

# City of Yucaipa



## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

**CITY OF YUCAIPA, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
Year Ended June 30, 2015

Prepared by  
Administrative Services Department

**City of Yucaipa**  
**Comprehensive Annual Financial Report**  
Year Ended June 30, 2015

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## **INTRODUCTORY SECTION**



December 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, 2015.

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, 2015, 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, 2015, 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 53,000 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, three 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, recreational activities, enrichment programs 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 the 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 2014/15) 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 rose from approximately 4.4% in calendar year 2008 to a

peak of 11.5% in calendar year 2010 and through the protracted recovery saw it dip to 6.6% in calendar year 2013. In calendar year 2014 this has increased slightly to 8.2%.

The City of Yucaipa has seen revenue sources continue to stabilize and begin to increase during FY 2014/15. The City's largest revenue source comes from property taxes. Although total property tax receipts are still down approximately 3.04% from their peak of approximately \$9.26 million in FY 2008/09, the City is seeing a continuing trend of rising property values through FY 2014/15. In FY 2014/15, the City experienced an increase in property taxes of approximately 4.20% from FY 2013/14. In addition, sales tax revenues have experienced growth annually over the last several years in spite of the overall downturn of the economy. This trajectory has culminated in an increase in sales taxes of approximately 11.23% in FY 2014/15.

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 Center
- Wilson Creek Specific Plan
- Widening Yucaipa Boulevard from 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 only 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 General Fund Emergency Contingency Account is committed solely for use upon 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 2014/15 this commitment amounted to \$3,246,884. Secondly, City Council also formalized the Reserve for Economic Uncertainties Contingency. This commitment totals \$1,000,000. This contingency account is committed and may be used solely in any fiscal year in which actual General Fund revenue is at least 30% less than budgeted General Fund revenue. To date, both of these contingencies have remained encumbered in their entirety.

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City Yucaipa for its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2014. This was the first submission and the first year that the City has achieved this prestigious award. 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 from the accounting firm of Van Lant & Fankhanel.

Respectfully submitted,



Greg Franklin  
Assistant City Manager

# CITY OF YUCAIPA

## CITY COUNCIL\*

*Mayor*

Denise Hoyt

*Mayor Pro Tem*

Greg Bogh

*Councilmember*

David Avila

*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

*City Engineer*

Fermin Preciado

*Director of Public Works*

William Hemsley

*Director of Community Services*

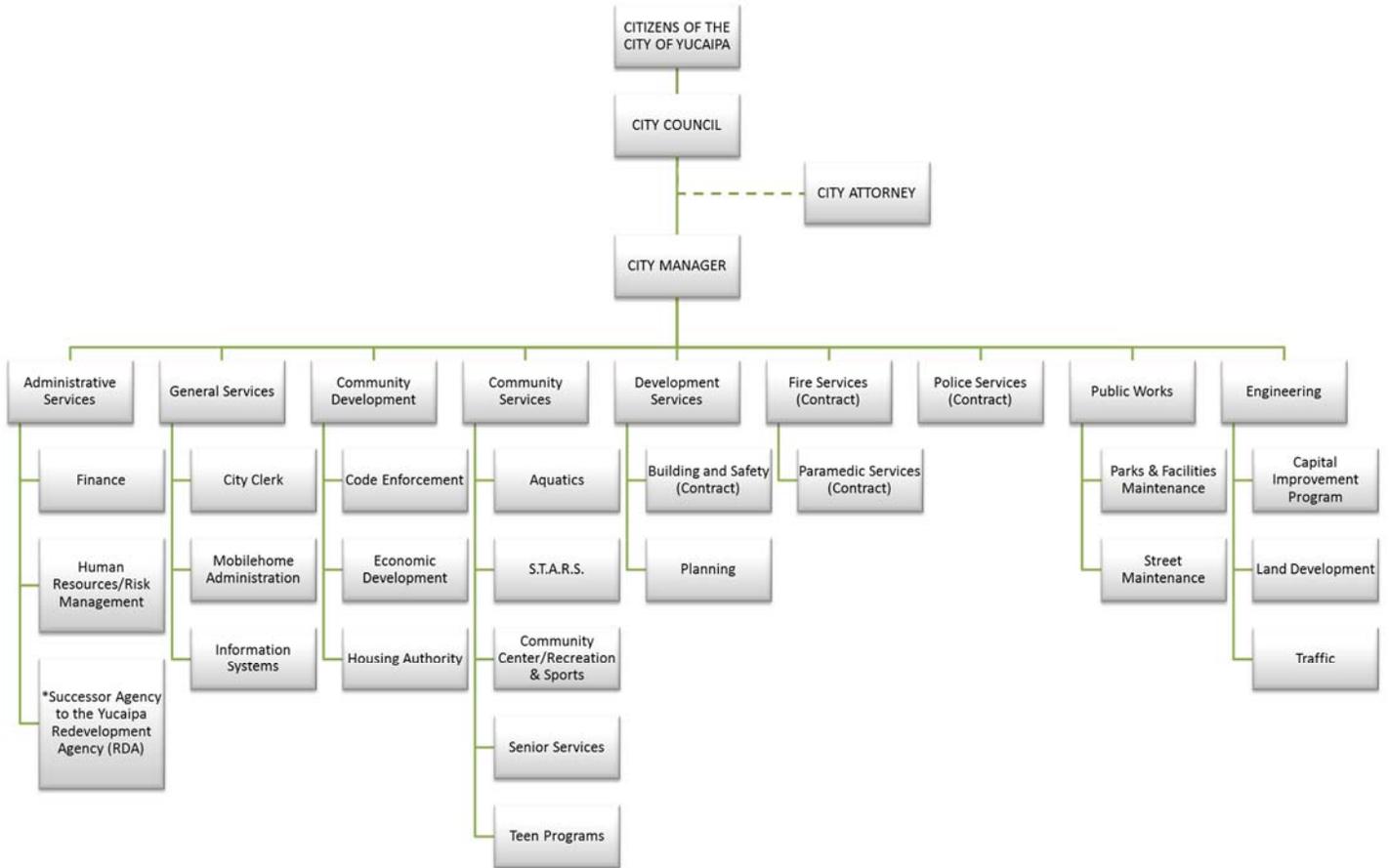
Frances Hernandez

\* as of June 30, 2015



# CITY OF YUCAIPA

## Organizational Services by Department\*



\* as of June 30, 2015

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





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Yucaipa  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

## **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, 2015, 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, 2015, 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.

### ***Change in Accounting Principle***

As described in Note 7 to the financial statements, in 2015, the City adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and other required supplementary information as listed in the table of contents 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 December 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.

A handwritten signature in black ink that reads "Van Lant + Fankhanel, LLP". The signature is written in a cursive, flowing style.

December 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, 2015.

