



# **Comprehensive Annual Financial Report**

For The Fiscal Year Ended June 30, 2014



**CITY OF YUCAIPA, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
Year Ended June 30, 2014

Prepared by  
Administrative Services Department



**City of Yucaipa**  
**Comprehensive Annual Financial Report**  
Year Ended June 30, 2014

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	i - v
List of City Officials	vi
Organizational Chart	vii
 <b>FINANCIAL SECTION</b>	
<b>INDEPENDENT AUDITOR’S REPORT</b>	1 - 3
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	4 - 12
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15 - 16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18 - 19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Net Position - Proprietary Fund	21
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	22
Statement of Cash Flows - Proprietary Fund	23
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
Notes to Financial Statements	26 - 50
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
General Fund	51
Special Revenue - Fire Fund	52
Schedule of Funding Progress for the Defined Benefit Post-Employment Healthcare Plan	53
Notes to Required Supplementary Information	54
 <b>SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedules – Major Fund	
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Traffic Facilities Capital Projects Fund	55
Developer Fees Public Facilities Capital Projects Fund	56
Development Impact Fees Parks Capital Projects Fund	57
Developer Fees Fire Capital Projects Fund	58
Non-Major Governmental Funds	
Combining Balance Sheet	59 - 62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	63 - 66
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Miscellaneous Special Revenue Fund	67

**City of Yucaipa**  
**Comprehensive Annual Financial Report**  
Year Ended June 30, 2014

**TABLE OF CONTENTS - Continued**

**Page**

**SUPPLEMENTARY INFORMATION - Continued**

State Gas Tax Special Revenue Fund	68
Measure I Maintenance Special Revenue Fund	69
Energy Independence Program Special Revenue Fund	70
State COPs Grant Special Revenue Fund	71
Office of Traffic and Safety Special Revenue Fund	72
LLMD Special Revenue Fund	73
Paramedic Special Revenue Fund	74
Capital Projects Funds:	
Miscellaneous Capital Projects Fund	75
CDBG Capital Projects Fund	76
Developer Fees Drainage Capital Projects Fund	77
Air Quality Improvement Capital Projects Fund	78
Agency Funds - Fiduciary Funds	
Combining Statement of Fiduciary Net Position	79
Combining Statement of Changes in Assets and Liabilities	80

**STATISTICAL SECTION**

Statistics	81
Net Position By Component	82 - 83
Changes in Net Position	84 - 85
Fund Balances of Governmental Funds	86 - 87
Changes in Governmental Fund Balances	88 - 89
Assessed Value and Estimated Actual Value of Taxable Property by Major Type	90
Direct and Overlapping Property Tax Rates	91
Principal Property Tax Payers	92
Property Tax Levies and Collections	93
Ratios of Outstanding Debt by Type	94
Ratios of General Bonded Debt Outstanding	95
Direct and Overlapping Debt	96
Legal Debt Margin Information	97
Pledged Revenue Coverage	98
Demographic and Economic Statistics	99
Principal Employers	100
City Employees by Function	101
Operating Indicators by Function	102
Capital Asset Statistics by Function	103

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## **INTRODUCTORY SECTION**



January 23, 2015

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Van Lant & Fankhanel LLP, an independent firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2014, were fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City is a part of a broader, federally mandated "Single Audit" designated to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City's internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

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. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The annual budget serves as the foundation for the City's financial planning and control. Prior to the beginning of the Fiscal Year, the City Manager submits a draft budget for the upcoming year to the City Council. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The City maintains budgetary controls to ensure compliance with provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service funds, capital projects funds, and internal service funds are included in the annual budget. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and major special revenue funds, this comparison is presented as part of the required supplementary information in the accompanying financial statements. For governmental funds that have appropriated annual budgets, other than the General Fund and major special revenue funds, this comparison is presented in the supplementary section of the accompanying financial statements.

### **PROFILE OF THE GOVERNMENT**

The City of Yucaipa was incorporated on November 27, 1989. It is a "General Law" City with a population of approximately 52,000 and is governed by a City Council/City Manager form of government. The City observes State laws and makes local laws (i.e. speed limits). The City Council has the power to make and enforce all laws and regulations with respect to municipal affairs.

The Yucaipa City Council is comprised of five Councilmembers. Each shares equal voting powers on all items coming before the Council. Councilmembers are elected at-large to four-year terms, with elections held in November of even-numbered years. The Council meets annually to choose one of its members as Mayor and another of its members as Mayor Pro-Tem. The City Council appoints the City Manager and City Attorney and members of all advisory boards, commissions and committees. The City Council also serves as the Board of Directors for the Successor Agency to the Yucaipa Redevelopment Agency.

Yucaipa is a mature, well-established suburban community nestled in the foothills of the San Bernardino Mountains. Residents enjoy cleaner air and cooler temperatures as a result of the higher elevations, and a comprehensive approach to community safety has produced one of the lowest rates of crime for comparably sized cities anywhere in the State of California.

The City contains 18 neighborhood parks, encompassing approximately 874 acres, including an equestrian arena and a municipal pool, as well as a 200 acre regional park with 3 lakes for swimming, boating, and fishing, plus campgrounds and playgrounds for the entire family. The Yucaipa-Calimesa Joint Unified School District has an outstanding reputation, and it ranks at or near the top in every category of educational achievement. In addition, Crafton Hills College offers day and evening programs of continuing education and training opportunities for personal and professional development. Housing to accommodate all lifestyles is readily available, and three museums, a library, a Senior Center, two theater groups, and over 40 churches and 90 social or business clubs round out the community.

The City of Yucaipa provides a full range of services to its residents. These services include, but are not limited to police protection, fire suppression, paramedic services, the construction and maintenance of streets and infrastructure planning and zoning, building and safety, engineering and inspection, code enforcement and general administration. Other services are provided by: San Bernardino County, Yucaipa-Calimesa Joint Unified School District, and Yucaipa Valley Water District. The City contracts for law enforcement services with the San Bernardino County Sheriff's Department and for fire suppression and paramedic services with the California Department of Forestry and Fire Prevention (CAL FIRE).

### **ECONOMIC CONDITION AND OUTLOOK**

The profile outlined above demonstrates the value placed on public services provided by the City. Through the implementation of relevant fiscal policies, as described below, and a conservative fiscal strategy, combined with the economic outlook of the community, the City is poised and able to provide the amenities and facilities identified in this report on behalf of the residents. The City has successfully maintained a high pavement quality index for all of its streets, invested in parks and facilities and implemented a series of annual festivals to enhance the recreational participation in the community. All of these combine favorably to assist in laying the foundation for financial success into the future. In addition, the City is able to respond to any changes in the economic climate appropriately and effectively.

The information presented in the financial statements is perhaps best understood from the broader perspective of the specific environment within which the City operates.

#### **Local economy**

Similar to many other cities in California, Yucaipa had seen substantial revenue reductions over the five years preceding the time period for this audit report (FY 2013/14) due to the recession that has affected the entire nation. Despite the difficult economic times, as a result of a long-term fiscally conservative approach to budgeting, the City has consistently been able to add to the General Fund Balance over the past few years. The City of Yucaipa is primarily a residential community whose economy is based primarily upon service and light manufacturing. Many residents commute for employment to other cities within the region. During the recent downturn in the economy the unemployment rate has risen from approximately 4.4% in calendar year 2008

to a peak of 11.5% in calendar year 2010 and through the protracted recovery has seen it dip to 6.6% in calendar year 2013.

The City of Yucaipa has seen revenue sources stabilize and begin to increase during FY 2013/14. The City's largest revenue source comes from property taxes. Although total property tax receipts are still down approximately 9.3% from their peak of approximately \$9.26 million in FY 2008/09, the City is seeing a trend of rising property values through FY 2013/14. In addition, sales tax revenues have experienced modest growth annually other the last several years in spite of the overall downturn of the economy.

For the future, there are a number of projects that hold economic development potential for the community and City staff continues to work with the development community to facilitate economic opportunities and foster responsible impacts to the community. For example, the City has constructed several drainage related projects that have removed over 600 properties from associated flood plains and assist in the capturing and recharging of rain water, while enhancing travel routes by eliminating low water crossings. In addition, the following major projects are currently under design or in some state of development. Each project plays a vital role in the overall economic development strategy employed by the City Council.

- Crafton Hills College Village Plan
- Freeway Corridor Specific Plan
- Historic Uptown Revitalization
- Yucaipa Performing Arts Theater
- Wilson Creek Specific Plan
- Widening Yucaipa Boulevard 18<sup>th</sup> Street to Interstate 10 and utility undergrounding
- Gateway Project

### **Long Term Financial Planning**

Through prudent and conservative budgeting, the City has weathered the downturn and prolonged recovery without furloughs, without cuts to staffing and without cuts to services to residents. From the time the City was incorporated, the City has had a longstanding philosophy of paying cash for capital projects and infrastructure improvements. Several facilities built with cash include: the Community Center Park and Gym, City Hall, Fire Station #3, and most recently the Police Station. Many infrastructure improvements that have been financed with cash include: the Widening of Yucaipa Boulevard, the Live Oak / I-10 Interchange, and numerous park improvement projects including the most recent annexation of 334 acres for the El Dorado Park to be used as open space and as a mitigation "bank" for other important City projects.

The City has historically used its discretionary fund balance to leverage outside funding sources in the construction of necessary capital projects. To date, the City has aggressively and successfully acquired several federal, state, and local grants to assist in the financing of multiple City related capital projects.

### **Relevant Financial Policies**

Through the adoption of GASB 54 in FY 2010/11, City Council set up two contingency accounts to serve as buffers against severe changes in the local economic environment. The first, the General Fund Emergency Contingency, was established to encumber an amount equal to 20% of the annual General Fund Expenditure Budget. The specific uses are listed as the declaration of a state or federal state of emergency or a local emergency as defined in the Yucaipa Municipal Code Section 8.36.030. In FY 2013/14 this commitment amounted to \$3,065,436. Secondly, City Council also formalized the Reserve for Economic Uncertainties Contingency. This commitment totals \$1,000,000. The specific uses of this contingency are listed as any fiscal year in which actual General Fund revenue is at least 30% less than budgeted General Fund revenue. To date, these contingencies have remained encumbered in their entirety.

### **Awards and Acknowledgments**

The City of Yucaipa is publishing this Consolidated Annual Financial Report in anticipation of submission to the Government Finance Officers Association of the United States and Canada (GFOA) for the Certificate of Achievement of Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. This represents the City's first submission to the GFOA award program.

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance department. Special recognition is due to Accounting Manager, Dustin Gray for overseeing the compilation of accounting data and interfacing with our auditors with the accounting firm of Van Lant & Fankhanel.

Respectfully submitted,



Greg Franklin  
Director of Administrative Services

# CITY OF YUCAIPA

## CITY COUNCIL\*

*Mayor*

Denise Hoyt

*Mayor Pro Tem*

Tom Masner

*Councilmember*

Greg Bogh

*Councilmember*

Bob Duncan

*Councilmember*

Dick Riddell

## CITY OFFICIALS\*

*City Manager*

Raymond Casey

*City Attorney*

David Snow

*Director of General Services/City Clerk*

Jennifer Shankland

*Director of Administrative Services*

Gregory A. Franklin

*Director of Community Development*

Paul Toomey

*Director of Development Services*

Joseph Lambert

*Director of Public Works/City Engineer*

William Hemsley

*Director of Community Services*

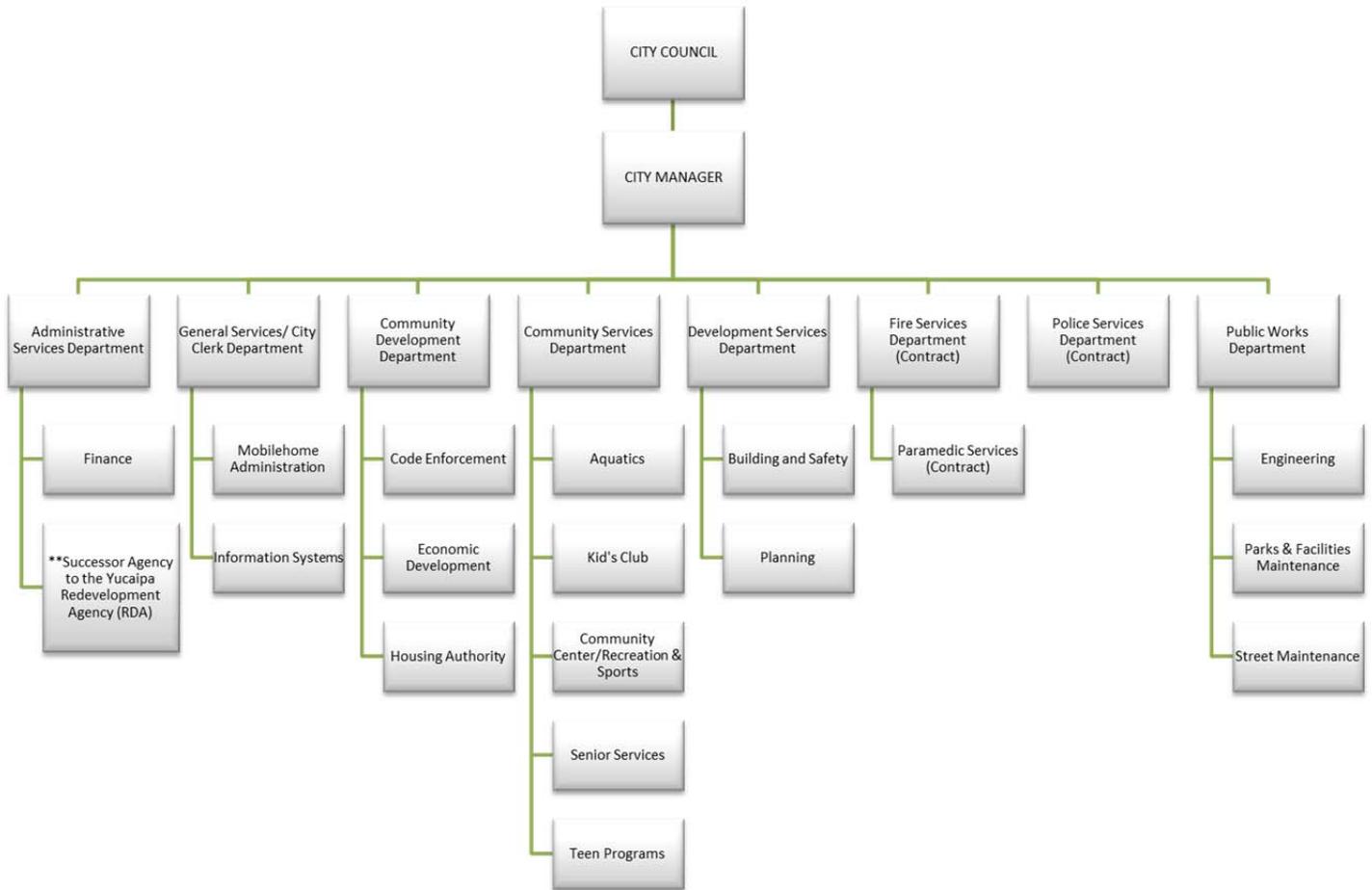
Frances Hernandez

\* as of June 30, 2014



# CITY OF YUCAIPA

## Organizational Services by Department\*



\* as of June 30, 2014

\*\* The Director of Administrative Services is the Finance Officer of the Oversight Board of the Successor Agency to the Yucaipa Redevelopment Agency.



## **FINANCIAL SECTION**



## Independent Auditor's Report

The Honorable City Council  
City of Yucaipa, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Yucaipa, California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Yucaipa's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Yucaipa, California, as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the supplementary information as listed in the table of contents, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2015 on our consideration of the City of Yucaipa'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Van Lant & Fankhaed, LLP*

January 23, 2015

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Yucaipa, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014.

### FINANCIAL HIGHLIGHTS

- The City's Governmental Net Position (Assets) decreased by approximately 2.32% to \$208.7 million as a result of this year's operations, including normal annual depreciation and the capitalization of assets. In addition, the Wildwood Creek Detention Basin was deducted from the total assets in the amount of approximately \$5.68 million as the facility will be transferred to the control of the San Bernardino County Flood Control District.
- During the year, the City's taxes and other governmental revenues exceeded expenditures by approximately \$728,641. With the deduction in assets due to the transfer of the Wildwood Creek Detention Basin facility in the amount of approximately \$5.68 million, the net amount of expenditures over revenues is approximately 4.95 million.
- The total revenues from all sources were approximately \$29.2 million. The total cost of all City programs was approximately \$34.1 million. The difference between expenditures and revenues is the direct result of the timing of capital projects.
- The General Fund reported total net revenues over expenditures in the amount of approximately \$3.25 million.
- For the General Fund, actual operating revenues received exceeded final budget estimates by \$771,946, primarily due to increased property taxes, and increases in licenses and permits received and other miscellaneous revenues.
- Actual operating expenditures in the General Fund were approximately \$2.28 million less than the final budget.
- Transfers from other funds were allocated to abate expenditures in the amount of \$540,038, including the calculation of staff charges on capital projects and administrative overhead.
- During Fiscal Year 2013-14, funds from previous years' One-Time Capital Project Fund balances were expended and/or transferred to other funds in the net amount of \$1.363 million, which has been included in the total net change in Fund Balance.
- During Fiscal Year 2013-14, funds from previous years' General Fund carryover balances were expended and/or transferred to other funds in the net amount of \$989,582, which has been included in the total net change in Fund Balance.
- At the end of Fiscal Year 2013-14, the Unassigned Fund Balance in the General Fund was approximately \$14.69 million or 90% of total General Fund budgeted expenditures. This represents a net increase from the previous year's Unassigned Fund Balance in the amount of approximately \$1.62 million. This is the net result of six primary factors:
  1. Total net operating revenue over expenditures in the amount of approximately \$2.095 million;
  2. An increase due to payments made against previous General Fund advances in the amount of \$750,558;

3. A decrease due to establishing a previously approved General Fund advance for the Dunlap Drain project in the amount of (\$500,000);
4. A decrease due to the encumbrance in the amount of (\$1,000,000) towards the Economic Development Initiative;
5. A net increase due to funds transferred from the Successor Agency to the Yucaipa Redevelopment Agency relative to a Bond Proceeds Funding Agreements in the amount of \$1,239 million for reimbursement of the General Fund for advancing costs associated with the Uptown Streetscape Project;
6. A reconciliation of prior year carryover accounts activity incurred in the current year in the net amount of approximately (\$969,404).

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Yucaipa's basic financial statements. The City's basic financial statements are comprised of three components, 1) Government-wide financial statements, 2) Fund financial statements and, 3) Notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements and required information.

