



CITY OF GRAND TERRACE, CALIFORNIA

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ANNUAL FINANCIAL REPORT

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Grand Terrace, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Grand Terrace, California, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Responsibilities of Management for the Financial Statements

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



To the Honorable Mayor and Members of the City Council
City of Grand Terrace, California

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 opinion. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the General Fund, Street Improvement Fund, Housing Authority and Highway Safety Improvement Program, the schedule of proportionate share of the net pension liability and the schedule of employer contributions for the miscellaneous cost-sharing pension plan, and the schedule of changes in total OPEB liability and related ratios to 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.



To the Honorable Mayor and Members of the City Council
City of Grand Terrace, California

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 schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lughard, LLP

Brea, California
March 11, 2022

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Management's Discussion and Analysis

The following discussion and analysis of the financial performance of the City of Grand Terrace provides an overview of the City's financial activities for the fiscal year ended June 30, 2021. The information presented herein should be considered in conjunction with the City's financial statements identified in the accompanying table of contents.

Financial Highlights

- The assets and deferred outflows of resources of the City of Grand Terrace exceeded its liabilities and deferred inflows of resources on June 30, 2021 by \$20.4 million (net position).
- The City's net position decreased by \$250,535 from the previous fiscal year from \$20.6 million to \$20.4 million.
- As of June 30, 2021, the City of Grand Terrace's governmental funds had reported combined ending fund balances of \$9.0 million, a decrease of \$559,685 from the previous fiscal year. Of this total, approximately \$7.8 million, or 86.7% of the total fund balance, are either non-spendable or restricted due to the nature of the restriction.
- The total debt of the City showed a net increase of about \$444,215 from the prior fiscal year due to the increase in both the City's OPEB liability and net pension liability. During FY 2020-21, the OPEB obligation of the City increased by about \$0.26 million from \$1,700,064 to \$1,964,307. The City's Net Pension Liability increased by about \$0.22 million from the prior year from \$5,141,928 to \$5,365,454 in FY 2020-21.
- The General Fund had a year-end fund balance of \$3.7 million on June 30, 2021. This was a decrease of \$2,097.

Using the Accompanying Financial Statements

Included in the accompanying report are fund financial statements. For governmental activities, the fund financial statements explain how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Overview of the Financial Statements

The annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements explain how general government services like public safety were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about the activities the government operates like a business.
- Fiduciary fund statements provide information about the fiduciary relationships - like the custodial funds of the City - in which the City acts solely as agent or trustee for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that provide additional explanatory information regarding the financial statements, as well as more detailed data. The statements are followed by a section of required supplementary spreadsheets that provide additional financial and budgetary information.

Reporting the City as a Whole

The accompanying government-wide financial statements include two statements that present financial data for the City as a whole. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. The statement of net position includes all of the City's assets and liabilities, as well as any deferred outflows and inflows. The statement of activities includes all current year revenues and expenses regardless of when cash is received. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

These two statements report the City's net position and changes in net position that transpired during the fiscal year. The City's net position - the difference between assets and liabilities is one way to measure the City's financial health, or financial position. Over time, increases and decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors, however, should also be considered such as changes in the City's property tax or sales tax base and the condition of the City's roads, to assess the overall health of the City.

The Statement of Net Position and the Statement of Activities are divided into two types of activities:

- Governmental activities - Most of the City's basic services such as public safety, public works, community development, and general government are reported here. Sales taxes, property taxes, state subventions, and other revenues finance most of these activities.
- Business-type activity - The Waste Water Disposal Fund accounts for the remaining assets and liabilities of the fund that used to account for the provision of waste water disposal services to the residents and businesses within the City of Grand Terrace. The City of Colton/ Colton Utility Authority now provide wastewater disposal services for the City's residents and businesses.

Reporting the City's Most Significant Funds

The fund financial statements provide detailed information about the City's most significant funds - not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, the City establishes many other funds to help it control and manage financial resources for particular purposes or to demonstrate that it is meeting oversight responsibilities for using certain taxes, grants, or other money. The City's two types of funds - governmental and proprietary - use different accounting approaches.

- Governmental funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances remaining at year end that are available for spending. These funds are reported using the *modified accrual accounting* method, which measures cash and all other current financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are greater or fewer financial resources that can be spent in the near future to finance the City's programs. 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.
- Proprietary funds - When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund is the same as the business-type activities reported in the government-wide statements, but provides more detail and additional information, such as cash flows, for the proprietary fund. The City does not use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities.

Reporting the City's Fiduciary Responsibilities

The City is an agent for certain assets held for, and under the control of, other organizations and individuals. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-wide Financial Statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. On June 30, 2021, net position for the City of Grand Terrace was \$20,400,754; compared to net position of \$20,651,289 at June 30, 2020.

A summary of the government-wide Statement of Net Position on June 30, 2021 and June 30, 2020 are as follows:

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 11,002,419	\$ 11,492,601	\$ 1,611,627	\$ 1,598,051	\$ 12,614,046	\$ 13,090,652
Capital assets, net	11,098,772	10,875,021	4,442,558	4,531,128	15,541,330	15,406,149
Total assets	22,101,191	22,367,622	6,054,185	6,129,179	28,155,376	28,496,801
Deferred Outflows Pension & OPEB	1,340,208	1,245,392	-	-	1,340,208	1,245,392
Other liabilities	1,386,145	1,668,571	6,875	6,875	1,393,020	1,675,446
Long-term liabilities	7,437,822	7,008,125	-	-	7,437,822	7,008,125
Total liabilities	8,823,967	8,676,696	6,875	6,875	8,830,842	8,683,571
Deferred inflows Pension & OPEB	263,988	519,177	-	-	263,988	519,177
Invested in capital assets	11,098,772	10,875,021	4,442,558	4,531,128	15,541,330	15,406,149
Restricted	6,974,709	7,990,546	-	-	6,974,709	7,990,546
Unrestricted	(3,720,037)	(4,448,426)	1,604,752	1,591,176	(2,115,285)	(2,857,250)
Total net assets	\$ 14,353,444	\$ 14,417,141	\$ 6,047,310	\$ 6,122,304	\$ 20,400,754	\$ 20,539,445

\$15,541,330 (76.2%) of the net position reflects the City's investment in capital assets. Since these assets are used to provide services to the citizens, they are not available for future spending. An additional \$6,974,709 (34.2%) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position resulted in a negative amount of \$2,115,285 (-10.4%). The City's net position decreased by \$250,535 from \$20,651,289 in FY 2019-20 to \$20,400,754 during FY 2020-21.

A summary of the government-wide Statement of Activities for the year ended June 30, 2021 and 2020 are as follows:

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues and transfers						
Program revenues:						
Charges for services	\$ 995,955	\$ 1,082,554	-	-	\$ 995,955	\$ 1,082,554
Operating contributions and grants	514,122	498,610	-	-	514,122	498,610
Capital contributions and grants	1,026,502	699,728	-	-	1,026,502	699,728
General revenues:						
Property tax	3,607,233	4,010,252	-	-	3,607,233	4,010,252
Sales tax	1,064,567	833,919	-	-	1,064,567	833,919
Motor vehicle in lieu	9,114	10,015	-	-	9,114	10,015
Other taxes	633,032	571,439	-	-	633,032	571,439
Use of money & property	375,195	481,345	13,576	38,591	388,771	519,936
Other revenues	3,121	9,937	-	-	3,121	9,937
Total revenues	8,228,841	8,197,799	13,576	38,591	8,242,417	8,236,390
Expenses						
General government	2,311,249	1,792,326	-	-	2,311,249	1,792,326
Public safety	2,557,133	2,492,142	-	-	2,557,133	2,492,142
Public works	2,380,893	2,205,635	-	-	2,380,893	2,205,635
Economic development	17,948	7,258	-	-	17,948	7,258
Cultural and recreation	1,137,159	1,479,335	-	-	1,137,159	1,479,335
Waste water disposal	-	-	88,570	88,570	88,570	88,570
Total Expenses	8,404,382	7,976,696	88,570	88,570	8,492,952	8,065,266
Change in net position	(175,541)	221,103	(74,994)	(49,979)	(250,535)	171,124
Beginning net position	14,417,141	14,196,038	6,122,304	6,172,283	20,539,445	20,368,321
Restatement of Net Position	111,844	-	-	-	111,844	-
Ending net position	\$ 14,353,444	\$ 14,417,141	\$ 6,047,310	\$ 6,122,304	\$ 20,400,754	\$ 20,539,445

The increase or decrease in net position can provide an indication as to whether the overall financial position of the City improved or worsened during the year. The total net position of the City on June 30, 2021 decreased by \$250,535 or 1.2% compared to the net position of the City at the end of FY 2019-2020. Taken separately, the net position of governmental activities decreased by \$175,541, while the net position of business-type activities decreased by \$74,994. Total expenses of \$8,492,952 were offset by total revenues of \$8,242,417. In the Statement of Activities, expenditures do not include the cost of assets capitalized during the year or payments made on principal of outstanding debt. Depreciation is shown for governmental funds on this table, but the expense is not recorded in each individual fund.

After the deduction of capitalized assets, the next largest component in changes to net position is the actual increase or decrease in fund balances resulting from operations. For governmental funds there was a net decrease of \$559,685. Of this amount, a net decrease of \$135,096 is attributable to the nonmajor funds, a net decrease of \$19,677 to the Housing Authority, a net increase of \$3,549 to the Street Improvement Fund, a net decrease of \$406,364 to the Highway Safety Improvement Program Fund with the difference being a net decrease to the General Fund of \$2,097.

Governmental Activities

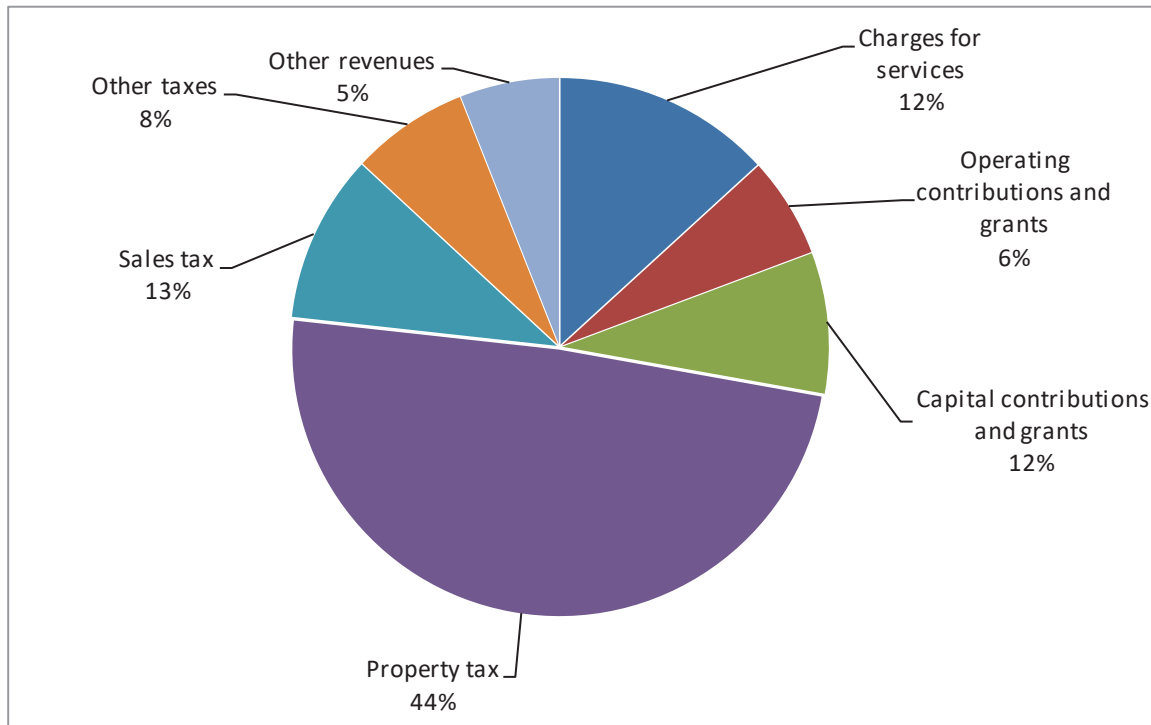
The following table shows the cost of each of the City's major programs and their net cost after subtracting fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City taxpayers by each of the programs.

