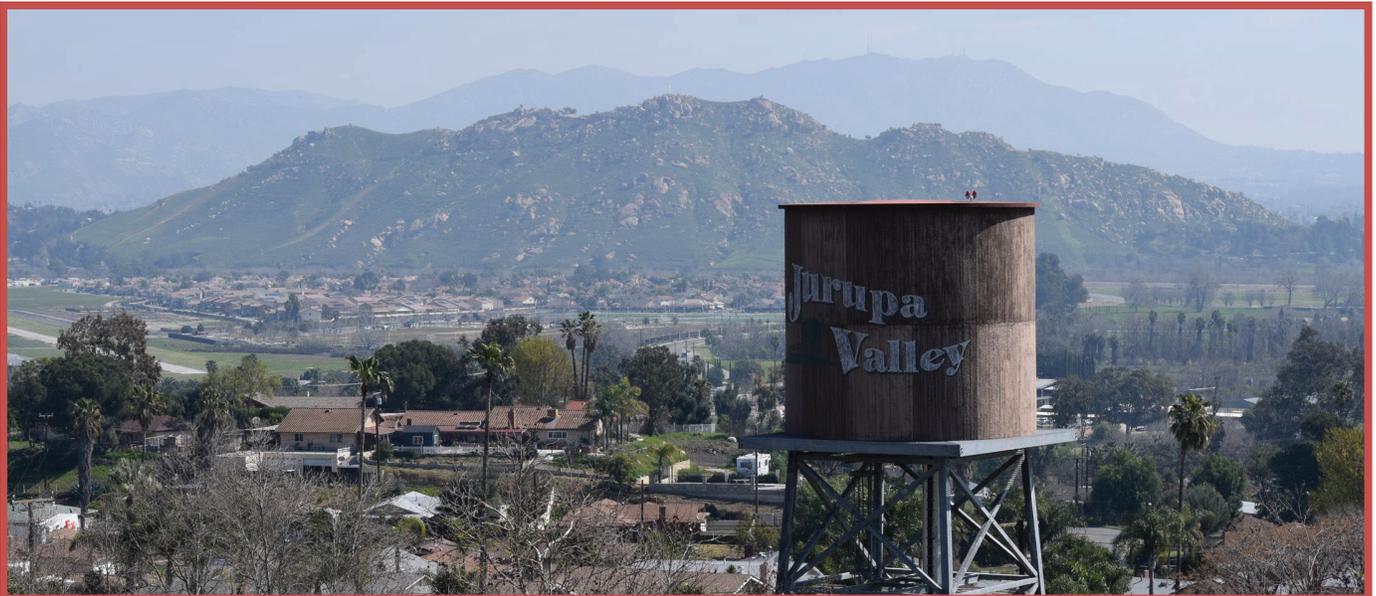




CITY OF JURUPA VALLEY

CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR FISCAL YEAR ENDED JUNE 30, 2023



CITY OF JURUPA VALLEY, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by:

Administrative Services Department

City of Jurupa Valley
Annual Comprehensive Financial Report
For the year ended June 30, 2023

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City of Jurupa Valley

Transmittal Message

February 26, 2024

Honorable Mayor, Members of the City Council, and Citizens of the City of Jurupa Valley

Fiscal Year 2022-23 Annual Comprehensive Financial Report (ACFR)

It is with great pleasure that we present to you the City of Jurupa Valley's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This report gives its readers a comprehensive view of the City's financial activities during the fiscal year and financial position at the end of the fiscal year. The basic financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP). They were audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants.

This report consists of management representations concerning the finances of the City of Jurupa Valley in its twelfth year of incorporation. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in the report. To provide a reasonable basis for making these representations, management has implemented a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information to prepare the City's financial statements in conformity to GAAP. The City's internal control procedures are established on the principle that the cost of internal controls should not outweigh their benefits. As a result the City has designed the internal control systems to provide reasonable rather than absolute assurance that the financial statements are free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Management also recognizes that the internal control environment changes over time due to changes in operation or the personnel performing various duties. As a result, the internal control environment is continuously being assessed to ensure that adequate controls still exist within the City to achieve the City's objectives.

Badawi & Associates, CPAs, an independent firm of certified public accountants, have audited the City's financial statements. The purpose of an independent audit is to provide reasonable assurance that the financial statements of the City of Jurupa Valley for the fiscal year ended June 30, 2023 are free of any material misstatements. The independent auditor's report is presented as the first component of the financial section of this report. GAAP require that management provide a narrative of introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A).

This transmittal message is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report in the financial section of this report.

Profile of the Government

The City of Jurupa Valley, California was incorporated as a general law city effective July 1, 2011. Jurupa Valley is the 28th city in Riverside County and newest city in California. The City is located approximately 50 miles southeast of Los Angeles and has an estimated population of 107,083. Located in Western Riverside County, in an area also known as the Inland Empire, the city covers approximately 46 square miles, with the borders running along the 15 freeway to the west, the Santa Ana River to the south and east and San Bernardino County to the north.

A community of communities, the City of Jurupa Valley joined together the unincorporated areas of Riverside County previously known as Mira Loma, Glen Avon, Pedley, Indian Hills, Jurupa Hills, Sunnyslope, Crestmore Heights, Rubidoux, and Belltown.

The City operates under a Council-Manager form of government. Under this form of government, policy-making and legislative authority are vested in the City Council consisting of five (5) members elected by district. The City Council responsibilities include, but are not limited to, passing ordinances, adopting the budget, appointing committees and commissions, and hiring both the City Manager and City Attorney. The Council Members serve four (4) year terms and the Mayor is appointed annually by and from the City Council. As Chief Executive Officer, the City Manager is responsible for administering programs in accordance with policies established by the City Council and within the guidelines of the annual budget adopted by the City Council.

This report includes all funds of the City. It includes all governmental organizations and activities for which the City of Jurupa Valley's City Council is financially accountable. The City provides a wide range of services including planning, building, public works, engineering, code enforcement, and general administrative activities. Services including library, police, animal control and fire protection are also provided to the City and its citizens through contracts with the County of Riverside. Other services are provided directly through other agencies. Water and sewer services are delivered by the Jurupa Community Services District, the Rubidoux Community Services District and Santa Ana River Water Company. Parks and recreation services are provided by the Jurupa Area Recreation and Parks District. Public transit is provided through the Riverside Transit Agency. The City has franchise agreements for electricity service through Southern California Edison, natural gas through the Gas Company, refuse collection through Burrtec, and cable service through state franchise agreements with Pacific Bell (AT&T) and Charter Communications.

City Milestones

SB 132 funding - The City of Jurupa Valley entered into an agreement with County of Riverside Transportation Department and Riverside County Transportation Commission (RCTC) for a Grade Separation Improvement at the intersection of Van Buren Boulevard and Jurupa Road. The project is funded with \$108.4 million of SB 132 monies with an additional \$25 million funded in 2022-23 through RCTC. This project is currently in the construction phase.

Measure A - Projects completed by the City of Jurupa Valley in 2022-23 with Measure A funds were the Mission Blvd Pavement Rehabilitation Project - Phase 1 (July 2022) and the Mission Blvd Pavement Rehabilitation Project - Phase 2 (October 2022).

The City has allocated Measure A funds in 2023-24 for continuing projects as follows: the Mission Blvd Bridge which has a carryover balance of \$873 thousand, the Pacific Ave SR2S project with a carryover balance of \$670 thousand; the Sunnyslope Area SR2S Sidewalk Gap Closure with a carryover balance of \$295 thousand; the Van Buren Blvd Pavement Rehabilitation Phase 3 project with a carryover balance of \$42 thousand, the 2022-2023 Citywide Pavement Rehab project with a carryover balance of \$289 thousand, the 2022-2023 Citywide Slurry Seal with a carryover balance of \$500 thousand, and the Old Mira Loma Pavement Rehabilitation Phase 2 project which has a carryover balance of \$1.48 million.

The City has allocated Measure A funds in 2023-24 for the following new projects: the Agate St. Traffic Calming project for \$18 thousand, the Rubidoux Corridor Safety project for \$5 thousand, the Crestmore Rd Traffic Calming project for \$75 thousand, the 23-24 Citywide Slurry Seal project for \$450 thousand, the 23-24 Citywide Pavement Rehab project for \$1.69 million, and the Pacific Avenue Pedestrian & Bicycle Improvement project for \$709 thousand.

TUMF - The City of Jurupa Valley has Transportation Uniform Mitigation Fee program (TUMF) allocations for various continuing projects in 2023-24 as follows: the Van Buren Blvd. (Limonite Ave to Santa Ana River) Widening project with a carryover balance of \$5.4 million, the Market St. Bridge (crossing Santa Ana River) project with a total carryover and allocation of \$5.4 million; the Market St. Widening (Santa Ana River to Rubidoux Blvd) project with a total carryover and allocation balance of \$4.0 million; the Limonite Ave Widening (Bain to Homestead) with a carryover balance of \$400 thousand, the Cantua-Galleano Gap Closure project with a carryover balance of \$75 thousand, the Bellegrave Avenue Widening project with a carryover balance of \$139 thousand, and the Rubidoux-SR60 Interchange Improvement with a carryover balance of \$617 thousand.

Community Development Block Grant (CDBG) - One project was completed with CDBG funds during 2022-23. The Old Mira Loma Pavement Rehab Phase I project was completed in August 2022. The City has allocated CDBG funds in 2023-24 to the following continuing and new projects: Old Mira Loma Pavement Rehab. Phase 2 project which has a carryover balance of \$425 thousand, the Pacific Ave. Pedestrian & Bicycle Improvements (42nd to Mission) which has a carryover balance of \$371 thousand, and for the Glen Avon Area Pavement Rehab project which was a new allocation or 2023-24 of \$735 thousand.

Highway Safety Improvement Program (HSIP) - The City of Jurupa Valley was awarded two grants for continued Citywide Guardrail replacement and signal and other safety upgrades for \$125 thousand and \$2.2 million; these projects are ongoing. A state grant was also awarded for the Rubidoux Boulevard Corridor Safety Project for \$563 thousand.

Road Maintenance and Rehabilitation Account (RMRA) - Projects completed by the City in 2022-23 using RMRA funds included the Old Mira Loma Pavement Rehabilitation - Phase 1 project (August 2022), the Mission Blvd Pavement Rehabilitation - Phase 2 project (October 2022), the Citywide 2021-22 Citywide Slurry Seal project (July 2022), the 2021-2022 Citywide Pavement Rehab. Project (July 2023). The City has allocated RMRA funds in 2023-24 to the following continuing projects: the Van Buren Pavement Rehab. Phase 3 (Bellegrave to Etiwanda) with total carryover and new allocation

balance of \$2.7 million, the Old Mira Loma Pavement Rehabilitation – Phase 2 project with a carryover balance of \$819 thousand, and the 23-24 Citywide Pavement Rehabilitation project with a new allocation of \$2.6 million.

Accela - The City purchased and implemented the Accela permitting software in August 2019 to improve efficiency between the Building, Engineering, and Community Development departments of the City. Staff continues to evaluate processes and procedures within Accela to add efficiencies and services offered to residents and City businesses including an online business registration process and implementing City GIS system through Accela. In 2022-23, the City began accepting online payments through the Accela portal to provide users with additional options for payment convenience.

Relevant Financial Policies

The City has a set of financial policies that it abides by. It continually reviews and updates the policies as the needs of the City change to comply with any new and applicable legislation. Initially following incorporation, the City adopted all of Riverside County’s Ordinances. As the City develops its own unique needs, it will revise these former County Ordinances to directly address the City’s goals. In Fiscal Year 2022-23 the City enhanced their investment portfolio after updating the City Investment Policy in the previous fiscal year, resulting in increases to investment income in the 2022-23 fiscal year.

The Budget Process

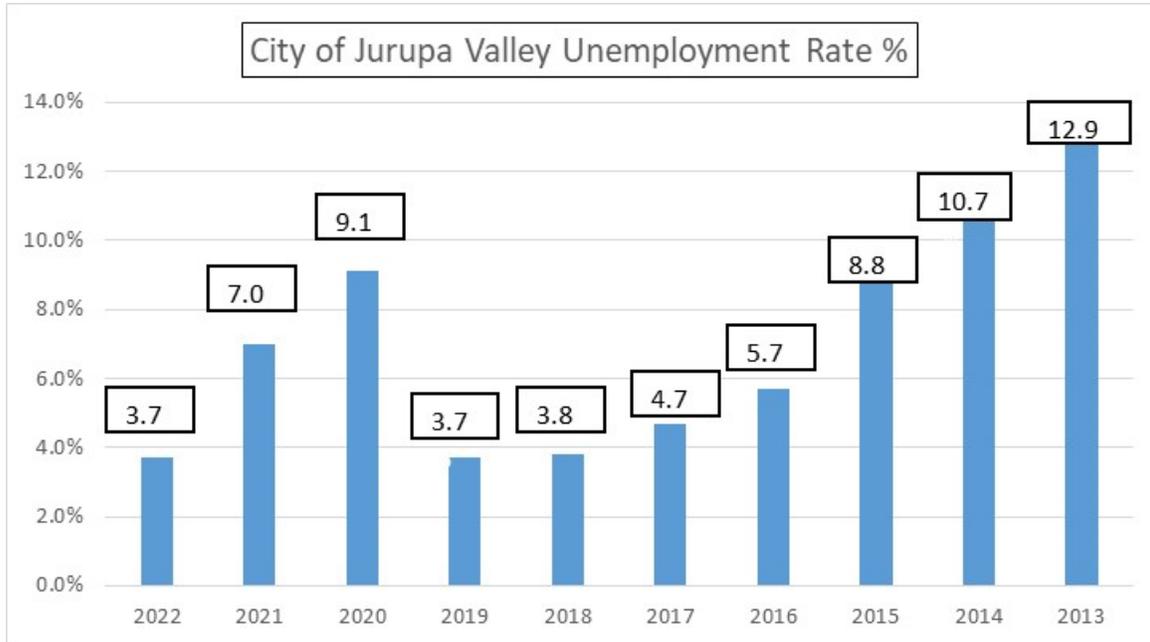
Each year the City embarks on a strategic budget process beginning in the spring with a discussion of the City Council goals and priorities. The annual budget serves as the foundation for the City of Jurupa Valley’s financial planning and control of both operating and capital expenditures.

The City maintains budgetary controls to ensure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council. The proposed budget is submitted to the City Council and a public meeting is conducted to allow taxpayers the opportunity to comment on the proposed budget. Subsequently, the budget is adopted by the City Council through the passage of resolutions. Throughout the year, the City Council may amend the budget to add or remove appropriations, transfer appropriations within a fund or change appropriations between funds.

Local Economy

The information presented in the financial statements is perhaps best understood when it is considered within the specific economic environment that exists in City of Jurupa Valley.

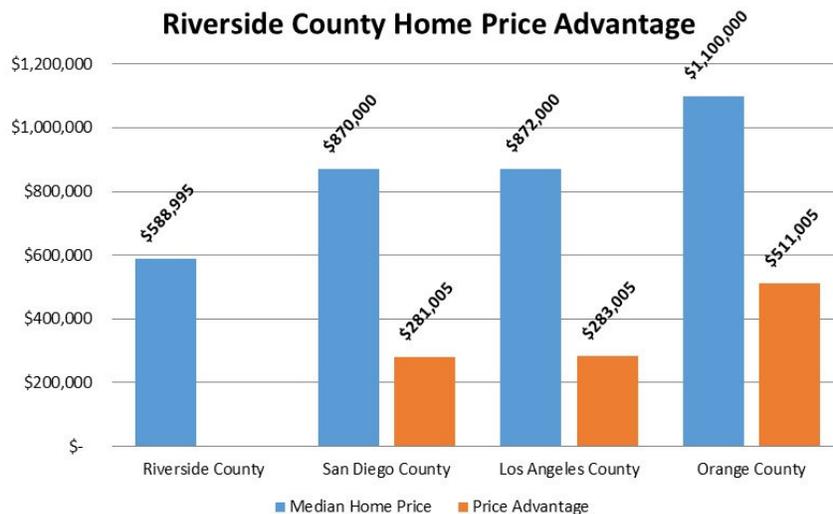
The City of Jurupa Valley continued to see an annual decrease in the unemployment rate in calendar year 2022. The City had an unemployment rate of 3.7% in 2022 (compared to 7.0% in 2021 likely due to continued pandemic effects). The City’s 2022 unemployment rate was lower than the unemployment rate of 4.1% for the Riverside, San Bernardino and Ontario Region. Overall, job gains increased for the Riverside, San Bernardino and Ontario Region in 2023, after more than 33,500 jobs were added from December 2022 to December 2023. However, based on preliminary December 2023 data, the unemployment rate increased in 2023 as inflation and other factors continue to affect the economy. The unemployment rate for the Riverside, San Bernardino and Ontario Region as of December 2023 was 5.1% and the City’s unemployment rate as of December 2023 is 4.8%.



Source: State of California Employment Development Department (EDD) Labor Force Data

The Inland Empire continues to see increased prices for new and existing homes. Jurupa Valley continues to be an attractive location for developers with the availability of vacant land and the continued price advantage over the coastal counties.

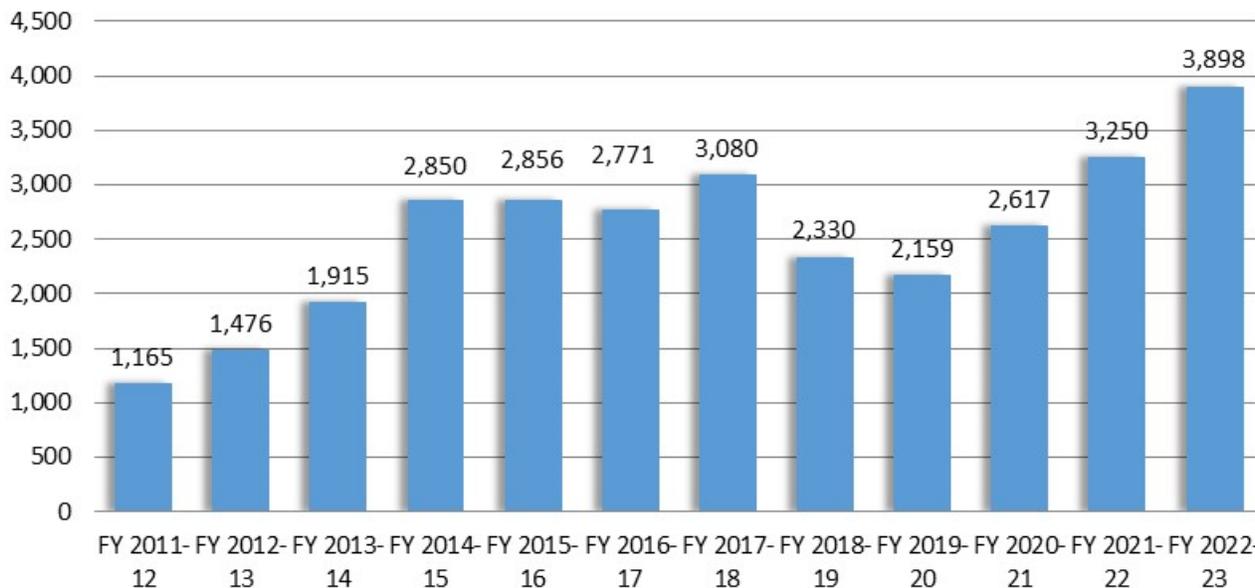
The price advantage of median priced new and existing homes and the availability of affordable housing will continue to attract future homebuyers to the area and continue to create a demand for new housing. Riverside County’s first quarter 2023 median home price of \$588,995 for new and existing homes remained comparable to the 2022 median home price, with a slight increase of 2.43% from last year’s \$575,000.



