City of Chino Hills

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024
CHINO HILLS, CALIFORNIA

CITY OF CHINO HILLS, CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

Prepared by: Finance Department

City of
Chino Hills

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CITY OF CHINO HILLS, CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

Table of Contents

Page Number

CITY OF CHINO HILLS, CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

Table of Contents

Table of Contents

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INTRODUCTORY SECTION

City of
Chino Hills

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City of Chino Hills
14000 City Center Drive ● Chino Hills, CA 91709 ● (909) 364-2600

November 4, 2024

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Chino Hills:

It is a pleasure to present the Annual Comprehensive Financial Report (ACFR) of the City of Chino Hills (City) for the fiscal year ended June 30, 2024. This report consists of management's representations concerning the finances of the City. Management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements were audited by Lance, Soll & Lunghard, LLP, certified public accountants, to provide reasonable assurance that the statements are accurate and free from significant errors. Based on their audit, the auditors issued an unmodified opinion, meaning the financial statements are fairly presented without any major issues. This is the best result an organization can receive from an audit, confirming that the City's financial information follows the required standards. The independent auditor's report is located at the beginning of the financial section of this document.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal complements the MD&A and the financial statements, and it should be read from that perspective and in conjunction with all other sections of the ACFR.

The Statistical section, which is unaudited, includes selected financial and demographic information generally presented on a multi-year basis.

City of Chino Hills Profile

Incorporated in December 1991 as a general law City, the City of Chino Hills is located in southwestern San Bernardino County and is well known for its beautiful rural atmosphere and high quality of life.

The City has operated under the council-manager form of government since incorporation. Policy-making and legislative authority are vested in a governing council (City Council) consisting of five members. These council members are elected on a non-partisan basis by district to serve staggered four-year terms. The Council appoints a member to serve as the Mayor for a one-year term. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and appointing the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the Directors of the various departments.

Chino Hills is a family-friendly community with a diverse population that has surpassed 77,000 people. Residents appreciate the City's rankings as one of the safest cities in the United States and one of the most fiscally stable cities in California. Chino Hills is also ranked as one of the lowest risk Cities in the *California Auditor's Fiscal Risk Analysis Report*, indicating the overall fiscal stability and soundness of the agency.

Residents enjoy a safe community, a well-balanced mix of quality development and open space, highly rated schools, diverse shopping and dining options, and ample opportunities for an active lifestyle. The community is home to 44 parks, 5 community facilities, 48 miles of trails, and 3,000 acres of community-owned open space. Residents take advantage of the beautiful environment while walking, hiking, and biking throughout the City. The rural atmosphere has been preserved in the rolling hills and canyons throughout the community after years of careful planning. The City's equestrian heritage continues today and is concentrated in the English Road area.

The City provides a full range of services including: police protection (via contract with the San Bernardino County Sheriff's Department), solid waste disposal services (via contract with USA Waste of California, Inc. dba Waste Management), the construction and maintenance of streets and infrastructure, economic development, recreational activities, and cultural events. The Chino Valley Independent Fire District (Fire District), governed by its own independently elected board of directors, provides fire protection and emergency medical services. The Fire District receives an independent share of the property tax and secures additional funding through contractual charges and other fees.

The annual budget serves as a foundation for the City's financial planning and control. The City Council holds public hearings and adopts an annual budget for all funds. The budget appropriations are prepared by fund, department, and division.

The City's budget policy provides for an orderly process that allows for the adoption of the annual budget by June 30 of each year. The City maintains a budget control system to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. See Note 1 of the Notes to Required Supplementary Information for additional information on budget procedures.

Economic Condition and Outlook

Chino Hills is one of the most desirable cities in the County of San Bernardino. The demand for residential construction continues due to excellent schools, low crime, and the City's strong, positive reputation.

In Fiscal Year 2023-24, building permits have been issued for 25 new residential units. Several remaining residential properties are currently in the entitlement process, and a few infill, smaller and/or physically constrained properties are expected to develop more slowly in the coming years. To satisfy the requirements of the State's Regional Housing Needs Allocation, the City is in process of rezoning six (6) sites to very high or medium density residential, and two (2) sites to low density residential. These sites include portions of The Shoppes and The Commons commercial centers; golf course properties; and undeveloped properties, which will result in an additional 3,129 dwelling units in the City. This rezoning is expected to be completed in Fiscal Year 2024-25.

Major residential developments currently in the building and entitlement process include:

- Country Club Villas: A 70-unit condominium development is nearing completion. Fifty-two units have been completed and finalized, with the remaining 18 units expected to be completed by mid to late 2025.

- Morningfield Estates: A seven single-family home development has been approved and is currently under construction and expected to be complete by midyear 2025.

- Vila Borba: A four tract 571-unit residential development with 332 single-family homes built and occupied. The remaining two tracts consisting of 19 single-family homes and 220 multi -family units are entitled and in plan review.

- Brightspace: A 13-lot single-family home gated subdivision is proposed and currently under entitlement review.

- Rancho Cielito: A 354 medium density residential apartment development is currently entitled.

- Shady View: A 159 single-family home development is entitled, with Phases 1 through 6 (out of 17 total phases) currently under construction. These phases are expected to be complete by the end of 2024. Construction on subsequent phases is anticipated to begin as earlier phases near completion.

- Paradise Ranch: A 50 single-family home development is entitled and currently in plan review.

- Western Hills Golf Course: A 187-unit multi-family development on a portion of the existing golf course is currently in the entitlement phase.

- Canyon Estates: A 326-unit development consisting of 165 single-family homes and 163 Town Homes is currently in the entitlement phase.

Fiscal Year 2023-24 saw no new commercial space completed, compared to 14,695 sq. ft. completed in 2022-23. So far in Fiscal Year 2024-25, permits have been issued for an additional 19,748 sq. ft. of new commercial space (does not include tenant improvements of existing space).

Major non-residential developments currently in the building and entitlement process include:

- Prime Carwash: A 6,007 sq. ft. building wash tunnel and polish tunnel with 21 vacuums stalls is currently entitled and under plan review.

- Fire station 68: A 12,901 sq. ft. station with a 6,346 sq. ft. apparatus building located on Soquel Canyon Parkway is entitled and currently under plan review.

- Costco Warehouse Fuel Station relocation and expansion is completed and currently operating. The Costco expansion of 15,469 sq. ft. is currently under construction. In addition, Costco is also working on re-constructing the parking area and demolishing the old fuel station and converting it to additional parking.

- Chino Hills Biz Park (formerly known as Heritage Professional Center) is currently entitled. The project will consist of 15, one-story office buildings ranging from 6,000-18,500 sq. ft.; two (2) one-story 23,000 sq. ft. warehouse/manufacturing buildings; and one (1) 18,100 sq. ft. retail building.

- Buddhist Temple is proposing to develop in 3-phases. Phase 1 will consist of a 3,100 sq. ft. Buddha Hall and 300 parking spaces. Phase 2 will consist of a 9,025 sq. ft. Monk Dormitory and a 1,900 sq. ft. Kitchen/Restroom Building. Phase 3 will consist of a 3,600 sq. ft. Meditation Area/Multi-Purpose Building and a 5,775 sq. ft. Classroom/Office Building. Building plans for Phase 1 have been approved and the site is currently being graded.

- Estar Capital LLC is proposing to develop an 8,819 sq. ft., two-story commercial building on a 32,131 sq. ft. vacant property. The proposed uses for the commercial building include kindergarten, tutoring, retail, and/or office uses. Development of the site would also include a 35-space parking lot and between 8,078 and 9,706 sq. ft. of landscape area. The project is currently in the entitlement phase.

Short-Term Outlook

The short-term outlook for the U.S. economy remains uncertain, but most experts do not foresee an imminent recession. Findings from HdL Companies and the University of California's Center for Economic Forecasting and Development indicate a decline in household income and spending, accompanied by modest but persistent inflation. Although inflation has eased, elevated prices continue to strain consumer behavior. A drop in consumer confidence has led to weaker taxable sales and a reduction in sales tax revenue. Additionally, inflationary pressures have contributed to lower savings and higher credit card debt, further constraining spending.

California faces a $68 billion budget deficit for the 2024-25 fiscal year, driven by a $26 billion revenue shortfall due to rising borrowing costs and reduced investment. While this is not expected to impact the City's operating revenues, a reduction in grant funding is likely. The Inland Empire's economic outlook remains positive in the short term, with growth in housing, logistics, and e-commerce. However, long-term challenges like inflation, high interest rates, housing shortages, and labor supply issues may hinder sustained growth and investment.

City staff are committed to continuously assessing the evolving economic landscape and are prepared to respond to any impacts that a volatile economy may have on our ability to provide services. At the core of our budget development efforts is sound, conservative financial planning, which allows us to maintain control despite external uncertainties. The City's future economic stability will depend on maintaining a balanced annual budget between revenues and expenditures, ensuring robust reserves through fiscally conservative practices, and actively pursuing economic development opportunities. The City has upheld its strong financial position through careful long term policy decisions and effective fiscal management. Staff will continue to monitor key economic indicators, revenue sources, and spending levels as part of a responsible fiscal strategy. Maintaining adequate fund balance or reserve levels is crucial for the City's overall financial management.

The City develops revenue and expenditure projections as part of its annual budget, which is a critical component of the budgeting process. Using historical data, expert analysis, and information from state, local, and professional sources, City staff creates a comprehensive assessment of the local economy. From this analysis, the budget team formulates a financially conservative forecast for the near term. In addition to these short-term projections, the budget staff continuously maintains a five-year estimate to guide the City's medium and long term revenue and expenditure planning. Each year, the City also updates its five-year Capital Improvement Program for various projects.

The City received the GFOA Distinguished Budget Presentation Award for the Fiscal Year 2023-24 budget. This recognition requires the City's budget to serve as an exemplary policy document, operations guide, financial plan, and communication tool, fulfilling all the necessary criteria set forth by the GFOA program.

Relevant Financial Policies

Fund Balance Policy
The City's Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the General Fund financial statements. Certain commitments and assignments of the fund balance is clarified which will help ensure that there will be adequate financial resources to protect the City against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorized and directed the Finance Director in preparing financial reports that accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Liability Insurance Premiums
The City has committed $1.1 million of the General Fund reserves for general liability insurance premiums. The City's general liability insurance costs have the potential for significant swings due to changes in the cost allocation formula to members of the insurance pool. The City Council has set aside $1.1 million of General Fund reserves in anticipation of the volatility of this cost going forward.

Major Initiatives

The City prepares a five-year financial projection of its Capital Improvement Program (CIP). The City continues an aggressive CIP effort utilizing staff and consultant resources to implement projects in a timely and cost-effective manner. A coordinated approach to the CIP is critical to meet the facility and infrastructure needs of our current residents and businesses as well as the infrastructure needs that the growth in Chino Hills will require. The management and implementation of our CIP projects will continue to receive the attention of the entire organization.

The City's Five-Year CIP of $77,402,553 demonstrates its commitment to infrastructure improvements and consists of projects in the following categories:

Parks and Open Space	$	825,000
Public Facilities	$	11,433,333
Sewer	$	2,887,500
Storm Drains	$	3,300,000
Streets	$	35,179,550
Water and Recycled Water	$	23,777,170

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chino Hills for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation and publication of this report could not have been accomplished without the efficient and dedicated service of the Finance Department. Appreciation is also extended to each city department for their contributions to planning and conducting the fiscal functions of the city through the commitment of all city employees.

In closing, an expression of appreciation to the Mayor and City Council for their vision, direction, and support toward achieving and maintaining the highest standards for the management of the City of Chino Hills' finances.

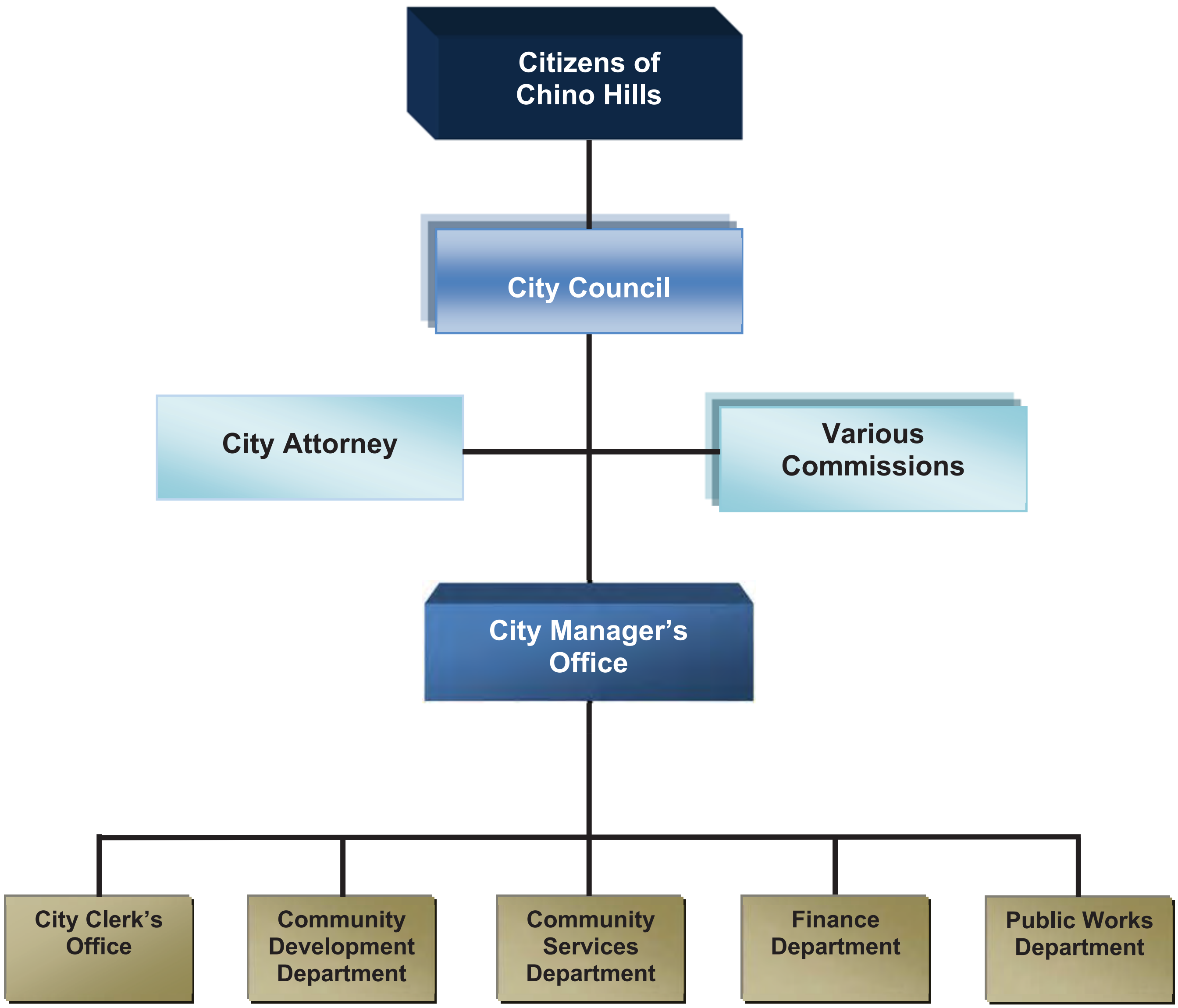
Respectfully submitted,

Benjamin Montgomery
City Manager

Christa Buhagiar
Finance Director

THE CITY OF CHINO HILLS

ORGANIZATION OF CITY GOVERNMENT



City Council

Cynthia Moran
Mayor

Art Bennett
Vice Mayor

Brian Johsz
Council Member

Ray Marquez
Council Member

Peter Rogers
Council Member

Administrative Personnel

City Manager	Benjamin Montgomery
City Attorney	Mark D. Hensley
Assistant City Manager	Rod Hill
City Clerk	Cheryl Balz
Community Development Director	Nicholas Liguori
Community Services Director	Jonathan Marshall
Finance Director	Christa Buhagiar
Public Works Director/City Engineer	Daniel Bobadilla

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Chino Hills
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Chino Hills, California

Report on the Audit of 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 the City of Chino Hills, California (the "City"), as of and for the year ended June 30, 2024, 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, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules ("supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements

To the Honorable Mayor and Members of the City Council
City of Chino Hills, California

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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lunghard, LLP

Irvine, California
November 4, 2024

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MANAGEMENT'S DISCUSSION & ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (MD&A) of the City of Chino Hills' (the City) financial performance provides an introduction and overview to the financial activities of the City for the fiscal year ended June 30, 2024. This narrative discussion and analysis focuses on the current year's activities, resulting changes and currently known facts; therefore, the information presented here should be considered in conjunction with additional information furnished in the letter of transmittal and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- As of June 30, 2024, the City's total net position (assets plus deferred outflows of resources less liabilities and less deferred inflows of resources) is $546.5 million, an increase of $7.8 million, from the prior year.

- The City's total net position increased by $7.8 million, with governmental activities contributing $4.2 million and business-type activities adding $3.6 million. The increase in governmental activities was primarily driven by a significant increase in interest earned on investments and fair value adjustment transactions. The increase in business-type activities resulted mainly from a combination of a $4.3 million excess of expenses over revenues, largely due to a reimbursement payment made to Monte Vista Water District for the Plant 34 Wellhead Treatment Project from the Water Utility Fund, and $6.8 million in investment earnings and fair value adjustment transactions.

- The City's total governmental funds reported a combined ending fund balances of $109.8 million, an increase of $5.6 million, after restatements. Of this $109.8 million, $1.8 million was non-spendable, $63.2 million was restricted, $1.1 million was committed, $0.4 million was assigned, and $43.3 million was unrestricted.

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 non-major governmental funds and internal service 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 fund* statements tell how *general government* services, such as public safety, were financed in the *short-term* as well as what remains for future spending.

  - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities that are operated like a business, such as the Water Utility Fund and Sewer Utility Fund.

  - *Fiduciary fund* statements provide information about the fiduciary relationships, also known as custodial funds of the City, in which the City acts solely as a *trustee* or *custodian* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

<u>Reporting the City as a Whole</u>

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

These two statements report the City's net position and changes. The City's net position is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are an indication of whether its financial health is improving or deteriorating. However, other non-financial factors, such as changes in the economy due to external factors that will cause a decrease in consumer spending, also need to be taken into consideration.

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 are reported in this category, including general government (city manager, city clerk, and finance), public safety (police protection), public works, community development, community services, and interest on long-term debt. Property taxes, sales tax, motor vehicle in-lieu fees, interest income, franchise fees, state and federal grants, contributions from other agencies, and other revenues finance these activities.

- **Business-type activities** – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's water and sewer utilities are reported in this category.

Reporting the City's Most Significant Funds

The **fund financial statements** provide detailed information about the most significant funds and other funds; not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, management established many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other resources. 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 in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting method, which measures cash and all other 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 determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the Governmental Funds financial statements and the Government-Wide financial statements are explained in a reconciliation following each Governmental Funds financial statements.

- **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 proprietary funds are the same as the business-type activities that are reported in the Government-Wide financial statements but provide more detail and additional information such as a statement of cash flows. The City uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities, such as the City's Information Technology and Equipment Maintenance Funds. The internal service funds are reported with governmental activities in the Government-Wide financial statements.

Reporting the City's Fiduciary Responsibilities

The City is the trustee, or *fiduciary*, for certain custodial funds held on behalf of those entities outside of the government. All the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. These activities are excluded in the Government-Wide 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.

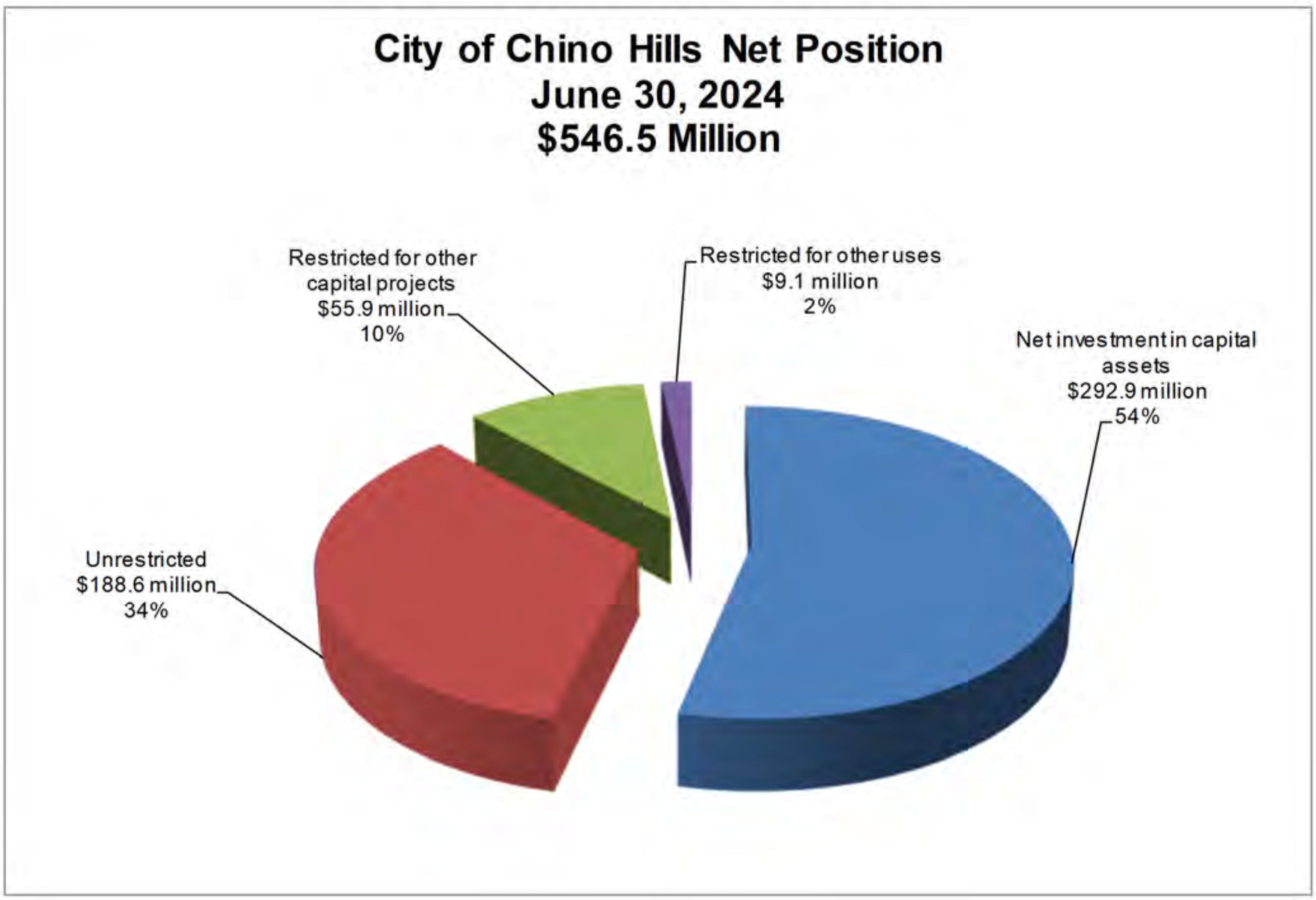
GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2024, net position for the City was $546.5 million. Compared to the prior year, the net position of the City increased by $7.8 million.

The City's net position of $546.5 million is made up of three components: Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position. The largest portion, $292.9 million, or 54%, of the City's net position reflects the net investment in capital assets such as land, buildings, machinery, and equipment, less any related debt used to acquire those assets that were still outstanding. These are not liquid assets; therefore, they are not available for future spending. An additional portion of $65 million or 12% of the City's net position represents various resources subject to external restrictions on how they may be used. These fund balance amounts are said to be restricted. The remaining balance of unrestricted net position of $188.6 million, or 34%, may be used to meet the City's ongoing obligations to citizens and creditors. This is the only "discretionary" portion of the City's total net position amount.

The chart below reflects the City's net position for the fiscal year ended June 30, 2024.



The table below (Exhibit A) reflects the Statement of Net Position for the fiscal year ended June 30, 2024, with the comparative data for the fiscal year ended June 30, 2023.

Exhibit A
Net Position (Summarized)
As of June 30, 2024 and 2023
(in thousands)

	Governmental Activities		Business-Type Activities		Total		
	2024	2023	2024	2023	2024	2023	Change
Current and other assets	$ 142,766	$ 129,992	$ 170,546	$ 169,130	$ 313,312	$ 299,122	$ 14,190
Capital & intangible	212,506	215,743	93,143	90,179	305,649	305,922	(273)
Total Assets	$ 355,272	$ 345,735	$ 263,689	$ 259,309	$ 618,961	$ 605,044	$ 13,917
Deferred pension related	$ 7,241	$ 7,026	$ 2,027	$ 1,948	$ 9,268	$ 8,974	$ 294
Deferred OPEB related	296	360	59	80	355	440	(85)
Total deferred outflows	$ 7,537	$ 7,386	$ 2,086	$ 2,028	$ 9,623	$ 9,414	$ 209
Other liabilities	$ 13,709	$ 17,187	$ 11,544	$ 10,204	$ 25,253	$ 27,391	$ (2,138)
Long-term liabilities oustanding	32,978	34,699	5,457	5,798	38,435	40,497	(2,062)
Total Liabilities	$ 46,687	$ 51,886	$ 17,001	$ 16,002	$ 63,688	$ 67,888	$ (4,200)
Deferred pension related	$ 4,533	$ 5,108	$ 1,269	$ 1,416	$ 5,802	$ 6,524	$ (722)
Deferred OPEB related items	1,065	1,012	213	224	1,278	1,236	42
Leases related items	11,287	103	-	-	11,287	103	11,184
Total deferred inflows	$ 16,885	$ 6,223	$ 1,482	$ 1,640	$ 18,367	$ 7,863	$ 10,504
Net Position:							
Net investment in capital	$ 200,339	$ 202,918	$ 92,535	$ 89,912	$ 292,874	$ 292,830	$ 44
Restricted	63,193	59,539	1,891	1,726	65,084	61,265	3,819
Unrestricted	35,705	32,555	152,866	152,057	188,571	184,612	3,959
Total net position	$ 299,237	$ 295,012	$ 247,292	$ 243,695	$ 546,529	$ 538,707	$ 7,822

Compared to the prior year, current and other assets increased by a total of $14.2 million. This increase was primarily due to a $11.4 million in various cell tower lease agreements where the City is the lessor. Capital and intangible assets decreased by $0.3 million due to an increase in accumulated depreciation offset by capital asset additions. The overall result was an increase of $13.9 million in total assets. Total deferred outflows increased by $0.2 million primarily due to an increase in deferred pension related items associated with the annual pension reconciliation adjustments for changes in assumptions, as well as adjustments for actual verses proportionate share of contributions.

Total liabilities decreased $4.2 million primarily due to a $2.4 million decrease in unearned revenue related to the American Rescue Plan Act (ARAP) monies spent during the year, a $1.6 million decrease in net pension and other post-employment benefit obligations, and a $1.3 million reduction in the development fee program obligations in the governmental activities. These decreases are primarily offset by the increase in $1.2 million in various accounts payables in the Water Utility and Sewer Utility funds. Additionally, deferred pension related items decreased $0.7 million because of the Fiscal Year 2023-24 pension liability adjustments and leases related items increased $11.2 million because of cell tower lease agreements with various companies. This net decrease in total liabilities combined with the net increase in total assets resulted in an overall increase in net position of $7.8 million.