Net Cost of Governmental Activities

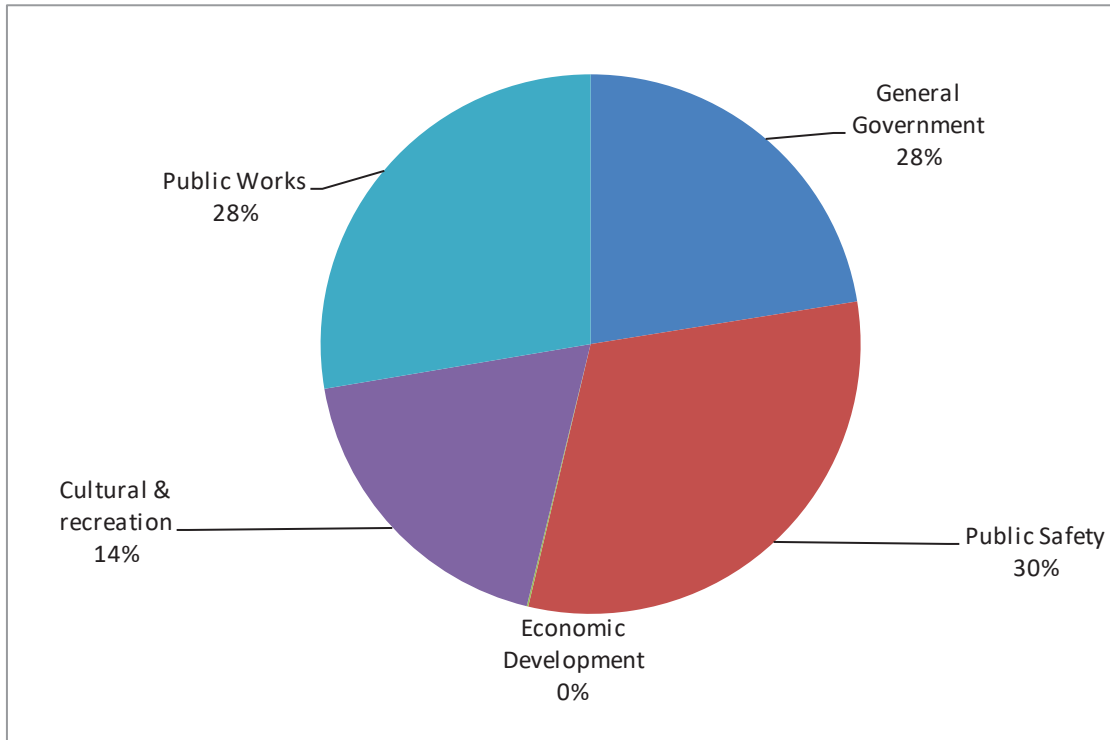
	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 2,311,249	\$ 1,773,454	\$ 1,792,326	\$ 1,556,861
Public safety	2,557,133	2,265,490	2,492,142	2,169,549
Public works	2,380,893	752,830	2,205,635	562,355
Economic development	17,948	17,948	7,258	49,422
Cultural and recreation	1,137,159	1,058,081	1,479,335	1,357,617
Total	<u>\$ 8,404,382</u>	<u>\$ 5,867,803</u>	<u>\$ 7,976,696</u>	<u>\$ 5,695,804</u>

This table shows the cost of all governmental activities this year was \$ 8,404,382. General tax dollars paid for approximately 69.8 percent of this cost. Fees, grants and contributions and fund balances at the beginning of the fiscal year funded the balance of the cost of governmental activities.

Revenues by Source - Governmental Activities \$8,228,841



Expenses by Function - Governmental Activities - \$8,404,382

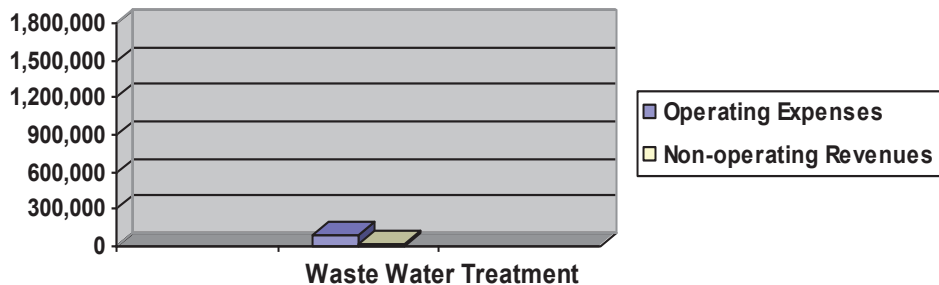


Business-Type Activity

In March 2014, the cities of Grand Terrace and Colton entered into sewer services and lease agreements for fifty (50) years. These agreements extricated Grand Terrace from the wastewater collection business. In accordance with the Sewer Services Agreement with the City of Colton/ Colton Utility Authority, the provision of sewer services for the City's residents and businesses are no longer being directly provided by the City of Grand Terrace. Hence, the City of Grand Terrace no longer receives sewer services revenues from the City's residents and businesses. Likewise, sewer- services related expenditures are also no longer being incurred and recorded in the City's Waste Water Disposal Fund. The following were the only financial- related activities recorded in the City's Waste Water Disposal Fund during FY 2020-21:

- Annual depreciation amounting to \$88,570 of all wastewater sewer capital assets which are still owned by the City; and
- Interest income of \$13,576 earned by the remaining cash in the Waste Water Disposal Fund.

Expenses and Program Revenues – Business-type Activities



Major Funds

As noted earlier, the City uses fund accounting to provide proper financial management of the City's resources and to demonstrate compliance with finance-related legal requirements.

Major Governmental Funds:

The **General Fund** is the main operating fund of the City. At the end of FY 2020-21, the fund balance of the General Fund decreased by \$2,097 from a fund balance of \$3,726,837 on June 30, 2020 to \$3,724,740 at June 30, 2021. Total fund balance in all Governmental Funds was \$9,045,660.

The General Fund Revenues and Expenditures are shown below:

	2020-2021	2019-2020	Increase (Decrease) in Fund Balance
Revenues	\$ 6,307,795	\$ 6,395,001	\$ (87,206)
Expenditures	(6,124,167)	(5,947,514)	(176,653)
Other Sources (Uses)	(185,725)	(60,768)	(124,957)
Net Change in Fund Balance	(2,097)	386,719	(388,816)
Beginning Fund Balance	3,614,993	3,228,274	386,719
Restatements	111,844	-	111,844
Ending Fund Balance	<u>\$ 3,724,740</u>	<u>\$ 3,614,993</u>	<u>\$ 109,747</u>

The significant highlights in activities - revenues and expenditures of the City's General Fund from the prior year are as follows:

- General Fund revenues were exceeded by expenditures and transfers out by \$2,097. Total General Fund revenues decreased by \$87,206 or 1 percent from FY 2019-20. This decrease in revenues is mainly due to the decrease in RPTTP Residual Receipts of \$1,354,689 compared to \$1,911,319 from the prior fiscal year, a decrease of almost 29%.
- Property taxes received decreased by 9.0 percent from \$3,963,605 to \$3,552,688, a difference of about \$410,917. This decrease in property tax is attributable to the decrease in RPTTF Residual Receipts by \$556,630. During the fiscal year, the increase in Property Tax-VLF Swap of \$56,178 and the increase in all other categories of \$89,755 offset the decrease to this category.
- Gross Sales tax increased by \$230,648 from \$833,919 to \$1,064,567 compared to the previous fiscal year.
- Charges for service, including licenses and permits in FY 2020-21 increased by 11.2 percent from \$1,071,800 to \$1,192,998. The revenues belonging to this category which include Franchise Fees, Business License Tax, Dog License, Engineering Fees, Public Works Permits, Construction Permits, Building Safety Plan Review, Environmental Assessment Reports & Sports League Fees Surcharge were consistent with the previous year, except for the Franchise Fees which increased \$57,448 from \$480,007 to \$537,455.
- Fines and forfeitures received during FY 2020-21 increased by \$6,188 or 9.9 percent from \$66,309 during FY 2019-20 to \$72,797 during FY 2020-21. The increase in this category resulted from increases and decreases from the collections of the following General Fund revenues: Sweep Day Citations increased by \$9,651, Code Enforcement fines decreased by \$1,467, Parking Citations decreased by \$6,215, and Tow Charges increased by \$2,760.

- The overall operating expenditures of the General Fund increased by about 3 percent over the prior year from \$5,947,514 to \$6,124,167. The increase of \$176,653 between FY 2019-20 and FY 2020-21 was due to a combination of increased expenditures in some functional categories of government and decreased expenditures in other functional categories of government.
- There was decreased spending in the following functions during FY 2020-21 compared to FY 2019-20 Public Works category by \$234,742, the Cultural and Reconciliation category of \$72,969, and the Capital Outlay category by \$21,672. However, there was increased spending during FY 2020-21 in the following functions of government over the prior fiscal year– General Government increased by \$449,403 and Public Safety increased by \$56,633.
- Of the total \$6,124,167 in General Fund operating expenditures, total general government expenditures represented 29.8 percent, public works expenditures represented 18.6 percent, public safety expenditures represented 38.4 percent, cultural & recreation represented 12.0 percent and capital outlay represented 1.2 percent.

Other major governmental funds include the Street Improvement Fund, the Housing Authority Fund and the Highway Safety Improvement Program.

The Street Improvement Fund had a positive net change of \$3,459 during the fiscal year.

The fund balance of the Housing Authority Fund decreased by \$19,677 during FY 2020-21. This fund accounts for the housing assets because of the dissolution of community redevelopment agency of the City.

The fund balance of the Highway Safety Improvement Program Fund decreased by \$406,364 due to the completion of a grant funded project during FY2020-21 and the grant revenues being unavailable at June 30, 2021.

Nonmajor Funds

The Nonmajor funds, as listed in the table of contents of this report, include Gas Tax, Measure I, the Capital Improvement Funds, and most of the special revenue funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. In these cases, the City has a fiduciary responsibility and is acting as trustee. The Statement of Fiduciary Net Position included in the Basic Financial Statements, separately reports all the City's fiduciary activities. The City's fiduciary activities are reported in separate statements of fiduciary net position and statement of changes in fiduciary net position (Private Purpose Trust Fund- Successor Agency of the Former RDA only). Fiduciary funds are not reflected in the government- wide financial statements because the resources of those funds are not available to support the City's own programs. However, the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Capital Assets

As of June 30, 2021, the City had invested \$15,541,330 in a broad range of capital assets, including buildings, parks and park improvements, computer and maintenance equipment, vehicles, sewer collection systems, streets, sidewalks and storm drains. The City is exempt by provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 from including the valuation of old City infrastructure prior to the implementation of GASB Statement No. 34.

Capital Assets (Net of depreciation)

	Governmental Activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 3,257,291	\$ 3,112,881	\$ -	\$ -	\$ 3,257,291	\$ 3,112,881
Buildings	2,008,363	2,149,689	-	-	2,008,363	2,149,689
Improvements	2,732,813	2,459,519	71,642	80,070	2,804,455	2,539,589
Equipment	489,971	344,336	-	-	489,971	344,336
Vehicles	46,525	73,643	-	-	46,525	73,643
Infrastructure	1,579,789	1,818,464	-	-	1,579,789	1,818,464
Sewer mains	-	-	2,372,771	2,417,472	2,372,771	2,417,472
Sewer laterals	-	-	1,202,781	1,223,791	1,202,781	1,223,791
Sewer manholes	-	-	795,364	809,795	795,364	809,795
Construction in progress	984,020	916,489	-	-	984,020	916,489
	<u>\$ 11,098,772</u>	<u>\$ 10,875,021</u>	<u>\$ 4,442,558</u>	<u>\$ 4,531,128</u>	<u>\$ 15,541,330</u>	<u>\$ 15,406,149</u>

Long-Term Debt

At the end FY 2020-21, the City had debt outstanding of \$7,410,807. The City's net pension liability increased by \$223,526 from \$5,141,928 in the prior fiscal year to \$5,365,454 at the end of June 30, 2021. The City's other post-employment benefits (OPEB) obligations increased by \$264,243 from \$1,700,064 at the end of FY 2019-20 to \$1,964,307 at the end of FY 2020-21. The City's liability for long-term compensated absences decreased by \$43,554 compared to the prior fiscal year from \$124,600 to \$81,046 at the end of June 30, 2021.

Additional information on the City's long-term debt can be found in the notes to the accompanying financial statements.

Outstanding Debt Governmental Activities

	2021	2020	Increase (Decrease)
Total OPEB obligation	\$ 1,964,307	\$ 1,700,064	\$ 264,243
Net Pension Liability	5,365,454	5,141,928	223,526
Compensated Absences	81,046	124,600	(43,554)
Total Outstanding Debt	<u>\$ 7,410,807</u>	<u>\$ 6,966,592</u>	<u>\$ 444,215</u>

Economic Factors and Outlook for Future Years

The City of Grand Terrace fiscal position in 2020-21 is sustainable and city maintains funds in a reserve account that is the equivalent of two months of expenses), allowing the city to post its sixth consecutive year of economic growth based on; fiscal responsibility; development of needed infrastructure; adequate public safety and a diligent strategy for economic independence.