**Government-wide Financial Statements.** The Government-wide Financial Statements are designed to provide readers with a broad overview of the City's financial position, in a manner similar to that of a private-sector business. These statements are reported on the full accrual basis of accounting. Thus, revenues and expenses are reported for some items that will not affect cash flows until future periods.

The Government-wide Financial Statements typically will separate Governmental Activities that are principally supported by taxes and revenues from other agencies, from Business-type Activities and other service fees that are intended to recover all, or a significant portion of their costs, through user fees and charges. The City of Yucaipa currently has no Business-type Activities. The Governmental Activities of the City include General Government, Public Safety, Public Works, Community Development and Community Services.

The **Government-wide Financial Statements** include not only the City, but also all legal entities for which the City is financially accountable.

The **Statement of Net Position** presents information on all of the City's assets and liabilities; the difference between the two is reported as the net position. These assets include infrastructure and all assets previously included in the General Fixed Asset Account Group. The liabilities include all obligations previously reported in the General Long Term Debt Account Group. This is the seventh year the financial statements are being presented in accordance with GASB No. 34. As a result, the comparison to previous years regarding net position is limited to five years. However, evaluating increases or decreases in net assets over time may serve as a useful indicator of whether the financial position of the City is improving or declining.

The **Statement of Activities** presents information on the net cost of each governmental function (activity) during the fiscal year. This statement also identifies the amount of general revenues needed to fully fund each governmental function.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

**Governmental Funds** (General Fund, Special Revenue, Debt Service and Capital Projects Funds) are used to account for the same functions reported as Governmental Activities in the Government-wide Financial Statements. However, unlike Government-wide Financial Statements, Fund Financial Statements focus on short-term inflows and outflows of spendable resources. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. This information may be useful in evaluating the City's short-term financing requirements.

The focus of the Fund Financial Statements is narrower than that of the Government-wide Financial Statements. The various fund Balance Sheets and the Statement of Revenues, Expenditures, and Changes in Fund Balances, require a reconciliation to facilitate the comparison between fund statements and the government-wide statements. This reconciliation is required because the government-wide statements are prepared on the full accrual basis of accounting while the fund statements are prepared on the modified accrual basis of accounting. This reconciliation can be found on pages 17 and 20, immediately following the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds.

**Proprietary Funds** are Enterprise and Internal Service Funds. The City currently has no enterprise funds. Internal Service Funds are used to accumulate and allocate costs internally to various functions. The City uses an Internal Service Fund to account for its self-insurance activities related to Worker's Compensation, liability and property insurance. The proprietary fund statements provide financial information for the Internal Service Fund.

**Fiduciary Funds** are used to account for resources held for the benefit of parties outside of the City. Fiduciary funds are not reflected in the government-wide and fund financial statements because the resources of those funds are not available to support the City's own programs. Fiduciary Funds are reported in the financial section, as appropriate. The City currently maintains four fiduciary funds. The first is for a donation received many years ago on behalf of the Sheriff's Department; the interest received thereon funds minor incidental needs of the department's station. The second fiduciary fund is used to account for transactions related to a deposit made for the benefit of the Yucaipa Historical Society relating to the disposition of the Kramer House, previously located within Chapman Heights. The third fiduciary fund includes the debt service reserve funds required for the Community Facilities District No. 98-1 of the City of Yucaipa (Chapman Heights). The fourth fiduciary fund maintained includes the financial information related to the Successor Agency to the City's Redevelopment Agency (RDA).

**Notes to the Financial Statements.** The notes provide additional information that is essential to the reader for a full understanding of the data provided in the Government-wide and Fund Financial Statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Yucaipa, assets exceeded liabilities by \$208,649,116 at the close of the most recent fiscal year. See Table 1, below, for a comparative analysis of net position between the fiscal years ended June 30, 2010 through June 30, 2014.

Table 1  
Net Position  
Governmental Activities

Fiscal Year Ended June 30						
	2014	2013	2012	2011	2010	
Current and other Assets	\$ 60,571,576	\$ 65,012,726	\$ 64,308,934	\$ 72,782,043	\$ 68,379,073	
Capital Assets, Net	151,188,060	152,718,653	153,597,104	151,975,674	148,144,100	
Total Assets	\$ 211,759,636	\$ 217,731,379	\$ 217,906,038	\$ 224,757,717	\$ 216,523,173	
Current Liabilities	2,512,239	3,574,535	3,958,971	3,911,481	3,656,609	
Long Term Liabilities	598,281	554,182	476,139	8,884,747	2,820,679	
Total Liabilities	\$ 3,110,520	\$ 4,128,717	\$ 4,435,110	\$ 12,796,228	\$ 6,477,288	
Net Position:						
Net investment in						
Capital Assets	151,188,060	152,718,653	153,597,104	151,975,674	148,144,100	
Restricted	15,191,287	19,790,996	12,913,310	21,265,156	15,709,950	
Unrestricted	42,269,769	41,093,013	46,960,514	38,720,659	46,191,835	
Total Net Position	\$ 208,649,116	\$ 213,602,662	\$ 213,470,928	\$ 211,961,489	\$ 210,045,885	

The City’s assets exceeded liabilities by approximately \$209 million at June 30, 2014. This represents a decrease from the previous year in the amount of approximately \$4.95 million.

A large portion of the City’s net position (\$151 million) reflects its investment in capital assets (i.e., land buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding, if applicable. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. (It is important to note that the only debt currently reported in the financial statements is that debt incurred by the routine payments of current obligations.) Debt obligations incurred by the former RDA and the Community Facilities District no. 98-1 are not included in the City’s Governmental Financial Statements.

An additional portion of the City's net position (\$15.2 million, or 7%) represents resources that are subject to external restrictions on how they may be used. This typically refers to funds received through State and Federal grants. The remaining balance of Unrestricted Net Position (\$41 million) may be used to meet the government's ongoing obligations to citizens and creditors.

The condensed summary of activities, which follows, shows that net position decreased by approximately \$4.95 million during the year as a result of operations. The summary reflects a decrease in total revenues in the amount of approximately \$5.28 from the previous year. A majority of this decrease is due to the transfer of control of the asset to the Wildwood Creek Detention Basin to the San Bernardino County Flood Control District for operation and maintenance.

During fiscal year 2003-04, CFD No. 98-1 issued approximately \$6.7 million in Mello-Roos bonds, the proceeds of which were included as revenue. In addition, the special taxes collected on behalf of the CFD were treated as revenues. In 2004-05, this fund was transferred to an Agency Fund. As a result, the special taxes are no longer recorded as revenue in the government wide statements.

The summary also reflects a decrease in total expenditures in the amount of approximately \$193,141 from the previous year. The difference is primarily the net result of variation in the volume and cost associated with city initiated capital projects.

**Table 2**  
**Summary of Governmental Activities**

Fiscal Year Ended June 30						
	2014	2013	2012	2011	2010	
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 2,525,564	\$ 2,649,133	\$ 3,115,795	\$ 3,067,686	\$ 3,062,820	
Operating Grants	1,056,654	1,287,363	2,457,849	3,021,749	1,006,444	
Capital Grants	4,372,675	6,462,954	3,607,604	5,567,417	4,634,306	
<b>General Revenues:</b>						
Property Taxes	9,689,395	9,158,269	10,002,732	10,870,359	11,367,661	
Sales Taxes	2,857,302	2,663,584	2,731,544	2,569,402	2,284,676	
Other Taxes and Fees	1,552,177	1,475,124	1,438,029	1,414,893	1,357,012	
Motor Vehicle In-Lieu Fees	3,963,654	3,895,205	3,883,523	4,082,936	4,223,851	
Grants/Other	3,159,373	1,181,397	708,910	570,407	665,378	
Extraordinary Item		-	1,987,816	-	-	
<b>Total Revenues</b>	<b>\$ 29,176,794</b>	<b>\$ 28,773,029</b>	<b>\$ 29,933,802</b>	<b>\$ 31,164,849</b>	<b>\$ 28,602,148</b>	
<b>Expenses</b>						
General Government	2,786,070	3,886,687	3,279,187	2,993,619	3,363,269	
Public Safety/Fire	10,913,479	10,446,417	9,975,310	9,783,228	10,115,418	
Comm. Dev. / Pub. Works	18,797,458	12,880,785	13,692,926	14,855,581	18,877,371	
Community Services	1,633,333	1,427,406	1,234,728	1,260,665	1,416,868	
Interest and Fiscal Charges	-	-	242,212	356,152	188,331	
<b>Total Expenses</b>	<b>\$ 34,130,340</b>	<b>\$ 28,641,295</b>	<b>\$ 28,424,363</b>	<b>\$ 29,249,245</b>	<b>\$ 33,961,257</b>	
<b>Increase in Net Position</b>	<b>\$ (4,953,546)</b>	<b>\$ 131,734</b>	<b>\$ 1,509,439</b>	<b>\$ 1,915,604</b>	<b>\$ (5,359,109)</b>	
<b>Beginning Net Position</b>	<b>\$ 213,602,662</b>	<b>\$ 213,470,928</b>	<b>\$ 211,961,489</b>	<b>** \$ 210,045,885</b>	<b>\$ 215,404,994</b>	
<b>Ending Net Position</b>	<b>\$ 208,649,116</b>	<b>\$ 213,602,662</b>	<b>\$ 213,470,928</b>	<b>\$ 211,961,489</b>	<b>\$ 210,045,885</b>	

\*\* Total net assets include Successor Agency as a fiduciary fund.

Table 3  
Revenues by Source – Governmental Activities  
For the Years Ended June 30, 2014, 2013, 2012, and 2011

	2013/14		2012/13		2011/12		2010/2011	
	Amount	% of Total						
Taxes								
Property	\$ 6,755,057	23.2%	\$ 6,327,698	22.0%	\$ 7,207,289	24.1%	\$ 8,045,155	25.8%
Property-Fire	2,934,338	10.1%	2,830,571	9.8%	2,795,443	9.3%	2,825,204	9.1%
Sales and Use	2,857,302	9.8%	2,663,584	9.3%	2,731,544	9.1%	2,569,402	8.2%
Franchise Fees	1,412,159	4.8%	1,343,430	4.7%	1,321,021	4.4%	1,294,626	4.2%
Doc. Transfer	122,362	0.4%	115,833	0.4%	104,569	0.3%	105,563	0.3%
Other Taxes	17,656	0.1%	15,861	0.1%	12,439	0.0%	14,704	0.0%
Fees for Services	2,525,564	8.7%	2,649,133	9.2%	3,115,795	10.4%	3,067,686	9.8%
Fines & Forfeitures	87,443	0.3%	99,282	0.3%	61,941	0.2%	83,985	0.3%
Other Agencies	10,901,900	37.4%	11,119,275	38.6%	9,501,052	31.7%	12,079,383	38.8%
Interest	315,102	1.1%	217,721	0.8%	161,622	0.5%	206,707	0.7%
Licenses & Permits	439,867	1.5%	426,965	1.5%	385,983	1.3%	508,734	1.6%
Miscellaneous Revenues	808,044	2.8%	963,676	3.3%	547,288	1.8%	363,700	1.2%
Extraordinary Item	-	0.0%	-	0.0%	1,987,816	6.6%	-	0.0%
Total	\$ 29,176,794	100%	\$ 28,773,029	100%	\$ 29,933,802	100%	\$ 31,164,849	100%

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

**Governmental Funds.** The focus of the City's governmental funds is to provide information on the near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the City's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

In FY 2010/11 GASB 54 was implemented, substantially altering the fund balance categories. This pronouncement directs the City to present fund balance in classifications of: Nonspendable, Restricted, Committed, Assigned and Unassigned fund balance. Previous year fund balance categories are not altered by the current pronouncement.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately \$56.8 million, a decrease of approximately \$3.34 million in comparison with the prior year. Approximately 47.16% of this amount (\$26.80 million) constitutes Committed, Assigned and Unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is Nonspendable or Restricted to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period, 2) for public facilities construction, and 3) for a variety of other restricted purposes.

## GENERAL FUND BUDGETARY HIGHLIGHTS

### General Fund

The General Fund is the chief operating fund of the City. At the end of the fiscal year ending on June 30, 2014, the Unassigned Fund Balance of the General Fund was approximately \$15.70 million. Included in the Committed Fund Balance is approximately \$4.07 million that was authorized by City Council for future operating and economic contingencies. The total Fund Balance in the General Fund, as of June 30, 2014, was approximately \$42.66 million.

The total Fund Balance of the City's General Fund increased by approximately \$3.25 million. This increase was the net result of six primary factors:

- 1) Revised budget reflected estimated revenues over expenditures in the amount of \$117,628;
- 2) Actual revenues, including transfers in, exceeded their budgeted estimates by the amount of approximately \$771,946 and expenditure savings were achieved as a result of tight budgetary and fiscal controls;
- 3) Actual net operational expenditures, including transfers, were below the budgeted authorization by the amount of approximately \$2.28 million;
- 4) Prior year carryover funds were expended and/or transferred to other funds in the net amount of approximately \$708,840;
- 5) Funds were transferred to the General Fund from the Successor Agency relative to the Bond Proceeds Funding Agreements for the Uptown Streetscape Project, Sorenson Engineering Owner Participation Agreement, and Façade Improvement Program in the amount of approximately \$2.036 million;
- 6) Funds were transferred from the General Fund One Time Capital Projects Account to other Capital Project funds for the completion of various capital projects including, but not limited to, the General Plan Update, the Anchor Block Property and Security Camera Installation in the amount of approximately (\$1.592) million.

The differences in General Fund revenues from the total budgeted estimates can be summarized as follows:

Description	2013/14 Budget Estimate	2013/14 Actual Revenue	Amount of Increase	% Increase
Property Tax	\$ 5,524,000	\$ 5,685,063	\$ 161,063	2.9%
Sales Tax	2,755,097	2,857,302	102,205	3.7%
Current Services	1,251,338	1,263,427	12,089	1.0%
Other Taxes	1,389,965	1,471,000	81,035	5.8%
Other Governmental	3,985,946	4,022,562	36,616	0.9%
Licenses & Permits	396,459	439,867	43,408	10.9%
Misc. Revenues	273,300	608,830	335,530	122.8%

### Special Revenue Fund - Fire Fund

The Fire Services Fund is used to account for operational costs associated with the provision of fire suppression services. The significant difference between capital outlay in fiscal year 2012-

2013 and 2013-2014 is that a fire engine was acquired in 2012-2013. No other significant differences are presented in the financial statements.

#### Capital Projects Funds:

##### Traffic Facilities

The Traffic Facilities Fund is a component of the City's Development Impact Fee Program. It is used to account for financial transactions specifically related to the construction of Traffic Infrastructure Projects. Changes in Fund Balance from one year to the next reflect the timing of grant revenue receipts and the construction of capital projects. In fiscal year 2012-2013, the City received approximately \$4.2 million in reimbursement for a capital project advanced by the City's General Fund in previous years.

##### Public Facilities

The Public Facilities Fund is a component of the City's Development Impact Fee Program. It is used to account for financial transactions specifically related to the construction of Public Facilities. In fiscal year 2012-2013, the City began design of a new Police Station facility. The construction of the facility was nearly completed in fiscal year 2013-2014. This resulted in a significant difference in expenditures between those two fiscal years.

##### Park Facilities

The Park Facilities Fund is a component of the City's Development Impact Fee Program. It is used to account for financial transactions specifically related to the construction of Park Facilities. Changes in expenditures between two fiscal years is the result of the timing of construction of various capital projects. There is nothing significant to report relative to the change in fund balance.

##### Fire Facilities

The Fire Facilities Fund is a component of the City's Development Impact Fee Program. It is used to account for financial transactions specifically related to the construction of Fire Facilities. Changes in expenditures between two fiscal years is the result of the timing of construction of various capital projects. There is nothing significant to report relative to the change in fund balance.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The City's investment in capital assets for its governmental activities as of June 30, 2014 amounts to \$151,188,060 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and construction-in-progress.

The total net decrease in the City’s net investment in capital assets for the current fiscal year was approximately (\$1.53 million). The primary major capital assets added during fiscal year 2013-14 were the completion of several public works projects, including the completion of the Uptown Streetscape project, the sidewalk project along 4<sup>th</sup> Street and street improvements as part of the City’s annual Street Rehab program. Construction-in-progress totaled \$18.6 million at June 30, 2014 and depreciation expense during the fiscal year was approximately \$7.9 million. The amount of approximately \$5.68 million was reduced from Construction-in-progress related to amounts previously capitalized for the Wildwood Detention Basin. The basin project is owned and maintained by the San Bernardino County Flood Control District and was subsequently removed from assets maintained by the City. See Table 4, below, for the amounts recorded by category as of June 30, 2014. Refer to Note 4 in the financial statements.

Table 4  
City of Yucaipa  
Recorded Capital Assets at Year-End  
(Net of Depreciation)

Land	\$ 60,892,536
Infrastructure	63,595,033
Structures and Improvements	7,153,773
Equipment / Vehicles	933,561
Construction-in-Progress	18,613,157
Total Capital Assets	\$ 151,188,060

**Long-term Debt.** At the end of the current fiscal year, other than the obligations outlined in Note 5 related to Other Post-Employment Benefits (OPEB) and Compensated Absences, the City had no outstanding long-term debt. As of June 30, 2014 the Successor Agency to the Yucaipa RDA had incurred total long-term debt in the amount of \$7,997,291. This amount represents bonded indebtedness incurred as a result of Tax Allocation Bonds issued by the former RDA in 1998, 2004, and 2010. The former RDA issued 2010 Tax Allocation Bonds, dated November 2, 2010, in the amount of \$6,030,000 to finance Redevelopment projects. The 2010 bonds are issued on parity with the Agency’s 1998 and 2004 bonds and have interest rates ranging from 4.00% to 5.50%. The final payment is due September 1, 2040.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the City’s financial condition for all those with an interest in the City’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Administrative Services, 34272 Yucaipa Blvd., Yucaipa, CA 92399.

## **BASIC FINANCIAL STATEMENTS**

**City of Yucaipa  
Statement of Net Position  
June 30, 2014**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 58,483,446
Receivables:	
Accounts	792,579
Interest Receivable	101,710
Due From Other Governments	1,193,841
Capital Assets, Not Being Depreciated	79,505,693
Capital Assets, Net of Accumulated Depreciation	<u>71,682,367</u>
Total Assets	<u>211,759,636</u>
 <b>LIABILITIES</b>	
Accounts Payable	1,660,880
Accrued Liabilities	75,000
Deposits Payable	776,359
Noncurrent Liabilities:	
Due Within One Year	53,401
Due in More Than One Year	<u>544,880</u>
Total Liabilities	<u>3,110,520</u>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	151,188,060
Restricted for:	
Public Safety	1,648,506
Public Works/Transportation	9,602,617
Community Development	12,815
Community Services/Public Education	2,196,701
Capital Projects	323,462
Other Purposes	1,407,186
Unrestricted	<u>42,269,769</u>
Total Net Position	<u><u>\$ 208,649,116</u></u>

The accompanying notes are an integral part of this statement.