Changes in Net Position

A summary of the Government-Wide statement of activities (Exhibit B) for the year ended June 30, 2024, with the comparative data for the fiscal year ended June 30, 2023, as follows:

Exhibit B
Changes in Net Position
As of June 30, 2024 and 2023
(in thousands)

	Governmental Activities		Business-Type Activities		Total		
	2024	2023	2024	2023	2024	2023	Change
Revenues:							
Program Revenues:							
Charges for services	$ 31,178	$ 28,575	$ 45,281	$ 43,832	$ 76,459	$ 72,407	$ 4,052
Operating contributions and grants	5,722	4,915	-	-	5,722	4,915	807
Capital contributions and grants	3,457	2,792	-	-	3,457	2,792	665
General Revenues:							
Property taxes	19,113	18,078	2	28	19,115	18,106	1,009
Sales taxes	9,927	10,520	-	-	9,927	10,520	(593)
Franchise taxes	2,664	2,606	-	-	2,664	2,606	58
Other taxes	2,478	2,248	-	-	2,478	2,248	230
Intergovernmental, unrestricted	97	80	-	-	97	80	17
Use of money and property	8,232	2,305	6,755	(515)	14,987	1,790	13,197
Other revenues	121	155	1,103	27,122	1,224	27,277	(26,053)
Gain (loss) on sale of capital asset	-	8	8	-	8	8	-
Total Revenues	82,989	72,282	53,149	70,467	136,138	142,749	(6,611)
Expenses:							
General government	11,143	10,672	-	-	11,143	10,672	471
Public safety	18,613	17,448	-	-	18,613	17,448	1,165
Community development	3,901	4,085	-	-	3,901	4,085	(184)
Community services	9,778	10,247	-	-	9,778	10,247	(469)
Public works	35,293	36,019	-	-	35,293	36,019	(726)
Interest on long-term debt	36	10	-	-	36	10	26
Water Utility	-	-	36,291	28,687	36,291	28,687	7,604
Sewer Utility	-	-	13,261	12,953	13,261	12,953	308
Total Expenses	78,764	78,481	49,552	41,640	128,316	120,121	8,195
Increase (decrease) in net position	4,225	(6,199)	3,597	28,827	7,822	22,628	(14,806)
Net position, beginning of year	295,012	300,418	243,695	214,868	538,707	515,286	23,421
Restatement	-	793	-	-	-	793	(793)
Net postion, end of year	$ 299,237	$ 295,012	$ 247,292	$ 243,695	$ 546,529	$ 538,707	$ 7,822

Total revenues decreased by $6.6 million, despite various increases. These included a $4 million increase in charges for services, primarily due to a $2 million increase in administrative overhead, information technology, and vehicle rental fees charged to various funds and a $1.4 million overall rise in water and sewer utility service charges. Additionally, there was a $13.2 million increase in use of money and property due to higher interest earned on investments and fair value adjustments. However, these increases were offset by a decrease in other revenues, mainly due to a $26.4 million settlement received in the Water Utility Fund in the previous fiscal year.

Total expenses increased by $8.2 million compared to the prior fiscal year. Public safety expenses increased by $1.2 million, primarily due to higher costs for law enforcement services. Water Utility expenses increased $7.6 million, mainly due to a $4.8 million reimbursement payment to Monte Vista Water District for the Plant 34 Wellhead Treatment Project, a $0.5 million increase in purchased water, a $0.6 million increase in salaries and benefits driven by additional personnel and cost-of-living adjustments, and a $0.8 million increase in administrative overhead charges to the fund.

The net effect of the changes in revenues and expenses resulted in an overall increase of $7.8 million.

Governmental Activities

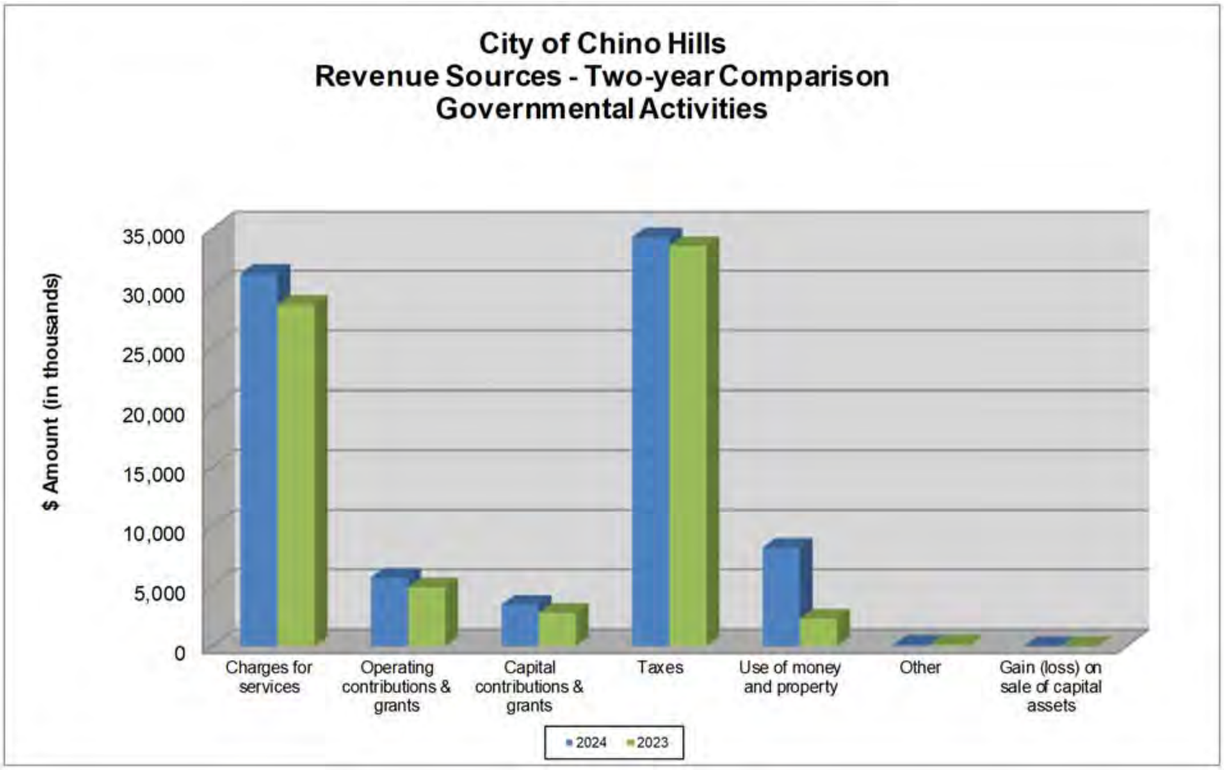
The following table (Exhibit C) presents the cost of each of the City's six largest programs – general government, public safety, community development, community services, public works, and interest on long-term debt – as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial impact by each of these functions.

Exhibit C
Governmental Activities
As of June 30, 2024 and 2023
(in thousands)

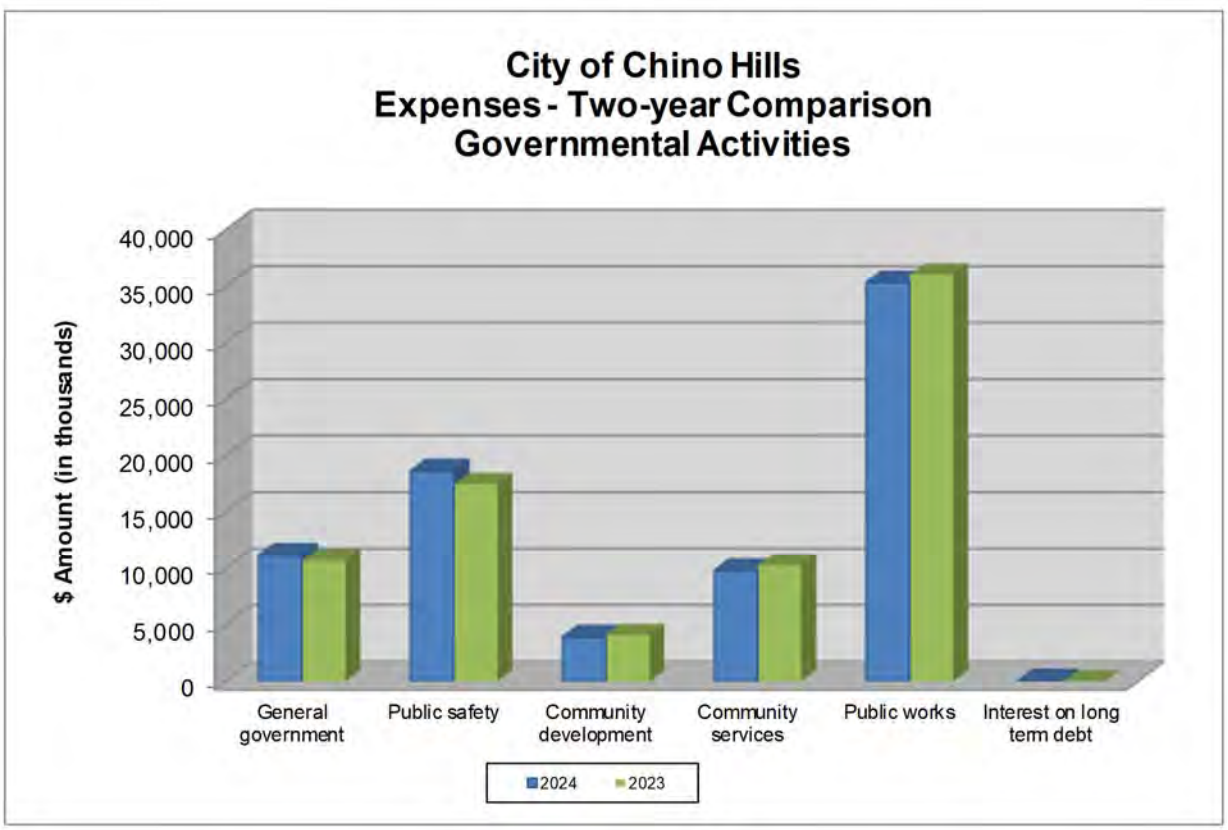
Total Cost of Services	2024	2023	Change
General government	$ 11,143	$ 10,672	$ 471
Public safety	18,613	17,448	1,165
Community development	3,901	4,085	(184)
Community services	9,778	10,247	(469)
Public works	35,293	36,019	(726)
Interest on long-term debt	36	10	26
Total	$ 78,764	$ 78,481	$ 283

Net Cost of Services	2024	2023	Change
General government	$ 3,421	$ 1,241	$ 2,180
Public safety	(17,072)	(15,534)	(1,538)
Community development	(1,393)	(606)	(787)
Community services	(7,435)	(8,387)	952
Public works	(15,892)	(18,903)	3,011
Interest on long-term debt	(36)	(10)	(26)
Total	$ (38,407)	$ (42,199)	$ 3,792

The chart below illustrates the total revenues of the governmental activities for the fiscal year ended June 30, 2024, and 2023, respectively.



The chart below illustrates the total expenses of the governmental activities for the fiscal year ended June 30, 2024, and 2023, respectively.



THE CITY'S FUNDS

The total combined fund balances from the Governmental Funds balance sheet at June 30, 2024, of $109.8 million increased by $5.6 million, after restatements. The increase is due to the following:

- The General Fund, which has the largest fund balance of the governmental funds at $55.2 million, increased by $2.2 million. After $5 million in excess revenues over expenditures, the General Fund provided a $2.8 million subsidy to the Landscape and Lighting District No. 1 Fund. The Landscape and Lighting District No. 1 Fund was in a deficit due to the maintenance and capital outlay costs being greater than the special assessments received.

- The Landscape and Lighting District No. 1 Fund accounted for ($1.2) million of the total governmental fund balance which reflected a decrease of $0.2 million compared to the prior year, after restatements. In the prior fiscal year the Landscape and Lighting – Los Serranos and Landscape and Lighting - Vellano special revenue funds were included in the Landscape and Lighting District No. 1 Fund. However, since these funds are distinct districts, they have been broken out and reported separately as nonmajor governmental funds to more clearly represent the true operations and financial position of Landscape and Lighting District No. 1. As maintenance and capital outlay costs related to street lighting, landscaping and parks located within the districts continue to increase year over year, the reserves are being depleted.

- The American Rescue Plan Act Fund was established to account for the $10 million in federal monies the City received to help mitigate the economic challenges due to the Coronavirus pandemic. The City Council adopted a projects list to utilize this one-time funding over the course of the next few years. The City has spent $3.7 million of these federal monies to date.

- The non-major Other Governmental Funds fund balance of $55.9 million increased by $3.2 million, after restatements. The Road Maintenance and Rehabilitation Account Fund saw a $1 million increase in fund balance due to higher funding from the State of California, while capital outlay expenses remained stable. The fund balance in the Water Facilities Fee Fund increased by $1.2 million, due to a fair market value adjustment and increased development activity. Additionally, a $0.4 million fund balance restatement was made for the Landscape and Lighting – Los Serranos and Landscape and Lighting – Vellano funds, which as previously mentioned, were separated from the Landscape and Lighting District No. 1 Fund as they are distinct districts.

The total net position of the Proprietary Funds was $247.0 million, a $3.2 million increase over the prior year. The Proprietary Funds include the Water Utility Fund and the Sewer Utility Fund. The primary driver of the overall increase was a $4.9 million increase in the Water Utility Fund's net position, which included a net operating loss of $0.1 million and $5.4 million in investment income, attributed to the GASB 31 fair market value adjustment on investments. However, this increase was partially offset by a $1.7 million decrease in the Sewer Utility Fund's net position, resulting from a net operating loss of $3 million and $1.3 million in investment income due to the same GASB 31 adjustments.

General Fund Budgetary Highlights

During Fiscal Year 2023-24, the City Council reviewed and revised the City budget as recommended by the City staff. Adjustments were made on a quarterly basis as the City's staff requested additional appropriations to cover the cost of projects that either had change orders for additional work, or the actual cost of the project was higher than originally estimated.

The City Manager has authority to increase appropriations up to $50,000 from reserves for each expenditure line-item transaction and up to $200,000 for capital improvement projects. Any appropriation from reserves for each expenditure line-item transaction exceeding $50,000 or capital improvement project exceeding $200,000 must be approved by the City Council. The City Manager is authorized to transfer appropriations within a department, within a fund or between departments within a fund without limitation.

General Fund operating revenues ended the year $0.9 million higher than anticipated, operating expenditures were $8.8 million less than the adjusted budget, and other financing sources and uses were $1.4 million less than projected. Key factors of the differences in budget-to-actual included the following:

- Charges for services was $2.1 million less than budgeted primarily due to the continued slowing of development activity the City is experiencing.

- Use of money and property was $2.7 million higher than the budget primarily due to the GASB 31 fair market value adjustment which resulted in a significant increase in the value of the City's investments at the end of the year.

- General government expenses were $1.1 million less than budgeted. The City Manager's Office was $0.4 million less than budgeted primarily due to a decrease in animal control services costs and legal services; the City Clerk's Office and Finance were under budget by $0.1 million and $0.3 million, respectively, primarily due to a decrease in personnel costs and professional services; and Risk Management was $0.1 million less than budgeted primarily due to a savings in the liability insurance costs.

- Public safety expenses were $0.9 million less than budgeted primarily due to a decrease in law enforcement personnel costs passed through the City by the San Bernardino County Sheriff's department.

- Community development expenses were $1.2 million less than budgeted due to a slowing of development activity, which is consistent with the decrease in charges for services fees received.

- Public works expenses were $1.8 million less than budgeted primarily due to a $1.1 million decrease in its anticipated operations. There was a significant decrease in the contractual and professional services necessary to cover the costs related to parks and landscape, national pollutant discharge elimination system (NPDES), and environmental management.

- Capital outlay ended the year $3.3 million less than budgeted primarily due to the capital improvement program having minimal activity during the year. These projects are anticipated to be completed in the upcoming years.

- Transfers out ended the year $1.3 million less than budgeted primarily due to a less significant General Fund subsidy required by the Landscape and Lighting District No. 1 Fund.

CAPITAL ASSETS

The City had $305.6 million invested in the capital assets, as compared to $305.9 million in the prior year. The net decrease in the capital assets is approximately $0.3 million. The decrease was mainly attributed to a $12.2 million increase in construction in progress, driven largely by the 1,2,3-Trichloropropane (TCP) treatment facility ($7.6 million), improvements at Community Park ($2.2 million), and the inclusive playground at Crossroads Park ($1.2 million). This increase was offset by an increase in accumulated depreciation of capital assets recorded in Fiscal Year 2023-24. For more detailed information, see Note 5 to the financial statements.

Exhibit D
Capital Assets at Year-End
(Net of Depreciation)
For the Year Ended June 30, 2024 and 2023
(in thousands)

	Governmental Activities		Business-Type Activities		Total		
	2024	2023	2024	2023	2024	2023	Change
Land and easements	$ 24,622	$ 24,622	$ 3,921	$ 3,921	$ 28,543	$ 28,543	$ -
Construction-in-progress	11,777	7,373	15,457	7,700	27,234	15,073	12,161
Subscription-in-progress	869	558	-	-	869	558	311
Buildings and structures	82,518	85,292	475	518	82,993	85,810	(2,817)
Equipment	3,345	3,060	1,075	1,220	4,420	4,280	140
Vehicles	1,791	1,345	-	-	1,791	1,345	446
Utility plant in service	67	68	15,915	16,705	15,982	16,773	(791)
Pipeline in service	119	123	47,234	50,307	47,353	50,430	(3,077)
Meters	-	-	2,585	2,890	2,585	2,890	(305)
Infrastructure	86,222	92,866	-	-	86,222	92,866	(6,644)
Water and capacity	-	-	6,481	6,918	6,481	6,918	(437)
Subscription assets	1,176	436	-	-	1,176	436	740
Total	$ 212,506	$ 215,743	$ 93,143	$ 90,179	$ 305,649	$ 305,922	$ (273)

LONG-TERM DEBT

At June 30, 2024, the City's governmental activities had $32.5 million in long-term debt, which included development fee related obligations, the net pension liability, other post-employment benefits obligations, and subscription-based information technology arrangements, and compensated absences. This represented a $1.6 million decrease from the previous year's total of $34.1 million. The reduction was primarily attributed to a significant decrease in the net pension liability and development fee obligations, as these had been repaid during the year. However, this decrease was partially offset by a substantial increase in subscriptions as the subscriber for the use of software as a service. Please refer to Notes 6, 8, 9, 10, and 11 for further details on the City's long-term liabilities.

Exhibit E
Outstanding Debt at Year-End
For Fiscal Year Ended June 30, 2024 and 2023
(in thousands)

	Governmental Activities		Business-Type Activities		Total		
	2024	2023	2024	2023	2024	2023	Change
Development fee program obligations	$ 10,930	$ 12,233	$ -	$ -	$ 10,930	$ 12,233	$ (1,303)
Net pension liability	15,599	16,737	4,367	4,641	19,966	21,378	(1,412)
Total OPEB liability	3,597	3,528	719	779	4,316	4,307	9
Subscriptions	1,119	386	-	-	1,119	386	733
Compensated absences	1,229	1,225	371	377	1,600	1,602	(2)
Total	$ 32,474	$ 34,109	$ 5,457	$ 5,797	$ 37,931	$ 39,906	$ (1,975)

The majority of the obligations under the governmental activities were either development related ($10.9 million) or pension obligations ($15.6 million). The development obligations are owed to developers who had previously installed major infrastructure throughout the City.

The business-type activities had $5.5 million in long-term debt including the net pension liability, other post-employment benefits obligations, and compensated absences. This was a $0.3 million decrease over the prior year total of $5.8 million. This is primarily due to the decrease in business-type activities net pension liability and other post-employment benefits obligations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Although the focus of this Annual Report is the economic condition of the City in the fiscal year ended June 30, 2024, in preparing the budget for Fiscal Year 2024-25, management considered the possible impact the State of California and the national economies will have on the City's budget.

The California State Legislative Analyst Office's (LAO) report on *The 2024-25 Budget: California's Fiscal Outlook Overview* indicates that California is facing a significant budget challenge for the Fiscal Year 2024-25. California is facing a $68 billion budget deficit primarily due to a significant revenue decline in 2022-23. This drop in revenue, estimated to be $26 billion below projections, creates unique challenges for the Legislature, as tax collections are only fully understood after the fiscal year ends. Fortunately, the State's projected budget deficit isn't expected to affect the City's operating revenues, although grant funding may decrease in the coming years. For more in-depth information and analysis, it is advisable to review the full report by the Legislative Analyst's Office on their website (https://lao.ca.gov), which provides a comprehensive view of the State's fiscal outlook and the factors impacting it.

Most experts do not expect a recession in the immediate future. Data from HdL Companies and the University of California's Center for Economic Forecasting and Development indicate a decline in US household income and spending, alongside stable yet lower inflation rates. Although inflation has moderated somewhat, overall costs remain high, affecting consumer spending habits. A decrease in consumer confidence has resulted in ongoing weakness in taxable sales and a shortfall in sales tax revenue. Furthermore, inflationary pressures have contributed to reduced savings and rising credit card debt, which are further curbing spending.

The City has maintained its strong financial position through prudent, long-range policy decisions and sound fiscal management. City leadership and staff will continue to monitor key economic indicators, sources of revenues, and spending levels as part of its sound conservative fiscal approach. The success of our City's program and project efforts during the next five years will shape the five-year viability and future of our community.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information, including the City's budget, should be addressed to the City's Finance Department, at the City of Chino Hills, 14000 City Center Drive, Chino Hills, California 91709, or emailed to finance@chinohills.org. The most recent budget may also be downloaded at the following link: http://www.chinohills.org/1848/Budget.

City of
Chino Hills

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BASIC FINANCIAL STATEMENTS

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	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	$ 117,185,761	$ 130,683,489	$ 247,869,250
Receivables (net of uncollectibles):			
Accounts	335,236	5,014,606	5,349,842
Taxes	2,814,563	-	2,814,563
Accrued interest	59,625	68,421	128,046
Due from other governments	2,402,895	-	2,402,895
Leases	11,475,408	-	11,475,408
Notes and loans	8,917	-	8,917
Special assessments	47,947	-	47,947
Internal balances	(263,410)	263,410	-
Due from Custodial Funds	-	-	-
Investment in joint venture	-	32,625,332	32,625,332
Restricted assets:			
Cash and investments	7,368,923	1,890,859	9,259,782
Due from developers	867,798	-	867,798
Due from other agencies	373,086		373,086
Prepaid costs	91,288	-	91,288
Capital assets (not being depreciated)	37,267,655	19,378,204	56,645,859
Capital assets (net of accumulated depreciation/amortization)	175,237,604	73,764,416	249,002,020
Total assets	**355,273,296**	**263,688,737**	**618,962,033**
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	7,240,583	2,027,076	9,267,659
OPEB-related	296,553	59,266	355,819
Total deferred outflows of resources	**7,537,136**	**2,086,342**	**9,623,478**
LIABILITIES			
Accounts payable	3,384,239	4,087,013	7,471,252
Accrued liabilities	1,087,074	228,316	1,315,390
Accrued interest	19,259	-	19,259
Deposits payable	2,494,221	2,777,151	5,271,372
Due to other agencies	652	3,843,698	3,844,350
Unearned revenue	6,608,061	-	6,608,061
Retentions payable	116,536	607,706	724,242
Noncurrent liabilities:			
Due within one year:			
Total OPEB liability	137,083	27,396	164,479
Subscriptions	207,150	-	207,150
Compensated absences	500	6,500	7,000
Due in more than one year:			
Advances from Custodial Funds	503,190	-	503,190
Development fee program obligations	10,930,301	-	10,930,301
Net pension liability	15,599,148	4,367,143	19,966,291
Total OPEB liability	3,460,078	691,498	4,151,576
Subscriptions	911,952	-	911,952
Compensated absences	1,228,172	364,174	1,592,346
Total liabilities	**46,687,616**	**17,000,595**	**63,688,211**
DEFERRED INFLOWS OF RESOURCES			
Pension-related	4,533,174	1,269,109	5,802,283
OPEB-related	1,065,224	212,885	1,278,109
Lease-related	11,287,271	-	11,287,271
Total deferred inflows of resources	**16,885,669**	**1,481,994**	**18,367,663**

CITY OF CHINO HILLS, CALIFORNIA
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	200,339,320	92,534,914	292,874,234
Restricted:			
Community development projects	3,080,800	-	3,080,800
Public safety	218,996	-	218,996
Public works	204,752	-	204,752
Capital projects	9,691,979	-	9,691,979
General facilities projects	1,627,730	-	1,627,730
Line of credit	456,218	-	456,218
PARS trust for pensions	6,414,918	1,890,859	8,305,777
Traffic facilities projects	3,088,176	-	3,088,176
Storm drain projects	7,312,408	-	7,312,408
Parkland projects	129,923	-	129,923
Existing infrastructure projects	7,532,423	-	7,532,423
Landscape and lighting project	387,250	-	387,250
Sewer facilities projects	4,000,658	-	4,000,658
Water facilities projects	19,046,329	-	19,046,329
Unrestricted	35,705,267	152,866,717	188,571,984
Total net position	**$ 299,237,147**	**$ 247,292,490**	**$ 546,529,637**

CITY OF CHINO HILLS, CALIFORNIA
Statement of Activities
For the Year Ended June 30, 2024

		Program Revenues		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	$ 11,143,235	$ 14,541,399	$ 53,242	$ -
Public safety	18,613,323	1,217,413	574,720	-
Development services	3,901,387	2,911,495	116,856	-
Community services	9,777,842	1,552,895	729,634	29,886
Public works	35,291,796	10,954,381	4,247,775	3,427,515
Interest on long-term debt	36,498	-	-	-
Total governmental activities	**78,764,081**	**31,177,583**	**5,722,227**	**3,457,401**
Business-type activities:				
Water Utility	36,291,370	34,948,962	-	-
Sewer Utility	13,260,629	10,332,556	-	-
Total business-type activities	**49,551,999**	**45,281,518**	**-**	**-**
Total primary government	**$ 128,316,080**	**$ 76,459,101**	**$ 5,722,227**	**$ 3,457,401**

General revenues:
Property taxes
Sales taxes
Franchise taxes
Business licenses taxes
Other taxes
Motor vehicle in lieu - unrestricted
Use of money and property
Other
Gain (loss) on sale of capital asset

Total general revenues

Change in net position

Net position-beginning

Net position-ending

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ 3,451,406	$ -	$ 3,451,406
(16,821,190)	-	(16,821,190)
(873,036)	-	(873,036)
(7,465,427)	-	(7,465,427)
(16,662,125)	-	(16,662,125)
(36,498)	-	(36,498)
(38,406,870)	**-**	**(38,406,870)**
-	(1,342,408)	(1,342,408)
-	(2,928,073)	(2,928,073)
-	**(4,270,481)**	**(4,270,481)**
(38,406,870)	**(4,270,481)**	**(42,677,351)**
19,113,221	2,366	19,115,587
9,927,220	-	9,927,220
2,663,611	-	2,663,611
54,330	-	54,330
2,423,639	-	2,423,639
96,930	-	96,930
8,232,290	6,754,967	14,987,257
120,557	1,102,573	1,223,130
-	8,400	8,400
42,631,798	**7,868,306**	**50,500,104**
4,224,928	**3,597,825**	**7,822,753**
295,012,219	243,694,665	538,706,884
$ 299,237,147	**$ 247,292,490**	**$ 546,529,637**

See accompanying notes to financial statements.