The \$105,000,000 interchange project, which started construction in 2017 and was completed in 2020. The project leads to the heart of the city, creating a magnificent entrance to the City and its current and future commercial corridor. The completed interchange was designed to increase circulation by 30%, allowing over 40,000 cars per day to easily access Barton Rd. The increased circulation capacity enhances the City's appeal to retailers as a vibrant commercial corridor between the two main metropolises of Riverside and San Bernardino.

The completion of the Barton Rd Interchange is integral to the City of Grand Terrace's Economic strategy. The economic prosperity of the City is linked directly to infrastructure. The interchange project leads to the heart of our economy with over 50% of all sales taxes generated in the City, coming from business on or adjacent to Barton Rd adjacent to the interchange. It is estimated that build out of businesses on Barton Rd within the next five years will lead to doubling of sales tax that is currently generated. Yet, during this same period, the completion of the interchange project will solidify the submittal of the 132-acre Gateway Specific Plan project, which is a mixed-use master plan project adjacent to the freeway with the ability to deliver a minimum of over \$800,000 in property taxes to the City.

While the City's core revenue sources are steady, the City will receive an additional boost in property tax because of private transactions, leading to increase tax rolls. In addition, the Successor Agency of the Community Redevelopment Agency was dissolved in March of 2022 which will lead to an increase in property tax revenues as well.

The City continues to see additional revenues materialize for Restricted/Special Purpose Funds allocated to it, after approval of the City's Last and Final ROPS. The City will use these funds to continue to advance its long- term economic strategy with funds earmarked infrastructure, economic development, and elimination of blight. A significant amount of the funds will be used for infrastructure and economic development. SB-1 (Road Repair & Rehab Program) will allow the City to accelerate the repair of the City's aging road infrastructure. The City has a successful track record of leveraging small amounts of general fund proceeds to go after grant programs to help build infrastructure. With the completion of the Interchange project, and the \$300,000 Mount Vernon Avenue safety improvement program will enhance intersections for 5 major intersections in the City, four of which lead to most of our residential developments. We believe the improvements to these intersections will contribute to the growth and increase of property values.

Finally, to balance out the City's goal of economic growth for our entire community, staff is anticipating a major role for the City's Housing Successor Agency in the coming years, as the City moves to promote economic development and housing for all. The Housing Successor Agency has over \$1,400,000 in cash, in addition to assets, which will allow it to carry out the agency's policies.

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 Grand Terrace, 22795 Barton Road, Grand Terrace, California 92313, or call (909) 824-6621.

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CITY OF GRAND TERRACE

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 9,617,454	\$ 630,105	\$ 10,247,559
Receivables:			
Accounts	133,650	-	133,650
Notes and loans	604,491	-	604,491
Accrued interest	2,377	-	2,377
Internal balances	(981,522)	981,522	-
Prepaid costs	172,847	-	172,847
Due from other governments	788,122	-	788,122
Land held for resale	665,000	-	665,000
Capital assets not being depreciated	4,241,311	-	4,241,311
Capital assets, net of depreciation	6,857,461	4,442,558	11,300,019
Total Assets	22,101,191	6,054,185	28,155,376
Deferred Outflows of Resources:			
Deferred pension related items	1,012,426	-	1,012,426
Deferred OPEB related items	327,782	-	327,782
Total Deferred Outflows of Resources	1,340,208	-	1,340,208
Liabilities:			
Accounts payable	619,205	-	619,205
Accrued liabilities	64,781	-	64,781
Deposits payable	680,994	6,875	687,869
Due to other governments	21,165	-	21,165
Noncurrent liabilities:			
Due within one year			
Compensated absences	27,015	-	27,015
Due in more than one year			
Compensated absences	81,046	-	81,046
Total OPEB liability	1,964,307	-	1,964,307
Net pension liability	5,365,454	-	5,365,454
Total Liabilities	8,823,967	6,875	8,830,842
Deferred Inflows of Resources:			
Deferred pension related items	249,917	-	249,917
Deferred OPEB related items	14,071	-	14,071
Total Deferred Inflows of Resources	263,988	-	263,988
Net Position:			
Invested in capital assets	11,098,772	4,442,558	15,541,330
Restricted for:			
Community development projects	3,139,856	-	3,139,856
Public safety	25,020	-	25,020
Public works	2,716,854	-	2,716,854
Infrastructure projects	1,092,979	-	1,092,979
Unrestricted	(3,720,037)	1,604,752	(2,115,285)
Total Net Position	\$ 14,353,444	\$ 6,047,310	\$ 20,400,754

CITY OF GRAND TERRACE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Contributions and Grants	Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 2,311,249	\$ 403,945	\$ 133,850	\$ -
Public safety	2,557,133	134,750	156,893	-
Economic development	17,948	-	-	-
Cultural and recreation	1,137,159	79,078	-	-
Public works	2,380,893	378,182	223,379	1,026,502
Total Governmental Activities	8,404,382	995,955	514,122	1,026,502
Business-Type Activities:				
Waste Water Disposal	88,570	-	-	-
Total Business-Type Activities	88,570	-	-	-
Total Primary Government	\$ 8,492,952	\$ 995,955	\$ 514,122	\$ 1,026,502

General Revenues:

Taxes:

Property taxes, levied for general purpose

Sales taxes

Franchise taxes

Business licenses taxes

Motor vehicle in lieu - unrestricted

Use of money and property

Other

Total General Revenues

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at Beginning of Year, as Restated

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (1,773,454)	\$ -	\$ (1,773,454)
(2,265,490)	-	(2,265,490)
(17,948)	-	(17,948)
(1,058,081)	-	(1,058,081)
(752,830)	-	(752,830)
(5,867,803)	-	(5,867,803)
-	(88,570)	(88,570)
-	(88,570)	(88,570)
(5,867,803)	(88,570)	(5,956,373)
3,607,233	-	3,607,233
1,064,567	-	1,064,567
537,455	-	537,455
95,577	-	95,577
9,114	-	9,114
375,195	13,576	388,771
3,121	-	3,121
5,692,262	13,576	5,705,838
(175,541)	(74,994)	(250,535)
14,417,141	6,122,304	20,539,445
111,844	-	111,844
14,528,985	6,122,304	20,651,289
\$ 14,353,444	\$ 6,047,310	\$ 20,400,754

CITY OF GRAND TERRACE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

		Special Revenue Funds				
	General	Street Improvement	Housing Authority	Highway Safety Improvement	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and investments	\$ 4,269,289	\$ 662,604	\$ 1,400,311	\$ -	\$ 3,285,250	\$ 9,617,454
Receivables:						
Accrued revenue	122,157	-	-	-	11,493	133,650
Notes and loans receivable	30,000	-	574,491	-	-	604,491
Interest receivable	2,377	-	-	-	-	2,377
Prepaid costs	172,847	-	-	-	-	172,847
Due from other funds	482,040	9,000	-	-	27,000	518,040
Due from other governments	243,912	-	-	321,824	222,386	788,122
Advances to other funds	-	-	168,205	-	-	168,205
Land held for resale	665,000	-	-	-	-	665,000
Total Assets	\$ 5,987,622	\$ 671,604	\$ 2,143,007	\$ 321,824	\$ 3,546,129	\$ 12,670,186
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ 388,627	\$ -	\$ 6	\$ 28,492	\$ 202,080	\$ 619,205
Accrued liabilities	64,781	-	-	-	-	64,781
Due to other funds	-	-	-	399,557	118,483	518,040
Due to other governments	-	-	21,165	-	-	21,165
Advances from other funds	1,149,727	-	-	-	-	1,149,727
Deposits payable	656,651	4,663	-	-	19,680	680,994
Total Liabilities	2,259,786	4,663	21,171	428,049	340,243	3,053,912
Deferred Inflows of Resources:						
Unavailable revenues	3,096	-	60,491	321,824	185,203	570,614
Total Deferred Inflows of Resources	3,096	-	60,491	321,824	185,203	570,614
Fund Balances:						
Nonspendable:						
Prepaid costs	172,847	-	-	-	-	172,847
Notes and loans	30,000	-	-	-	-	30,000
Land held for resale	665,000	-	-	-	-	665,000
Restricted for:						
Community development projects	-	-	2,061,345	-	1,078,511	3,139,856
Public safety	-	-	-	-	25,020	25,020
Public works	-	666,941	-	-	2,049,913	2,716,854
Infrastructure projects	1,092,979	-	-	-	-	1,092,979
Committed to:						
Committed to contingencies	1,046,078	-	-	-	-	1,046,078
Committed to community services	2,600	-	-	-	-	2,600
Assigned to:						
Debt service	94,000	-	-	-	-	94,000
Continuing appropriations	50,000	-	-	-	-	50,000
Unassigned	571,236	-	-	(428,049)	(132,761)	10,426
Total Fund Balances	3,724,740	666,941	2,061,345	(428,049)	3,020,683	9,045,660
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,987,622	\$ 671,604	\$ 2,143,007	\$ 321,824	\$ 3,546,129	\$ 12,670,186

CITY OF GRAND TERRACE

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Fund balances of governmental funds		\$ 9,045,660
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		
Capital assets	\$ 23,189,701	
Accumulated depreciation	<u>(12,090,929)</u>	11,098,772
Deferred outflows of resources reported for government-wide statements are as follows:		
Pension related items:		
Pension contributions made subsequent to the measurement date	576,539	
Difference between expected and actual experience	276,498	
Differences between projected and actual investment earnings	<u>159,389</u>	1,012,426
OPEB related items:		
Change in assumptions	238,819	
Difference between expected and actual liability	<u>88,963</u>	327,782
Compensated absences that have not been included in the governmental activities		(108,061)
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position, the excess of the total OPEB liability over the plan fiduciary net position is reported as a net OPEB liability.		(1,964,307)
Governmental funds report all pension contributions as expenditures, however, in the statement of net position, the excess of the plan proportionate share of the total pension liability over the proportionate share of the plan fiduciary net position is reported as a net pension liability.		(5,365,454)
Deferred inflows of resources reported for government-wide statements are as follows:		
Pension related items:		
Change in assumptions	(38,269)	
Differences between employers contributions and proportionate share of contributions	(88,845)	
Adjustment due to difference in proportions	<u>(122,803)</u>	(249,917)
OPEB related items:		
Difference between expected and actual liability	(524)	
Change in assumptions	<u>(13,547)</u>	(14,071)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		<u>570,614</u>
Net Position of Governmental Activities		<u><u>\$ 14,353,444</u></u>

CITY OF GRAND TERRACE

STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds				Other Governmental Funds	Total Governmental Funds
	General	Street Improvement	Housing Authority	Highway Safety Improvement Program		
Revenues:						
Taxes	\$ 4,617,256	\$ -	\$ -	\$ -	\$ 54,544	\$ 4,671,800
Assessments	-	-	-	-	153,425	153,425
Intergovernmental	54,606	-	-	36,200	1,349,922	1,440,728
Charges for services	1,192,998	4,476	-	-	45,324	1,242,798
Use of money and property	367,017	(927)	2,057	-	6,724	374,871
Fines and forfeitures	72,797	-	-	-	5,410	78,207
Miscellaneous	3,121	-	-	-	23,806	26,927
Total Revenues	6,307,795	3,549	2,057	36,200	1,639,155	7,988,756
Expenditures:						
Current:						
General government	1,825,403	-	-	-	224,197	2,049,600
Public safety	2,350,517	-	-	-	157,872	2,508,389
Public works	1,139,768	-	-	341	992,108	2,132,217
Economic development	-	-	21,734	-	-	21,734
Cultural and recreation	735,863	-	-	-	75,169	811,032
Capital outlay:						
Project improvement costs	72,616	-	-	442,223	510,630	1,025,469
Total Expenditures	6,124,167	-	21,734	442,564	1,959,976	8,548,441
Excess (Deficiency) of Revenues Over (Under) Expenditures	183,628	3,549	(19,677)	(406,364)	(320,821)	(559,685)
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	708,043	708,043
Transfers out	(185,725)	-	-	-	(522,318)	(708,043)
Total Other Financing Sources (Uses)	(185,725)	-	-	-	185,725	-
Net Change in Fund Balances	(2,097)	3,549	(19,677)	(406,364)	(135,096)	(559,685)
Fund Balances, Beginning of Year, as previously reported	3,614,993	663,392	2,081,022	(21,685)	3,155,779	9,493,501
Restatements	111,844	-	-	-	-	111,844
Fund Balances, Beginning of Year, as restated	3,726,837	663,392	2,081,022	(21,685)	3,155,779	9,605,345
Fund Balances, End of Year	\$ 3,724,740	\$ 666,941	\$ 2,061,345	\$ (428,049)	\$ 3,020,683	\$ 9,045,660

CITY OF GRAND TERRACE

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Net change in fund balances - total governmental funds \$ (559,685)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. The activity is reconciled as follows:

Cost of assets capitalized	\$ 1,025,354	
Depreciation expense	<u>(801,603)</u>	223,751

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences payable		58,072
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Governmental funds report all contributions in relation to the actuarially determined contribution for OPEB as expenditures, however in the statement of activities only the annual OPEB cost is an expense.