**City of Yucaipa  
Statement of Activities  
Year Ended June 30, 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$ 2,786,070	\$ 319,941	\$ 41,310	\$ 14,370	\$ (2,410,449)
Community Development	6,178,671	668,768		51,594	(5,458,309)
Building and Safety	298,010	453,219			155,209
Public Works	12,320,777	204,441	847,488	3,746,417	(7,522,431)
Public Safety	7,269,032	163,748	156,290	449,294	(6,499,700)
Fire Protection Services	2,685,834	10,061	11,566		(2,664,207)
Paramedic Services	958,613				(958,613)
Community Services	1,633,333	705,386		111,000	(816,947)
<b>Total Governmental Activities</b>	<b>\$ 34,130,340</b>	<b>\$ 2,525,564</b>	<b>\$ 1,056,654</b>	<b>\$ 4,372,675</b>	<b>(26,175,447)</b>
General Revenues:					
Taxes:					
					9,689,395
					2,857,302
					1,412,159
					122,362
					17,656
					3,963,654
					315,102
					2,036,227
					808,044
					<u>21,221,901</u>
					(4,953,546)
					<u>213,602,662</u>
					<u>\$ 208,649,116</u>

The accompanying notes are an integral part of this statement.

**City of Yucaipa  
Balance Sheet  
Governmental Funds  
June 30, 2014**

	<u>General</u>	<u>Special Revenue Fire</u>	<u>Capital Projects Traffic Facilities</u>	<u>Developer Fees Public Facilities</u>
<b>ASSETS</b>				
Cash and Investments	\$ 31,224,089	\$ 8,395,217	\$ 4,377,669	\$ 1,800,840
Receivables:				
Accounts	792,579			
Interest	96,983	1,715	883	502
Due From Other Governments	3,587	80,458	235,832	18,918
Due From Other Funds	234,165			
Advances to Other Funds	11,537,445	2,531,014		
 Total Assets	<u>\$ 43,888,848</u>	<u>\$ 11,008,404</u>	<u>\$ 4,614,384</u>	<u>\$ 1,820,260</u>
<b>LIABILITIES</b>				
Accounts Payable & Accrued Liabilities	\$ 455,758	\$ 18,658	\$ 92,347	\$ 759,634
Deposits Payable	776,359			
Due to Other Funds				
Advances From Other Funds			74,000	8,191,395
 Total Liabilities	<u>1,232,117</u>	<u>18,658</u>	<u>166,347</u>	<u>8,951,029</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues			60,284	
 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>60,284</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	11,537,445	2,531,014		
Restricted	1,710,864		4,387,753	
Committed	5,182,303	8,458,732		
Assigned	9,536,944			
Unassigned	14,689,175			(7,130,769)
 Total Fund Balances	<u>42,656,731</u>	<u>10,989,746</u>	<u>4,387,753</u>	<u>(7,130,769)</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 43,888,848</u>	<u>\$ 11,008,404</u>	<u>\$ 4,614,384</u>	<u>\$ 1,820,260</u>

The accompanying notes are an integral part of this statement.

Capital Projects			
Developer Impact Fees Parks	Developer Fees Fire	Non-Major Funds	Total Governmental Funds
\$ 312,162	\$ 230,763	\$ 11,092,172	\$ 57,432,912
			792,579
117	52	1,311	101,563
196,608		658,438	1,193,841
			234,165
			14,068,459
<u>\$ 508,887</u>	<u>\$ 230,815</u>	<u>\$ 11,751,921</u>	<u>\$ 73,823,519</u>
\$ 16,796	\$	\$ 311,748	\$ 1,654,941
			776,359
		234,165	234,165
<u>2,772,050</u>	<u>2,531,014</u>	<u>500,000</u>	<u>14,068,459</u>
<u>2,788,846</u>	<u>2,531,014</u>	<u>1,045,913</u>	<u>16,733,924</u>
		188,940	249,224
		188,940	249,224
			14,068,459
		10,651,483	16,750,100
			13,641,035
		327,168	9,864,112
<u>(2,279,959)</u>	<u>(2,300,199)</u>	<u>(461,583)</u>	<u>2,516,665</u>
<u>(2,279,959)</u>	<u>(2,300,199)</u>	<u>10,517,068</u>	<u>56,840,371</u>
<u>\$ 508,887</u>	<u>\$ 230,815</u>	<u>\$ 11,751,921</u>	<u>\$ 73,823,519</u>

The accompanying notes are an integral part of this statement.

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**City of Yucaipa**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2014**

Fund balances of governmental funds		\$ 56,840,371
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:</p>		
Cost of Capital Assets Not Being Depreciated		79,505,693
Cost of Capital Assets Being Depreciated		199,622,846
Accumulated Depreciation		(127,940,479)
<p>Long-term debt obligations are not due and payable in the current period and, therefore, are not reported in the funds:</p>		
Compensated Absences		(214,748)
Net OPEB Obligation		(383,533)
<p>The internal service fund is used by management to charge costs of activities involved in rendering services to departments within the City. The assets and liabilities of the internal service fund are included in the statement of net position.</p>		
		969,742
<p>Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.</p>		
		<u>249,224</u>
Net position of governmental activities		<u><u>\$ 208,649,116</u></u>

The accompanying notes are an integral part of this statement.

**City of Yucaipa**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2014**

	General	Special Revenue	Capital Projects	
		Fire	Traffic Facilities	Developer Fees Public Facilities
<b>REVENUES</b>				
Taxes:				
Property Taxes	\$ 5,685,063	\$	\$	\$
Property Taxes - Fire		2,934,338		
Sales and Use Taxes	2,857,302			
Franchise Taxes	1,330,982			
Documentary Transfer Tax	122,362			
Other Taxes	17,656			
Licenses and Permits	439,867			
Fines and Forfeitures	10,355			
Charges for Services	1,263,427	36,409	80,574	21,606
Intergovernmental	4,022,562		1,230,845	471,997
Investment Income	230,430	29,169	16,271	14,678
Other	368,045	55,899	334	10,000
<b>Total Revenues</b>	<b>16,348,051</b>	<b>3,055,815</b>	<b>1,328,024</b>	<b>518,281</b>
<b>EXPENDITURES</b>				
Current:				
General Government	2,320,153			
Community Development	680,532			
Building and Safety	298,010			
Public Works	1,961,825			148
Public Safety	6,894,364			
Fire Protection Services		2,685,834		
Paramedic Services				
Community Services	1,303,805			
Capital Outlay	567,631	10,590	1,112,206	7,866,881
<b>Total Expenditures</b>	<b>14,026,320</b>	<b>2,696,424</b>	<b>1,112,206</b>	<b>7,867,029</b>
Excess (Deficiency) of Revenues over Expenditures	2,321,731	359,391	215,818	(7,348,748)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	995,537		142,629	
Transfers Out	(2,104,429)			
Transfer from Successor Agency	2,036,227			
<b>Total Other Financing Sources (Uses)</b>	<b>927,335</b>	<b>-</b>	<b>142,629</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>3,249,066</b>	<b>359,391</b>	<b>358,447</b>	<b>(7,348,748)</b>
Fund Balances, Beginning of Year	39,407,665	10,630,355	4,029,306	217,979
Fund Balances, End of Year	\$ 42,656,731	\$ 10,989,746	\$ 4,387,753	\$ (7,130,769)

The accompanying notes are an integral part of this statement.

Capital Projects			
Developer Impact Fees Parks	Developer Fees Fire	Non-Major Funds	Total Governmental Funds
\$	\$	\$ 1,069,994	\$ 6,755,057
			2,934,338
			2,857,302
		81,177	1,412,159
			122,362
			17,656
			439,867
		77,088	87,443
11,566	8,374	136,737	1,558,693
111,000		3,686,825	9,523,229
1,861	833	21,860	315,102
369,491		653,013	1,456,782
<u>493,918</u>	<u>9,207</u>	<u>5,726,694</u>	<u>27,479,990</u>
31,849	2,342	206,320	2,560,664
			680,532
			298,010
		1,710,634	3,672,607
		80,536	6,974,900
			2,685,834
		958,613	958,613
		92,625	1,396,430
218,088		3,648,225	13,423,621
<u>249,937</u>	<u>2,342</u>	<u>6,696,953</u>	<u>32,651,211</u>
243,981	6,865	(970,259)	(5,171,221)
		2,675,157	3,813,323
(339,917)		(1,578,977)	(4,023,323)
			2,036,227
<u>(339,917)</u>	<u>-</u>	<u>1,096,180</u>	<u>1,826,227</u>
(95,936)	6,865	125,921	(3,344,994)
(2,184,023)	(2,307,064)	10,391,147	60,185,365
<u>\$ (2,279,959)</u>	<u>\$ (2,300,199)</u>	<u>\$ 10,517,068</u>	<u>\$ 56,840,371</u>

The accompanying notes are an integral part of this statement.

**City of Yucaipa**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2014**

Net change in fund balances - total governmental funds \$ (3,344,994)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense:

Capital Outlay	12,053,494
Depreciation	(7,901,900)
Disposals	(5,682,187)

The internal service fund is reported as a proprietary fund separate from the governmental funds. The revenues and expenses of the internal service fund are included in the statement of activities. 305,564

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change in unavailable revenue for the current period. (339,424)

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

Compensated Absences	10,541
Net OPEB Obligation	(54,640)
	(44,100)

Change in net position of governmental activities \$ (4,953,546)

**City of Yucaipa  
Statement of Net Position  
Proprietary Fund  
June 30, 2014**

	Governmental Activities - Internal Service Fund
<b>ASSETS</b>	
Cash and Investments	\$ 1,050,534
Interest Receivable	<u>147</u>
Total Assets	<u>1,050,681</u>
<b>LIABILITIES</b>	
Accounts Payable	5,939
Accrued Liabilities	<u>75,000</u>
Total Liabilities	<u>80,939</u>
<b>NET POSITION</b>	
Unrestricted	<u>969,742</u>
Total Net Position	<u><u>\$ 969,742</u></u>

The accompanying notes are an integral part of this statement.

**City of Yucaipa**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Fund**  
**Year Ended June 30, 2014**

	Governmental Activities - Internal Service Fund
<b>OPERATING REVENUES</b>	
Other Income	\$ 412,763
Total Operating Revenues	<u>412,763</u>
<b>OPERATING EXPENSES</b>	
Professional Services	6,502
Property and Liability Premiums	257,137
Claims Expense	<u>55,392</u>
Total Operating Expenses	<u>319,031</u>
Operating Income (Loss)	<u>93,732</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Investment Earnings	<u>1,832</u>
Total Non-Operating Revenues (Expenses)	<u>1,832</u>
Income (Loss) before contributions and transfers	95,564
Transfers In	<u>210,000</u>
Change in Net Position	305,564
Total Net Position, Beginning of Year	<u>664,178</u>
Total Net Position, End of Year	<u><u>\$ 969,742</u></u>

The accompanying notes are an integral part of this statement.

**City of Yucaipa  
Statement of Cash Flows  
Proprietary Fund  
Year Ended June 30, 2014**

	<u>Governmental Activities - Internal Service Fund</u>
<b>Cash Flows from Operating Activities</b>	
Cash Paid to Suppliers for Goods and Service	\$ (260,345)
Cash Paid for Claims	(55,392)
Other Income	<u>412,763</u>
Net Cash Provided (Used) by Operating Activities	<u>97,026</u>
<b>Cash Flows from Non-Capital Financing Activities</b>	
Cash Transferred From (Paid To) Other Funds	<u>210,000</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>210,000</u>
<b>Cash Flows from Investing Activities</b>	
Interest on Investments	<u>1,929</u>
Net Cash Provided (Used) by Investing Activities	<u>1,929</u>
Net Increase (Decrease) in Cash and Cash Equivalents	308,955
Cash and Cash Equivalents, Beginning of Year	<u>741,579</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,050,534</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>	
Operating income (loss)	\$ 93,732
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) Decrease in Accounts Receivable	-
Increase (Decrease) in Accounts Payable	<u>3,294</u>
<b>Net Cash Provided (Used) By Operating Activities</b>	<u><u>\$ 97,026</u></u>

The accompanying notes are an integral part of this statement.

**City of Yucaipa  
Statement of Fiduciary Position  
Fiduciary Funds  
June 30, 2014**

	Successor Agency Private-Purpose Trust Fund	Agency Funds
<b>ASSETS</b>		
Cash and Investments	\$ 490,863	\$ 2,242,509
Cash and Investments with Fiscal Agent	767,780	2,286,479
Accounts Receivable		22,681
Interest Receivable	141	382
	1,258,784	4,552,051
Total Assets	1,258,784	\$ 4,552,051
<b>LIABILITIES</b>		
Accounts Payable	13,145	\$ 115,705
Deposits Payable		
Interest Payable	133,592	
Bonds Payable	7,997,291	
Due to Bondholders		4,436,346
Due to City	731,498	
	8,875,526	4,436,346
Total Liabilities	8,875,526	\$ 4,436,346
<b>NET POSITION</b>		
Net Position Held in Trust for Successor Agency	\$ (7,616,742)	

The accompanying notes are an integral part of this statement.

**City of Yucaipa**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year Ended June 30, 2014**

	Successor Agency Private-Purpose Trust Fund
<b>ADDITIONS</b>	
Taxes	\$ 715,427
Investment Income	4,717
Other	1,741
	721,885
Total Additions	721,885
<b>DEDUCTIONS</b>	
Administration Costs	13,196
Project Improvement Costs	268,816
Interest Expense	407,927
Transfer to City	2,036,227
	2,726,166
Total Deductions	2,726,166
Change in Net Position	(2,004,281)
Net Position - Beginning	(5,612,461)
Net Position - Ending	\$ (7,616,742)

The accompanying notes are an integral part of this statement.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Yucaipa, California (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. 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) Reporting Entity**

The City of Yucaipa was incorporated on November 27, 1989 under the general laws of the State of California. The City operates under the Council-Administrator form of government.

As required by generally accepted accounting principles, these financial statements present the City of Yucaipa and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

Currently, the City of Yucaipa does not have any component units to report.

**B) Basis of Accounting and Measurement Focus**

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

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

Government-Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Government-wide financial statements are presented using the economic resources measurement focus and accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

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

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

Fund Financial Statements

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

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about the major funds individually and nonmajor funds in the aggregate for all funds.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period.

The City uses an availability period of 60 days, except for grants which are considered available if they are collected within 120 days after year-end.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

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

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

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent the net current assets.

Recognition of governmental fund type revenues represented by non-current receivables are deferred until they become current receivables. Non-current portions of long-term receivables are offset by nonspendable fund balance.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Proprietary Fund and Fiduciary Funds

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

The proprietary fund distinguishes operating revenues and expenses from nonoperating 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 City's internal service fund are charges to internal customers for risk management functions. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**C) Fund Classifications**

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Fire Special Revenue Fund* accounts for property taxes collected and set-aside for financing and administering fire services.

The *Traffic Facilities Capital Projects Fund* accounts for and reports financial resources collected from development impact fees and restricted for construction of major traffic facilities.

The *Developer Fees Public Facilities Capital Projects Fund* accounts for and reports financial resources collected from development impact fees on new development and restricted for construction of public facilities.

The *Developer Impact Fees Parks Capital Projects Fund* accounts for and reports financial resources collected pursuant to Ordinance No. 33 which establishes a requirement for the dedication of land or the payment of in-lieu fees for park and recreational purposes.

The *Developer Fees Fire Capital Projects Fund* accounts for and reports financial resources collected from development impact fees and restricted for construction of major fire facilities.

Additionally, the City reports the following fund types:

The *Self Insurance Internal Service Fund* accounts for self-funded insurance. Departments of the City are charged for services provided or benefits received from this fund.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

The *Private-purpose Trust Fund* accounts for the balances and transactions of the Successor Agency to the Yucaipa Redevelopment Agency.

The *Agency Fund* accounts for monies held for assessment districts, and other deposits.

**D) Cash and Investments**

Cash includes amounts in demand and time deposits. Investments are reported in the accompanying financial statements at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

**E) Cash Equivalents**

For purposes of the statement of cash flows, cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 months or less.

**F) Due from Other Governments**

The amounts recorded as due from other governments, include sales taxes, property taxes, and grant revenues, collected or provided by Federal, State, County and City governments and remain unremitted to the City as of June 30, 2014.

**G) Advances Between Funds**

Advances receivable, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**H) Property Tax Calendar**

Property taxes attach as an enforceable lien on property as of January 1, each year. Taxes are levied on July 1, and are payable in two installments no later than December 10, and April 10, of each year. The County of San Bernardino bills and collects the property taxes and remits them to the City in installments during the year. Under the provisions of NCGA Interpretation 3, property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided it is collected within 60 days of the end of the fiscal year.

The County is permitted by State law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate no more than 2% per year. The City receives a share of this basic levy proportionate to what was received in the 1976 to 1978 period and transferred to the City upon incorporation.

**I) Claims and Judgments**

The City maintains funds in the Self Insurance Internal Service Fund as a reserve for litigation, judgments and claims equal to a minimum of three times the City's self-insured retention. This reserve represents an estimate for claims, including "incurred but not reported" (IBNR).

**J) Employee Leave Benefits**

In accordance with GASB Statement No 16, a liability is recorded for unused balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

**K) Capital Assets**

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets are valued at their estimated fair market value at the date of the contribution. Generally, capital asset purchases in excess of \$10,000 and infrastructure greater than \$100,000 are capitalized.

Capital assets include public domain (infrastructure) assets consisting of certain improvements including roads, streets, sidewalks, medians and storm drains. Depreciation has been provided using the straight line method over the estimated useful life of the asset in the government-wide financial statements.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

The following schedule summarizes capital asset useful lives:

Building and Improvements	10 - 30 years
Equipment	7 - 10 years
Vehicles	7 - 10 years
Infrastructure	10- 30 years

**L) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**M) Fund Equity**

In the government-wide financial statements, net position is classified in the following categories:

*Net investment in capital assets* describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulation, laws, or other restrictions which the City cannot unilaterally alter.

*Unrestricted* describes the portion of net position which is not restricted to use.

**N) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City currently has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2014**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**O) 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 statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position.

**P) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements**

Governmental Accounting Standards Board Statement No. 68

In June of 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. This statement was issued to improve the financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this statement. Statement No. 68 is effective for periods beginning after June 15, 2014. The City has elected not to early implement GASB No. 68 and has not determined its effect on the City's financial statements.