CITY OF CHINO HILLS, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2024

	General	Special Revenue Funds: Landscape and Lighting District No. 1	Special Revenue Funds: American Rescue Plan Act	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 46,078,512	$ 917,971	$ 6,478,529	$ 56,877,663	$ 110,352,675
Receivables (net of allowance for uncollectible):					
Accounts	231,109	57,420	-	45,052	333,581
Taxes	2,330,706	-	-	483,857	2,814,563
Accrued interest	271,649	1,193	-	28,163	301,005
Due from other governments	834,302	-	-	1,567,848	2,402,150
Notes and loans	8,917	-	-	-	8,917
Special assessments	-	41,282	-	6,665	47,947
Leases	11,475,408	-	-	-	11,475,408
Due from other funds	158,763	-	-	-	158,763
Prepaid costs	554	-	-	48,627	49,181
Advances to other funds	1,738,021	-	-	-	1,738,021
Restricted assets:					
Cash and investments	7,368,923	-	-	-	7,368,923
Due from developers	618,843	-	-	4,135	622,978
Due from other agencies	345,964	1,267	-	25,855	373,086
Total assets	**$ 71,461,671**	**$ 1,019,133**	**$ 6,478,529**	**$ 59,087,865**	**$ 138,047,198**
LIABILITIES					
Accounts payable	$ 888,789	$ 444,246	$ 209,904	$ 1,709,432	$ 3,252,371
Due to other agencies	652	-	-	-	652
Accrued liabilities	946,356	60,746	-	30,262	1,037,364
Deposits payable	2,494,221	-	-	-	2,494,221
Due to other funds	-	-	-	158,763	158,763
Advances from other funds	-	1,738,021	-	-	1,738,021
Unearned revenues	32,260	-	6,244,145	331,656	6,608,061
Retentions payable	1,151	-	24,480	90,905	116,536
Advances from Custodial Fund	-	-	-	503,190	503,190
Total liabilities	**4,363,429**	**2,243,013**	**6,478,529**	**2,824,208**	**15,909,179**
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	618,843	-	-	395,598	1,014,441
Related to leases	11,287,271	-	-	-	11,287,271
Total deferred inflows of resources	**11,906,114**	**-**	**-**	**395,598**	**12,301,712**
FUND BALANCES (DEFICITS)					
Nonspendable	1,747,492	-	-	48,627	1,796,119
Restricted	6,871,136	-	-	56,321,424	63,192,560
Committed	1,100,000	-	-	-	1,100,000
Assigned	464,718	-	-	-	464,718
Unassigned	45,008,782	(1,223,880)	-	(501,992)	43,282,910
Total fund balances (deficits)	**55,192,128**	**(1,223,880)**	**-**	**55,868,059**	**109,836,307**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 71,461,671**	**$ 1,019,133**	**$ 6,478,529**	**$ 59,087,865**	**$ 138,047,198**

CITY OF CHINO HILLS, CALIFORNIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

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

Total fund balances - governmental funds		$ 109,836,307
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds		206,567,394
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	$ 7,240,583	
Deferred outflows-OPEB related	291,833	
Deferred inflows-pension related	(4,533,174)	
Deferred inflows-OPEB related	(1,048,269)	
Total deferred outflows and inflows related to postemployment benefits		1,950,973
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		1,014,441
Internal service funds are used by management charge the cost of operations to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.		11,123,488
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Development fee program obligations	(10,930,301)	
Subscriptions	(45,883)	
Compensated absences	(1,137,914)	
Accrued interest payable on long-term debt	(2,303)	
Net pension liability	(15,599,148)	
Total OPEB liability	(3,539,907)	
Total long-term liabilities		(31,255,456)
Net position of governmental activities		**$ 299,237,147**

CITY OF CHINO HILLS, CALIFORNIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

		Special Revenue Funds			
	General	Landscape and Lighting District No. 1	American Rescue Plan Act	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes	$ 33,978,656	$ -	$ -	$ -	$ 33,978,656
Assessment	-	5,204,301	-	572,113	5,776,414
Licenses and permits	2,059,818	-	-	-	2,059,818
Intergovernmental	449,828	-	2,397,638	8,864,525	11,711,991
Charges for services	15,779,980	3,156,338	-	110,552	19,046,870
Use of money and property	5,225,287	86,387	-	2,638,158	7,949,832
Fines and forfeitures	564,688	-	-	-	564,688
Developer fees	-	-	-	1,387,454	1,387,454
Miscellaneous	1,059,086	78,267	-	51,845	1,189,198
Total revenues	**59,117,343**	**8,525,293**	**2,397,638**	**13,624,647**	**83,664,921**
EXPENDITURES					
Current:					
General government	10,878,699	-	250,719	130,373	11,259,791
Public safety	18,168,697	-	-	176,707	18,345,404
Community development	3,761,375	-	92,500	67,918	3,921,793
Community services	7,681,736	-	-	154,040	7,835,776
Public works	10,939,912	10,990,579	-	2,661,704	24,592,195
Capital outlay	2,695,119	205,462	2,054,419	5,838,290	10,793,290
Debt service:					
Principal	11,370	-	-	1,329,393	1,340,763
Interest and fiscal charges	-	-	-	1,816	1,816
Total expenditures	**54,136,908**	**11,196,041**	**2,397,638**	**10,360,241**	**78,090,828**
Excess (deficiency) of revenues over (under) expenditures	**4,980,435**	**(2,670,748)**	**-**	**3,264,406**	**5,574,093**
OTHER FINANCING SOURCES (USES)					
Transfers in	44,422	2,821,947	-	15,771	2,882,140
Transfers out	(2,837,718)	-	-	(44,422)	(2,882,140)
Subscriptions	22,714	-	-	-	22,714
Total other financing sources (uses)	**(2,770,582)**	**2,821,947**	**-**	**(28,651)**	**22,714**
Net change in fund balances	**2,209,853**	**151,199**	**-**	**3,235,755**	**5,596,807**
Fund balances (deficit)-beginning, restated	52,982,275	(1,375,079)	-	52,632,304	104,239,500
Fund balances (deficit)-ending	**$ 55,192,128**	**$ (1,223,880)**	**$ -**	**$ 55,868,059**	**$ 109,836,307**

See accompanying notes to financial statements.

CITY OF CHINO HILLS, CALIFORNIA
Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds		$ 5,596,807
Governmental funds report capital outlays are expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.		
Capital outlay	$ 5,831,812	
Depreciation/amortization expense	(10,875,093)	
Total adjustment		(5,043,281)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Earned but unavailable grant revenues		(958,370)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.		
Loss on disposal of capital assets		(14,493)
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Repayments on development fee program obligations	1,302,957	
Interest on subscriptions	(914)	
Amortization on subscriptions	(38,597)	
Principal payments on subscriptions	37,805	
Total adjustment		1,301,251
Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.		1,608,314
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences	(9,807)	
Pension-related items	1,927,042	
Other post-employment benefit-related items	(182,535)	
Total adjustment		1,734,700
Change in net position of governmental activities		**$ 4,224,928**

CITY OF CHINO HILLS, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities			Governmental Activities
	Water Utility	Sewer Utility	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	$ 106,656,855	$ 24,026,634	$ 130,683,489	$ 6,833,086
Receivables (net of uncollectibles):				
Accounts	3,913,771	1,100,835	5,014,606	1,655
Accrued interest	56,096	12,325	68,421	3,440
Prepaid costs	-	-	-	42,107
Due from other governments	-	-	-	745
Restricted:				
Cash and investments	1,334,222	556,637	1,890,859	-
Total current assets	111,960,944	25,696,431	137,657,375	6,881,033
Noncurrent:				
Investment in joint venture	32,625,332	-	32,625,332	-
Capital assets, net	79,258,643	13,883,977	93,142,620	5,937,865
Total noncurrent assets	111,883,975	13,883,977	125,767,952	5,937,865
Total assets	**223,844,919**	**39,580,408**	**263,425,327**	**12,818,898**
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related	1,393,513	633,563	2,027,076	-
OPEB-related	40,608	18,658	59,266	4,720
Total deferred outflows of resources	**1,434,121**	**652,221**	**2,086,342**	**4,720**
LIABILITIES				
Current liabilities:				
Accounts payable	2,849,630	1,237,383	4,087,013	131,868
Accrued liabilities	156,852	71,464	228,316	49,710
Accrued Interest	-	-	-	16,956
Deposits payable	2,589,611	187,540	2,777,151	-
Due to Inland Empire Utilities Authority	-	3,843,698	3,843,698	-
Retentions payable	607,706	-	607,706	-
Compensated absences	5,000	1,500	6,500	500
Subscriptions	-	-	-	168,963
Total OPEB liability	18,771	8,625	27,396	2,182
Total current liabilities	6,227,570	5,350,210	11,577,780	370,179
Noncurrent liabilities:				
Compensated absences	235,923	128,251	364,174	90,258
Subscriptions	-	-	-	904,256
Net pension liability	3,002,191	1,364,952	4,367,143	-
Total OPEB liability	473,798	217,700	691,498	55,072
Total noncurrent liabilities	3,711,912	1,710,903	5,422,815	1,049,586
Total liabilities	**9,939,482**	**7,061,113**	**17,000,595**	**1,419,765**
DEFERRED INFLOWS OF RESOURCES				
Pension-related	872,448	396,661	1,269,109	-
OPEB-related	145,864	67,021	212,885	16,955
Total deferred inflows of resources	**1,018,312**	**463,682**	**1,481,994**	**16,955**
NET POSITION				
Net investment in capital assets	78,650,937	13,883,977	92,534,914	4,864,646
Restricted for pensions	1,334,222	556,637	1,890,859	-
Unrestricted	134,336,087	18,267,220	152,603,307	6,522,252
Total net position	**$ 214,321,246**	**$ 32,707,834**	**247,029,080**	**$ 11,386,898**
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time			263,410	
Net position of business-type activities			**$ 247,292,490**	

See accompanying notes to financial statements.

	Business-Type Activities			Governmental Activities
	Water Utility	**Sewer Utility**	**Total Enterprise Funds**	**Internal Service Funds**
OPERATING REVENUES				
Charges for services	$ 34,948,962	$ 10,332,556	$ 45,281,518	$ 4,036,558
Miscellaneous	995,597	28,216	1,023,813	3,404
Total operating revenues	**35,944,559**	**10,360,772**	**46,305,331**	**4,039,962**
OPERATING EXPENSES				
Salaries and benefits	3,555,775	1,577,449	5,133,224	1,184,348
Professional and contractual services	741,730	7,235,119	7,976,849	553,048
Purchased water	14,510,047	-	14,510,047	-
Repairs and maintenance	2,825,609	433,783	3,259,392	339,180
Service and supplies	215,214	54,395	269,609	304,311
Administrative and general expenses	9,907,129	2,869,171	12,776,300	7,866
Utilities	487,359	97,072	584,431	4,362
Depreciation/amortization	3,799,819	1,136,299	4,936,118	772,222
Total operating expenses	**36,042,682**	**13,403,288**	**49,445,970**	**3,165,337**
Operating income (loss)	**(98,123)**	**(3,042,516)**	**(3,140,639)**	**874,625**
NONOPERATING REVENUES (EXPENSES)				
Special assessment	1,760	606	2,366	-
Investment income (loss)	5,425,202	1,329,765	6,754,967	282,458
Interest expense	-	-	-	(33,768)
Other revenue	78,760	-	78,760	-
Gain (loss) on joint venture	(504,641)	-	(504,641)	-
Gains (loss) on disposal of capital assets	-	8,400	8,400	-
Total nonoperating revenues (expenses)	**5,001,081**	**1,338,771**	**6,339,852**	**248,690**
Income (loss) before capital contributions	**4,902,958**	**(1,703,745)**	**3,199,213**	**1,123,315**
Capital contributions	-	-	-	883,611
Change in net position	**4,902,958**	**(1,703,745)**	**3,199,213**	**2,006,926**
Net position-beginning	209,418,288	34,411,579		9,379,972
Net position-ending	**$ 214,321,246**	**$ 32,707,834**		**$ 11,386,898**
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds			398,612	
Changes in net position of business-type activities			**$ 3,597,825**	

CITY OF CHINO HILLS, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental Activities
	Water	Sewer	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 35,599,049	$ 10,101,805	$ 45,700,854	$ -
Receipts from interfund charges	-	-	-	4,038,473
Payments to suppliers and service providers	(28,257,022)	(10,264,794)	(38,521,816)	(674,806)
Payments to employees for salaries and benefits	(3,889,452)	(1,782,859)	(5,672,311)	(1,738,293)
Other receipts (payments)	78,760	-	78,760	-
Net cash provided by (used for) operating activities	**3,531,335**	**(1,945,848)**	**1,585,487**	**1,625,374**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Special assessment	1,760	606	2,366	-
Net cash provided by (used for) noncapital financing activities	**1,760**	**606**	**2,366**	**-**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	-	-	-	883,611
Acquisition and construction of capital assets	(7,882,308)	(22,186)	(7,904,494)	(1,683,053)
Principal paid on capital debt	-	-	-	(176,651)
Interest paid on capital debt	-	-	-	(23,629)
Proceeds from sales of assets	347,756	8,400	356,156	-
Net cash provided by (used for) capital and related financing activities	**(7,534,552)**	**(13,786)**	**(7,548,338)**	**(999,722)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	5,417,828	1,328,920	6,746,748	281,666
Net cash provided by (used for) investing activities	**5,417,828**	**1,328,920**	**6,746,748**	**281,666**
Net increase (decrease) in cash and cash equivalents	**1,416,371**	**(630,108)**	**786,263**	**907,318**
Cash and cash equivalents-beginning	106,574,706	25,213,379	131,788,085	5,925,768
Cash and cash equivalents-ending	**$ 107,991,077**	**$ 24,583,271**	**$ 132,574,348**	**$ 6,833,086**

	Business-Type Activities			Governmental Activities
	Water	Sewer	Totals	Internal Service Funds
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and investments	$ 106,656,855	$ 24,026,634	$ 130,683,489	$ 6,833,086
Restricted cash and investments	1,334,222	556,637	1,890,859	-
Total cash and cash equivalents	**$ 107,991,077**	**$ 24,583,271**	**$ 132,574,348**	**$ 6,833,086**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	$ (98,123)	$ (3,042,516)	$ (3,140,639)	$ 874,625
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	3,799,819	1,136,299	4,936,118	771,892
Residual noncategorized revenues (expenses)	78,760	-	78,760	-
(Increase) decrease in accounts receivable	(495,321)	(232,031)	(727,352)	(1,489)
(Increase) decrease in prepaid items	-	-	-	(42,107)
Increase (decrease) in accounts payable	431,148	38,512	469,660	25,147
Increase (decrease) in accrued liabilities	13,584	390,436	404,020	741
Increase (decrease) in deposits payable	148,729	(27,205)	121,524	-
Increase (decrease) in compensated absences	7,412	(13,412)	(6,000)	(6,544)
Increase (decrease) in net pension liability	(350,099)	(149,599)	(499,698)	-
Increase (decrease) in net OPEB liability	(4,574)	(46,332)	(50,906)	3,109
Total adjustments	3,629,458	1,096,668	4,726,126	750,749
Net cash provided by (used for) operating activities	**$ 3,531,335**	**$ (1,945,848)**	**$ 1,585,487**	**$ 1,625,374**
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES				
Unrealized gain/(loss) on fair value of investments	$ 3,543,298	$ 900,586	$ 4,443,884	$ 175,149
Unrealized gain/(loss) on investments in joint ventures	(504,641)	-	(504,641)	-

See accompanying notes to financial statements.

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 25,076,784
Restricted cash and cash equivalents held with fiscal agents	1,776,392
Receivables:	
Accrued interest	12,780
Special assessments	54,576
Advances to City	503,190
Total assets	**27,423,722**
LIABILITIES	
Accounts payable	157,335
Funds held for others	27,263,945
Due to other governments	2,442
Total liabilities	**27,423,722**
NET POSITION	**$ -**

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

	Custodial Funds
ADDITIONS	
Investment earnings:	
Interest	$ 496,867
Change in fair value of investments	523,777
Total investment earnings	1,020,644
Taxes	6,068,198
Miscellaneous	910,638
Total additions	**7,999,480**
DEDUCTIONS	
Adminstrative expenses	2,911,282
Interest expense	693,356
Principal expense	2,240,000
Contributions to other governments	2,154,842
Total deductions	**7,999,480**
Net increase (decrease) in fiduciary net position	**-**
Net position-beginning, restated	-
Net position-ending	**$ -**

See accompanying notes to financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

City of
Chino Hills

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Description of the Reporting Entity

The City was incorporated December 1, 1991, under the General Laws of the State of California. The City operates under a Council–Manager form of government and provides the following services: contracted police, lighting and landscaping, public improvements, water, sanitation, planning and zoning, general administrative services, contracted animal control, building and safety, community services, and street and highway maintenance. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered financially accountable.

The inclusion of an organization within the scope of the reporting entity of the City is based on the provision of GASB Statements No. 14, 39 and 61. The blended component units discussed below, although legally separate entities, are in substance part of the government operation and data from these component units has been combined herein.

1. The City of Chino Hills Financing Authority

The Chino Hills Financing Authority (Authority) is a joint exercise of powers authority organized and existing under and by virtue of the Joint Exercise of Powers Act, constituting Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California. The City pursuant to Resolution No. 04R-16 adopted on January 13, 2004, and the former Chino Hills Redevelopment Agency (Agency) pursuant to Resolution No. CHRA 04-05 adopted on January 13, 2004, formed the Authority by the execution of a joint exercise of powers agreement (Joint Powers Agreement). The Authority is governed by a five-member Board which consists of all members of the City Council.

Pursuant to the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 (commencing with Section 6584), of Chapter 5, Division 7, Title 1 of the Government Code of the State, the Authority is authorized, among other things, to issue revenue bonds to provide funds to finance public capital facilities. The Authority's primary source of income will be installment sale, loan and lease payments received from the City which will be used to meet the debt service requirements on debt issues. The Authority does not have taxing power. Separate financial statements for the Authority are not prepared.

The Agency was activated by the City Council in 2003. In 2011, the State of California Legislature approved a bill, AB X1 26, pursuant to which all California redevelopment agencies, including the Agency, were dissolved as of February 1, 2012, and certain of the Agency's rights and obligations were transferred to the City acting as the successor agency to the Agency on that date. As a result of the dissolution of the Redevelopment Agency, the City Council formed the Parking Authority to replace the Redevelopment Agency as the other member of the Financing Authority and the other party to the Joint Powers Agreement to ensure the continued existence of the Financing Authority.

2. The Parking Authority

The Parking Authority was created on August 11, 2015, to replace the Redevelopment Agency as the other member of the Financing Authority and the other party to the Joint Powers Agreement to ensure the continued existence of the Financing Authority. The Parking Authority has the power to transfer, lease, manage or improve property, issue bonds and receive and expend revenues. The City Council will serve as the governing board of the Parking Authority. There was no financial activity during the Fiscal Year 2023-2024.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government–Wide and Fund Financial Statements

The government–wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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 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 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 revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds 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 and Basis of Accounting

The government–wide financial 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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

- The Landscape and Lighting District No. 1 Special Revenue Fund accounts for receipts and expenditures of money in the benefit assessment district zones for operating expenditures, maintenance and capital outlay related to street lighting, landscaping and parks located within the district.

- The American Rescue Plan Act Special Revenue Fund accounts for receipts and expenditures received from Coronavirus Relief funding.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City reports the following major proprietary funds:

- The Water Utility Fund accounts for the revenues and expenses for the operation, maintenance, and facilities' improvements of the City's water production, transmission and distribution system.

- The Sewer Utility Fund accounts for the revenues and expenses for the collection and treatment (via contract) of the liquid waste generated within the City.

Additionally, the City reports the following fund types:

- Internal Service Funds account for the City's general information technology systems and telecommunications hardware and software, and the financial transactions related to repair, replacement, and maintenance of City-owned vehicles and equipment.

- Custodial Funds are used to account for money and property held by the City as trustee or custodian. They are also used to account for various community facilities districts for which the City acts as an agent for debt service activity.

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 function 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.

Proprietary funds distinguish operating revenues and expenses from non–operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and of the Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non–operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. <u>Measurement Focus and Basis of Accounting</u>

1. Cash and Investments

All cash and investments, except those that are held by fiscal agents, are held in a City pool. These pooled funds are available upon demand, and therefore are considered cash and cash equivalents for purposes of the statement of cash flows. Investments held by fiscal agents with an original maturity of three months or less are also considered cash equivalents.

Investments for the City are reported at fair value. The City's policy is generally to hold investments until maturity or until fair value equals or exceeds cost. The State Treasurer's Investment Pool and County Treasurer's Investment Pool operate in accordance with appropriate state laws and regulations. The reported value of the pool is the fair value of the pool shares.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. 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."

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then 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.

3. Net Position Flow Assumption

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

4. Functional Classifications

Expenditures of the Governmental Funds are classified by function. Functional classifications are defined as follows:

- General Government includes legislative activities that have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities that provide management or support services across more than one functional area.

- Public Safety includes those activities that involve the protection of people and property.

- Community Development includes those activities that involve the enhancing of the general quality of life.

- Community Services includes those activities that involve recreation.

- Public Works includes those activities that involve the maintenance and improvement of City streets, roads and park development and maintenance.

- Capital Outlay includes those activities that involve the acquisition of capital assets.

- Debt Service includes those activities that account for the payment of long–term debt principal, interest and fiscal charges.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Inventories

Inventories consist of water pipe, valves, tools and miscellaneous items used in installing, monitoring and repairing these items. Inventories are accounted under the purchases method since the City does not maintain significant amounts of inventories.

6. Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

7. Capital Assets

Capital assets which include property, plant, 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 City as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

In accordance with GASB Statement No. 34, the City has reported its general infrastructure assets which include streets, sidewalks, storm drains, curbs and gutters, handicap ramps, trails and equestrian fencings with a cost of more than $50,000 per location. The City has assigned no value to its rights of way.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business–type activities is included as part of the capitalized value of the assets constructed. Donated capital assets or works of art, or assets received through service concession arrangements are recorded at acquisition value.

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 and Improvements	20-50
Equipment	3-12
Infrastructure	20-100
Irrigation	5-10
Meters	15
Pipeline in Service	30-50
Subscription assets	3-5
Utility Plant in Service	5-100
Vehicles	4-10

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Intangible Assets

Intangible assets are capitalized at cost, while contributed assets are recorded at acquisition value at the time received. Amortization has been provided on a straight–line basis over their estimated useful lives as follows:

Assets	Years
Water Rights	40

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two types of items that qualify for reporting in this category. It is the deferred amounts related to pension and OPEB. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of net position and 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. In the government-wide financial statements the City reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

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

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

Net difference between projected and actual earning on OPEB or pension plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (10.0 Years and 5.10 Years for OPEB and Pension, respectively, at June 30, 2024)

10. Compensated Absences

In accordance with GASB Code Section C60, the City records a liability for vacation and compensatory leave that is earned and unused at year–end. Sick leave liability recorded has been estimated using the "vesting method," which is calculated " based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments." Vacation, sick, and compensatory leave liabilities relating to governmental funds that have matured at June 30, 2024, have been recorded in the General Fund as compensated absences payable. The liability for governmental activity that has not matured at June 30, 2024, is reported on the statement of net position under non–current liabilities. Liabilities relating to proprietary funds are recorded within those respective funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Net Pension Liabilities

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense related to pensions, information about the fiduciary net position of the San Bernardino County Employees' Retirement Association (SBCERA) and additions to/deductions from SBCERA's fiduciary net position have been determined on the same basis as they are reported by SBCERA. For this purpose, employer and employee contributions are recognized in the period the related salaries are earned and become measurable pursuant to formal commitments, statutory or contractual requirements, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, and investments are reported at fair value.

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, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2022 to June 30, 2023

12. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net 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, 2024
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

13. *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 effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year they are incurred.

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 debt service expenditures.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Fund Balance

On May 10, 2011, the City Council adopted Resolution No. 11R-21 in conformity with Governmental Accounting Auditing Standards Board (GASB) Statement 54. On February 13, 2018, the City Council rescinded Resolution No. 11R-21 and adopted a new revised fund balance policy and committed fund balance with Resolution No. 2018R-002. In the fund financial statements, governmental funds report the following fund balance classifications:

Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Manager is authorized to assign amounts to a specific purpose, which was established by the governing body in resolution.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes. The General Fund is the only fund that reports a positive unassigned fund balance amount.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted or unrestricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

15. Committed Fund Balance

A committed fund balance of $1,100,000 has been established with the amendment of the City's Fund Balance policy through Resolution No. 2018R-002 to be used if there are substantial increases in general liability insurance premiums.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Compliance with Budgetary Limitations

The Public Safety Programs, Traffic Signal Fee and Solid Waste special revenue funds did not adopt a budget for the fiscal year ended June 30, 2024.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. Deficit Fund Balance

Fund Name	Fund Type	Deficit	Cause
Landscape and Lighting District No. 1	Major Special Revenue Fund	$ (1,223,880)	(a)
Parks and Recreation Facilities Fee	Nonmajor Special Revenue Fund	$ (501,992)	(b)

(a) Deficit due to advances from the General Fund that is expected to be eliminated through future assessments and charges for services.
(b) Deficit due to advances from Custodial Funds that is expected to be eliminated through the recognition of developer fees revenue.

NOTE 3: CASH AND INVESTMENTS

At June 30, 2024, cash and investments were reported in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Cash and Investments	$ 117,185,761	$ 130,683,489	$ 25,076,784	$ 272,946,034
Restricted assets:				
Cash and investments	7,368,923	1,890,859	-	9,259,782
Cash with fiscal agent	-	-	1,776,392	1,776,392
Total Cash and Investments	$ 124,554,684	$ 132,574,348	$ 26,853,176	$ 283,982,208

Cash and investments as of June 30, 2024, consist of the following:

Cash on hand	$ 14,300
Deposits with financial institutions	906,898
Investments	283,061,010
Total Cash and Investments	$ 283,982,208

The City maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy which authorizes it to invest in various investments.

A. Deposits

At June 30, 2024, the carrying amount of the City's deposits was $906,898 and the bank balance was $2,078,295. The $1,171,397 difference represents deposits in transit and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure an Agency's deposits by pledging government securities with a value of 110% of an Agency's deposits. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of an Agency's total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to $250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository.

These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository is considered to be held for, and in the name of, the local governmental agency.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Authorized Investments

Under provision of the City's investment policy and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

- State of California Local Agency Investment Fund (LAIF)
- Local government investment pools
- Mutual funds and money market mutual funds
- U.S. Treasuries
- Federal agencies
- Bankers' acceptances
- Commercial paper
- Certificate of deposit placement service (CDARS)
- Negotiable certificates of deposit (NCDS)
- Federally insured time deposits
- Collateralized time deposits
- Corporate medium term notes (MTNS)
- Repurchase agreements
- Municipal securities
- Municipal securities (registered treasury notes or bond)
- Asset-backed, mortgage-backed, mortgage pass-through securities, and collateralized mortgage obligations
- Supranationals
- Collateralized bank deposits

C. Investment Pool Oversight

1. State of California Local Agency Investment Fund (LAIF)

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's office audits the fund annually.

2. Los Angeles County Investment Pool

The investment section of the County Treasurer's office monitors the pool daily for compliance with the government code and investment guidelines. The Auditor-Controller's Office audits it quarterly for compliance. The Board of Supervisors receives an investment report monthly.

The County's Treasury Oversight Committee, which was established by the Board of Supervisors pursuant to the government code, reviews the annual investment policy and investment reports and oversees the portfolio's annual audit.

3. Investment Authorized by Debt Agreements

The City has monies held by trustees or fiscal agents pledged to the payment or security of certain bonds and certificates of participation. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds or certificates, may be invested in accordance with the ordinance, resolutions or indentures specifying the types of investments its trustee or fiscal agents may make. Included in the monies held by trustees or fiscal agents are deposits with various institutions for the payment of long–term debt.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

4. GASB Statement No. 31

The City adopted GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, 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.

5. Credit Risk

The City's investment policy limits investments in medium–term notes (MTN's) to those rated "A" or higher by Standard and Poor's (S&P) or by Moody's. As of June 30, 2024, the City has $79,812,691 invested in medium–term notes and asset-backed securities. Investments in U.S. government securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2024, the City's investments in external investment pools and money market mutual funds are unrated. Federal Government Treasury and Agency securities are exempt from credit risk disclosures.