	(179,686)
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Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

	41,922
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Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

	<u>240,085</u>
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Change in Net Position of Governmental Activities

	<u><u>\$ (175,541)</u></u>
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CITY OF GRAND TERRACE

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities
	Waste Water Disposal
Assets:	
Current:	
Cash and investments	\$ 630,105
Total Current Assets	630,105
Noncurrent:	
Advances to other funds	981,522
Capital assets - net of accumulated depreciation	4,442,558
Total Noncurrent Assets	5,424,080
Total Assets	6,054,185
 Liabilities and Net Position:	
Liabilities:	
Deposits payable	6,875
Total Liabilities	6,875
Net Position:	
Investment in capital assets	4,442,558
Unrestricted	1,604,752
Total Net Position	\$ 6,047,310

CITY OF GRAND TERRACE

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2021

	Business-Type Activities
	Waste Water Disposal
Operating Expenses:	
Depreciation expense	\$ 88,570
Total Operating Expenses	88,570
Operating Income (Loss)	(88,570)
Nonoperating Revenues (Expenses):	
Interest revenue	13,576
Total Nonoperating Revenues (Expenses)	13,576
Changes in Net Position	(74,994)
Net Position:	
Beginning of Fiscal Year	6,122,304
End of Fiscal Year	\$ 6,047,310

CITY OF GRAND TERRACE

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities
	Waste Water Disposal
Cash Flows from Non-Capital Financing Activities:	
Advance to other funds	\$ (15,968)
Net Cash Provided (Used) by Non-Capital Financing Activities	(15,968)
Cash Flows from Investing Activities:	
Interest received	13,576
Net Cash Provided (Used) by Investing Activities	13,576
Net Increase (Decrease) in Cash and Cash Equivalents	(2,392)
Cash and Cash Equivalents at Beginning of Year	632,497
Cash and Cash Equivalents at End of Year	\$ 630,105
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (88,570)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:	
Depreciation	88,570
Total Adjustments	88,570
Net Cash Provided (Used) by Operating Activities	\$ -

CITY OF GRAND TERRACE

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	Private- Purpose Trust Fund
	Successor Agency Private Purpose Trust Fund
Assets:	
Cash and investments	\$ 1,115,416
Receivables:	
Accounts	142,683
Interest	85
Total Assets	1,258,184
Liabilities:	
Current:	
Accounts payable	1,040,810
Total Liabilities	1,040,810
Net Position:	
Restricted for other purposes	217,374
Total Net Position	\$ 217,374

CITY OF GRAND TERRACE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2021

	Private- Purpose Trust Fund
	Successor Agency Private Purpose Trust Fund
Additions:	
RPTTF distribution	\$ 283,438
Investment earnings	75
Total Additions	283,513
Deductions:	
Administrative expenses	5,930
Contractual services	161,753
Debt service payments - interest	1,570
Reimbursement of prior year taxes to County	885,797
Loss on sale of land held for resale	220,450
Total Deductions	1,275,500
Changes in Net Position	(991,987)
Net Position - Beginning of the Year	1,209,361
Net Position - End of the Year	\$ 217,374

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of Entity

The City of Grand Terrace (City) was incorporated in November 1978 under the General Laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety (law enforcement), highways and streets, cultural and recreational activities, public improvements, planning and zoning, building and safety, low and moderate income housing programs, and general administrative services.

As required by generally accepted accounting principles, the financial statements of the City of Grand Terrace include the financial activities of the City (the primary government), and the City of Grand Terrace Public Financing Authority (the Authority). This blended component unit is discussed below and is included in the reporting entity because of the significance of its operation and financial relationship with the City.

The Authority is legally separate from the City. However, the City of Grand Terrace's elected officials have a continuing full or partial accountability for fiscal matters of the Authority. The financial reporting entity consists of: 1) the City, 2) organizations for which the City is financially accountable, and 3) organizations for which the nature and significance of their relationship with the City are such that exclusions would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt a budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, component unit balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City. The following component units of the City have been included in the financial reporting entity as blended component units.

City of Grand Terrace Public Financing Authority

The Grand Terrace Public Financing Authority (the Authority) was established on July 16, 1991, pursuant to a Joint Powers Agreement between the City of Grand Terrace and the former Community Redevelopment Agency of the City of Grand Terrace. The Authority was created to facilitate financing of public capital improvements benefiting the City and the former RDA. The City Council also acts as the governing body of the Authority. The Authority's activities are blended with those of the City. Separate financial statements are not prepared for the Grand Terrace Public Financing Authority.

There are several other governmental agencies, including the County of San Bernardino, school districts, and others, providing services within the City of Grand Terrace. Those agencies have independently elected governing boards other than the City Council of the City of Grand Terrace and no financial accountability to the City of Grand Terrace. Consequently, financial information for these agencies is not included within this financial report.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

b. Government-Wide and Fund Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions, including special assessments, that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the cash flows. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting. Under the modified-accrual basis of accounting, revenues are recognized in these funds when susceptible to accrual (i.e., when they are both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers property taxes collected after year-end as available, if they are collected within 60 days of the end of the current fiscal period. Other revenue susceptible to accrual includes sales tax, state gasoline taxes, investment income,

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

and certain other intergovernmental revenues. Expenditures in the governmental funds are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, as well as compensated absences and claims and judgments, which are recognized when due.

The City reports the following major governmental funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Street Improvement Fund accounts for all revenues collected for street capital improvement fees under the Municipal Code. Funds are expended in accordance with the latest adopted fiscal impact study and capital needs assessment.
- The Housing Authority Fund accounts for the housing assets transferred from the former redevelopment agency and Low and Moderate housing activities of the City. The fund activities are restricted for the same purposes as the former Low and Moderate Income Housing Fund of the Agency.
- The Highway Safety Improvement Program accounts for activity of federal funding under Highway Safety Improvement Program which is used to achieve a reduction in traffic fatalities and serious injuries on all public roads.

The City reports the following major proprietary fund:

- The Waste Water Disposal Fund is used to account for the remaining assets and liabilities of the fund that used to account for the provision of waste water disposal services to the residences and businesses of the City. Currently, a Sewer Services Agreement is in place between the City of Colton/Colton Utility Authority and the City of Grand Terrace for the provision of waste-water disposal services by the City of Colton to residents and businesses of the City of Grand Terrace.

Additionally, the City reports the following fund types:

- Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes.
- Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).
- Permanent Fund accounts for resources that are legally restricted, to the extent that only earnings, and not principal, may be used for purposes that support the City's program.
- The Private Purpose Trust Fund is used to account for the resources, obligations, and activities of the Successor Agency of the Redevelopment Agency of the City of Grand Terrace as directed by the Oversight Board to settle the affairs of the dissolved agency (see Note 12).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

d. Other Accounting Policies

1. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

2. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the City considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling cash and investments of all funds. Since cash and investments are pooled, the City utilizes the assumption that the cash and investments in the Enterprise Fund are cash and cash equivalents.

3. Investments

The City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

4. Property Held for Resale

Property held for resale is recorded at the lower of cost or net realizable value.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

5. Compensated Absences

The short-term portion is determined to be the amount due to employees for future absences which is attributable to services already rendered and which is expected to be paid during the next fiscal year. The total amount of liability for compensated absences is segregated between short-term and long-term as indicated above and both portions are reflected in the government-wide statements.

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally, an employee cannot accrue more than two times his regular annual entitlement.

Sick leave is payable when an employee is unable to work because of illness. Upon termination, regular employees with 5 years continuous service will be paid 40% for any unused sick leave.

6. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than or equal to \$5,000 (amount not rounded) and an estimated useful life of at least two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated Capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the time of acquisition by the City.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives.

Assets	Years
Buildings	50
Machinery & Equipment	5-15
Vehicles	6-15
Improvements other than buildings	15-20
Infrastructure	20-30
Sewer Lines	90

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

8. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pension, and pension expense, information about the fiduciary net position and additions to/deletions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD) June 30, 2019
 Measurement date (MD) June 30, 2020
 Measurement Period (MP) July 1, 2019 to June 30, 2020

9. Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Organization and Summary of Significant Accounting Policies (Continued)
10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City only has one item that qualifies for reporting in this category. Deferred outflows relating to the net pension obligation reported in the government-wide statement of net position. These outflows are the results of contributions made after the measurement period, which are expensed in the following year, and of adjustments due to difference in proportions, change in assumptions, and the difference between actual contributions made and the proportionate share of the risk pool's total contributions. These amounts are deferred and amortized over the expected average remaining service lifetime.

In addition to liabilities, the Statement of Net Position and the Governmental Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items, one of which, arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are deferred pension related items and deferred OPEB related items.

Gains and losses related to changes in total pension or OPEB liability and their related fiduciary net position are recognized in pension or OPEB expense, respectively, systematically over time. Amounts are first recognized in pension or OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pension or OPEB and are recognized in future pension and OPEB expense, respectively.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earning on pension or OPEB plan investments	5 years	All plans
All other amounts are amortized over the expected average remaining service lifetime (EARSL) of the respective plan. At June 30, 2021, EARLS were:	5.7 years	OPEB plan
	3.8 years	Pension Miscellaneous – Cost Sharing Plan

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

11. Net Position Flow Assumption

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

12. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental 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 fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

13. Fund Balance Policies

The City implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.
- Committed – amounts constrained to specific purposes determined by a formal action of the City Council, the government's highest level of decision-making authority.
- Assigned – amounts the City intends to use for a specific purpose; intent can be expressed by City Council or by an official or body to which the City Council delegates the authority. By resolution, the Council has authorized the City Manager and/or Finance Director to assign fund balance.
- Unassigned – amounts that are for any purpose; positive amounts are reported only in the general fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

14. Property Tax

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied provided they become available. Available means when due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County of San Bernardino collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January proceeding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

15. Use of Estimates

The financial statements have been prepared in accordance with generally accepted accounting principles accepted in the United States of America and necessarily include amounts based on estimates and assumptions by management. Actual results could differ from those amounts.

16. Change in Accounting Principle and Effect of New Accounting Standards

The City implemented Government Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* during fiscal year 2020-21. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The change in accounting principle resulted in a prior period adjustment of \$111,844 in the General Fund.

CITY OF GRAND TERRACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

Deficit Fund Balances

As of June 30, 2021, the following funds have deficit fund balances:

	Amount
Highway Safety Improvement Program	\$ 428,049
Enhanced Infrastructure	
Financing District	46,368
CDBG	15,314
Barton/Colton Bridge	21,273
Gas Tax	49,806

These deficits will be funded by future revenues or transfers from other funds.

Budget

The Enhanced Infrastructure Financing District Fund and Barton/Colton Bridge, did not adopt a budget for fiscal year 2020-21 and therefore budgetary comparison information is not presented:

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

Cash and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 10,247,559
Statement of Fiduciary Net Position:	
Cash and Investments	<u>1,115,416</u>
Total Cash and Investments	<u>\$ 11,362,975</u>

Cash and investments as of June 30, 2021, consist of the following:

Cash on Hand	\$ 1,750
Deposits with Financial Institutions	4,183,153
Investments	<u>7,178,072</u>
Total Cash and Investments	<u>\$ 11,362,975</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021
Note 3: Cash and Investments (Continued)

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
Repurchase Agreements	6 years	None	None
Certificates of Deposit	7 years	None	None
Passbook Savings Accounts	8 years	30%	None
Securities Issued by Federal Agencies	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 50,000,000
Mutual Funds	N/A	20%	None
Pools and other Investment Structures	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations are presented below.

Authorized Investment Type	Remaining Investment Maturity 12 Months or Less
Local Agency Investment Fund (LAIF)	\$ 3,016,861
Local Gov. Invest. Pool (CAMP)	4,160,026
First American Treasury	1,185
Total	<u>\$ 7,178,072</u>

CITY OF GRAND TERRACE**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2021

Note 3: 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. Information about the minimum rating required by the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each type of investment held by the City can be found below.

