



San Bernardino LAFCO Fiscal Indicators

City of Rialto

Report Created:2/5/2020

The City of Rialto actively provides police, fire protection and emergency medical, roads, parks and recreation, public improvements, planning and zoning, and general administrative services. The City operates with governmental funds and reports two major business-type funds: water and wastewater. The agency retirement plan is administered by CalPERS. Additional information on the City can be accessed via the link below.

[Agency Information \(map, contact information, fiscal indicators, SCAG profile\)](#)



City of Rialto

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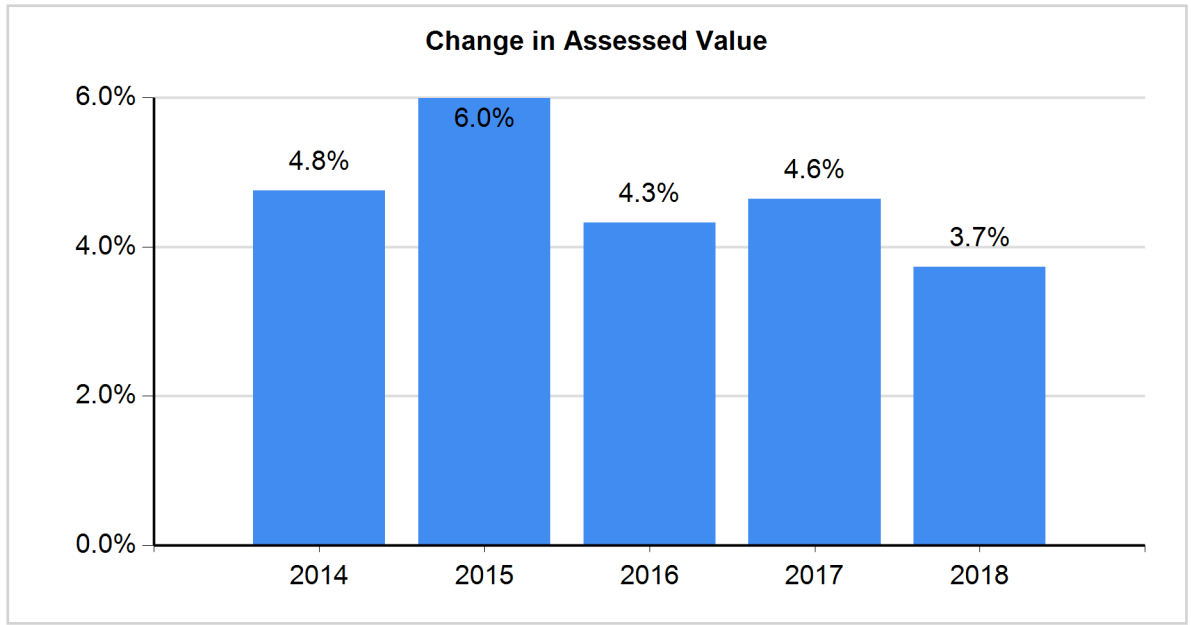
Change in Assessed Value

Description

There is a correlation between assessed property value and the receipt of the general property tax levy.

Formula:
change in tax roll
value/beginning tax
roll value

Source:
County Auditor -
Agency Net
Valuations



2014	2015	2016	2017	2018
\$172,450,662	\$231,269,713	\$174,580,992	\$196,314,470	\$163,947,070
\$3,629,950,777	\$3,861,220,490	\$4,035,801,482	\$4,232,115,952	\$4,396,063,022
4.8%	6.0%	4.3%	4.6%	3.7%

Agency Response

The average home value in Rialto declined by 60% during the recession.



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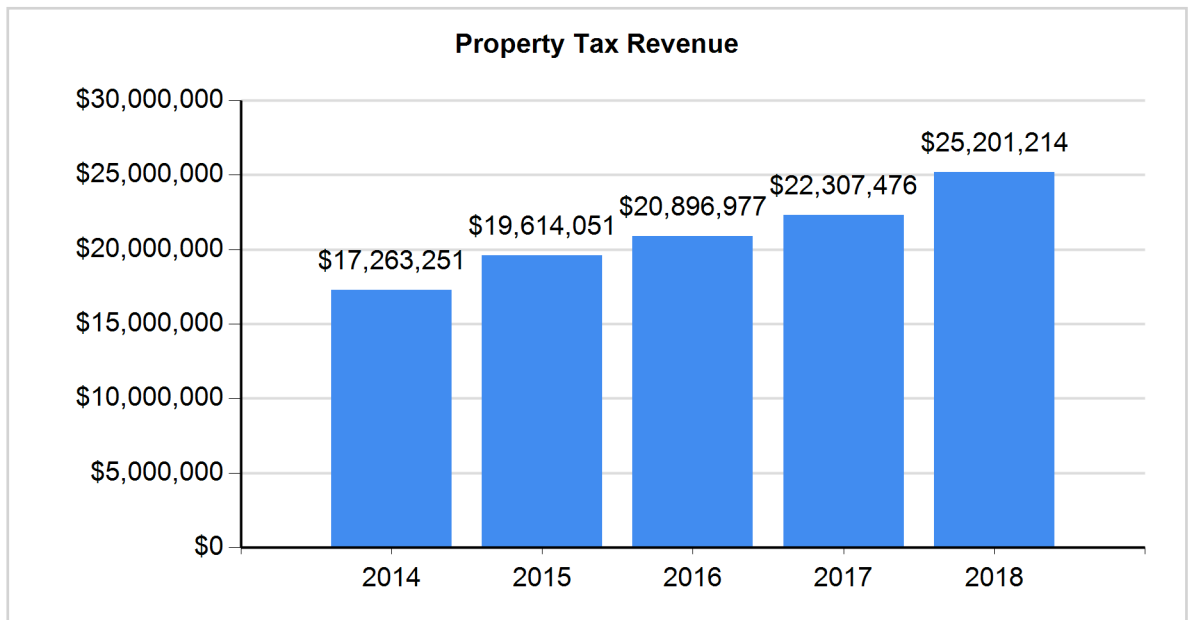
Property Tax Revenue