### FINANCIAL HIGHLIGHTS

- The City's Governmental Net Position (Assets) decreased by approximately 2.03% to \$204.4 million as a result of this year's operations, including normal annual depreciation and the capitalization of assets. In addition, Governmental Accounting Standards Board (GASB) Statement No. 68 was implemented during FY 2014/15. As a result of GASB No. 68, the beginning net position in the Statement of Activities – Governmental Activities was restated by the amount of (\$3,350,916).
- During the year, the City's expenses exceeded taxes and other governmental revenues by approximately \$886,934. This is due to the timing of capital expenditures that were funded in previous years.
- The total revenues from all sources were approximately \$28.7 million. The total cost of all City programs was approximately \$29.6 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 \$1.75 million. In addition, interfund transfers were made in the net amount of (\$793,179) resulting in a net change in Fund Balance in the amount of \$952,879.
- For the General Fund, actual operating revenues received exceeded final budget estimates by \$998,009, 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 \$1.37 million less than the final budget.
- Transfers from other funds were allocated to abate expenditures in the amount of \$886,044, including the calculation of staff charges on capital projects and administrative overhead.
- During Fiscal Year 2014-15 funds from previous years' One-Time Capital Projects Fund balances were expended and/or transferred to other funds in the net amount of (\$410,370), which has been included in the total net change in Fund Balance.
- During Fiscal Year 2014-15, funds from previous years' General Fund carryover balances were expended and/or transferred to other funds in the net amount of \$1.55 million, which has been included in the total net change in Fund Balance.
- At the end of Fiscal Year 2014-15, the Unassigned Fund Balance in the General Fund was approximately \$15.03 million or 86.9% of total General Fund budgeted expenditures. This represents a net increase from the previous year's Unassigned Fund Balance in the amount of approximately \$339,552. This is the net result of four primary factors:
  1. Total net operating revenue over expenditures in the amount of approximately \$1.51 million;
  2. An increase due to payments made against previous General Fund advances in the amount of \$224,000;

3. A decrease due to encumbrances made in the amount of \$742,000 towards City Council approved Service Level Options identified in the FY 2015/16 Budget;
4. A reconciliation of prior year carryover accounts activity incurred in the current year in the net amount of approximately (\$648,691).

## 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 eighth 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.

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2014-15. As a result, the beginning net position in the Statement of

Activities – Governmental Activities was restated by (\$3,350,916) to reflect the cumulative effect of applying this statement.

**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 \$204,411,266 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, 2011 through June 30, 2015.

Table 1  
Net Position  
Governmental Activities

Fiscal Year Ended June 30						
	2015	2014	2013	2012	2011	
Current and other Assets	\$ 61,179,468	\$ 60,571,576	\$ 65,012,726	\$ 64,308,934	\$ 72,782,043	
Capital Assets, Net	150,107,657	151,188,060	152,718,653	153,597,104	151,975,674	
Total Assets	\$ 211,287,125	\$ 211,759,636	\$ 217,731,379	\$ 217,906,038	\$ 224,757,717	
Deferred Outflows of Resources	\$ 601,224	\$ -	\$ -	\$ -	\$ -	
Current Liabilities	2,940,546	2,512,239	3,574,535	3,958,971	3,911,481	
Long Term Liabilities	3,549,185	598,281	554,182	476,139	8,884,747	
Total Liabilities	\$ 6,489,731	\$ 3,110,520	\$ 4,128,717	\$ 4,435,110	\$ 12,796,228	
Deferred Inflows of Resources	\$ 987,352	\$ -	\$ -	\$ -	\$ -	
Net Position:						
Net investment in						
Capital Assets	150,107,657	151,188,060	152,718,653	153,597,104	151,975,674	
Restricted	15,589,130	15,191,287	19,790,996	12,913,310	21,265,156	
Unrestricted	38,714,479	42,269,769	41,093,013	46,960,514	38,720,659	
Total Net Position	\$ 204,411,266	\$ 208,649,116	\$ 213,602,662	\$ 213,470,928	\$ 211,961,489	

The City's assets and deferred inflows exceeded liabilities and deferred outflows by approximately \$204 million at June 30, 2015. This represents a decrease from the previous year by the amount of approximately \$4.24 million.

A large portion of the City's net position (\$150 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 (\$15.6 million, or 7.6%) 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 (\$39 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 \$886,934 during the year as a result of operations. The summary reflects a decrease in total revenues in the amount of approximately \$473,833 from the previous year.

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 \$4.54 million 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						
	2015	2014	2013	2012	2011	
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 3,146,047	\$ 2,525,564	\$ 2,649,133	\$ 3,115,795	\$ 3,067,686	
Operating Grants	1,743,410	1,056,654	1,287,363	2,457,849	3,021,749	
Capital Grants	3,671,538	4,372,675	6,462,954	3,607,604	5,567,417	
<b>General Revenues:</b>						
Property Taxes	10,034,783	9,689,395	9,158,269	10,002,732	10,870,359	
Sales Taxes	3,178,195	2,857,302	2,663,584	2,731,544	2,569,402	
Other Taxes and Fees	1,619,950	1,552,177	1,475,124	1,438,029	1,414,893	
Motor Vehicle In-Lieu Fees	4,267,755	3,963,654	3,895,205	3,883,523	4,082,936	
Grants/Other	1,041,283	3,159,373	1,181,397	708,910	570,407	
Extraordinary Item			-	1,987,816	-	
<b>Total Revenues</b>	<b>\$ 28,702,961</b>	<b>\$ 29,176,794</b>	<b>\$ 28,773,029</b>	<b>\$ 29,933,802</b>	<b>\$ 31,164,849</b>	
<b>Expenses</b>						
General Government	3,059,021	2,786,070	3,886,687	3,279,187	2,993,619	
Public Safety/Fire	12,038,940	10,913,479	10,446,417	9,975,310	9,783,228	
Comm. Dev. / Pub. Works	12,385,841	18,797,458	12,880,785	13,692,926	14,855,581	
Community Services	2,106,093	1,633,333	1,427,406	1,234,728	1,260,665	
Interest and Fiscal Charges	-	-	-	242,212	356,152	
<b>Total Expenses</b>	<b>\$ 29,589,895</b>	<b>\$ 34,130,340</b>	<b>\$ 28,641,295</b>	<b>\$ 28,424,363</b>	<b>\$ 29,249,245</b>	
Increase in Net Position	\$ (886,934)	\$ (4,953,546)	\$ 131,734	\$ 1,509,439	\$ 1,915,604	
Beginning Net Position	* \$ 205,298,200	\$ 213,602,662	\$ 213,470,928	\$ 211,961,489	** \$ 210,045,885	
Ending Net Position	\$ 204,411,266	\$ 208,649,116	\$ 213,602,662	\$ 213,470,928	\$ 211,961,489	

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

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

**Table 3**  
**Revenues by Source – Governmental Activities**  
**For the Years Ended June 30, 2015, 2014, 2013, and 2012**