6. Custodial Credit Risk

The 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 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 to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2024, none of the City's deposits or investments are exposed to custodial credit risk.

7. Concentration of Credit Risk

The City's investment policy imposes restrictions for certain types of investments with any one issuer. In accordance with GASB Statement No. 40, if the City has invested more than 5% of its investments in any one issuer, it is exposed to credit risk. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement. Investments in any one issuer that represents 5% or more of the City's total investments as of June 30, 2024, are as follows:

Issuer	Investment Type	Reported Amount	Percent of Investments
Federal Home Loan Mortgage Corp	Federal Government Agency	$ 39,547,697	14%
Federal National Mortgage Association	Federal Government Agency	18,151,853	6%

8. Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that purchases of investments will be restricted to securities with a final stated maturity not to exceed five years. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2024, the City had the following investments and original maturities:

	Investment Maturities (in Years)				
	6 months or less	6 months to 1 year	1 year to 3 years	3 year to 5 years	Fair Value
Investments:					
Los Angeles County Investment Pool	$ 224,031	$ -	$ -	$ -	$ 224,031
California Local Agency Investment Fund	15,286,634	-	-	-	15,286,634
Money Market Funds	10,001,241	-	-	-	10,001,241
Certificate of Deposit	456,218	-	-	-	456,218
Medium-Term Corporate Notes	-	2,015,868	32,526,427	45,270,396	79,812,691
Foreign Corporate Issues	-	1,779,950	7,917,627	8,604,198	18,301,775
US Treasury Notes	-	3,893,080	31,384,401	52,905,409	88,182,890
Municipal Issues	-	-	-	-	-
FHLB	-	-	-	-	-
FHLMC	-	4,450,189	9,769,330	25,328,178	39,547,697
FFCB	-		-	2,059,806	2,059,806
FNMA	-	10,264,236	7,887,617	-	18,151,853
Restricted:					
PARS - Cash	9,259,782	-	-	-	9,259,782
Investment Held by Fiscal Agents:					
Money Market Funds	1,776,392	-	-	-	1,776,392
Total Investments	$ 37,004,298	$ 22,403,323	$ 89,485,402	$ 134,167,987	$ 283,061,010

9. 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 2 inputs utilized by the City to determine fair value include: matrix pricing, market corroborated pricing, and other inputs such as yield curves and indices. Level 3 inputs are significant unobservable inputs.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

The City has the following recurring fair value measurements as of June 30, 2024:

	June 30, 2024	Investments That Are Not Measured at Fair Value	Level 2
Investment Type:			
US Treasury	$ 88,182,890	$ -	$ 88,182,890
Federal Government Agency	59,759,356	-	59,759,356
Medium-Term Corporate Notes	79,812,691	-	79,812,691
Foreign Corporate Issues	18,301,775	-	18,301,775
Money Market Funds	10,001,241	10,001,241	-
Certificate of Deposit	456,218	-	456,218
LA County Investment Pool	224,031	224,031	-
Local Agency Investment Fund	15,286,634	15,286,634	-
Total Cash Investments	272,024,836	25,511,906	246,512,930
Restricted:			
PARS - Cash	9,259,782	9,259,782	-
Total Restricted	9,259,782	9,259,782	-
Investment Held by Fiscal Agents:			
Money Market Funds	1,776,392	1,776,392	-
Total Investments with Fiscal Agent	1,776,392	1,776,392	-
Total Investments	$ 283,061,010	$ 36,548,080	$ 246,512,930

For the year ended June 30, 2024, the City reported the following amounts for use of money and property on the Statement of Activities.

	Statement of Activities - Governmental Activities	Statement of Activities - Business-Type Activities	Total
Use of Money and Property			
Interest earned	$ 2,480,062	$ 4,443,884	$ 6,923,946
Rents and leases	1,328,759	-	1,328,759
GASB 31 adjustment	4,423,469	2,311,083	6,734,552
Total use of money and property	$ 8,232,290	$ 6,754,967	$ 14,987,257

NOTE 4: INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

The composition of interfund balances as of June 30, 2024, is as follows:

A. Due To/From Other Funds

	Due From Other Funds
	Governmental Funds
Due To Other Funds	General Fund
Governmental Funds	
Other Governmental Funds	$ 158,763

The General Fund was owed $158,763 from the Community Development Block Grant Fund to temporarily eliminate deficit cash balances resulting from grant reimbursements and operating timing differences.

B. Interfund Transfers

	Transfers Out		
	Governmental Funds		
Transfers In	General Fund	Other Governmental Funds	Total
Governmental Funds			
General Fund	$ -	$ 44,422	$ 44,422
Landscape and Lighting District No. 1	2,821,947	-	2,821,947
Other Governmental Funds	15,771	-	15,771
Total	$ 2,837,718	$ 44,422	$ 2,882,140

The General Fund transferred $2,821,947 to the Landscape and Lighting District No.1 Fund for operational obligations and subsidies in various landscape and lighting districts. Additionally, the General Fund transferred $15,771 to the Street Sweeping Fund to subsidize the operating deficit. The Landscape and Lighting - Los Serranos Fund transferred $9,637 to the General Fund to reimburse for previous years subsidies now that the fund has enough reserves to cover it's annual operating expenses. Also, the Miscellaneous Grants Fund transferred $33,945 to the General Fund for the Emergency Management Performance Grant and the Public Safety Program Funds transferred $840 to the General Fund to close out the fund.

C. Advances To/From Other Funds

	Advance From
	Governmental Funds
Advance To	General Fund
Governmental Funds	
Landscape and Lighting District No. 1	$ 1,738,021

NOTE 4: INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (CONTINUED)

The General Fund advanced $1,738,021 to the Landscape and Lighting District No.1 Fund for streetlighting purchase and conversion costs, which will be repaid by the funds through future streetlight power savings.

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated/amortized:					
Land	$ 24,621,646	$ -	$ -	$ -	$ 24,621,646
Construction-in-progress	7,372,587	(1,183,755)	5,599,372	10,941	11,777,263
Subscription-in-progress	557,781	-	310,965	-	868,746
Total capital assets, not being depreciated	32,552,014	(1,183,755)	5,910,337	10,941	37,267,655
Capital assets, being depreciated/amortized:					
Buildings and improvements	106,458,297	177,880	-	-	106,636,177
Structures other than buildings	38,728,516	576,579	59,221	121,972	39,242,344
Equipment	7,913,140	-	750,581	94,211	8,569,510
Vehicles	5,594,714	-	756,127	66,895	6,283,946
Utility plant in service	89,080	-	-	-	89,080
Pipeline in service	217,375	-	-	-	217,375
Infrastructure	341,441,093	429,296	-	-	341,870,389
Subscription assets	596,761	-	947,660	-	1,544,421
Total capital assets, being depreciated	501,038,976	1,183,755	2,513,589	283,078	504,453,242
Less accumulated depreciation/amortization:					
Buildings and improvements	37,940,636	-	2,358,685	-	40,299,321
Structures other than buildings	21,953,762	-	1,225,778	118,420	23,061,120
Equipment	4,853,043	-	465,557	94,211	5,224,389
Vehicles	4,250,080	-	310,252	66,895	4,493,437
Utility plant in service	20,620	-	1,779	-	22,399
Pipeline in service	93,899	-	4,333	-	98,232
Infrastructure	248,574,864	-	7,073,462	-	255,648,326
Subscription assets	160,945	-	207,469	-	368,414
Total accumulated depreciation/amortization	317,847,849	-	11,647,315	279,526	329,215,638
Total capital assets, being depreciated/amortized, net	183,191,127	1,183,755	(9,133,726)	3,552	175,237,604
Governmental activities capital assets, net	$ 215,743,141	$ -	$ (3,223,389)	$ 14,493	$ 212,505,259

Depreciation/amortization expense was charged to the functions/programs of the governmental activities of the primary government as follows:

Governmental Activities:	
General government	$ 1,685,569
Community services	2,002,573
Community development	1,424
Public safety	269,036
Public works	6,916,491
Information technology	405,167
Equipment maintenance	367,055
	$ 11,647,315

NOTE 5: CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Business-type activities:					
Capital assets, not being depreciated/amortized:					
Land	$ 3,383,185	$ -	$ -	$ -	$ 3,383,185
Easements	537,940	-	-	-	537,940
Construction-in-progress	7,700,216	(75,900)	7,832,763	-	15,457,079
Total capital assets, not being depreciated/amortized	11,621,341	(75,900)	7,832,763	-	19,378,204
Capital assets, being depreciated/amortized:					
Buildings and improvements	922,046	-	-	-	922,046
Structures other than buildings	535,234	-	-	-	535,234
Utility plant in service	40,832,387	-	-	-	40,832,387
Pipeline in service	140,912,935	75,900	-	-	140,988,835
Meters	8,246,000	-	49,824	176,447	8,119,377
Equipment	2,149,480	-	21,907	-	2,171,387
Intangible assets - utility rights	17,470,982	-	-	-	17,470,982
Total capital assets, being depreciated/amortized	211,069,064	75,900	71,731	176,447	211,040,248
Less accumulated depreciation/amortization:					
Buildings and improvements	720,209	-	28,909	-	749,118
Structures other than buildings	218,749	-	14,749	-	233,498
Utility plant in service	24,127,489	-	789,399	-	24,916,888
Pipeline in service	90,606,443	-	3,148,777	-	93,755,220
Meters	5,355,594	-	350,342	171,309	5,534,627
Equipment	929,352	-	167,168	-	1,096,520
Intangible assets - utility rights	10,553,187	-	436,774	-	10,989,961
Total accumulated depreciation/amortization	132,511,023	-	4,936,118	171,309	137,275,832
Total capital assets, being depreciated/amortized, net	78,558,041	75,900	(4,864,387)	5,138	73,764,416
Business-type activities capital assets, net	$ 90,179,382	$ -	$ 2,968,376	$ 5,138	$ 93,142,620

Depreciation/amortization expense was charged to each major enterprise fund as follows:

Business-type Activities:	
Water utility	$ 3,799,819
Sewer utility	1,136,299
	$ 4,936,118

NOTE 6: DEVELOPER LIABILITIES

The following is a summary of changes in long-term developer liabilities for the year ended June 30, 2024.

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Developer Liabilities:				
Development fee program obligations	$ 12,233,258	$ -	$ 1,302,957	$ 10,930,301

NOTE 6: DEVELOPER LIABILITIES (CONTINUED)

Development Fee Program Obligations

The City has programs with outside developers requiring developers to provide funding up-front for the costs of backbone infrastructure (major thoroughfares, water and sewer mains, etc.) concurrent with the development of their residential and commercial projects. This up-front funding is generally in the form of the developer constructing the backbone infrastructure. Development fees will be used to reimburse the developers (either as credits against fees owed or cash reimbursements if not fully credited) for their costs. A liability of $10,930,301 has been recorded for the credits provided to date. There is no fixed repayment schedule.

NOTE 7: COMMUNITY FACILITIES DISTRICT BOND ISSUES

Excluded from the liabilities are special assessment and special tax bonds related to various community facilities districts included within the City. The City acts as an agent for the property owners benefited by the projects financed from the special assessment and special tax bonds proceeds in collecting the assessments and taxes, forwarding the collections to bond holders, and initiating foreclosure proceedings, if appropriate. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the bonds, and the City is not legally obligated for payment of the bonds. Total non-obligation debt, including bond premiums, at June 30, 2024, is $15,855,036.

2015 $11,195,000 Community Facilities District Bond Program, Series C prepaid the City's 2007 Civic Center Certificates of Participation. The serial bonds are due in annual installments of $465,000 to $750,000 through September 1, 2030; interest ranging 2.00% to 5.00% additionally, $1,375,000 term bonds due September 1, 2028, $1,260,000 term bonds due September 1, 2032, and $895,000 term bonds due September 1, 2034, with interest rates rate of 5.00%.	$ 6,895,000
2019 $8,265,000 Community Facilities District Bond Program to refund the 2006 B Bonds. Serial Series B bonds due in annual installments of $60,000 to $1,280,000 through September 1, 2030; interest ranging from 3.0% to 5.0%. The total balance outstanding including the bond premium of $626,311.	$ 4,191,311
2020 $5,910,000 Community Facilities District No. 10, (Fairfield Ranch) Special Tax Refunding Bonds refunded the 2010 $12,390,000 Community Facilities District No. 10, Special Tax Bonds. The 2020 refunding bonds include serial bonds due in annual installments of $540,000 to $770,000 through September 1, 2029; interest ranging from 3.00% to 4.00%. The total balance outstanding including the bond premium of $578,725.	$ 4,768,725

NOTE 8: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A. Leases Receivable

As of June 30, 2024, the City, as the Lessor, holds various lease agreements granting Big League Dreams, LLC the use of an office facility and allowing several communications companies to establish wireless sites on City property. Big League Dreams, LLC, has a lease receivable of $70,949, deferred inflows of $70,896, and recognized revenue of $31,784. The communications companies collectively hold a lease receivable of $11,404,459, deferred inflows of $11,216,379, and recognized revenue of $791,811. Altogether, these leases represent $11,475,408 in total receivables and $11,287,271 in deferred inflows.

Governmental Activities	
Lease Type	Lease Receivable
Buildings	$ 70,949
Infrastructure	11,404,459
Total	$ 11,475,408

Principal and Interest Expected to Maturity		
Governmental Activities		
Year ending June 30,	Principal	Interest
2025	$ 428,967	$ 425,233
2026	473,852	412,952
2027	493,736	399,318
2028	538,394	384,379
2029	449,389	367,786
2030-2034	2,190,429	1,609,346
2035-3039	1,638,627	1,272,264
2040-2044	1,795,530	945,380
2045-2049	2,465,052	507,888
2050-2053	1,001,432	69,002
Total	$ 11,475,408	$ 6,393,548

B. Subscription-Based Information Technology Arrangements

The City has entered into various subscriptions as the subscriber for the use of software as a service. The terms of these subscriptions range from 17 months to 120 months. As of June 30, 2024, the total value of the subscription liability was $1,119,102. The City is required to make monthly principal and interest payments ranging from $208 to $97,694. The subscriptions have interest rates ranging from 2.327% to 3.451%. Information on the subscription assets as of June 30, 2024 are as follows:

Governmental Activities		
Subscription Type	Amount of Subscrption Assets	Accumulated Amortization
Subscription-in-progress	$ 868,746	$ -
Software as a service	1,544,421	368,414
Total	$ 2,413,167	$ 368,414

NOTE 8: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

B. Subscription-Based Information Technology Arrangements

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Amount Due Within One Year
Governmental activities					
Subscriptions liability	$ 385,897	$ 947,661	$ 214,456	$ 1,119,102	$ 207,150
Total	$ 385,897	$ 947,661	$ 214,456	$ 1,119,102	$ 207,150

The City recognized $214,456 for variable and other payments, including short term subscriptions not included in the measurement of the subscription liability. The future principal and interest subscription payments as of June 30, 2024, were as follows:

Principal and Interest Expected to Maturity		
	Governmental Activities	
Year ending June 30,	Principal	Interest
2025	$ 207,150	$ 28,462
2026	153,751	24,015
2027	155,938	19,928
2028	105,369	15,780
2029	94,680	12,914
2030-2034	402,214	25,902
Total	$ 1,119,102	$ 127,001

NOTE 9: COMPENSATED ABSENCES

As described in Note 1, under certain circumstances and accordingly to the negotiated labor agreements, City employees are allowed to accumulate annual leave. The annual leave amount is accrued and accounted for as compensated absences in the government-wide and proprietary fund statements.

As shown in the table below, the long-term portion of this debt amounts to $1,228,172 for governmental activities and $364,174 for business-type activities at June 30, 2024. These amounts are expected to be paid in future years from future resources. In prior years, compensated absences have been liquidated primarily by the General Fund and the proprietary funds. The total amount outstanding at June 30, 2024, was $1,228,672 for governmental activities and $370,674 for business-type activities.

	Balance June 30, 2023	Net Change	Balance June 30, 2024	Amounts Due Within One Year	Amounts Due in More than One Year
Governmental Activities	$ 1,225,409	$ 3,263	$ 1,228,672	$ 500	$ 1,228,172
Business-Type Activities	$ 376,674	$ (6,000)	$ 370,674	$ 6,500	$ 364,174

NOTE 10: PENSION PLAN

A. Defined Benefit Pension Plans

1. San Bernardino County Employees' Retirement Association

Plan Description

The City participates in the San Bernardino County Employees' Retirement Association (SBCERA) pension plan - a cost-sharing multiple-employer defined benefit pension plan (the Plan). SBCERA administers the Plan which provides benefits for two membership classifications, General and Safety, and those benefits are tiered based upon date of SBCERA membership. The City of Chino Hills members are classified as General members. Generally, those who became members prior to January 1, 2013, are Tier 1 members. All other members are Tier 2.

An employee who is appointed to a regular position, whose service is greater than fifty percent of the full standard of hours required are members of SBCERA, and are provided with pension benefits pursuant to Plan requirements. Tier 1 is closed to new entrants.

The Plan operates under the provisions of the California County Employees' Retirement Law of 1937 (CERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by SBCERA's Board of Retirement (Board). The Plan's authority to establish and amend the benefit terms are set by the CERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the County of San Bernardino Board of Supervisors and/or the SBCERA Board. SBCERA is a tax qualified plan under Section 401 (a) of the Internal Revenue Code.

SBCERA is a legally separate entity from the City, not a component unit, and there is no financial interdependency with the County of San Bernardino. For these reasons, the City’s annual comprehensive financial report excludes the SBCERA pension plan as of June 30, 2024. SBCERA publishes its own annual comprehensive financial report that includes its financial statements and required supplementary information, that can be obtained by writing SBCERA at, 348 W. Hospitality Lane, Third Floor, San Bernardino, California 92415-0014 or visiting the website at: www.SBCERA.org.

Benefits Provided

SBCERA provides retirement, disability, death and survivor benefits. The CERL and PEPRA establish benefit terms. Retirement benefits are calculated on the basis of age, average final compensation and service credit as follows:

NOTE 10: PENSION PLAN (CONTINUED)

	General - Tier 1	General - Tier 2
Final Average Compensation	Highest 12 months	Highest 36 months
Normal Retirement Age	Age 55	Age 55
Early Retirement: Years of service required and/or age eligible for	Age 70 any years 10 years age 50 30 years any age	Age 70 any years 5 years age 52 N/A
Benefit percent per year of service for normal retirement age	2.0% per year of final average compensation for every year of service credit	Final average compensation for every year of service credit
Benefit adjustments	Reduced before age 55, increased after 55 up to age 65	Reduce before age 67
Final Average Compensation Limitation	Internal Revenue Code section 401(a)(17)	Government Code 7522.10
Required employer contribution rates	35.90%	31.03%

An automatic cost of living adjustment is provided to benefit recipients based on changes in the local region Consumer Price Index (CPI) up to a maximum of 2% per year. Any increase greater than 2% is banked and may be used in years where the CPI is less than 2%. There is a one-time 7% increase at retirement for members hired before August 19, 1975. The Plan also provides disability and death benefits to eligible members and their beneficiaries, respectively. For retired members, the death benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to benefits based on the members years of service or if the death was caused by employment. General members are also eligible for survivor benefits which are payable upon a member's death.

Contributions

The City and active members are required by statute to contribute a percentage of covered salary to the Plan. This requirement is pursuant to Government Code sections 31453.5 and 31454, for participating employers and Government Code sections 31621.6, 31639.25 and 7522.30 for active members. The contribution requirements are established and may be amended by the SBCERA Board pursuant to Article 1 of the CERL, which is consistent with the Plan's actuarial funding policy. The contribution rates are adopted yearly, based on an annual actuarial valuation, conducted by an independent actuary, that requires actuarial assumptions with regard to mortality, expected future service (including age at entry into the Plan, if applicable and tier), and compensation increases of the members and beneficiaries. The combined active member and employer contribution rates are expected to finance the costs of benefits for employees that are allocated during the year, with an additional amount to finance any unfunded accrued liability. The City may pay a portion of the active members' contributions through negotiations and bargaining agreements.

The required employer contributions and the amount paid to SBCERA by the City for the year ended June 30, 2024, were $5,187,339. The City’s employer contributions were equal to the required employer contributions for the year ended June 30, 2024.

NOTE 10: PENSION PLAN (CONTINUED)

Pension Liability

At June 30, 2024, City reported a net pension liability of $19,966,291 for its proportionate share of the SBCERA's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The SBCERA's publicly available financial report provides details on the change in the net pension liability.

The City's proportion of the net pension liability was based on the City's contributions received by SBCERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of SBCERA's participating employers. At measurement date June 30, 2023, the City's proportion was 0.841%.

Pension Expense and Deferred Outflows/Inflows of Resources

For the measurement year ended June 30, 2023, the City recognized pension expense of $2,760,559 for its proportionate share of SBCERA's pension expense. At June 30, 2024, the City reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,642,477	$ 335,909
Changes of assumptions	774,615	829,546
Net difference between projected and actual investment earnings on pension plan investments	722,523	-
Changes in proportions and difference between proportionate share of contributions	940,705	4,636,828
Employer contributions paid to SBCERA subsequent to the measurement date	5,187,339	-
Total	**$ 9,267,659**	**$ 5,802,283**

The $5,187,339 reported as deferred outflows of resources related to pensions resulting from City contributions to SBCERA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SBCERA pensions will be recognized in pension expense as follows:

Year ended June 30,	
2025	$ (974,278)
2026	(2,609,986)
2027	1,867,273
2028	(1,488)
2029	(3,484)
	$ (1,721,963)

NOTE 10: PENSION PLAN (CONTINUED)

Actuarial Assumptions and Methods

The significant actuarial assumptions and methods used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Investment rate of return	7.25%
Inflation	2.50%
Projected salary increases	General: 4.30% to 9.50%; Safety: 4.75% to 10.00%
Administrative expenses	0.90% of payroll

For General and Safety employees post-retirement mortality is based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2019 projection scale.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the three year period of July 1, 2019 through June 30, 2022.

The long-term expected rate of return on pension plan investments is 7.25%. SBCERA's actuary prepares an analysis of the long-term expected rate of return on a triennial basis using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocations (approved by the SBCERA Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long term expected investment rate of return assumptions are summarized in the following table.

SBCERA's Long-Term Expected Real Rate of Return

	As of June 30, 2023 Valuation Date	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Large Cap U.S. Equity	14.50%	6.00%
Small Cap U.S. Equity	2.50%	6.65%
Developed International Equity	7.00%	7.01%
Emerging Market Equity	6.00%	8.80%
U.S. Core Fixed Income	2.00%	1.97%
Emerging Market Debt	6.00%	4.76%
Real Estate - Core	2.50%	3.86%
Cash & Equivalents	2.00%	0.63%
Private Equity	18.00%	9.84%
High Yield/Credit Strategies	13.00%	6.48%
Absolute Return	7.00%	7.10%
Real Estate - Non-Core	2.50%	5.40%
Real Assets	6.00%	10.10%
International Credit	11.00%	7.10%
Total	100.00%	

NOTE 10: PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made based on the actuarially determined rates based on the SBCERA Board's funding policy, which establishes the contractually required rate based on statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

For the actuarial valuation date of June 30, 2023, the discount rate used to measure the total pension liability as of the year ended June 30, 2024, was 7.25%.

Sensitivity of the City’s proportionate share of the SBCERA net pension liability to changes in the discount rate.

The following table presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

Sensitivity of Net Pension Liability to Changes in the Discount Rate

Measurement Date June 30, 2023	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
City's proportionate share of net pension liability	$ 37,140,532	$ 19,966,291	$ 5,921,010

Pension Plan Fiduciary Net Position

Detailed information about the SBCERA's fiduciary net position is available in a separately issued SBCERA annual comprehensive financial report. That report may be obtained on the Internet at www.SBCERA.org; by writing to SBCERA at 348 W. Hospitality Lane, Third Floor, San Bernardino, California 92415; or by calling (909) 885-7980 or (877) 722-3721.

NOTE 11: OTHER POST-EMPLOYMENT EMPLOYEE BENEFITS

Plan Description

The City has established the City of Chino Hills Retiree Healthcare Plan, a single-employer defined benefit retiree healthcare plan. The Plan provides postretirement healthcare benefits to eligible employees who retire from the City under the San Bernardino County Employee’s Retirement Association (SBCERA) and who elect a CalPERS Health Plan (PEMHCA). The City pays the PEMHCA minimum employer contribution using the unequal method of $151 per month for the months in 2023 and $157 per month for the months in 2024. The retiree pays the remainder of the PEMHCA premium. The City does not provide contributions for retiree dental, vision, or life insurance benefits. Plan is not administered through a trust.

Employees Covered

As of the actuarial valuation dated June 30, 2024, the following current and former employees were covered by the benefit terms under the Plan:

Active	157
Inactive employees or beneficiaries currently receiving benefits	39
	196

NOTE 11: OTHER POST-EMPLOYMENT EMPLOYEE BENEFITS (CONTINUED)

Contributions

The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the measurement date ended June 30, 2024, the City's cash contributions were $55,724.

Total OPEB Liability

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

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	4.21%
Inflation	2.50%
Salary Increases	2.50% plus merit
Investment Rate of Return	N/A
Pre-Retirement Turnover	According to the termination rates under the most recent SBCERA pension plan valuation
Healthcare Trend Rates	Adjusted in future years ranging from 4.50% - 8.00%

Change in Assumption

The discount rate changed from 4.13% at June 30, 2023 to 4.21% at June 30, 2024.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.21%. The discount rate is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices. The City does not participate in a trust fiduciary fund.

Changes in the OPEB Liability

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

	Increase(Decrease)		
	Total OPEB Liability/ (Assets) (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Assets) (c) = (a) - (b)
Balance at June 30, 2023	**$ 4,307,853**	**$ -**	**$ 4,307,853**
Changes recognized over the measurement period:			
Service Cost	220,223	-	220,223
Interest	183,647	-	183,647
Differences between expected and actual experience	(238,641)	-	(238,641)
Changes of assumptions	7,452	-	7,452
Contributions - employer	-	164,479	(164,479)
Benefit Payments	(164,479)	(164,479)	-
Net Changes	**8,202**	**-**	**8,202**
Balance at June 30, 2024	**$ 4,316,055**	**$ -**	**$ 4,316,055**

NOTE 11: OTHER POST-EMPLOYMENT EMPLOYEE BENEFITS (CONTINUED)

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

The following presents the total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
Total OPEB Liability	$ 4,978,532	$ 4,316,055	$ 3,777,412

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

The following presents the total OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

	1% Decrease (7.00% decreasing to 3.50%)	Current Health Care Cost Trend Rates (8.00% decreasing to 4.50%)	1% Increase (9.00% decreasing to 5.50%)
Total OPEB Liability	$ 3,679,253	$ 4,316,055	$ 5,126,060

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

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of $134,738. As of fiscal year ended June 30, 2024, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in measurement of the total OPEB liability	$ -	$ (482,953)
Changes of assumptions	355,819	(795,156)
Total	**$ 355,819**	**$ (1,278,109)**

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

Year ended June 30,	
2025	$ (97,739)
2026	(127,879)
2027	(127,879)
2028	(127,879)
2029	(127,880)
Thereafter	(313,034)
	$ (922,290)

NOTE 12: LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION

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

The City of Chino Hills is a member of the California Joint Powers Insurance Authority (the Authority). The Authority is composed of 126 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. 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. (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 $50 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/coverage/risk-sharing-pools/.

Primary Workers’ Compensation Program

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 Fiscal Year 2023-24 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 through reinsurance policies, and Employer’s Liability losses from $5 million to $10 million are pooled among members.