Description

This indicator will have more importance for those agencies heavily reliant upon property tax revenues. As this revenue source is relatively stable and lags about two years behind changes in market conditions, this indicator can potentially depict the level of stability of an agency's revenue base.

Formula:
property tax revenue

Source:
Statement of
Activities; Statement
of Revenues,
Expenditures and
Changes in Fund
Balance/Net Position



Agency Response

Due to the economic downturn, Property Tax Revenue, has fluctuated over the past five years. With a current uptick in the economy Property Tax Revenue has begun to stabilize.



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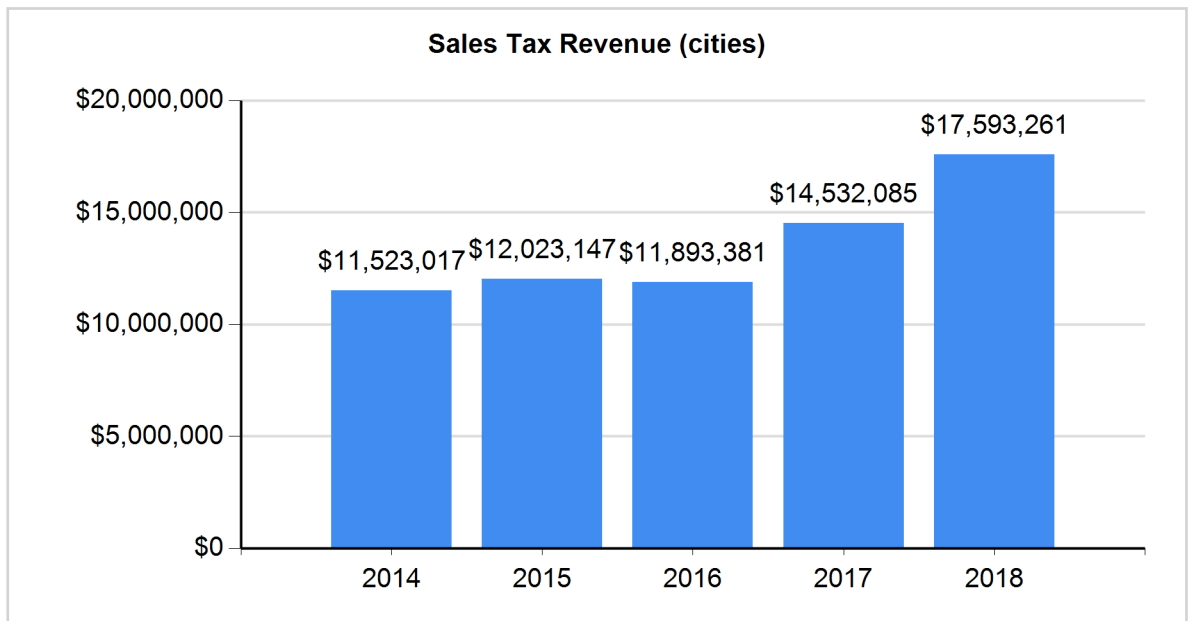
Sales Tax Revenue (cities)

Description

This indicator can help agencies determine the levels of sales tax revenue that are more sensitive to changes in the economic conditions, possibly impacting their abilities to fund and provide services.

Formula:
sales tax revenue

Source:
Statement of
Activities



Agency Response

Due to the economic downturn, Sales Tax Revenue, has fluctuated over the past five years. With a current uptick in the economy Sales Tax Revenue has begun to increase. In 2012 the City received a \$0.6 million triple flip payment adjustment for 2011.