	2014/15		2013/14		2012/13		2011/12	
	Amount	% of Total						
<b>Taxes</b>								
Property	\$ 6,947,431	24.2%	\$ 6,755,057	23.2%	\$ 6,327,698	22.0%	\$ 7,207,289	24.1%
Property-Fire	3,087,352	10.8%	2,934,338	10.1%	2,830,571	9.8%	2,795,443	9.3%
Sales and Use	3,178,195	11.1%	2,857,302	9.8%	2,663,584	9.3%	2,731,544	9.1%
Franchise Fees	1,427,826	5.0%	1,412,159	4.8%	1,343,430	4.7%	1,321,021	4.4%
Doc. Transfer	173,871	0.6%	122,362	0.4%	115,833	0.4%	104,569	0.3%
Other Taxes	18,253	0.1%	17,656	0.1%	15,861	0.1%	12,439	0.0%
Fees for Services	3,146,047	11.0%	2,525,564	8.7%	2,649,133	9.2%	3,115,795	10.4%
Fines & Forfeitures	65,641	0.2%	87,443	0.3%	99,282	0.3%	61,941	0.2%
Other Agencies	8,972,624	31.3%	10,901,900	37.4%	11,119,275	38.6%	9,501,052	31.7%
Interest	482,999	1.7%	315,102	1.1%	217,721	0.8%	161,622	0.5%
Licenses & Permits	644,438	2.2%	439,867	1.5%	426,965	1.5%	385,983	1.3%
Miscellaneous Revenues	558,284	1.9%	808,044	2.8%	963,676	3.3%	547,288	1.8%
Extraordinary Item	-	0.0%	-	0.0%	-	0.0%	1,987,816	6.6%
<b>Total</b>	<b>\$ 28,702,961</b>	<b>100%</b>	<b>\$ 29,176,794</b>	<b>100%</b>	<b>\$ 28,773,029</b>	<b>100%</b>	<b>\$ 29,933,802</b>	<b>100%</b>

## 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 \$57.2 million, an increase of approximately \$406,846 in comparison with the prior year. Approximately 46.97% of this amount (\$26.89 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, 2015, the Unassigned Fund Balance of the General Fund was approximately \$15.03 million. Included in the Committed Fund Balance is approximately \$4.25 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, 2015, was approximately \$43.61 million.

The total Fund Balance of the City's General Fund increased by approximately \$952,879. This increase was the net result of five primary factors:

- 1) Revised budget reflected estimated revenues over expenditures in the amount of \$255,800;
- 2) Actual revenues, including transfers in, exceeded their budgeted estimates by the amount of approximately \$998,009 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 \$1.37 million;
- 4) Prior year carryover funds were expended and/or transferred to other funds in the net amount of approximately (\$439,822);

- 5) 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 purchase of the Yucaipa Performing Arts Theater Property and Security Camera Installation in the amount of approximately (\$1.23) million.

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

Description	2014/15 Budget Estimate	2014/15 Actual Revenue	Amount of Increase	% Increase
Property Tax	\$ 5,783,000	\$ 5,893,836	\$ 110,836	1.9%
Sales Tax	3,023,560	3,178,195	154,635	5.1%
Current Services	1,356,886	1,426,163	69,277	5.1%
Other Taxes	1,438,600	1,535,972	97,372	6.8%
Other Governmental	4,289,333	4,331,128	41,795	1.0%
Licenses & Permits	529,452	644,438	114,986	21.7%
Misc. Revenues	256,000	665,108	409,108	159.8%
Transfers	975,291	237,621	(737,670)	-75.6%

During FY 2014/15, the City experienced steady increases among most revenue categories including Property, Sales and Other Taxes and Charges for Services. Increases in Misc. Revenues did not reach budgeted expectations due to timing differences relative to transfers made to the General Fund and the abatement of staff time expenditures.

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 are 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 are 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, 2015 amounts to \$150,107,655 (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 (\$1.08 million). The primary major capital assets added during fiscal year 2014-15 were the completion of several public works projects, including the completion of the Police Station project, Entry Monumentation project, HPDE Fencing project, the sidewalk project along Avenue D and Yucaipa Blvd, Fremont to Douglas and street improvements as part of the City's annual Street Rehab program. Construction-in-progress totaled \$11.5 million at June 30, 2015 and depreciation expense during the fiscal year was approximately \$8.7 million. See Table 4, below, for the amounts recorded by category as of June 30, 2015. Refer to Note 4 in the financial statements.

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

Land	\$ 62,043,503
Infrastructure	68,835,474
Structures and Improvements	6,812,526
Equipment / Vehicles	920,158
Construction-in-Progress	11,495,996
<b>Total Capital Assets</b>	<b>\$ 150,107,657</b>

**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), Note 7 related to Pension Plan liabilities, and Compensated Absences, the City had no outstanding long-term debt. As of June 30, 2015 the Successor Agency to the Yucaipa RDA had incurred total long-term debt in the amount of \$7,841,466. 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, 2015**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 59,135,489
Receivables:	
Accounts	818,697
Interest Receivable	95,858
Grants Receivable	9,214
Due From Other Governments	1,115,265
Prepaid Expenses	4,945
Capital Assets, Not Being Depreciated	73,539,498
Capital Assets, Net of Accumulated Depreciation	76,568,159
Total Assets	211,287,125
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pension Contributions	553,517
Pension Actuarial Amounts	47,707
Total Deferred Outflows of Resources	601,224
<b>LIABILITIES</b>	
Accounts Payable	1,958,116
Accrued Liabilities	75,000
Deposits Payable	907,430
Noncurrent Liabilities:	
Due Within One Year	35,968
Due in More Than One Year	3,513,217
Total Liabilities	6,489,731
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Proportionate Share Contribution Differences	29,105
Pension Actuarial Amounts	958,247
Total Deferred Outflows of Resources	987,352
<b>NET POSITION</b>	
Net Investment in Capital Assets	150,107,657
Restricted for:	
Public Safety	1,731,433
Public Works/Transportation	9,715,836
Community Development	12,815
Community Services/Public Education	2,308,616
Capital Projects	347,493
Other Purposes	1,472,937
Unrestricted	38,714,479
Total Net Position	\$ 204,411,266

The accompanying notes are an integral part of this statement.

**City of Yucaipa  
Statement of Activities  
Year Ended June 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
					Governmental Activities
<b>Governmental Activities:</b>					
General Government	\$ 3,059,021	\$ 397,717	\$ 50,023	\$ 15,000	\$ (2,596,281)
Community Development	5,170,508	635,097		500,524	(4,034,887)
Building and Safety	470,200	702,542			232,342
Public Works	6,745,133	336,434	902,995	2,700,791	(2,804,913)
Public Safety	8,133,233	129,059	134,414		(7,869,760)
Fire Protection Services	2,841,475	149,643	425,429	22,255	(2,244,148)
Paramedic Services	1,064,232				(1,064,232)
Community Services	2,106,093	795,555	230,549	432,968	(647,021)
<b>Total Governmental Activities</b>	<b>\$ 29,589,895</b>	<b>\$ 3,146,047</b>	<b>\$ 1,743,410</b>	<b>\$ 3,671,538</b>	<b>(21,028,900)</b>

**General Revenues:**

**Taxes:**

Property Taxes	10,034,783
Sales and Use Taxes	3,178,195
Franchise Taxes	1,427,826
Documentary Transfer Tax	173,871
Other Taxes	18,253
Vehicle License Fees, Unrestricted	4,267,755
Investment Income	482,999
Miscellaneous	558,284

Total General Revenues 20,141,966

Change in Net Position (886,934)

Net Position - Beginning of Year 208,649,116

Prior Period Adjustments (3,350,916)

Net Position - End of Year \$ 204,411,266

The accompanying notes are an integral part of this statement.