**2) CASH AND INVESTMENTS**

Cash and investments are classified in the accompany financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 58,483,446
Statement of Fiduciary Net Position:	
Cash and Investments	2,733,372
Cash and Investments with Fiscal Agents	<u>3,054,259</u>
Total Cash and Investments	<u>\$ 64,271,077</u>

Cash and Investments consist of the following:

Cash on Hand	\$ 700
Deposits with Financial Institutions	6,443,460
Investments	<u>57,826,917</u>
Total Cash and Investments	<u>\$ 64,271,077</u>

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**2) CASH AND INVESTMENTS - Continued**

Investments Authorized by the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer*
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	2 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	15%	10%
Negotiable Certificates of Deposit	Yes	2 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
JPA Pools (other investments pools)	No	N/A	None	None

\*Based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provision of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**2) CASH AND INVESTMENTS - Continued**

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Medium Term Notes	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	10%
Repurchase Agreements	270 days	30%	None
Investment Contracts	30 years	None	None
Local Agency Investment Fund (LAIF)	N/A	50 million	None

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investment by maturity:

Investment Type	Remaining Maturity			
	12 Months or Less	1 to 2 Years	2 to 5 Years	
U.S. Treasury Obligations	\$ 20,812,047	\$ -	\$ 13,674,287	\$ 7,137,760
U.S. Agency Securities	3,185,232	700,088	1,803,067	682,077
Commercial Paper	849,858	849,858	-	-
Negotiable Certificates of Deposit	3,198,146	400,057	2,798,089	-
Medium Term Notes	6,899,902	-	-	6,899,902
Money Market Mutual Funds	65,772	65,772	-	-
State Investment Pool	19,761,701	19,761,701	-	-
Held by Bond Trustee:				
LAIF	54,101	54,101	-	-
Money Market Mutual Funds	3,000,158	3,000,158	-	-
<b>Total Pooled Investments</b>	<b>\$ 57,826,917</b>	<b>\$ 24,831,735</b>	<b>\$ 18,275,443</b>	<b>\$ 14,719,739</b>

Disclosures Relating to Credit Risk

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

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**2) CASH AND INVESTMENTS - Continued**

Investment Type	Total	Minimum Legal Rating	AAA	AA	A and A-1	Not Rated
U.S. Treasury Obligations	\$20,812,047		\$ 20,812,047	\$ -	\$ -	\$ -
U.S. Agency Securities	3,185,232		3,185,232	-	-	-
Commercial Paper	849,858	A-	-	-	849,858	-
Negotiable Certificates of Deposit	3,198,146	A-	-	699,724	2,498,422	-
Medium Term Notes	6,899,902	A-	920,964	5,095,438	883,500	-
Money Market Mutual Funds	65,772		65,772	-	-	-
State Investment Pool	19,761,701		-	-	-	19,761,701
Held by Bond Trustee:						
LAIF	54,101		-	-	-	54,101
Money Market Mutual Funds	3,000,158	AAA	3,000,158	-	-	-
<b>Total Pooled Investments</b>	<b><u>\$57,826,917</u></b>		<b><u>\$27,984,173</u></b>	<b><u>\$ 5,795,162</u></b>	<b><u>\$ 4,231,780</u></b>	<b><u>\$19,815,802</u></b>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2014, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities.

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2014**

**2) CASH AND INVESTMENTS - Continued**

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). As of June 30, 2014, none of the City's investments were held by the broker-dealer (counterparty) that was used by the City to purchase the securities.

For investments identified herein as held by bond trustee, the bond trustee selects the investments under terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

Investment in State Investment Pool

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

**3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables at June 30, 2014 are as follows:

<u>Due From (Receivable)</u>	<u>Due To (Payable)</u>	<u>Amount</u>
General Fund	Non-major Governmental Funds	\$ 234,165
Total		<u>\$ 234,165</u>

The interfund balance from the General Fund was the result of short-term borrowings to cover deficit cash balances at June 30, 2014 as well as for cash flow to cover operations.

Interfund advances at June 30, 2014 are as follows:

<u>Advances to Other Funds (Receivable)</u>	<u>Advances From Other Funds (Payable)</u>	<u>Amount</u>
General Fund	Traffic Facilities	\$ 74,000
	Developer Fees Public Facilities	8,191,395
	Developer Impact Fees Parks Fund	2,772,050
	Non-major Governmental Funds	500,000
Fire Special Revenue Fund	Developer Fees Fire	<u>2,531,014</u>
Total Advances To/From Other Funds		<u>\$ 14,068,459</u>

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2014**

**3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued**

The interfund balances were a result of the City's General Fund financing the construction improvements to the Live Oak/Oak Glen Road Interchange, construction of the City Hall, Transit and Aquatic Centers, construction of the Community Park, and construction of Fire Station No. 3, respectively. These balances are expected to be repaid with future revenues.

The amount due to the City of \$731,498 in the Successor Agency Private-purpose Trust Fund is the result of Redevelopment Agency borrowings from the City in prior years, however, due to the dissolution of the redevelopment agency's, it is uncertain if this liability will ever be paid back to the City. Therefore, an allowance for doubtful accounts has been established in the General Fund and the Governmental Activities for \$731,498.

Interfund transfers at June 30, 2014 are as follows:

<u>Transfers In (Receiving Fund)</u>	<u>Transfer Out (Paying Fund)</u>	<u>Amount</u>
Traffic Facilities	General Fund	\$ 142,629
Nonmajor Governmental Funds	General Fund	1,751,800
Internal Service Fund	General Fund	<u>210,000</u>
		<u>2,104,429</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	923,357
General Fund	Developer Impact Fees Parks	339,917
	Nonmajor Governmental Funds	<u>655,620</u>
		<u>995,537</u>
Total Interfund Transfers		<u><u>\$ 4,023,323</u></u>

The transfer from the General Fund to the Traffic Facilities Impact Fees, Non-major Governmental and Self-Insurance Internal Service Funds were to fund street projects and insurance premiums respectively.

The transfers from the Non-major Governmental Funds to the Non-major Governmental Funds were to fund streets project.

The transfers from the Developer Impact Fees Parks and the Non-major Governmental Funds to the General Fund were to transfer the close out of the Energy Independence Program Fund, the EECBG Fund, and School District Pass-through Payments to the General Fund.

The transfer of \$2,036,227 from the Successor Agency Private-purpose Trust Fund (Fiduciary Fund) to the General Fund is to fund projects from remaining bond proceeds from the former Redevelopment Agency.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**4) CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Buildings and Improvements	\$ 15,187,048	\$ 14,115	\$ -	\$ 15,201,163
Equipment	1,067,733	85,670	-	1,153,403
Vehicles	2,278,351	79,837	-	2,358,188
Infrastructure	<u>175,724,568</u>	<u>8,081,568</u>	<u>2,896,044</u>	<u>180,910,092</u>
Total Cost of Depreciable Capital Assets	<u>194,257,700</u>	<u>8,261,190</u>	<u>2,896,044</u>	<u>199,622,846</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(7,655,235)	(392,155)	-	(8,047,390)
Equipment	(796,405)	(92,849)	-	(889,254)
Vehicles	(1,573,509)	(115,267)	-	(1,688,776)
Infrastructure	<u>(112,909,474)</u>	<u>(7,301,629)</u>	<u>2,896,044</u>	<u>(117,315,059)</u>
Total Accumulated Depreciation	<u>(122,934,623)</u>	<u>(7,901,900)</u>	<u>2,896,044</u>	<u>(127,940,479)</u>
Net Depreciable Assets	<u>71,323,077</u>	<u>359,290</u>	<u>-</u>	<u>71,682,367</u>
Capital Assets, Not Depreciated:				
Land	3,299,143	223,470	-	3,522,613
Rights of Way	57,369,923	-	-	57,369,923
Construction in Progress	<u>20,726,510</u>	<u>9,671,761</u>	<u>11,785,114</u>	<u>18,613,157</u>
Total Capital Assets Not Depreciated, Net	<u>81,395,576</u>	<u>9,895,231</u>	<u>11,785,114</u>	<u>79,505,693</u>
Total Capital Assets, Net	<u>\$152,718,653</u>	<u>\$ 10,254,521</u>	<u>\$ 11,785,114</u>	<u>\$151,188,060</u>

Depreciation expense was charged in the following function of the Statement of Activities:

General Government	\$ 235,958
Public Safety	250,668
Public Works	2,527,700
Community Development	4,685,679
Community Services	<u>201,895</u>
Total Depreciation Expense	<u>\$ 7,901,900</u>

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2014**

**5) CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2014 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
<b>Governmental Activities:</b>						
Net OPEB Obligation	\$ 328,893	\$ 66,820	\$ (12,180)	\$ 383,533	\$ -	\$ 383,533
Compensated Absences	225,289	58,692	(69,233)	214,748	53,401	161,347
<b>Total Long-term Liabilities</b>	<b>\$ 554,182</b>	<b>\$ 125,512</b>	<b>\$ (81,413)</b>	<b>\$ 598,281</b>	<b>\$ 53,401</b>	<b>\$ 544,880</b>

**Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation time. The balance of unpaid vacation time which has not matured at June 30, 2014 is recorded as a liability in the statements of net position. The General Fund finances this liability.

**6) FIDUCIARY FUND LONG-TERM DEBT**

Fiduciary Fund long-term debt activity for the 2013-14 fiscal year is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
<b>Tax Allocation Bonds:</b>						
1998 Tax Allocation Bonds	\$ 470,000	\$ -	\$ (20,000)	\$ 450,000	\$ 20,000	\$ 430,000
2004 Tax Allocation Bonds	1,855,000	-	(40,000)	1,815,000	40,000	1,775,000
2010 Tax Allocation Bonds	5,800,000	-	(90,000)	5,710,000	95,000	5,615,000
Unamortized Premium on 2010 Bonds	23,116	-	(825)	22,291	825	21,466
<b>Total Fiduciary Funds Long-term Liabilities</b>	<b>\$8,148,116</b>	<b>\$ -</b>	<b>\$ (150,825)</b>	<b>\$7,997,291</b>	<b>150,825</b>	<b>\$ 7,841,466</b>

**1998 Tax Allocation Bonds**

In 1998, the Yucaipa Redevelopment Agency issued \$720,000 of 1998 Tax Allocation Bonds. The proceeds were used to finance various improvement projects throughout the Agency. The bonds are payable exclusively from tax revenues allocated to the Agency.

The 1998 Bonds consist of \$720,000 of term bonds. The bonds accrue interest at rates between 4.00% and 5.60% and are payable semiannually on March 1 and September 1 of each year commencing September 1, 1998. Principal on the bonds is payable in amounts ranging from \$15,000 to \$50,000 and in annual installments commencing on March 1, 1998 and ending September 1, 2028. The outstanding balance at June 30, 2014 was \$450,000.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**6) FIDUCIARY FUND LONG-TERM DEBT - Continued**

Per the bond covenants, the Agency is required to maintain on deposit a reserve fund in an amount equal to \$53,638. At June 30, 2014, the amount held in the reserve account was \$54,101.

**2004 Tax Allocation Bonds**

On October 12, 2004, the Yucaipa Redevelopment Agency issued \$2,500,000 of 2004 Tax Allocation Bonds. The proceeds were used to finance various improvement projects throughout the Agency. The bonds are payable exclusively from pledged tax revenues.

The 2004 Bonds consist of \$2,500,000 of term bonds. The bonds accrue interest rates between 2.10% and 5.00% and are payable semiannually on March 1 and September 1 of each year commencing March 1, 2005. Principal on the bonds is payable in amounts ranging from \$30,000 to \$170,000 and is payable in semi-annual installments commencing on March 1, 2005 and ending September 1, 2034. The outstanding balance at June 30, 2014 was \$1,815,000.

Per the bond covenants, the Agency is required to maintain on deposit a reserve fund in an amount equal to \$191,069. At June 30, 2014, the amount held in the reserve account was \$191,076.

**2010 Tax Allocation Bonds**

On November 2, 2010, the Yucaipa Redevelopment Agency issued \$6,030,000 of 2010 Tax Allocation Bonds. The proceeds are to be used to finance various improvement projects throughout the project area and are payable exclusively from pledged tax revenue. The 2010 Tax Allocation Bonds consisted of \$6,030,000 of term bonds. The bonds accrue interest at rates between 4.00% and 5.50% and are payable semiannually on March 1 and September 1 of each year commencing March 1, 2011. Principal on the bonds is payable in amounts ranging from \$85,000 to \$525,000 and is payable in annual installments commencing on September 1, 2011 and ending September 1, 2040. The outstanding balance at June 30, 2014 was \$5,710,000.

Per the bond covenants, the Agency is required to maintain a reserve account in an amount equal to \$522,580. At June 30, 2014, the amount held in the reserve account was \$522,601.

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2014**

**6) FIDUCIARY FUND LONG-TERM DEBT - Continued**

The annual requirements to amortize outstanding Tax Allocation Bonds at June 30, 2014 are as follows:

Year Ending June 30,	Tax Allocation Bonds	
	Principal	Interest
2015	\$ 155,000	\$ 400,775
2016	160,000	394,394
2017	165,000	387,682
2018	175,000	380,703
2019	180,000	373,272
2020	190,000	365,578
2021	195,000	357,377
2022	205,000	348,866
2023	215,000	339,550
2034	225,000	329,598
2025	235,000	318,846
2026	245,000	307,921
2027	255,000	295,788
2028	270,000	282,691
2029	285,000	268,653
2030	300,000	253,828
2031	315,000	238,456
2032	330,000	221,922
2033	345,000	204,497
2034	365,000	186,284
2035	385,000	166,094
2036	405,000	141,509
2037	425,000	118,938
2038	450,000	94,875
2039	475,000	69,437
2040	500,000	42,626
2041	525,000	14,438
	<u>\$ 7,975,000</u>	<u>\$ 6,904,598</u>

**7) RETIREMENT PLAN**

Plan Description

The City of Yucaipa contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public employers within the State of California. Copies of PERS's annual financial report may be obtained from the PERS executive Office at 400 "P" Street-Sacramento, California, 95814.

Funding Policy

Participants are required to contribute 7% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is also required to make an additional contribution at an actuarially determined rate. The required employer contribution rate for the fiscal year 2013/14 was 11.603%.

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2014**

**7) RETIREMENT PLAN**

The contribution requirements for plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Three Year Trend Information:

Fiscal Year	Required Contributions	Percent Contributed
6/30/12	\$ 305,725	100%
6/30/13	\$ 336,704	100%
6/30/14	\$ 337,747	100%

**8) OTHER POST EMPLOYMENT BENEFITS**

**Plan Description**

The City's single-employer defined benefit postemployment healthcare plan, (DHP), provides medical benefits to eligible retired City employees and spouses through PERS Health. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. DPHP selects optional benefit provisions from the benefit menu by contract with PERS Health and adopts those benefits through City resolution. The DPHP does not issue a publicly available financial report.

**Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by the Council. The City contributes \$119 per employee per month.

**Annual OPEB Cost**

For 2014, the City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$ 71,753
Interest on net OPEB obligation	16,445
Adjustment to annual required contribution	(21,378)
Annual OPEB cost (expense)	66,820
Contributions made	(12,180)
Increase in net OPEB obligation	54,640
Net OPEB obligation – beginning of the year	328,893
Net OPEB obligation – end of the year	\$ 383,533

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**8) OTHER POST EMPLOYMENT BENEFITS - Continued**

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending June 30, 2014 and the two preceding fiscal years are as follows:

THREE-YEAR TREND INFORMATION			
Fiscal Year	Annual OPEB Cost (AOC)	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/14	\$ 66,820	18%	\$ 383,533
6/30/13	\$ 84,518	13%	\$ 328,893
6/30/12	\$ 81,011	13%	\$ 255,294

The net OPEB obligation will be financed by the General Fund.

**Funded Status and Funding Progress**

As of July 1, 2012, the actuarial valuation accrued liability for benefits was \$559,190, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,928,421 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 19 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The measurement method used is the projected unit method. The remaining amortization period at June 30, 2014 was 25 years.

The following is a summary of the actuarial assumptions and methods:

Valuation Date	July 1, 2012
Retirement Age	60
Discount Rate	0.05
Inflation Rate	0.03
HealthCare trend rates (initial, ultimate)	0.08, 0.05
Dental	0.04
Vision (tied to dental)	0.04
Other (tied to dental)	0.04
Age-adjustment factor	0
Cap inflator (full inflation)	-1
Percent of Retirees with Spouses	0.6

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2014**

**9) SUMMARY DISCLOSURE OF SELF-INSURANCE CONTINGENCIES**

The City maintains self-insurance programs for workers' compensation, general and auto liability. Claims are processed by an independent third party claims administrator.

The general and auto liability programs provide for self-insurance up to a maximum of \$50,000 per incident. Claims which exceed the limit are insured by the Public Agency Risk Sharing Authority of California (PARSAC), a joint powers authority of California municipalities, up to a maximum \$15,000,000 per incident.

The membership of PARSAC consists of thirty-seven California cities. The primary purpose of PARSAC is to provide coverage for losses from tort liability, workers' compensation, health benefits, and the ownership or use of real and personal property. A representative from each member city, appointed to the position by their City Council, serves on the Governing Board of the Authority. Each member of the Board has an equal vote in matters concerning the Authority.

The City also participates in PARSAC's workers' compensation program. The program operates as a partially self-insured program, which is combined with joint-purchased commercial excess insurance. Participants' losses are pooled to the programs' self insured retention of \$250,000 then the commercial excess insurance attaches and provides coverage to statutory limits.

Included in the accrued claims of the Internal Service Fund is an estimated liability for claims filed, as calculated by the City's third party claims administrator, but not paid, in the amount of \$75,000 for general and auto liability claims.

Fiscal Year	Claims Payable Beginning of Year	Additions	Deletions	Claims Payable End of Year
6/30/12	\$ 75,000	\$ 83,013	\$ (83,013)	\$ 75,000
6/30/13	75,000	102,474	(102,474)	75,000
6/30/14	75,000	54,457	(54,457)	75,000

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

**10) DEVELOPMENT IMPACT FEES**

The City of Yucaipa collects development impact fees for the construction of new development in accordance with the State Government Code. Normally, the City collects the development impact fees at the time building permits are issued. City policy allows builders to defer fees until the issuance of certificates of occupancy. The City secures the deferral of such fees by putting liens on the properties. The liens are then released when payment of the fees are received. As of June 30, 2014, deferral fees owed to the City for all types of development impact fees totaled approximately \$524,710.