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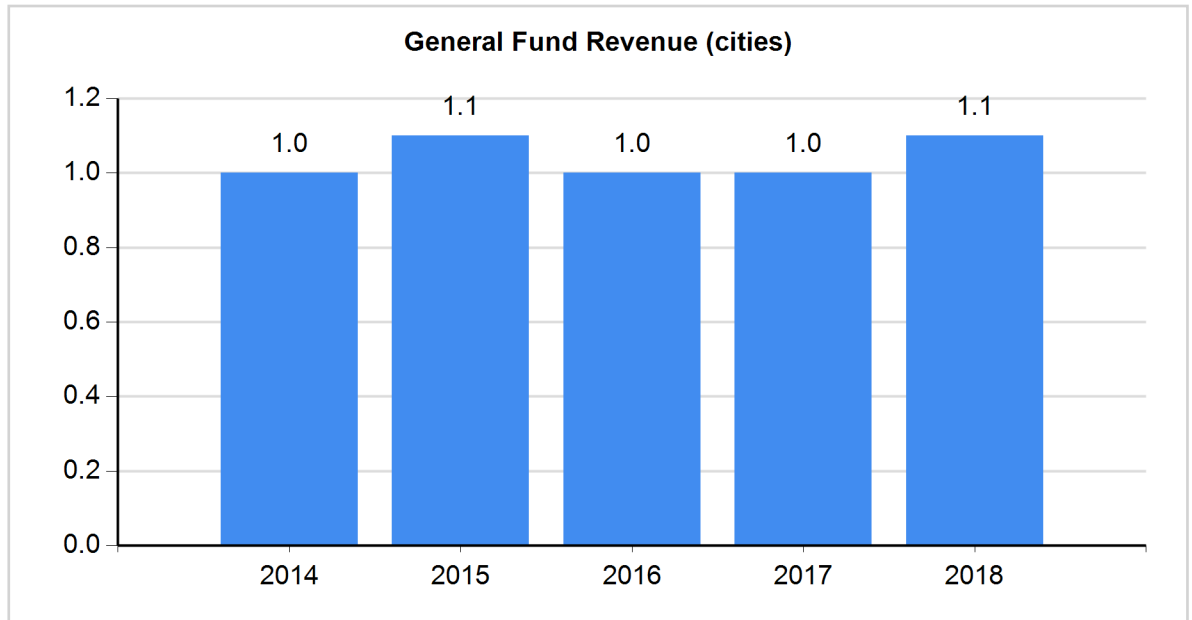
General Fund Revenue (cities)

Description

In most cases, as the percentage of general revenues decreases, a local government loses its ability to respond to changing conditions and to citizens' needs and demands. Decreases in general revenue may also indicate over-dependence on external revenues which are often restricted in nature and could signal future difficulty in maintaining service levels. A ratio of one or higher indicates that the service is self-supporting.

Formula:
general fund
revenue/general fund
expenditures

Source:
Statement of
Revenues,
Expenditures and
Changes in Fund
Balance



2014	2015	2016	2017	2018
\$60,368,803	\$67,238,504	\$68,293,488	\$85,205,387	\$87,380,883
\$57,597,014	\$60,230,101	\$65,653,593	\$85,369,213	\$82,925,533
1.0	1.1	1.0	1.0	1.1

Agency Response

In the past five years general fund revenue has essentially supported general fund expenditures. 2011 as shown in this report has reported the lowest property and sales tax revenue. The 2012 ratio represents a willingness at the City to strive towards operating within its means. Preliminary calculations based on the City's 2013 CAFR indicate a ratio above 100%.



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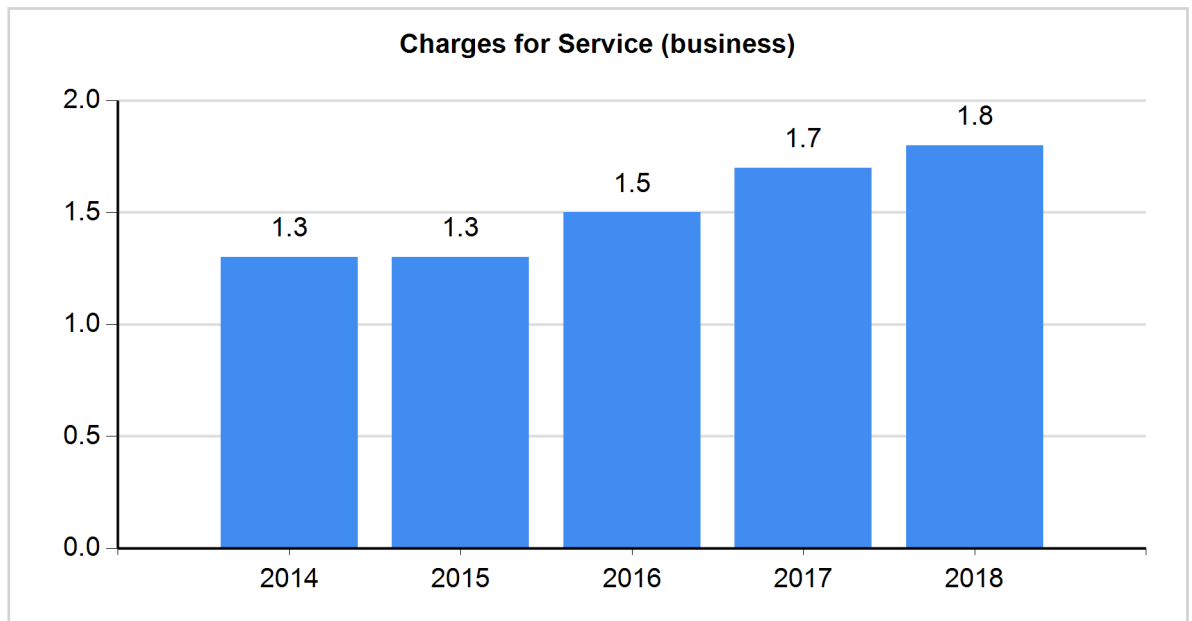
Charges for Service (business)

Description

Addresses the extent to which charges for service covered total expenses. A ratio of one or higher indicates that the service is self-supporting.