Authorized Investment Type	Amount	Minimum Legal Rating	Actual Rating
Local Agency Investment Fund (LAIF)	\$ 3,016,861	N/A	N/A
Local Gov. Invest. Pool (CAMP)	4,160,026	N/A	N/A
First American Treasury	1,185	N/A	N/A
Total	<u>\$ 7,178,072</u>		

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. During the fiscal year ended June 30, 2021, the City did not hold any investments in any one issuer (other than Mutual Funds and External Investment Pools) that represent 5% or more of total City's investments.

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 deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2021, the City had deposits with financial institutions in excess of federal depository insurance limits of \$3,933,153.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 3: Cash and Investments (Continued)

Investments in State Investment Pool

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

LAIF has reported to its participating agencies that, as of June 30, 2021, the carrying amount (at amortized cost) of the Pool was \$193,304,977,285 and the estimated fair value of the Pool was \$193,321,015,759. The City's proportionate share of the Pool's market value (as determined by LAIF) as of June 30, 2021, was \$3,016,861. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities.

Local Government Investment Pool

The City is a voluntary participant in the Local Government Investment Pool, "CAMP" (California Asset Management Program). CAMP is a California Joint Powers Authority, established to provide public agencies with professional investment services, and is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p).

The City reports its share in the investment pool at the estimated fair market value. As of June 30, 2021, the City's share of the Pool (as determined by CAMP) is \$4,160,026. Included in the CAMP's investment portfolio are U.S. treasury notes, bonds, bills or certificates of indebtedness or other obligations of the United States, federal agency or U.S. government-sponsored enterprise obligations, participations or other instruments, repurchase agreements, bills of exchange or time drafts, negotiable certificates of deposits, commercial paper of prime quality of the highest ranking or of the highest letter and number rating.

Pooled Cash

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by outside fiscal agents under the provisions of bond indentures.

Interest income earned on pooled cash and investments is allocated to the various funds based on the cash balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

Fair Value Measurement and Application

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the 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; Level 3 inputs are significant unobservable inputs.

CITY OF GRAND TERRACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**Note 3: Cash and Investments (Continued)**

The City has the following recurring fair value measurements as of June 30, 2021:

Investment Type	Total	Level			Uncategorized
		1	2	3	
Investments:					
Local Government Investment Pool	\$ 4,160,026	\$ -	\$ -	\$ -	\$ 4,160,026
First American Treasury	1,185	-	1,185	-	-
Local Agency Investment Fund	3,016,861	-	-	-	3,016,861
Total Cash Investments	<u>\$ 7,178,072</u>	<u>\$ -</u>	<u>\$ 1,185</u>	<u>\$ -</u>	<u>\$ 7,176,887</u>

Note 4: Interfund Receivable, Payable and Transfers

The composition of interfund balances at June 30, 2021, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds (1)	\$ 82,483
General Fund	Highway Safety Improvement Fund (1)	399,557
Street Improvement Fund	Nonmajor Governmental Funds (2)	9,000
Nonmajor Governmental Funds	Nonmajor Governmental Funds (2)	27,000
		<u>\$ 518,040</u>

(1) The General Fund advanced funds to the Highway Safety Improvement Program Fund, Enhanced Infrastructure Financing District, COVID-19 Emergency Fund, and the Barton/Colton Bridge Fund to cover deficit cash balances.

(2) The Storm Drain Improvement Fund, Park Development Fund, Street Improvement Fund and Facilities Development Fund advanced funds of \$9,000 each to the Enhanced Infrastructure Financing District Fund to cover expenditures.

Advances from/to other funds:

Receivable Fund	Payable Fund	Amount
Housing Authority Fund	General Fund	\$ 168,205
Waste Water Disposal	General Fund	981,522
		<u>\$ 1,149,727</u>

In April 1980, the Community Redevelopment Agency (CRA) entered into a pass-through agreement with the City, which was found to be in noncompliance with State statutes. The misallocated tax increment was being treated as an advance payable to the former Community Redevelopment Agency from the General Fund. Upon the dissolution of the Redevelopment Agency, the advance receivable was transferred to the Housing Authority and the Successor Agency and is shown as an advance to other funds in the Housing authority in the amount of \$168,205. The advance is to be repaid as funds are available.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 4: Interfund Receivable, Payable and Transfers (Continued)

On June 30, 2018, the Waste Water Disposal Fund formalized in a promissory note its advance to the General Fund in the amount of \$875,000 for the acquisition of property located at 22273 Barton Road. Effective September 13, 2016, interest on the advance accrues at a rate equal to the Local Agency Investment Fund yield. Beginning July 1, 2022, the General Fund will make annual payments in the amount of \$87,500. Thereafter payments will be made on the 1st day of each fiscal year. All outstanding principal and accrued interest under the note will be due and payable on July 1, 2030. At June 30, 2021, the advance to the General Fund amounts to \$981,522 and includes accrued interest of \$106,522.

Interfund Transfers:

<u>Fund Receiving Transfers</u>	<u>Fund Making Transfers</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	(1) \$ 185,725
Nonmajor Governmental Funds	Nonmajor Governmental Funds	(2) 522,318
		<u>\$ 708,043</u>

- (1) Transfers in the amount of \$90,800 were made from the General Fund to the State Gas Tax Fund for franchise sweep fees and pavement impact fees. Transfers in the amount of \$15,000 were made to the Senior Bus Program Fund for additional funding. Transfers in the amounts of \$79,925 were made from the General Fund to the COVID-19 Emergency Fund to cover COVID costs.
- (2) Transfers in the amount of \$456,893 were made to the Capital Improvement – Streets Fund for the Traffic Signal Modification Project on Barton Road and Preston Street. Transfers in the amount of \$5,000 were made to the Senior Bus Program Fund for additional funding. Transfers in the amounts of \$60,425 were made from the Facilities Development Fund to the COVID-19 Emergency Fund to cover COVID costs.

CITY OF GRAND TERRACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**Note 5: Capital Assets**

Capital assets activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Transfers	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 3,112,881	\$ -	\$ 144,410	\$ -	\$ 3,257,291
Construction-in-progress	916,489	(467,351)	534,882	-	984,020
Total Capital Assets, Not Being Depreciated	4,029,370	(467,351)	679,292	-	4,241,311
Capital assets, being depreciated:					
Buildings	5,614,595	-	-	-	5,614,595
Machinery and Equipment	1,104,646	-	274,200	-	1,378,846
Vehicles	582,109	-	-	-	582,109
Improvements other than buildings	6,337,945	467,351	71,862	-	6,877,158
Infrastructure	4,495,682	-	-	-	4,495,682
Total Capital Assets, Being Depreciated	18,134,977	467,351	346,062	-	18,948,390
Less accumulated depreciation:					
Buildings	3,464,906	-	141,326	-	3,606,232
Machinery and Equipment	760,310	-	128,565	-	888,875
Vehicles	508,466	-	27,118	-	535,584
Improvements other than buildings	3,878,426	-	265,919	-	4,144,345
Infrastructure	2,677,218	-	238,675	-	2,915,893
Total Accumulated Depreciation	11,289,326	-	801,603	-	12,090,929
Total Capital Assets, Being Depreciated, Net	6,845,651	467,351	(455,541)	-	6,857,461
Governmental Activities Capital Assets, Net	<u>\$ 10,875,021</u>	<u>\$ -</u>	<u>\$ 223,751</u>	<u>\$ -</u>	<u>\$ 11,098,772</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$ 142,020
Public Safety	48,744
Public Works	280,793
Cultural and recreation	330,046
Total Depreciation expense - Governmental Activities	<u>\$ 801,603</u>

CITY OF GRAND TERRACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**Note 5: Capital Assets (Continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Business-type Activities:</u>				
Capital assets, being depreciated:				
Sewer mains	\$ 4,023,128	\$ -	\$ -	\$ 4,023,128
Laterals	1,890,944	-	-	1,890,944
Manholes	1,298,760	-	-	1,298,760
Improvements	202,274	-	-	202,274
Total Capital Assets, Being Depreciated	<u>7,415,106</u>	<u>-</u>	<u>-</u>	<u>7,415,106</u>
Less accumulated depreciation:				
Sewer mains	1,605,656	44,701	-	1,650,357
Laterals	667,153	21,010	-	688,163
Manholes	488,965	14,431	-	503,396
Improvements	122,204	8,428	-	130,632
Total Accumulated Depreciation	<u>2,883,978</u>	<u>88,570</u>	<u>-</u>	<u>2,972,548</u>
Business-type Activities Capital Assets, Net	<u>\$ 4,531,128</u>	<u>\$ (88,570)</u>	<u>\$ -</u>	<u>\$ 4,442,558</u>

Note 6: Compensated Absences

Compensated absences activity for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated Absences	<u>\$ 166,133</u>	<u>\$ 78,554</u>	<u>\$ 136,626</u>	<u>\$ 108,061</u>	<u>\$ 27,015</u>

The City's policies relating to compensated absences are described in Note 1 of the Notes to Financial Statements. The liability will be paid in future years as it becomes due from the General Fund.

Note 7: Pension Plan

Plan Description

The City contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office: 400 "P" Street, Sacramento, California 95814.

CITY OF GRAND TERRACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 7: Pension Plan (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Below is the summary of the plans' provisions and benefits in effect at June 30, 2021, for which the City of Grand Terrace has contracted:

	Miscellaneous Cost-Sharing Plans		
	Tier 1 *	Tier 2	PEPRA
	Prior to December 13, 2012	December 13, 2012 but prior to January 1, 2013	January 1, 2013 and after
Hire date			
Benefit formula	2.7% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	2% - 2.7%, 50 yrs - 63+ yrs, respectively	1.092% - 2.418%, 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	7.956%	6.918%	6.750%
Required employer contribution rates	14.194%	8.794%	7.732%

*Closed to new entrants

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2021, the employer contributions recognized as a reduction to the net pension liability was \$383,360.

CITY OF GRAND TERRACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 7: Pension Plan (Continued)

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

As of June 30, 2021, the City reported net pension liabilities for its proportionate shares of the net pension liability of \$5,365,454.

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

Proportions as a percentage of the CalPERS risk pool:

Proportion - June 30, 2019	0.05018%
Proportion - June 30, 2020	0.04931%
Change - Increase (Decrease)	-0.00087%

For the year ended June 30, 2021, the City recognized a total pension expense of \$677,268. At June 30, 2021, the City reported deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contribution subsequent to the measurement date	\$ 576,539	\$ -
Difference between Expected and Actual Experience	276,498	-
Change in Assumptions	-	38,269
Net Difference between Projected and Actual Earnings on Pension Plan Investments	159,389	-
Adjustment due to Difference in Proportions	-	122,803
Differences in proportionate share	-	88,845
Total	\$ 1,012,426	\$ 249,917

\$576,539 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

CITY OF GRAND TERRACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 7: Pension Plan (Continued)

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2022	\$ (79,794)
2023	90,398
2024	98,918
2025	76,448
	<u>\$ 185,970</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2020, the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2020 total pension liability was based on the following actuarial methods and assumptions:

	Miscellaneous Plan ⁽¹⁾
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	Varies by Entry Age and Service
Investment Rate of Return	7.15% ⁽²⁾
Mortality	Derived using CalPERS Membership Data for all Funds ⁽³⁾
Post Retirement Benefit Increase	Contract cost of living adjustment (COLA) up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

⁽¹⁾ Actuarial assumptions are the same for all benefit tiers (Classic Tier I, Classic Tier II, and PEPRA)

⁽²⁾ Net of pension plan investment expenses, including inflation

⁽³⁾ The mortality table used was developed based on the CalPERS' specific data. The table includes 15 years of projected mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on the table, please refer to the CalPERS December 2017 experience study report (based on CalPERS demographic data from 1997-2015) available on CalPERS' website.

Subsequent Event

On November 15, 2021, the CalPERS Board of Administration selected a new asset allocation mix that will guide the fund's investment portfolio for the next for years, while at the same time retaining the current target rate of return. The Board also approved adding 5 percent leverage to increase investment diversification. The new asset allocation takes effect July 1, 2022 and is expected to decrease employer contribution rates from less than 1 percent to a decrease of more than 2 percent depending on the plan type. Employees in the PEPRA plans will likely see increases in their contribution rates. Contribution changes will take effect in fiscal year 2023-24.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021
Note 7: Pension Plan (Continued)

Discount Rate

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

Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

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

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

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class ¹	New Strategic Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

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

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

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

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

CITY OF GRAND TERRACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 7: Pension Plan (Continued)

The following presents the City's proportionate share of the net pension liability, calculated using the discount rate of 7.15%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

Plans' Net Pension Liability/(Asset)	Discount Rate - 1% 6.15%	Current Discount 7.15%	Discount Rate +1% 8.15%
Miscellaneous	\$ 7,756,403	\$ 5,365,454	\$ 3,389,888

Pension Plan Fiduciary Net Position

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

Note 8: Other Post-Employment Benefits

Plan Description

The City provides a medical plan coverage for retirees. This coverage is available for employees who satisfy the requirements for retirement under the California Public Employees Retirement System (PERS), which is age 50 or older with at least five years of State or public agency service.