Source: Redfin, November 2023

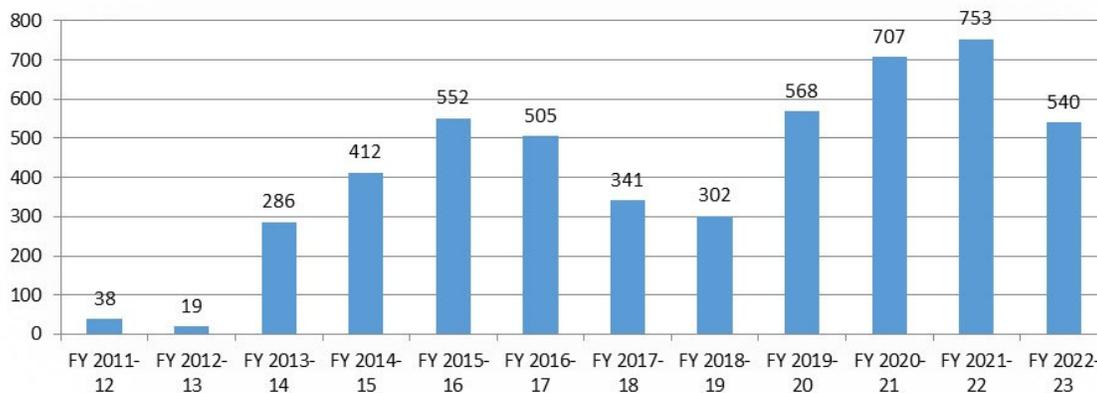
The City of Jurupa Valley experienced an increase in the number of Building Permits Issued from 3,250 in FY 2021-22 to 3,898 in FY 2022-23. New home permits decreased by 469 as compared to the increase of 46 and 139 in FY 2021-22 and FY 2020-21, respectively.

Building Permits Issued



New Dwelling Units are down 28.29% compared to prior fiscal year; nevertheless, the City continues to remain attractive to developers and new homebuyers, due to its close proximity to major freeways and to the Ontario International Airport and commercial developments that are currently in various stages of completion.

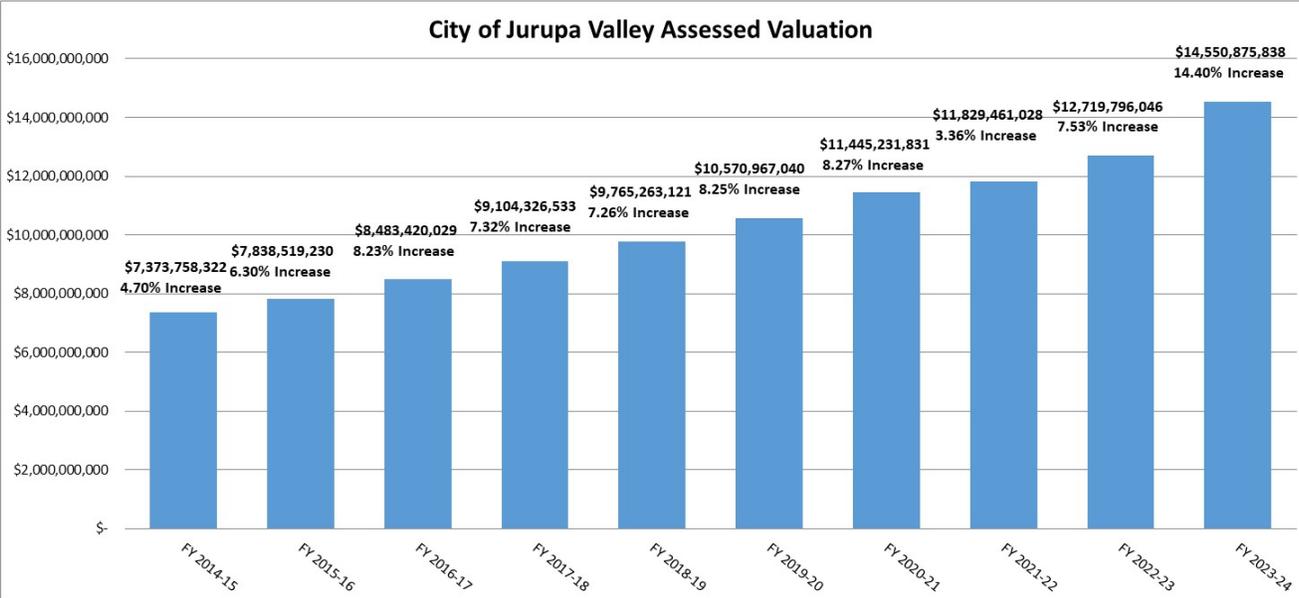
New Dwelling Unit Permits Issued



Community Development – The Community Development Department is actively working with the City Manager and Assistant City Manager on major high-profile projects in the development pipeline: Shops at Jurupa Valley, Vernola Ranch, Rio Vista, Paradise Knolls, District at Jurupa Valley, and Emerald Ridge North and South. Projects approved in 2021-22 that moved into the construction/building phase include the Appaloosa Springs project (a new residential development consisting of 254 single-family lots, located at 6501 Clay St.) and the Autozone project (a new 7,380 sq ft. Autozone on the southeast corner of Limonite and Corey Blvd.

The following projects were approved in FY 2022/23:

- The Shops at Jurupa Valley: A new 32-acre shopping, dining, and commercial development on the corner of Pyrite St. and Mission Blvd. When finished, the “Shops at Jurupa Valley” project will include over 20 new buildings and over 230,000 square feet of retail/commercial space
- Aldi’s: New supermarket at the Vernola Marketplace Shopping Center
- Century Communities: 118 townhome development at Paradise Knolls Specific Plan area 2, lot 7 and 24 single family detached (cluster) homes development at Paradise Knolls Specific Plan area 2, lot 9
- Vernola Marketplace Apartments Phase B: 200 apartment units on 8.3 acres south of Vernola Marketplace Shopping Center, west of Pats Ranch and east of I-15 freeway
- Madone Collection: 35 single family residential units on 6.92 acres at 7586 Jurupa Rd.
- Emerald Ridge North: Minor Change approved to residential project that consists of 97 single-family residential lots and 118 townhome units on 42.68 acres on the southwest corner of 28th St. and Canal St.
- Burtec Waste Industries: New waste collection operations facility 9.82 acres



Development along with increasing assessed value of existing homes in Jurupa Valley continue to contribute to higher property tax valuations within the City. These key factors have resulted in

significant increases in the City's property tax valuation. This trend is expected to continue over the next few years due to approval of several major, commercial, and industrial development projects and the number of new homes being built and sold within the City limits.

FY 2023-24 Budgetary Highlights

- FY 2023-24 General Fund Expenditures total \$55,866,055 which represents a 2.1% increase over the prior year's original budget. Two of the largest increases are due to enhancements to the City's Public Safety services contract and revenue neutrality expenditures that are impacted by sales and property tax revenues.
- Public Works/Engineering expenditures were budgeted at an increase of 20.62% due to expected projects included in the City's five-year CIP plan and to the approved American Rescue Plan Act (ARPA) expenditure plan.
- The City organization continues to grow in a manner that ensures service delivery is responsive to needs while remaining fiscally prudent. Staffing plans continue to be developed that have resulted in a slight increase of 3.3 full-time equivalent (FTE) City staff budgeted for 2023-24.
- The City will increase budget and financial oversight and continue the process of evaluating the need for new/revised policies and for multi-year financial planning. The investment committee moved forward in 2022-23 with the first part of investment diversification strategy which has resulted in an increased budget for investment income when compared to the 2022-23 budget.
- As the City expands its fleet, a new internal service fund was approved for funding from reserves that will allocate \$500,000 to the purchase of needed vehicles and equipment for City staff and for use in public safety.
- The City allocated the amount of \$45 thousand for grants to non-profit organizations (maximum of \$5,000 per recipient).
- Sales tax revenues remain stable for the City budget.
- Increased property tax revenue due to new home development and the increased valuation of existing homes continues to be expected.

Acknowledgements

The preparation of the Annual Comprehensive Financial Report could not have been accomplished without the dedication and effort of the entire Administrative Services and Finance Department staff and the independent auditors, Badawi & Associates, CPAs. I would also like to thank the City Council for their participation and direction in setting forth each annual budget and for their effort and support throughout the year.

Respectfully submitted,

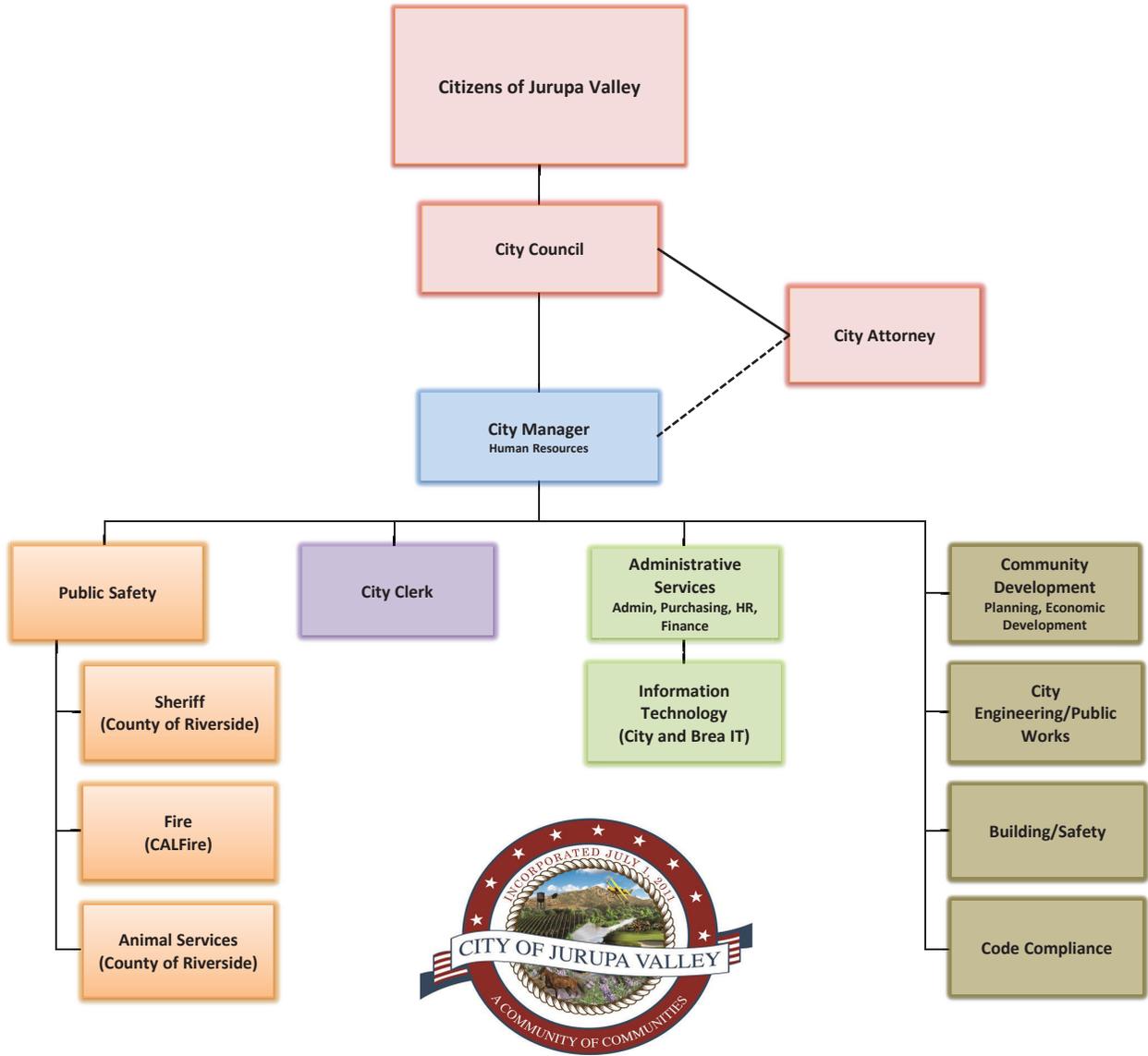


Rod B. Butler
City Manager

CITY OF JURUPA VALLEY

Organization Chart

June 30, 2023



CITY OF JURUPA VALLEY

PRINCIPAL OFFICIALS

Council – Manager Form of Government

CITY COUNCIL

CHRIS BARAJAS

Mayor

GUILLERMO SILVA

Mayor Pro Tem

ARMANDO CARMONA

Council Member

LESLIE ALTAMIRONO

Council Member

BRIAN BERKSON

Council Member

CITY ADMINISTRATION

Rod B. Butler, City Manager

Michael Flad, Assistant City Manager

Peter Thorson, City Attorney

Connie Cardenas, Director of Administrative Services

Vicki Wasko, City Clerk

Joseph Perez, Director of Community Development

Paul Toor, Director of Public Works/City Engineer

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Jurupa Valley
Jurupa Valley, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Jurupa Valley (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-15 and 63-67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

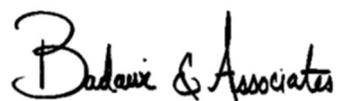
The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected 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 and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 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 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.



Badawi & Associates, CPAs
Berkeley, California
February 26, 2024

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Management's Discussion and Analysis

The following Management Discussion and Analysis (MD&A) of the City of Jurupa Valley's (City) financial condition and performance provides an introduction and overview of the financial activities for the fiscal year ended June 30, 2023. Since the MD&A is designed to be condensed, we encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the basic financial statements including the accompanying notes to financial statements.

Financial Highlights

- Total assets of the City at June 30, 2023 were \$198.1 million and exceeded total liabilities and deferred inflows of resources of \$67.1 million by \$131.0 million. The difference between total assets and total liabilities is referred to as total net position.
- As of June 30, 2023, the City's governmental funds reported combined fund balances of \$85.87 million. Approximately \$40.84 million of the governmental funds' fund balance is restricted. The remaining fund balance of \$45.03 million, or 52.44%, is unassigned. In April 2021, the City adopted General Fund Reserve policy that designates reserves from this unassigned balance for Catastrophic Reserves (15% of general fund annual operating expenditures for unforeseen emergencies) and for Budget Stabilization Reserves (10% of general fund annual operating revenues to mitigate annual budget shortfalls should they occur) (see Note 1 - Fund Equity in Notes to Financial Statements). Reserve requirements were met for the current fiscal year.
- In October 2016, pursuant to an Installment Sales Agreement, the City issued \$8,165,000 of Certificates of Participation Series 2016, the proceeds of which have been used to finance the design, acquisition, and construction of certain local roadway improvements and street resurfacing projects within the jurisdiction of the City. All funds for Certificates of Participation Series 2016 have been spent. The debt service payments are pledged and from County Measure A sales tax override funds and five payments remain (see Note 8 in Notes to Financial Statements-Long Term Liabilities).
- In June 2021, pursuant to a lease-leaseback agreement, the City issued \$6,935,000 of Certifications of Participation 2021 Building Acquisition Project. The City purchased a building from the County of Riverside and paid for the purchase with \$4,000,000 of general fund reserves and used proceeds from the issuance of the 2021 Building Acquisition Project certificates for the remaining balance of the purchase. The purchased building, the Jurupa Valley Operations Center (JVOC), is included in the June 30, 2023 financial statements as a capital asset. The debt service payments for this issuance are made from general fund revenues. Staff from various city departments including building, code enforcement, and public works are based out of JVOC (see Note 8 in Notes to Financial Statements-Long Term Liabilities).

- Due to other governments increased by \$0.12 million due to an increase in taxes that affect the revenue neutrality payment amount. The revenue neutrality payment to the County of Riverside for fiscal year ended June 30, 2023 was properly accrued in accordance with the Revenue and Neutrality Agreement by and between the County of Riverside and the City of Jurupa Valley.
- The City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, in fiscal year 2022-23. Implementation of this standard resulted in recognition of SBITA capital assets of \$432,769 (net of accumulated amortization) and corresponding SBITA liabilities of \$383,717 as of June 30, 2023. Implementation of the standard required restated capital asset balances of \$201,332 for the SBITA capital asset (see Note 4 - Capital Assets) and the SBITA liabilities (see Note 8 - Long-Term Liabilities); however, there was no restatement to beginning fund balance.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the City of Jurupa Valley as prescribed by GASB Statement No. 34, as amended. The MD&A is intended to serve as an introduction to the City's financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner that is similar to a private-sector business.

Government-wide financial statements include a statement of net position and a statement of activities. The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases may provide a useful indicator on whether the financial position of the City is improving.

The *statement of activities* provides information showing how the City's net position changed during the most recent fiscal year. These changes are reported using the full accrual basis of accounting, that is, when the economic event occurs, rather than when cash is received or paid. Under this basis of accounting, revenues and expenses are reported in the statement for some items that will only result in future cash inflows or outflows such as vacation earned but not paid and uncollected taxes, as well as reporting debt and capital assets on balance sheet.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, community development, public works, and public safety. The City does not have any business-type activities.

The government-wide financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-one individual governmental funds for financial reporting purposes; five of these funds did not have activity in 2021-22 and are therefore not presented in these financial statements. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, Gas Tax Special Revenue Fund, Measure A Special Revenue Fund, American Rescue Plan (ARPA), and Development Impact Fee Capital Project Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation Non-major Governmental Funds. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the supplementary information in this report.

The City adopts an annual appropriated budget for its general fund, special revenue funds and capital projects funds. A budgetary comparison schedule has been provided for the General Fund and each major Special Revenue Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

Proprietary Funds: *Proprietary funds* account for two types of services – enterprise and internal services funds. The City maintains only internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions and departments. The City uses internal service funds to account for self-funded insurance and information services activities. Because these funds predominantly benefit governmental activities rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

Fiduciary Funds: *Fiduciary funds* are used to account for resources held for the benefit of parties outside the City. In these cases, the City would have a fiduciary responsibility and act as a trustee. Previously, the City's only fiduciary funds were reported as agency funds to account for development deposits made in conjunction with certain building, planning and engineering permits issued. However, with implementation of GASB 84 in the fiscal year that ended June 30, 2021, the activity for these deposits is now presented in the general fund.

Notes to Financial Statements: The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the Table of Contents under the heading Notes to Financial Statements.