Formula:
charges for
service/operating
expenses (minus
depreciation)

Source:
Statement of
Activities; Statement
of Cash Flows



2014	2015	2016	2017	2018
\$28,659,333	\$35,619,342	\$35,645,526	\$40,068,620	\$44,759,974
\$21,440,473	\$26,567,472	\$23,085,296	\$23,894,454	\$24,311,954
1.3	1.3	1.5	1.7	1.8

Agency Response

The significant increase in 2009, 2010, 2011 from 2008 was the result of a reduction in legal and contract services related to perchlorate cleanup and litigation while revenues have been relatively stable over the past five years. Then in 2012 the City started to close in on a resolution to the perchlorate cleanup issues which resulted in the increase in legal expenditures.



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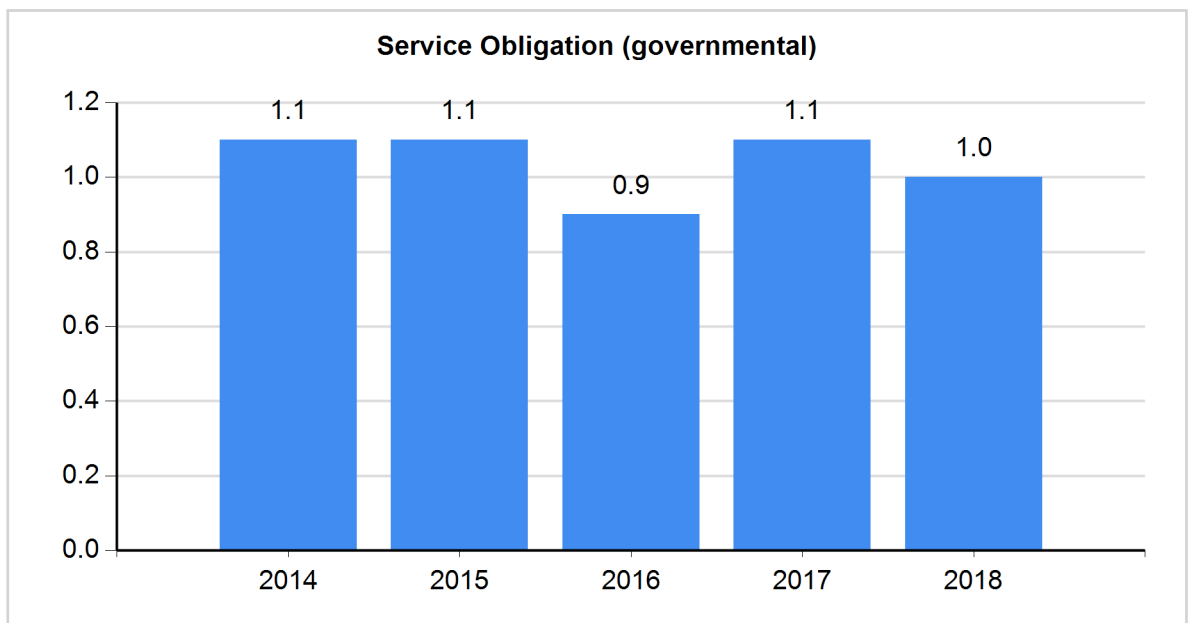
Service Obligation (governmental)

Description

Measures whether or not a government's annual revenues were sufficient to pay for annual operations. A ratio of one or higher indicates that a government lived within its annual revenues.

Formula:
operating
revenue/operating
expenditures

Source:
Statement of
Revenues,
Expenditures and
Changes in Fund
Balance



	2014	2015	2016	2017	2018
Operating Revenue	\$82,834,261	\$91,548,665	\$90,477,294	\$131,169,145	\$125,296,118
Operating Expenditures	\$77,773,637	\$86,094,070	\$103,093,416	\$114,826,065	\$124,598,222
Ratio	1.1	1.1	0.9	1.1	1.0

Agency Response

As noted on pages 1 and 2 the property tax revenue and sales tax revenue has seen fluctuations in the last five years essentially mirroring the above graph. While expenditures were reduced in 2012 the City continued to try to maintain a consistent level of service to its citizens resulting in stable expenditures even with decreasing revenue.