**City of Yucaipa  
Balance Sheet  
Governmental Funds  
June 30, 2015**

		Special Revenue	Capital Projects	
	General	Fire	Traffic Facilities	Developer Fees Public Facilities
<b>ASSETS</b>				
Cash and Investments	\$ 32,195,085	\$ 8,784,463	\$ 4,064,987	\$ 1,152,399
Receivables:				
Accounts	816,839			
Interest	90,595	1,887	1,006	265
Due From Other Governments	3,587	115,756	501,299	
Due From Other Funds	785,617			
Prepaid Expenses	4,945			
Advances to Other Funds	11,313,445	2,523,014		
Total Assets	\$ 45,210,113	\$ 11,425,120	\$ 4,567,292	\$ 1,152,664
<b>LIABILITIES</b>				
Accounts Payable & Accrued Liabilities	\$ 693,073	\$ 31,381	\$ 103,783	\$ 96,884
Deposits Payable	907,430			
Due to Other Funds				
Advances From Other Funds			74,000	8,191,395
Total Liabilities	1,600,503	31,381	177,783	8,288,279
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues				
Total Deferred Inflows of Resources	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	11,318,390	2,523,014		
Restricted	985,914		4,389,509	
Committed	5,342,829	8,870,725		
Assigned	10,933,751			
Unassigned	15,028,726			(7,135,615)
Total Fund Balances	43,609,610	11,393,739	4,389,509	(7,135,615)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 45,210,113	\$ 11,425,120	\$ 4,567,292	\$ 1,152,664

The accompanying notes are an integral part of this statement.

<u>Capital Projects</u>			
<u>Developer Impact Fees Parks</u>	<u>Developer Fees Fire</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
\$ 295,797	\$ 291,780	\$ 11,331,045	\$ 58,115,556
			816,839
153	69	1,775	95,750
190,869		303,754	1,115,265
			785,617
			4,945
			<u>13,836,459</u>
<u>\$ 486,819</u>	<u>\$ 291,849</u>	<u>\$ 11,636,574</u>	<u>\$ 74,770,431</u>
\$ 19,298	\$	\$ 992,284	\$ 1,936,703
			907,430
		785,617	785,617
<u>2,548,050</u>	<u>2,523,014</u>	<u>500,000</u>	<u>13,836,459</u>
<u>2,567,348</u>	<u>2,523,014</u>	<u>2,277,901</u>	<u>17,466,209</u>
		<u>57,005</u>	<u>57,005</u>
-	-	<u>57,005</u>	<u>57,005</u>
			13,841,404
		11,143,265	16,518,688
			14,213,554
		36,079	10,969,830
<u>(2,080,529)</u>	<u>(2,231,165)</u>	<u>(1,877,676)</u>	<u>1,703,741</u>
<u>(2,080,529)</u>	<u>(2,231,165)</u>	<u>9,301,668</u>	<u>57,247,217</u>
<u>\$ 486,819</u>	<u>\$ 291,849</u>	<u>\$ 11,636,574</u>	<u>\$ 74,770,431</u>

The accompanying notes are an integral part of this statement.

**City of Yucaipa**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2015**

Fund balances of governmental funds \$ 57,247,217

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Cost of Capital Assets Not Being Depreciated	73,539,498
Cost of Capital Assets Being Depreciated	210,946,441
Accumulated Depreciation	(134,378,282)

Long-term debt obligations are not due and payable in the current period and, therefore, are not reported in the funds:

Compensated Absences	(264,275)
Net Pension Liability	(2,851,533)
Net OPEB Obligation	(433,377)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds:

Deferred Pension Contributions	553,517
Pension Actuarial Amounts - Outflows	47,707
Proportionate Share Contribution Differences	(29,105)
Pension Actuarial Amounts - Inflows	(958,247)

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. 934,700

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 57,005

Net position of governmental activities \$ 204,411,266

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, 2015**

	General	Special Revenue	Capital Projects	
		Fire	Traffic Facilities	Developer Fees Public Facilities
<b>REVENUES</b>				
Taxes:				
Property Taxes	\$ 5,893,836	\$	\$	\$
Property Taxes - Fire		3,087,352		
Sales and Use Taxes	3,178,195			
Franchise Taxes	1,343,848			
Documentary Transfer Tax	173,871			
Other Taxes	18,253			
Licenses and Permits	644,438			
Fines and Forfeitures	7,669			
Charges for Services	1,426,163	78,065	686,366	150,461
Intergovernmental	4,331,128	36,074	498,759	337,073
Investment Income	338,884	51,835	25,720	8,114
Other	318,555	57,417	62,283	10,010
<b>Total Revenues</b>	<b>17,674,840</b>	<b>3,310,743</b>	<b>1,273,128</b>	<b>505,658</b>
<b>EXPENDITURES</b>				
Current:				
General Government	2,440,120			
Community Development	662,301			
Building and Safety	470,200			
Public Works	2,168,624			
Public Safety	7,554,541			
Fire Protection Services		2,841,475		
Paramedic Services				
Community Services	1,328,893			
Capital Outlay	1,304,103	55,275	1,271,372	510,504
<b>Total Expenditures</b>	<b>15,928,782</b>	<b>2,896,750</b>	<b>1,271,372</b>	<b>510,504</b>
Excess (Deficiency) of Revenues over Expenditures	1,746,058	413,993	1,756	(4,846)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	237,621			
Transfers Out	(1,030,800)	(10,000)		
<b>Total Other Financing Sources (Uses)</b>	<b>(793,179)</b>	<b>(10,000)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>952,879</b>	<b>403,993</b>	<b>1,756</b>	<b>(4,846)</b>
Fund Balances, Beginning of Year	42,656,731	10,989,746	4,387,753	(7,130,769)
Fund Balances, End of Year	\$ 43,609,610	\$ 11,393,739	\$ 4,389,509	\$ (7,135,615)

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
\$	\$	\$ 1,053,595	\$ 6,947,431
			3,087,352
			3,178,195
		83,978	1,427,826
			173,871
			18,253
			644,438
		57,972	65,641
411,610	71,578	699,469	3,523,712
117,000		3,102,744	8,422,778
3,606	1,580	283,809	713,548
190,869		53,000	692,134
<u>723,085</u>	<u>73,158</u>	<u>5,334,567</u>	<u>28,895,179</u>
	4,124	130,098	2,574,342
			662,301
			470,200
		2,049,035	4,217,659
		15,831	7,570,372
			2,841,475
		1,064,232	1,064,232
		579,439	1,908,332
527,655		3,295,511	6,964,420
<u>527,655</u>	<u>4,124</u>	<u>7,134,146</u>	<u>28,273,333</u>
<u>195,430</u>	<u>69,034</u>	<u>(1,799,579)</u>	<u>621,846</u>
4,000		2,151,006	2,392,627
		(1,566,827)	(2,607,627)
<u>4,000</u>	<u>-</u>	<u>584,179</u>	<u>(215,000)</u>
199,430	69,034	(1,215,400)	406,846
<u>(2,279,959)</u>	<u>(2,300,199)</u>	<u>10,517,068</u>	<u>56,840,371</u>
<u>\$ (2,080,529)</u>	<u>\$ (2,231,165)</u>	<u>\$ 9,301,668</u>	<u>\$ 57,247,217</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, 2015**