Other Supplementary Information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI), about the City's General Fund, the Gas Tax Fund, Measure A Fund, and the American Rescue Plan Act (ARPA) Fund budgetary comparison. The Required Supplementary Information can be found following the Notes to Financial Statements.

The combining statements for non-major governmental funds and the budgetary comparison schedules for the non-major governmental funds can be found following the Required Supplementary Information. The combining statements referred to earlier in connection with non-major governmental funds are presented for all non-major Special Revenue and Capital Projects Funds.

Government-wide financial analysis

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

For the fiscal year ended June 30, 2023, City assets exceeded liabilities and deferred inflows of resources by \$131.0 million as summarized in the schedule that follows.

City of Jurupa Valley, California
Management's Discussion and Analysis
For the Year Ended June 30, 2023

City of Jurupa Valley
Statement of Net Position
As of June 30, 2023 and June 30, 2022
(\$ in thousands)

	<u>Governmental Activities</u>		<u>Variance</u>
	<u>2023</u>	<u>2022</u>	
Assets:			
Current and other assets	142,355 *	114,184	\$ 28,171
Capital assets (net of depreciation)	55,749	54,133	1,616
Total assets	<u>\$ 198,104</u>	<u>\$ 168,317</u>	<u>\$ 29,787</u>
Liabilities:			
Current and other liabilities	55,571	44,059	\$ 11,512
Long-term liabilities	10,008	11,005	(997)
Total liabilities	<u>\$ 65,579</u>	<u>\$ 55,064</u>	<u>\$ 10,515</u>
Deferred Inflows of Resources:			
Leases	1,530	1,454	\$ 76
Total deferred inflows of resources	<u>\$ 1,530</u>	<u>\$ 1,454</u>	<u>\$ 76</u>
Net position:			
Net investment in capital assets	\$ 44,417	\$ 42,970 *	\$ 1,447
Restricted	40,828	36,607	4,221
Unrestricted	45,750	32,223	13,527
Total net position	<u>\$ 130,995</u>	<u>\$ 111,800</u>	<u>\$ 19,195</u>

* adjusted for rounding difference

Total assets increased \$29.79 million as a result of increases of \$28.30 million in deposits to cash and investments (this increase includes deposit activity recognized in governmental funds previously recognized in agency funds) and \$1.62 million of capital assets and related depreciation being recorded, including the subscription-based I.T. agreements recorded beginning July 1, 2022. Resources are utilized for investment in infrastructure and city vehicles. Depreciation and amortization expense for the fiscal year ended June 30, 2023 was \$4.46 million.

Current liabilities increased by \$11.51 million primarily due to increases in: accounts payable for the year-end accruals, due to other governments for the revenue neutrality year-end accrual, deposits payable recognized in governmental funds, and unearned revenue for the balance of funding received as part of the American Rescue Plan Act. For the fiscal year ended June 30, 2023, the City had \$10.01 million in long-term liabilities (not including the current portion of long-term liabilities). This balance is largely due to the long-term portion of the Certificates of Participation (2016 and 2021 Building Acquisition Project) balance of \$9.82 million (the current portion of the Certificates liabilities is \$1.03 million).

Net investment in capital assets represents 33.98% of the City's net position due to the initial transfer of fixed assets from the County of Riverside and the subsequent accounting for donated assets and fixed assets acquired since incorporation. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. The \$45.75

City of Jurupa Valley, California
Management's Discussion and Analysis
For the Year Ended June 30, 2023

million of unrestricted net position includes the required reserve percentages for Catastrophic Reserves and Budget Stabilization Reserves per the City's reserves policy as discussed earlier.

Statement of Activities: The statement of activities shows how the City's net position changed during the fiscal year 2022-23. A summary of changes in net position is presented in the schedule that follows.

**City of Jurupa Valley
Statement of Activities
As of June 30, 2023 and June 30, 2022
(\$ in thousands)**

	Governmental Activities		Variance
	2023	2022	
Revenues:			
Program revenues:			
Charges for services	\$ 8,217	\$ 7,040	\$ 1,177
Operating grants and contributions	19,707 *	19,607	100
Capital grants and contributions	2,985 *	2,989	(4)
General revenues	49,921	46,106	3,815
Total revenues	<u>\$ 80,830</u>	<u>\$ 75,742</u>	<u>\$ 5,088</u>
Expenses:			
General government	\$ 8,309	\$ 14,892	\$ (6,583)
Community development	8,409 *	7,820	589
Public works	11,647	7,949	3,698
Public safety	32,987	23,341	9,646
Interest and fiscal charges	283	316	(33)
Total expenses	<u>\$ 61,635</u>	<u>\$ 54,318</u>	<u>\$ 7,317</u>
Change in net position:	<u>\$ 19,195</u>	<u>\$ 21,424</u>	<u>\$ (2,229)</u>
Net position, beginning of year	<u>\$ 111,800</u>	<u>\$ 90,377</u>	<u>\$ 21,423</u>
Prior period adjustment	<u>\$ -</u>	<u>\$ (1) *</u>	<u>\$ 1</u>
Net position, end of year	<u>\$ 130,995</u>	<u>\$ 111,800</u>	<u>\$ 19,195</u>

* adjusted for rounding difference

Total revenues increased by \$5.09 million over the prior year, primarily due to increases of \$1.02 million in property taxes, \$2.53 million in investment income, and \$1.18 million in charges for services for Building and Public Works Departments, \$773 thousand in vehicle license fees revenue, and \$372 thousand in other taxes. These increases were offset by a decrease of \$597 thousand in sales tax revenue compared to prior year.

Total expenses increased by \$7.32 million over the prior year. Increases in expenditures are due to increases of:

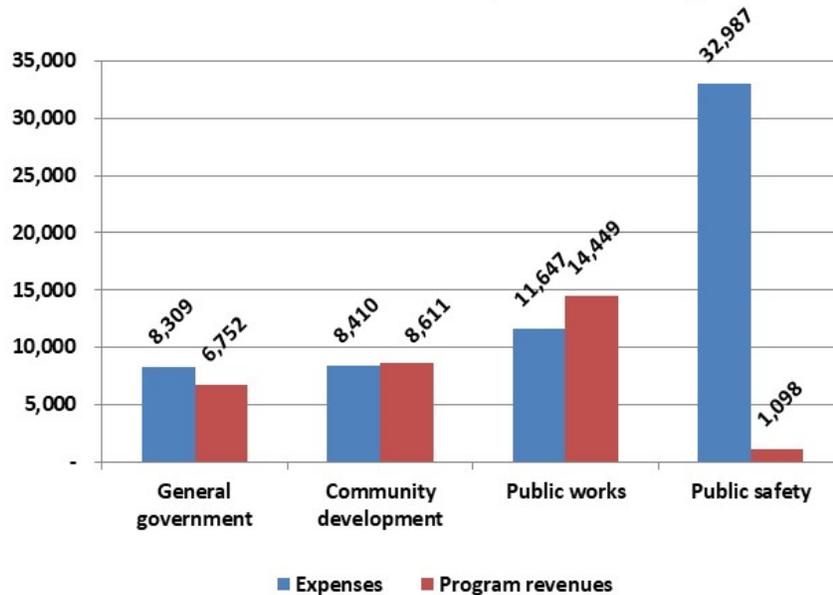
- \$119 thousand for Revenue Neutrality payments to Riverside County;
- \$1.06 million and \$461 thousand for Sheriff and Animal Control Services, respectively, for public safety;

- \$1.00 million in salary and related expenditures, \$885 thousand for professional services and consulting services and \$693 thousand for projects for public works;
- The decrease in general government and increase in public safety expenditures is largely due to re-categorization of revenue neutrality expenditure from general government to public safety.
- \$200 thousand in insurance premiums for risk management.
- Depreciation and amortization expense increased by \$792 thousand.

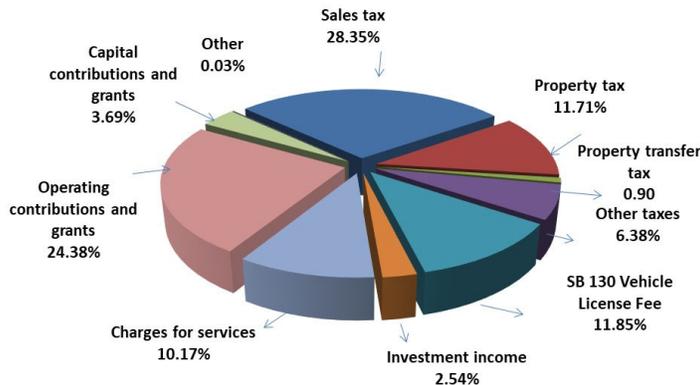
There were no prior period adjustments resulting in an effect to beginning net position in fiscal year ending June 30, 2023.

The charts below provide graphic representation of the City’s expenses compared to program revenues by function and its revenue by source.

**Expenses and Program Revenues -
 Governmental Activities (in thousands)**



Revenues by Source - Governmental Activities



The expense and program revenue chart for governmental activities is designed to reflect expenses associated with each City function and the revenues that are directly attributable to each function. It is important to note that general revenues such as property, sales, and other taxes are not directly attributable to specific functions and are therefore used to support program activities citywide.

Financial Analysis of City's Funds

As discussed earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds: The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's ability to meet financial obligations in the short-term. As an example, assigned and unassigned fund balance could serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of June 30, 2023, the City's governmental funds reported combined ending fund balances of \$85.87 million. Of the \$85.87 million, \$40.83 million or 47.56% constitutes restricted fund balance, which can only be used for specific purposes due to external restrictions or enabling legislation. The majority of the remainder of fund balance is unassigned which represents the amount that is available for any purpose, including for designated reserves for catastrophic (unforeseen) emergencies and for mitigating annual budget shortfalls as discussed earlier.

Proprietary Funds: Proprietary funds provide the same type of information found in the governmental-wide financial statements, but in more detail. The City's Proprietary funds consist of two Internal Service funds. The Internal Service funds are presented as Governmental Activities in the Statement of Net Position and Statement of Activities. The City uses the two funds to allocate the cost of the City's information systems and risk management activities to various departments.

General Fund Financial and Budgetary Highlights

The General Fund is the chief operating fund of the City. At June 30, 2023, unassigned fund balance was \$46.02 million; \$14.2 million of this balance is set aside from developer contributions since inception in Fiscal Year 2013/2014. As a measure of the General Fund's financial condition, it may be useful to compare the unassigned fund balance to total expenditures. Unassigned fund balance represents 90.19% of the General Fund expenditures.

Overall, General Fund revenues for fiscal year ended June 30, 2023 totaled \$63.42 million, compared to \$56.43 million in the prior year. The major components are taxes of \$47.84 million (which include property taxes of \$9.47 million, sales taxes of \$22.92 million, vehicle license fees of \$9.58 million, and franchise taxes of \$4.91 million and other taxes of \$0.97 million); charges for services of \$4.69 million, licenses, fees and permits of \$2.30 million and developer contributions of \$5.99 million. Investment income totaled \$1.33 million.

General Fund expenditures total \$51.03 million for the fiscal year ended June 30, 2023 compared to \$45.60 million in the prior year. The major expenditure components are General government \$6.22 million, Community development \$5.68 million, Public works \$5.75 million, and Public safety \$32.98 million. The largest variances resulted from the following:

- Cost of living increases for City Staff and hiring for budgeted positions resulted in an overall increase in salary and benefits of \$1.97 million across all expenditure components.
- Public safety expenditures increased by \$1.07 million for sheriff and fire costs and animal control services contract expenditures increased by \$461 thousand. Expenditures to Riverside County in accordance with the revenue neutrality agreement which provides for fire service costs increased by \$119 thousand.
- Professional consulting expenditures across all departments increased by \$769 thousand.
- Overall project expenditures within public works increased by \$635 thousand.
- Legal expenditures increased by \$215 thousand.

The difference between General Fund budget and actual are summarized in the schedule that follows.

**City of Jurupa Valley
General Fund - Budgetary Comparison Schedule
For the Year Ended June 30, 2023
(\$ in thousands)**

	General Fund		Variance
	Budget	Actual	
Revenues:			
Total revenues	\$ 62,151	\$ 63,417	\$ 1,266
Expenditures:			
Total expenditures	\$ 58,125	\$ 51,029	\$ (7,096)
Other financing sources (uses):			
Transfers in	789	\$ 1,573	\$ 784
Transfers out	(1,460)	(1,695)	(235)
Proceeds from long-term debt	-	49	49
Total other financing sources	\$ (671)	\$ (73)	\$ 598
Net change in fund balances	3,355	12,315	8,960
Fund balance, beginning of year	\$ 33,706	\$ 33,706	\$ -
Fund balance, end of year	\$ 37,061	\$ 46,021	\$ 8,960

- Actual revenues were above budget by \$1.27 million.
 - This is largely due to actuals being more than forecasted as follows - property taxes by \$1.35 million, operating grants and contributions by \$500 thousand and investment income by \$431 thousand.
 - This increase in variance was offset by sales taxes being \$1.06 million less than forecasted.
- Actual expenditures were below budget by \$7.10 million. Detailed variances include:

- Public works project expenditures were lower than budgeted by \$2.96 million due to construction project timing; however, these expenses are likely to occur in subsequent periods. Furthermore, vacancies for other public works expenditure categories were \$424 thousand lower than budgeted amounts.
- Public safety and legal expenditures were lower than budgeted by \$1.11 million and \$118 thousand, respectively.
- The variance for reimbursable projects resulted in expenditures being \$1.31 million less than budgeted. This is a result of timing as the budget is for the entirety of the project and actual expenditures often cross over fiscal years. Remaining budget balances for reimbursable projects are carried over to the next fiscal year.
- Overall variances related to salaries and benefits due to position vacancies resulted in expenditures being \$1.16 million less than budgeted.

Capital Assets and Debt Administration

Capital Assets: City investment in capital assets for its governmental type activities as of June 30, 2023, amounted to \$55.75 million (net of accumulated depreciation). Investment in capital assets includes infrastructure assets as well as land, buildings, improvements, equipment and vehicles. The City implemented GASB 96, *Subscription-Based I.T. Agreements* (SBITA) in fiscal year 2022-23. The 2022 balance was restated as a result of implementation which recognized \$201,332 as the beginning balance for SBITAs.

Additional information on the City's capital assets can be found in the notes to basic financial statements and a summary is provided in the schedule that follows.

City of Jurupa Valley
Capital Assets (net of depreciation)
As of June 30, 2023 and June 30, 2022
(\$ in thousands)

	Governmental Activities		Variance
	2023	2022*	
Land	\$ 2,398	\$ 2,398	\$ -
Construction in progress	5,563	5,411	\$ 152
Infrastructure	37,200	36,260	940
Buildings and Improvements	8,918	9,252	(334)
Leasehold improvements	293	318	(25)
Furniture and equipment	421	199	222
Land improvements	34	38	(4)
Vehicles	490	257	233
Subscription based IT agreements	433	201 *	231
Total assets	\$ 55,749	\$ 54,335 *	\$ 1,415

*Restated for implementation of GASB 96, Subscription-Based I.T. Agreements

Long-term debt: At the end of fiscal year 2022-23, the City had outstanding long-term debt of \$11.73 million. Long-term debt is largely due to the principal balances of \$3.77 million for Certificates of Participation (CoP) 2016 and \$6.63 million for CoP 2021 (Building Acquisition Project). The latter were issued to partially fund the building purchase for the Jurupa Valley Operations Center as discussed earlier (see Note 8 in Notes to Financial Statements). Furthermore, compensated absences payable increased due to an increase in City employees/unused earned paid-time off at fiscal year end. Lastly, the City implemented GASB 96, *Subscription-Based I.T. Agreements* (SBITA) in fiscal year 2022-23. The 2022 balance was restated as a result of implementation which recognized \$201,332 as the beginning balance for SBITAs.

Economic Factors and Fiscal Year 2023-24 Budget

The fiscal year 2023-24 City budget was prepared conservatively. Property tax estimates were projected with minimal growth from the previous fiscal year and there were no tax rate or fee increases as part of the preparation and adoption of the fiscal year 2023-24 budget. Therefore, the projected 2023-24 increase to general fund balance is \$699 thousand.

Although the COVID-19 pandemic continues to affect the City and our residents, sales tax revenue projections for 2023-24 since budget adoption appear to be encouraging with only a moderate decline expected from original budget amount. Although recent statewide forecasts have previously foreseen potential general economic declines, actual results have been favorable. The City continues to review and evaluate the impact of the coronavirus pandemic, including the use of pandemic related funding issued by the federal government, as well as the overall economic landscape with respect to the City's budget and expenditure activity.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the City Clerk, City of Jurupa Valley, 8930 Limonite Avenue, Jurupa Valley, California 92509, or call (951) 332-6464.

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BASIC FINANCIAL STATEMENTS

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**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

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City of Jurupa Valley
Statement of Net Position
June 30, 2023

		<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS		
Cash and investments		\$ 129,202,707
Receivables:		
Accounts		2,033,713
Due from other governments		8,540,887
Interest		631,816
Leases		1,586,135
Prepaid expense		73,223
Restricted cash and investments		285,864
Noncurrent assets:		
Capital assets:		
Nondepreciable		7,960,962
Depreciable - Net		47,788,475
Total assets		<u>198,103,782</u>
LIABILITIES		
Accounts payable		8,866,337
Accrued liabilities		306,837
Due to other governments		7,947,114
Deposits payable		9,418,656
Interest payable		68,603
Unearned revenue		27,239,003
Noncurrent liabilities:		
Due within one year:		
Compensated absences		461,693
Certificates of participation		1,030,000
SBITA liabilities - Current		232,840
Due in more than one year:		
Compensated absences		32,857
Certificates of participation		9,823,795
SBITA liabilities		150,877
Total liabilities		<u>65,578,612</u>
DEFERRED INFLOWS OF RESOURCES		
Leases		1,530,322
Total deferred inflows of resources		<u>1,530,322</u>
NET POSITION		
Net investment in capital assets		44,416,948
Restricted for:		
Community development projects		7,046,394
Public works		33,781,434
Donation		571
Unrestricted		45,749,501
Total net position		<u>\$ 130,994,848</u>

See accompanying Notes to Basic Financial Statements.