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Liquidity

Description

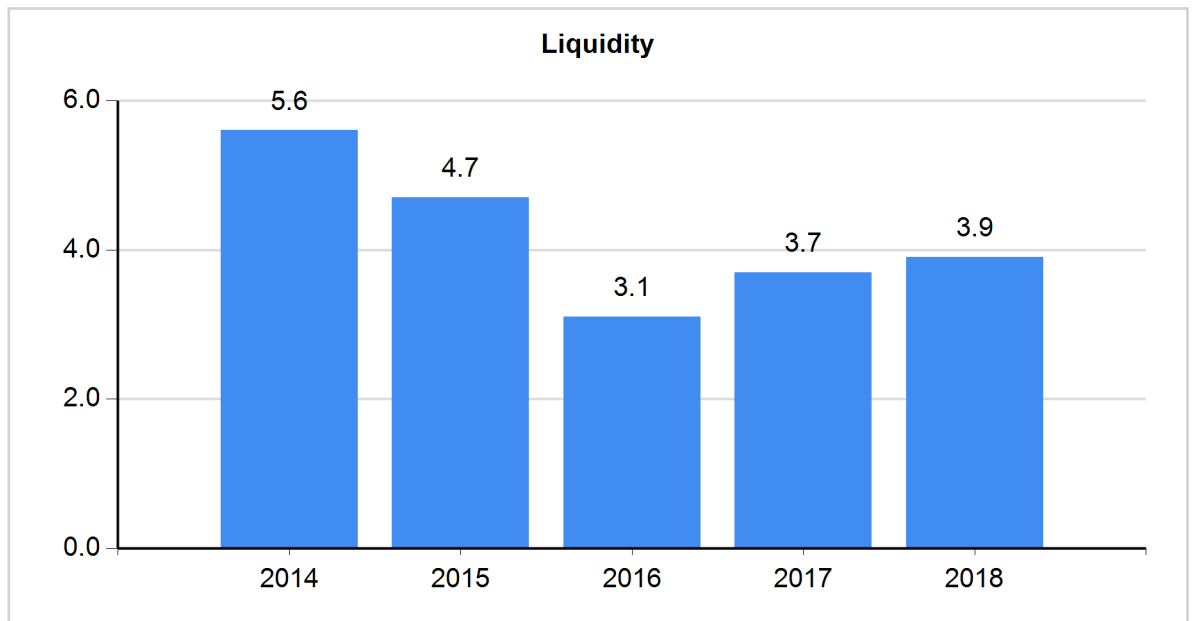
Measures a government's ability to meet its short-term obligations. A high ratio suggests a government is able to meet its short-term obligations.

Formula:

cash & investments
(does not include
fiscal agents,
restricted, or
fiduciary)/current
liabilities

Source:

Statement of Net
Position



	2014	2015	2016	2017	2018
	\$126,497,610	\$133,158,437	\$137,485,238	\$189,305,723	\$225,692,234
	\$22,523,981	\$28,530,016	\$44,703,228	\$50,963,639	\$58,335,507
	5.6	4.7	3.1	3.7	3.9

Agency Response

As noted on pages 1 and 2 the property tax revenue and sales tax revenue has seen fluctuations in the last five years resulting a decline in the City's cash and investments. While liabilities remained relatively unchanged as a result of stable expenditures even with decreasing revenue.



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Change in Cash and Cash Equivalents (business)

Description

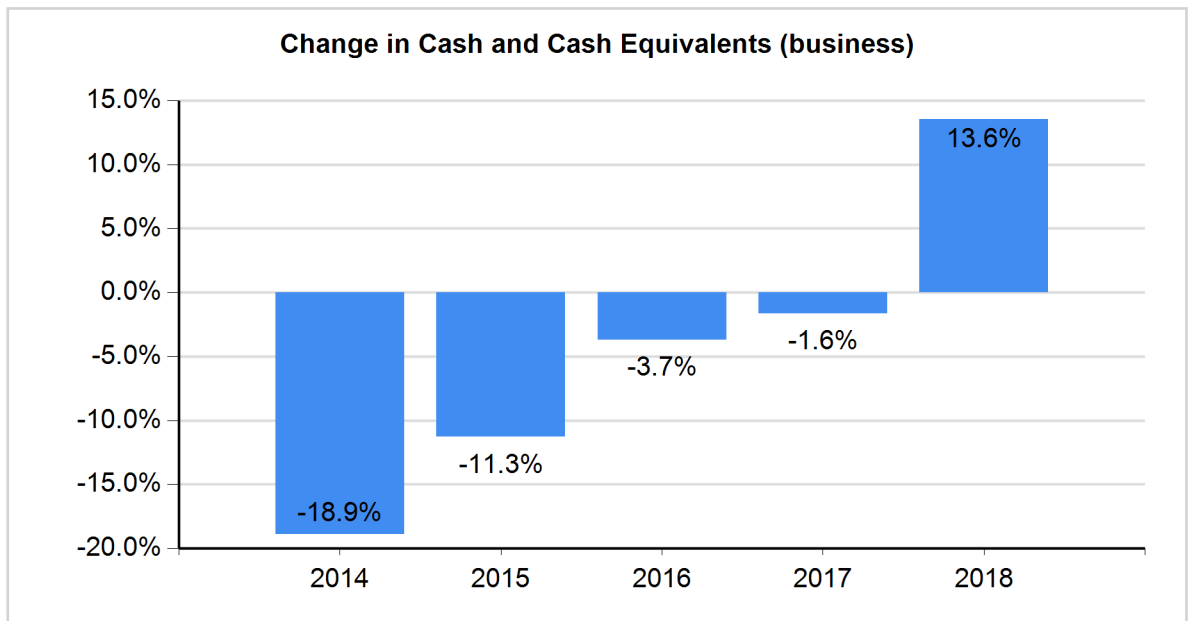
Cash and cash equivalents are the most liquid assets of an agency's assets and can be readily converted into cash. A positive percent change indicates that a government's cash position has improved.