The City development impact fee ordinances allow for the entering of agreements with developers for the construction of improvements identified to be paid for such fees. Through such agreements, the developer constructs certain public improvements and is given credit for the value of the improvements to offset developer fees due from the developer.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**11) COMMUNITY FACILITIES DISTRICT NO. 98-1 OF THE CITY OF YUCAIPA (CHAPMAN HEIGHTS)**

During the 1998-99 fiscal year the Community Facilities District No. 98-1 of the City of Yucaipa (Chapman Heights) (CFD) was formed. The District was formed to finance a portion of the costs associated with the construction of certain public facilities including streets, utilities, parks, landscaping and other infrastructure improvements within the Chapman Heights project. These other improvements include improvements to water and sewer facilities, which will be owned and operated by the Yucaipa Valley Water District, and certain storm drainage facilities which will be owned and operated by the San Bernardino County Flood Control District. The City has entered into joint community facilities agreements with the Flood Control District and the Water District whereby proceeds from the sale of Bonds will be used for the acquisition of the facilities as discussed above.

On March 9, 1999 the CFD issued \$17,500,000 of bonds for the purpose of constructing infrastructure as discussed above. The 1998 Special Tax Bonds are authorized pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, and are payable from certain special taxes to be levied on property within CFD 98-1 (Chapman Heights) of the City of Yucaipa, according to the Rate and Method of Apportionment of Special Tax approved by the voters within the district and by the City Council of the City. The bonds were issued pursuant to a bond indenture dated February 1, 1999 between the City and Dai-Ichi Kangyo Bank of California as the fiscal agent.

In June 2002, the CFD issued an additional \$5,800,000 in bonds. All payment obligations will remain the same as the bonds issued previously. The proceeds from the issuance were deposited into the Bank of New York (BNY). The proceeds have been accounted for in the CFD 98-1 Agency Fund.

In July 2003, the CFD issued an additional \$6,700,000 in bonds. All payment obligations will remain the same as the bonds issued previously. The proceeds from the issuance were deposited into the Bank of New York (BNY). The proceeds have been accounted for in the CFD 98-1 Agency Fund.

In November 2011, the City issuance \$28 million in Special Tax refunding Bonds to refund the CFD bonds issued in March 1999, June 2002 and July 2003. The principal balance of bonds outstanding as of June 30, 2014 is \$24,185,000.

Neither the faith and credit nor the taxing power of the City, the County of San Bernardino, the State of California or any political subdivision thereof is pledged to the payment of the bonds. Except for the special taxes, no other taxes are pledged to the payment of the bonds. The bonds are not general obligations of the City or County or general obligations of the District, but are limited obligations of the District payable solely from the special taxes as described in the official bond documents.

**12) COMMITMENTS AND CONTINGENCIES**

The City has contracts with the County of San Bernardino for various services, most notably law enforcement. These service contracts are renegotiated annually and cancelable by the City or the County. These are based on an hourly rate and may be adjusted throughout the fiscal year.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**12) COMMITMENTS AND CONTINGENCIES – Continued**

The City is involved as a defendant in various legal proceedings. While it is not feasible to predict or determine the outcome in these cases, it is the opinion of the City that the outcome will have no material adverse effect on the financial position of the City.

**13) FUND BALANCE**

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* as of June 30, 2011. Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The City considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that may be specified by the City Council by ordinance to formally commit part of the City's fund balances or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal City Council action utilizing the same type of action that was originally used.

The City's committed fund balance includes:

- **General Fund Emergency Operating Contingency:**  
Fund balance in the General Fund has been committed for emergency contingencies, as set by resolution, and is specifically for severe economic emergencies defined as a state or federal state of emergency, or declaration of a local emergency as defined in the City of Yucaipa Municipal Code Section 8.36.030.
- **Economic Stabilization Contingency:**  
Fund balance in the General Fund has been committed for economic stabilization contingencies, set by resolution in the amount of \$1,000,000, and is available specifically for use in an event of severe fiscal hardship or instability, defined as any fiscal year in which actual General Fund revenue is at least 30% less than budgeted General Fund revenue.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**13) FUND BALANCE – Continued**

Assigned Fund Balance - Amounts that are constrained by the City Council's intent to use specified financial resources for specific purposes, but are neither restricted nor committed. The City's fund balance policy delegates the authority to assign amounts to be used for specific purposes to the City Manager, or his designee.

Unassigned Fund Balance - These are either residual positive net resources of fund balance in excess of what can properly be classified in one of the other four categories, or negative balances.

The City's governmental fund balances at June 30, 2014, are presented below:

	General Fund	Fire Fund	Traffic Facilities Fund	Developer Fees Public Facilities Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Nonspendable:				
Advances to Other Funds	\$ 11,537,445	\$ 2,531,014	\$	\$
Restricted for:				
Solid Waste Disposal	741,605			
Capital Projects			4,387,753	
Public Works/Street Projects				
Public Safety	180,646			
LLMD				
Community Services/Public Education	11,750			
Bond Funding Agreements	776,863			
Committed to:				
Emergency Contingency	3,065,437			
Economic Stabilization Contingency	1,000,000			
Redevelopment Projects	557,676			
OPEB	559,190			
Fire Protection		8,458,732		
Assigned to:				
Capital Projects	4,696,835			
Continuing Appropriations	2,023,630			
Economic Development Initiative	1,000,000			
Other Purposes	1,816,479			
Unassigned	<u>14,689,175</u>			<u>(7,130,769)</u>
Total Fund Balance (Deficit)	<u>\$ 42,656,731</u>	<u>\$ 10,989,746</u>	<u>\$ 4,387,753</u>	<u>\$ (7,130,769)</u>

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2014**

**13) FUND BALANCE – Continued**

Developer Impact Fees Park Fund	Developer Fees Fire Fund	Non-Major Governmental Funds	Total
\$	\$	\$	\$ 14,068,459
			741,605
		317,315	4,705,068
		5,081,775	5,081,775
		2,843,244	3,023,890
		1,762,373	1,762,373
		646,776	658,526
			776,863
			3,065,437
			1,000,000
			557,676
			559,190
			8,458,732
		327,168	5,024,003
			2,023,630
			1,000,000
			1,816,479
<u>(2,279,959)</u>	<u>(2,300,199)</u>	<u>(461,583)</u>	<u>2,516,665</u>
<u>\$ (2,279,959)</u>	<u>\$ (2,300,199)</u>	<u>\$ 10,517,068</u>	<u>\$ 56,840,371</u>

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2014**

**14) ACCUMULATED FUND DEFICITS**

At June 30, 2014 the following funds had deficit fund balances:

Major Funds - Capital Projects:	
Developer Impact Fees Public Facilities Fund	\$ (7,130,769)
Developer Impact Fees Parks Fund	(2,279,959)
Developer Fees Fire Fund	(2,300,199)
Non-major Funds	
State Gas Tax Fund	(40,175)
CDBG Capital	(19,575)
Developer Fees Drainage	(308,206)
Underground Utility District	(93,627)

Management's explanations for the resolution of accumulated fund deficits in the major funds are summarized as follows:

Developer Impact Fees Public Facilities Fund - The deficit fund balance of \$7,130,769 is the result of accumulated expenditures in excess of revenues, funded by advances from the General Fund. The deficit fund balance will be offset by future development impact fee revenues, as they are collected. The advances in the General Fund are included in nonspendable fund balance due to the long-term nature of these receivables.

Developer Impact Fees Parks Fund - The deficit fund balance of \$2,279,959 is the result of accumulated expenditures in excess of revenues, funded by advances from the General Fund. The deficit fund balance will be offset by future development impact fee revenues, as they are collected. The advances in the General Fund are included in nonspendable fund balance due to the long-term nature of these receivables.

Developer Fees Fire Fund - The deficit fund balance of \$2,300,199 is the result of accumulated expenditures in excess of revenues, funded by advances from the General Fund. The deficit fund balance will be offset by future development impact fee revenues, as they are collected. The advances in the General Fund are included in nonspendable fund balance due to the long-term nature of these receivables.

**15) SUBSEQUENT EVENTS**

In July 2014, the City purchased property for \$1,151,637. The City's intent is to construct a performing arts center on the purchased property.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property Taxes	\$ 5,430,000	\$ 5,524,000	\$ 5,685,063	\$ 161,063
Sales and Use Taxes	2,747,293	2,755,097	2,857,302	102,205
Franchise Taxes	1,263,200	1,263,200	1,330,982	67,782
Documentary Transfer Tax	115,000	115,000	122,362	7,362
Other Taxes	11,765	11,765	17,656	5,891
Licenses and Permits	346,459	396,459	439,867	43,408
Fines and Forfeitures	25,500	25,500	10,355	(15,145)
Charges for Services	1,123,288	1,251,338	1,263,427	12,089
Intergovernmental	3,895,205	3,985,946	4,022,562	36,616
Investment Income	228,050	150,000	230,430	80,430
Other	97,800	97,800	368,045	270,245
<b>Total Revenues</b>	<b>15,283,560</b>	<b>15,576,105</b>	<b>16,348,051</b>	<b>771,946</b>
<b>EXPENDITURES</b>				
Current:				
General Government	3,343,183	3,323,181	2,320,153	1,003,028
Community Development	790,911	803,412	680,532	122,880
Building and Safety	206,125	306,125	298,010	8,115
Public Works	2,587,728	2,284,183	1,961,825	322,358
Public Safety:				
Police Services	7,243,489	7,243,489	6,894,364	349,125
Community Services	1,354,162	1,383,290	1,303,805	79,485
Capital Outlay	598,255	965,800	567,631	398,169
<b>Total Expenditures</b>	<b>16,123,853</b>	<b>16,309,480</b>	<b>14,026,320</b>	<b>2,283,160</b>
Excess (Deficiency) of Revenues over Expenditures	(840,293)	(733,375)	2,321,731	3,055,106
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	851,005	851,005	995,537	144,532
Transfers Out			(2,104,429)	(2,104,429)
Transfers from Successor Agency			2,036,227	2,036,227
<b>Total Other Financing Sources (Uses)</b>	<b>851,005</b>	<b>851,005</b>	<b>927,335</b>	<b>76,330</b>
Net Change in Fund Balances	10,712	117,630	3,249,066	3,131,436
Fund Balances, Beginning of Year	39,407,665	39,407,665	39,407,665	-
Fund Balances, End of Year	<u>\$ 39,418,377</u>	<u>\$ 39,525,295</u>	<u>\$ 42,656,731</u>	<u>\$ 3,131,436</u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Fire Special Revenue Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes - Fire	\$ 2,868,865	\$ 2,868,865	\$ 2,934,338	\$ 65,473
Charges for Services	45,000	45,000	36,409	(8,591)
Intergovernmental				-
Investment Income			29,169	29,169
Other	39,634	39,634	55,899	16,265
Total Revenues	<u>2,953,499</u>	<u>2,953,499</u>	<u>3,055,815</u>	<u>102,316</u>
<b>EXPENDITURES</b>				
Current:				
Fire Protection Services	2,951,321	2,961,321	2,685,834	275,487
Capital Outlay			10,590	(10,590)
Total Expenditures	<u>2,951,321</u>	<u>2,961,321</u>	<u>2,696,424</u>	<u>264,897</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,178</u>	<u>(7,822)</u>	<u>359,391</u>	<u>367,213</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,178	(7,822)	359,391	367,213
Fund Balances, Beginning of Year	<u>10,630,355</u>	<u>10,630,355</u>	<u>10,630,355</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 10,632,533</u>	<u>\$ 10,622,533</u>	<u>\$ 10,989,746</u>	<u>\$ 367,213</u>

**City of Yucaipa**  
**Schedule of Funding Progress for DPHP**  
**Year Ended June 30, 2014**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
07/01/12	\$ -	\$ 559,190	\$ 559,190	0%	\$ 2,928,421	19%
06/30/09	\$ -	\$ 468,320	\$ 468,320	0%	\$ 2,961,445	16%

\*GASB 45 was implemented in fiscal year 2009. There were no previous actuarial valuations.

**City of Yucaipa**  
**Notes to Required Supplementary Information**  
**Year Ended June 30, 2014**

**1. Budgetary Control and Accounting**

The City Council approves each year's budget submitted by the City Manager and Director of Administrative Services prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. All supplemental appropriations, where required during the period, are also approved by the Council. Intradepartmental budget transfers are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the departmental level within the general fund and at the fund level for other funds. At fiscal year-end, all operating budget appropriations lapse.

Budgets were not adopted for the Housing Authority Special Revenue Fund, PEG Video Special Revenue Fund, Low Water Crossings Capital Projects Fund, Pool Capital Replacement Capital Projects Fund, Street Maintenance Capital Projects Fund, I-10 Specific Plan Capital Projects Fund and the Underground Utility District Capital Projects Fund.

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

## **SUPPLEMENTARY INFORMATION**

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Traffic Facilities Capital Projects Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$	\$ 161,236	\$ 80,574	\$ (80,662)
Intergovernmental			1,230,845	1,230,845
Investment Income			16,271	16,271
Total Revenues	-	161,236	1,328,024	1,166,788
<b>EXPENDITURES</b>				
Capital Outlay			1,112,206	(1,112,206)
Total Expenditures	-	-	1,112,206	(1,112,206)
Excess (Deficiency) of Revenues over Expenditures	-	161,236	215,818	54,582
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			142,629	142,629
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	142,629	142,629
Net Change in Fund Balance	-	161,236	358,447	197,211
Fund Balance (Deficit), Beginning of Year	4,029,306	4,029,306	4,029,306	-
Fund Balance (Deficit), End of Year	<u>\$ 4,029,306</u>	<u>\$ 4,190,542</u>	<u>\$ 4,387,753</u>	<u>\$ 197,211</u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Developer Fees Public Facilities Capital Projects Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 36,397	\$ 31,939	\$ 21,606	\$ (10,333)
Intergovernmental			471,997	471,997
Investment Income			14,678	14,678
Other			10,000	10,000
Total Revenues	<u>36,397</u>	<u>31,939</u>	<u>518,281</u>	<u>486,342</u>
<b>EXPENDITURES</b>				
Current:				
Public Works			148	(148)
Capital Outlay			7,866,881	(7,866,881)
Total Expenditures	<u>-</u>	<u>-</u>	<u>7,867,029</u>	<u>(7,867,029)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>36,397</u>	<u>31,939</u>	<u>(7,348,748)</u>	<u>(7,380,687)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	36,397	31,939	(7,348,748)	(7,380,687)
Fund Balance (Deficit), Beginning of Year	<u>217,979</u>	<u>217,979</u>	<u>217,979</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 254,376</u>	<u>\$ 249,918</u>	<u>\$ (7,130,769)</u>	<u>\$ (7,380,687)</u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Developer Impact Fees Parks Capital Projects Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges For Services	\$ 42,215	\$ 23,259	\$ 11,566	\$ (11,693)
Intergovernmental			111,000	111,000
Investment Income			1,861	1,861
Other			369,491	369,491
	<u>42,215</u>	<u>23,259</u>	<u>493,918</u>	<u>470,659</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current:				
General Government			31,849	(31,849)
Capital Outlay	8,000		218,088	(218,088)
	<u>8,000</u>	<u>-</u>	<u>249,937</u>	<u>(249,937)</u>
Total Expenditures				
	<u>8,000</u>	<u>-</u>	<u>249,937</u>	<u>(249,937)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>34,215</u>	<u>23,259</u>	<u>243,981</u>	<u>220,722</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				-
Transfers Out			(339,917)	(339,917)
	<u>-</u>	<u>-</u>	<u>(339,917)</u>	<u>(339,917)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	34,215	23,259	(95,936)	(119,195)
Fund Balances (Deficit), Beginning of Year	<u>(2,184,023)</u>	<u>(2,184,023)</u>	<u>(2,184,023)</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u>\$ (2,149,808)</u>	<u>\$ (2,160,764)</u>	<u>\$ (2,279,959)</u>	<u>\$ (119,195)</u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Developer Fees Fire Capital Projects Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 21,162	\$ 14,757	\$ 8,374	\$ (6,383)
Investment Income			833	833
Other				-
Total Revenues	<u>21,162</u>	<u>14,757</u>	<u>9,207</u>	<u>(5,550)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	67,000		2,342	(2,342)
Capital Outlay				-
Total Expenditures	<u>67,000</u>	<u>-</u>	<u>2,342</u>	<u>(2,342)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(45,838)</u>	<u>14,757</u>	<u>6,865</u>	<u>(7,892)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(45,838)	14,757	6,865	(7,892)
Fund Balance (Deficit), Beginning of Year	<u>(2,307,064)</u>	<u>(2,307,064)</u>	<u>(2,307,064)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (2,352,902)</u>	<u>\$ (2,292,307)</u>	<u>\$ (2,300,199)</u>	<u>\$ (7,892)</u>

**NON-MAJOR GOVERNMENTAL FUNDS**

**City of Yucaipa  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2014**

	Special Revenue			
	Miscellaneous Special Revenue	State Gas Tax	Measure I Maintenance	Energy Independence Program
<b>ASSETS</b>				
Cash and Investments	\$ 1,443,995	\$	\$ 827,677	\$
Cash and Investments with Fiscal Agents				
Receivables:				
Interest	251	30	210	
Due From Other Governments	11,396	157,346	125,210	
<b>Total Assets</b>	<u>\$ 1,455,642</u>	<u>\$ 157,376</u>	<u>\$ 953,097</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts Payable & Accrued Liabilities	\$ 48,456	\$ 49,786	\$	\$
Due to Other Funds		147,765		
Advances From Other Funds				
<b>Total Liabilities</b>	<u>48,456</u>	<u>197,551</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues				
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted	1,407,186		953,097	
Assigned				
Unassigned		(40,175)		
<b>Total Fund Balances</b>	<u>1,407,186</u>	<u>(40,175)</u>	<u>953,097</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 1,455,642</u>	<u>\$ 157,376</u>	<u>\$ 953,097</u>	<u>\$ -</u>

Special Revenue						Capital Projects
State COPs Grant	Office of Traffic and Safety	LLMD	Housing Authority	Paramedic	PEG Video	Miscellaneous Capital Projects
\$ 266,470	\$ 94,277	\$ 1,797,291	\$	\$ 1,336,749	\$ 413,111	\$ 111,323
48	16	2,837		305 17,525	75 21,142	14 1,643
<u>\$ 266,518</u>	<u>\$ 94,293</u>	<u>\$ 1,800,128</u>	<u>\$ -</u>	<u>\$ 1,354,579</u>	<u>\$ 434,328</u>	<u>\$ 112,980</u>
\$ 66,219	\$	\$ 37,755	\$	\$ 665	\$	\$
66,219	-	37,755	-	665	-	-
-	-	-	-	-	-	-
200,299	94,293	1,762,373		1,353,914	434,328	112,980
<u>200,299</u>	<u>94,293</u>	<u>1,762,373</u>	<u>-</u>	<u>1,353,914</u>	<u>434,328</u>	<u>112,980</u>
<u>\$ 266,518</u>	<u>\$ 94,293</u>	<u>\$ 1,800,128</u>	<u>\$ -</u>	<u>\$ 1,354,579</u>	<u>\$ 434,328</u>	<u>\$ 112,980</u>