City of Jurupa Valley
Statement of Activities
For the year ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 8,308,603	\$ 322,334	\$ 6,288,060	\$ 141,595	\$ (1,556,614)
Community development	8,409,569	4,658,514	3,952,520	-	201,465
Public works	11,647,123	2,169,756	9,434,777	2,843,977	2,801,387
Public safety	32,986,751	1,066,216	32,146	-	(31,888,389)
Interest and fiscal charges	283,336	-	-	-	(283,336)
Total governmental activities	<u>\$ 61,635,382</u>	<u>\$ 8,216,820</u>	<u>\$ 19,707,503</u>	<u>\$ 2,985,572</u>	<u>(30,725,487)</u>

General Revenues:

Taxes:

Property taxes	9,466,508
Sales taxes	22,918,634
Franchise taxes	4,901,541
Transient occupancy taxes	253,411
Property Transfer taxes	727,836
Property taxes in lieu of motor vehicle fee	9,580,759
Investment Income (loss), Unrestricted	2,055,337
Other	16,809

Total general revenues and transfers 49,920,835

Change in net position 19,195,348

Net position - beginning of year 111,799,500

Net position - end of year \$ 130,994,848

FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

City of Jurupa Valley
Balance Sheet
Governmental Funds
June 30, 2023

	Special Revenue Funds			
	General Fund	Gas Tax	Measure A	ARPA
ASSETS				
Cash and investments	\$ 61,751,547	\$ 4,240,136	\$ 5,049,068	\$ 27,331,133
Accounts receivable	1,109,548	-	-	-
Intergovernmental receivable	6,860,346	646,235	608,564	-
Due from other funds	556,761	-	-	-
Due from other governments	-	-	-	-
Interest receivable	430,700	20,041	25,666	-
Lease receivable	631,682	-	-	-
Cash and investments - restricted	-	-	-	-
Prepaid expense	9,586	-	-	-
Total assets	\$ 71,350,170	\$ 4,906,412	\$ 5,683,298	\$ 27,331,133
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 7,010,635	\$ 544,281	\$ 80,137	\$ 92,130
Accrued liabilities	124,481	6,189	-	-
Due to other governments	7,947,114	-	-	-
Deposits payable	9,405,941	-	-	-
Unearned revenue	-	-	-	27,239,003
Due to other funds	-	-	-	-
Total liabilities	24,488,171	550,470	80,137	27,331,133
Deferred Inflows of Resources				
Unavailable revenue	218,105	-	-	-
Leases	623,337	-	-	-
Total deferred inflows of resources	841,442	-	-	-
Fund Balances:				
Nonspendable	9,586	-	-	-
Restricted for				
Community Development	-	-	-	-
Public Works	-	4,355,942	5,603,161	-
Donation	571	-	-	-
Unassigned	46,010,400	-	-	-
Total fund balances	46,020,557	4,355,942	5,603,161	-
Total liabilities, deferred inflows of resources and fund balances	\$ 71,350,170	\$ 4,906,412	\$ 5,683,298	\$ 27,331,133

See accompanying Notes to Basic Financial Statements.

Capital Project Funds		
Developer Impact Fees	Nonmajor Governmental Funds	Total Governmental Funds
\$ 21,239,337	\$ 9,488,260	\$ 129,099,481
-	924,165	2,033,713
-	285,506	8,400,651
-	-	556,761
-	140,236	140,236
109,459	45,950	631,816
-	954,453	1,586,135
-	284,438	284,438
-	-	9,586
<u>\$ 21,348,796</u>	<u>\$ 12,123,008</u>	<u>\$ 142,742,817</u>
\$ -	\$ 1,112,447	\$ 8,839,630
-	36,011	166,681
-	-	7,947,114
-	12,715	9,418,656
-	-	27,239,003
-	555,335	555,335
-	1,716,508	54,166,419
-	954,362	1,172,467
-	906,985	1,530,322
-	1,861,347	2,702,789
-	-	9,586
-	7,046,394	7,046,394
21,348,796	2,473,535	33,781,434
-	-	571
-	(974,776)	45,035,624
<u>21,348,796</u>	<u>8,545,153</u>	<u>85,873,609</u>
<u>\$ 21,348,796</u>	<u>\$ 12,123,008</u>	<u>\$ 142,742,817</u>

City of Jurupa Valley
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds	\$ 85,873,609
Amounts reported for governmental activities in the statement of net position are different	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	
Nondepreciable	7,960,962
Depreciable, net	47,788,475
Total capital assets	
Revenues reported as deferred inflows in the governmental funds do not provide current financial resources but are recognized in the statement of activities.	
	1,172,467
Noncurrent liabilities are not due and payable in the current period and therefore are not reported in governmental funds. Those noncurrent liabilities consist of:	
Certificates of participation	(10,853,795)
Compensated absences	(494,550)
SBITA liabilities	(383,717)
Accrued interest payable on long-term liabilities do not require the use of current financial resources and therefore are not reported in the governmental funds.	
	<u>(68,603)</u>
Net Position of Governmental Activities	<u><u>\$130,994,848</u></u>

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City of Jurupa Valley
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2023

	Special Revenue Funds			
	General Fund	Gas Tax	Measure A	ARPA
REVENUES:				
Taxes	\$ 47,848,690	\$ -	\$ -	\$ -
Licenses and permits	2,298,543	-	-	-
Intergovernmental	514,827	5,021,511	3,463,400	808,610
Charges for services	4,685,589	-	-	-
Developer impact fees	-	-	-	-
Fines and forfeitures	726,304	-	-	-
Developer contributions	5,993,163	-	-	-
Assessment revenue	-	-	-	-
Investment income (loss)	1,332,002	71,208	88,342	-
Other revenue	17,453	-	-	-
Total revenues	63,416,571	5,092,719	3,551,742	808,610
EXPENDITURES:				
Current:				
General government	6,227,202	397,166	-	-
Community development	5,684,752	-	-	-
Public works	5,748,375	4,365,745	1,167,505	808,610
Public safety	32,984,456	-	-	-
Capital outlay	49,296	-	-	355,378
Debt service:				
Principal retirement	140,000	-	855,000	-
Interest and fiscal charges	194,832	-	205,000	-
Total expenditures	51,028,913	4,762,911	2,227,505	1,163,988
REVENUES OVER (UNDER) EXPENDITURES	12,387,658	329,808	1,324,237	(355,378)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,572,553	-	-	-
Transfers out	(1,695,476)	-	(58,168)	-
Proceeds from long-term debt	49,296	-	-	355,378
Total other financing sources (uses)	(73,627)	-	(58,168)	355,378
Net change in fund balances	12,314,031	329,808	1,266,069	-
FUND BALANCES:				
Beginning of year	33,706,526	4,026,134	4,337,092	-
End of year	\$ 46,020,557	\$ 4,355,942	\$ 5,603,161	\$ -

See accompanying Notes to Basic Financial Statements.

<u>Capital Project Funds</u>		
<u>Developer Impact Fees</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 47,848,690
-	-	2,298,543
-	1,212,886	11,021,234
-	-	4,685,589
2,445,890	4,518	2,450,408
-	-	726,304
-	-	5,993,163
-	2,747,763	2,747,763
389,176	174,608	2,055,336
-	62,463	79,916
<u>2,835,066</u>	<u>4,202,238</u>	<u>79,906,946</u>
-	24,905	6,649,273
-	2,553,534	8,238,286
-	1,099,385	13,189,620
-	-	32,984,456
-	-	404,674
-	-	995,000
-	-	399,832
<u>-</u>	<u>3,677,824</u>	<u>62,861,141</u>
<u>2,835,066</u>	<u>524,414</u>	<u>17,045,805</u>
-	317,741	1,890,294
(829,959)	(684,426)	(3,268,029)
-	-	404,674
<u>(829,959)</u>	<u>(366,685)</u>	<u>(973,061)</u>
2,005,107	157,729	16,072,744
<u>19,343,689</u>	<u>8,387,424</u>	<u>69,800,865</u>
<u>\$ 21,348,796</u>	<u>\$ 8,545,153</u>	<u>\$ 85,873,609</u>

City of Jurupa Valley

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities For the year ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 16,072,744

Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of the amount related to internal service funds.	1,588,128
Accrued compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals.	(146,795)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
Certificates of participation - repayment and amortization of premium	995,000
SBITA liabilities repayment	49,052
Proceeds from SBITA liabilities	(404,674)
Interest payments are recorded as expenditures in the governmental funds, however interest expense is recognized as expenses are incurred on the Government-Wide Statement of Activities	118,109
Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.	923,784
Change in Net Position of Governmental Activities	<u><u>\$ 19,195,348</u></u>

City of Jurupa Valley
Statement of Net Position
Proprietary Funds
June 30, 2023

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash and investments	\$ 103,226
Cash and investments - restricted	1,426
Prepaid expense	63,637
Total assets	<u>168,289</u>
LIABILITIES	
Current liabilities:	
Accounts payable	26,707
Accrued liabilities	140,156
Due to other funds	1,426
Total liabilities	<u>168,289</u>
NET POSITION	
Unrestricted	<u>-</u>
Total net position	<u><u>\$ -</u></u>

City of Jurupa Valley
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2023

	Governmental Activities - Internal Service Funds
OPERATING EXPENSES:	
Contractual expenses	<u>\$ 1,377,735</u>
Operating loss	<u>(1,377,735)</u>
TRANSFERS:	
Transfers in	<u>1,377,735</u>
Change in net position	-
NET POSITION:	
Beginning of year	<u>-</u>
End of year	<u><u>\$ -</u></u>

City of Jurupa Valley
Combining Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2023

	Governmental Activities - Internal Service Funds
	<u> </u>
OPERATING ACTIVITIES:	
Cash Payments to suppliers for goods and services	\$ (1,270,840)
Net cash Used for Operating Activities	<u>(1,270,840)</u>
FINANCING ACTIVITIES:	
Cash received from other funds	1,377,735
Interfund loans	<u>(2,243)</u>
Net cash provided by noncapital financing activities	<u>1,375,492</u>
Net Increase in Cash and Cash Equivalentents	104,652
CASH AND INVESTMENTS - Beginning of year	<u>-</u>
CASH AND INVESTMENTS - End of year	<u><u>\$ 104,652</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:	
Operating income (loss)	\$ (1,377,735)
Adjustments to reconcile operating income (loss) to net cash used for operating activities:	
(Increase) in prepaid expense	(46,510)
(decrease) in accounts payable	13,249
(decrease) in accrued liabilities	<u>140,156</u>
Total adjustments	<u>106,895</u>
Net cash used for operating activities	<u><u>\$ (1,270,840)</u></u>

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NOTES TO BASIC FINANCIAL STATEMENTS

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City of Jurupa Valley

Notes to Basic Financial Statements

For the Year Ended 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Jurupa Valley (the City) conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. *Reporting Entity*

The City was incorporated July 1, 2011, under the general laws of the State of California. The City operates under the Council-Manager form of government. The City provides the following services as authorized by its general laws: public safety, public works, community development and general administrative services. The City has no component units for which it is financially accountable.

B. *Basis of Presentation, Measurement Focus and Financial Statement Presentation*

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

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide financial statements display information about the reporting government as a whole, except for fiduciary activities. These statements include a single column for the governmental activities of the primary government. The City has no business-type or fiduciary activities. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated).

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities, to present the net cost of each program.

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

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Presentation, Measurement Focus and Financial Statement Presentation, Continued

Fund Financial Statements

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

Fund financial statements for the primary government's governmental, and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental funds. Proprietary statements include financial information for proprietary funds. Proprietary funds of the City represent operating revenues and expenses from providing services and producing and delivering goods in connection with a proprietary fund principal ongoing operation.

Governmental Funds

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 90 days except for property taxes, which is 60 days.

Sales taxes, property taxes (including those in lieu of motor vehicle license fee), franchise taxes, gas taxes, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available where cash is received by the government.

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

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Presentation, Measurement Focus and Financial Statement Presentation, Continued

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

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Proprietary Funds

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

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

C. Fund Classifications

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

C. Fund Classifications, Continued

Gas Tax Special Revenue Fund – This fund accounts for revenue received for gasoline taxes under Sections 2105, 2106, 2107, 2107.5, and 2032(h)(2) of the Street and Highway Code to be used solely for transportation related purposes. Additionally, this fund accounts for Road Maintenance and Rehabilitation Account (RMRA) funds which are made available for the Local Streets and Roads Funding Program, and shall be prioritized for expenditure on basic road maintenance and rehabilitation projects, and on critical safety projects. The fund has been elected as a major fund by the City.

Measure A Special Revenue Fund – This fund accounts for revenue received from the County of Riverside from a special ½% sales tax to be used for street maintenance and improvements only. In addition, this fund accounts for the related principal and interest payments for the 2016 COP's. The fund has been elected as a major fund by the City.

ARPA Special Revenue Fund – This fund accounts for revenue received from U.S Department of Treasury from the local allocation for the American Rescue Plan Act to provide relief funds that have been negatively impacted from the coronavirus pandemic.

Developer Impact Fees Capital Project Fund – This fund accounts for the receipt of fees for development related activities such as infrastructure and public facilities.

The City's fund structure also includes the following fund types:

Non-Major Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes.

Non-Major Capital Project Funds – These funds account for financial resources used for the acquisition or construction of major capital facilities.

Internal Service Funds – These funds account for self-funded insurance and information services activities.

D. Cash and Investments

Investments are reported in the accompanying statement of net position at fair value. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings and changes in fair value. The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the General Fund, as provided by California Government Code Section 53647. For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash pool that maintains the general characteristics of a demand deposit account.

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets are valued at their acquisition value at the date of the contribution. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of three years or more (one year for furniture and equipment, and five years for infrastructure). Right to use leased assets in excess of \$50,000 are capitalized. Capital assets include public domain general capital assets (infrastructure) consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

Capital assets used in operations are depreciated over their estimated useful lives. The City uses the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the statement of net position. The range of lives used for depreciation purposes for each capital-asset class are as follows:

<u>Capital Asset Class</u>	<u>Useful Lives</u>
Infrastructure	5-30 years
Buildings and improvements	10-30 years
Leasehold improvements	5-10 years
Land improvements	15 years
Furniture	5 years
Vehicles	7 years
Equipment	3 years

F. Lease Receivable

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City charges the lessee.

G. Fair Value Measurements

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

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

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

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. Fair Value Measurements, Continued

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

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

H. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas and distributed by the County of Riverside.

Accordingly, the City accrues only those taxes that are received within 60 days after year-end. Property taxes are attached as a lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10.

I. Fund Equity

Fund balances are reported in the fund statements in the following classifications:

Nonspendable - Items that cannot be spent because they are either not spendable in form (such as prepaid or inventory) or items that are legally or contractually required to be maintained intact (such as endowments).

As of June 30, 2023, the city had prepaid expense of \$9,586 in nonspendable fund balances.

Restricted - Items subject to externally enforceable legal restrictions. This includes externally imposed 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 - Items which are constrained by limitations that the government imposes upon itself at its highest level of decision-making. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint. The City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. As of June 30, 2023, the City did not have committed fund balances.

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

I. Fund Equity, Continued

Assigned - Amounts that are designated or expressed by the City Council but does not require a formal action like a resolution. The City Council may delegate the authority, but such delegation of authority has not yet been granted to persons or bodies other than City Council. As of June 30, 2023, the City did not have assigned fund balances.

Unassigned - The excess remaining amounts in the General Fund and the residual deficit of all other governmental funds, which have not been restricted, committed, or assigned to specific purposes.

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

On April 1, 2021, the City Council also adopted a reserve policy to set aside funds into two designated reserves to address unforeseen emergencies or disasters and significant changes in the economic environment. These include the Catastrophic Reserve and Budget Stabilization Reserve.

The City commits to maintaining these reserves at a minimum of 25% of General Fund annual operating expenditures (minus one-time expenditures), divided between the Catastrophic Reserve (15%) and Budget Stabilization Reserve (10%). The Reserve Policy is reviewed by the City Council as part of the annual operating budget review and adoption process.

Key General Fund Designated Reserves

Catastrophic Reserve - Funds reserved under this category shall be used to mitigate costs associated with unforeseen emergencies, including natural disasters or catastrophic events. Should unforeseen and unavoidable events occur that require the expenditure of City resources beyond those provided for in the annual budget, the City Manager or designee shall have authority to approve Catastrophic Reserve appropriations. The City Manager or designee shall then present to the City Council a budget amendment confirming the nature of the emergency and authorizing the appropriation of reserve funds.

Budget Stabilization Reserve - Funds reserved under this category shall be used to mitigate, should they occur, annual budget revenue shortfalls (actual revenues less than projected revenues) due to changes in the economic environment and/or one-time expenditures that will result in future efficiencies and/or budgetary savings.

Replenishment of reserved Fund Balance

In keeping with the principles discussed in this Reserve Policy, when either fund is used, the City Council will develop a 1 to 5 year reserve replenishment plan to meet the minimum threshold of 25% of General Fund ongoing operating expenditures, excluding one-time expenditures.

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

I. *Fund Equity, Continued*

Excess Fund Balance

At the end of each fiscal year, the Finance Department reports on the audited year-end budgetary fiscal results. Should actual General Fund revenues exceed expenditures and encumbrances, a year-end operating surplus shall be reported. Any year-end surplus that results in the General Fund's fund balance exceeding the level required by the Reserve Policy shall be available for allocation for the following, subject to Council approval:

- Offset projected future deficits
- Anticipated intergovernmental fiscal impacts
- One-time funding, non-recurring needs

Upon funding of the above, any remaining surplus balances shall be divided equally between the Catastrophic Reserve and the Budget Stabilization Reserve.

J. *Net Position*

In the governmental-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets, and related restricted investments.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments. As of June 30, 2023, \$40,828,399 of net position is restricted by enabling legislation.

Unrestricted Net Position - This amount is all net position that do not meet the definition of "net investment in capital assets" or "restricted net position."

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

K. *Deferred Outflows and Deferred Inflows of Resources*

When applicable, the statement of net position and balance sheet will report a separate section for deferred outflows of resources. Deferred outflows of resources represent outflows of resources (consumption of net assets) that apply to future periods and therefore, are not recognized as an expense or expenditure until that time.

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

K. Deferred Outflows and Deferred Inflows of Resources, Continued

When applicable, the statement of net position and the balance sheet will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period. The City has two items that qualifies for reporting in this category. The governmental funds report unavailable revenues for certain revenue sources not received during the availability period. The other item is deferred inflows related to leases where the City is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease.

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation (compensated absences). For governmental activities, this accumulation is recorded as an expense and liability in the fiscal year earned. For the governmental funds, the amount of accumulated unpaid vacation, which is payable from available resources, is recorded as liability of the fund when it has matured (i.e., when due and payable).

M. Use of Estimates

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

N. New Governmental Accounting Standards Board (GASB) Statement Pronouncements

Adopted in the Current Year

- GASB Statement 91, Conduit Debt Obligations – The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement did not apply to the City for the current fiscal year.
- GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements – The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement did not apply to the City for the current fiscal year.

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

N. New Governmental Accounting Standards Board (GASB) Statement Pronouncements, Continued

- GASB Statement No. 96, Subscription-Based Information Technology Arrangements – The objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The City recognized intangible assets and SBITA liabilities as part of implementation of this statement.

Future GASB Pronouncements

The City is currently evaluating the potential impact of the following issued, but not yet effective accounting statements:

- GASB Statement No. 100, Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62 – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the City’s year ending June 30, 2024.
- GASB Statement No. 101, Compensated Absences – The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the City’s year ending June 30, 2025.