Formula:

change in cash & cash equivalents/begin cash & cash equivalents

Source:

Statement of Cash Flows



2014	2015	2016	2017	2018
(\$10,960,480)	(\$5,311,750)	(\$1,548,686)	(\$662,436)	\$5,355,921
\$57,977,136	\$47,016,656	\$41,704,906	\$40,156,220	\$39,493,784
-18.9%	-11.3%	-3.7%	-1.6%	13.6%

Agency Response

In 2010 the City received \$4,050,000 from the Southern California Gas Company as an incentive grant for the the fuel cell technology project which accounts for approximately 86% of the change in cash and cash equivalents. In 2012 the cash equivalents calculation included restricted cash resulting in a change in beginning cash & cash equivalents amount. This is the reason for the inconsistency in the calculation in year 2011.



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Debt Service (governmental)

Description

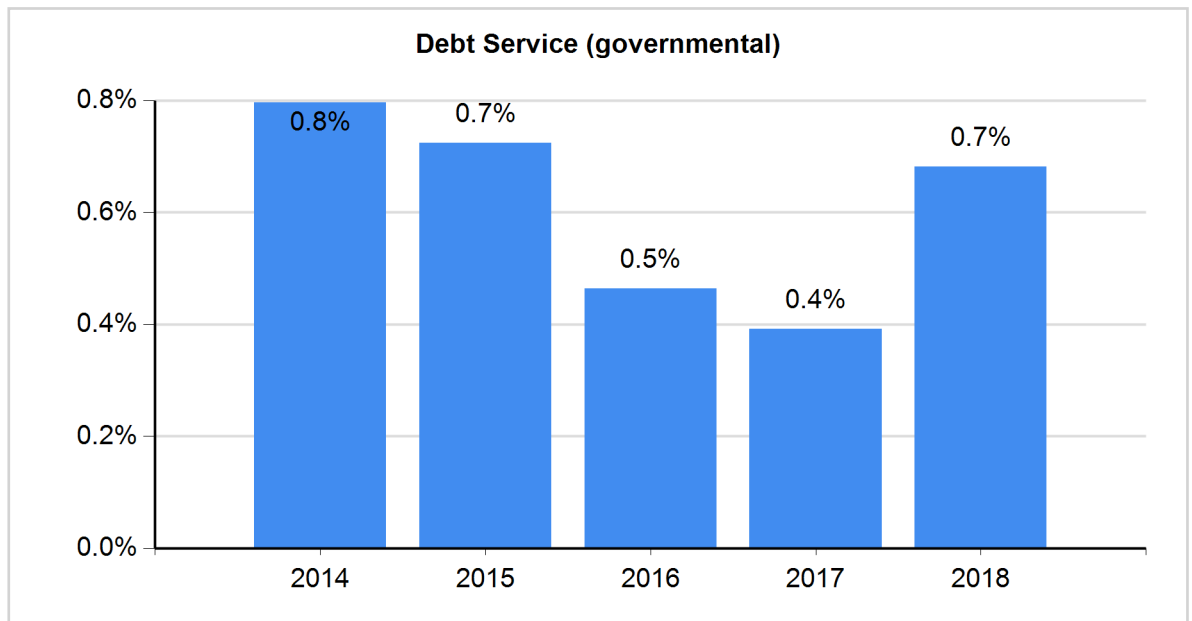
Looks at service flexibility by determining the amount of total expenditures committed to annual debt service. Service flexibility decreases as more resources are committed to annual debt service.

Formula:

debt
service/operating
expenditures

Source:

Statement of
Revenues,
Expenditures and
Changes in Fund
Balance



2014	2015	2016	2017	2018
\$619,666	\$623,406	\$478,856	\$450,002	\$849,501
\$77,773,637	\$86,094,070	\$103,093,416	\$114,826,065	\$124,598,222
0.8%	0.7%	0.5%	0.4%	0.7%

Agency Response

While operating expenditures were reduced in 2012 the City continued to make the required debt service payments. In 2008 the City initiated a refunding of the 1997 Certificate of Participation to reduce total future debt services payments resulting in decreasing debt service expenditures.



