>(25,738)</u>
EXPENDITURES:				
Current:				
Public works	<u>18,458</u>	<u>18,458</u>	<u>18,690</u>	<u>(232)</u>
Total expenditures	<u>18,458</u>	<u>18,458</u>	<u>18,690</u>	<u>(232)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,968</u>	<u>13,968</u>	<u>(12,002)</u>	<u>(25,970)</u>
OTHER FINANCING (USES):				
Transfers out	<u>(13,968)</u>	<u>(13,968)</u>	<u>(13,968)</u>	<u>-</u>
Total other financing (uses)	<u>(13,968)</u>	<u>(13,968)</u>	<u>(13,968)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(25,970)</u>	<u>\$ (25,970)</u>
FUND BALANCE:				
Beginning of year			<u>641,531</u>	
End of year			<u>\$ 615,561</u>	

City of Adelanto
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
LLMD Annexation Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 229,846	\$ 229,846	\$ 230,955	\$ 1,109
Investment earnings	500	500	1,446	946
Total revenues	<u>230,346</u>	<u>230,346</u>	<u>232,401</u>	<u>2,055</u>
EXPENDITURES:				
Current:				
Public works	<u>14,541</u>	<u>14,541</u>	<u>7,632</u>	<u>6,909</u>
Total expenditures	<u>14,541</u>	<u>14,541</u>	<u>7,632</u>	<u>6,909</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(14,541)</u>	<u>(14,541)</u>	<u>(7,632)</u>	<u>8,964</u>
OTHER FINANCING (USES):				
Transfers out	<u>(215,855)</u>	<u>(215,855)</u>	<u>(215,852)</u>	<u>3</u>
Total other financing (uses)	<u>(215,855)</u>	<u>(215,855)</u>	<u>(215,852)</u>	<u>3</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (50)</u></u>	<u><u>\$ (50)</u></u>	<u>8,917</u>	<u><u>\$ 8,967</u></u>
FUND BALANCE:				
Beginning of year			<u>370,561</u>	
End of year			<u><u>\$ 379,478</u></u>	

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PRIVATE PURPOSE TRUST FUNDS

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City of Adelanto
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
June 30, 2021

	Luetke Foundation	Successor Agency	Total
ASSETS			
Cash and investments	\$ 37,805	\$ 10,624,957	\$ 10,662,762
Cash and investments with fiscal agents	-	4,836,829	4,836,829
Interest receivable	-	3,575	3,575
Notes receivable	-	542,355	542,355
Total assets	<u>37,805</u>	<u>16,007,716</u>	<u>16,045,521</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on debt refunding	-	250,593	250,593
Total deferred outflows of resources	<u>-</u>	<u>250,593</u>	<u>250,593</u>
LIABILITIES			
Accounts payable	-	454	454
Advanced from City	9,948	2,763,837	2,773,785
Interest payable	-	819,480	819,480
Bonds payable	-	5,827,113	5,827,113
Loans payable	-	23,314,766	23,314,766
Other long-term liabilities	-	45,682,640	45,682,640
Total liabilities	<u>9,948</u>	<u>78,408,290</u>	<u>78,418,238</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	27,857	-	27,857
Held in trust for dissolution of RDA	-	(62,149,981)	(62,149,981)
Total Net Position	<u>\$ 27,857</u>	<u>\$ (62,149,981)</u>	<u>\$ (62,122,124)</u>

City of Adelanto
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
For the Year Ended June 30, 2021

	Luetke Foundation	Successor Agency	Total
ADDITIONS:			
RDA property tax trust fund distribution	\$ -	\$ 4,314,936	\$ 4,314,936
Interest income	-	120,570	120,570
Total additions	-	4,435,506	4,435,506
DEDUCTIONS:			
Administration	-	58,434	58,434
Project payments	-	24,077	24,077
Interest expense	-	5,083,373	5,083,373
Total deductions	-	5,165,884	5,165,884
CHANGE IN NET POSITION	-	(730,378)	(730,378)
NET POSITION (DEFICIT):			
Beginning of year	27,857	(61,419,603)	(61,391,746)
End of year	\$ 27,857	\$ (62,149,981)	\$ (62,122,124)

CUSTODIAL FUNDS

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City of Adelanto
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2021

	Assessment District 1A	Community Facilities District 2006-2 Bond Fund	Total
ASSETS			
Cash and investments	\$ 1,160,747	\$ 509,698	\$ 1,670,445
Cash and investments with fiscal agents	-	924,149	924,149
Interest receivable	-	604	604
Total assets	<u>1,160,747</u>	<u>1,434,451</u>	<u>2,595,198</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	1,160,747	1,434,451	2,595,198
Total Net Position	<u><u>\$ 1,160,747</u></u>	<u><u>\$ 1,434,451</u></u>	<u><u>\$ 2,595,198</u></u>

City of Adelanto
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2021

	Assessment District 1A	Community Facilities District 2006-2 Bond Fund	Total
ADDITIONS:			
Special assessments for other governments	\$ 2,551	\$ 608,743	\$ 611,294
Interest income	1,200	4,138	5,338
Miscellaneous	-	11,790	11,790
Total additions	<u>3,751</u>	<u>624,671</u>	<u>628,422</u>
DEDUCTIONS:			
Administration	1,023	-	1,023
Payments on conduit bonds - interest	-	569,657	569,657
Total deductions	<u>1,023</u>	<u>569,657</u>	<u>570,680</u>
Changes in net position	2,728	55,014	57,742
NET POSITION:			
Beginning of year	1,158,019	1,379,437	2,537,456
End of year	<u>\$ 1,160,747</u>	<u>\$ 1,434,451</u>	<u>\$ 2,595,198</u>