2. CASH AND INVESTMENTS

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

Statement of Net Position:	
Cash and investments	\$ 129,202,707
Cash and investments - restricted	<u>285,864</u>
Total Cash and Investments	<u><u>\$ 129,488,571</u></u>

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

Cash on hand	\$ 934
Deposits with financial institutions	10,307,338
Local Agency Investment Funds (LAIF)	68,272,957
Money Market Funds - Taxable	5,084,034
U.S. Treasury Bills	4,423,052
U.S. Treasury Notes	41,114,392
Restricted - money market funds	<u>285,864</u>
Total cash and investments	<u><u>\$ 129,488,571</u></u>

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

2. CASH AND INVESTMENTS, CONTINUED

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 and concentration of credit risk. For bond proceeds or restricted cash and investments, the trustee holds money market mutual funds in accordance with the provision of the debt agreements of the City, rather than the general provisions of California Government Code or the City's Investment Policy.

Investment Types Authorized by State Law	**Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury	5 years	10%	None
U.S. Agency Securities	5 years	50%	50%
Medium-Term Notes	5 years	30%	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	15%	10%
Asset Backed Securities	5 years	20%	None
Certificates of Deposit	5 years	30%	None
Money Market Funds	5 years	20%	10%
Local Agency Investment Fund	None	\$ 75,000,000	None
Supranationals Securities	5 years	30%	10%

**No more that 1/3 in excess of 2 years to maturity

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Totals	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	More than 24 Month
Local agency investment fund	\$ 68,272,957	\$ 68,272,957	\$ -	\$ -
Money Market Funds -Taxable	5,084,034	5,084,034	-	-
U.S. Treasury Bills	4,423,052	4,423,052	-	-
U.S. Treasury Notes	41,114,392	16,898,713	16,208,346	8,007,333
Held by bond trustee:				
Money Market Funds	285,864	285,864	-	-
Total	\$ 119,180,299	\$ 94,964,620	\$ 16,208,346	\$ 8,007,333

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

2. CASH AND INVESTMENTS, CONTINUED

Disclosures Relating to Credit Risk

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

<u>Investment Type</u>	<u>Totals</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>		
			<u>AAA</u>	<u>AAAm</u>	<u>Not Rated</u>
Local agency investment fund	\$ 68,272,957	N/A	\$ -	\$ -	\$ 68,272,957
Money Market Funds -Taxable	5,084,034	AAAm	-	5,084,034	-
U.S. Treasury Bills	4,423,052	N/A	-	-	4,423,052
U.S. Treasury Notes	41,114,392	N/A	-	-	41,114,392
Held by bond trustee:					
Money Market Funds	285,864	AAA	285,864	-	-
Total	\$ 119,180,299		\$ 285,864	\$ 5,084,034	\$ 113,810,401

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 governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the City’s deposits with financial institutions, \$12,839,435 was in excess of federal depository insurance limits. This amount is collateralized pursuant to California Government Code.

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

2. CASH AND INVESTMENTS, CONTINUED

Fair Value Measurements

Fair value measurements are categorized based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, including matrix pricing models; Level 3 inputs are significant unobservable inputs. Investments in LAIF are uncategorized as deposits and withdrawals are made on the basis of \$1 and not fair value. Money Market Funds – Held by bond trustee are valued at net asset value \$1 dollar per share (amortized cost) and as such are uncategorized in the fair value hierarchy. Balances as of June 30, 2023 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by fair value hierarchy				
Money Market Funds -Taxable	\$ 5,084,034	\$ -	\$ 5,084,034	\$ -
U.S. Treasury Bills	4,423,052	-	4,423,052	-
U.S. Treasury Notes	41,114,392	-	41,114,392	-
Total investments by fair value hierarchy	<u>50,621,478</u>	<u>\$ -</u>	<u>\$ 50,621,478</u>	<u>\$ -</u>
Investments not subject to fair value hierarchy				
Local Agency Investment Fund	68,272,957			
Held by bond trustee:				
Money Market Funds	285,864			
Total investments not subject to fair value hierarchy	<u>68,558,821</u>			
Total investments measured at fair value	<u>\$ 119,180,299</u>			

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City’s investment in this pool is reported in the accompanying financial statements at an amount based upon the City’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance is available for withdrawal on demand based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission and is not rated.

3. INTERFUND TRANSACTIONS

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

	<u>Transfers out</u>				
	<u>General Fund</u>	<u>Measure A</u>	<u>Developer Impact Fees</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Transfers In					
General Fund	\$ -	\$ 58,168	\$ 829,959	\$ 684,426	\$ 1,572,553
Non-major governmental fund:	317,741	-	-	-	317,741
Internal Service Funds	1,377,735	-	-	-	1,377,735
Total	<u>\$ 1,695,476</u>	<u>\$ 58,168</u>	<u>\$ 829,959</u>	<u>\$ 684,426</u>	<u>\$ 3,268,029</u>

Interfund transfers from the General fund to the non-major governmental funds of \$317,741 was for costs not covered by fund revenues. Transfers from General fund to Internal Service funds of \$1,377,735 were to cover costs for risk management and information technology across City departments for the fiscal year.

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

3. INTERFUND TRANSACTIONS, CONTINUED

The interfund transfer from Measure A to the General fund of \$58,168 were to cover administrative expenses.

The interfund transfer from the Developer Impact Fees fund of \$829,959 to the General fund, were to reimburse the General fund for contributions to various capital projects.

The interfund transfers from non-major governmental funds to the General fund totaled \$684,426. Of this amount, \$252,957 were to reimburse the General Fund for expenditures related to the Jurupa Valley Operations Center (JVOC) building from the 2021 Building Acquisition Project COPs fund. The remaining amounts were for costs covered by grants for safety in the amount of \$270,853, costs covered by Roads and Bridge Benefit District Fund for \$9,234 and administrative expense recognition for Landscape and Lighting Maintenance District Fund and Community Facilities District Fund of \$78,314 and \$73,068, respectively.

Due From/Due to Other Funds

The composition of interfund balances at June 30, 2023 are as follows:

Due to Other Funds	Due From Other Funds
	General
Non-Major governmental funds	\$ 555,335
Internal service fund	1,426
Total	\$ 556,761

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

4. CAPITAL ASSETS

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

Governmental Activities	Beginning Balance July 01, 2022 (as restated)	Additions	Transfer	Ending Balance June 30, 2023
Capital assets not being depreciated				
Land	\$ 2,397,510	\$ -	\$ -	\$ 2,397,510
Construction in progress	5,411,483	4,827,507	(4,675,538)	5,563,452
Total capital assets not being depreciated	7,808,993	4,827,507	(4,675,538)	7,960,962
Capital assets being depreciated/amortized				
Infrastructure	67,467,327	-	4,675,538	72,142,865
Buildings and improvements	9,813,885	8,698	-	9,822,583
Leasehold improvements	506,187	-	-	506,187
Furniture and equipment	354,000	270,587	-	624,587
Land improvements	59,363	-	-	59,363
Vehicles	798,911	361,793	-	1,160,704
Subscription based I.T. agreeemnts	201,332	404,674	-	606,006
Total capital assets being depreciated/amortized	79,201,005	1,045,752	4,675,538	84,922,295
Less accumulated depreciation/amortization for				
Infrastructure	(31,207,120)	(3,735,389)	-	(34,942,509)
Buildings and improvements	(561,579)	(343,039)	-	(904,618)
Leasehold improvements	(188,325)	(25,310)	-	(213,635)
Furniture and equipment	(155,049)	(48,612)	-	(203,661)
Land improvements	(21,861)	(3,958)	-	(25,819)
Vehicles	(541,515)	(128,827)	-	(670,342)
Subscription based I.T. agreeemnts	-	(173,237)	-	(173,237)
Total accumulated depreciation	(32,675,449)	(4,458,372)	-	(37,133,821)
Total capital assets being depreciated/amortized, net	46,525,556	(3,412,619)	4,675,538	47,788,475
Total capital assets net of accumulated depreciation/amortization	\$ 54,334,549	\$ 1,414,888	\$ -	\$ 55,749,437

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

4. CAPITAL ASSETS, CONTINUED

Depreciation and amortization expense in the amount of \$4,458,372 was charged to the following governmental activities:

Governmental Activities	
General Government	\$ 336,353
Community Development	131,077
Public Works	<u>3,990,942</u>
Total	<u>\$4,458,372</u>

Construction Commitments

The City had active construction projects as of June 30, 2023. The following table identifies the largest remaining commitments on projects as of June 30, 2023:

	<u>Contract Amount</u>	<u>Remaining</u>
Van Buren Blvd. Pvmr Rehab Ph. 3 21111	\$ 2,424,360	\$2,424,360
2022-23 CDBG - Old Mira Loma Pavement Rehabilitation Ph 222103	2,432,850	2,432,850
Sunnyslope Area SR25 Gap Closure19107	2,246,197	1,576,154
Citywide Guardrail Replacement 19112	662,094	660,639
Market St. Widening/ Santa Ana 19108	243,683	92,297
Pacific Avenue Pedestrian and Bicycle Improvements 19106	171,835	36,168
22-23 Citywide Pavement Rehab 22102	<u>2,078,483</u>	<u>1,626,593</u>
Total	<u>\$ 10,259,502</u>	<u>\$8,849,061</u>

5. RISK MANAGEMENT

The City is a member of the Public Entity Risk Management Authority (“PERMA”), a joint powers insurance authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. PERMA is comprised of thirty participating agencies, twenty cities, four transit agencies and six special districts. The City participates in the liability, property, auto physical damage, crime, cyber liability, and deadly weapon response insurance programs of PERMA.

The liability program provides coverage up to \$50 million per occurrence for personal injury, bodily injury, property damage and public officials’ errors and omissions. The City has selected a \$0 self-insured retention for this coverage and participates in risk sharing pools for losses up to \$1 million, followed by PERMA’s membership in the CSAC Excess Insurance Authority (“EIA”) for \$49 million of excess liability coverage. The property insurance program is group purchased under a master property insurance policy with accumulated values from all participants effecting lower rates and broader coverage for members. The program covers real property, business personal property, inland mariner coverage for special mobile equipment and business interruption. Commercial property coverage is written on a replacement cost basis and all risk, eliminating the traditional commercial “named peril” policy. Property coverage is limited to \$50 million (\$2.5 million for flood), with deductibles of \$10,000 per occurrence except \$100,000 for flood and 24 hour service interruption.

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

5. RISK MANAGEMENT, CONTINUED

The auto physical damage insurance program is also group purchased under a master insurance policy with accumulated values from all participants effecting lower rates for members. Auto physical damage coverage is provided up to \$100 million, with self-insured retention limits of \$5,000 for all vehicles. The crime insurance program provides public employee dishonesty, forgery or alteration, and computer fraud coverage under a master insurance policy up to \$3 million, with a \$2,500 deductible per occurrence. For cyber liability, the City is covered up to \$2 million, with a \$5,000 deductible per claim. For deadly weapon response program liability, the City is covered up to \$500,000, with a \$10,000 deductible per each event. The City is insured with the State Compensation Insurance Fund for workers’ compensation claims. There is no deductible requirement for this coverage. During the past three fiscal years, none of the above programs of protection have experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2022-2023. The amount of insurance premiums paid in 2022-2023 was \$365,263.

6. CONTINGENCIES

Various claims and suits have been filed against the City in the normal course of business. Although the outcome of these matters is not presently determinable in the opinion of legal counsel, the resolutions of these matters will not have a material adverse effect on the financial condition of the City.

7. REVENUE NEUTRALITY PAYMENT COMMITMENTS

As part of the formation of the City, the County of Riverside (“County”) and City entered into a revenue neutrality agreement to be paid to the County annually. Upon reaching property and sales taxes of at least \$19,030,000 the City is required to pay a percentage of such property and sales taxes to the County at escalating rates in accordance with the terms of the agreement.

During the fiscal year-ended June 30, 2015, the Governor signed SB 107 to provide a one-time funding to the County in exchange for the County retiring approximately \$21 million in first year service cost reimbursements, deferred revenue neutrality payments and deferred sheriff payments, which included a portion of the amounts above. Under the Revenue Neutrality Agreement, the City shall continue to pay the County each year a portion of its tax revenues as follows:

	Property and Sales Taxes in excess of	Percentage
\$	15,840,000	16% of total
	16,880,000	21% of total
	17,940,000	22% of total
	19,030,000	24% of total

Per section 3.1.9 of the agreement, the City shall pay the County the total annual amount owed no later than 60 days following the end of the City’s fiscal year. At June 30, 2023, \$7,947,114 is recorded as the estimated amounts due for FY 2022-23 under the agreement and is reported as part of the due to other governments balance on the financial statements.

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

8. LONG TERM LIABILITIES

The following is a summary of long-term liabilities of the City for the year ended June 30, 2023:

	Beginning Balance July 01, 2022 (as restated)	Additions	Deletions	Ending Balance June 30, 2023	Due within one year
Certificates of participation					
Series 2016	\$ 4,625,000	\$ -	\$ (855,000)	\$ 3,770,000	\$ 885,000
Series 2021	6,765,000	-	(140,000)	6,625,000	145,000
Plus deferred amount for issuance of premium	572,110	-	(113,315)	458,795	-
Total certificates of participation	11,962,110	-	(1,108,315)	10,853,795	1,030,000
Compensated absences	347,755	190,937	(44,142)	494,550	461,693
Subscription based I.T. agreements	201,332	404,674	(222,289)	383,717	232,840
Total	\$12,511,197	\$595,611	\$(1,374,746)	\$ 11,732,062	\$1,724,533

Certificates of Participation Series 2016

In October 2016, pursuant to an Installment Sales Agreement (Agreement) between the City and the California Municipal Finance Authority (Authority) for the Local Measure A Sales Tax Revenue (Installment Sale) Certificate of Participation, Series 2016 (Jurupa Valley Pavement Rehabilitation Project), the Authority issued \$8,165,000 of Certificates of Participation Series 2016, the proceeds of which were used to (i) finance the design, acquisition, and construction of certain local roadway improvements and street resurfacing projects within the jurisdiction of the City, (ii) fund a reserve fund for the Certificates, and (iii) pay the costs incurred in connection with the execution, sale, and delivery of the Certificates.

Measure A revenues are pledged as the sole source of repayment and totaled \$3,463,400 for the year ended June 30, 2023. Payments remitted by the City to the Authority will in turn be remitted to owners of the Certificates of Participation, with principal amounts due annually each June 1, commencing June 1, 2017. The Certificates bear interest rates of 2 percent to 5 percent, and interest is payable semi-annually on December 1 and June 1, beginning on December 1, 2016.

The Certificates maturing on June 1, 2027 are subject to optional prepayment prior to maturity after June 1, 2026.

The Certificates are subject to mandatory redemption prior to maturity, in whole or in part, on any date, from amounts received upon the acceleration of installment sale payments upon the occurrence of any event of default under the 2016 Agreement, at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment, without premium.

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

8. LONG TERM LIABILITIES, CONTINUED

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 885,000	\$ 170,800
2025	915,000	144,250
2026	960,000	98,500
2027	1,010,000	50,500
Total	<u>\$ 3,770,000</u>	<u>\$ 464,050</u>

The City is required to maintain a Reserve Fund in the amount equal to the least of: 10% of the initial stated principal amount of the Certificates of Participation, Series 2016, 125% of the average annual installment sales payments, or the maximum annual debt service. The City has satisfied the reserve requirement through purchase of a surety bond, as allowed by the debt agreement.

Certificates of Participation Series 2021 Building Acquisition Project

In June 2021, pursuant to a lease-leaseback agreement (the Lease) between the City and the Public Property Financing Corporation of California (the Corporation) for the Eddie Dee Smith Senior Center and Jurupa Valley City Hall buildings, the Corporation issued \$6,935,000 of Certificates of Participation (2021 Building Acquisition Project), the proceeds of which were used to (a) finance part of the cost of purchasing and renovating an existing building (Fleet Services Building on Riverview Drive) from the County of Riverside to be used by the City as the City’s first corporation yard and operations facility for the Public Works Department, and (b) pay delivery costs incurred in connection with the execution, delivery and sale of the Certificates. The building purchase was paid with \$4,000,000 of general fund reserves, and the balance was paid using proceeds from issuance of the Certificates. The amounts for leased assets included in capital assets are \$65,000 of land and \$1,350,588 in building and improvements (\$1,711,127 net of accumulated depreciation of \$360,539).

General fund revenues are the sole source of repayment. Payments remitted by the City to the Authority are made in accordance with the debt service repayment schedule under the Lease with principal payments due annually each March 15, commencing March 15, 2021, and corresponding interest payable semi-annually on September 15 and March 15, beginning September 15, 2021. These payments remitted to the Authority will in turn be remitted to owners of the Certificates of Participation, with principal amounts due annually each April 1, commencing on April 1, 2022. The Certificates bear interest rates of 2.25 percent to 5 percent, and interest is payable semi-annually on April 1 and October 1, beginning on October 1, 2021.

The Certificates maturing on or before April 1, 2028 are not subject to optional redemption. Certificates maturing on and after April 1, 2029, are subject to redemption prior to their respective stated maturity dates, at the option of the City, from the proceeds of optional prepayments of Lease Payments made by the City pursuant to the Lease Agreement, in whole or in part, on any date on after April 1, 2028, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, together with the premium set forth below, from the proceeds of the optional prepayment of Lease Payments made by the City pursuant to the Lease.

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

8. LONG TERM LIABILITIES, CONTINUED

Redemption Period Redemption Premium:

April 1, 2028 through March 31, 2029 3 %
 April 1, 2029 through March 31, 2030 2 %
 April 1, 2030 through March 31, 2031 1 %
 April 1, 2031 and thereafter 0 %

The Certificates are subject to mandatory redemption prior to maturity, in whole or in part, from the principal components of scheduled Lease Payments required to be paid by the City pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, for each of the periods indicated as follows:

June 1,	Principal Amount of Certificates to be Redeemed
2040	\$ 250,000
2041*	255,000
2042	260,000
2043*	270,000
2044	275,000
2045*	280,000
2046	290,000
2047	295,000
2048*	300,000
2049	310,000
2050	320,000
2051*	325,000

*Maturity

The annual debt service requirements on these bonds, and annual lease payments to the Corporations on these certificates are as follows:

April 1*	Principal	Interest
2024	\$ 145,000	\$ 188,038
2025	155,000	180,788
2026	160,000	173,038
2027	170,000	165,038
2028	175,000	156,538
2029-2033	995,000	673,638
2034-2038	1,150,000	519,888
2039-2043	1,280,000	386,338
2044-2048	1,440,000	227,956
2048-2051	955,000	48,125
Total	<u>\$ 6,625,000</u>	<u>\$ 2,719,385</u>

*The annual lease payments to the Corporations on these certificates are due on March 15h of each year.

*The annual lease payments to the Corporations on these certificates are due on March 15h of each year.

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

8. LONG TERM LIABILITIES, CONTINUED

Compensated Absences

The City's liability for accrued and unpaid compensated absences in the governmental activities totaled \$494,550 at June 30, 2023. The compensated absences are liquidated through the fund(s) that the employee's wages are allocated to including the General Fund, Gas Tax Fund, and Landscape & Lighting Maintenance District Fund.