Net change in fund balances - total governmental funds \$ 406,846

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	7,288,668
Depreciation	(8,369,071)

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. (35,042)

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. (192,219)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds. This is the net change in deferred inflows and outflows related to the net pension liability:

Deferred Pension Contributions	8,213
Pension Actuarial Amounts - Outflows	47,707
Proportionate Share Contribution Differences	(29,105)
Pension Actuarial Amounts - Inflows	(958,247)

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	(49,527)
Net Pension Liability	1,044,687
Net OPEB Obligation	(49,844)

Change in net position of governmental activities \$ (886,934)

The accompanying notes are an integral part of this statement.

**City of Yucaipa  
Statement of Net Position  
Proprietary Fund  
June 30, 2015**

	Governmental Activities - Internal Service Fund
<b>ASSETS</b>	
Current:	
Cash and Investments	\$ 1,019,933
Accounts Receivable	1,858
Interest Receivable	108
Grants Receivable	9,214
	1,031,113
Total Current Assets	
<b>LIABILITIES</b>	
Current:	
Accounts Payable	21,413
Accrued Liabilities	75,000
	96,413
Total Current Liabilities	
<b>NET POSITION</b>	
Unrestricted	934,700
Total Net Position	\$ 934,700

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, 2015**

	Governmental Activities - Internal Service Fund
<b>OPERATING REVENUES</b>	
Other Income	\$ 47,518
Total Operating Revenues	47,518
<b>OPERATING EXPENSES</b>	
Professional Services	14,790
Property and Liability Premiums	134,960
Claims Expense	152,540
Total Operating Expenses	302,290
Operating Income (Loss)	(254,772)
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Investment Earnings	4,730
Total Non-Operating Revenues (Expenses)	4,730
Income (Loss) before contributions and transfers	(250,042)
Transfers In	215,000
Change in Net Position	(35,042)
Total Net Position, Beginning of Year	969,742
Total Net Position, End of Year	\$ 934,700

The accompanying notes are an integral part of this statement.

**City of Yucaipa  
Statement of Cash Flows  
Proprietary Fund  
Year Ended June 30, 2015**

	<u>Governmental Activities - Internal Service Fund</u>
<b>Cash Flows from Operating Activities</b>	
Cash Paid to Suppliers for Goods and Service	\$ (134,276)
Cash Paid for Claims	(152,540)
Other Income	<u>36,446</u>
Net Cash Provided (Used) by Operating Activities	<u>(250,370)</u>
<b>Cash Flows from Non-Capital Financing Activities</b>	
Cash Transferred From (Paid To) Other Funds	<u>215,000</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>215,000</u>
<b>Cash Flows from Investing Activities</b>	
Interest on Investments	<u>4,769</u>
Net Cash Provided (Used) by Investing Activities	<u>4,769</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(30,601)
Cash and Cash Equivalents, Beginning of Year	<u>1,050,534</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,019,933</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>	
Operating income (loss)	\$ (254,772)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) Decrease in Accounts Receivable	(1,858)
(Increase) Decrease in Grants Receivable	(9,214)
Increase (Decrease) in Accounts Payable	<u>15,474</u>
<b>Net Cash Provided (Used) By Operating Activities</b>	<u><u>\$ (250,370)</u></u>

The accompanying notes are an integral part of this statement.

**City of Yucaipa  
Statement of Fiduciary Position  
Fiduciary Funds  
June 30, 2015**

	Successor Agency Private-Purpose Trust Fund	Agency Funds
<b>ASSETS</b>		
Cash and Investments	\$ 614,455	\$ 2,206,670
Cash and Investments with Fiscal Agent	767,961	2,268,258
Accounts Receivable		13,297
Interest Receivable	129	355
	<u>1,382,545</u>	<u>4,488,580</u>
Total Assets	<u>1,382,545</u>	<u>\$ 4,488,580</u>
<b>LIABILITIES</b>		
Accounts Payable	12,387	\$ 116,409
Deposits Payable		
Interest Payable	131,465	
Bonds Payable	7,841,466	
Due to Bondholders		4,372,171
Due to City	731,498	
	<u>8,716,816</u>	<u>\$ 4,488,580</u>
Total Liabilities	<u>8,716,816</u>	<u>\$ 4,488,580</u>
<b>NET POSITION</b>		
Net Position Held in Trust for Successor Agency	<u>\$ (7,334,271)</u>	

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, 2015**

	Successor Agency Private-Purpose Trust Fund
<b>ADDITIONS</b>	
Taxes	\$ 922,695
Investment Income	3,024
Other	
Total Additions	925,719
<b>DEDUCTIONS</b>	
Administration Costs	117,297
Project Improvement Costs	129,650
Interest Expense	396,301
Total Deductions	643,248
Change in Net Position	282,471
Net Position - Beginning	(7,616,742)
Net Position - Ending	\$ (7,334,271)

The accompanying notes are an integral part of this statement.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2015**

**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, 2015**

**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, 2015**

**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, 2015**

**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, 2015**

**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, 2015.

**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, 2015**

**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, 2015**

**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 has only one item that qualifies for reporting in this category. It is the deferred outflows related to the pension contributions in accordance with GASB Statement No. 68.

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 certain items, which arise 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. In addition, the City reports deferred inflows as a result of the City's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2015**

**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. 72

In February of 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement was issued to address accounting and financial reporting issues related to fair value measurements. This GASB Statement is required to be implemented in financial statements issued for the periods beginning after June 15, 2015. The City has elected not to early implement this statement and has not determined its effect on the financial statements.

Governmental Accounting Standards Board Statement No. 75

In June of 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement was issued to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. This GASB Statement is required to be implemented in financial statements issued for the periods beginning after June 15, 2017. The City has elected not to early implement this statement and has not determined its effect on the financial statements.

**Q) Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Yucaipa's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2015**

**2) CASH AND INVESTMENTS**

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

Statement of Net Position:	
Cash and Investments	\$ 59,135,489
Statement of Fiduciary Net Position:	
Cash and Investments	2,821,125
Cash and Investments with Fiscal Agents	<u>3,036,219</u>
 Total Cash and Investments	 <u>\$ 64,992,833</u>

Cash and Investments consist of the following:

Cash on Hand	\$ 700
Deposits with Financial Institutions	8,868,056
Investments	<u>56,124,077</u>
 Total Cash and Investments	 <u>\$ 64,992,833</u>

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.