Medical plan benefits are provided through PERS, as permitted by the Public Employees' Medical and Hospital and Care Act (PEMHCA). As a PEMHCA employer, the City has elected the unequal contribution method, where the contribution will be increased annually over twenty years until it reaches the same employer contribution as active employee medical plan coverage.

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council. Currently, contributions are not required from plan members. The City is funding the Other-Post Employment Benefits plan on a pay-as-you-go basis. For fiscal year ended June 30, 2021, the City paid \$62,881 in retiree health benefits.

Employees Covered

At June 30, 2021, the measurement date, the following numbers of participants were covered by the benefit terms:

	Number of Covered Participants
Inactives currently receiving benefits	8
Inactives entitled to but not yet receiving benefits	18
Active employees	18
Total	44

CITY OF GRAND TERRACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 8: Other Post-Employment Benefits (Continued)

Covered participant counts were available to the actuary for the June 30, 2019 actuarial valuation but not as of June 30, 2021 measurement date.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2021 for the measurement period July 1, 2020 through June 30, 2021. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2020, based on the following actuarial assumptions:

Actuarial Assumptions	
Discount Rate	1.92%
Inflation	2.25%
Investment Rate of Return	N/A
Mortality Rate	Based on assumption for Public Agency Miscellaneous members published in the December 2017 CalPERS Experience Study. These tables include 15 years of static mortality improvement using 90% of scale MP-2016.
Healthcare Trend Rate	6.4% for FY2020, gradually decreasing over several decades to an ultimate rate of 3.8% in FY 2076 and later years.

Change of Assumptions

For the measurement date June 30, 2021, the discount rate decreased from 2.45% to 1.92%.

Discount Rate

The discount rate used to measure the total OPEB liability was 1.92%.

Changes in the Total OPEB Liability.

The changes in the total OPEB liability for the plan are as follows:

	Total OPEB Liability
	Measurement Period 2020-21
Total OPEB Liability - June 30, 2020	\$ 1,700,064
Changes in Total OPEB Liability	
Service Cost	147,070
Interest	44,484
Actual vs. expected experience	(601)
Assumption changes	136,171
Benefit payments	(62,881)
Net Changes	264,243
Total OPEB Liability - June 30, 2021	\$ 1,964,307

CITY OF GRAND TERRACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 8: Other Post-Employment Benefits (Continued)

Sensitivity of the Total OPEB Liability to Changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point higher or one percentage point lower than the current discount rate, for the measurement period June 30, 2021:

	Discount Rate		
	1% Decrease (0.92%)	Current Rate (1.92%)	1% Increase (2.92%)
Total OPEB Liability	\$ 2,264,992	\$ 1,964,307	\$ 1,718,749

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point higher or one percentage point lower than the current healthcare cost trend rates:

	Healthcare Trend Rate		
	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$ 1,845,254	\$ 1,964,307	\$ 2,123,351

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$179,686. At June 30, 2021, the City's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 88,963	\$ 524
Change in Assumptions	238,819	13,547
Total	\$ 327,782	\$ 14,071

CITY OF GRAND TERRACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 8: Other Post-Employment Benefits (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2022	\$ 51,013
2023	53,406
2024	55,687
2025	47,997
2026	47,997
Thereafter	57,611
	<u>\$ 313,711</u>

Note 9: Risk Management

The City is a member of the California Joint Powers Insurance Authority (the "Authority"). The following joint venture disclosures are made in compliance with GASB Code Section J50.103:

a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Grand Terrace is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

b. Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 9: Risk Management (Continued)

(3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website:

<https://cjpia.org/protection/coverage-programs>.

Primary Workers' Compensation Programs

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2020-21 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

c. Purchased Insurance

Pollution Liability Insurance

The City of Grand Terrace participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Grand Terrace. Coverage is on a claim's made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City of Grand Terrace participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Grand Terrace property is currently insured according to a schedule of covered property submitted by the City of Grand Terrace to the Authority. City of Grand Terrace property currently has all-risk property insurance protection in the amount of \$16,369,799. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

CITY OF GRAND TERRACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2021

Note 9: Risk Management (Continued)

Crime Insurance

The City of Grand Terrace purchases crime insurance coverage in the amount of "Non Participant" with a "Non Participant" deductible. The fidelity coverage is provided through the Authority.

d. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2020-21.

Note 10: Commitments and Contingencies

As of June 30, 2021, in the opinion of the City Administration and its legal counsel, there are no outstanding matters, which would have a material effect on the financial position of the City.

The following material construction commitments existed at June 30, 2021:

Project Name	Contract Amount	Expenditures to date as of June 30, 2021	Remaining Commitments
Barton/Colton Bridge Project	\$ 26,547	\$ 18,623	\$ 7,924
Michigan Walkable Street Plan	27,942	10,918	17,024
Blue Mountain Trail	89,592	37,495	52,097
HSIP Cycle 9 - Mt Vernon	19,789	8,900	10,889
2021-1 Road Maintenance and Rehabilitation	514,000	456,893	57,107

Note 11: Proposition 218

Proposition 218, which was approved by the voters in November 1996, will regulate the City's ability to impose, increase and extend taxes, assessments and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future by the voters.

Note 12: Successor Agency Private-Purpose Trust Fund to the Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Grand Terrace that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit. The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay

CITY OF GRAND TERRACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 12: Successor Agency Private-Purpose Trust Fund to the Former Redevelopment Agency (Continued)

enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private purpose trust fund) in the financial statements of the City.

Cash and Investments

As of June 30, 2021, cash and investments were reported in the accompanying financial statements as follows:

Cash and Investments	<u>\$ 1,115,416</u>
Total Cash and Investments	<u>\$ 1,115,416</u>

Closing of Successor Agency

The City is planning on closing the Successor Agency pending confirmation from the County of San Bernardino on March 7, 2022.

Note 13: Subsequent Event

ARPA Funds

The City has received \$1.15 million in Federal Aid under the American Recovery Plan Act (ARPA). The City will develop programs to assist local businesses and support eligible infrastructure. The City plans to spend the funds in FY21/22 and FY22/23.

Note 14: Net Position and Fund Balances Restatement

For the year ended June 30, 2021, the City restated beginning fund balance in the General Fund and beginning net position of Governmental Activities in the amount of \$111,844 as part of the change in accounting principle related to the implementation of GASB Statement No. 84. This moved activities previously reported in fiduciary funds, but which no longer met the criteria of a fiduciary activity to the General Fund.

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CITY OF GRAND TERRACE

**MISCELLANEOUS COST-SHARING PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

Fiscal Year	2015	2016	2017	2018
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
<u>Miscellaneous Plan</u>				
Proportion of the Net Pension Liability	0.05190%	0.05638%	0.05243%	0.05107%
Proportionate Share of the Net Pension Liability	\$ 3,229,236	\$ 3,870,057	\$ 4,536,720	\$ 5,064,768
Covered Payroll	\$ 1,413,685	\$ 1,452,613	\$ 1,335,625	\$ 1,540,292
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	228.43%	266.42%	339.67%	328.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.40%	79.82%	75.87%	73.31%

Notes to Schedule:

Benefit Changes: No changes in benefits.

Changes of Assumptions: In 2017, the account discount rate was reduced from 7.65 percent to 7.15 percent. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience study and Review of Actuarial Assumptions December 2017.

(1) Historical information is required only for measurement for which GASB Statement No. 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

2019	2020	2021
6/30/2018	6/30/2019	6/30/2020
0.05077%	0.05018%	0.04931%
\$ 4,891,935	\$ 5,141,928	\$ 5,365,454
\$ 1,352,434	\$ 1,382,907	\$ 1,347,989
361.71%	371.82%	398.03%
75.26%	75.26%	75.26%

CITY OF GRAND TERRACE

MISCELLANEOUS COST-SHARING PLAN

SCHEDULE OF PLAN CONTRIBUTIONS

AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017
<u>Miscellaneous Plan</u>			
Actuarially Determined Contribution	\$ 159,393	\$ 116,663	\$ 424,915
Contribution in Relation to the Actuarially Determined Contribution	(159,393)	(116,663)	(424,915)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,452,613	\$ 1,335,625	\$ 1,540,292
Contributions as a Percentage of Covered Payroll	10.97%	8.73%	27.59%

(1) Historical information is required only for measurement for which GASB Statement No. 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

Note to Schedule:

Valuation Date: June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal
Amortization method	Level percentage of payroll
Assets valuation method	Market value
Discount rate	7.15% (net of administrative expenses)
Payroll growth	3.00%
Inflation	2.50%
Projected salary increases	Varies by entry age and service
Individual salary growth	

A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

2018	2019	2020	2021
\$ 391,538	\$ 383,835	\$ 383,360	\$ 576,539
(391,538)	(383,835)	(383,360)	(576,539)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,352,434	\$ 1,382,907	\$ 1,347,989	\$ 1,120,557
28.95%	27.76%	28.44%	51.45%

CITY OF GRAND TERRACE

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2018	2019	2020	2021
Total OPEB Liability				
Service cost	\$ 169,316	\$ 107,552	\$ 110,779	\$ 147,070
Interest on the total OPEB liability	51,629	48,506	50,131	44,484
Actual and expected experience difference	-	-	119,429	(601)
Changes in assumptions	(45,427)	62,620	121,299	136,171
Changes in benefit terms	(259,790)	-	-	-
Benefit payments	(45,629)	(39,770)	(46,213)	(62,881)
Net Change in Total OPEB Liability	(129,901)	178,908	355,425	264,243
Total OPEB liability - beginning	1,295,632	1,165,731	1,344,639	1,700,064
Total OPEB Liability - Ending	\$ 1,165,731	\$ 1,344,639	\$ 1,700,064	\$ 1,964,307
Covered-Employee Payroll	\$ 866,196	\$ 1,575,073	\$ 1,300,021	\$ 1,076,159
Total OPEB Liability as a Percentage of Covered-Employee Payroll	135%	85%	131%	183%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None

Changes in assumptions: The discount rate changed from 2.45% to 1.92% based on updated 20-year municipal bond rates in fiscal year ended 6/30/2020.

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance as restated, July 1	\$ 3,726,837	\$ 3,726,837	\$ 3,726,837	\$ -
Resources (Inflows):				
Taxes	4,364,650	4,370,756	4,617,256	246,500
Intergovernmental	160,000	35,000	54,606	19,606
Charges for services	874,390	1,039,390	1,192,998	153,608
Use of money and property	385,849	385,849	367,017	(18,832)
Fines and forfeitures	35,100	69,700	72,797	3,097
Miscellaneous	5,250	5,550	3,121	(2,429)
Transfers in	15,000	15,000	-	(15,000)
Amounts Available for Appropriations	9,567,076	9,648,082	10,034,632	386,550
Charges to Appropriations (Outflow):				
General government	1,539,572	1,440,070	1,825,403	(385,333)
Public safety	2,339,184	2,439,184	2,350,517	88,667
Cultural and recreation	723,832	742,582	735,863	6,719
Public works	1,192,225	1,281,963	1,139,768	142,195
Capital outlay	1	190,930	72,616	118,314
Transfers out	135,800	139,750	185,725	(45,975)
Total Charges to Appropriations	5,930,614	6,234,479	6,309,892	(75,413)
Budgetary Fund Balance, June 30	\$ 3,636,462	\$ 3,413,603	\$ 3,724,740	\$ 311,137

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 STREET IMPROVEMENT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 663,392	\$ 663,392	\$ 663,392	\$ -
Resources (Inflows):				
Charges for services	86,000	86,000	4,476	(81,524)
Use of money and property	3,000	3,000	(927)	(3,927)
Amounts Available for Appropriations	752,392	752,392	666,941	(85,451)
 Budgetary Fund Balance, June 30	 \$ 752,392	 \$ 752,392	 \$ 666,941	 \$ (85,451)

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,081,022	\$ 2,081,022	\$ 2,081,022	\$ -
Resources (Inflows):				
Intergovernmental	-	65,000	-	(65,000)
Use of money and property	-	-	2,057	2,057
Miscellaneous	50,000	50,000	-	(50,000)
Transfers in	-	3,950	-	(3,950)
Amounts Available for Appropriations	2,131,022	2,199,972	2,083,079	(116,893)
Charges to Appropriations (Outflow):				
Economic development	50,000	118,880	21,734	97,146
Total Charges to Appropriations	50,000	118,880	21,734	97,146
Budgetary Fund Balance, June 30	\$ 2,081,022	\$ 2,081,092	\$ 2,061,345	\$ (19,747)

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
HIGHWAY SAFETY IMPROVEMENT PROGRAM
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (21,685)	\$ (21,685)	\$ (21,685)	\$ -
Resources (Inflows):				
Intergovernmental	185,000	510,000	36,200	(473,800)
Amounts Available for Appropriations	163,315	488,315	14,515	(473,800)
Charges to Appropriation (Outflow):				
Public works	15,328	-	341	(341)
Capital outlay	169,672	497,064	442,223	54,841
Total Charges to Appropriations	185,000	497,064	442,564	54,500
Budgetary Fund Balance, June 30	\$ (21,685)	\$ (8,749)	\$ (428,049)	\$ (419,300)

CITY OF GRAND TERRACE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2021

Note 1: Budgetary Data

The annual budget is adopted by the City Council after the holding of a hearing and provides for the general operation of the City. The operating budget includes proposed expenditures and the means of financing them.