Subscription Based Information Technology Arrangements (SBITA)

At June 30, 2023, SBITA liabilities were as follows:

	Balance at June 30, 2023
Accela	\$ 101,757
Granicus	234,067
NeoGov	47,893
Total SBITA	<u>\$ 383,717</u>

Granicus

Granicus arrangement is a three-year agreement, initiated on October 6, 2022 with an annual payment of \$121,311. The city has used a 2.40% for this arrangement based on similar debt during the same fiscal year. Following the initial term, the subscription will renew annually if the agreement is not terminated by each renew term start date.

At June 30, 2023, the aggregate maturities of the SBITA were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 115,631	\$ 5,670
2025	118,436	2,874
Total	<u>\$ 234,067</u>	<u>\$ 8,544</u>

NeoGov

NeoGov arrangement is a three-year agreement, initiated on November 18, 2022 with \$1,403 e-forms subscription payment for 1st year, \$16,1614 payment for 2nd year, and \$33,228 payment for 3rd year. The city has used a 2.40% for this arrangement based on similar debt during the same fiscal year. Following the initial term, the subscription will renew annually if the agreement is not terminated by each renew term start date.

June 30, 2023, the aggregate maturities of the SBITA were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 15,452	\$ 1,162
2025	32,441	787
Total	<u>\$ 47,893</u>	<u>\$ 1,949</u>

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

8. LONG TERM LIABILITIES, CONTINUED

Accela

Accela arrangement is a three-year agreement, initiated on November 30, 2021 with \$98,243 subscription payment for 1st year, \$101,191 payment for 2nd year, and \$104,226 payment for 3rd year. The city has used a 2.40% for this arrangement based on similar debt during the same fiscal year. Following the initial term, the subscription will renew annually if the agreement is not terminated by each renew term start date

June 30, 2023, the aggregate maturities of the SBITA were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	<u>\$ 101,757</u>	<u>\$ 2,469</u>
Total	<u>\$ 101,757</u>	<u>\$ 2,469</u>

9. ACCUMULATED FUND DEFICITS

The following individual funds reported deficit fund balances as of June 30, 2023:

	<u>Deficit Balance</u>
Non-Major Funds	
Community Development Block Grant	\$ 32,498
TUMF Grant	158,850
ATP Grant	783,428

The City plans to eliminate the deficits in each fund with intergovernmental receivables to be collected in future periods.

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

10. FUND BALANCES

The following table summarizes the fund balance of the governmental funds as of June 30, 2023:

	Major Governmental Funds						Totals
	General	Gas Tax	Measure A	ARPA	Developer Impact Fees	Non-Major Funds	
Nonspendable							
Prepaid expense	\$ 9,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,586
Restricted							
Community development	-	-	-	-	-	7,046,394	7,046,394
Public works		4,355,942	5,603,161		21,348,796	2,473,535	33,781,434
Donation	571	-	-	-	-	-	571
Total Restricted	571	4,355,942	5,603,161	-	21,348,796	9,519,929	40,828,399
Unassigned							
Reserve policy - catastrophic reserve	7,654,337	-	-	-	-	-	7,654,337
Reserve policy - budget stabilization reserve	5,102,891	-	-	-	-	-	5,102,891
Developer contributions	14,522,079	-	-	-	-	-	14,522,079
Other unassigned	18,731,093	-	-	-	-	(974,776)	17,756,317
Total Unassigned	46,010,400	-	-	-	-	(974,776)	45,035,624
Total fund balance	\$ 46,020,557	\$ 4,355,942	\$ 5,603,161	\$ -	\$ 21,348,796	\$ 8,545,153	\$ 85,873,609

The \$4.36 million restricted fund balance in the Gas Tax fund is restricted for RMRA projects only. Of the general fund unassigned balance, \$14.5 million represents developer contributions collected through June 30, 2023.

11. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures for the year ended June 30, 2023, exceed appropriations in the following funds:

	Final Budget	Actual	Excess Over Appropriations
Major Funds			
General Fund			
Capital Outlay	\$ -	\$ 49,296	\$ (49,296)
Gas Tax Fund			
General government	322,049	397,166	(75,117)
ARPA Fund			
Capital Outlay	-	355,378	(355,378)
Non-Major Funds			
CalRecycle Grant Fund			
Community development	31,508	38,648	(7,140)

City of Jurupa Valley
Notes to Basic Financial Statements
For the Year Ended 2023

12. LEASES

The City has accrued a receivable for three leases – Billboard, Cell Tower, and MCE. The remaining receivable for these leases was \$1,586,135 for the year ended June 30, 2023. Deferred inflows related to these leases were \$1,530,322 as of June 30, 2023. Interest revenue recognized on these leases was \$24,565 for the year ended June 30, 2023. Principal receipts of \$74,154 were recognized during the fiscal year. The interest rate on the leases was 1.5 %. Final receipt is expected in fiscal year 2042.

The billboard lease agreement call for payments that are partially variable and therefore were not included in lease receivable or deferred inflow of resources for leases. These variable payments are a result of the underlying lease measured not on a fixed rate, but rather variable due to the underlying payments derived from 25 percent of gross advertising revenue for the Digital Display. No variable payments were received or recognized as revenue for the year ended June 30, 2023.

The future payments on these leases are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 82,118	\$ 24,473
2025	86,806	22,909
2026	92,034	21,245
2027	97,529	19,475
2028	66,508	17,924
2029-2033	342,553	74,934
2034-2038	429,285	46,155
2039-2042	389,302	11,523
	<u>\$1,586,135</u>	<u>\$ 238,638</u>

**REQUIRED
SUPPLEMENTARY INFORMATION**

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City of Jurupa Valley

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Taxes	\$ 45,968,374	\$ 47,162,027	\$ 47,848,690	\$ 686,663
Licenses and permits	2,244,950	2,258,783	2,298,543	39,760
Intergovernmental	48,000	159,719	514,827	355,108
Charges for services	6,427,546	4,698,903	4,685,589	(13,314)
Fines and forfeitures	490,000	689,558	726,304	36,746
Developer contributions	-	5,701,163	5,993,163	292,000
Investment income (loss)	200,000	901,191	1,332,002	430,811
Other revenue	577,500	579,797	17,453	(562,344)
Total revenues	55,956,370	62,151,141	63,416,571	1,265,430
Current:				
General government	6,502,014	6,261,098	6,227,202	33,896
Community development	6,606,037	6,584,600	5,684,752	899,848
Public works	11,600,902	10,845,107	5,748,375	5,096,732
Public safety	33,595,968	34,099,152	32,984,456	1,114,696
Capital outlay	-	-	49,296	(49,296)
Debt service:				
Principal retirement	140,000	140,000	140,000	-
Interest and fiscal charges	195,038	195,038	194,832	206
Total expenditures	58,639,959	58,124,995	51,028,913	7,096,082
REVENUES OVER (UNDER) EXPENDITURES	(2,683,589)	4,026,146	12,387,658	8,361,512
OTHER FINANCING SOURCES (USES):				
Transfers in	928,497	788,497	1,572,553	784,056
Transfers out	(1,460,245)	(1,460,245)	(1,695,476)	(235,231)
Proceeds from long-term debt	-	-	49,296	49,296
Total other financing sources (uses)	(531,748)	(671,748)	(73,627)	598,121
Net change in fund balances	\$ (3,215,337)	\$ 3,354,398	12,314,031	\$ 8,959,633
FUND BALANCES:				
Beginning of year			33,706,526	
End of year			\$ 46,020,557	

City of Jurupa Valley

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Gas Tax

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 5,611,308	\$ 5,611,308	\$ 5,021,511	\$ (589,797)
Investment income (loss)	9,900	9,900	71,208	61,308
Total revenues	5,621,208	5,621,208	5,092,719	(528,489)
Current:				
General government	312,049	322,049	397,166	(75,117)
Public works	8,709,817	8,861,185	4,365,745	4,495,440
Total expenditures	9,021,866	9,183,234	4,762,911	4,420,323
REVENUES OVER (UNDER) EXPENDITURES	(3,400,658)	(3,562,026)	329,808	3,891,834
Net change in fund balances	\$ (3,400,658)	\$ (3,562,026)	329,808	\$ 3,891,834
FUND BALANCES:				
Beginning of year			4,026,134	
End of year			<u>\$ 4,355,942</u>	

City of Jurupa Valley

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Measure A

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 3,557,000	\$ 3,557,000	\$ 3,463,400	\$ (93,600)
Investment income (loss)	10,000	10,000	88,342	78,342
Total revenues	3,567,000	3,567,000	3,551,742	(15,258)
Current:				
Public works	5,595,223	5,596,883	1,167,505	4,429,378
Debt service:				
Principal retirement	1,057,800	855,000	855,000	-
Interest and fiscal charges	-	205,000	205,000	-
Total expenditures	6,653,023	6,656,883	2,227,505	4,429,378
REVENUES OVER (UNDER) EXPENDITURES	(3,086,023)	(3,089,883)	1,324,237	4,414,120
OTHER FINANCING SOURCES (USES):				
Transfers out	(105,013)	(105,013)	(58,168)	46,845
Total other financing sources (uses)	(105,013)	(105,013)	(58,168)	46,845
Net change in fund balances	\$ (3,191,036)	\$ (3,194,896)	1,266,069	\$ 4,460,965
FUND BALANCES:				
Beginning of year			<u>4,337,092</u>	
End of year			<u>\$ 5,603,161</u>	

City of Jurupa Valley

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

ARPA

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 808,610	\$ 808,610
Total revenues	-	-	808,610	808,610
Current:				
Public works	-	1,107,791	808,610	299,181
Capital outlay	-	-	355,378	(355,378)
Total expenditures	-	1,107,791	1,163,988	(56,197)
REVENUES OVER (UNDER) EXPENDITURES	-	(1,107,791)	(355,378)	752,413
OTHER FINANCING SOURCES (USES):				
Proceeds from long-term debt	-	-	355,378	355,378
Total other financing sources (uses)	-	-	355,378	355,378
Net change in fund balances	<u>\$ -</u>	<u>\$ (1,107,791)</u>	<u>-</u>	<u>\$ 1,107,791</u>
FUND BALANCES:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Jurupa Valley
Notes to Required Supplementary Information
For the year ended June 30, 2023

BUDGETARY ACCOUNTING

The City Manager shall prepare and submit the proposed annual budget to the City Council for its approval for the governmental funds. The agenda for the budget workshops and budget meetings are noted in accordance with the Brown Act. After reviewing the same and making such revisions as it may deem advisable and public input, the budget is then adopted annually by the Council at a regularly held meeting. The budget is adopted prior to the beginning of the fiscal year and serves as the foundation for the City’s financial plan.

The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Transfers of appropriations between department budgets can be made with the City Manager/Director of Administrative Services approval. City Council’s approval is required for all budget amendments that result in a change to the adopted budget of the fund.

Budgets are prepared in accordance with generally accepted accounting principles using the modified accrual basis of accounting.

Appropriations lapse at the end of the fiscal year unless they are re-appropriated through the formal budget process. Open encumbrances will be paid by subsequent year’s budget appropriations. Encumbrances do not constitute expenditures or liabilities of the City.

The following funds had expenditures in excess of appropriations for the year ended June 30, 2023:

	Final Budget	Actual	Excess Over Appropriations
Major Funds	<u> </u>	<u> </u>	<u> </u>
ARPA	\$ 1,107,791	\$ 1,163,988	\$ (56,197)

The following funds do not have a legally adopted budget for the year ended June 30, 2023:

- Surface Transportation Grant Special Revenue Fund
- All Capital Project Funds

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SUPPLEMENTARY INFORMATION

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City of Jurupa Valley
Nonmajor Governmental Funds
June 30, 2023

Nonmajor Special Revenue Funds

Air Quality Improvement District (AQMD) Fund

To account for the City's share of vehicle registration fees that the State of California has allocated to address air quality concerns in Southern California. These monies are to be used in air quality maintenance programs locally and/or regionally.

Community Development Block Grant (CDBG) Fund

To account for receipt and disbursement of the CDBG Program of the United States Department of Housing and Urban Development Program including CDBG-CV (Coronavirus) funding. Accountability follows the guidelines under Uniform Guidance.

COPS Fund

To account for revenue received from the State of California for front line public safety purposes.

Transportation Uniform Mitigation Fee (TUMF) Grant Fund

To account for revenues and expenditures associated with the TUMF Program's agreement to reimburse a portion of the improvements to Limonite Avenue.

Alternative Transportation Program (ATP) Grant Fund

To account for revenues and expenditures related to alternative transportation capital projects, specifically sidewalks on Troth Street and Pyrite Street that are partially funded by the State of California ATP grant.

CalRecycle Grant Fund

To account for revenues and expenditures associated with the various CalRecycle Grants received from the State of California for use by local governments. The City was granted funds to construct pavement projects using rubberized pavement, to assist in the removal and disposal of materials illegally dumped in the public right of way, to enhance public outreach and education, and to incorporate preventative security measures.

Community Facilities District (CFD) Fund

To account for the revenues and expenditures associated with a geographic area where a special property tax on real estate (a parcel tax) is assessed for the services within the district. The City currently has ten CFDs: CFD 13-001 Bellegrave, CFD 14-001 Harvest, CFD 14-002 Mission Estates, CFD 14-003 Granite Ridge, CFD 15-001 Riverbend, CFD 15-002 Skypark, CFD 16-001 Quarry, CFD 15-003 Vista Rio, CFD 20-001 Shadow Rock, and CFD 18-002 Tract 36702 (Stone).

Landscape and Lighting Maintenance Districts (LLMD) Fund

To account for the revenues and expenditures associated with a geographic area where a special assessment on real estate is assessed for the services within the district. Beginning in fiscal year 2015-2016, the City assumed responsibility for the administration of the districts, which includes managing the required services to be provided within the LLMDs.

City of Jurupa Valley
Nonmajor Governmental Funds
June 30, 2023

Nonmajor Special Revenue Funds, Continued

Surface Transportation Grant Fund

To account for the monies received for the Surface Transportation Grant monies. These funds may be used for local street and road expenditures.

Nonmajor Capital Project Funds

Measure A COP Series 2016

This fund is used to account for the construction of all capital projects that utilize the resources from the Certificate of Participation Series 2016.

2021 Building Acquisition Project COP's

This fund is used to account for the construction of all capital projects that utilize the resources from the Certificate of Participation Series 2021.

Road and Bridge Benefit District

To account for the receipt of fees for development related activities such as road & bridge projects.

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City of Jurupa Valley
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	AQMD	CDBG	COPS	TUMF Grant
ASSETS				
Cash and investments	\$ 385,991	\$ -	\$ -	\$ -
Accounts receivable	-	3,996	-	260,800
Intergovernmental receivable	35,147	66,668	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	140,236	-
Deposits receivable	-	-	-	-
Interest receivable	1,805	-	1,025	-
Lease receivable	-	-	-	-
Cash and investments - restricted	-	-	-	-
Total assets	\$ 422,943	\$ 70,664	\$ 141,261	\$ 260,800
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 84,133	\$ -	\$ 55,894
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	19,029	1,025	212,370
Total liabilities	-	103,162	1,025	268,264
Deferred Inflows of Resources				
Unavailable revenue	-	-	140,236	151,386
Leases	-	-	-	-
Total deferred inflows of resources	-	-	140,236	151,386
Fund Balances:				
Restricted	422,943	(32,498)	-	(158,850)
Total fund balances	422,943	(32,498)	-	(158,850)
Total liabilities, deferred inflows of resources and fund balances	\$ 422,943	\$ 70,664	\$ 141,261	\$ 260,800

Special Revenue Funds

ATP Grant	CalRecycle Grant	Community Facilities District	Landscape & Lighting Maint. Districts
\$ -	\$ 201,395	\$ 5,253,582	\$ 1,666,002
659,369	-	-	-
142,957	-	26,958	13,776
-	-	-	-
-	-	-	-
-	-	-	-
-	1,083	25,531	6,559
-	-	-	954,453
-	-	-	-
<u>\$ 802,326</u>	<u>\$ 202,478</u>	<u>\$ 5,306,071</u>	<u>\$ 2,640,790</u>
\$ 629,263	\$ 4,618	\$ 158,706	\$ 179,833
-	-	-	36,011
-	-	(16,632)	29,347
297,122	-	47	25,742
<u>926,385</u>	<u>4,618</u>	<u>142,121</u>	<u>270,933</u>
659,369	-	-	3,371
-	-	-	906,985
<u>659,369</u>	<u>-</u>	<u>-</u>	<u>910,356</u>
(783,428)	197,860	5,163,950	1,459,501
<u>(783,428)</u>	<u>197,860</u>	<u>5,163,950</u>	<u>1,459,501</u>
<u>\$ 802,326</u>	<u>\$ 202,478</u>	<u>\$ 5,306,071</u>	<u>\$ 2,640,790</u>

City of Jurupa Valley
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Capital Project Funds			Total Nonmajor Governmental Funds
	Measure A COP Series 2016	2021 Building Acquisition Project COPs	Road and Bridge Benefit District	
ASSETS				
Cash and investments	\$ -	\$ -	\$ 1,981,290	\$ 9,488,260
Accounts receivable	-	-	-	924,165
Intergovernmental receivable	-	-	-	285,506
Due from other funds	-	-	-	-
Due from other governments	-	-	-	140,236
Deposits receivable	-	-	-	-
Interest receivable	-	-	9,947	45,950
Lease receivable	-	-	-	954,453
Cash and investments - restricted	8,021	276,417	-	284,438
Total assets	\$ 8,021	\$ 276,417	\$ 1,991,237	\$ 12,123,008
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,112,447
Accrued liabilities	-	-	-	36,011
Deposits payable	-	-	-	12,715
Due to other funds	-	-	-	555,335
Total liabilities	-	-	-	1,716,508
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	954,362
Leases	-	-	-	906,985
Total deferred inflows of resources	-	-	-	1,861,347
Fund Balances:				
Restricted	8,021	276,417	1,991,237	8,545,153
Total fund balances	8,021	276,417	1,991,237	8,545,153
Total liabilities, deferred inflows of resources and fund balances	\$ 8,021	\$ 276,417	\$ 1,991,237	\$ 12,123,008

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City of Jurupa Valley

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2023

	Special Revenue Funds			
	AQMD	CDBG	COPS	TUMF Grant
REVENUES:				
Intergovernmental	\$ 139,113	\$ 550,546	\$ 270,853	\$ 109,416
Developer impact fees	-	-	-	-
Assessment revenue	-	-	-	-
Investment income (loss)	7,188	-	-	-
Other revenue	-	-	-	-
Total revenues	146,301	550,546	270,853	109,416
EXPENDITURES:				
Current:				
General government	-	24,700	-	-
Community development	248,875	428,180	-	-
Public works	-	33,132	-	220,643
Total expenditures	248,875	486,012	-	220,643
REVENUES OVER (UNDER)				
EXPENDITURES	(102,574)	64,534	270,853	(111,227)
OTHER FINANCING SOURCES (USES):				
Transfers in	(15,066)	-	-	-
Transfers out	-	-	(270,853)	-
Total other financing sources (uses)	(15,066)	-	(270,853)	-
Net change in fund balances	(117,640)	64,534	-	(111,227)
FUND BALANCES:				
Beginning of year	540,583	(97,032)	-	(47,623)
End of year	\$ 422,943	\$ (32,498)	\$ -	\$ (158,850)