Continued

**City of Yucaipa  
Combining Balance Sheet  
Non-Major Governmental Funds (Continued)  
June 30, 2014**

	Capital Projects			
	CDBG Capital	Developer Fees Drainage	Air Quality Improvement	Low Water Crossings
<b>ASSETS</b>				
Cash and Investments	\$	\$ 110,304	\$ 174,559	\$ 350,560
Cash and Investments with Fiscal Agents				
Receivables:				
Interest			32	
Due From Other Governments	24,281	104,769	178,977	13,312
Total Assets	<u>\$ 24,281</u>	<u>\$ 215,073</u>	<u>\$ 353,568</u>	<u>\$ 363,872</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,914	\$ 23,278	\$	\$ 23,392
Due to Other Funds	27,363			
Advances From Other Funds		500,000		
Total Liabilities	<u>30,277</u>	<u>523,278</u>	<u>-</u>	<u>23,392</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	13,579	1	162,048	13,312
Total Deferred Inflows of Resources	<u>13,579</u>	<u>1</u>	<u>162,048</u>	<u>13,312</u>
<b>FUND BALANCES</b>				
Restricted			191,520	
Assigned				327,168
Unassigned	(19,575)	(308,206)		
Total Fund Balances	<u>(19,575)</u>	<u>(308,206)</u>	<u>191,520</u>	<u>327,168</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 24,281</u>	<u>\$ 215,073</u>	<u>\$ 353,568</u>	<u>\$ 363,872</u>

Capital Projects				
Pool Capital Replacement	Street Maintenance	I-10 Specific Plan	Underground Utility District	Total Nonmajor Governmental Funds
\$ 12,815	\$ 3,426,185	\$ 726,856	\$	\$ 11,092,172
	330			-
				1,311
				658,438
<u>\$ 12,815</u>	<u>\$ 3,426,515</u>	<u>\$ 726,856</u>	<u>\$ -</u>	<u>\$ 11,751,921</u>
\$	\$ 12,936	\$ 11,757	\$ 34,590	\$ 311,748
			59,037	234,165
				500,000
-	12,936	11,757	93,627	1,045,913
				188,940
-	-	-	-	188,940
12,815	3,413,579	715,099		10,651,483
			(93,627)	327,168
				(461,583)
<u>12,815</u>	<u>3,413,579</u>	<u>715,099</u>	<u>(93,627)</u>	<u>10,517,068</u>
<u>\$ 12,815</u>	<u>\$ 3,426,515</u>	<u>\$ 726,856</u>	<u>\$ -</u>	<u>\$ 11,751,921</u>

**City of Yucaipa**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2014**

	Special Revenue			
	Miscellaneous Special Revenue	State Gas Tax	Measure I Maintenance	Energy Independence Program
<b>REVENUES</b>				
Taxes:				
Property Taxes	\$	\$	\$	\$
Franchise Taxes				
Fines & Forfeitures	77,088			
Charges for Services	66,793			
Intergovernmental	14,962	1,638,532	782,907	
Investment Income	3,966	195	3,283	
Other	27,968	26,349		93,627
	<u>190,777</u>	<u>1,665,076</u>	<u>786,190</u>	<u>93,627</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current:				
General Government	90,285			115,033
Community Development				
Public Works	28,728	869,154		
Public Safety				
Paramedic Services				
Community Services				
Capital Outlay	36,919	27,839	20,368	
	<u>155,932</u>	<u>896,993</u>	<u>20,368</u>	<u>115,033</u>
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures	<u>34,845</u>	<u>768,083</u>	<u>765,822</u>	<u>(21,406)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
Transfers Out		(500,000)	(423,356)	(492,241)
		<u>(500,000)</u>	<u>(423,356)</u>	<u>(492,241)</u>
Total Other Financing Sources (Uses)	-	(500,000)	(423,356)	(492,241)
Net Change in Fund Balances	34,845	268,083	342,466	(513,647)
Fund Balances (Deficit), Beginning of Year	1,372,341	(308,258)	610,631	513,647
Fund Balances (Deficit), End of Year	<u>\$ 1,407,186</u>	<u>\$ (40,175)</u>	<u>\$ 953,097</u>	<u>\$ -</u>

Special Revenue						Capital Projects
State COPs Grant	Office of Traffic and Safety	LLMD	Housing Authority	Paramedic	PEG Video	Miscellaneous Capital Projects
\$	\$	\$	\$	\$ 1,069,994	\$ 81,177	\$
100,026	4,320					1,643
686	46,492			4,669	1,158	234
	242	503,801	1,268			
100,712	51,054	503,801	1,268	1,074,663	82,335	1,877
80,536		368,407				
				958,613		
19,660	30,971					
100,196	30,971	368,407	-	958,613	-	-
516	20,083	135,394	1,268	116,050	82,335	1,877
						(163,380)
-	-	-	-	-	-	(163,380)
516	20,083	135,394	1,268	116,050	82,335	(161,503)
199,783	74,210	1,626,979	(1,268)	1,237,864	351,993	274,483
\$ 200,299	\$ 94,293	\$ 1,762,373	\$ -	\$ 1,353,914	\$ 434,328	\$ 112,980

Continued

**City of Yucaipa**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds (Continued)**  
**Year Ended June 30, 2014**

	Capital Projects			
	CDBG Capital	Developer Fees Drainage	Air Quality Improvement	Low Water Crossings
<b>REVENUES</b>				
Taxes:				
Property Taxes	\$	\$	\$	\$
Franchise Taxes				
Fines & Forfeitures				
Charges for Services		65,624		
Intergovernmental	366,620	104,768	322,539	178,142
Investment Income		529	200	
Other				
<b>Total Revenues</b>	<u>366,620</u>	<u>170,921</u>	<u>322,739</u>	<u>178,142</u>
<b>EXPENDITURES</b>				
Current:				
General Government				
Community Development				
Public Works	313,084			52,036
Public Safety				
Paramedic Services				
Community Services				
Capital Outlay		821,981	86,149	157,836
<b>Total Expenditures</b>	<u>313,084</u>	<u>821,981</u>	<u>86,149</u>	<u>209,872</u>
Excess (Deficiency) of Revenues over Expenditures	<u>53,536</u>	<u>(651,060)</u>	<u>236,590</u>	<u>(31,730)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	53,536	(651,060)	236,590	(31,730)
Fund Balances (Deficit), Beginning of Year	<u>(73,111)</u>	<u>342,854</u>	<u>(45,070)</u>	<u>358,898</u>
Fund Balances (Deficit), End of Year	<u>\$ (19,575)</u>	<u>\$ (308,206)</u>	<u>\$ 191,520</u>	<u>\$ 327,168</u>

Capital Projects				Total Nonmajor Governmental Funds
Pool Capital Replacement	Street Maintenance	I-10 Specific Plan	Underground Utility District	
\$	\$	\$	\$	\$ 1,069,994
				81,177
				77,088
				136,737
	130,194			3,686,825
	6,698			21,860
				653,013
-	136,892	-	-	5,726,694
			1,002	206,320
				-
		79,225		1,710,634
				80,536
				958,613
			92,625	92,625
	2,446,502			3,648,225
-	2,446,502	79,225	93,627	6,696,953
-	(2,309,610)	(79,225)	(93,627)	(970,259)
	1,690,157	985,000		2,675,157
				(1,578,977)
-	1,690,157	985,000	-	1,096,180
-	(619,453)	905,775	(93,627)	125,921
12,815	4,033,032	(190,676)	-	10,391,147
\$ 12,815	\$ 3,413,579	\$ 715,099	\$ (93,627)	\$ 10,517,068

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Miscellaneous Special Revenue Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$	\$	\$	\$ -
Fines and Forfeits	41,000	41,000	77,088	36,088
Charges for Services	68,312	68,312	66,793	(1,519)
Intergovernmental	12,000	12,000	14,962	2,962
Investment Income			3,966	3,966
Other	26,000	26,000	27,968	1,968
Total Revenues	<u>147,312</u>	<u>147,312</u>	<u>190,777</u>	<u>43,465</u>
<b>EXPENDITURES</b>				
Current:				
General Government	78,920	78,920	90,285	(11,365)
Community Development				-
Public Works	31,000	31,000	28,728	2,272
Public Safety				-
Capital Outlay			36,919	(36,919)
Total Expenditures	<u>109,920</u>	<u>109,920</u>	<u>155,932</u>	<u>(46,012)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>37,392</u>	<u>37,392</u>	<u>34,845</u>	<u>(2,547)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				-
Transfers Out	(16,500)	(16,500)		16,500
Total Other Financing Sources (Uses)	<u>(16,500)</u>	<u>(16,500)</u>	<u>-</u>	<u>16,500</u>
Net Change in Fund Balance	20,892	20,892	34,845	13,953
Fund Balance (Deficit), Beginning of Year	<u>1,372,341</u>	<u>1,372,341</u>	<u>1,372,341</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,393,233</u>	<u>\$ 1,393,233</u>	<u>\$ 1,407,186</u>	<u>\$ 13,953</u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - State Gas Tax Special Revenue Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,516,821	\$ 1,516,821	\$ 1,638,532	\$ 121,711
Investment Income	1,000	1,000	195	(805)
Other			26,349	26,349
Total Revenues	<u>1,517,821</u>	<u>1,517,821</u>	<u>1,665,076</u>	<u>147,255</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	979,555	979,556	869,154	110,402
Capital Outlay	<u>35,000</u>	<u>35,000</u>	<u>27,839</u>	<u>7,161</u>
Total Expenditures	<u>1,014,555</u>	<u>1,014,556</u>	<u>896,993</u>	<u>117,563</u>
Excess (Deficiency) of Revenues over Expenditures	<u>503,266</u>	<u>503,265</u>	<u>768,083</u>	<u>264,818</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net Change in Fund Balance	3,266	3,265	268,083	264,818
Fund Balance (Deficit), Beginning of Year	<u>(308,258)</u>	<u>(308,258)</u>	<u>(308,258)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u><u>\$ (304,992)</u></u>	<u><u>\$ (304,993)</u></u>	<u><u>\$ (40,175)</u></u>	<u><u>\$ 264,818</u></u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Measure I Maintenance Special Revenue Fund**  
**Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 700,000	\$ 700,000	\$ 782,907	\$ 82,907
Investment Income	100	100	3,283	3,183
Total Revenues	<u>700,100</u>	<u>700,100</u>	<u>786,190</u>	<u>86,090</u>
<b>EXPENDITURES</b>				
Current:				
Public Works				-
Capital Outlay			20,368	(20,368)
Total Expenditures	<u>-</u>	<u>-</u>	<u>20,368</u>	<u>(20,368)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>700,100</u>	<u>700,100</u>	<u>765,822</u>	<u>65,722</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(617,000)</u>	<u>(617,000)</u>	<u>(423,356)</u>	<u>193,644</u>
Total Other Financing Sources (Uses)	<u>(617,000)</u>	<u>(617,000)</u>	<u>(423,356)</u>	<u>193,644</u>
Net Change in Fund Balance	83,100	83,100	342,466	259,366
Fund Balance (Deficit), Beginning of Year	<u>610,631</u>	<u>610,631</u>	<u>610,631</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 693,731</u>	<u>\$ 693,731</u>	<u>\$ 953,097</u>	<u>\$ 259,366</u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Energy Independence Program Special Revenue Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$	\$	\$	\$ -
Investment Income				-
Other Income	125,000	125,000	93,627	(31,373)
Total Revenues	<u>125,000</u>	<u>125,000</u>	<u>93,627</u>	<u>(31,373)</u>
<b>EXPENDITURES</b>				
Current:				
General Government			115,033	(115,033)
Capital Outlay			-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>115,033</u>	<u>(115,033)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>125,000</u>	<u>125,000</u>	<u>(21,406)</u>	<u>(146,406)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	<u>(125,000)</u>	<u>(125,000)</u>	<u>(492,241)</u>	<u>(367,241)</u>
Total Other Financing Sources (Uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(492,241)</u>	<u>(367,241)</u>
Net Change in Fund Balance	-	-	(513,647)	(513,647)
Fund Balance, Beginning of Year	513,647	513,647	513,647	-
Fund Balance, End of Year	<u>\$ 513,647</u>	<u>\$ 513,647</u>	<u>\$ -</u>	<u>\$ (513,647)</u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - State COPs Grant Special Revenue Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$	\$ 100,000	\$ 100,026	\$ 26
Investment Income			686	686
Total Revenues	-	100,000	100,712	712
<b>EXPENDITURES</b>				
Current:				
Public Safety	100,000	100,000	80,536	19,464
Capital Outlay			19,660	(19,660)
Total Expenditures	100,000	100,000	100,196	(196)
Excess (Deficiency) of Revenues over Expenditures	(100,000)	-	516	516
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(100,000)	-	516	516
Fund Balance, Beginning of Year	199,783	199,783	199,783	-
Fund Balance, End of Year	\$ 99,783	\$ 199,783	\$ 200,299	\$ 516

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Office of Traffic and Safety Special Revenue Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$	\$	\$ 4,320	\$ 4,320
Intergovernmental		75,000	46,492	(28,508)
Investment Income			242	242
Total Revenues	-	75,000	51,054	(23,946)
<b>EXPENDITURES</b>				
Current:				
Public Safety	75,000	75,000		75,000
Capital Outlay			30,971	(30,971)
Total Expenditures	75,000	75,000	30,971	44,029
Excess (Deficiency) of Revenues over Expenditures	(75,000)	-	20,083	20,083
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(75,000)	-	20,083	20,083
Fund Balance (Deficit), Beginning of Year	74,210	74,210	74,210	-
Fund Balance (Deficit), End of Year	\$ (790)	\$ 74,210	\$ 94,293	\$ 20,083

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - LLMD Special Revenue Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other	\$ 631,308	\$ 631,306	\$ 503,801	\$ (127,505)
Total Revenues	<u>631,308</u>	<u>631,306</u>	<u>503,801</u>	<u>(127,505)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	631,310	631,308	368,407	262,901
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>631,310</u>	<u>631,308</u>	<u>368,407</u>	<u>262,901</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2)</u>	<u>(2)</u>	<u>135,394</u>	<u>135,396</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>58,005</u>	<u>58,005</u>	<u>-</u>	<u>(58,005)</u>
Total Other Financing Sources (Uses)	<u>58,005</u>	<u>58,005</u>	<u>-</u>	<u>(58,005)</u>
Net Change in Fund Balance	58,003	58,003	135,394	77,391
Fund Balance (Deficit), Beginning of Year	<u>1,626,979</u>	<u>1,626,979</u>	<u>1,626,979</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,684,982</u>	<u>\$ 1,684,982</u>	<u>\$ 1,762,373</u>	<u>\$ 77,391</u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Paramedic Special Revenue Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,015,000	\$ 1,015,000	\$ 1,069,994	\$ 54,994
Investment Income			4,669	4,669
Total Revenues	<u>1,015,000</u>	<u>1,015,000</u>	<u>1,074,663</u>	<u>59,663</u>
<b>EXPENDITURES</b>				
Current:				
Paramedic Services	1,267,178	1,297,178	958,613	338,565
Capital Outlay				-
Total Expenditures	<u>1,267,178</u>	<u>1,297,178</u>	<u>958,613</u>	<u>338,565</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(252,178)</u>	<u>(282,178)</u>	<u>116,050</u>	<u>398,228</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>250,000</u>	<u>250,000</u>		<u>(250,000)</u>
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
Net Change in Fund Balance	(2,178)	(32,178)	116,050	148,228
Fund Balance, Beginning of Year	<u>1,237,864</u>	<u>1,237,864</u>	<u>1,237,864</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,235,686</u>	<u>\$ 1,205,686</u>	<u>\$ 1,353,914</u>	<u>\$ 148,228</u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Miscellaneous Capital Projects Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 1,643	\$ (23,357)
Investment Income			234	234
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>1,877</u>	<u>(23,123)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	25,000	25,000		25,000
Capital Outlay				-
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>1,877</u>	<u>1,877</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out			(163,380)	(163,380)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(163,380)</u>	<u>(163,380)</u>
Net Change in Fund Balances	-	-	(161,503)	(161,503)
Fund Balance (Deficit), Beginning of Year	<u>274,483</u>	<u>274,483</u>	<u>274,483</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 274,483</u>	<u>\$ 274,483</u>	<u>\$ 112,980</u>	<u>\$ (161,503)</u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - CDBG Capital Projects Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 219,284	\$ 10,000	\$ 366,620	\$ 356,620
Total Revenues	<u>219,284</u>	<u>10,000</u>	<u>366,620</u>	<u>356,620</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	219,284	10,000	313,084	(303,084)
Capital Outlay				-
Total Expenditures	<u>219,284</u>	<u>10,000</u>	<u>313,084</u>	<u>(303,084)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>53,536</u>	<u>53,536</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	53,536	53,536
Fund Balance (Deficit), Beginning of Year	<u>(73,111)</u>	<u>(73,111)</u>	<u>(73,111)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u><u>\$ (73,111)</u></u>	<u><u>\$ (73,111)</u></u>	<u><u>\$ (19,575)</u></u>	<u><u>\$ 53,536</u></u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Developer Fees Drainage Capital Projects Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 97,349	\$ 87,777	\$ 65,624	\$ (22,153)
Intergovernmental			104,768	104,768
Investment Income			529	529
Total Revenues	<u>97,349</u>	<u>87,777</u>	<u>170,921</u>	<u>83,144</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>222,709</u>		<u>821,981</u>	<u>(821,981)</u>
Total Expenditures	<u>222,709</u>	<u>-</u>	<u>821,981</u>	<u>(821,981)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(125,360)</u>	<u>87,777</u>	<u>(651,060)</u>	<u>(738,837)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(125,360)	87,777	(651,060)	(738,837)
Fund Balance (Deficit), Beginning of Year	<u>342,854</u>	<u>342,854</u>	<u>342,854</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 217,494</u>	<u>\$ 430,631</u>	<u>\$ (308,206)</u>	<u>\$ (738,837)</u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Air Quality Improvement Capital Projects Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 322,539	\$ 262,539
Investment Income			200	200
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>322,739</u>	<u>262,739</u>
<b>EXPENDITURES</b>				
Current:				
Public Works				-
Capital Outlay			86,149	(86,149)
Total Expenditures	<u>-</u>	<u>-</u>	<u>86,149</u>	<u>(86,149)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>60,000</u>	<u>60,000</u>	<u>236,590</u>	<u>176,590</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				-
Transfers Out	(123,000)	(123,000)		123,000
Total Other Financing Sources (Uses)	<u>(123,000)</u>	<u>(123,000)</u>	<u>-</u>	<u>123,000</u>
Net Change in Fund Balances	(63,000)	(63,000)	236,590	299,590
Fund Balance (Deficit), Beginning of Year	<u>(45,070)</u>	<u>(45,070)</u>	<u>(45,070)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u><u>\$ (108,070)</u></u>	<u><u>\$ (108,070)</u></u>	<u><u>\$ 191,520</u></u>	<u><u>\$ 299,590</u></u>