<u>Authorized Investment Type</u>	<u>Authorized by Investment Policy</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment In One Issuer*</u>
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.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2015**

**2) CASH AND INVESTMENTS - Continued**

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
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.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2015**

**2) CASH AND INVESTMENTS - Continued**

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	\$ 15,323,459	\$ -	\$ 8,917,194	\$ 6,406,265
U.S. Agency Securities	4,428,472	1,001,387	1,856,016	1,571,069
Commercial Paper	-	-	-	-
Negotiable Certificates of Deposit	6,295,810	2,100,562	3,495,639	699,609
Medium Term Notes	9,202,523	-	4,233,747	4,968,776
Money Market Mutual Funds	30,192	30,192	-	-
State Investment Pool	17,807,568	17,807,568	-	-
Held by Bond Trustee:				
LAIF	54,102	54,102	-	-
Money Market Mutual Funds	2,981,951	2,981,951	-	-
<b>Total Pooled Investments</b>	<b>\$ 56,124,077</b>	<b>\$ 23,975,762</b>	<b>\$ 18,502,596</b>	<b>\$ 13,645,719</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.

Investment Type	Total	Minimum Legal Rating	AAA	AA	A and A-1	Not Required to be Rated
U.S. Treasury Obligations	\$ 15,323,459	N/A	\$ -	\$ -	\$ -	\$15,323,459
U.S. Agency Securities	4,428,472	N/A	4,428,472	-	-	-
Commercial Paper	-	A-	-	-	-	-
Negotiable Certificates of Deposit	6,295,810	A-	-	2,098,020	4,197,790	-
Medium Term Notes	9,202,523	A-	1,099,433	6,534,089	1,569,001	-
Money Market Mutual Funds	30,192	N/A	30,192	-	-	-
State Investment Pool	17,807,568	N/A	-	-	-	17,807,568
Held by Bond Trustee:						
LAIF	54,102		-	-	-	54,102
Money Market Mutual Funds	2,981,951	AAA	2,981,951	-	-	-
<b>Total Pooled Investments</b>	<b>\$ 56,124,077</b>		<b>\$ 8,540,048</b>	<b>\$ 8,632,109</b>	<b>\$ 5,766,791</b>	<b>\$33,185,129</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.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2015**

**2) CASH AND INVESTMENTS - Continued**

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, 2015, 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.

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, 2015, 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.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2015**

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

Interfund receivables and payables at June 30, 2015 are as follows:

<u>Due From (Receivable)</u>	<u>Due To (Payable)</u>	<u>Amount</u>
General Fund	Non-major Governmental Funds	\$ 785,617
Total		<u>\$ 785,617</u>

The interfund balance from the General Fund was the result of short-term borrowings to cover deficit cash balances at June 30, 2015 as well as for cash flow to cover operations.

Interfund advances at June 30, 2015 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	2,548,050
	Non-major Governmental Funds	500,000
Fire Special Revenue Fund	Developer Fees Fire	<u>2,523,014</u>
Total Advances To/From Other Funds		<u>\$ 13,836,459</u>

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.

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2015**

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

Interfund transfers at June 30, 2015 are as follows:

<u>Transfers In (Receiving Fund)</u>	<u>Transfer Out (Paying Fund)</u>	<u>Amount</u>
Developer Impact Fees Parks	General Fund	\$ 4,000
Nonmajor Governmental Funds	General Fund	811,800
Internal Service Fund	General Fund	<u>215,000</u>
		<u>1,030,800</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>1,339,206</u>
General Fund	Fire Special Revenue Fund	10,000
	Nonmajor Governmental Funds	<u>227,621</u>
		<u>237,621</u>
Total Interfund Transfers		<u><u>\$ 2,607,627</u></u>

The transfer from the General Fund to the Developer Impact Fees Parks, Non-major Governmental and Self-Insurance Internal Service Funds were to fund various park and 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 Fire Special Revenue and the Non-major Governmental Funds to the General Fund were to fund a vehicle purchase and the repayment of PACE Assessment Contracts.

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, 2015**

**4) CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Buildings and Improvements	\$ 15,201,163	\$ 55,267	\$ -	\$ 15,256,430
Equipment	1,153,403	148,911	-	1,302,314
Vehicles	2,358,188	76,130	-	2,434,318
Infrastructure	<u>180,910,092</u>	<u>12,974,555</u>	<u>(1,931,268)</u>	<u>191,953,379</u>
Total Cost of Depreciable Capital Assets	<u>199,622,846</u>	<u>13,254,863</u>	<u>(1,931,268)</u>	<u>210,946,441</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(8,047,390)	(396,514)	-	(8,443,904)
Equipment	(889,254)	(113,458)	-	(1,002,712)
Vehicles	(1,688,776)	(124,985)	-	(1,813,761)
Infrastructure	<u>(117,315,059)</u>	<u>(7,734,114)</u>	<u>1,931,268</u>	<u>(123,117,905)</u>
Total Accumulated Depreciation	<u>(127,940,479)</u>	<u>(8,369,071)</u>	<u>1,931,268</u>	<u>(134,378,282)</u>
Net Depreciable Assets	<u>71,682,367</u>	<u>4,885,792</u>	<u>-</u>	<u>76,568,159</u>
Capital Assets, Not Depreciated:				
Land	3,522,613	1,150,967	-	4,673,580
Rights of Way	57,369,923	-	-	57,369,923
Construction in Progress	<u>18,613,157</u>	<u>3,572,375</u>	<u>(10,689,537)</u>	<u>11,495,995</u>
Total Capital Assets Not Depreciated, Net	<u>79,505,693</u>	<u>4,723,342</u>	<u>(10,689,537)</u>	<u>73,539,498</u>
Total Capital Assets, Net	<u>\$151,188,060</u>	<u>\$ 9,609,134</u>	<u>\$(10,689,537)</u>	<u>\$150,107,657</u>

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

General Government	\$ 258,538
Public Safety	585,547
Public Works	2,629,344
Community Development	4,689,911
Community Services	<u>205,731</u>
Total Depreciation Expense	<u>\$ 8,369,071</u>

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2015**

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

Long-term liability activity for the year ended June 30, 2015 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
<b>Governmental Activities:</b>						
Net OPEB Obligation	\$ 383,533	\$ 66,000	\$ (16,156)	\$ 433,377	\$ -	\$ 433,377
Net Pension Liability	-	3,896,220	(1,044,687)	2,851,533	-	2,851,533
Compensated Absences	214,748	85,700	(36,173)	264,275	35,968	228,307
<b>Total Long-term Liabilities</b>	<b>\$ 598,281</b>	<b>\$ 4,047,920</b>	<b>\$ (1,097,016)</b>	<b>\$ 3,549,185</b>	<b>\$ 35,968</b>	<b>\$ 3,513,217</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, 2015 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 2014-15 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	\$ 450,000	\$ -	\$ (20,000)	\$ 430,000	\$ 20,000	\$ 410,000
2004 Tax Allocation Bonds	1,815,000	-	(40,000)	1,775,000	45,000	1,730,000
2010 Tax Allocation Bonds	5,710,000	-	(95,000)	5,615,000	95,000	5,520,000
Unamortized Premium on 2010 Bonds	22,291	-	(825)	21,466	825	20,641
<b>Total Fiduciary Funds Long-term Liabilities</b>	<b>\$ 7,997,291</b>	<b>\$ -</b>	<b>\$ (155,825)</b>	<b>\$ 7,841,466</b>	<b>160,825</b>	<b>\$ 7,680,641</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, 2015 was \$430,000.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2015**

**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, 2015, the amount held in the reserve account was \$54,102.

**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, 2015 was \$1,775,000.

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, 2015, 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, 2015 was \$5,615,000.