NOTE 12: LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION (CONTINUED)

C. Purchased Insurance

Pollution Legal Liability Insurance

The City 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. Coverage is on a claims-made basis. There is a $250,000 deductible. The Authority has an aggregate limit of $20 million.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City property is currently insured according to a schedule of covered property submitted by the City to the Authority. The City property currently has all-risk property insurance protection in the amount of $210,889,946. There is a $10,000 deductible per occurrence except for non-emergency vehicle insurance which has a $2,500 deductible.

Crime Insurance

The City purchases crime insurance coverage in the amount of $1,000,000 with a $2,500 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 Fiscal Year 2023-24.

NOTE 13: COMMITMENTS AND CONTINGENCIES

A. Litigation

The City is involved in several pending lawsuits of a nature common to many similar jurisdictions. City management estimates that potential claims against the City not covered by insurance, will not have a material adverse effect on the financial statements of the City.

B. Construction Commitments

The following material construction commitments existed at June 30, 2024:

Contract Name	Contract Amount	Expenditures to date as of June 30, 2024	Remaining Commitments
1,2,3-TCP Removal Treatment Plant	$ 14,798,790	$ 11,596,672	$ 3,202,118
HVAC Replacement at City Hall	928,848	-	928,848
FY23-24 Street Improvement Project	928,743	-	928,743
1,2,3-TCP Project	1,837,350	927,903	909,447
Ridgeview Drive Trail/Road Maintenance	388,723	-	388,723
Sierra Vista Dr & Del Norte Ave. Rehab (CDBG)	426,156	150,657	275,499
English Road Recycled Water Lines	228,000	-	228,000

NOTE 13: COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facility effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

	Purchase Order Amount	Contract Amount	Total Encumbrances
General Fund	$ 1,475	$ 1,240,417	$ 1,241,892
Landscape and Lighting District No. 1	20,264	350	20,614
American Rescue Plan Act	-	1,904,749	1,904,749
Nonmajor Governmental Funds	215,757	1,017,921	1,233,678
Water Utility	938,751	8,264,239	9,202,990
Sewer Utility	275,438	4,671	280,109
Internal Service Funds	817,208	119,550	936,758
Custodial Funds	86,118	245,226	331,344
Total	$ 2,355,011	$ 12,797,123	$ 15,152,134

NOTE 14: JOINT VENTURES

A. Water Facilities Authority

On February 19, 1980, the Water Facilities Authority (the Authority) was created under a joint exercise of powers agreement between the County Service Area 70 Zone CH (now part of the City of Chino Hills) and other local entities. It was formed for the acquisition and construction of facilities directly benefiting the participants by supplying water to the inhabitants within the boundaries of its members. Thus, each participant has an ongoing financial interest in the Authority.

The governing Board of Directors consists of one member appointed from each participating agency and has approval of all budget and finance activities. The City's investment in the Authority has been recorded under the equity method of accounting and is shown as an investment in joint venture in the Water Utility Fund.

On September 30, 1997, the Authority issued $24,455,000 in 1997 Refunding Certificates of Participation (COPs) for the purpose of refunding $25,820,000 of the outstanding 1986 COPs. The 1997 Refunding COPs carry interest rates from 4.00% to 5.30% and will be repaid in various principal increments with the final payment due on October 1, 2015. Each participant in the joint venture has pledged gross revenues from its respective Enterprise Fund and has agreed to restrictive covenants that establish rates and charges for each respective water enterprise fund at levels sufficient to maintain net revenues equal to at least 1.25 times the aggregate amount of each respective party's installment payments to the Authority as well as any parity debt that shall become due and payable within the succeeding 12 months. On March 21, 1996, the Board of Directors of the Authority approved the prepayment by the City of its installment payment obligation pursuant to the 1986 Installment Purchase Agreement between the Authority and its participants. As a result of such prepayment and redemption of such 1986 Certificates, the City of Chino Hills has no further obligation for the payment of installment payments to the Authority. The value of the City's investment in the Authority at June 30, 2024, was $4,133,425.

NOTE 14: JOINT VENTURES (CONTINUED)

Audited financial information of the Authority for the fiscal year ended June 30, 2024, was summarized as follows:

Water Facilities Authority Net Position:	
Total assets	$ 37,126,612
Deferred outflow of resources	1,023,315
Total liabilities	(5,555,739)
Deferred inflow of resources	(710,154)
Total Net Position	$ 31,884,034
Water Facilities Authority Changes in Net Position:	
Operating revenues	$ 24,359,027
Operating expenses	(24,358,240)
Operating loss before depreciation and amortization	787
Depreciation and amortization	(1,488,405)
Operating revenue (loss)	(1,487,618)
Nonoperating revenues (expenses)	2,489,717
Capital contributions	30,152
Change in Net Position	1,032,251
Beginning Net Position	30,851,783
Ending Net Position	$ 31,884,034

The participants and their audited financial contributions through June 30, 2024, were as follows:

	Amount	Percent
City of Chino Hills	$ 5,525,334	12.96%
Monte Vista Water District	6,993,958	16.41%
City of Chino	6,695,673	15.71%
City of Ontario	14,735,409	34.57%
City of Upland	8,552,736	20.07%
Non-Participants	117,703	0.28%
Total	$ 42,620,813	100.00%

Financial statements of the Authority can be obtained from the office of Moss, Levy & Hartzheim, LLP 5800 Hannum Avenue, Culver City, California 90230.

B. <u>Chino Basin Desalter Authority</u>

On January 15, 2002, the Chino Basin Desalter Authority (the Authority) was created under a joint exercise of powers agreement between the City of Chino Hills and other neighboring government agencies. This agreement was formed to successfully manage the groundwater resources in the Chino Basin.

The governing Board of Directors consists of one representative appointed from each participating agency and has the power and responsibility to adopt budgets, operating plans and finance activities to further the purpose of the Authority. The City's investment in the Authority has been recorded under the equity method of accounting and is shown as an investment in joint venture in the Chino Basin Desalter Authority. At June 30, 2024, the value of the City's investment in the Authority was $28,491,907.

NOTE 14: JOINT VENTURES (CONTINUED)

On June 22, 2016, the Chino Basin Desalter Authority issued the Desalter Revenue Refunding Bonds, Series 2016A in the amount of $67,105,000 to refund the Desalter Revenue Refunding Bonds, Series 2008A. The new revenue refunding bond has various debt payment schedules tailored to each CDA member agency, based on their respective election. This provision affords each member the ability to prepay their share of debt service.

Unaudited financial information of the Authority for the fiscal year ended June 30, 2024, is summarized as follows:

Chino Basin Desalter Authority Net Position:	
Total assets	$ 293,499,356
Deferred outflows of resources	2,796,141
Total liabilities	(60,939,238)
Total Net Position	$ 235,356,259
Chino Basin Desalter Authority Changes in Net Position:	
Operating revenues	$ 75,154,192
Operating expenses	(71,398,565)
Operating loss before depreciation and amortization	3,755,627
Depreciation and amortization	(8,822,794)
Operating revenue (loss)	(5,067,167)
Nonoperating revenues (expenses)	6,974,760
Loss before contributions	1,907,593
Contributions	1,355,846
Change in Net Position	3,263,439
Beginning Net Position, as restated	232,092,820
Ending Net Position	$ 235,356,259

The participants' contributions through June 30, 2024, were as follows:

	Amount	Percent
City of Chino Hills	$ 5,462,609	13.06%
JCSD	14,365,711	34.34%
City of Chino	6,503,100	15.55%
City of Norco	1,300,520	3.11%
City of Ontario	8,938,259	21.37%
Santa Ana River Co.	1,560,552	3.73%
Western Municipal Water District	3,701,998	8.85%
Total	$ 41,832,749	100.00%

Financial statements of the Authority can be obtained from the CDA Treasurer’s office located at 3550 E. Philadelphia, Suite 170, Ontario, California 91761.

NOTE 15: PRIOR PERIOD ADJUSTMENTS

A. Changes to or within the Reporting Entity

In the previous fiscal year, the Landscape & Lighting - Los Serranos and Landscape & Lighting - Vellano funds were included under the Landscape & Lighting District No. 1 Fund as a major governmental fund.

Due to changes in activity and for tracking the collection they are broken out as separate special revenue funds. They do not meet the requirement under GASB Statement No. 34 to qualify as a major fund but will be presented under nonmajor governmental funds during the fiscal year ended June 30, 2024.

B. Change in Accounting Principle

For the fiscal year ended June 30, 2024, the City adjusted the liability balance of the custodial funds to reclassify the net assets held for the payment of future conduit debt service payments as a liability (due to bondholders). This adjustment was in accordance with new information provided to the City from the GASB during the fiscal year in response to a technical inquiry from the City's auditors. The effect of this change is shown in the table below.

C. Adjustments to and Restatements of Beginning Balances

During Fiscal Year 2023-24, changes to or within the financial reporting entity, an error correction, and the change in accounting principle resulted in adjustments to and restatements of beginning net position and fund net position, as follows.

	June 30, 2023 As Previously Reported	Changes to or within the Reporting Entity	Error Correction	Changes in Accounting Principle	June 30, 2023 As Restated
Governmental funds					
Major funds					
General Fund	$ 52,982,275	$ -	$ -	$ -	$ 52,982,275
Landscape & Lighting District No. 1	(989,218)	(385,861)	-	-	(1,375,079)
American Rescue Plan Act	-	-	-	-	-
Nonmajor funds	52,246,443	385,861	-	-	52,632,304
Total governmental funds	$ 104,239,500	$ -	$ -	$ -	$ 104,239,500
Fiduciary funds					
Custodial funds	$ 25,684,514	$ -	$ -	$ (25,684,514)	$ -
Total fiduciary funds	$ 25,684,514	$ -	$ -	$ (25,684,514)	$ -

NOTE 16: FUND BALANCES AND NET POSITION

A. Fund Balance Classifications

At June 30, 2024, the City reported the following fund balance classifications:

	General	Landscape and Lighting District No. 1	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable					
Long-term receivables	$ 8,917	$ -	$ -	$ -	$ 8,917
Advances to other funds	1,738,021	-	-	-	1,738,021
Prepaid costs	554	-	-	48,627	49,181
Total Nonspendable	1,747,492	-	-	48,627	1,796,119
Restricted					
Community development projects	-	-	-	3,080,800	3,080,800
Public safety	-	-	-	218,996	218,996
Public works	-	-	-	204,752	204,752
General facilities projects & related administrative costs	-	-	-	1,627,730	1,627,730
Parkland projects & related administrative costs	-	-	-	129,923	129,923
Sewer facilities projects & related administrative costs	-	-	-	4,000,658	4,000,658
Storm drain projects & related administrative costs	-	-	-	7,312,408	7,312,408
Traffic facilities projects & related administrative costs	-	-	-	3,088,176	3,088,176
Water facilities projects & related administrative costs	-	-	-	19,046,329	19,046,329
Existing infrastructure projects & related administrative costs	-	-	-	7,532,423	7,532,423
Landscape and lighting projects & related administrative costs	-	-	-	387,250	387,250
Capital projects	-	-	-	9,691,979	9,691,979
Line of credit	456,218	-	-	-	456,218
PARS trust for pensions	6,414,918	-	-	-	6,414,918
Total restricted	6,871,136	-	-	56,321,424	63,192,560
Committed					
General Liability Insurance	1,100,000	-	-	-	1,100,000
Total committed	1,100,000	-	-	-	1,100,000
Assigned					
Specific purposes	464,718	-	-	-	464,718
Total assigned	464,718	-	-	-	464,718
Unassigned	45,008,782	(1,223,880)	-	(501,992)	43,282,910
Total fund balances (deficits)	**$ 55,192,128**	**$ (1,223,880)**	**$ -**	**$ 55,868,059**	**$ 109,836,307**

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REQUIRED SUPPLEMENTARY INFORMATION

City of
Chino Hills

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NOTE 1: BUDGET PROCEDURES

All financial activities of the General Fund and Special Revenue Funds are part of the appropriated budget. Appropriated amounts are as originally adopted or as amended by the City Council throughout the year. The following general procedures are followed in establishing the annual budget:

1. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and estimated revenues.

2. The City Manager is authorized to appropriate up to $50,000 from reserves for each expenditure line item transaction and up to $200,000 for capital improvement projects. Any appropriation from reserves for each expenditure line item transaction exceeding $50,000 or capital improvement project exceeding $200,000 must be approved by the City Council. The City Manager is authorized to transfer appropriations within a department, within a fund or between departments within a fund without limitation.

3. The budget is formally integrated into the accounting system and employed as a management control device during the year for all funds.

4. The budget is adopted on an annual basis.

5. The budget is adopted on a basis which differs from accounting principles generally accepted in the United States of America in that encumbrances are included as expenditures. The modified accrual basis of accounting is employed in the preparation of the budget.

6. At fiscal year–end, operating budget appropriations lapse; however, incomplete capital improvement project appropriations and authorized non–capital appropriations are carried over into the following fiscal year.

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 34,745,740	$ 34,154,740	$ 33,978,656	$ (176,084)
Licenses and permits	2,084,110	2,084,110	2,059,818	(24,292)
Intergovernmental	75,000	75,000	449,828	374,828
Charges for services	17,357,000	17,899,616	15,779,980	(2,119,636)
Use of money and property	2,520,635	2,520,635	5,225,287	2,704,652
Fines and forfeitures	520,500	534,435	564,688	30,253
Miscellaneous	795,394	971,384	1,059,086	87,702
Total revenues	**58,098,379**	**58,239,920**	**59,117,343**	**877,423**
EXPENDITURES				
Current:				
General Government				
City council	397,122	398,522	357,586	40,936
City manager	2,288,600	2,545,614	2,148,577	397,037
Community relations	910,875	920,475	841,341	79,134
City clerk	1,620,486	1,682,607	1,538,478	144,129
City attorney	500,000	750,000	725,781	24,219
Finance	2,514,716	2,688,914	2,402,848	286,066
Risk management	2,184,800	2,198,183	2,096,316	101,867
Human resources	639,000	655,687	645,069	10,618
Emergency preparedness	132,000	142,200	122,703	19,497
Public Safety				
Code enforcement	834,900	844,876	754,605	90,271
Law enforcement	18,214,170	18,235,215	17,414,092	821,123
Community Development				
Community development administration	893,104	1,096,787	1,065,419	31,368
Building and safety	1,318,342	1,390,516	1,277,831	112,685
Development services	1,882,860	2,275,444	1,221,461	1,053,983
Economic development	188,050	198,250	196,664	1,586
Community Services				
Recreation	8,100,853	8,124,493	7,681,736	442,757
Public works				
Public works operations	6,934,531	7,778,180	6,662,100	1,116,080
Engineering	1,255,300	1,655,936	1,515,475	140,461
Public works administration	2,306,700	2,370,425	2,249,414	121,011
Solid waste	665,800	916,625	512,923	403,702
Capital outlay	292,834	6,019,342	2,695,119	3,324,223
Debt service:				
Principal	-	11,370	11,370	-
Total expenditures	**54,075,043**	**62,899,661**	**54,136,908**	**8,762,753**
Excess (deficiency) of revenues over (under) expenditures	**4,023,336**	**(4,659,741)**	**4,980,435**	**9,640,176**
OTHER FINANCING SOURCES (USES)				
Transfers in	18,000	58,357	44,422	(13,935)
Transfers out	(4,041,336)	(4,187,246)	(2,837,718)	1,349,528
Subscriptions	-	-	22,714	22,714
Total other financing sources (uses)	**(4,023,336)**	**(4,128,889)**	**(2,770,582)**	**1,358,307**
Net change in fund balances	**$ -**	**$ (8,788,630)**	**2,209,853**	**$ 10,998,483**
Fund balances-beginning			52,982,275	
Fund balances-ending			**$ 55,192,128**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Landscape and Lighting District No. 1
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Assessments	$ 5,229,400	$ 5,229,400	$ 5,204,301	$ (25,099)
Charges for services	3,500,873	3,648,821	3,156,338	(492,483)
Use of money and property	2,935	2,935	86,387	83,452
Miscellaneous	1,000	1,000	78,267	77,267
Total revenues	**8,734,208**	**8,882,156**	**8,525,293**	**(356,863)**
EXPENDITURES				
Current:				
Public works	12,467,029	12,729,849	10,990,579	1,739,270
Capital outlay	213,108	498,881	205,462	293,419
Total expenditures	**12,680,137**	**13,228,730**	**11,196,041**	**2,032,689**
Excess (deficiency) of revenues over (under) expenditures	**(3,945,929)**	**(4,346,574)**	**(2,670,748)**	**1,675,826**
OTHER FINANCING SOURCES (USES)				
Transfers in	3,954,171	4,100,081	2,821,947	(1,278,134)
Total other financing sources (uses)	**3,954,171**	**4,100,081**	**2,821,947**	**(1,278,134)**
Net change in fund balances	**$ 8,242**	**$ (246,493)**	**151,199**	**$ 397,692**
Fund balances (deficit)-beginning, restated			(1,375,079)	
Fund balances (deficit)-ending			**$ (1,223,880)**	

City of
Chino Hills

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CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
American Rescue Plan Act
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ 8,641,782	$ 2,397,638	$ (6,244,144)
Total revenues	**-**	**8,641,782**	**2,397,638**	**(6,244,144)**
EXPENDITURES				
Current:				
General government	-	570,062	250,719	319,343
Community development	-	100,000	92,500	7,500
Capital outlay	-	7,495,514	2,054,419	5,441,095
Total expenditures	**-**	**8,165,576**	**2,397,638**	**5,767,938**
Net change in fund balances	**$ -**	**$ 476,206**	**-**	**$ (476,206)**
Fund balances-beginning			-	
Fund balances-ending			**$ -**	

CITY OF CHINO HILLS, CALIFORNIA
SBCERA Pension Plan
A Cost-Sharing, Multiple-Employer Defined Benefit Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
As of June 30, for the Last Ten Fiscal Years

	2024	**2023**	**2022**	**2021**
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Proportion of the Net Pension Liability	0.841%	0.920%	1.107%	1.022%
Proportionate Share of the Net Pension Liability	$ 19,966,291	$ 21,377,668	$ 14,590,736	$ 40,964,324
Covered Payroll	$ 14,407,898	$ 13,782,504	$ 13,814,754	$ 14,712,441
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	138.58%	155.11%	105.62%	278.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.57%	85.12%	91.19%	71.96%

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes: None

Changes of Assumptions: None

2020	2019	2018	2017	2016	2015
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
1.245%	1.279%	1.260%	1.191%	1.232%	1.336%
$ 33,764,828	$ 23,926,493	$ 29,404,282	$ 33,213,659	$ 32,402,608	$ 33,764,828
$ 13,878,478	$ 13,400,575	$ 13,184,761	$ 12,556,972	$ 11,999,151	$ 11,984,203
243.29%	178.55%	223.02%	264.50%	270.04%	281.74%
79.61%	79.89%	77.90%	76.86%	80.98%	82.47%

CITY OF CHINO HILLS, CALIFORNIA
SBCERA Pension Plan
A Cost-Sharing, Multiple-Employer Defined Benefit Pension Plan
Schedule of Plan Contributions
As of June 30, for the Last Ten Fiscal Years

	2024	2023	2022	2021
Actuarially Determined Contribution	$ 5,187,339	$ 5,573,604	$ 5,723,321	$ 5,243,223
Actuarial Contributions	(5,187,339)	(5,573,604)	(5,723,321)	(5,243,223)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 15,262,079	$ 14,407,898	$ 13,782,504	$ 13,814,754
Contributions as a Percentage of Covered Payroll	33.99%	38.68%	41.53%	37.95%

Notes to Schedule of Plan Contributions:

Valuation Date: June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Remaining amortization period	20 years
Assets valuation method	Fair value of assets less unrecognized returns from each of the last five years.
Inflation	2.50%
Salary Increases	General: 4.30% to 9.50% and Safety: 4.75% to 10.00%, varying by service, including inflation
Investment rate of return	7.25% net of pension plan investment expense, including inflation
Retirement age	59 years for General members; 52-53 years for Safety members
Mortality	Pub-2010 Mortality Tables

2020	2019	2018	2017	2016	2015
$ 6,286,146	$ 6,126,948	$ 5,556,074	$ 5,375,200	$ 5,528,874	$ 4,546,047
(6,286,146)	(6,126,948)	(5,556,074)	(5,375,200)	(5,528,874)	(4,546,047)
$ -	$ -	$ -	$ -	$ -	$ -
$ 14,712,441	$ 13,878,478	$ 13,400,575	$ 13,184,761	$ 12,556,972	$ 11,999,151
42.73%	44.15%	41.46%	40.77%	44.03%	37.89%

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Changes in Total OPEB Liability and Related Ratios
As of June 30, for the Last Ten Fiscal Years [1]

	2024	2023	2022
Measurement Date	6/30/2024	6/30/2023	6/30/2022
TOTAL OPEB LIABILITY			
Service cost	$ 220,223	$ 217,840	$ 350,690
Interest on total pension liability	183,647	175,089	114,580
Changes of assumptions	7,452	(24,160)	(1,108,327)
Difference between expected and actual experience	(238,641)	(42,762)	(30,027)
Benefit payments, including refunds of employee contributions [2]	(164,479)	(160,808)	(130,423)
Net change in total OPEB liability	**8,202**	**165,199**	**(803,507)**
Total OPEB liability-beginning	4,307,853	4,142,654	4,946,161
Total OPEB liability-ending (a)	**$ 4,316,055**	**$ 4,307,853**	**$ 4,142,654**
Plan fiduciary net position as a percentage of the total OPEB liability [3]	**0.0%**	**0.0%**	**0.0%**
Covered-employee payroll	$ 15,766,296	$ 12,533,541	$ 12,198,093
Plan total OPEB liability/(asset) as a percentage of covered-employee payroll	**27.4%**	**34.4%**	**34.0%**

Notes to Schedule of Changes in the Total OPEB Liability and Related Ratios:

Benefit Changes: None

Changes of Assumptions: None

[1] Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only seven years are shown.
[2] Benefit payments include implicit subsidy.
[3] The plan is not funded through a qualifying trust, therefore, there is no fiduciary net position to offset the total OPEB liability.

	2021	2020	2019	2018
	6/30/2021	6/30/2020	6/30/2019	6/30/2018
	$ 321,902	$ 255,802	$ 228,887	$ 225,470
	116,792	137,253	135,486	124,912
	192,707	406,862	210,986	(48,423)
	(74,961)	(341,243)	-	-
	(110,116)	(120,523)	(111,641)	(104,827)
	446,324	**338,151**	**463,718**	**197,132**
	4,499,837	4,161,686	3,697,968	3,500,836
	$ 4,946,161	**$ 4,499,837**	**$ 4,161,686**	**$ 3,697,968**
	0.0%	**0.0%**	**0.0%**	**0.0%**
	$ 12,284,656	$ 11,926,850	$ 10,697,000	$ 10,697,000
	40.3%	**37.7%**	**38.9%**	**34.6%**

NONMAJOR GOVERMENTAL FUNDS

Special Revenue Funds

Gas Tax – To account for receipts and expenditures of money apportioned under the State of California Streets and Highways Code Sections 2103, 2105, 2106, and 2107.

Road Maintenance and Rehabilitation Account – To account for receipts and expenditures of money apportioned under the State of California Road Maintenance and Rehabilitation Account.

Air Quality Management District – To account for receipts and expenditures of money in the State and Federally mandated program to improve air quality within the South Coast Air Quality Management District.

Measure I – To account for receipts and expenditures of money in providing qualifying street maintenance activities in conformance with provisions of the voter approved Measure I half cent sales tax levy.

Citizen's Option for Public Safety – To account for the receipts and expenditures of money for the Citizen's Option for Public Safety Grant received from the State of California for qualifying police activities.

Community Development Block Grant – To account for receipts and expenditures of money for the Community Development Block Grant received by the City.

PEG Access Fee – To account for Public, Educational, and Government (PEG) access fees collected by service providers through franchise agreements with the City. These fees pay for capital equipment and projects that provide for the continuation of PEG programming.

Landscape & Lighting – Los Serranos – To account for the collection of assessments from owners of property within the Los Serranos neighborhood for the on-going operation and maintenance of lighting improvements.

Landscape & Lighting – Vellano - To account for the collection of assessments from owners of property within the Vellano development for the maintenance of parks and facilities within the district.

Street Sweeping – To account for receipts and expenditures of money in providing street sweeping services as financed through assessment fees collected from residential and commercial property owners.

Sleepy Hollow Road Improvements – To account for receipts and expenditures of money for landscape and other maintenance in the area of the City formerly designated as County Service Area No. 19.

Protected Tree Replacement - To account for receipts and expenditures of money if tree replacement cannot be mitigated by the developer.

Miscellaneous Grants – To account for receipts and expenditures of grant funding for various grant programs.

Public Safety Programs - To account for the receipts and expenditures of money for programs which enhance public safety and law enforcement.

Affordable Housing Program – To account for receipts and expenditures of money in development of affordable housing in the City as financed through affordable housing in-lieu fees collected from new residential development projects.

General City Facilities Fee – To account for receipts and expenditures of money in the facilities development program for civic facilities such as a civic center, fire stations and community centers.

Existing Infrastructure Fee – To account for receipts and expenditures of money in the facilities' development programs, which provides for the reimbursement of expenditures to property owners who constructed the facilities in the program.

NONMAJOR GOVERMENTAL FUNDS (CONTINUED)

Quimby In-Lieu – To account for receipts and expenditures of the quimby in-lieu fee programs which provide funds for the acquisition of land and construction of parks within the City and is financed from fees collected from the development of residential and commercial properties.

Parks and Recreation Facilities Fee – To account for receipts and expenditures of money in parks & recreation facilities fee programs which provide funds for the acquisition of land and construction of parks within the City and is financed from fees collected from the development of residential and commercial properties.

Sewer Facilities Fee – To account for receipts and expenditures of money in the facilities development program for sewer facilities.

Storm Drain Facilities Fee – To account for receipts and expenditures of money in the facilities development program for storm drain facilities.

Traffic Facilities Fee – To account for receipts and expenditures of money in the facilities development program for traffic facilities such as streets, sidewalks, curbs and gutters.

Traffic Signal Fee – To account for receipts and expenditures of money in the traffic signal fee program which provides funds for the installation of traffic signals within the City.

Water Facilities Fee – To account for receipts and expenditures of money in the facilities development program for water facilities.

Traffic Impact Fee - To account for receipts and expenditures of money in the facilities development program for public transportation improvements needed to mitigate traffic impacts of future development.

Mitigation Fee – To account for receipts and expenditures of money in mitigation fee programs which provide funds for infrastructure and facilities within the City.

Solid Waste – To account for receipts and expenditures of money for the collection, transportation, and disposal, via contract, of solid waste materials.