## **AGENCY FUNDS**

**City of Yucaipa  
Combining Statement of Fiduciary Net Position  
Agency Funds  
June 30, 2014**

	Police Department Donation	Cramer House	CFD 98-1 Debt Reserves	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 50,989	\$ 64,695	\$ 2,126,825	\$ 2,242,509
Cash and Investments with Fiscal Agents			2,286,479	2,286,479
Accounts Receivable			22,681	22,681
Interest Receivable	9	12	361	382
	<u>9</u>	<u>12</u>	<u>361</u>	<u>382</u>
Total Assets	<u>\$ 50,998</u>	<u>\$ 64,707</u>	<u>\$ 4,436,346</u>	<u>\$ 4,552,051</u>
<b>LIABILITIES</b>				
Deposits Payable	\$ 50,998	\$ 64,707	\$	\$ 115,705
Due to Bondholders			4,436,346	4,436,346
	<u>50,998</u>	<u>64,707</u>	<u>4,436,346</u>	<u>4,552,051</u>
Total Liabilities	<u>\$ 50,998</u>	<u>\$ 64,707</u>	<u>\$ 4,436,346</u>	<u>\$ 4,552,051</u>

**City of Yucaipa**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**Year Ended June 30, 2014**

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>POLICE DEPARTMENT DONATION</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 50,823	\$ 166	\$	\$ 50,989
Interest Receivable	22	9	(22)	9
Total Assets	<u>\$ 50,845</u>	<u>\$ 175</u>	<u>\$ (22)</u>	<u>\$ 50,998</u>
<b>LIABILITIES</b>				
Deposits Payable	\$ 50,845	\$ 153	\$	\$ 50,998
Total Liabilities	<u>\$ 50,845</u>	<u>\$ 153</u>	<u>\$ -</u>	<u>\$ 50,998</u>
<b><u>CRAMER HOUSE</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 64,484	\$ 211	\$	\$ 64,695
Interest Receivable	28	12	(28)	12
Total Assets	<u>\$ 64,512</u>	<u>\$ 223</u>	<u>\$ (28)</u>	<u>\$ 64,707</u>
<b>LIABILITIES</b>				
Deposits Payable	\$ 64,512	\$ 195	\$	\$ 64,707
Total Liabilities	<u>\$ 64,512</u>	<u>\$ 195</u>	<u>\$ -</u>	<u>\$ 64,707</u>
<b><u>CFD 98-1 DEBT RESERVES</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 2,084,736	\$ 1,675,264	\$ (1,633,175)	\$ 2,126,825
Cash and Investments with Fiscal Agents	2,318,361	1,058,422	(1,090,304)	2,286,479
Accounts Receivable	14,505	22,681	(14,505)	22,681
Interest Receivable	845	361	(845)	361
Total Assets	<u>\$ 4,418,447</u>	<u>\$ 2,756,728</u>	<u>\$ (2,738,829)</u>	<u>\$ 4,436,346</u>
<b>LIABILITIES</b>				
Due to Bondholders	\$ 4,418,447	\$ 1,682,899	\$ (1,665,000)	\$ 4,436,346
Total Liabilities	<u>\$ 4,418,447</u>	<u>\$ 1,682,899</u>	<u>\$ (1,665,000)</u>	<u>\$ 4,436,346</u>
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 2,200,043	\$ 1,675,641	\$ (1,633,175)	\$ 2,242,509
Cash and Investments with Fiscal Agents	2,318,361	1,058,422	(1,090,304)	2,286,479
Accounts Receivable	14,505	22,681	(14,505)	22,681
Interest Receivable	895	382	(895)	382
Total Assets	<u>\$ 4,533,804</u>	<u>\$ 2,757,126</u>	<u>\$ (2,738,879)</u>	<u>\$ 4,552,051</u>
<b>LIABILITIES</b>				
Deposits Payable	\$ 115,357	\$ 348	\$	\$ 115,705
Due to Bondholders	4,418,447	1,682,899	(1,665,000)	4,436,346
Total Liabilities	<u>\$ 4,533,804</u>	<u>\$ 1,683,247</u>	<u>\$ (1,665,000)</u>	<u>\$ 4,552,051</u>

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## **STATISTICAL SECTION**

## STATISTICAL SECTION

This part of the City of Yucaipa's comprehensive annual 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 government's overall financial health.

<b>CONTENTS</b>	<b>PAGE</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	82
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	90
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	94
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	99
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	101

CITY OF YUCAIPA  
Net Position by Component  
Last Ten Fiscal Years

	2014	2013	Fiscal Year 2012	2011	2010
<b>Net Position:</b>					
<b>Investment in Capital Assets</b>	\$ 151,188,060	\$ 152,718,653	\$ 153,597,104	\$ 151,975,674	\$ 148,144,100
<b>Restricted for:</b>					
Low and Moderate Housing	-	-	-	1,100,139	1,507,986
Public Safety	1,648,506	1,511,857	1,626,410	1,557,703	10,842,601
Public Works	9,602,617	8,763,810	4,630,231	4,222,907	1,878,652
Community Development	12,815	5,546,679	4,270,590	4,632,943	-
Community Service / Public Education	2,196,701	1,978,972	281,933	194,924	-
Debt Service	-	-	-	779,707	88,386
Capital Projects	323,462	617,337	1,412,695	7,002,308	-
Other Purpose	1,407,186	1,372,341	641,451	1,774,525	1,392,325
<b>Unrestricted</b>	<u>42,269,769</u>	<u>41,093,013</u>	<u>47,010,514</u>	<u>38,720,659</u>	<u>46,191,835</u>
<b>Total Net Position</b>	<u>\$ 208,649,116</u>	<u>\$ 213,602,662</u>	<u>\$ 213,470,928</u>	<u>\$ 211,961,489</u>	<u>\$ 210,045,885</u>

2009	2008	Fiscal Year 2007	2006	2005
\$ 150,529,949	\$ 143,812,593	\$ 143,626,532	\$ 23,752,557	\$ 19,442,244
1,269,060	999,546	686,164	439,152	274,289
10,606,356	9,032,086	6,746,325	5,809,387	1,334,713
10,803,489	19,130,076	20,542,796	17,374,613	7,819,757
-	-	-	-	-
241,438	407,792	1,052,976	-	-
-	-	-	-	-
1,409,884	1,200,699	1,066,416	1,563,183	1,393,603
44,911,757	37,997,158	30,974,496	27,765,512	32,916,429
<u>\$ 219,771,933</u>	<u>\$ 212,579,950</u>	<u>\$ 204,695,705</u>	<u>\$ 76,704,404</u>	<u>\$ 63,181,035</u>

CITY OF YUCAIPA  
Changes in Net Position  
Last Ten Fiscal Years

	Fiscal Year				
	2014	2013	2012	2011	2010
<b>Expenses:</b>					
Governmental activities:					
General government	\$ 2,786,070	\$ 3,886,687	\$ 3,279,187	\$ 2,993,619	\$ 3,363,269
Community Development	6,178,671	6,281,252	6,769,295	7,779,173	10,293,479
Building and Safety	298,010	262,910	188,449	273,870	185,619
Public Works	12,320,777	6,336,623	6,735,182	6,802,538	8,398,273
Public Safety	7,269,032	7,008,652	6,519,554	6,310,298	6,537,445
Fire Protection Services	2,685,834	2,477,517	2,463,995	2,503,526	2,582,985
Paramedic Services	958,613	960,248	991,761	969,404	994,988
Community Services	1,633,333	1,427,406	1,234,728	1,260,665	1,416,868
Interest on Long-Term Debt		-	242,212	356,152	188,331
Total Governmental Activities	<u>34,130,340</u>	<u>28,641,295</u>	<u>28,424,363</u>	<u>29,249,245</u>	<u>33,961,257</u>
<b>Program Revenues:</b>					
Governmental activities:					
Charges for Services:	2,525,564	2,649,133	3,115,795	3,067,686	3,062,820
Operating Grants and Contributions	1,056,654	1,287,363	2,457,849	3,021,749	1,006,444
Capital Grants and Contributions	4,372,675	6,462,954	3,607,604	5,567,417	4,634,306
Net (Expense) Revenue and Change in Net Position	(26,175,447)	(18,241,845)	(19,243,115)	(17,592,393)	(25,257,687)
<b>General Revenues:</b>					
Taxes:					
Property Taxes	9,689,395	9,158,269	10,002,732	10,870,359	11,367,661
Sales and Use Taxes	2,857,302	2,663,584	2,731,544	2,569,402	2,284,676
Franchise Taxes	1,412,159	1,343,430	1,321,021	1,294,626	1,245,207
Documentary Transfer Tax	122,362	115,833	104,569	105,563	96,459
Other Taxes	17,656	15,861	12,439	14,704	15,346
Vehicle License Fees, Unrestricted	3,963,654	3,895,205	3,883,523	4,082,936	4,223,851
Intergovernmental, unrestricted	-	-	-	-	-
Investment Income	315,102	217,721	161,622	206,707	318,916
Miscellaneous	808,044	963,676	547,288	363,700	346,462
Transfer From Successor Agency	2,036,227	-	1,987,816	-	-
Total General Revenue	<u>21,221,901</u>	<u>18,373,579</u>	<u>20,752,554</u>	<u>19,507,997</u>	<u>19,898,578</u>
Change in Net Position	(4,953,546)	131,734	1,509,439	1,915,604	(5,359,109)
Net Position- Beginning of the Year	<u>213,602,662</u>	<u>213,470,928</u>	<u>211,961,489</u>	<u>210,045,885</u>	<u>215,404,994</u>
Net Position- End of the Year	<u>\$ 208,649,116</u>	<u>\$ 213,602,662</u>	<u>\$ 213,470,928</u>	<u>\$ 211,961,489</u>	<u>\$ 210,045,885</u>

		Fiscal Year							
		2009	2008	2007	2006	2005			
\$	2,600,522	\$	2,827,084	\$	2,179,937	\$	2,628,675	\$	2,541,697
	7,601,484		5,729,542		1,568,884		1,244,500		1,067,267
	228,925		410,221		351,989		1,048,624		983,641
	6,416,748		5,601,754		9,225,519		3,395,497		3,061,213
	5,989,346		5,812,239		5,194,401		4,751,610		4,177,070
	2,222,441		1,803,119		1,276,853		1,485,989		1,387,338
	918,495		748,984		817,697		644,701		616,818
	1,435,576		1,405,366		1,321,191		1,281,119		1,120,923
	188,446		188,310		132,439		145,000		165,417
	<u>27,601,983</u>		<u>24,526,619</u>		<u>22,068,910</u>		<u>16,625,715</u>		<u>15,121,384</u>
	4,294,014		5,986,509		8,023,190		7,751,242		7,634,165
	1,155,086		1,265,162		1,173,894		1,810,851		327,968
	7,477,569		3,669,049		1,969,159		778,095		463,021
	(14,675,314)		(13,605,899)		(10,902,667)		(6,285,527)		(6,696,230)
	12,021,282		11,771,494		10,730,950		8,885,247		7,544,544
	2,375,635		2,672,179		2,790,442		2,574,789		2,349,510
	1,288,024		1,195,630		1,244,092		1,038,147		966,801
	105,435		133,474		261,695		342,826		337,712
	18,567		19,440		21,047		22,301		21,765
	4,585,039		4,499,944		4,619,932		4,488,505		-
	-		-		-		202,846		2,849,293
	831,250		1,474,373		2,797,190		1,709,169		829,723
	642,065		294,670		818,116		545,066		456,903
	-		-		-		-		-
	<u>21,867,297</u>		<u>22,061,204</u>		<u>23,283,464</u>		<u>19,808,896</u>		<u>15,356,251</u>
	7,191,983		8,455,305		12,380,797		13,523,369		8,660,021
	<u>212,579,950</u>		<u>204,124,645</u>		<u>192,314,908</u>		<u>63,181,035</u>		<u>54,521,014</u>
\$	<u>219,771,933</u>	\$	<u>212,579,950</u>	\$	<u>204,695,705</u>	\$	<u>76,704,404</u>	\$	<u>63,181,035</u>

CITY OF YUCAIPA  
Fund balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year					
	2014	2013	2012	2011	2010	2009
General Fund:						
Nonspendable	\$ 11,537,445	\$ 11,788,003	\$ 12,974,225	\$ 16,649,006	\$ -	\$ -
Restricted	1,710,865	928,749	883,501	871,873	-	-
Committed	5,182,303	5,037,196	5,181,542	5,419,667	-	-
Assigned	9,536,944	8,579,695	8,872,998	7,677,045	-	-
Unassigned	14,689,176	13,074,022	17,644,570	15,241,836	-	-
Reserved	-	-	-	-	18,203,751	18,307,818
Unreserved	-	-	-	-	27,827,468	27,858,106
Total general fund	<u>42,656,732</u>	<u>39,407,665</u>	<u>45,556,836</u>	<u>45,859,427</u>	<u>46,031,219</u>	<u>46,165,924</u>
All other governmental funds:						
Nonspendable	2,531,014	2,577,079	-	-	-	-
Restricted	15,039,236	14,897,917	11,977,969	20,393,283	-	-
Committed	8,458,732	8,053,276	10,669,486	10,133,160	-	-
Assigned	327,168	358,898	-	570,420	-	-
Unassigned	(12,172,510)	(5,109,470)	(9,060,234)	(9,191,206)	-	-
Reserved for:						
Debt service funds	-	-	-	-	-	241,438
Specific Projects	-	-	-	-	1,946,059	746,079
Unreserved, reported in:						
Special revenue funds	-	-	-	-	17,717,484	14,980,105
Capital projects funds	-	-	-	-	(1,862,751)	8,396,963
Debt service funds	-	-	-	-	88,386	-
Total all other governmental funds	<u>14,183,640</u>	<u>20,777,700</u>	<u>13,587,221</u>	<u>21,905,657</u>	<u>17,889,178</u>	<u>24,364,585</u>
Total Fund Balances	<u>56,840,372</u>	<u>60,185,365</u>	<u>59,144,057</u>	<u>67,765,084</u>	<u>63,920,397</u>	<u>70,530,509</u>

<1> GASB 54 was implemented in FY 2010/11

Fiscal Year			
2008	2007	2006	2005
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
18,058,192	21,939,986	19,382,373	9,821,795
24,003,988	16,507,073	15,876,083	24,463,485
<u>42,062,180</u>	<u>38,447,059</u>	<u>35,258,456</u>	<u>34,285,280</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
450,363	-	-	-
591,550	7,769,785	-	-
-	-	-	-
12,747,130	9,240,844	6,701,008	1,892,793
14,754,292	6,177,455	11,794,271	6,616,795
-	1,096,768	632,744	632,157
<u>28,543,335</u>	<u>24,284,852</u>	<u>19,128,023</u>	<u>9,141,745</u>
<u>70,605,515</u>	<u>62,731,911</u>	<u>54,386,479</u>	<u>43,427,025</u>

CITY OF YUCAIPA  
Changes in Governmental Fund Balance  
Last Ten Fiscal Years

	Fiscal Year				
	2014	2013	2012	2011	2010
<b>Revenues:</b>					
Taxes:					
Property Taxes	\$ 9,689,395	\$ 9,158,269	\$ 10,002,732	\$ 10,870,359	\$ 11,367,661
Sales and Use Taxes	2,857,302	2,663,584	2,731,544	2,569,402	2,284,676
Franchise Taxes	1,412,159	1,343,430	1,321,021	1,294,626	1,245,207
Documentary Transfer Tax	122,362	115,833	104,569	105,563	96,459
Other taxes	17,656	15,861	12,439	14,704	15,346
License and Permits	439,867	426,965	385,983	508,734	383,386
Fines and Forfeitures	87,443	99,282	61,941	83,985	144,082
Charges for Services	1,558,693	2,088,953	2,087,682	2,060,734	1,913,664
Intergovernmental	9,523,229	10,921,608	9,780,385	12,473,427	10,543,961
Investment Income	315,102	220,434	203,225	266,415	453,471
Other	1,456,782	1,559,870	1,016,664	760,948	889,619
<b>Total Revenue</b>	<b>27,479,990</b>	<b>28,614,089</b>	<b>27,708,185</b>	<b>31,008,897</b>	<b>29,337,532</b>
<b>Expenditures:</b>					
Current:					
General government	2,560,664	3,209,997	2,788,156	2,450,564	2,535,173
Community Development	680,532	639,820	3,016,056	2,477,779	1,791,765
Building and Safety	298,010	262,910	188,449	273,870	185,619
Public Works	3,672,607	3,628,420	5,115,331	4,742,770	5,076,502
Public Safety	6,974,900	6,710,993	6,339,465	6,055,274	6,152,569
Fire Protection Services	2,685,834	2,477,517	2,463,995	2,503,526	2,582,985
Paramedic Services	958,613	960,248	991,761	969,404	994,988
Community Service	1,396,430	1,190,224	1,076,932	1,037,780	1,059,431
Capital Outlay	13,423,621	8,292,652	7,514,000	11,919,657	14,928,119
Debt Service:					
Interest and Fiscal Charges	-	-	211,163	256,128	189,726
Principal Payments	-	-	200,000	55,000	130,000
Bond Issuance Costs	-	-	-	273,089	-
<b>Total Expenditures</b>	<b>32,651,211</b>	<b>27,372,781</b>	<b>29,905,308</b>	<b>33,014,841</b>	<b>35,626,877</b>
Excess (deficiency) and revenues over (under) expenditures	(5,171,221)	1,241,308	(2,197,123)	(2,005,944)	(6,289,345)
<b>Other financing sources (uses)</b>					
Transfer In	5,849,550	11,215,090	2,767,624	6,043,092	5,010,854
Transfer Out	(4,023,323)	(11,415,090)	(2,972,624)	(6,248,092)	(5,331,621)
Tax Allocation Bonds Issued	-	-	-	6,030,000	-
Premium on Bonds	-	-	-	25,631	-
<b>Total Other Financing Sources</b>	<b>1,826,227</b>	<b>(200,000)</b>	<b>(205,000)</b>	<b>5,850,631</b>	<b>(320,767)</b>
Extraordinary Item	-	-	(6,218,903)	-	-
<b>Net Change in Fund Balance</b>	<b>(3,344,994)</b>	<b>1,041,308</b>	<b>(8,621,026)</b>	<b>3,844,687</b>	<b>(6,610,112)</b>
Fund Balance, Beginning of Year	60,185,365	59,144,057	67,765,083	63,920,397	70,530,509
<b>Fund Balance, End of the Year</b>	<b>\$ 56,840,371</b>	<b>\$ 60,185,365</b>	<b>\$ 59,144,057</b>	<b>\$ 67,765,084</b>	<b>\$ 63,920,397</b>