The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. This "appropriated budget" (as defined by GASB Code Section 2400.109) covers City expenditures in all governmental funds, except for the Public Financing Authority Debt Service Fund. This entity does not adopt an annual budget as effective budgetary control is achieved through bond indenture and other instrument provisions. Actual expenditures may not exceed budgeted appropriations at the fund level.

Formal budgetary integration is employed as a management control device during the year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Encumbrances and unencumbered appropriations lapse at year-end.

Annual budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items.

Capital projects are budgeted through the Capital Project Funds. Appropriations for capital projects authorized, but not constructed or completed during the year, lapse at year-end, and are then included as a part of appropriations in the following year's annual budget.

Excess of expenditures over appropriations per activity is as follows:

<u>Fund</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Major Funds			
General Fund			
General Government	\$ 1,440,070	\$ 1,825,403	\$ 385,333
Transfers out	139,750	185,725	45,975

CITY OF GRAND TERRACE

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds			
	Storm Drain Improvement	Park Development	AB 3229 COPS Fund	Air Quality Improvement
Assets:				
Cash and investments	\$ 289,972	\$ 94,364	\$ 25,020	\$ 11,107
Receivables:				
Accounts Receivable	-	-	-	-
Due from other governments	-	-	61,300	4,126
Due from other funds	9,000	9,000	-	-
Total Assets	\$ 298,972	\$ 103,364	\$ 86,320	\$ 15,233
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Refundable Deposits	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	65,169	61,300	4,126
Total Deferred Inflows of Resources	-	65,169	61,300	4,126
Fund Balances:				
Restricted for:				
Community development projects	-	38,195	-	-
Public safety	-	-	25,020	-
Public works	298,972	-	-	11,107
Unassigned	-	-	-	-
Total Fund Balances	298,972	38,195	25,020	11,107
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 298,972	\$ 103,364	\$ 86,320	\$ 15,233

CITY OF GRAND TERRACE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	State Gas Tax	Traffic Safety	Facilities Development	Measure I
Assets:				
Cash and investments	\$ -	\$ 19,583	\$ 327,529	\$ 189,809
Receivables:				
Accounts Receivable	-	-	-	-
Due from other governments	-	1,405	-	57,832
Due from other funds	-	-	9,000	-
Total Assets	\$ -	\$ 20,988	\$ 336,529	\$ 247,641
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 12,330	\$ -	\$ 144,410	\$ 8,464
Refundable Deposits	-	-	-	-
Due to other funds	37,476	-	-	-
Total Liabilities	49,806	-	144,410	8,464
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	192,119	-
Public safety	-	-	-	-
Public works	-	20,988	-	239,177
Unassigned	(49,806)	-	-	-
Total Fund Balances	(49,806)	20,988	192,119	239,177
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 20,988	\$ 336,529	\$ 247,641

CITY OF GRAND TERRACE

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds			
	CDBG	Special Districts Landscape & Lighting	Spring Mountain Ranch	Cal Recycle Grant
Assets:				
Cash and investments	\$ -	\$ 83,601	\$ 722,268	\$ 5,188
Receivables:				
Accounts Receivable	-	-	-	-
Due from other governments	29,267	977	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 29,267	\$ 84,578	\$ 722,268	\$ 5,188
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,903	\$ 4,807	\$ -	\$ -
Refundable Deposits	-	-	-	-
Due to other funds	18,571	-	-	-
Total Liabilities	20,474	4,807	-	-
Deferred Inflows of Resources:				
Unavailable revenues	24,107	-	-	5,000
Total Deferred Inflows of Resources	24,107	-	-	5,000
Fund Balances:				
Restricted for:				
Community development projects	-	-	722,268	188
Public safety	-	-	-	-
Public works	-	79,771	-	-
Unassigned	(15,314)	-	-	-
Total Fund Balances	(15,314)	79,771	722,268	188
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 29,267	\$ 84,578	\$ 722,268	\$ 5,188

CITY OF GRAND TERRACE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Senior Bus Program Fund	Public, Educational & Government Access	Enhanced Infrastructure Financing District	COVID-19 Emergency Fund
Assets:				
Cash and investments	\$ 9,661	\$ 105,198	\$ -	\$ -
Receivables:				
Accounts Receivable	-	11,493	-	-
Due from other governments	25,501	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 35,162	\$ 116,691	\$ -	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 611	\$ -	\$ -	\$ -
Refundable Deposits	-	-	-	-
Due to other funds	-	-	46,368	-
Total Liabilities	611	-	46,368	-
Deferred Inflows of Resources:				
Unavailable revenues	25,501	-	-	-
Total Deferred Inflows of Resources	25,501	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	9,050	116,691	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Unassigned	-	-	(46,368)	-
Total Fund Balances	9,050	116,691	(46,368)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 35,162	\$ 116,691	\$ -	\$ -

CITY OF GRAND TERRACE

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Fund	Capital Projects Funds		
	RMRA Fund	Capital Improvement- Streets	Barton / Colton Bridge	Capital Project - Parks
Assets:				
Cash and investments	\$ 290,880	\$ 45,264	\$ -	\$ 235,168
Receivables:				
Accounts Receivable	-	-	-	-
Due from other governments	41,978	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 332,858	\$ 45,264	\$ -	\$ 235,168
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 5,205	\$ 24,350
Refundable Deposits	-	-	-	-
Due to other funds	-	-	16,068	-
Total Liabilities	-	-	21,273	24,350
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	332,858	45,264	-	210,818
Unassigned	-	-	(21,273)	-
Total Fund Balances	332,858	45,264	(21,273)	210,818
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 332,858	\$ 45,264	\$ -	\$ 235,168

CITY OF GRAND TERRACE

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Capital Projects Fund	Permanent Fund	
	Capital Projects - Commerce Way Project	Dog Park Endowment fund	Total Governmental Funds
Assets:			
Cash and investments	\$ 810,958	\$ 19,680	\$ 3,285,250
Receivables:			
Accounts Receivable	-	-	11,493
Due from other governments	-	-	222,386
Due from other funds	-	-	27,000
Total Assets	\$ 810,958	\$ 19,680	\$ 3,546,129
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 202,080
Refundable Deposits	-	19,680	19,680
Due to other funds	-	-	118,483
Total Liabilities	-	19,680	340,243
Deferred Inflows of Resources:			
Unavailable revenues	-	-	185,203
Total Deferred Inflows of Resources	-	-	185,203
Fund Balances:			
Restricted for:			
Community development projects	-	-	1,078,511
Public safety	-	-	25,020
Public works	810,958	-	2,049,913
Unassigned	-	-	(132,761)
Total Fund Balances	810,958	-	3,020,683
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 810,958	\$ 19,680	\$ 3,546,129

CITY OF GRAND TERRACE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Storm Drain Improvement	Park Development	AB 3229 COPS Fund	Air Quality Improvement
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Intergovernmental	-	-	156,893	16,060
Charges for services	42,446	-	-	-
Use of money and property	560	(166)	208	(89)
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	43,006	(166)	157,101	15,971
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	157,872	-
Cultural and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	157,872	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	43,006	(166)	(771)	15,971
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(5,000)
Total Other Financing Sources (Uses)	-	-	-	(5,000)
Net Change in Fund Balances	43,006	(166)	(771)	10,971
Fund Balances, Beginning of Year	255,966	38,361	25,791	136
Fund Balances, End of Year	\$ 298,972	\$ 38,195	\$ 25,020	\$ 11,107

CITY OF GRAND TERRACE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	State Gas Tax	Traffic Safety	Facilities Development	Measure I
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Intergovernmental	278,415	-	-	281,332
Charges for services	-	-	2,878	-
Use of money and property	(78)	30	605	385
Fines and forfeitures	-	4,424	-	-
Miscellaneous	-	-	-	-
Total Revenues	278,337	4,454	3,483	281,717
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Cultural and recreation	-	-	-	-
Public works	428,538	-	-	52,514
Capital outlay	-	-	144,410	-
Total Expenditures	428,538	-	144,410	52,514
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150,201)	4,454	(140,927)	229,203
Other Financing Sources (Uses):				
Transfers in	90,800	-	-	-
Transfers out	-	-	(60,425)	(254,893)
Total Other Financing Sources (Uses)	90,800	-	(60,425)	(254,893)
Net Change in Fund Balances	(59,401)	4,454	(201,352)	(25,690)
Fund Balances, Beginning of Year	9,595	16,534	393,471	264,867
Fund Balances, End of Year	\$ (49,806)	\$ 20,988	\$ 192,119	\$ 239,177

CITY OF GRAND TERRACE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	CDBG	Special Districts Landscape & Lighting	Spring Mountain Ranch	Cal Recycle Grant
Revenues:				
Taxes	\$ -	\$ 54,544	\$ -	\$ -
Assessments	-	-	-	-
Intergovernmental	59,930	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	113	1,696	19
Fines and forfeitures	-	986	-	-
Miscellaneous	-	-	-	-
Total Revenues	59,930	55,643	1,696	19
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Cultural and recreation	-	-	-	-
Public works	30,385	14,670	4,720	-
Capital outlay	-	-	-	-
Total Expenditures	30,385	14,670	4,720	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,545	40,973	(3,024)	19
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	29,545	40,973	(3,024)	19
Fund Balances, Beginning of Year	(44,859)	38,798	725,292	169
Fund Balances, End of Year	\$ (15,314)	\$ 79,771	\$ 722,268	\$ 188

CITY OF GRAND TERRACE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Senior Bus Program Fund	Public, Educational & Government Access	Enhanced Infrastructure Financing District	COVID-19 Emergency Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	153,425
Intergovernmental	39,657	-	-	287,275
Charges for services	-	-	-	-
Use of money and property	22	220	-	23
Fines and forfeitures	-	-	-	-
Miscellaneous	-	23,806	-	-
Total Revenues	39,679	24,026	-	440,723
Expenditures:				
Current:				
General government	-	-	-	224,197
Public safety	-	-	-	-
Cultural and recreation	62,924	-	-	12,245
Public works	-	-	-	4,388
Capital outlay	-	62	-	309,975
Total Expenditures	62,924	62	-	550,805
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,245)	23,964	-	(110,082)
Other Financing Sources (Uses):				
Transfers in	20,000	-	-	140,350
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	20,000	-	-	140,350
Net Change in Fund Balances	(3,245)	23,964	-	30,268
Fund Balances, Beginning of Year	12,295	92,727	(46,368)	(30,268)
Fund Balances, End of Year	\$ 9,050	\$ 116,691	\$ (46,368)	\$ -

CITY OF GRAND TERRACE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Fund	Capital Projects Funds		
	RMRA Fund	Capital Improvement- Streets	Barton / Colton Bridge	Capital Project - Parks
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Intergovernmental	230,360	-	-	-
Charges for services	-	-	-	-
Use of money and property	602	106	-	575
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	230,962	106	-	575
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Cultural and recreation	-	-	-	-
Public works	-	456,893	-	-
Capital outlay	-	-	18,623	37,495
Total Expenditures	-	456,893	18,623	37,495
Excess (Deficiency) of Revenues Over (Under) Expenditures	230,962	(456,787)	(18,623)	(36,920)
Other Financing Sources (Uses):				
Transfers in	-	456,893	-	-
Transfers out	(202,000)	-	-	-
Total Other Financing Sources (Uses)	(202,000)	456,893	-	-
Net Change in Fund Balances	28,962	106	(18,623)	(36,920)
Fund Balances, Beginning of Year	303,896	45,158	(2,650)	247,738
Fund Balances, End of Year	\$ 332,858	\$ 45,264	\$ (21,273)	\$ 210,818