CITY OF CHINO HILLS, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Gas Tax	Road Maintenance and Rehabilitation Account	Air Quality Management District	Measure I
ASSETS				
Cash and cash equivalents	$ 378,262	$ 3,920,902	$ 565,910	$ 1,958,371
Receivables (net of allowance for uncollectible):				
Accounts	44,567	-	-	-
Taxes	-	-	-	483,857
Accrued interest	233	2,024	286	1,021
Due from other governments	185,335	352,922	-	-
Special assessments	-	-	-	-
Prepaid costs	-	-	48,627	-
Due from developers	-	-	-	-
Due from other agencies	-	-	-	-
Total assets	**608,397**	**4,275,848**	**614,823**	**2,443,249**
LIABILITIES				
Accounts payable	77,538	-	-	1,072,872
Accrued liabilities	29,156	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Retentions payable	-	17,509	-	51,005
Due to other governments	-	-	-	-
Total liabilities	**106,694**	**17,509**	**-**	**1,123,877**
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	**-**	**-**	**-**	**-**
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	48,627	-
Restricted	501,703	4,258,339	566,196	1,319,372
Unassigned	-	-	-	-
Total fund balances (deficits)	**501,703**	**4,258,339**	**614,823**	**1,319,372**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 608,397**	**$ 4,275,848**	**$ 614,823**	**$ 2,443,249**

	Special Revenue Funds			
	Citizen's Option for Public Safety	**Community Development Block Grant**	**PEG Access Fee**	**Landscape & Lighting - Los Serranos**
ASSETS				
Cash and cash equivalents	$ 218,883	$ -	$ 1,510,504	$ 93,344
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	113	-	770	48
Due from other governments	-	411,626	-	-
Special assessments	-	-	-	701
Prepaid costs	-	-	-	-
Due from developers	-	-	-	-
Due from other agencies	-	-	25,855	-
Total assets	**218,996**	**411,626**	**1,537,129**	**94,093**
LIABILITIES				
Accounts payable	-	234,373	-	878
Accrued liabilities	-	1,106	-	-
Due to other funds	-	158,763	-	-
Unearned revenues	-	-	-	-
Retentions payable	-	17,384	-	-
Due to other governments	-	-	-	-
Total liabilities	**-**	**411,626**	**-**	**878**
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	58
Total deferred inflows of resources	**-**	**-**	**-**	**58**
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	218,996	-	1,537,129	93,157
Unassigned	-	-	-	-
Total fund balances (deficits)	**218,996**	**-**	**1,537,129**	**93,157**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 218,996**	**$ 411,626**	**$ 1,537,129**	**$ 94,093**

CITY OF CHINO HILLS, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Landscape & Lighting - Vellano	**Street Sweeping**	**Sleepy Hollow Road Improvements**	**Protected Tree Replacement**
ASSETS				
Cash and cash equivalents	$ 313,728	$ 41,706	$ 106,252	$ 97,924
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	176	11	54	-
Due from other governments	-	-	-	-
Special assessments	2,790	2,215	522	-
Prepaid costs	-	-	-	-
Due from developers	-	-	-	-
Due from other agencies	-	-	-	-
Total assets	**316,694**	**43,932**	**106,828**	**97,924**
LIABILITIES				
Accounts payable	22,601	43,932	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Retentions payable	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	**22,601**	**43,932**	**-**	**-**
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	**-**	**-**	**-**	**-**
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	294,093	-	106,828	97,924
Unassigned	-	-	-	-
Total fund balances (deficits)	**294,093**	**-**	**106,828**	**97,924**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 316,694**	**$ 43,932**	**$ 106,828**	**$ 97,924**

CITY OF CHINO HILLS, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024 **(Continued)**

	Special Revenue Funds			
	Miscellaneous Grants	**Public Safety Programs**	**Affordable Housing Program**	**General City Facilities Fee**
ASSETS				
Cash and cash equivalents	$ 892,950	$ -	$ 3,079,231	$ 1,627,345
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	-	-	1,569	823
Due from other governments	617,965	-	-	-
Special assessments	-	-	-	-
Prepaid costs	-	-	-	-
Due from developers	-	-	-	-
Due from other agencies	-	-	-	-
Total assets	**1,510,915**	**-**	**3,080,800**	**1,628,168**
LIABILITIES				
Accounts payable	204,956	-	-	438
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	331,656	-	-	-
Retentions payable	5,007	-	-	-
Due to other governments	-	-	-	-
Total liabilities	**541,619**	**-**	**-**	**438**
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	395,540	-	-	-
Total deferred inflows of resources	**395,540**	**-**	**-**	**-**
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	573,756	-	3,080,800	1,627,730
Unassigned	-	-	-	-
Total fund balances (deficits)	**573,756**	**-**	**3,080,800**	**1,627,730**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 1,510,915**	**$ -**	**$ 3,080,800**	**$ 1,628,168**

CITY OF CHINO HILLS, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Existing Infrastructure Fee	Quimby In-Lieu	Parks and Recreation Facilities Fee	Sewer Facilities Fee
ASSETS				
Cash and cash equivalents	$ 7,536,720	$ 129,855	$ 1,158	$ 3,998,619
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	3,844	68	40	2,039
Due from other governments	-	-	-	-
Special assessments	-	-	-	-
Prepaid costs	-	-	-	-
Due from developers	4,135	-	-	-
Due from other agencies	-	-	-	-
Total assets	**7,544,699**	**129,923**	**1,198**	**4,000,658**
LIABILITIES				
Accounts payable	12,276	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Retentions payable	-	-	-	-
Due to other governments	-	-	503,190	-
Total liabilities	**12,276**	**-**	**503,190**	**-**
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	**-**	**-**	**-**	**-**
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	7,532,423	129,923	-	4,000,658
Unassigned	-	-	(501,992)	-
Total fund balances (deficits)	**7,532,423**	**129,923**	**(501,992)**	**4,000,658**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 7,544,699**	**$ 129,923**	**$ 1,198**	**$ 4,000,658**

	Special Revenue Funds			
	Storm Drain Facilities Fee	**Traffic Facilities Fee**	**Traffic Signal Fee**	**Water Facilities Fee**
ASSETS				
Cash and cash equivalents	$ 7,339,550	$ 2,810,530	$ 207,632	$ 19,036,133
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	485
Taxes	-	-	-	-
Accrued interest	3,745	1,435	106	9,711
Due from other governments	-	-	-	-
Special assessments	-	-	-	-
Prepaid costs	-	-	-	-
Due from developers	-	-	-	-
Due from other agencies	-	-	-	-
Total assets	**7,343,295**	**2,811,965**	**207,738**	**19,046,329**
LIABILITIES				
Accounts payable	30,887	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Retentions payable	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	**30,887**	**-**	**-**	**-**
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	**-**	**-**	**-**	**-**
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	7,312,408	2,811,965	207,738	19,046,329
Unassigned	-	-	-	-
Total fund balances (deficits)	**7,312,408**	**2,811,965**	**207,738**	**19,046,329**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 7,343,295**	**$ 2,811,965**	**$ 207,738**	**$ 19,046,329**

CITY OF CHINO HILLS, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Traffic Impact Fee	Mitigation Fee	Solid Waste	Total Nonmajor Funds
ASSETS				
Cash and cash equivalents	$ 68,426	$ 935,484	$ 8,244	$ 56,877,663
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	45,052
Taxes	-	-	-	483,857
Accrued interest	47	-	-	28,163
Due from other governments	-	-	-	1,567,848
Special assessments	-	-	437	6,665
Prepaid costs	-	-	-	48,627
Due from developers	-	-	-	4,135
Due from other agencies	-	-	-	25,855
Total assets	**68,473**	**935,484**	**8,681**	**59,087,865**
LIABILITIES				
Accounts payable	-	-	8,681	1,709,432
Accrued liabilities	-	-	-	30,262
Due to other funds	-	-	-	158,763
Unearned revenues	-	-	-	331,656
Retentions payable	-	-	-	90,905
Due to other governments	-	-	-	503,190
Total liabilities	**-**	**-**	**8,681**	**2,824,208**
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	395,598
Total deferred inflows of resources	**-**	**-**	**-**	**395,598**
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	48,627
Restricted	68,473	935,484	-	56,321,424
Unassigned	-	-	-	(501,992)
Total fund balances (deficits)	**68,473**	**935,484**	**-**	**55,868,059**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 68,473**	**$ 935,484**	**$ 8,681**	**$ 59,087,865**

City of
Chino Hills

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CITY OF CHINO HILLS, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Gas Tax	Road Maintenance and Rehabilitation Account	Air Quality Management District	Measure I
REVENUES				
Assessments	$ -	$ -	$ -	$ -
Intergovernmental	2,143,231	2,025,053	77,727	2,177,351
Charges for services	-	-	-	-
Use of money and property	12,622	170,848	29,622	83,517
Developer fees	-	-	-	-
Miscellaneous	51,845	-	-	-
Total revenues	**2,207,698**	**2,195,901**	**107,349**	**2,260,868**
EXPENDITURES				
Current:				
General government	3,800	-	1,068	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	1,952,325	6,717	674	6,835
Capital outlay	42,706	1,197,109	90,756	2,957,055
Debt service:				
Principal	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	**1,998,831**	**1,203,826**	**92,498**	**2,963,890**
Excess (deficiency) of revenues over (under) expenditures	**208,867**	**992,075**	**14,851**	**(703,022)**
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	**-**	**-**	**-**	**-**
Net change in fund balances	**208,867**	**992,075**	**14,851**	**(703,022)**
Fund balances (deficit)-beginning, restated	292,836	3,266,264	599,972	2,022,394
Fund balances (deficit)-ending	**$ 501,703**	**$ 4,258,339**	**$ 614,823**	**$ 1,319,372**

CITY OF CHINO HILLS, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024 **(Continued)**

	Special Revenue Funds			
	Citizen's Option for Public Safety	**Community Development Block Grant**	**PEG Access Fee**	**Landscape & Lighting - Los Serranos**
REVENUES				
Assessments	$ -	$ -	$ -	$ 59,596
Intergovernmental	223,819	501,711	-	-
Charges for services	-	-	108,952	-
Use of money and property	6,193	-	67,190	3,076
Developer fees	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	**230,012**	**501,711**	**176,142**	**62,672**
EXPENDITURES				
Current:				
General government	-	-	10,731	-
Public safety	136,937	-	-	-
Community development	-	-	-	-
Community services	-	154,040	-	-
Public works	-	-	-	22,675
Capital outlay	-	347,671	-	-
Debt service:				
Principal	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	**136,937**	**501,711**	**10,731**	**22,675**
Excess (deficiency) of revenues over (under) expenditures	**93,075**	**-**	**165,411**	**39,997**
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(9,637)
Total other financing sources (uses)	**-**	**-**	**-**	**(9,637)**
Net change in fund balances	**93,075**	**-**	**165,411**	**30,360**
Fund balances (deficit)-beginning, restated	125,921	-	1,371,718	62,797
Fund balances (deficit)-ending	**$ 218,996**	**$ -**	**$ 1,537,129**	**$ 93,157**

CITY OF CHINO HILLS, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Landscape & Lighting - Vellano	Street Sweeping	Sleepy Hollow Road Improvements	Protected Tree Replacement
REVENUES				
Assessments	$ 299,335	$ 203,365	$ 9,817	$ -
Intergovernmental	-	-	-	-
Charges for services	1,600	-	-	-
Use of money and property	18,764	2,956	4,608	-
Developer fees	-	-	-	54,234
Miscellaneous	-	-	-	-
Total revenues	**319,699**	**206,321**	**14,425**	**54,234**
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	309,944	222,092	718	-
Capital outlay	38,726	-	-	-
Debt service:				
Principal	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	**348,670**	**222,092**	**718**	**-**
Excess (deficiency) of revenues over (under) expenditures	**(28,971)**	**(15,771)**	**13,707**	**54,234**
OTHER FINANCING SOURCES (USES)				
Transfers in	-	15,771	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	**-**	**15,771**	**-**	**-**
Net change in fund balances	**(28,971)**	**-**	**13,707**	**54,234**
Fund balances (deficit)-beginning, restated	323,064	-	93,121	43,690
Fund balances (deficit)-ending	**$ 294,093**	**$ -**	**$ 106,828**	**$ 97,924**

CITY OF CHINO HILLS, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024 (Continued)

	Special Revenue Funds			
	Miscellaneous Grants	Public Safety Programs	Affordable Housing Program	General City Facilities Fee
REVENUES				
Assessments	$ -	$ -	$ -	$ -
Intergovernmental	1,715,633	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	145,025	74,545
Developer fees	-	-	95,628	69,945
Miscellaneous	-	-	-	-
Total revenues	**1,715,633**	**-**	**240,653**	**144,490**
EXPENDITURES				
Current:				
General government	114,774	-	-	-
Public safety	39,770	-	-	-
Community development	67,531	-	387	-
Community services	-	-	-	-
Public works	48,974	-	-	5,246
Capital outlay	886,235	-	-	-
Debt service:				
Principal	26,435	-	-	-
Interest expense	1,816	-	-	-
Total expenditures	**1,185,535**	**-**	**387**	**5,246**
Excess (deficiency) of revenues over (under) expenditures	**530,098**	**-**	**240,266**	**139,244**
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(33,945)	(840)	-	-
Total other financing sources (uses)	**(33,945)**	**(840)**	**-**	**-**
Net change in fund balances	**496,153**	**(840)**	**240,266**	**139,244**
Fund balances (deficit)-beginning, restated	77,603	840	2,840,534	1,488,486
Fund balances (deficit)-ending	**$ 573,756**	**$ -**	**$ 3,080,800**	**$ 1,627,730**

CITY OF CHINO HILLS, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Existing Infrastructure Fee	Quimby In-Lieu	Parks and Recreation Facilities Fee	Sewer Facilities Fee
REVENUES				
Assessments	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	416,035	701	(631)	192,013
Developer fees	414,712	143,922	94,048	29,552
Miscellaneous	-	-	-	-
Total revenues	**830,747**	**144,623**	**93,417**	**221,565**
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	31,103	10,794	7,054	1,453
Capital outlay	-	43,292	-	279
Debt service:				
Principal	1,302,958	-	-	-
Interest expense	-	-	-	-
Total expenditures	**1,334,061**	**54,086**	**7,054**	**1,732**
Excess (deficiency) of revenues over (under) expenditures	**(503,314)**	**90,537**	**86,363**	**219,833**
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	**-**	**-**	**-**	**-**
Net change in fund balances	**(503,314)**	**90,537**	**86,363**	**219,833**
Fund balances (deficit)-beginning, restated	8,035,737	39,386	(588,355)	3,780,825
Fund balances (deficit)-ending	**$ 7,532,423**	**$ 129,923**	**$ (501,992)**	**$ 4,000,658**

CITY OF CHINO HILLS, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024 **(Continued)**

	Special Revenue Funds			
	Storm Drain Facilities Fee	**Traffic Facilities Fee**	**Traffic Signal Fee**	**Water Facilities Fee**
REVENUES				
Assessments	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	360,338	135,592	10,061	903,016
Developer fees	85,598	9,561	-	327,581
Miscellaneous	-	-	-	-
Total revenues	**445,936**	**145,153**	**10,061**	**1,230,597**
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	6,420	717	-	23,263
Capital outlay	182,980	-	-	-
Debt service:				
Principal	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	**189,400**	**717**	**-**	**23,263**
Excess (deficiency) of revenues over (under) expenditures	**256,536**	**144,436**	**10,061**	**1,207,334**
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	**-**	**-**	**-**	**-**
Net change in fund balances	**256,536**	**144,436**	**10,061**	**1,207,334**
Fund balances (deficit)-beginning, restated	7,055,872	2,667,529	197,677	17,838,995
Fund balances (deficit)-ending	**$ 7,312,408**	**$ 2,811,965**	**$ 207,738**	**$ 19,046,329**

CITY OF CHINO HILLS, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Traffic Impact Fee	Mitigation Fee	Solid Waste	Total Nonmajor Funds
REVENUES				
Assessments	$ -	$ -	$ -	$ 572,113
Intergovernmental	-	-	-	8,864,525
Charges for services	-	-	-	110,552
Use of money and property	2,067	-	-	2,638,158
Developer fees	62,673	-	-	1,387,454
Miscellaneous	-	-	-	51,845
Total revenues	**64,740**	**-**	**-**	**13,624,647**
EXPENDITURES				
Current:				
General government	-	-	-	130,373
Public safety	-	-	-	176,707
Community development	-	-	-	67,918
Community services	-	-	-	154,040
Public works	4,700	-	-	2,661,704
Capital outlay	45,531	5,950	-	5,838,290
Debt service:				
Principal	-	-	-	1,329,393
Interest expense	-	-	-	1,816
Total expenditures	**50,231**	**5,950**	**-**	**10,360,241**
Excess (deficiency) of revenues over (under) expenditures	**14,509**	**(5,950)**	**-**	**3,264,406**
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	15,771
Transfers out	-	-	-	(44,422)
Total other financing sources (uses)	**-**	**-**	**-**	**(28,651)**
Net change in fund balances	**14,509**	**(5,950)**	**-**	**3,235,755**
Fund balances (deficit)-beginning, restated	53,964	941,434	-	52,632,304
Fund balances (deficit)-ending	**$ 68,473**	**$ 935,484**	**$ -**	**$ 55,868,059**

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Gas Tax
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 2,239,776	$ 2,119,194	$ 2,143,231	$ 24,037
Use of money and property	-	-	12,622	12,622
Miscellaneous	-	-	51,845	51,845
Total revenues	**2,239,776**	**2,119,194**	**2,207,698**	**88,504**
EXPENDITURES				
Current:				
General government	4,100	4,100	3,800	300
Public works	2,136,103	2,160,845	1,952,325	208,520
Capital outlay	40,178	55,178	42,706	12,472
Total expenditures	**2,180,381**	**2,220,123**	**1,998,831**	**221,292**
Net change in fund balances	**$ 59,395**	**$ (100,929)**	**208,867**	**$ 309,796**
Fund balances-beginning			292,836	
Fund balances-ending			**$ 501,703**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Road Maintenance and Rehabilitation Account
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 1,741,648	$ 1,901,500	$ 2,025,053	$ 123,553
Use of money and property	-	-	170,848	170,848
Total revenues	**1,741,648**	**1,901,500**	**2,195,901**	**294,401**
EXPENDITURES				
Current:				
Public works	6,944	6,944	6,717	227
Capital outlay	1,750,000	4,334,289	1,197,109	3,137,180
Total expenditures	**1,756,944**	**4,341,233**	**1,203,826**	**3,137,407**
Net change in fund balances	**$ (15,296)**	**$ (2,439,733)**	**992,075**	**$ 3,431,808**
Fund balances-beginning			3,266,264	
Fund balances-ending			**$ 4,258,339**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Air Quality Management District
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 108,000	$ 108,000	$ 77,727	$ (30,273)
Use of money and property	-	-	29,622	29,622
Total revenues	**108,000**	**108,000**	**107,349**	**(651)**
EXPENDITURES				
Current:				
General government	2,995	4,045	1,068	2,977
Public works	1,200	1,200	674	526
Capital outlay	-	644,280	90,756	553,524
Total expenditures	**4,195**	**649,525**	**92,498**	**557,027**
Net change in fund balances	**$ 103,805**	**$ (541,525)**	**14,851**	**$ 556,376**
Fund balances-beginning			599,972	
Fund balances-ending			**$ 614,823**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Measure I
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 1,860,000	$ 1,860,000	$ 2,177,351	$ 317,351
Use of money and property	-	-	83,517	83,517
Total revenues	**1,860,000**	**1,860,000**	**2,260,868**	**400,868**
EXPENDITURES				
Current:				
Public works	7,071	7,071	6,835	236
Capital outlay	1,530,000	3,848,921	2,957,055	891,866
Total expenditures	**1,537,071**	**3,855,992**	**2,963,890**	**892,102**
Net change in fund balances	**$ 322,929**	**$ (1,995,992)**	**(703,022)**	**$ 1,292,970**
Fund balances-beginning			2,022,394	
Fund balances-ending			**$ 1,319,372**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Citizen's Option for Public Safety
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 200,000	$ 223,819	$ 223,819	$ -
Use of money and property	-	2,363	6,193	3,830
Total revenues	**200,000**	**226,182**	**230,012**	**3,830**
EXPENDITURES				
Current:				
Public safety	200,000	352,102	136,937	215,165
Total expenditures	**200,000**	**352,102**	**136,937**	**215,165**
Net change in fund balances	**$ -**	**$ (125,920)**	**93,075**	**$ 218,995**
Fund balances-beginning			125,921	
Fund balances-ending			**$ 218,996**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Community Development Block Grant
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 430,672	$ 928,454	$ 501,711	$ (426,743)
Total revenues	**430,672**	**928,454**	**501,711**	**(426,743)**
EXPENDITURES				
Current:				
Community services	230,700	502,298	154,040	348,258
Capital outlay	199,972	426,156	347,671	78,485
Total expenditures	**430,672**	**928,454**	**501,711**	**426,743**
Net change in fund balances	**$ -**	**$ -**	-	**$ -**
Fund balances-beginning			-	
Fund balances-ending			**$ -**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
PEG Access Fee
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	$ 100,000	$ 100,000	$ 108,952	$ 8,952
Use of money and property	-	-	67,190	67,190
Total revenues	**100,000**	**100,000**	**176,142**	**76,142**
EXPENDITURES				
Current:				
General government	-	375,260	10,731	364,529
Capital outlay	-	605	-	605
Total expenditures	**-**	**375,865**	**10,731**	**365,134**
Net change in fund balances	**$ 100,000**	**$ (275,865)**	**165,411**	**$ 441,276**
Fund balances-beginning			1,371,718	
Fund balances-ending			**$ 1,537,129**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Landscape & Lighting - Los Serranos
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Assessments	$ 55,700	$ 55,700	$ 59,596	$ 3,896
Use of money and property	-	-	3,076	3,076
Total revenues	**55,700**	**55,700**	**62,672**	**6,972**
EXPENDITURES				
Current:				
Public works	22,249	22,675	22,675	-
Total expenditures	**22,249**	**22,675**	**22,675**	**-**
Excess (deficiency) of revenues over (under) expenditures	**33,451**	**33,025**	**39,997**	**6,972**
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(9,637)	(9,637)	-
Total other financing sources (uses)	**-**	**(9,637)**	**(9,637)**	**-**
Net change in fund balances	**$ 33,451**	**$ 23,388**	**30,360**	**$ 6,972**
Fund balances-beginning, restated			62,797	
Fund balances-ending			**$ 93,157**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Landscape & Lighting - Vellano
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Assessments	$ 291,000	$ 291,000	$ 299,335	$ 8,335
Charges for services	1,600	1,600	1,600	-
Use of money and property	-	-	18,764	18,764
Total revenues	**292,600**	**292,600**	**319,699**	**27,099**
EXPENDITURES				
Current:				
Public works	325,474	332,853	309,944	22,909
Capital outlay	65,000	81,512	38,726	42,786
Total expenditures	**390,474**	**414,365**	**348,670**	**65,695**
Net change in fund balances	**$ (97,874)**	**$ (121,765)**	**(28,971)**	**$ 92,794**
Fund balances-beginning, restated			323,064	
Fund balances-ending			**$ 294,093**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Street Sweeping
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Assessments	$ 202,300	$ 202,300	$ 203,365	$ 1,065
Use of money and property	-	-	2,956	2,956
Total revenues	**202,300**	**202,300**	**206,321**	**4,021**
EXPENDITURES				
Current:				
Public works	289,465	289,465	222,092	67,373
Total expenditures	**289,465**	**289,465**	**222,092**	**67,373**
Excess (deficiency) of revenues over (under) expenditures	**(87,165)**	**(87,165)**	**(15,771)**	**71,394**
OTHER FINANCING SOURCES (USES)				
Transfers in	87,165	87,165	15,771	(71,394)
Total other financing sources (uses)	**87,165**	**87,165**	**15,771**	**(71,394)**
Net change in fund balances	**$ -**	**$ -**	**-**	**$ -**
Fund balances-beginning			-	
Fund balances-ending			**$ -**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Sleepy Hollow Road Improvements
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Assessments	$ 9,800	$ 9,800	$ 9,817	$ 17
Use of money and property	-	-	4,608	4,608
Total revenues	**9,800**	**9,800**	**14,425**	**4,625**
EXPENDITURES				
Current:				
Public works	766	766	718	48
Capital outlay	100,000	100,000	-	100,000
Total expenditures	**100,766**	**100,766**	**718**	**100,048**
Net change in fund balances	**$ (90,966)**	**$ (90,966)**	**13,707**	**$ 104,673**
Fund balances-beginning			93,121	
Fund balances-ending			**$ 106,828**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Protected Tree Replacement
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Developer fees	$ -	$ 54,234	$ 54,234	$ -
Total revenues	**-**	**54,234**	**54,234**	**-**
EXPENDITURES				
Capital outlay	-	97,924	-	97,924
Total expenditures	**-**	**97,924**	**-**	**97,924**
Net change in fund balances	**$ -**	**$ (43,690)**	**54,234**	**$ 97,924**
Fund balances-beginning			43,690	
Fund balances-ending			**$ 97,924**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Miscellaneous Grants
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 18,000	$ 12,770,290	$ 1,715,633	$ (11,054,657)
Total revenues	**18,000**	**12,770,290**	**1,715,633**	**(11,054,657)**
EXPENDITURES				
Current:				
General government	-	190,130	114,774	75,356
Public safety	-	235,698	39,770	195,928
Community development	-	488,993	67,531	421,462
Public works	-	162,498	48,974	113,524
Capital outlay	-	11,723,848	886,235	10,837,613
Debt service:				
Principal	-	26,435	26,435	-
Interest	-	1,816	1,816	-
Total expenditures	**-**	**12,829,418**	**1,185,535**	**11,643,883**
Excess (deficiency) of revenues over (under) expenditures	**18,000**	**(59,128)**	**530,098**	**589,226**
OTHER FINANCING SOURCES (USES)				
Transfers out	(18,000)	(33,945)	(33,945)	-
Total other financing sources (uses)	**(18,000)**	**(33,945)**	**(33,945)**	**-**
Net change in fund balances	**$ -**	**$ (93,073)**	**496,153**	**$ 589,226**
Fund balances-beginning			77,603	
Fund balances-ending			**$ 573,756**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Affordable Housing Program
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 145,025	$ 145,025
Developer fees	20,000	20,000	95,628	75,628
Total revenues	**20,000**	**20,000**	**240,653**	**220,653**
EXPENDITURES				
Current:				
Community development	26,500	26,500	387	26,113
Total expenditures	**26,500**	**26,500**	**387**	**26,113**
Net change in fund balances	**$ (6,500)**	**$ (6,500)**	**240,266**	**$ 246,766**
Fund balances-beginning			2,840,534	
Fund balances-ending			**$ 3,080,800**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General City Facilities Fee
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 74,545	$ 74,545
Developer fees	75,000	75,000	69,945	(5,055)
Total revenues	**75,000**	**75,000**	**144,490**	**69,490**
EXPENDITURES				
Current:				
Public works	5,700	2,996,449	5,246	2,991,203
Capital outlay	-	112,078	-	112,078
Total expenditures	**5,700**	**3,108,527**	**5,246**	**3,103,281**
Net change in fund balances	**$ 69,300**	**$ (3,033,527)**	**139,244**	**$ 3,172,771**
Fund balances-beginning			1,488,486	
Fund balances-ending			**$ 1,627,730**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Existing Infrastructure Fee
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 416,035	$ 416,035
Developer fees	450,000	450,000	414,712	(35,288)
Total revenues	**450,000**	**450,000**	**830,747**	**380,747**
EXPENDITURES				
Current:				
Public works	33,800	33,800	31,103	2,697
Debt service:				
Principal	1,141,568	6,861,600	1,302,958	5,558,642
Total expenditures	**1,175,368**	**6,895,400**	**1,334,061**	**5,561,339**
Net change in fund balances	**$ (725,368)**	**$ (6,445,400)**	**(503,314)**	**$ 5,942,086**
Fund balances-beginning			8,035,737	
Fund balances-ending			**$ 7,532,423**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Quimby In-Lieu
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 701	$ 701
Developer fees	25,000	153,922	143,922	(10,000)
Total revenues	**25,000**	**153,922**	**144,623**	**(9,299)**
EXPENDITURES				
Current:				
Public works	11,200	20,794	10,794	10,000
Capital outlay	-	43,292	43,292	-
Total expenditures	**11,200**	**64,086**	**54,086**	**10,000**
Net change in fund balances	**$ 13,800**	**$ 89,836**	**90,537**	**$ 701**
Fund balances-beginning			39,386	
Fund balances-ending			**$ 129,923**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Parks and Recreation Facilities Fee
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ (631)	$ (631)
Developer fees	115,000	115,000	94,048	(20,952)
Total revenues	**115,000**	**115,000**	**93,417**	**(21,583)**
EXPENDITURES				
Current:				
Public works	27,200	27,200	7,054	20,146
Total expenditures	**27,200**	**27,200**	**7,054**	**20,146**
Net change in fund balances	**$ 87,800**	**$ 87,800**	**86,363**	**$ (1,437)**
Fund balances (deficit)-beginning			(588,355)	
Fund balances (deficit)-ending			**$ (501,992)**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Sewer Facilities Fee
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 192,013	$ 192,013
Developer fees	45,000	45,000	29,552	(15,448)
Total revenues	**45,000**	**45,000**	**221,565**	**176,565**
EXPENDITURES				
Current:				
Public works	3,400	3,400	1,453	1,947
Capital outlay	-	1,640,838	279	1,640,559
Total expenditures	**3,400**	**1,644,238**	**1,732**	**1,642,506**
Net change in fund balances	**$ 41,600**	**$ (1,599,238)**	**219,833**	**$ 1,819,071**
Fund balances-beginning			3,780,825	
Fund balances-ending			**$ 4,000,658**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Storm Drain Facilities Fee
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 360,338	$ 360,338
Developer fees	100,000	100,000	85,598	(14,402)
Total revenues	**100,000**	**100,000**	**445,936**	**345,936**
EXPENDITURES				
Current:				
Public works	7,500	7,500	6,420	1,080
Capital outlay	-	2,236,887	182,980	2,053,907
Total expenditures	**7,500**	**2,244,387**	**189,400**	**2,054,987**
Net change in fund balances	**$ 92,500**	**$ (2,144,387)**	**256,536**	**$ 2,400,923**
Fund balances-beginning			7,055,872	
Fund balances-ending			**$ 7,312,408**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Traffic Facilities Fee
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 135,592	$ 135,592
Developer fees	7,500	9,561	9,561	-
Total revenues	**7,500**	**9,561**	**145,153**	**135,592**
EXPENDITURES				
Current:				
Public works	600	717	717	-
Total expenditures	**600**	**717**	**717**	**-**
Net change in fund balances	**$ 6,900**	**$ 8,844**	**144,436**	**$ 135,592**
Fund balances-beginning			2,667,529	
Fund balances-ending			**$ 2,811,965**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Water Facilities Fee
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 903,016	$ 903,016
Developer fees	157,000	317,176	327,581	10,405
Total revenues	**157,000**	**317,176**	**1,230,597**	**913,421**
EXPENDITURES				
Current:				
Public works	11,300	23,263	23,263	-
Capital outlay	2,244,300	2,400,000	-	2,400,000
Total expenditures	**2,255,600**	**2,423,263**	**23,263**	**2,400,000**
Net change in fund balances	**$ (2,098,600)**	**$ (2,106,087)**	**1,207,334**	**$ 3,313,421**
Fund balances-beginning			17,838,995	
Fund balances-ending			**$ 19,046,329**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Traffic Impact Fee
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 2,067	$ 2,067
Developer fees	15,000	62,673	62,673	-
Total revenues	**15,000**	**62,673**	**64,740**	**2,067**
EXPENDITURES				
Current:				
Public works	1,200	4,700	4,700	-
Capital outlay	-	45,531	45,531	-
Total expenditures	**1,200**	**50,231**	**50,231**	**-**
Net change in fund balances	**$ 13,800**	**$ 12,442**	**14,509**	**$ 2,067**
Fund balances-beginning			53,964	
Fund balances-ending			**$ 68,473**	

CITY OF CHINO HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Mitigation Fee
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES				
Capital outlay	$ 12,216	$ 44,127	$ 5,950	$ 38,177
Total expenditures	**12,216**	**44,127**	**5,950**	**38,177**
Net change in fund balances	**$ (12,216)**	**$ (44,127)**	**(5,950)**	**$ 38,177**
Fund balances-beginning			941,434	
Fund balances-ending			**$ 935,484**	

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of services provided by one department of a government to another. Internal Service Funds include the following:

Information Technology – To account for the repair, replacement and maintenance of City-owned information technology systems and telecommunications hardware and software.