		Fiscal Year							
		2009	2008	2007	2006	2005			
\$	12,021,282	\$	11,771,494	\$	10,730,950	\$	8,885,246	\$	7,544,544
	2,375,635		2,672,179		2,790,443		2,574,789		2,349,510
	1,288,024		1,195,630		1,244,092		1,038,147		966,801
	105,435		133,474		261,695		342,826		337,712
	18,567		19,440		21,047		22,301		21,765
	453,413		681,267		711,665		1,361,248		1,233,875
	190,430		137,659		169,911		165,462		131,630
	2,666,090		2,918,950		7,015,074		5,191,713		4,620,983
	12,428,860		9,921,150		7,739,527		9,100,127		5,274,704
	1,351,132		2,659,551		3,147,396		1,738,440		878,457
	1,369,644		1,194,935		818,114		1,590,577		470,159
	<u>34,268,512</u>		<u>33,305,729</u>		<u>34,649,914</u>		<u>32,010,876</u>		<u>23,830,140</u>
	1,959,720		2,276,166		2,019,159		2,363,936		2,366,579
	1,239,563		1,044,012		765,963		668,288		648,037
	228,925		410,221		351,989		1,048,624		983,641
	4,031,318		3,044,499		5,453,380		2,469,348		2,283,282
	5,779,791		5,759,254		5,183,545		4,740,754		4,141,002
	2,222,441		1,803,119		1,240,525		1,449,661		1,387,338
	918,495		748,984		817,697		644,701		616,818
	1,249,786		1,221,665		1,158,586		1,118,514		1,020,834
	16,072,579		7,878,059		8,824,494		6,219,701		4,550,973
	189,724		189,531		189,144		192,895		173,456
	125,000		125,000		120,000		135,000		20,000
	-		-		-		-		-
	<u>34,017,342</u>		<u>24,500,510</u>		<u>26,124,482</u>		<u>21,051,422</u>		<u>18,191,960</u>
	251,170		8,805,219		8,525,432		10,959,454		5,638,180
	6,706,388		4,797,264		8,214,932		7,075,802		5,434,938
	(7,032,564)		(5,157,819)		(8,394,932)		(7,075,802)		(5,434,938)
	-		-		-		-		2,500,000
	-		-		-		-		-
	(326,176)		(360,555)		(180,000)		-		2,500,000
	-		-		-		-		-
	(75,006)		8,444,664		8,345,432		10,959,454		8,138,180
	<u>70,605,515</u>		<u>62,160,851</u>		<u>54,386,479</u>		<u>43,427,025</u>		<u>35,288,845</u>
\$	<u>70,530,509</u>	\$	<u>70,605,515</u>	\$	<u>62,731,911</u>	\$	<u>54,386,479</u>	\$	<u>43,427,025</u>

CITY OF YUCAIPA

Assessed Value and Estimated Actual Value of Taxable Property by Major Type  
Last Ten Fiscal Years

Category	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Residential	2,941,326,218	2,878,776,247	2,846,903,947	2,831,503,480	3,006,115,775	3,310,453,094	3,231,145,210	2,811,800,835	2,375,654,681	2,004,083,208
Commercial	278,331,820	276,265,189	273,744,743	269,925,338	252,015,949	264,234,597	208,896,478	188,177,054	166,414,729	144,796,854
Industrial	25,761,469	23,991,367	20,762,516	18,426,334	18,374,670	17,067,825	16,779,884	17,072,605	18,529,967	16,549,901
Irrigated	132,771	130,167	127,614	126,661	126,961	124,471	122,030	119,637	117,292	114,992
Dry Farm	3,313,882	3,248,902	3,185,198	3,368,272	3,106,272	5,324,049	6,138,528	7,047,950	6,551,103	4,896,970
Recreational	5,052,198	5,001,371	7,014,523	6,963,679	7,219,167	7,500,172	7,383,793	7,175,870	7,224,239	6,100,884
Institutional	4,629,021	2,966,082	3,105,703	3,175,684	3,878,434	5,244,229	3,666,064	2,452,702	1,543,644	2,689,941
Miscellaneous	11,156,895	10,820,367	10,767,981	10,808,961	10,458,874	8,437,085	9,974,750	6,011,342	5,661,248	6,906,712
Vacant Land	103,068,595	109,700,908	112,764,550	118,638,093	152,880,519	152,528,633	157,174,314	167,373,336	156,020,866	111,577,095
Unsecured	64,584,003	67,096,047	67,141,606	70,615,476	75,677,744	68,666,414	61,305,542	53,994,624	49,902,505	45,058,899
Exempt	-	-	-	-	-	-	-	-	-	-
Total	<u>3,437,356,872</u>	<u>3,377,996,647</u>	<u>3,345,518,381</u>	<u>3,333,551,978</u>	<u>3,529,854,365</u>	<u>3,839,580,569</u>	<u>3,702,586,593</u>	<u>3,261,225,955</u>	<u>2,787,620,274</u>	<u>2,342,775,456</u>
Total direct rate	0.22915	0.27624	0.2748	0.27536	0.27262	0.26610	0.25943	0.25289	0.24982	0.24866

Source:  
HdL

CITY OF YUCAIPA

Direct & Overlapping Property Tax Rates

(Rate Per \$100 of Taxable Value)

Agency	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Basic Levy</b>	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Redlands Unified School Bond 1993	0.06290	0.06410	0.05820	0.06170	0.05410	0.05190	0.03220	0.03760	0.04490	0.04690
San Bernardino Community College Bond	0.04190	0.04590	0.03730	0.04670	0.02800	0.03930	0.01270	0.01950	0.01660	0.01890
San Bernardino Valley Muni Water	0.16250	0.04190	0.16500	0.16500	0.16500	0.16500	0.16500	0.16500	0.16000	0.14000
Total Direct & Overlapping Tax Rates	1.26730	1.27250	1.26050	1.27340	1.24710	1.25620	1.20990	1.21210	1.22150	1.20580
City's Share of 1% Levy Per Prop 13	0.22228	0.22228	0.22228	0.22228	0.22228	0.22228	0.22228	0.22228	0.22228	0.22228
General Obligation Debt Rate	0	0	0	0	0	0	0	0	0	0
Redevelopment Rate <sup>1</sup>			1.16500	1.16500	1.16500	1.16500	1.16500	1.15500	1.16000	1.14000
Total Direct Rate	0.22915	0.27624	0.27480	0.27536	0.27262	0.26610	0.25943	0.25289	0.24982	0.24866

<sup>1</sup> The approval of ABX 1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

Source:

HdL

CITY OF YUCAIPA  
Principal Property Tax Payers  
Current Year and Nine Years Ago

Taxpayer	2014		2005	
	Combined (Secured & Unsecured)		Combined (Secured & Unsecured)	
	Total Assessed Value	Percent of Net Assessed Value	Total Assessed Value	Percent of Net Assessed Value
1 YVCC II LLC	\$ 21,923,582	0.64%	\$ 10,155,317	0.43%
2 YUCAIPA RETIREMENT RESIDENCE LP	14,656,306	0.43%	-	-
3 STATER BROS MARKETS	13,486,445	0.39%	10,203,298	0.44%
4 CHAPMAN HEIGHTS YUCAIPA	13,322,538	0.39%		
5 GERALD S RUBIN	11,319,202	0.33%		
6 CALANDA REAL LP	11,245,892	0.33%	9,299,901	0.40%
7 PUTNAM FAMILY PARTNERSHIP	10,587,090	0.31%		
8 SORENSON ENGINEERING INC	8,646,546	0.25%	7,792,077	0.33%
9 YUCAIPA VALLEY ACRES	8,526,760	0.25%	7,154,458	0.31%
10 VEDRES FAMILY INVESTMENT PTSHP	8,327,337	0.24%		
11 YUCAIPA PROPERTIES INC	-	-	9,470,043	0.40%
12 BRADFORD H. BODLEY	-	-	9,195,534	0.39%
13 CENTURY-TCI CALIFORNIA COMM LF	-	-	6,470,801	0.28%
14 LEOR LAKRITZ TRUST	-	-	5,283,431	0.23%
15 J MAR APARTMENTS	-	-	5,243,583	0.22%
<b>TOP TEN TOTAL</b>	<u>122,041,698</u>	<u>3.55%</u>	<u>80,268,443</u>	<u>3.43%</u>
<b>CITY TOTAL</b>	<u>3,437,356,872</u>		<u>2,342,775,456</u>	

Source:  
HdL

CITY OF YUCAIPA  
Property Tax Levies and Collections <sup>1</sup>  
Last Five Fiscal Years\*

Fiscal Year Ended 30-Jun	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2014	8,112,664	7,905,747	97.45%	378,362	8,284,109	102.11%
2013	7,947,013	7,616,103	95.84%	328,122	7,944,225	99.96%
2012	7,870,762	7,328,924	93.12%	436,176	7,765,100	98.66%
2011	9,438,485	9,337,263	98.93%	514,358	9,851,621	104.38%
2010	9,857,892	8,368,845	84.89%	825,207	9,194,051	93.27%

NOTE:

<sup>1</sup> The amounts presented include City property taxes and Redevelopment Agency increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies. The State of California dissolved the Redevelopment Agency effective 2012. Collections in subsequent years may include delinquent tax payments from multiple years which are not identified separately by the County of San Bernardino.

Source:

San Bernardino County Auditor-Controller's Office

The City of Yucaipa has elected to show only five years of data for this schedule

\*Information for additional years is unavailable

CITY OF YUCAIPA  
Ratios of Outstanding Debt by Type  
Last Five Fiscal Years\*

Fiscal Year Ended June 30	Former RDA Tax Allocation Bonds Principal Outstanding	Percentage of Personal Income <sup>1</sup>	Debt Per Capita <sup>1</sup>
2014	-	0.00%	\$ -
2013	-	0.00%	-
2012	-	0.00%	-
2011	8,489,786	0.64%	165
2010	2,490,000	0.21%	49

<sup>1</sup> These ratios are calculated using personal income and population for the prior calendar year.

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. All debt listed on this page is the debt of the former Yucaipa Redevelopment Agency. The Yucaipa Redevelopment Agency was dissolved by the State of California effective 2012.

The City of Yucaipa currently does not have any debt.

\*Information for additional years is unavailable

CITY OF YUCAIPA  
Ratios of General Bonded Debt Outstanding  
Last Five Fiscal Years\*

Fiscal Year Ended June 30	Former RDA Tax Allocation Bonds <sup>1</sup>	Percentage of Assessed Value <sup>1</sup>	Per Capita <sup>1</sup>
2014	-	0.00%	\$ -
2013	-	0.00%	-
2012	-	0.00%	-
2011	8,489,786	0.25%	165
2010	2,490,000	0.07%	49

<sup>1</sup> Assessed Value has been used because the actual value of taxable property is not readily available in the State of California.

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. All debt listed on this page is the debt of the former Yucaipa Redevelopment Agency. The Yucaipa Redevelopment Agency was dissolved by the State of California effective 2012.

The City of Yucaipa currently does not have any debt.

\*Information for additional years is unavailable

CITY OF YUCAIPA  
Direct and Overlapping Debt  
June 30, 2014

Net Taxable 2013-2014 Assessed Valuation \$ 3,437,356,872

	Percentage Applicable	Outstanding Debt 06/30/14	Estimated Share of Overlapping Debt
<b><u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
San Bernardino Community College Distric	6.496%	\$ 442,966,989	\$ 28,775,136
Redlands Unified School District	0.085%	\$ 99,044,784	84,188
<b>City of Yucaipa</b>	<b>100.000%</b>	<b>\$ -</b>	<b>-</b>
City of Yucaipa Community Facilities District No. 98-I	100.000%	\$ 24,185,000	24,185,000
Yucaipa Calimesa Joint Unified School District Community Facilities District No. I	100.000%	1,195,000	1,195,000
Yucaipa Calimesa Joint Unified School District Community Facilities District No. II	100.000%	2,255,000	2,255,000
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$ 569,646,773</b>	<b>\$ 56,494,324</b>
<b><u>OVERLAPPING GENERAL FUND DEBT:</u></b>			
San Bernardino County General Fund Obligation:	2.043%	\$ 503,145,000	\$ 10,279,252
San Bernardino County Pension Obligation Bonds:	2.043%	489,138,311	9,993,096
San Bernardino County Flood Control District General Fund Obligation:	2.043%	101,040,000	2,064,247
Redlands Unified School District Certificates of Participation	0.085%	5,000,000	4,250
Yucaipa-Calimesa Joint Unified School District Certificates of Participation	88.664%	12,225,000	10,839,174
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>		<b>1,110,548,311</b>	<b>33,180,019</b>
OVERLAPPING GENERAL FUND DEBT (Successor Agency)	100.000%	7,975,000	7,975,000
<b>TOTAL DIRECT DEBT</b>			
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$ -</b>
<b>COMBINED TOTAL DEBT <sup>2</sup></b>			<b>97,649,343</b>

Notes:

<sup>1</sup> The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

<sup>2</sup> Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2013-14 Assessed Valuation:

<b>Direct Debt.....</b>	<b>0%</b>
Total Direct and Overlapping Tax and Assessment Debt.....	1.64%
Combined Total Debt.....	2.82%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$172,660,993)

Total Overlapping Tax Increment Debt.....	4.62%
---	-------

Sources: California Municipal Statistics

CITY OF YUCAIPA  
 Legal Debt Margin Information  
 Last Five Fiscal Years\*

	Fiscal Year				
	2014	2013	2012	2011	2010
Assessed Valuation	3,437,356,872	3,377,996,647	3,345,518,381	3,333,551,936,502	3,529,854,365
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	859,339,218	844,499,162	836,379,595	833,387,984,126	882,463,591
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	128,900,883	126,674,874	125,456,939	125,008,197,619	132,369,539
Total net debt applicable to the limit General obligation bonds	-	-	-	-	-
Legal debt margin	128,900,883	126,674,874	125,456,939	125,008,197,619	132,369,539
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision when assessed valuation was based on 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel.) The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local government located within the state.

Sources:

San Bernardino County Tax Assessor

\*Information for additional years is unavailable

CITY OF YUCAIPA  
Pledged Revenue Coverage  
Last Five Fiscal Years\*

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Former RDA Tax Increment	Debt Service		Coverage
		Principal	Interest	
2014	-	150,000	405,032	-
2013	-	140,000	411,617	-
2012	1,218,210	197,313	445,643	1.89
2011	2,003,944	54,997	207,477	7.63
2010	1,939,421	130,000	121,761	7.70

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

On February 1, 2012 the Redevelopment Agency was dissolved

\*Information for additional years is unavailable

CITY OF YUCAIPA  
 Demographic and Economic Statistics  
 Last Five Calendar Years\*

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (In Thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	52,654	\$ 1,365,950	\$ 25,942	6.60%
2012	52,549	\$ 1,372,475	\$ 26,118	7.70%
2011	52,100	\$ 1,343,555	\$ 25,788	10.60%
2010	51,476	\$ 1,324,375	\$ 25,728	11.50%
2009	51,113	\$ 1,186,068	\$ 23,150	10.50%

Sources:

State Department of Finance, HdL, State of California Employment Development Department

\*Information for additional years is unavailable



CITY OF YUCAIPA

City Employees  
by Function

Last Five Fiscal Years\*

	Employees as of June 30				
	2014	2013	2012	2011	2010
Full-time employees:					
Administrative Services Department:					
Administrative Services	3.00	2.00	2.00	2.00	2.00
City Clerk's office	4.00	4.00	3.00	3.00	3.00
City Managers office	2.00	2.00	2.00	2.00	2.00
Finance	3.75	3.75	3.75	4.75	4.75
Community Development Department:					
Director	0.33	0.33	1.00	1.00	1.00
Administrative Assistant	0.40	0.40	0.00	0.00	0.00
Planning	0.00	0.00	2.33	2.33	2.33
Code Enforcement	4.00	4.00	4.00	4.00	4.00
Community Services Department:	7.00	7.00	7.00	7.00	7.00
Development Services Department:					
Director	1.00	1.00	0.00	0.00	0.00
Planning	1.40	1.40	0.00	0.00	0.00
Public Works Department:					
Administration	1.00	1.00	1.00	1.00	1.00
Engineering	4.30	4.30	4.30	4.30	4.30
Street Maintenance	6.00	6.00	6.00	6.00	6.00
Parks/Facilities Maintenance	6.70	6.70	8.70	8.70	8.70
Redevelopment Agency	0.87	0.87	1.67	1.67	1.67
Total	45.75	44.75	46.75	47.75	47.75

Sources:

City of Yucaipa

\*Information for additional years is unavailable

CITY OF YUCAIPA

Operating Indicators  
by Function

Last Five Fiscal Years\*

Function	Fiscal Year				
	2014	2013	2012	2011	2010
Police:					
Calls for service	34,958	38,685	44,308	45,092	33,258
Citations issued	4,702	5,280	5,281	6,522	4,004
Fire:					
Number of Incidents	6,894	6,611	6,209	6,184	6,056
Inspections performed	706	1,139	991	1,814	N/A
Building and Safety:					
Building Permits Issued	1,638	1,089	1,019	1,059	N/A
No. of New Dwelling Units	10	4	45	78	10
Parks and recreation:					
Community center attendance	16,070	20,293	19,775	21,125	20,251
Youth sports attendance	-	-	113 <sup>1</sup>	318	337
Adult sports attendance	-	-	75 <sup>1</sup>	157	181
Kids Club	22,723	20,577	12,242 <sup>2</sup>	8,660	8,776
Aquatics	-	-	376 <sup>1</sup>	1,018	853
Community Services Classes	3,758	2,600	2,522	2,220	2,802
Administration					
New Business Licenses	572	534	510	486	537
Renewed Business Licenses	1,586	1,546	1,551	1,438	1,533

1 Sports and Aquatics programs taken over by contracted activity providers.

2 Rregistration software program conversion which altered the tracking of individual attendance.

Sources:

City of Yucaipa

\*Information for additional years is unavailable

CITY OF YUCAIPA  
 Capital Asset Statistics  
 by Function  
 Last Five Fiscal Years\*

Function	Fiscal Year				
	2014	2013	2012	2011	2010
Police:					
Stations	1	1	1	1	1
Sub-stations					
Fire:					
Fire Stations	3	3	3	3	3
Public Works					
Streets (miles)	227.82	227.82	227.82	227	227
Traffic signals (city-owned)	27.5	29.5	29.5	29.5	28.5
Roundabouts	2				
Parks and Recreation:					
Parks (acreage)	874	540	540	540	540
Community centers	2	2	2	2	2

Sources:  
 City of Yucaipa

\*Information for additional years is unavailable