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Debt Service (business)

Description

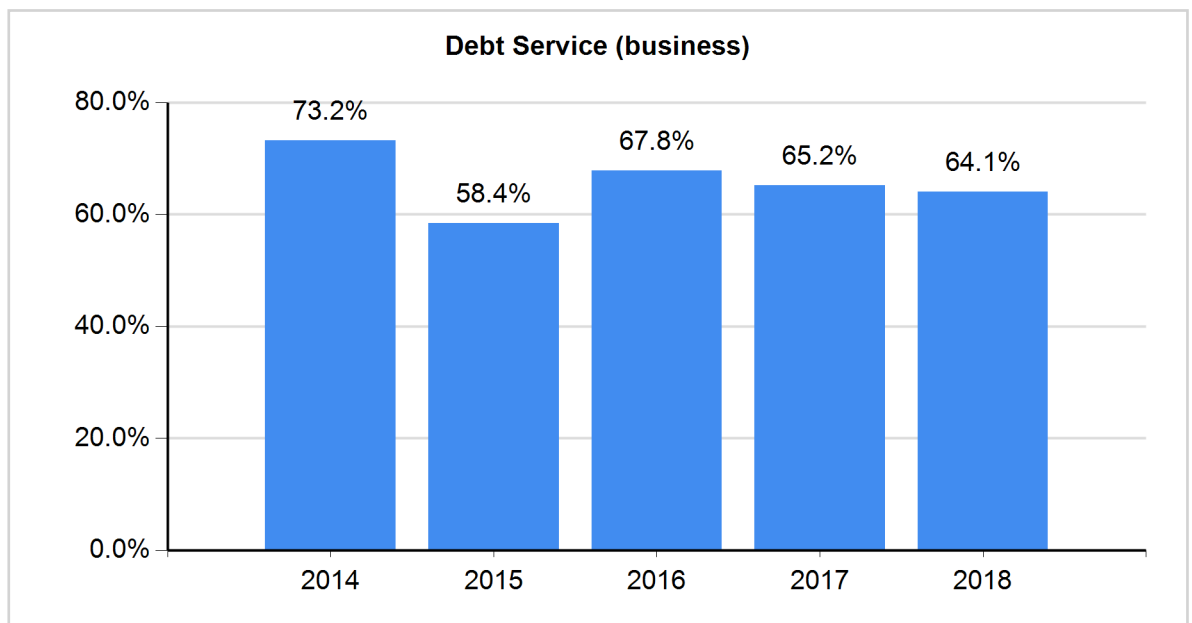
Looks at service flexibility by determining the amount of total expenses committed to annual debt service. Service flexibility decreases as more resources are committed to annual debt service.

Formula:

debt
service/operating
expenses (minus
depreciation)

Source:

Statement of Cash
Flows; Statement of
Activities



	2014	2015	2016	2017	2018
	\$15,704,096	\$15,515,005	\$15,653,471	\$15,581,996	\$15,581,999
	\$21,440,473	\$26,567,472	\$23,085,296	\$23,894,454	\$24,311,954
	73.2%	58.4%	67.8%	65.2%	64.1%

Agency Response

The operating expenditures decreased significantly in 2009, 2010, 2011 from 2008 as a result of a reduction in legal and contract services related to perchlorate cleanup and litigation while debt service the City continued to make the required debt service payments.



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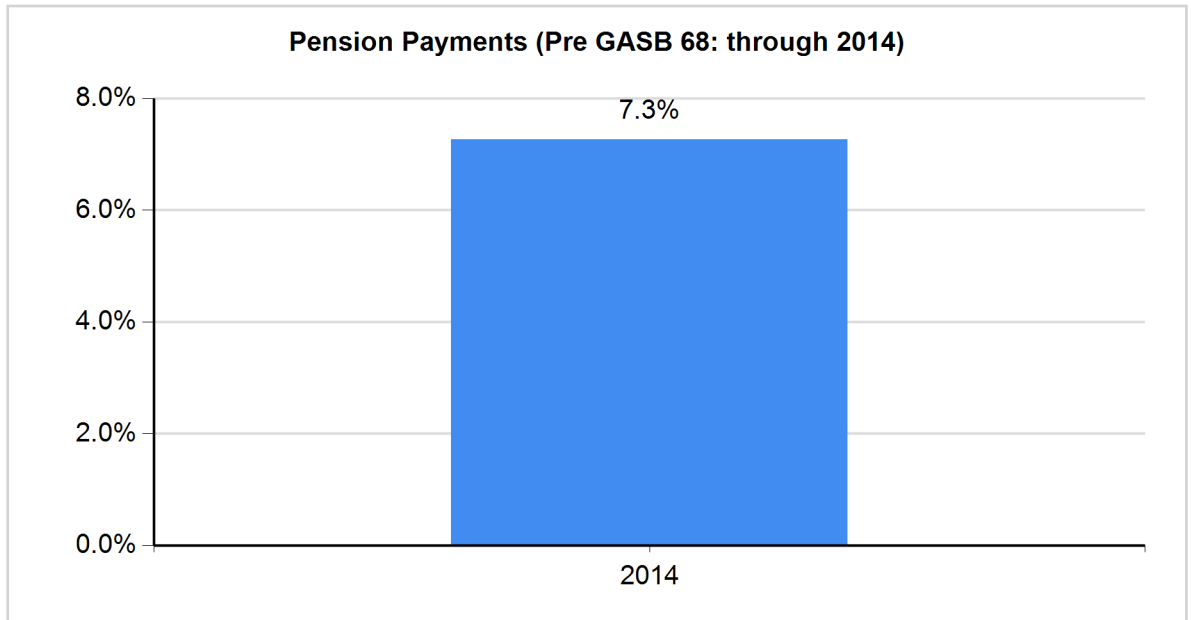
Pension Payments (Pre GASB 68: through 2014)