Equipment Maintenance – To account for the repair, replacement and maintenance of City-owned vehicles and equipment.

CITY OF CHINO HILLS, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Information Technology	Equipment Maintenance	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	$ 514,533	$ 6,318,553	$ 6,833,086
Receivables (net of uncollectibles):			
Accounts	-	1,655	1,655
Accrued interest	227	3,213	3,440
Prepaid costs	-	42,107	42,107
Due from other governments	-	745	745
Total current assets	514,760	6,366,273	6,881,033
Noncurrent:			
Capital assets, net	3,554,064	2,383,801	5,937,865
Total noncurrent assets	3,554,064	2,383,801	5,937,865
Total assets	**4,068,824**	**8,750,074**	**12,818,898**
DEFERRED OUTFLOWS OF RESOURCES			
OPEB-related	-	4,720	4,720
Total deferred outflows of resources	**-**	**4,720**	**4,720**
LIABILITIES			
Current liabilities:			
Accounts payable	80,954	50,914	131,868
Accrued liabilities	36,803	12,907	49,710
Accrued interest	16,217	739	16,956
Compensated absences	-	500	500
Subscriptions	160,462	8,501	168,963
Total OPEB liability	-	2,182	2,182
Total current liabilities	294,436	75,743	370,179
Noncurrent liabilities:			
Compensated absences	62,236	28,022	90,258
Subscriptions	886,528	17,728	904,256
Total OPEB liability	-	55,072	55,072
Total noncurrent liabilities	948,764	100,822	1,049,586
Total liabilities	**1,243,200**	**176,565**	**1,419,765**
DEFERRED INFLOWS OF RESOURCES			
OPEB-related	-	16,955	16,955
Total deferred inflows of resources	**-**	**16,955**	**16,955**
NET POSITION			
Net investment in capital assets	2,507,074	2,357,572	4,864,646
Unrestricted	318,550	6,203,702	6,522,252
Total net position	**$ 2,825,624**	**$ 8,561,274**	**$ 11,386,898**

CITY OF CHINO HILLS, CALIFORNIA
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Information Technology	Equipment Maintenance	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	$ 2,042,221	$ 1,994,337	$ 4,036,558
Miscellaneous	-	3,404	3,404
Total operating revenues	**2,042,221**	**1,997,741**	**4,039,962**
OPERATING EXPENSES			
Salaries and benefits	868,343	316,005	1,184,348
Professional and contractual services	539,764	13,284	553,048
Repairs and maintenance	55,023	284,157	339,180
Service and supplies	42,105	262,206	304,311
Administrative and general expenses	4,228	3,638	7,866
Utilities	3,442	920	4,362
Depreciation/amortization	405,167	367,055	772,222
Total operating expenses	**1,918,072**	**1,247,265**	**3,165,337**
Operating income (loss)	**124,149**	**750,476**	**874,625**
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	24,365	258,093	282,458
Interest expense	(32,697)	(1,071)	(33,768)
Total nonoperating revenues (expenses)	**(8,332)**	**257,022**	**248,690**
Income (loss) before capital contributions	**115,817**	**1,007,498**	**1,123,315**
Capital contributions	10,000	873,611	883,611
Change in net position	**125,817**	**1,881,109**	**2,006,926**
Net position-beginning	2,699,807	6,680,165	9,379,972
Net position-ending	**$ 2,825,624**	**$ 8,561,274**	**$ 11,386,898**

CITY OF CHINO HILLS, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Information Technology	Equipment Maintenance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund charges	$ 2,042,221	$ 1,996,252	$ 4,038,473
Payments to suppliers and service providers	(625,997)	(48,809)	(674,806)
Payments to employees for salaries and benefits	(860,665)	(877,628)	(1,738,293)
Net cash provided by (used for) operating activities	**555,559**	**1,069,815**	**1,625,374**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	10,000	873,611	883,611
Acquisition and construction of capital assets	(413,480)	(1,269,573)	(1,683,053)
Principal paid on capital debt	(167,741)	(8,910)	(176,651)
Interest paid on capital debt	(22,558)	(1,071)	(23,629)
Net cash provided by (used for) capital and related financing activities	**(593,779)**	**(405,943)**	**(999,722)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	24,365	257,301	281,666
Net cash provided by (used for) investing activities	**24,365**	**257,301**	**281,666**
Net increase (decrease) in cash and cash equivalents	**(13,855)**	**921,173**	**907,318**
Cash and cash equivalents-beginning	528,388	5,397,380	5,925,768
Cash and cash equivalents-ending	**$ 514,533**	**$ 6,318,553**	**$ 6,833,086**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	$ 124,149	$ 750,476	$ 874,625
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	405,167	366,725	771,892
(Increase) decrease in accounts receivable	-	(1,489)	(1,489)
(Increase) decrease in prepaid items	-	(42,107)	(42,107)
Increase (decrease) in accounts payable	18,565	6,582	25,147
Increase (decrease) in accrued liabilities	3,568	(2,827)	741
Increase (decrease) in compensated absences	4,110	(10,654)	(6,544)
Increase (decrease) in OPEB and related items	-	3,109	3,109
Total adjustments	431,410	319,339	$ 750,749
Net cash provided by (used for) operating activities	**$ 555,559**	**$ 1,069,815**	**$ 1,625,374**
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES			
Unrealized gain/(loss) on fair value of investments	$ 17,272	$ 157,877	$ 175,149

CUSTODIAL FUNDS

Custodial Funds are used to account for assets held by the City as a custodian for individuals, private organizations, and other governments. Custodial Funds include the following:

CFD 1 Rolling Ridge – To account for the collection of assessments from owners of property within the Community Facilities District No. 1 (Rolling Ridge) for the construction of facilities and improvements.

CFD 2 Los Ranchos – To account for the collection of assessments from owners of property within the Community Facilities District No. 2 (Los Ranchos), and for the remittance of such assessments to the bondholders as required by the Mello-Roos Community facilities Act of 1982.

CFD 4 The Oaks – To account for the collection of assessments from owners of property within the Community Facilities District No. 4 (The Oaks) for the construction of facilities and improvements.

CFD 5 Soquel Canyon – To account for the collection of assessments from owners of property within the Community Facilities District No. 5 (Soquel Canyon), and for the remittance of such assessments to the bondholders as required by the Mello-Roos Community facilities Act of 1982.

CFD 6 Carbon Canyon – To account for the collection of assessments from owners of property within the Community Facilities District No. 6 (Carbon Canyon) for the construction of facilities and improvements.

CFD 8 Butterfield – To account for the collection of assessments from owners of property within the Community Facilities District No. 8 (Butterfield) for the construction of facilities and improvements.

CFD 9 Rincon Village – To account for the collection of assessments from owners of property within the Community Facilities District No. 9 (Rincon Village) for the construction of facilities and improvements.

CFD 10 Fairfield Ranch – To account for the collection of assessments from owners of property within the Community Facilities District No. 10 (Fairfield Ranch), and for the remittance of such assessments to the bondholders as required by the Mello-Roos Community facilities Act of 1982.

CFD Regional - To account for the allocable share of special taxes collected from property owners within the Community Facility District that are to be spent on regional facilities.

CFD Vila Borba – To account for the collection of assessments from owners of property within the Vila Borba development for the maintenance of parks and facilities within the district.

CITY OF CHINO HILLS, CALIFORNIA
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024

	CFD 1 Rolling Ridge	CFD 2 Los Ranchos	CFD 4 The Oaks	CFD 5 Soquel Canyon
ASSETS				
Cash and cash equivalents	$ 122,073	$ 1,815,767	$ 1,364,512	$ 5,628,108
Restricted cash and cash equivalents held with fiscal agents	-	137,723	-	1,638,460
Receivables:				
Accrued interest	197	967	698	2,996
Special assessments	4,630	1,986	993	22,791
Advances to City	-	-	-	503,190
Total assets	**126,900**	**1,956,443**	**1,366,203**	**7,795,545**
LIABILITIES				
Accounts payable	73	1,063	74	88,175
Funds held for others	126,827	1,955,380	1,366,129	7,707,370
Due to other governments	-	-	-	-
Total liabilities	**126,900**	**1,956,443**	**1,366,203**	**7,795,545**
NET POSITION	**$ -**	**$ -**	**$ -**	**$ -**

	CFD 6 Carbon Canyon	CFD 8 Butterfield	CFD 9 Rincon Village	CFD 10 Fairfield Ranch
ASSETS				
Cash and cash equivalents	$ 1,342,448	$ 25,749	$ 8,865,510	$ 959,816
Restricted cash and cash equivalents held with fiscal agents	-	-	-	209
Receivables:				
Accrued interest	685	58	4,538	485
Special assessments	1,986	662	13,451	4,960
Advances to City	-	-	-	-
Total assets	**1,345,119**	**26,469**	**8,883,499**	**965,470**
LIABILITIES				
Accounts payable	73	74	4,480	374
Funds held for others	1,345,046	26,395	8,879,019	965,096
Due to other governments	-	-	-	-
Total liabilities	**1,345,119**	**26,469**	**8,883,499**	**965,470**
NET POSITION	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF CHINO HILLS, CALIFORNIA
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024

	CFD Regional	CFD Vila Borba	Total Custodial Funds
ASSETS			
Cash and cash equivalents	$ 3,599,033	$ 1,353,768	$ 25,076,784
Restricted cash and cash equivalents held with fiscal agents	-	-	1,776,392
Receivables:			
Accrued interest	1,482	674	12,780
Special assessments	-	3,117	54,576
Advances to City	-	-	503,190
Total assets	**3,600,515**	**1,357,559**	**27,423,722**
LIABILITIES			
Accounts payable	57,008	5,941	157,335
Funds held for others	3,543,507	1,349,176	27,263,945
Due to other governments	-	2,442	2,442
Total liabilities	**3,600,515**	**1,357,559**	**27,423,722**
NET POSITION	**$ -**	**$ -**	**$ -**

City of
Chino Hills

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CITY OF CHINO HILLS, CALIFORNIA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2024

	CFD 1 Rolling Ridge	CFD 2 Los Ranchos	CFD 4 The Oaks	CFD 5 Soquel Canyon
ADDITIONS				
Investment earnings:				
Interest	$ 3,934	$ 32,947	$ 22,596	$ 175,868
Change in fair value of investments	(2,699)	49,868	41,886	149,772
Total investment earnings	1,235	82,815	64,482	325,640
Taxes	299,253	451,704	69,347	2,948,013
Transfers in	-	-	-	-
Miscellaneous	-	-	-	-
Total additions	**300,488**	**534,519**	**133,829**	**3,273,653**
DEDUCTIONS				
Adminstrative expenses	32,485	259,204	133,829	665,020
Interest expense	-	33,025	-	480,731
Principal expense	-	160,000	-	1,480,000
Contributions to other governments	-	290	-	297,902
Transfers out	268,003	82,000	-	350,000
Total deductions	**300,488**	**534,519**	**133,829**	**3,273,653**
Net increase (decrease) in fiduciary net position	**-**	**-**	**-**	**-**
Net position-beginning, restated	-	-	-	-
Net position-ending	**$ -**	**$ -**	**$ -**	**$ -**

	CFD 6 Carbon Canyon	CFD 8 Butterfield	CFD 9 Rincon Village	CFD 10 Fairfield Ranch
ADDITIONS				
Investment earnings:				
Interest	$ 21,405	$ 1,124	$ 141,635	$ 11,917
Change in fair value of investments	35,938	(1,067)	242,543	29,786
Total investment earnings	57,343	57	384,178	41,703
Taxes	143,133	97,874	896,770	818,709
Transfers in	-	-	-	-
Miscellaneous	-	-	-	-
Total additions	**200,476**	**97,931**	**1,280,948**	**860,412**
DEDUCTIONS				
Adminstrative expenses	200,476	9,677	1,201,178	80,812
Interest expense	-	-	-	179,600
Principal expense	-	-	-	600,000
Contributions to other governments	-	-	79,770	-
Transfers out	-	88,254	-	-
Total deductions	**200,476**	**97,931**	**1,280,948**	**860,412**
Net increase (decrease) in fiduciary net position	**-**	**-**	**-**	**-**
Net position-beginning, restated	-	-	-	-
Net position-ending	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF CHINO HILLS, CALIFORNIA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2024

	CFD Regional	CFD Vila Borba	Eliminations/ Reclassifications	Total Custodial Funds
ADDITIONS				
Investment earnings:				
Interest	$ 64,749	$ 20,692	$ -	$ 496,867
Change in fair value of investments	(58,965)	36,715	-	523,777
Total investment earnings	5,784	57,407	-	1,020,644
Taxes	-	343,395	-	6,068,198
Transfers in	788,257	-	(788,257)	-
Miscellaneous	910,638	-	-	910,638
Total additions	**1,704,679**	**400,802**	**(788,257)**	**7,999,480**
DEDUCTIONS				
Adminstrative expenses	-	328,601	-	2,911,282
Interest expense	-	-	-	693,356
Principal expense	-	-	-	2,240,000
Contributions to other governments	1,704,679	72,201	-	2,154,842
Transfers out	-	-	(788,257)	-
Total deductions	**1,704,679**	**400,802**	**(788,257)**	**7,999,480**
Net increase (decrease) in fiduciary net position	**-**	**-**	**-**	**-**
Net position-beginning, restated	-	-	-	-
Net position-ending	**$ -**	**$ -**	**$ -**	**$ -**

STATISTICAL SECTION

City of
Chino Hills

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Statistical Section

This part of the City of Chino Hills' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents		***Page***

Financial Trends *- These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*

Revenue Capacity *- These schedules contain information to help the reader assess the factors affecting the City's ability to generate its water revenue, property, and sales taxes.*

Debt Capacity *- These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*

Demographic and Economic Information *- These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.*

Operating Information *- These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.*

Sources: *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. The City implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

City of
Chino Hills

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Financial Trends

CITY OF CHINO HILLS, CALIFORNIA
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
Government activities				
Net investment in capital assets	$ 249,001,625	$ 257,467,380	$ 246,504,929	$ 239,626,143
Restricted	40,314,648	42,938,942	63,223,237	70,651,227
Unrestricted	(12,698,180)	326,593	23,694,706	26,547,222
Total governmental activities net position	**$ 276,618,093**	**$ 300,732,915**	**$ 333,422,872**	**$ 336,824,592**
Business-type activities				
Net investment in capital assets	$ 100,578,841	$ 98,352,645	$ 97,054,149	$ 97,661,007
Restricted	3,455,102	1,120,375	1,120,375	1,120,375
Unrestricted	99,643,000	108,675,683	108,541,390	111,817,190
Total business-type activities net position	**$ 203,676,943**	**$ 208,148,703**	**$ 206,715,914**	**$ 210,598,572**
Primary government				
Net investment in capital assets	$ 349,580,466	$ 355,820,025	$ 343,559,078	$ 337,287,150
Restricted	41,435,023	44,059,317	64,343,612	71,771,602
Unrestricted	89,279,547	109,002,276	132,236,096	138,364,412
Total primary government activities net position	**$ 480,295,036**	**$ 508,881,618**	**$ 540,138,786**	**$ 547,423,164**

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ 240,562,757	$ 233,326,297	$ 225,139,206	$ 209,537,871	$ 202,918,022	$ 200,339,320
73,977,943	69,887,018	65,934,525	58,701,670	59,539,267	63,192,560
26,218,026	27,779,388	27,479,224	32,178,401	32,554,930	35,705,266
$ 340,758,726	**$ 330,992,703**	**$ 318,552,955**	**$ 300,417,942**	**$ 295,012,219**	**$ 299,237,146**
$ 94,427,983	$ 93,115,632	$ 89,493,105	$ 91,154,680	$ 89,911,975	$ 92,534,914
1,120,375	2,662,687	2,959,882	1,839,507	1,725,947	1,890,859
109,054,751	116,094,496	126,099,187	121,873,443	152,056,743	152,866,717
$ 204,603,109	**$ 211,872,815**	**$ 218,552,174**	**$ 214,867,630**	**$ 243,694,665**	**$ 247,292,490**
$ 334,990,740	$ 326,441,929	$ 314,632,311	$ 300,692,551	$ 292,829,997	$ 292,874,234
75,098,318	72,549,705	68,894,407	60,541,177	61,265,214	65,083,419
135,272,777	143,873,884	153,578,411	154,051,844	184,611,673	188,571,983
$ 545,361,835	**$ 542,865,518**	**$ 537,105,129**	**$ 515,285,572**	**$ 538,706,884**	**$ 546,529,636**

CITY OF CHINO HILLS, CALIFORNIA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
Expenses				
Governmental Activities:				
General government	$ 7,456,698	$ 7,369,304	$ 11,702,452	$ 11,406,420
Public safety	11,759,297	12,728,967	13,281,560	13,044,007
Community development	4,211,200	6,603,170	4,892,784	4,784,498
Community services	6,658,170	7,266,899	7,765,794	8,478,588
Public works	36,612,361	35,980,415	35,562,526	34,831,769
Interest on long-term debt	971,895	500,900	115,382	7,747
Total Governmental Activities expenses	67,669,621	70,449,655	73,320,498	72,553,029
Business-Type Activities:				
Water utility	10,932,290	20,647,992	22,914,640	25,935,862
Sewer utility	7,812,499	8,281,415	8,899,602	9,435,073
Total Business-Type Activities Expenses	18,744,789	28,929,407	31,814,242	35,370,935
Total Primary Government Expenses	$ 86,414,410	$ 99,379,062	$ 105,134,740	$ 107,923,964
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	$ 9,328,173	$ 10,280,428	$ 10,376,287	$ 10,630,210
Public safety	542,578	497,023	438,268	519,174
Community development	2,723,488	4,322,080	5,304,386	5,028,027
Community services	1,414,666	1,420,515	1,529,095	1,441,073
Public works	13,051,322	13,245,578	13,711,455	14,082,748
Operating Contributions and Grants	3,724,886	3,237,409	2,297,562	3,238,623
Capital Contributions and Grants	8,992,594	34,293,432	27,460,989	16,766,249
Total Governmental Activities Program Revenues	39,777,707	67,296,465	61,118,042	51,706,104
Business-Type Activities:				
Charges for services:				
Water utility	27,208,741	24,113,123	25,858,588	27,275,973
Sewer utility	6,522,726	6,894,275	7,497,776	7,916,890
Capital Contributions and Grants	10,770	76,999	8,398	3,554,085
Total Business-Type Activities Program Revenues	33,742,237	31,084,397	33,364,762	38,746,948
Total Primary Government Program Revenues	$ 73,519,944	$ 98,380,862	$ 94,482,804	$ 90,453,052

SCHEDULE 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 12,749,762	$ 15,307,027	$ 12,750,635	$ 8,540,325	$ 10,672,152	$ 11,143,235
14,417,492	15,205,416	16,628,248	17,504,385	17,448,006	18,613,323
4,991,633	5,209,094	3,663,994	4,009,759	4,085,274	3,901,387
8,995,182	9,065,852	8,678,267	9,537,096	10,246,715	9,777,842
35,710,321	35,877,262	37,175,262	46,032,426	36,019,184	35,291,797
-	-	-	-	10,106	36,498
76,864,390	80,664,651	78,896,406	85,623,991	78,481,437	78,764,082
36,655,979	27,038,484	26,665,088	31,445,482	28,687,019	36,291,370
10,278,465	11,648,058	12,145,670	11,492,988	12,953,150	13,260,629
46,934,444	38,686,542	38,810,758	42,938,470	41,640,169	49,551,999
$ 123,798,834	$ 119,351,193	$ 117,707,164	$ 128,562,461	$ 120,121,606	$ 128,316,081
$ 9,964,130	$ 9,942,457	$ 8,817,358	$ 9,760,902	$ 11,919,230	$ 14,541,399
598,583	455,971	489,055	857,069	1,050,875	1,217,413
3,251,340	2,723,282	3,188,447	3,281,901	3,059,091	2,911,495
1,576,622	822,725	215,395	1,526,930	1,461,629	1,552,895
14,532,463	15,751,674	15,885,649	16,143,277	11,083,544	10,954,381
5,797,704	4,772,508	6,639,398	5,887,612	4,915,387	5,722,227
5,816,066	3,361,478	4,263,405	4,276,048	2,792,392	3,457,401
41,536,908	37,830,095	39,498,707	41,733,739	36,282,148	40,357,211
27,327,965	30,661,622	35,201,405	36,509,320	34,565,374	34,948,962
8,435,453	8,679,740	8,649,936	9,048,558	9,266,313	10,332,556
205,455	-	-	-	-	-
35,968,873	39,341,362	43,851,341	45,557,878	43,831,687	45,281,518
$ 77,505,781	$ 77,171,457	$ 83,350,048	$ 87,291,617	$ 80,113,835	$ 85,638,729

CITY OF CHINO HILLS, CALIFORNIA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
Net (Expense)/Revenue				
Governmental Activities	$ (27,891,914)	$ (3,153,190)	$ (12,202,456)	$ (20,846,925)
Business-Type Activities	14,997,448	2,154,990	1,550,520	3,376,013
Total primary Government Net Expense	$ (12,894,466)	$ (998,200)	$ (10,651,936)	$ (17,470,912)
General Revenues and Other Charges in Net Position				
Governmental Activities:				
Taxes:				
Property taxes, levied for general purpose	$ 11,583,735	$ 12,028,812	$ 12,604,842	$ 13,385,908
Sales taxes	7,530,159	7,072,833	7,595,570	8,116,465
Franchise taxes	2,381,049	2,363,758	2,208,116	2,249,806
Other taxes	1,366,301	1,734,224	1,603,972	1,699,142
Motor Vehicle In Lieu - unrestricted	32,363	31,309	35,331	42,467
Use of money and property	1,542,399	2,244,674	826,728	488,518
Gain (loss) on sale of capital assets	3,923	449,255	9,118,602	-
Other revenues and transfers	1,498,097	1,343,147	6,944,186	84,784
Special Item - Extinguishment of Debt	-	-	-	-
Special Item - Contribution to Custodial Funds	-	-	-	-
Total Governmental Activities	25,938,026	27,268,012	40,937,347	26,067,090
Business-Type Activities:				
Property taxes, levied for general purpose	-	-	-	-
Use of money and property	774,420	1,418,149	138,868	(26,186)
Other revenues and transfers	735,795	898,621	1,309,568	1,158,585
Gain (loss) on sale of capital assets	-	-	-	-
Special Item - Extinguishment of Debt	-	-	-	-
Total Business-Type Activities	1,510,215	2,316,770	1,448,436	1,132,399
Total Primary Government	$ 27,448,241	$ 29,584,782	$ 42,385,783	$ 27,199,489
Changes in Net Position				
Governmental Activities	$ (1,953,888)	$ 24,114,822	$ 28,734,891	$ 5,220,165
Business-Type Activities	16,507,663	4,471,760	2,998,956	4,508,412
Total Primary Government	$ 14,553,775	$ 28,586,582	$ 31,733,847	$ 9,728,577