Special Revenue Funds

ATP Grant	CalRecycle Grant	Community Facilities District	Landscape & Lighting Maint. Districts
\$ 142,958	\$ -	\$ -	\$ -
-	-	-	-
-	-	1,748,532	999,231
-	4,868	79,982	20,160
-	-	-	62,463
<u>142,958</u>	<u>4,868</u>	<u>1,828,514</u>	<u>1,081,854</u>
-	-	-	-
-	38,648	730,831	1,107,000
820,271	-	-	21,619
<u>820,271</u>	<u>38,648</u>	<u>730,831</u>	<u>1,128,619</u>
<u>(677,313)</u>	<u>(33,780)</u>	<u>1,097,683</u>	<u>(46,765)</u>
-	-	-	332,807
-	-	(73,068)	(78,314)
-	-	(73,068)	254,493
<u>(677,313)</u>	<u>(33,780)</u>	<u>1,024,615</u>	<u>207,728</u>
<u>(106,115)</u>	<u>231,640</u>	<u>4,139,335</u>	<u>1,251,773</u>
<u>\$ (783,428)</u>	<u>\$ 197,860</u>	<u>\$ 5,163,950</u>	<u>\$ 1,459,501</u>

City of Jurupa Valley

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2023

	Capital Project Funds			Total Nonmajor Governmental Funds
	Measure A COP Series 2016	2021 Building Acquisition Project COPs	Road and Bridge Benefit District	
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,212,886
Developer impact fees	-	-	4,518	4,518
Assessment revenue	-	-	-	2,747,763
Investment income (loss)	8,459	16,721	37,230	174,608
Other revenue	-	-	-	62,463
Total revenues	8,459	16,721	41,748	4,202,238
EXPENDITURES:				
Current:				
General government	-	205	-	24,905
Community development	-	-	-	2,553,534
Public works	3,720	-	-	1,099,385
Total expenditures	3,720	205	-	3,677,824
REVENUES OVER (UNDER) EXPENDITURES	4,739	16,516	41,748	524,414
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	317,741
Transfers out	-	(252,957)	(9,234)	(684,426)
Total other financing sources (uses)	-	(252,957)	(9,234)	(366,685)
Net change in fund balances	4,739	(236,441)	32,514	157,729
FUND BALANCES:				
Beginning of year	3,282	512,858	1,958,723	8,387,424
End of year	\$ 8,021	\$ 276,417	\$ 1,991,237	\$ 8,545,153

City of Jurupa Valley

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

AQMD

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 138,757	\$ 138,757	\$ 139,113	\$ 356
Investment income (loss)	753	753	7,188	6,435
Total revenues	139,510	139,510	146,301	6,791
EXPENDITURES:				
Current:				
Community development	312,260	312,260	248,875	63,385
Total expenditures	312,260	312,260	248,875	63,385
REVENUES OVER (UNDER) EXPENDITURES	(172,750)	(172,750)	(102,574)	70,176
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	(15,066)	(15,066)
Total other financing sources (uses)	-	-	(15,066)	(15,066)
Net change in fund balances	\$ (172,750)	\$ (172,750)	(117,640)	\$ 55,110
FUND BALANCES:				
Beginning of year			540,583	
End of year			\$ 422,943	

City of Jurupa Valley

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

CDBG

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 2,019,768	\$ 2,019,768	\$ 550,546	\$ (1,469,222)
Total revenues	2,019,768	2,019,768	550,546	(1,469,222)
EXPENDITURES:				
Current:				
General government	25,000	25,000	24,700	300
Community development	665,224	665,224	428,180	237,044
Public works	857,148	857,148	33,132	824,016
Total expenditures	1,547,372	1,547,372	486,012	1,061,360
REVENUES OVER (UNDER) EXPENDITURES	472,396	472,396	64,534	(407,862)
Net change in fund balances	\$ 472,396	\$ 472,396	64,534	\$ (407,862)
FUND BALANCES:				
Beginning of year			(97,032)	
End of year			\$ (32,498)	

City of Jurupa Valley

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual COPS

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 253,821	\$ 253,821	\$ 270,853	\$ 17,032
Total revenues	253,821	253,821	270,853	17,032
OTHER FINANCING SOURCES (USES):				
Transfers out	(253,821)	(253,821)	(270,853)	(17,032)
Total other financing sources (uses)	(253,821)	(253,821)	(270,853)	(17,032)
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Jurupa Valley

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

TUMF Grant

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 4,304,200	\$ 4,304,200	\$ 109,416	\$ (4,194,784)
Total revenues	4,304,200	4,304,200	109,416	(4,194,784)
EXPENDITURES:				
Current:				
Public works	13,431,213	13,431,213	220,643	13,210,570
Total expenditures	13,431,213	13,431,213	220,643	13,210,570
REVENUES OVER (UNDER) EXPENDITURES	(9,127,013)	(9,127,013)	(111,227)	9,015,786
Net change in fund balances	\$ (9,127,013)	\$ (9,127,013)	(111,227)	\$ 9,015,786
FUND BALANCES:				
Beginning of year			(47,623)	
End of year			\$ (158,850)	

City of Jurupa Valley

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

ATP Grant

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,545,000	\$ 1,545,000	\$ 142,958	\$ (1,402,042)
Total revenues	1,545,000	1,545,000	142,958	(1,402,042)
EXPENDITURES:				
Current:				
Public works	2,669,501	2,669,501	820,271	1,849,230
Total expenditures	2,669,501	2,669,501	820,271	1,849,230
REVENUES OVER (UNDER) EXPENDITURES	(1,124,501)	(1,124,501)	(677,313)	447,188
OTHER FINANCING SOURCES (USES):				
Transfers in	263,098	263,098	-	(263,098)
Total other financing sources (uses)	263,098	263,098	-	(263,098)
Net change in fund balances	\$ (861,403)	\$ (861,403)	(677,313)	\$ 184,090
FUND BALANCES:				
Beginning of year			(106,115)	
End of year			<u>\$ (783,428)</u>	

City of Jurupa Valley

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

CalRecycle Grant

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 28,383	\$ 28,383	\$ -	\$ (28,383)
Investment income (loss)	-	-	4,868	4,868
Total revenues	28,383	28,383	4,868	(23,515)
EXPENDITURES:				
Current:				
Community development	-	31,508	38,648	(7,140)
Public works	-	36,000	-	36,000
Total expenditures	-	67,508	38,648	28,860
REVENUES OVER (UNDER) EXPENDITURES	28,383	(39,125)	(33,780)	5,345
Net change in fund balances	\$ 28,383	\$ (39,125)	(33,780)	\$ 5,345
FUND BALANCES:				
Beginning of year			231,640	
End of year			\$ 197,860	

City of Jurupa Valley

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Community Facilities District

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Assessment revenue	\$ 1,391,759	\$ 1,391,759	\$ 1,748,532	\$ 356,773
Investment income (loss)	-	-	79,982	79,982
Total revenues	1,391,759	1,391,759	1,828,514	436,755
EXPENDITURES:				
Current:				
Community development	775,904	833,655	730,831	102,824
Total expenditures	775,904	833,655	730,831	102,824
REVENUES OVER (UNDER) EXPENDITURES	615,855	558,104	1,097,683	539,579
OTHER FINANCING SOURCES (USES):				
Transfers out	(52,983)	(52,983)	(73,068)	(20,085)
Total other financing sources (uses)	(52,983)	(52,983)	(73,068)	(20,085)
Net change in fund balances	\$ 562,872	\$ 505,121	1,024,615	\$ 519,494
FUND BALANCES:				
Beginning of year			4,139,335	
End of year			\$ 5,163,950	

City of Jurupa Valley

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Landscape & Lighting Maint. Districts

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Assessment revenue	\$ 906,788	\$ 906,788	\$ 999,231	\$ 92,443
Investment income (loss)	-	-	20,160	20,160
Other revenue	-	-	62,463	62,463
Total revenues	906,788	906,788	1,081,854	175,066
EXPENDITURES:				
Current:				
Community development	1,097,183	1,157,153	1,107,000	50,153
Public works	28,325	28,325	21,619	6,706
Total expenditures	1,125,508	1,185,478	1,128,619	56,859
REVENUES OVER (UNDER) EXPENDITURES	(218,720)	(278,690)	(46,765)	231,925
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	332,807	332,807
Transfers out	(55,567)	(55,567)	(78,314)	(22,747)
Total other financing sources (uses)	(55,567)	(55,567)	254,493	310,060
Net change in fund balances	\$ (274,287)	\$ (334,257)	207,728	\$ 541,985
FUND BALANCES:				
Beginning of year			1,251,773	
End of year			\$ 1,459,501	

City of Jurupa Valley
Internal Service Funds
June 30, 2023

Internal Service Funds

Risk Management Fund

This fund is used to account for the costs of operating a self-insurance program for general liability, workers' compensation, long-term disability and unemployment compensation. Such costs to other departments are billed at a predetermined rate set annually during the budget process.

Information System Fund

This fund is used to account for the operations of the City's internal information technology division. Such costs are billed to the departments and/or division based upon a predetermined rate set during the budget process.

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City of Jurupa Valley
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Risk Management	Information Systems	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ -	\$ 103,226	\$ 103,226
Cash and investments - restricted	1,426	-	1,426
Prepaid expense	-	63,637	63,637
Total assets	1,426	166,863	168,289
LIABILITIES			
Current liabilities:			
Accounts payable	-	26,707	26,707
Accrued liabilities	-	140,156	140,156
Due to other funds	1,426	-	1,426
Total liabilities	1,426	166,863	168,289
NET POSITION			
Unrestricted	-	-	-
Total net position	\$ -	\$ -	\$ -

City of Jurupa Valley
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2023

	Risk Management	Information Systems	Totals
OPERATING EXPENSES:			
Contractual services	\$ 717,848	\$ 659,887	\$ 1,377,735
Operating loss	(717,848)	(659,887)	(1,377,735)
TRANSFERS:			
Transfers in	717,848	659,887	1,377,735
Change in net position	-	-	-
NET POSITION:			
Beginning of year	-	-	-
End of year	\$ -	\$ -	\$ -

City of Jurupa Valley
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2023

	Risk Management	Information Systems	Totals
OPERATING ACTIVITIES:			
Cash Payments to suppliers for goods and services	\$ (717,848)	\$ (552,992)	(1,270,840)
Net cash used for operating activities	(717,848)	(552,992)	(1,270,840)
NONCAPITAL FINANCING ACTIVITIES:			
Cash Received from other funds	717,848	659,887	1,377,735
Interfund loans	1,426	(3,669)	(2,243)
Net cash provided by noncapital financing activities	719,274	656,218	1,375,492
Net (decrease) in Cash and cash equivalents	1,426	103,226	104,652
CASH AND CASH EQUIVALENTS - Beginning of year	-	-	-
CASH AND CASH EQUIVALENTS- End of year	\$ 1,426	\$ 103,226	\$ 104,652
RECONCILIATION OF OPERATING (LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES:			
Operating loss	\$ (717,848)	\$ (659,887)	\$ (1,377,735)
Adjustments to reconcile operating income (loss) to net cash used for operating activities:			
(Increase) in prepaid expense	-	(46,510)	(46,510)
(decrease) in accounts payable	-	13,249	13,249
(decrease) in accrued liabilities	-	140,156	140,156
Total adjustments	-	106,895	106,895
Net cash used for operating activities	\$ (717,848)	\$ (552,992)	\$ (1,270,840)

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STATISTICAL SECTION

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City of Jurupa Valley
Net Position by Component
Last Ten Fiscal Years
(\$ in thousands)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Governmental activities										
Net investment in capital assets	\$ 12,332	\$ 20,858	\$ 22,163	\$ 29,225	\$ 32,266	\$ 33,406	\$ 35,487	\$ 41,110	\$ 42,970	\$ 44,417
Restricted	7,617	7,385	8,091	10,388	11,106	14,384	18,482	26,974	36,607	40,828
Unrestricted	(2,203)	11,718	8,662	210	2,110	8,153	14,945	22,293	32,223	45,750
Total governmental activities net assets	<u>\$ 17,746</u>	<u>\$ 39,961</u>	<u>\$ 38,917</u>	<u>\$ 39,823</u>	<u>\$ 45,482</u>	<u>\$ 55,942</u>	<u>\$ 68,914</u>	<u>\$ 90,378</u>	<u>\$ 111,800</u>	<u>\$ 130,995</u>

Source: City of Jurupa Valley Finance Department

**City of Jurupa Valley
Changes in Net Position
Last Ten Fiscal Years**

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Expenses										
Governmental activities:										
General government	\$ 2,207	\$ 3,511	\$ 5,242	\$ 7,969	\$ 10,175	\$ 10,717	\$ 13,375	\$ 13,243	\$ 14,892	\$ 8,309
Community development	194	4,429	5,661	5,558	5,621	5,571	6,139	7,801	7,820	8,409 ⁽²⁾
Public works	11,806	4,999	6,748	6,332	5,564	7,963	8,059	8,211	7,949	11,647
Public safety	13,827	15,997	17,759	18,356	19,474	19,817	22,412	21,308	23,341	32,987
Interest and fiscal charges	-	-	-	482	127	164	145	291	316	283
Total governmental activities expenses	<u>28,034</u>	<u>28,936</u>	<u>35,410</u>	<u>38,696</u>	<u>40,961</u>	<u>44,233</u>	<u>50,131</u>	<u>50,854</u>	<u>54,318</u>	<u>61,635</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	62	93	91	345	422	350	268	300	253	322
Community development	2,100	3,684	5,589	3,484	3,329	3,293	3,088	3,629	4,177	4,659
Public works	541	-	-	2,101	2,266	1,787	2,042	1,779	2,145	2,170
Public safety	336	534	518	287	364	414	428	317	465	1,066
Operating contributions and grants	6,697	7,570	7,828	8,214	8,891	12,568	12,557	16,940	19,607	19,707 ⁽²⁾
Capital contributions and grants	-	232	290	3,566	2,443	2,329	2,443	3,659	2,988 ⁽²⁾	2,985 ⁽²⁾
Total governmental activities program revenues	<u>9,736</u>	<u>12,113</u>	<u>14,316</u>	<u>17,998</u>	<u>17,716</u>	<u>20,742</u>	<u>20,827</u>	<u>26,624</u>	<u>29,635</u>	<u>30,910</u>
Total government net (expense)/revenues	<u>\$ (18,298)</u>	<u>\$ (16,823)</u>	<u>\$ (21,094)</u>	<u>\$ (20,698)</u>	<u>\$ (23,245)</u>	<u>\$ (23,490)</u>	<u>\$ (29,304)</u>	<u>\$ (24,231)</u>	<u>\$ (24,683)</u>	<u>\$ (30,725)</u>

**City of Jurupa Valley
Changes in Net Position
Last Ten Fiscal Years**

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
General Revenues and Other Changes in Net Position										
General revenues:										
Taxes:										
Property taxes	\$ 5,597	\$ 6,097	\$ 6,468	\$ 6,649	\$ 13,304	\$ 14,330	15,599	16,875	17,255	19,047
Sales taxes	8,969	8,744	10,407	10,211	11,273	14,923	21,526	22,214	23,516	22,919
Franchise taxes	2,793	2,695	2,680	4,184	2,790	3,176	3,696	4,121	4,431	4,902
Transient occupancy taxes	167	208	250	273	284	280	214	311	352	253
Property transfer tax ⁽¹⁾	-	-	-	-	484	457	379	468	654 ⁽²⁾	728
Investment income	9	9	23	146	157	235	482	193	(592)	2,055
Other	263	15,301	202	160	612	550	536	550	490	17
Total governmental activities	<u>17,799</u>	<u>33,054</u>	<u>20,031</u>	<u>21,623</u>	<u>28,904</u>	<u>33,950</u>	<u>42,432</u>	<u>44,732</u>	<u>46,106</u>	<u>49,921</u>
Total Change in Net Position	<u>\$ (500)</u>	<u>\$ 16,231</u>	<u>\$ (1,063)</u>	<u>\$ 924</u>	<u>\$ 5,659</u>	<u>\$ 10,460</u>	<u>\$ 13,128</u>	<u>\$ 20,501</u>	<u>\$ 21,423</u>	<u>\$ 19,196</u>

(1) Property transfer tax was included in the total property taxes amount prior to FY 2017-18.