Description

This indicator depicts the relationship between the pension payments as a percentage of an agency's total revenues. Due to updates to pension reporting requirements, this Pension Payments indicator shows data through 2014. GASB 68 revised and established new financial reporting for pensions effective for 2015. For pension payments for 2015 and beyond, please refer to the next fiscal indicator.

Formula:
annual pension
cost/total revenue

Source:
Notes; Statement of
Revenues,
Expenditures and
Changes in Fund
Balance



	2014	2015	2016	2017	2018
	\$8,203,526	-	-	-	-
	\$112,860,660	-	-	-	-
	7.3%	-	-	-	-

Agency Response

Revenues have fluctuated over the past five years result in a steady decrease until 2011 and increasing just past 2010 levels in 2012. This chart has an inverse relation to the Service Obligation Ratio on page 6 comparing operating revenue to operating expenditures because revenue has decreased and annual pension cost has increased. Annual pension cost has increased as a result of the economic downturn requiring PERS contributions to make up for any investment income decrease with CALPERS.



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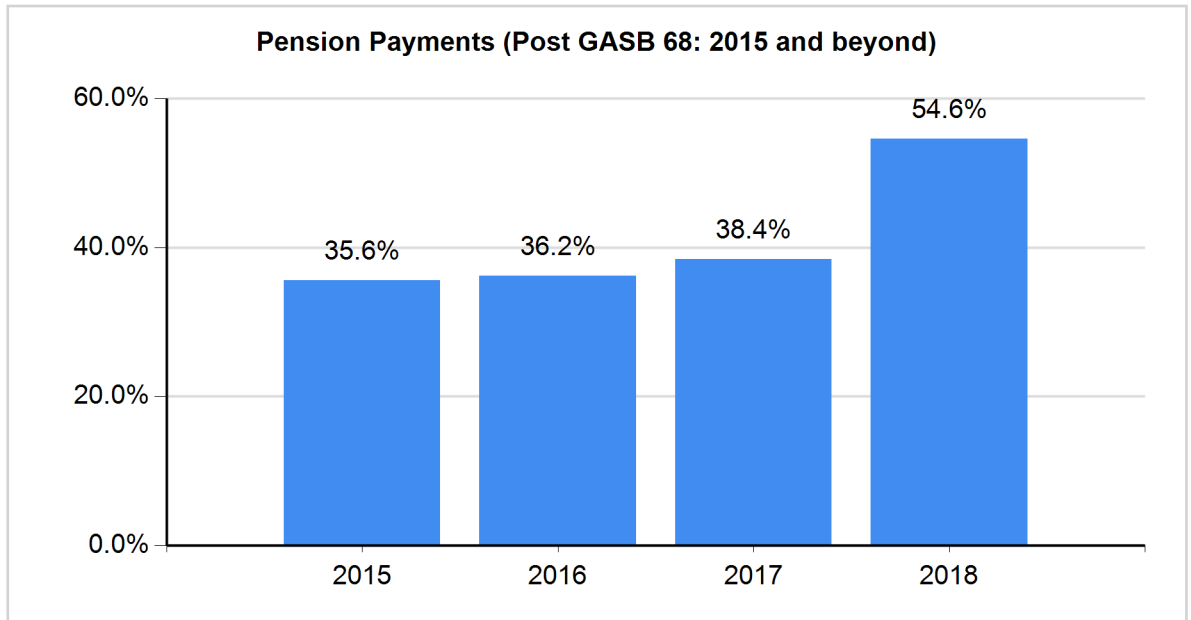
Pension Payments (Post GASB 68: 2015 and beyond)

Description

This indicator depicts the relationship between pension contributions as a percentage of covered-employee payroll. Due to updates to pension reporting requirements, this Pension Payments indicator shows data for 2015 and beyond. GASB 68 revised and established new financial reporting for pensions effective for 2015. For pension payments through 2014, please refer to the previous fiscal indicator.

Formula:
contributions in relation to the actuarially determined contribution/covered payroll

Source:
Schedule of Plan Contributions



	2014	2015	2016	2017	2018
-		\$8,371,416	\$8,935,320	\$9,982,648	\$13,946,555
-		\$23,482,918	\$24,684,244	\$26,023,154	\$25,557,676
-		35.6%	36.2%	38.4%	54.6%

Agency Response