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ (35,327,482)	$ (42,834,556)	$ (39,397,699)	$ (43,890,252)	$ (42,199,289)	$ (38,406,871)
(10,965,571)	654,820	5,040,583	2,619,408	2,191,518	(4,270,481)
$ (46,293,053)	$ (42,179,736)	$ (34,357,116)	$ (41,270,844)	$ (40,007,771)	$ (42,677,352)
$ 14,784,155	$ 16,117,652	$ 17,188,820	$ 17,675,483	$ 18,078,383	$ 19,113,221
8,374,411	7,510,052	8,661,965	10,581,396	10,519,979	9,927,220
2,265,393	2,329,107	2,203,241	2,435,306	2,605,842	2,663,611
1,853,206	1,177,745	1,287,616	2,004,597	2,247,959	2,477,969
39,917	66,770	60,442	95,494	80,436	96,930
6,465,962	6,457,638	2,037,171	(5,063,096)	2,305,437	8,232,290
9,025	-	-	(2,055,513)	7,600	-
5,327,602	(1,105,152)	138,477	-	154,842	120,557
-	-	970,687	-	-	-
-	-	(4,758,667)	-	-	-
39,119,671	32,553,812	27,789,752	25,673,667	36,000,478	42,631,798
-	-	-	45,008	28,307	2,366
4,082,213	4,974,814	891,638	(5,052,787)	(514,796)	6,754,967
888,495	1,864,237	747,138	580,851	27,122,006	1,102,573
-	-	-	(2,707,323)	-	8,400
-	-	-	911,871	-	-
4,970,708	6,839,051	1,638,776	(6,222,380)	26,635,517	7,868,306
$ 44,090,379	$ 39,392,863	$ 29,428,528	$ 19,451,287	$ 62,635,995	$ 50,500,104
$ 3,792,189	$ (10,280,744)	$ (11,607,947)	$ (18,216,585)	$ (6,198,811)	$ 4,224,927
(5,994,863)	7,493,871	6,679,359	(3,602,972)	28,827,035	3,597,825
$ (2,202,674)	$ (2,786,873)	$ (4,928,588)	$ (21,819,557)	$ 22,628,224	$ 7,822,752

CITY OF CHINO HILLS, CALIFORNIA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
General Fund				
Nonspendable	$ 518,432	$ 766,204	$ 185,994	$ 21,373
Restricted	3,352,558	2,075,168	7,336,274	7,251,136
Committed	16,292,529	22,399,767	19,071,040	1,100,000
Assigned	1,947,844	1,714,357	2,757,408	4,433,923
Unassigned	-	-	14,103,222	33,685,071
Total General Fund	$ 22,111,363	$ 26,955,496	$ 43,453,938	$ 46,491,503
All other governmental funds				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	36,962,090	40,863,774	55,886,963	63,400,091
Unassigned	(7,970,786)	(6,669,785)	-	(9,761)
Total all other governmental funds	$ 28,991,304	$ 34,193,989	$ 55,886,963	$ 63,390,330

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 15,590	$ 3,220,035	$ 2,202,829	$ 2,136,810	$ 1,832,559	$ 1,747,492
5,773,329	5,884,257	6,199,816	6,539,460	6,704,469	6,871,136
1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
48,573	49,671	52,337	50,499	48,409	464,718
38,184,312	41,046,606	44,776,748	44,897,073	43,296,838	45,008,782
$ 45,121,804	$ 51,300,569	$ 54,331,730	$ 54,723,842	$ 52,982,275	$ 55,192,128
$ -	$ -	$ -	$ -	$ -	$ 48,627
68,204,614	62,718,811	58,378,154	52,162,210	52,834,798	56,321,424
-	(815,029)	(1,698,641)	(1,753,601)	(1,577,573)	(1,725,872)
$ 68,204,614	$ 61,903,782	$ 56,679,513	$ 50,408,609	$ 51,257,225	$ 54,644,179

CITY OF CHINO HILLS, CALIFORNIA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
Revenues:				
Taxes	$ 22,624,279	$ 24,194,441	$ 24,012,500	$ 25,451,321
Assessments	6,464,550	8,868,555	10,430,569	7,870,481
Licenses and permits	1,528,812	2,658,148	3,626,145	3,665,000
Intergovernmental	6,585,706	7,893,140	7,245,712	6,157,475
Charges for services	18,899,986	20,882,300	21,427,834	21,635,806
Use of money and property	1,492,634	2,152,174	830,563	496,916
Fines and forfeiture	533,483	489,111	429,545	511,080
Developer fees	930,066	10,128,975	14,754,242	9,784,516
Contribution from property owners	484,996	1,089,475	215,658	257,506
Contributions	2,234,046	13,978,152	39,855	38,885
Miscellaneous	1,517,224	1,446,536	6,613,531	805,449
Total revenues	63,295,782	93,781,007	89,626,154	76,674,435
Expenditures:				
Current:				
General government	9,484,876	8,412,559	9,659,283	10,469,856
Public safety	11,494,913	12,462,663	13,049,393	12,771,404
Community development	4,277,307	6,609,782	5,004,181	4,757,291
Community services	5,148,498	5,606,869	6,302,094	6,533,779
Public works	26,457,085	25,657,267	25,703,055	24,300,487
Capital outlay	2,128,126	6,351,244	2,256,572	5,633,836
Debt service:				
Principal retirement	1,094,853	19,797,657 (	1,899,997	1,946,942
Interest and fiscal charges	979,592	801,776	115,140	7,747
Total expenses	61,065,250	85,699,817	63,989,715	66,421,342
Excess (deficiency) of revenues over (under) expenditures	2,230,532	8,081,190	25,636,439	10,253,093
Other financing sources (uses):				
Transfers in	10,339,681	9,711,763	5,573,127	840,745
Transfers out	(8,920,080)	(8,368,616)	(4,868,032)	(840,745)
Long term debt issued	13,022	622,481	265,987	132,582
Proceeds from sale of capital asset	8,745	-	11,583,895	-
Subscriptions	-	-	-	-
Total other financing sources (uses)	1,441,368	1,965,628	12,554,977	132,582
Special Item - Contribution to Custodial Funds	-	-	-	-
Net change in fund balances / net position	$ 3,671,900	$ 10,046,818	$ 38,191,416	$ 10,385,675
Debt service as a percentage of noncapital expenditures	3.5%	26.0%	3.3%	3.2%

(1) The outstanding balance of $14,175,000 for the 2007 Certificates of Participation for the Civic Center Interim Financing Project was fully refunded in Fiscal Year 2015-16.

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ 27,277,165	$ 27,134,556	$ 29,341,642	$ 32,696,782	$ 33,248,135	$ 33,978,656
6,108,550	5,874,301	5,721,944	5,741,048	5,769,628	5,776,414
1,932,114	1,445,364	1,752,483	1,855,802	1,971,502	2,059,818
8,175,182	6,392,232	8,630,874	7,747,672	8,420,649	11,711,991
21,523,512	21,770,821	20,448,475	22,316,820	18,363,662	19,046,870
6,218,815	6,139,724	2,060,147	(4,800,509)	2,276,587	7,949,832
592,671	450,067	203,835	566,717	679,668	564,688
1,791,200	471,776	1,081,592	1,788,578	255,497	1,387,454
453,698	-	-	-	-	-
14,447	619,562	28,548	-	-	-
2,562,811	906,819	881,399	1,698,832	1,010,289	1,189,198
76,650,165	71,205,222	70,150,939	69,611,742	71,995,617	83,664,921
11,094,480	10,871,256	9,557,064	9,975,217	10,563,496	11,261,693
14,146,312	14,934,816	16,354,316	17,230,768	17,171,511	18,345,404
4,955,939	5,125,203	3,658,623	4,022,529	4,073,447	3,921,793
6,589,253	6,725,717	6,278,029	6,901,342	7,658,853	7,835,776
24,718,560	27,007,125	27,542,695	35,263,980	23,800,946	24,592,195
11,159,781	5,586,880	1,153,826	1,802,259	8,520,652	10,791,388
737,178	39,635	2,172,644	376,011	244,789	1,340,763
-	-	-	-	57	1,816
73,401,503	70,290,632	66,717,197	75,572,106	72,033,751	78,090,828
3,248,662	914,590	3,433,742	(5,960,364)	(38,134)	5,574,093
6,232,708	1,157,819	3,672,590	1,941,862	3,418,109	2,882,140
(6,232,708)	(2,322,782)	(3,708,972)	(1,941,862)	(3,418,109)	(2,882,140)
53,978	121,908	-	-	-	-
-	-	-	-	-	-
-	-	-	-	104,004	22,714
53,978	(1,043,055)	(36,382)	-	104,004	22,714
-	-	(4,758,667)	-	-	-
$ 3,302,640	$ (128,465)	$ (1,361,307)	$ (5,960,364)	$ 65,870	$ 5,596,807
1.2%	0.1%	3.3%	0.5%	0.4%	2.0%

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Revenue Capacity

CITY OF CHINO HILLS, CALIFORNIA SCHEDULE 5

Water Revenue - Charges for Services

Last Ten Fiscal Years

Fiscal Year	Residential Service Charge	Commercial Service Charge	Government Service Charge	Reclaimed Water Charge	Other Charges	Total
2015	$ 19,070,284	$ 5,374,286	$ 2,525,850	N/A	$ 238,321	$ 27,208,741
2016	17,313,747	4,658,550	1,885,061	N/A	255,766	24,113,124
2017	18,240,058	4,406,061	1,916,795	1,040,125 (1)	255,549	25,858,588
2018	19,249,895	3,972,630	1,904,949	1,877,622	270,876	27,275,973
2019	19,892,755	3,828,072	1,733,077	1,733,954	140,108	27,327,966
2020	22,450,996	5,300,316	1,068,637	1,517,216	324,457	30,661,622
2021	25,478,874	4,978,767	2,805,512	1,662,500	275,753	35,201,406
2022	26,610,326	4,807,997	3,100,164	1,720,664	270,169	36,509,320
2023	25,781,316	4,461,777	2,378,151	1,591,611	352,519	34,565,374
2024	26,262,358	4,584,661	2,389,302	1,348,925	363,716	34,948,962

Source: City Finance Department

Notes: (1) Beginning in Fiscal Year 2016-17, reclaimed water charges were accounted for separately and are no longer included in commercial and government service charges.

CITY OF CHINO HILLS, CALIFORNIA **SCHEDULE 6**
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(In Thousands of Dollars)

Fiscal Year	Residential Property	Commercial Property	Property	Exemption	Total Taxable Assessed Value	Total Direct Tax Rate
2015	$ 8,911,568	$ 653,794	$ 302,185	$ 88,716	$ 9,956,263	1.00
2016	9,325,710	718,928	246,582	86,819	10,378,039	1.00
2017	9,756,826	803,558	236,466	88,066	10,884,916	1.00
2018	10,352,527	842,193	303,900	86,975	11,585,595	1.00
2019	11,026,184	861,539	338,485	86,272	12,312,480	1.00
2020	11,647,840	919,023	330,244	86,034	12,983,141	1.00
2021	12,190,297	986,430	326,301	84,886	13,587,914	1.00
2022	12,562,349	989,085	342,383	84,459	13,978,276	1.00
2023	13,158,534	1,048,617	350,788	81,340	14,639,279	1.00
2024	13,756,323	1,094,920	481,791	80,451	15,413,485	1.00

Source: HDL Coren & Cone and San Bernardino County Assessor

CITY OF CHINO HILLS, CALIFORNIA **SCHEDULE 7**

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate Per $100 of Assessed Value)

	City Direct Rates	Overlapping Rates		
Fiscal Year	General Tax Levy	School District	Metropolitan Water District	San Bernardino County
2015	1.0000	0.0440	0.0035	-
2016	1.0000	0.0444	0.0035	-
2017	1.0000	0.0499	0.0035	-
2018	1.0000	0.1022	0.0035	-
2019	1.0000	0.1002	0.0035	-
2020	1.0000	0.1031	0.0035	-
2021	1.0000	0.1008	0.0035	-
2022	1.0000	0.1039	0.0035	-
2023	1.0000	0.1037	0.0035	-
2024	1.0000	0.0885	0.0035	-

Source: County of San Bernardino Assessor

Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2024 Taxable Assessed Value	2024 Rank	2024 Percentage of Total City Taxable Assessed Value	2015 Taxable Assessed Value	2015 Rank	2015 Percentage of Total City Taxable Assessed Value
Chino Dunhill LLC	$ 150,000,000	1	0.98%			
Crossings of Chino Hills LLC	133,171,200	2	0.87%			
LCD Santa Barbara at Chino Hills LLC	110,915,134	3	0.73%			
FHF I The Heights LLC	106,760,596	4	0.70%			
Capriana Owner LLC	102,395,303	5	0.67%			
SB Reserve Charitable LP	95,126,575	6	0.62%			
Avalon Chino Hills LP	85,527,963	7	0.56%			
CG Village Oaks LLC	76,357,486	8	0.50%			
Costco Wholesale Corporation	71,541,992	9	0.47%			
Missions at Chino Hills	70,827,200	10	0.46%	$ 49,450,000	5	0.50%
Chino Hills Mall LLC				99,990,095	1	1.00%
NF Chino Hills Associates LP				71,311,570	2	0.72%
Bexaew Heights LP				70,643,738	3	0.71%
CRCH LLC				60,514,485	4	0.61%
Standard Pacific Corporation				47,213,080	6	0.47%
Weingarten Nostat Inc.				43,875,524	7	0.44%
Yah Investments LLC				40,719,821	8	0.41%
JSP Creekside LP				37,614,147	9	0.38%
Chino Hills Corporate Park				32,236,663	10	0.32%
Total	$ 1,002,623,449		6.56%	$ 553,569,123		5.56%

Source: HDL Coren & Cone

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year [1]	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years [2]	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	$ 3,932,280	$ 3,794,122	96.5%	$ 78,381	$ 3,872,503	98.5%
2016	4,101,732	4,000,104	97.5%	83,243	4,083,347	99.6%
2017	4,316,205	4,239,539	98.2%	104,830	4,344,369	100.7%
2018	4,580,609	4,537,330	99.1%	70,879	4,608,209	100.6%
2019	4,871,607	4,677,528	96.0%	65,336	4,742,864	97.4%
2020	5,140,787	4,926,550	95.8%	87,040	5,013,590	97.5%
2021	5,375,616	5,201,662	96.8%	80,079	5,281,741	98.3%
2022	5,539,244	5,344,057	96.5%	69,608	5,413,665	97.7%
2023	5,817,325	5,596,726	96.2%	78,367	5,675,093	97.6%
2024	6,039,427	5,789,803	95.9%	-	5,789,803	95.9%

Source: County of San Bernardino Auditor/Controller-Recorder

Notes: (1) The figures presented are specific to General Fund taxes only. These amounts do not include Community Facilities District Special taxes or Assessment District assessments.

(2) Delinquent collections were modified in Fiscal Year 2015-16 to be presented in the year they were actually collected. Since these collections may include more than one delinquent year, the total collections to date could be more than 100 percent of the taxes levied for that fiscal year.

Debt Capacity

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita)

	Governmental Activities				Business-type Activities			
Fiscal Year	Certificates of Participation	Capital Leases	Developer Fee Program Obligations	Subscriptions	Certificates of Participation/ Revenue Bonds	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2015	$ 14,756	$ 21	$ 22,720	$ -	$ 16,996	$ 54,493	2.01%	707
2016	-	9	18,275	-	15,169	33,453	1.22%	432
2017	-	-	16,325	-	13,287	29,612	1.06%	375
2018	-	-	14,511	-	11,335	25,846	0.88%	316
2019	-	-	13,984	-	10,338	24,322	0.82%	295
2020	-	-	14,066	-	9,331	23,397	0.73%	298
2021	-	-	12,633	-	8,299	20,932	0.63%	267
2022	-	-	12,443	-	- (2)	12,443	0.37%	160
2023	-	-	12,233	386	-	12,619	0.34%	164
2024	-	-	10,930	1,119	-	12,049	-	-

Source: City Finance Department

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

(1) See Demographic and Economic Statistics Schedule (Schedule 15) for personal income and population data.

(2) The 2012 Water Revenue bonds were fully paid off in Fiscal Year 2021-22.

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita)

Fiscal Year	General Bonded Debt Outstanding: Certificates of Participation	Percentage of Assessed Value of Property (1)	Per Capita (2)
2015	$ 14,756	0.15%	194
2016	- (3)	0.00%	-
2017	-	0.00%	-
2018	-	0.00%	-
2019	-	0.00%	-
2020	-	0.00%	-
2021	-	0.00%	-
2022	-	0.00%	-
2023	-	0.00%	-
2024	-	0.00%	-

Source: City Finance Department

Notes: General bonded debt is debt payable with governmental fund resources. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Assessed value has been used because the actual value of taxable property is not readily available. See Schedule 6 for assessed property value data.

(2) See Demographic and Economic Statistics Schedule (Schedule 15) for personal income and population data.

(3) The 2007 Certificates of Participation in the amount of $14,175,000 for the Civic Center Interim Financing Project were fully refunded in Fiscal Year 2015-16.

Direct and Overlapping Governmental Activities Debt
As of June 30, 2024

Fiscal Year 2023-24 Assessed Valuation: $15,250,154,673

Overlapping Tax and Assessment Debt:	Debt Outstanding	% Applicable [1]	City's Share of Debt 6/30/24
Metropolitan Water District	$ 18,210,000	0.394%	$ 71,747
Chaffey Community College District	278,160,000	9.415%	26,188,764
Chino Valley Unified School District	763,817,971	39.497%	301,685,184
City of Chino Hills - Community Facilities District No. 2	675,000	100.000%	675,000
City of Chino Hills - Community Facilities District No. 5	9,785,000	100.000%	9,785,000
City of Chino Hills - Community Facilities District No.10	4,190,000	100.000%	4,190,000
Total overlapping taxes and assessment debt			342,595,695
Overlapping General Fund Obligation Debt:			
San Bernardino County General Fund Obligations	131,565,000	4.787%	6,298,017
San Bernardino County Flood Control District General Fund Obligations	37,295,000	4.787%	1,785,312
Chaffey Community College District General Fund Obligations	23,835,000	9.415%	2,244,065
West Valley Vector Control District Certificates of Participation	1,491,876	13.171%	196,495
Total overlapping general fund debt			10,523,889
Subtotal, overlapping debt			353,119,584
City of Chino Hills Direct Debt			12,049,403 [2]
Total Direct and Overlapping Debt			$ 365,168,987 [3]

Source: California Municipal Statistics, Inc. and the City Finance Department

Notes: (1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.

(2) Details regarding the City's direct debt can be found in the notes to the financial statements.

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

Legal Debt Margin Information
Last Ten Fiscal Years
(Dollars in Thousands)

	Debt Limit		Debt Applicable to Limit				
Fiscal Year	Net Assessed Value	Debt Limit - 15% of Assessed Value	General Obligation Bonds	Amount set aside for repayment of general obligation debt	Total net debt applicable to limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2015	$ 9,956,263	$ 1,493,439	$ -	$ -	$ -	$ 1,493,439	0.00%
2016	10,378,039	1,556,706	-	-	-	1,556,706	0.00%
2017	10,884,916	1,632,737	-	-	-	1,632,737	0.00%
2018	11,585,595	1,737,839	-	-	-	1,737,839	0.00%
2019	12,312,480	1,846,872	-	-	-	1,846,872	0.00%
2020	12,983,141	1,947,471	-	-	-	1,947,471	0.00%
2021	13,587,915	2,038,187	-	-	-	2,038,187	0.00%
2022	13,978,277	2,096,742	-	-	-	2,096,742	0.00%
2023	14,639,279	2,195,892	-	-	-	2,195,892	0.00%
2024	15,250,155	2,287,523	-	-	-	2,287,523	0.00%

Source: San Bernardino County Assessor Combined Tax Rolls

Notes: The State of California Government Code §43605 provides for a legal debt limit of gross assessed valuation.

CITY OF CHINO HILLS, CALIFORNIA **SCHEDULE 14**

Pledged - Revenue Coverage

Last Ten Fiscal Years

(Dollars in Thousands)

	Water Certificate of Participation/Revenue Bonds					
Fiscal Year	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2015	$ 28,413	$ 19,646	$ 8,767	$ 1,670	$ 552	3.95
2016	26,000	19,354	6,646	1,735	485	2.99
2017	27,130	20,211	6,919	1,790	451	3.09 (3)
2018	28,394	21,339	7,055	1,860	379	3.15
2019	30,867	23,287	7,580	905	305	6.26
2020	34,577	23,742	10,835	915	207	9.65
2021	36,660	24,902	11,758	940	277	9.66
2022	33,423	26,375	7,048	7,285	240	0.94 (5)
2023	35,182	25,235	9,947	-	-	-
2024	35,945	32,242	3,703	-	-	-

	Special Assessment Bonds			
Fiscal Year	Special Assessment Collections	Debt Service (2) Principal	Debt Service (2) Interest	Coverage
2015	$ 8,957	$ 6,293	$ 1,841	1.10
2016	8,592	4,660	1,802	1.33
2017	8,073	4,920	1,906	1.18 (3)
2018	7,920	4,545	1,729	1.26
2019	7,761	4,250	1,554	1.34
2020	7,495	4,080	1,466	1.35
2021	7,227	2,440	865	2.19 (4)
2022	7,111	2,370	865	2.20
2023	6,680	2,355	779	2.13
2024	6,068	2,240	693	2.07

Source: City Finance Department

Notes:

(1) Operating expenses do not include interest, depreciation, or amortization expenses.

(2) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(3) The Community Facilities Districts No. 4 and No. 8 Series B bonds were fully paid off in Fiscal Year 2016-17.

(4) The Community Facilities Districts No. 10 Series 2010 bond was refinanced with a Series 2020 bond in Fiscal Year 2020-21.

(5) The 2012 Water Revenue bonds were fully paid off in Fiscal Year 2021-22.

Demographic and Economic Information

Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Unemployment Rate (2)
2014	75,743	2,640,858	34,723	5.9%
2015	77,107	2,706,859	34,322	4.7%
2016	77,481	2,737,033	33,926	4.2%
2017	78,863	2,792,793	34,617	3.1%
2018	81,794	2,942,020	34,872	2.7%
2019	82,310	2,973,052	36,076	2.5%
2020	78,472	3,196,310	38,667	7.3%
2021	78,437	3,311,404	42,473	4.8%
2022	77,601	3,359,647	43,598	2.7%
2023	77,058	3,662,898	47,934	3.1%

Sources: (1) State of California Department of Finance
(2) HDL Coren & Cone

Principal Employers
Current Year and Nine Years Ago

	2024			2015		
Employer	**Number of Employees** [1]	**Rank**	**Percentage of Total City Employment** [2]	**Number of Employees**	**Rank**	**Percentage of Total City Employment**
Chino Valley Unified School District	955 [3]	1	2.08%	1,425	1	3.63%
Costco	325	2	0.71%	294	2	0.75%
Kaiser Permanente Laboratory	313	3	0.68%			
City of Chino Hills	283	4	0.62%	239	3	0.61%
Lowe's (Peyton + CH Parkway)	242	5	0.53%	103	9	0.26%
Boys Republic	232	6	0.51%	228	4	0.58%
Albertson's (Grand + Los Serranos)	183	7	0.40%	191	5	0.49%
Chino Valley Fire District	154	8	0.34%	132	7	0.34%
BJ's Brewery	150	9	0.33%	148	6	0.38%
Western Waterworks	134	10	0.29%			
Lucille's Smokehouse BBQ				122	8	0.31%
PMAC-Fairfield				100	10	0.25%
Total	2,971		6.47%	2,982		7.59%

Source: Finance Department, and California Labor Market

Note: (1) Includes full-time, part-time, and contract employees.
(2) Total City employment of 45,900 was provided by California Labor Market report.
(3) The Chino Valley Unified School District number of employees calculation includes substitutes and only employees working at the schools located in the City of Chino Hills.

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Operating Information

CITY OF CHINO HILLS, CALIFORNIA **SCHEDULE 17**

Full - Time - Equivalent City Government Employees
by Function/Program
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30,									
Function/Program	**2015**	**2016**	**2017**	**2018** (2)	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
General government										
Legislative	8	7	8	8	8	7	8	8	7	8
City Manager	10	9	13 (1)	13	14	15	16	17	16 (5)	15
Finance	19	18	15 (1)	13	12	11	13	11	10	11
Code Enforcement	4	4	4	4	5	4	5	5	4 (5)	5
Emergency Preparedness	1	1	1	1	1	1	1	1	1	1
Solid Waste & Recycling	-	-	-	-	-	-	-	-	2 (5)	2
Public Works	41	42	43	46	44	44	44	45	43	44
Community Development	16	16	16	15	14	13	13	12	13	15
Community Services	53	53	52	47	48	33 (3)	32	38 (4)	45	47
Water Utility	26	24	27	26	27	25	28	27	24	26
Sewer Utility	7	8	8	7	7	7	8	8	7	9
Total	185	182	187	180	180	160	168	172	172	183

Source: City Finance Department

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

(1) In Fiscal Year 2016-17, the Information Technology division was moved from the Finance department to the City Manager's division.

(2) Fiscal Year 2017-18 information was revised due to a formula error.

(3) Due to the COVID-19 pandemic, Community Services staff hours decreased as a result of public facility closures and program cancellations.

(4) Community Services staff hours increased as a result of the re-opening of public facilities and programs.

(5) In Fiscal Year 2022-23, the Solid Waste & Recycling division was created which resulted in the reclassification of staff from the City Manager and Code Enforcement divisions.

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Fiscal Year									
General government										
Building permits issued	1,656	1,877	2,002	1,897	1,693	1,568	2,093	2,138	2,611	2,114
Building inspections conducted	5,154	6,661	7,830	11,635	6,593	5,155 (2)	4,863	4,881	5,479	5,509
Refuse collection										
Refuse collected (tons per day)	149	184 (1)	184	180	182	190	183	191	202	210
Recyclables collected (tons per day)	59	35 (1)	41	51	36	31	33	33	20	18
Other public works										
Street resurfacing (lane miles)	44	17	17	24	44	44	30	24	17	13
Potholes repaired	120	115	95	120	105	96	125	112	155	167
Water										
New connections	39	161	84	218	61	17 (3)	7	5	9	49
Water main breaks	15	88	122	11	25	12	1	-	5	16
Average daily consumption (million gallons)	13	14	11	12	11	11	12	12	9	10
Peak daily consumption (million gallons)	26	22	21	22	16	17	20	19	15	15
Sewage System										
Average daily sewage treatment (million gallons)	4	4	4	4	4	4	4	5	5	5

Source: Various City Departments

Note: (1) The variance between the refuse and recyclables collected from Fiscal Year 2015-16 to Fiscal Year 2016-17 is due to a change in methodology in calculating the information provided by Republic Services.

(2) Due to the COVID-19 pandemic and the historically cyclical nature of construction activity, the number of inspections decreased in Fiscal Year 2019-20.

(3) The low number of new water connections in Fiscal Year 2019-20 is due to the COVID-19 pandemic and the related closures, as well as a slow-down in development activity.

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Other public works [1]										
Streets (miles)	172	198	197	197	203	203	203	203	203	203
Traffic signals	55	54	54	52	54	54	54	54	54	55
Parks and recreation										
Parks	43	43	43	43	43	44	44	44	44	44
Acreage	263	320 [2]	320	334	334	334	334	301 [3]	301	301
Playgrounds	28	27	27	30	31	31	31	31	31	32
Baseball/softball diamonds	9	9	9	8	8	8	8	8	8	8
Soccer/football fields	12	12	12	12	13	13	13	13	13	13
Community centers	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	302	315	305	305	305	305	305	287 [4]	287	287
Fire hydrants	2,185	2,010	2,035	2,190	2,190	2,190	2,190	2,344	2,344	2,344
Storage capacity (million gallons)	39	40	40	40	40	40	40	40	40	40
Sewage System										
Sanitary sewers (miles)	202	195	202	202	202	202	202	205	205	205
Storm drains (miles)	83	90	91	104	104	104	104	84 [4]	84	84

Source: Various City Departments

Notes: (1) No capital asset indicators are available for the general government.

(2) The total acreage for the parks was updated based on GIS information during Fiscal Year 2015-16, as compared to the estimates used in prior years.

(3) The total acreage for the parks was updated based on GIS information during Fiscal Year 2021-22, as compared to prior years.

(4) The total miles for water mains and storm drains were updated based on GIS information during Fiscal Year 2021-22, as compared to the estimates used in prior years.