Per the bond covenants, the Agency is required to maintain a reserve account in an amount equal to \$522,580. At June 30, 2015, the amount held in the reserve account was \$522,601.

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2015**

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

The annual requirements to amortize outstanding Tax Allocation Bonds at June 30, 2015 are as follows:

Year Ending June 30,	Tax Allocation Bonds	
	Principal	Interest
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
2024	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>\$ 7,820,000</u>	<u>\$ 6,503,823</u>

**7) PENSION PLAN**

**General Information about the Defined Benefit Pension Plans**

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous and Safety Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – The Plans are cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2013 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2013 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2015**

**7) PENSION PLAN - Continued**

The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	Miscellaneous PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	2%	2%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	12.330%	6.25%

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous
Contributions - employer	\$ 232,705
Contributions - employee (paid by employer)	207,557

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of \$2,851,533.

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2015**

**7) PENSION PLAN - Continued**

The City's proportionate share of the net pension liability as of June 30, 2013 and 2014 was as follows:

	Miscellaneous
Proportion - June 30, 2013	0.11891%
Proportion - June 30, 2014	0.11538%
Change - Increase (Decrease)	-0.0035%

For the year ended June 30, 2015, the City recognized pension expense of \$440,262. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 553,517	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	47,707	29,105
Net differences between projected and actual earnings on plan investments	-	958,247
	\$ 601,224	\$ 987,352
Total		

\$553,517 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,		
2016	\$	(234,666)
2017		(234,666)
2018		(234,666)
2019		(235,647)
2020		-
Thereafter		-

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2015**

**7) PENSION PLAN - Continued**

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation date	June 30, 2013
Measurement date	June 30, 2014
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.50%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.50% (2)
Mortality	(3)

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) Derived using CalPERS' Membership Data for all Funds.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2015**

**7) PENSION PLAN - Continued**

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.50%	5.13%
Infrastructure and Forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

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

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

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2015**

**7) PENSION PLAN - Continued**

		Miscellaneous
1% Decrease		6.50%
Net Pension Liability	\$	5,080,550
Current Discount Rate		7.50%
Net Pension Liability	\$	2,851,533
1% Increase		8.50%
Net Pension Liability	\$	1,001,661

**Pension Plan Fiduciary Net Position** – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the Pension Plan**

At June 30, 2015, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

**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. DHP selects optional benefit provisions from the benefit menu by contract with PERS Health and adopts those benefits through City resolution. The DHP 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 \$122 per employee per month.

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2015**

**8) OTHER POST EMPLOYMENT BENEFITS**

**Annual OPEB Cost**

For 2015, 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		19,177
Adjustment to annual required contribution		(24,930)
Annual OPEB cost (expense)		66,000
Contributions made		(16,156)
Increase in net OPEB obligation		49,844
Net OPEB obligation – beginning of the year		383,533
Net OPEB obligation – end of the year	\$	433,377

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, 2015 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
6/30/15	\$ 49,844	32%	\$ 433,377
6/30/14	\$ 66,820	18%	\$ 383,533
6/30/13	\$ 84,518	13%	\$ 328,893

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

**Funded Status and Funding Progress**

As of July 1, 2015, the actuarial valuation accrued liability for benefits was \$800,515, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$3,081,312 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.

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2015**

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

**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 UAAL is being amortized as a level dollar amount on an open basis. The remaining amortization period at June 30, 2015 was 30 years.

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

Valuation Date	July 1, 2015
Retirement Age	60
Discount Rate	0.04
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	0.5

**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.

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2015**

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

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
6/30/13	\$ 75,000	\$ 102,474	\$ (102,474)	\$ 75,000
6/30/14	75,000	54,457	(54,457)	75,000
6/30/15	75,000	131,546	(131,546)	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, 2015, 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.

**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.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2015**

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

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, 2015 is \$23,640,000.

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.

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.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2015**

**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, 2015**

**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, 2015, 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	\$ 11,313,445	\$ 2,523,014	\$	\$
Prepaid Expenses	4,945			
Restricted for:				
Capital Projects			4,389,509	
Public Works/Street Projects				
Public Safety	180,646			
LLMD				
Community Services/Public Education	11,750			
Bond Funding Agreements	793,518			
Committed to:				
Emergency Contingency	3,246,884			
Economic Stabilization Contingency	1,000,000			
Redevelopment Projects	536,755			
OPEB	559,190			
Fire Protection		8,870,725		
Assigned to:				
Capital Projects	5,356,570			
Solid Waste Disposal	733,595			
Continuing Appropriations	2,033,206			
Economic Development Initiative	1,000,000			
Other Purposes	1,810,380			
Unassigned	<u>15,028,726</u>			<u>(7,135,615)</u>
Total Fund Balance (Deficit)	<u>\$ 43,609,610</u>	<u>\$ 11,393,739</u>	<u>\$ 4,389,509</u>	<u>\$ (7,135,615)</u>

**City of Yucaipa  
Notes to Financial Statements  
Year Ended June 30, 2015**

**13) FUND BALANCE – Continued**

Developer Impact Fees Park Fund	Developer Fees Fire Fund	Non-Major Governmental Funds	Total
\$	\$	\$	\$ 13,836,459
			4,945
		324,229	4,713,738
		5,303,290	5,303,290
		2,974,836	3,155,482
		1,787,634	1,787,634
		753,276	765,026
			793,518
			3,246,884
			1,000,000
			536,755
			559,190
			8,870,725
		36,079	5,392,649
			733,595
			2,033,206
			1,000,000
			1,810,380
<u>(2,080,529)</u>	<u>(2,231,165)</u>	<u>(1,877,676)</u>	<u>1,703,741</u>
<u>\$ (2,080,529)</u>	<u>\$ (2,231,165)</u>	<u>\$ 9,301,668</u>	<u>\$ 57,247,217</u>

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2015**

**14) ACCUMULATED FUND DEFICITS**

At June 30, 2015 the following funds had deficit fund balances:

Major Funds - Capital Projects:	
Developer Impact Fees Public Facilities Fund	\$ (7,135,615)
Developer Impact Fees Parks Fund	(2,080,529)
Developer Fees Fire Fund	(2,231,165)
Non-major Funds	
State Gas Tax Fund	(92,640)
CDBG Capital	(91,877)
Developer Fees Drainage	(1,021,015)
Facilities Construction Fund	(672,144)

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 \$7,135,615 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 \$2,080,529 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 \$2,231,165 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 Drainage Fund Fund - The deficit fund balance of \$1,021,015 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.

Facilities Construction Fund - The deficit fund balance of \$672,144 is the result of accumulated expenditures in excess of revenues, funded by the General Fund and other Development Impact Fee Funds. The deficit fund balance will be offset by future development impact fee revenues, as they are collected.