(2) Rounded for accuracy of overall totals in presentation

Source: City of Jurupa Valley Finance Department

City of Jurupa Valley
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(\$ in thousands)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 20	\$ 13	\$ 10
Restricted	-	-	-	-	-	-	-	962	-	1
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	11,934	11,712	8,699	5,314	4,791	8,098	15,071	22,316	33,693	46,010
Total general fund	<u>\$ 11,934</u>	<u>\$ 11,712</u>	<u>\$ 8,699</u>	<u>\$ 5,314</u>	<u>\$ 4,791</u>	<u>\$ 8,103</u>	<u>\$ 15,071</u>	<u>\$ 23,298</u>	<u>\$ 33,707</u>	<u>\$ 46,021</u>
All other governmental funds										
Restricted	\$ 7,617	\$ 7,385	\$ 7,944	\$ 10,388	\$ 10,657	\$ 14,384	\$ 18,482	\$ 27,071	\$ 36,345	\$ 40,828
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(178)	(522)	(433)	(1,017)	(34)	(170)	(251)	(975)
Total all other governmental funds	<u>\$ 7,617</u>	<u>\$ 7,385</u>	<u>\$ 7,766</u>	<u>\$ 9,865</u>	<u>\$ 10,224</u>	<u>\$ 13,367</u>	<u>\$ 18,448</u>	<u>\$ 26,901</u>	<u>\$ 36,094</u>	<u>\$ 39,853</u>
Total fund balances of governmental funds	<u>\$ 19,551</u>	<u>\$ 19,097</u>	<u>\$ 16,465</u>	<u>\$ 15,179</u>	<u>\$ 15,015</u>	<u>\$ 21,470</u>	<u>\$ 33,519</u>	<u>\$ 50,198</u>	<u>\$ 69,801</u>	<u>\$ 85,874</u>

Source: City of Jurupa Valley Finance Department

City of Jurupa Valley
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(\$ in thousands)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Revenues										
Taxes:										
Property tax	\$ 5,597	\$ 6,096	\$ 6,468	\$ 6,649	\$ 13,304	\$ 14,330	\$ 15,599	\$ 16,875	\$ 17,255	\$ 19,047
Sales tax	8,969	8,744	10,407	10,211	11,273	14,923	21,526	22,214	23,516	22,919
Franchise tax	2,793	2,696	2,680	4,184	2,790	3,176	3,696	4,121	4,431	4,902
Transient occupancy tax	167	208	250	273	284	280	214	311	352	253
Other taxes	62	-	-	-	484	457	379	468	654	728
Licenses and permits	770	1,342	1,421	1,634	1,645	1,438	1,380	1,792	2,353	2,299
Intergovernmental	5,889	5,274	4,427	6,710	6,210	8,293	10,188	11,751	12,230	11,021
Charges for services	2,234	3,093	3,147	4,010	4,018	3,722	3,849	3,703	4,060	4,686
Developer impact fees	-	2,314	3,118	2,703	3,515	2,778	2,818	4,478	5,135	2,450
Operating contributions and grants	-	270	190	-	-	-	-	-	-	-
Fines and forfeitures	336	534	518	465	574	557	520	455	626	726
Developer contributions	-	232	290	788	93	1,451	1,033	1,992	2,499	5,993
Assessments revenue	-	-	923	1,520	1,617	1,831	2,122	2,301	2,534	2,748
Investment income	9	9	23	146	157	235	482	192	(592)	2,055
Other	263	221	202	174	648	523	583	622	538	80
Total revenues	27,089	31,033	34,065	39,467	46,613	53,992	64,389	71,275	75,592	79,907
Expenditures										
Current:										
General government	2,198	3,495	5,316	7,684	9,946	10,189	12,792	22,591	13,830	6,649
Community development	194	4,408	5,425	5,558	5,621	5,571	6,166	7,783	7,740	8,238
Public works	9,773	7,941	8,116	17,435	11,033	10,389	9,220	9,291	8,751	13,190
Public safety	13,766	15,922	17,652	18,356	19,474	19,817	22,412	21,343	23,341	32,984
Capital outlay	-	-	-	-	-	-	-	-	-	405
Debt service:										
Principal retirement	-	-	-	270	150	745	765	790	990	995
Interest and fiscal charges	-	-	-	218	317	314	289	248	403	400
Cost of issuance	-	-	-	328	-	-	-	149	-	-
	25,930	31,766	36,509	49,849	46,541	47,025	51,644	62,194	55,055	62,861
Excess (deficit) of revenues over expenditures	1,159	(733)	(2,444)	(10,382)	71	6,968	12,745	9,081	20,537	17,046
Other financing sources/(uses)										
Proceeds of loan from County	-	-	-	-	-	-	-	-	-	-
Transfers in	96	1,079	325	2,417	2,489	2,890	1,129	1,198	1,390	1,890
Transfers out	(225)	(1,238)	(513)	(2,630)	(2,725)	(3,402)	(1,669)	(1,718)	(2,325)	(3,268)
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	405
Bonds issued	-	-	-	8,165	-	-	-	6,935	-	-
Premium on bonds issued	-	-	-	1,163	-	-	-	222	-	-
Total other financing sources/(uses)	(129)	(159)	(188)	9,115	(236)	(512)	(540)	6,637	(935)	(973)
Net change in fund balance	\$ 1,030	\$ (892)	\$ (2,632)	\$ (1,267)	\$ (165)	\$ 6,456	\$ 12,205	\$ 15,718	\$ 19,602	\$ 16,073
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	1.67%	1.01%	2.30%	2.08%	1.95%	2.59%	2.27%

City of Jurupa Valley
Tax Revenues by Source - General Fund
Last Ten Fiscal Years
(\$ in thousands)

Fiscal Year	Property	Sales & Use	Franchise	Transient Occupancy	Other	Total
2014	\$ 5,597	\$ 8,969	\$ 2,793	\$ 167	\$ 62	\$ 17,588
2015	6,096	8,744	2,696	208	-	17,744
2016	6,468	10,407	2,680	250	-	19,805
2017	6,649	10,211	4,184	273	-	21,317
2018	13,304 ⁽¹⁾	11,273	2,790	284	484	28,135
2019	14,330 ⁽¹⁾	14,923	3,176	280	457	33,165
2020	15,599 ⁽¹⁾	21,526	3,696	214	379	41,414
2021	16,875 ⁽¹⁾	22,214	4,121	311	468	43,989
2022	17,255 ⁽¹⁾	23,516	4,431	352	654	46,208
2023	19,047 ⁽¹⁾	22,919	4,902	253	728	47,849

(1) The City began receiving Property taxes in lieu of motor vehicle fees in FY 2017-18 following adoption of SB130 in May 2017.

Source: City of Jurupa Valley Finance Department

City of Jurupa Valley
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(\$ in thousands)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other	Total Assessed Valuation	Less Tax Exempt Property	Total Taxable Assessed Value	Direct Tax Rate (City)
2014	\$ 3,786,080	\$ 429,880	\$ 1,828,067	\$ 1,050,966	\$ 7,094,992	\$ (44,707)	\$ 7,050,285	\$ 0.10347
2015	4,057,872	433,123	1,855,743	1,067,843	7,414,581	(45,601)	7,368,980	0.10196
2016	4,359,971	446,341	1,972,845	1,105,654	7,884,812	(46,292)	7,838,519	0.10011
2017	4,738,804	474,480	2,129,295	1,187,869	8,530,447	(47,027)	8,483,420	0.09838
2018	5,211,669	512,513	2,235,742	1,189,217	9,149,141	(44,814)	9,104,327	0.09650
2019	5,755,980	548,638	2,323,451	1,182,895	9,810,963	(45,710)	9,765,253	0.06560
2020	6,347,192	582,345	2,499,876	1,141,554	10,570,967	-	10,570,967	1.06560
2021	6,741,561	624,637	2,931,559	1,147,474	11,445,232	-	11,445,232	0.09136
2022	7,152,037	649,001	2,864,889	1,163,534	11,829,461	-	11,829,461	0.09028
2023	7,742,358	682,058	3,033,675	1,254,404	12,712,494	-	12,712,494	0.08874

Source: HdL, Coren & Cone

**City of Jurupa Valley
Principal Property Tax Payers
Current Year and Eight Years Ago**

Taxpayer	2014		2023	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Costco Wholesale Corporation	\$ 106,751,311	1.51%	\$ 276,180,630	2.17%
Bre Space Cella LLC			253,264,929	1.99%
UPS Supply Chain Solutions General Services Inc.	81,467,456	1.16%	135,038,039	1.06%
Teachers Insurance and Annuity Association	106,645,279	1.51%	123,787,176	0.97%
Nestle Food Company			79,413,638	0.62%
Lesso Mall Dev Jurupa Valley Limited			76,555,226	0.60%
COMREF So California Industrial	59,696,547	0.85%	-	
Metal Container Corporation	62,328,918	0.88%	72,042,132	0.57%
COMREF So California Industrial Sub A			71,603,622	0.56%
Lineage Master RE 3 LLC	68,878,400	0.98%	71,016,635	0.56%
AMB Institutional Alliance Fund III			69,483,389	0.55%
MGB X Vernola LLC (Vernola Marketplace)	60,335,253	0.86%	-	
Home Depot USA Inc.	58,361,360	0.83%	-	
Millard Refridgerated SVC Atlanta II Inc	55,053,914	0.78%	-	
Space Center Mira Loma Inc.	47,125,352	0.67%	-	
Total	\$ 706,643,790	10.03%	\$ 1,228,385,416	9.65%

Source: HdL, Coren & Cone

City of Jurupa Valley
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year	City Direct Rates				Total
	Basic County, City, and School Levy	Community College District	Water District	School District	
2014	1.00000	0.05958	0.16600	0.46506	1.69064
2015	1.00000	0.05721	0.16600	0.43363	1.65684
2016	1.00000	0.05755	0.16600	0.50210	1.72565
2017	1.00000	0.05149	0.16600	0.53743	1.75492
2018	1.00000	0.05376	0.15600	0.51817	1.72793
2019	1.00000	0.05548	0.15600	0.53418	1.74566
2020	1.00000	0.04766	0.14600	0.39256	1.58622
2021	1.00000	0.07980	0.14600	0.53535	1.76115
2022	1.00000	0.06810	0.13350	0.54449	1.74609
2023	1.00000	0.05970	0.13350	0.40876	1.60196

Source: County of Riverside, Tax Rates by Tax Rate Areas (2017-2018) Schedule; HdL, Coren & Cone

City of Jurupa Valley
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied For the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 4,473,310	\$ 4,319,380	96.56%	\$ 153,930	\$ 4,473,310	100.00%
2015	4,611,753	4,593,320	99.60%	18,433	4,611,753	100.00%
2016	4,740,260	4,690,434	98.95%	49,826	4,740,260	100.00%
2017	4,913,741	4,844,250	98.59%	69,491	4,913,741	100.00%
2018	5,092,844	4,997,898	98.14%	-	4,997,898	98.14%
2019	5,312,103	5,289,275	99.57%	-	5,289,275	99.57%
2020	5,643,767	5,496,964	97.40%	-	5,496,964	97.40%
2021	5,795,928	5,716,196	98.62%	-	5,716,196	98.62%
2022	6,094,709	5,866,725	96.26%	-	5,866,725	96.26%
2023	6,201,040	6,168,589	99.48%	-	6,168,589	99.48%

Source: City of Jurupa Valley Finance Department; Riverside County Auditor-Controller's "2017-2018 Statement of Original Charge"

City of Jurupa Valley
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	Certificates of Participation	Unamortized Premium on CoP	Total Governmental Activities	Percentage of Personal Income ⁽¹⁾	Percentage of Assessed Value	Debt per Capita ⁽²⁾
2014	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -
2015	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-
2017	-	-	7,895,000	1,098,761	8,993,761	0.49%	0.11%	88.77
2018	-	-	7,745,000	908,832	8,653,832	0.45%	0.10%	81.60
2019	-	-	7,000,000	758,819	7,758,819	0.37%	0.08%	72.98
2020	-	-	6,235,000	615,381	6,850,381	0.31%	0.06%	63.97
2021	-	-	12,380,000	700,898	13,080,898	0.55%	0.11%	121.01
2022	-	-	11,390,000	572,110	11,962,110	0.47%	0.10%	113.51
2023	-	-	10,395,000	458,795	10,853,795	0.40%	0.09%	103.39

Notes:

- (1) These ratios are calculated using personal income and population based on the schedule of demographic and economic statistics
- (2) Per capita amount calculated using the population for the previous calendar year.

Source:

City of Jurupa Valley Finance Department
HdL, Coren & Cone Demographic & Economic Statistics report

City of Jurupa Valley
Legal Debt Margin Information
Last Ten Fiscal Years
(amount expressed in thousands)

Fiscal Year	Assessed Valuation	Legal Debt Limit (15% of Assessed Value)	Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a Percentage of the Debt
2014	\$ 7,160,161	\$ 1,074,024	\$ -	\$ 1,074,024	0.0%
2015	7,429,187	1,114,378	-	1,114,378	0.0%
2016	7,838,519	1,175,778	-	1,175,778	0.0%
2017	8,483,420	1,272,513	-	1,272,513	0.0%
2018	9,104,327	1,365,649	-	1,365,649	0.0%
2019	9,765,263	1,464,789	-	1,464,789	0.0%
2020	10,570,967	1,585,645	-	1,585,645	0.0%
2021	11,445,232	1,716,785	-	1,716,785	0.0%
2022	11,829,461	1,774,419	-	1,774,419	0.0%
2023	12,712,494	1,906,874	-	1,906,874	0.0%

Note: Section 43605 of the Government Code of the State of California limits the amount of general bonded indebtedness for public improvements to 15% of the assessed valuation of all real and personal property of the City. The City has no general obligation bonded debt.

City of Jurupa Valley
Pledged Revenue Coverage
Last Ten Fiscal Years

Certificates of Participation - Local Measure A Sales Tax

Fiscal Year	Measure A Sales Tax Revenue	Debt Service		Coverage
		Principal	Interest	
2014	\$ -	\$ -	\$ -	-
2015	-	-	-	-
2016	-	-	-	-
2017	1,943,104	270,000	218,093	3.98
2018	1,938,244	150,000	317,265	4.15
2019	2,306,471	745,000	314,458	2.18
2020	2,244,525	765,000	288,701	2.13
2021	2,878,604	790,000	266,854	2.72
2022	3,897,841	820,000	221,644	3.74
2023	3,463,400	855,000	205,000	3.27

Source: City of Jurupa Valley Finance Department

City of Jurupa Valley
Demographic and Economic Status
Last Ten Fiscal Years

Calendar Year	Population	Personal Income in Thousands	Per Capita Personal Income	Median Age	Unemployment Rate
2013	97,774	1,743,702	17,834	30.4	12.8%
2014	97,738	1,797,500	18,391	30.8	10.6%
2015	98,177	1,806,787	18,403	30.9	8.7%
2016	101,315	1,847,987	18,240	30.9	5.7%
2017	106,054	1,937,729	18,271	31.5	4.7%
2018	106,318	2,083,925	19,600	31.7	3.9%
2019	107,083	2,215,584	20,690	32.2	3.7%
2020	108,097	2,361,047	21,841	32.1	5.2%
2021	105,384	2,562,113	24,312	32.9	7.0%
2022	104,983	2,706,290	25,778	32.7	3.7%

Sources:

HdL, Coren & Cone Demographic & Economic Statistics report

- (1) Population - California Department of Finance
- (2) Personal Income - California Franchise Tax Board, adjusted gross income for zip code 92509
- (3) Median Age - U.S. Census Bureau State of California - for zip code 92509
- (4) Unemployment Rate - California Employment Development Department

**City of Jurupa Valley
Employment by Industry
Current Year**

Industry	2022		2013	
	Labor Force	Percent of Total	Labor Force	Percent of Total
Farm	13,900	0.83%	14,500	1.16%
Goods Producing	216,400	12.93%	158,800	12.72%
Trade, Transportation and Utilities	464,500	27.74%	299,800	24.01%
Information	10,200	0.61%	11,800	0.95%
Financial Activities	46,800	2.80%	41,700	3.34%
Professional and Business Services	179,100	10.70%	131,100	10.50%
Private Education and Health Services	266,400	15.91%	188,500	15.10%
Leisure and Hospitality	179,600	10.73%	135,900	10.89%
Other Services	47,900	2.86%	41,100	3.29%
Government	249,400	14.90%	225,200	18.04%
Total	1,674,200	100.00%	1,248,400	100.00%

Note: Information on the largest employers for the City of Jurupa Valley is not available. Presented above is the annual average of Industry Employment & Labor Force for Riverside County as of March 2022.

Source: State of California Employment Development Department

City of Jurupa Valley
Full-time City Employees by Function
Last Ten Fiscal Years

Fiscal Year	(1) General Government	(1) Public Works	(2) Public Safety	(3) Community Services	Total
2014	-	-	-	-	-
2015	1.00	-	-	-	1.00
2016	10.65	1.00	-	-	11.65
2017	11.30	1.00	-	-	12.30
2018	11.30	4.00	-	-	15.30
2019	12.30	4.00	-	-	16.30
2020	16.40	4.00	-	-	20.40
2021	31.90	7.00	-	-	38.90
2022	51.10	21.00	-	-	72.10
2023	65.50	20.00	-	-	85.50

Notes:

(1) The City of Jurupa Valley has staff employed in City Manager, Finance and Administration, Community Development and Public Works departments. The City contracts services for the remaining General Government, Public Works, and Community Development functions through third party consultants.

(2) The City of Jurupa Valley contracts Public Safety services through the County of Riverside Sheriff's Department.

(3) Community Services are provided by the Jurupa Community Services District.

Sources: City of Jurupa Valley Finance Department

City of Jurupa Valley
Taxable Sales by Category
Last Ten Calendar Years
(\$ in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Apparel Stores	\$ 14,541	\$ 15,326	\$ 17,557	\$ 19,114	\$ 19,137	\$ -	\$ -	\$ -	\$ -	\$ -
Auto Dealers and Suppliers	60,624	61,426	71,554	68,635	73,733	86,125	103,021	87,881	105,719	87,791
Building Materials	56,898	64,223	74,485	71,812	76,533	87,739	97,501	104,374	118,569	127,876
Eating and Drinking Places	71,742	76,177	85,629	93,515	99,513	102,974	107,355	108,772	134,034	134,845
Food Stores	34,462	37,383	41,665	44,127	45,042	46,802	46,719	51,313	52,768	56,262
General Merchandise	15,455	15,312	14,410	14,240	10,821	13,773	22,252	8,353	8,316	9,075
Service Stations	173,898	178,535	161,296	142,871	165,317	201,034	208,506	208,442	295,477	388,449
Other Retail Stores	63,356	66,514	66,583	95,243	99,026	126,085	129,376	188,236	270,341	259,000
All Other Outlets	420,225	427,302	426,036	474,985	503,097	602,560	1,014,287	1,307,484	1,235,643	1,222,013
Total	\$ 911,201	\$ 942,198	\$ 959,215	\$ 1,024,542	\$ 1,092,219	\$ 1,267,092	\$ 1,729,017	\$ 2,064,855	\$ 2,220,867	\$ 2,285,311

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Source: State of California Board of Equalization; California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

**City of Jurupa Valley
Top 25 Sales Tax Producers
Current Year and Ten Years Ago**

Calendar Year 2022		Calendar Year 2013		
Business Name	Business Category	Business Name	Business Category	
Allbirds	Shoe Stores	Arco AM PM	Service Stations	
Alpha Materials	Building Materials	Arco AM PM	Service Stations	
Arco AM PM	Service Stations	Arco AM PM	Service Stations	
Arco AM PM	Service Stations	Arco AM PM	Service Stations	
Arco AM PM	Service Stations	Chevron	Service Stations	
Arco AM PM	Service Stations	Circle K	Service Stations	
Arco AM PM	Service Stations	Circle K 76	Service Stations	
ATN Windows	Contractors	Costco Distribution Center	Fulfillment Centers	
Circle K	Service Stations	Edward Don & Company	Food Service Equip/Supplies	
Costco Distribution Center	Fulfillment Centers	Gasco	Service Stations	
Crest Steel Corporation	Heavy Industrial	IFCO Systems	Light Industrial/ Printers	
Edward Don & Company	Food Service Equip/Supplies	Kmart	Discount Dept Stores	
Flying J Travel Centers	Service Stations	Lowe's	Building Materials	
Lowe's	Building Materials	Mobile Modular Management	Trailers/RVs	
Merchants Metals	Contractors	Orco Block	Contractors	
Orco Block	Contractors	Peggs Company	Office Supplies/Furniture	
Peggs Company	Office Supplies/ Furniture	Ross	Family Apparel	
Quicksilver Distribution Center	Fulfillment Centers	Shell	Service Stations	
Ross	Family Apparel	Shell	Service Stations	
S W School Supply	Office Supplies/Furniture	Skanska	Contractors	
Southwest Material Handling	Warehse/Farm/Const. Equipment	Southwest Material Handling	Warehouse/Farm/Const Equip	
Stater Bros	Grocery Stores	Stater Bros	Grocery Stores	
Stiiizy	Cannabis Related	Universal Forest Products	Contractors	
Taylor Metal	Contractors	Valley Power Systems	Trailers/ Auto Parts	
TTX RailCar	Transportation- Non-Auto	Valley Way Arco	Service Stations	
Percentage of Fiscal Year Total Paid by Top 25 Accounts		56.43%	Percentage of Fiscal Year Total Paid by Top 25 Accounts	
		<u>56.43%</u>		
			<u>53.51%</u>	

Source: HdL Reports - Firms listed alphabetically (April through March data for each year)