CITY OF GRAND TERRACE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Capital Projects Fund	Permanent Funds	
	Capital Projects - Commerce Way Project	Dog Park Endowment fund	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ -	\$ 54,544
Assessments	-	-	153,425
Intergovernmental	-	-	1,349,922
Charges for services	-	-	45,324
Use of money and property	1,893	-	6,724
Fines and forfeitures	-	-	5,410
Miscellaneous	-	-	23,806
Total Revenues	1,893	-	1,639,155
Expenditures:			
Current:			
General government	-	-	224,197
Public safety	-	-	157,872
Cultural and recreation	-	-	75,169
Public works	-	-	992,108
Capital outlay	65	-	510,630
Total Expenditures	65	-	1,959,976
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,828	-	(320,821)
Other Financing Sources (Uses):			
Transfers in	-	-	708,043
Transfers out	-	-	(522,318)
Total Other Financing Sources (Uses)	-	-	185,725
Net Change in Fund Balances	1,828	-	(135,096)
Fund Balances, Beginning of Year	809,130	-	3,155,779
Fund Balances, End of Year	\$ 810,958	\$ -	\$ 3,020,683

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 STORM DRAIN IMPROVEMENT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 255,966	\$ 255,966	\$ 255,966	\$ -
Resources (Inflows):				
Charges for services	-	-	42,446	42,446
Use of money and property	1,000	1,000	560	(440)
Amounts Available for Appropriations	256,966	256,966	298,972	42,006
Budgetary Fund Balance, June 30	\$ 256,966	\$ 256,966	\$ 298,972	\$ 42,006

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 PARK DEVELOPMENT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 38,361	\$ 38,361	\$ 38,361	\$ -
Resources (Inflows):				
Use of money and property	1,000	1,000	(166)	(1,166)
Amounts Available for Appropriations	39,361	39,361	38,195	(1,166)
 Budgetary Fund Balance, June 30	 \$ 39,361	 \$ 39,361	 \$ 38,195	 \$ (1,166)

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 AB 3229 COPS FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 25,791	\$ 25,791	\$ 25,791	\$ -
Resources (Inflows):				
Intergovernmental	150,000	150,000	156,893	6,893
Use of money and property	-	-	208	208
Amounts Available for Appropriations	175,791	175,791	182,892	7,101
Charges to Appropriations (Outflow):				
Public safety	150,000	150,000	157,872	(7,872)
Total Charges to Appropriations	150,000	150,000	157,872	(7,872)
Budgetary Fund Balance, June 30	\$ 25,791	\$ 25,791	\$ 25,020	\$ (771)

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY IMPROVEMENT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 136	\$ 136	\$ 136	\$ -
Resources (Inflows):				
Intergovernmental	13,000	13,000	16,060	3,060
Use of money and property	-	-	(89)	(89)
Amounts Available for Appropriations	13,136	13,136	16,107	2,971
Charges to Appropriations (Outflow):				
Transfers out	13,000	13,000	5,000	8,000
Total Charges to Appropriations	13,000	13,000	5,000	8,000
Budgetary Fund Balance, June 30	\$ 136	\$ 136	\$ 11,107	\$ 10,971

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 STATE GAS TAX
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 9,595	\$ 9,595	\$ 9,595	\$ -
Resources (Inflows):				
Intergovernmental	447,800	322,000	278,415	(43,585)
Use of money and property	-	-	(78)	(78)
Transfers in	90,800	90,800	90,800	-
Amounts Available for Appropriations	548,195	422,395	378,732	(43,663)
Charges to Appropriations (Outflow):				
Public works	495,337	558,000	428,538	129,462
Total Charges to Appropriations	495,337	558,000	428,538	129,462
Budgetary Fund Balance, June 30	\$ 52,858	\$ (135,605)	\$ (49,806)	\$ 85,799

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC SAFETY
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 16,534	\$ 16,534	\$ 16,534	\$ -
Resources (Inflows):				
Use of money and property	-	-	30	30
Fines and forfeitures	4,000	4,000	4,424	424
Amounts Available for Appropriations	20,534	20,534	20,988	454
Charges to Appropriations (Outflow):				
Public safety	4,000	4,000	-	4,000
Total Charges to Appropriations	4,000	4,000	-	4,000
Budgetary Fund Balance, June 30	\$ 16,534	\$ 16,534	\$ 20,988	\$ 4,454

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 FACILITIES DEVELOPMENT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	\$ 393,471	\$ 393,471	\$ 393,471	\$ -
Resources (Inflows):				
Charges for services	20,000	20,000	2,878	(17,122)
Use of money and property	1,000	1,000	605	(395)
Amounts Available for Appropriations	414,471	414,471	396,954	(17,517)
Charges to Appropriation (Outflow):				
Capital outlay	-	-	144,410	(144,410)
Transfers out	-	60,425	60,425	-
Total Charges to Appropriations	-	60,425	204,835	(144,410)
Budgetary Fund Balance, June 30	\$ 414,471	\$ 354,046	\$ 192,119	\$ (161,927)

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 MEASURE I
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 264,867	\$ 264,867	\$ 264,867	\$ -
Resources (Inflows):				
Intergovernmental	200,000	200,000	281,332	81,332
Use of money and property	-	-	385	385
Amounts Available for Appropriations	464,867	464,867	546,584	81,717
Charges to Appropriations (Outflow):				
Public works	63,000	63,000	52,514	10,486
Capital outlay	137,000	90,000	-	90,000
Transfers out	-	97,000	254,893	(157,893)
Total Charges to Appropriations	200,000	250,000	307,407	(57,407)
Budgetary Fund Balance, June 30	\$ 264,867	\$ 214,867	\$ 239,177	\$ 24,310

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 CDBG
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (44,859)	\$ (44,859)	\$ (44,859)	\$ -
Resources (Inflows):				
Intergovernmental	69,934	210,944	59,930	(151,014)
Amounts Available for Appropriations	25,075	166,085	15,071	(151,014)
Charges to Appropriations (Outflow):				
Parks and recreation	-	141,010	-	141,010
Public works	69,934	69,934	30,385	39,549
Total Charges to Appropriations	69,934	210,944	30,385	180,559
Budgetary Fund Balance, June 30	\$ (44,859)	\$ (44,859)	\$ (15,314)	\$ 29,545

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 SPECIAL DISTRICTS LANDSCAPE & LIGHTING
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 38,798	\$ 38,798	\$ 38,798	\$ -
Resources (Inflows):				
Taxes	48,584	48,584	54,544	5,960
Use of money and property	-	-	113	113
Fines and forfeitures	-	-	986	986
Amounts Available for Appropriations	87,382	87,382	94,441	7,059
Charges to Appropriations (Outflow):				
Public works	45,284	48,584	14,670	33,914
Total Charges to Appropriations	45,284	48,584	14,670	33,914
Budgetary Fund Balance, June 30	\$ 42,098	\$ 38,798	\$ 79,771	\$ 40,973

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 SPRING MOUNTAIN RANCH
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 725,292	\$ 725,292	\$ 725,292	\$ -
Resources (Inflows):				
Licenses and permits	50,000	50,000	-	(50,000)
Use of money and property	3,000	3,000	1,696	(1,304)
Amounts Available for Appropriations	778,292	778,292	726,988	(51,304)
Charges to Appropriation (Outflow):				
Public works	-	50,000	4,720	45,280
Total Charges to Appropriations	-	50,000	4,720	45,280
Budgetary Fund Balance, June 30	\$ 778,292	\$ 728,292	\$ 722,268	\$ (6,024)

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 CAL RECYCLE GRANT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 169	\$ 169	\$ 169	\$ -
Resources (Inflows):				
Intergovernmental	5,000	5,000	-	(5,000)
Use of money and property	-	-	19	19
Amounts Available for Appropriations	5,169	5,169	188	(4,981)
Charges to Appropriation (Outflow):				
Capital outlay	5,000	5,000	-	5,000
Total Charges to Appropriations	5,000	5,000	-	5,000
Budgetary Fund Balance, June 30	\$ 169	\$ 169	\$ 188	\$ 19

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
SENIOR BUS PROGRAM FUND
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 12,295	\$ 12,295	\$ 12,295	\$ -
Resources (Inflows):				
Intergovernmental	22,160	139,625	39,657	(99,968)
Charges for services	240	240	-	(240)
Use of money and property	50	50	22	(28)
Transfers in	43,000	20,000	20,000	-
Amounts Available for Appropriations	77,745	172,210	71,974	(100,236)
Charges to Appropriation (Outflow):				
Cultural and recreation	65,450	159,915	62,924	96,991
Total Charges to Appropriations	65,450	159,915	62,924	96,991
Budgetary Fund Balance, June 30	\$ 12,295	\$ 12,295	\$ 9,050	\$ (3,245)

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 PUBLIC, EDUCATIONAL & GOVERNMENT ACCESS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 92,727	\$ 92,727	\$ 92,727	\$ -
Resources (Inflows):				
Use of money and property	-	-	220	220
Miscellaneous	21,500	21,500	23,806	2,306
Amounts Available for Appropriations	114,227	114,227	116,753	2,526
Charges to Appropriation (Outflow):				
Capital outlay	21,500	21,500	62	21,438
Total Charges to Appropriations	21,500	21,500	62	21,438
Budgetary Fund Balance, June 30	\$ 92,727	\$ 92,727	\$ 116,691	\$ 23,964

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
COVID-19 EMERGENCY FUND
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (30,268)	\$ (30,268)	\$ (30,268)	\$ -
Resources (Inflows):				
Intergovernmental	40,000	153,425	153,425	-
Intergovernmental	-	287,275	287,275	-
Use of money and property	-	-	23	23
Transfers in	-	133,850	140,350	6,500
Amounts Available for Appropriation	9,732	544,282	550,805	6,523
Charges to Appropriation (Outflow):				
General government	40,000	229,900	224,197	5,703
Parks and recreation	-	2,600	12,245	(9,645)
Public works	-	20	4,388	(4,368)
Capital outlay	-	308,180	309,975	(1,795)
Transfers out	-	73,425	-	73,425
Total Charges to Appropriations	40,000	614,125	550,805	63,320
Budgetary Fund Balance, June 30	\$ (30,268)	\$ (69,843)	\$ -	\$ 69,843

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 RMRA FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 303,896	\$ 303,896	\$ 303,896	\$ -
Resources (Inflows):				
Intergovernmental	-	238,000	230,360	(7,640)
Use of money and property	-	-	602	602
Amounts Available for Appropriation	303,896	541,896	534,858	(7,038)
Charges to Appropriation (Outflow):				
Transfers out	-	202,000	202,000	-
Total Charges to Appropriations	-	202,000	202,000	-
Budgetary Fund Balance, June 30	\$ 303,896	\$ 339,896	\$ 332,858	\$ (7,038)

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT- STREETS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 45,158	\$ 45,158	\$ 45,158	\$ -
Resources (Inflows):				
Use of money and property	-	-	106	106
Transfers in	-	299,000	456,893	157,893
Amounts Available for Appropriations	45,158	344,158	502,157	157,999
Charges to Appropriations (Outflow):				
Public works	-	427,040	456,893	(29,853)
Total Charges to Appropriations	-	427,040	456,893	(29,853)
Budgetary Fund Balance, June 30	\$ 45,158	\$ (82,882)	\$ 45,264	\$ 128,146

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECT - PARKS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 247,738	\$ 247,738	\$ 247,738	\$ -
Resources (Inflows):				
Use of money and property	-	-	575	575
Amounts Available for Appropriations	247,738	247,738	248,313	575
Charges to Appropriation (Outflow):				
Capital outlay	-	89,592	37,495	52,097
Total Charges to Appropriations	-	89,592	37,495	52,097
Budgetary Fund Balance, June 30	\$ 247,738	\$ 158,146	\$ 210,818	\$ 52,672

CITY OF GRAND TERRACE

BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS - COMMERCE WAY PROJECT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 809,130	\$ 809,130	\$ 809,130	\$ -
Resources (Inflows):				
Use of money and property	-	-	1,893	1,893
Amounts Available for Appropriations	809,130	809,130	811,023	1,893
Charges to Appropriation (Outflow):				
Capital outlay	-	839,594	65	839,529
Total Charges to Appropriations	-	839,594	65	839,529
Budgetary Fund Balance, June 30	\$ 809,130	\$ (30,464)	\$ 810,958	\$ 841,422