**City of Yucaipa**  
**Notes to Financial Statements**  
**Year Ended June 30, 2015**

**16) RESTATEMENT OF NET POSITION**

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2014-15. As a result, the beginning net position in the Statement of Activities – Governmental Activities was restated by \$3,350,916 to reflect the cumulative effect of applying this statement.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property Taxes	\$ 5,578,000	\$ 5,783,000	\$ 5,893,836	\$ 110,836
Sales and Use Taxes	2,892,403	3,023,560	3,178,195	154,635
Franchise Taxes	1,302,200	1,302,200	1,343,848	41,648
Documentary Transfer Tax	120,000	120,000	173,871	53,871
Other Taxes	16,400	16,400	18,253	1,853
Licenses and Permits	409,452	529,452	644,438	114,986
Fines and Forfeitures	25,500	25,500	7,669	(17,831)
Charges for Services	1,278,886	1,356,886	1,426,163	69,277
Intergovernmental	3,895,205	4,289,333	4,331,128	41,795
Investment Income	150,000	150,000	338,884	188,884
Other	80,500	80,500	318,555	238,055
<b>Total Revenues</b>	<b>15,748,546</b>	<b>16,676,831</b>	<b>17,674,840</b>	<b>998,009</b>
<b>EXPENDITURES</b>				
Current:				
General Government:				
City Manager	810,062	820,096	701,671	118,425
City Council	91,845	91,845	91,716	129
General Services/City Clerk	730,456	754,060	669,134	84,926
Administrative Services	1,072,532	1,194,890	710,535	484,355
Non-departmental	495,950	642,450	267,064	375,386
Community Development	776,447	804,171	662,301	141,870
Building and Safety	271,625	471,625	470,200	1,425
Public Works	2,332,474	2,407,855	2,168,624	239,231
Public Safety:				
Police Services	7,610,538	7,610,538	7,554,541	55,997
Community Services	1,411,632	1,424,892	1,328,893	95,999
Capital Outlay	1,065,800	1,077,400	1,304,103	(226,703)
<b>Total Expenditures</b>	<b>16,669,361</b>	<b>17,299,822</b>	<b>15,928,782</b>	<b>1,371,040</b>
Excess (Deficiency) of Revenues over Expenditures	(920,815)	(622,991)	1,746,058	2,369,049
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	975,291	975,291	237,621	(737,670)
Transfers Out		(96,500)	(1,030,800)	(934,300)
<b>Total Other Financing Sources (Uses)</b>	<b>975,291</b>	<b>878,791</b>	<b>(793,179)</b>	<b>(1,671,970)</b>
Net Change in Fund Balances	54,476	255,800	952,879	697,079
Fund Balances, Beginning of Year	42,656,731	42,656,731	42,656,731	-
Fund Balances, End of Year	<b>\$ 42,711,207</b>	<b>\$ 42,912,531</b>	<b>\$ 43,609,610</b>	<b>\$ 697,079</b>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Fire Special Revenue Fund**  
**Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes - Fire	\$ 2,966,335	\$ 3,044,335	\$ 3,087,352	\$ 43,017
Charges for Services	45,000	45,000	78,065	33,065
Intergovernmental			36,074	36,074
Investment Income			51,835	51,835
Other	39,634	39,634	57,417	17,783
Total Revenues	<u>3,050,969</u>	<u>3,128,969</u>	<u>3,310,743</u>	<u>181,774</u>
<b>EXPENDITURES</b>				
Current:				
Fire Protection Services	3,002,369	3,002,369	2,841,475	160,894
Capital Outlay	48,200	48,200	55,275	(7,075)
Total Expenditures	<u>3,050,569</u>	<u>3,050,569</u>	<u>2,896,750</u>	<u>153,819</u>
Excess (Deficiency) of Revenues over Expenditures	<u>400</u>	<u>78,400</u>	<u>413,993</u>	<u>335,593</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out			(10,000)	(10,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
Net Change in Fund Balances	400	78,400	403,993	325,593
Fund Balances, Beginning of Year	10,989,746	10,989,746	10,989,746	-
Fund Balances, End of Year	<u>\$ 10,990,146</u>	<u>\$ 11,068,146</u>	<u>\$ 11,393,739</u>	<u>\$ 325,593</u>

**City of Yucaipa  
Required Supplementary Information  
Year Ended June 30, 2015**

SCHEDULE OF FUNDING PROGRESS FOR DPHP

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]
07/01/15	\$ -	\$ 800,515	\$ 800,515	0%	\$ 3,081,312	19%
07/01/12	\$ -	\$ 559,190	\$ 559,190	0%	\$ 2,928,421	19%
06/30/09	\$ -	\$ 468,320	\$ 468,320	0%	\$ 2,961,445	16%

**City of Yucaipa  
Required Supplementary Information  
Year Ended June 30, 2015**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
Last 10 Years\***

		Miscellaneous Risk Pool 2015
Proportion of the Net Pension Liability		0.04583%
Proportionate Share of Net Pension Liability	\$	2,851,533
Covered - Employee Payroll	\$	2,841,060
Proportionate Share of the Net Pension Liability as a percentage of Payroll		100.37%
Plan's Fiduciary Net Position	\$	13,950,602
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		83.03%

\*Fiscal year 2015 is the first year of implementation, therefore only one year of information is available.

**Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability**

**Benefit Changes:** None

**Changes in Assumptions:** None

**City of Yucaipa  
Required Supplementary Information  
Year Ended June 30, 2015**

**SCHEDULE OF PLAN CONTRIBUTIONS  
Last 10 Years\***

		2015
Contractually Required Contributions (actuarially determined)	\$	320,281
Contributions in Relation to the Actuarially Determined Contributions		(320,281)
Contribution Deficiency (Excess)	\$	-
Covered-Employee Payroll	\$	2,841,060
Contributions as a Percentage of Covered Employee Payroll		11.27%

**Notes to the Schedule of Plan Contributions**

Valuation Date: 6/30/2013

\*Fiscal year 2015 is the first year of implementation, therefore only one year of information is available.

**City of Yucaipa**  
**Notes to Required Supplementary Information**  
**Year Ended June 30, 2015**

**1. Budgetary Control and Accounting**

The City Council approves each year's budget submitted by the City Manager and Assistant City Manager 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 Facilities Construction 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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 223,791	\$ 223,791	\$ 686,366	\$ 462,575
Intergovernmental			498,759	498,759
Investment Income			25,720	25,720
Total Revenues	<u>223,791</u>	<u>223,791</u>	<u>1,273,128</u>	<u>1,049,337</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>1,267,739</u>	<u>1,267,739</u>	<u>1,271,372</u>	<u>(3,633)</u>
Total Expenditures	<u>1,267,739</u>	<u>1,267,739</u>	<u>1,271,372</u>	<u>(3,633)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,043,948)</u>	<u>(1,043,948)</u>	<u>1,756</u>	<u>1,045,704</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	(1,043,948)	(1,043,948)	1,756	1,045,704
Fund Balance (Deficit), Beginning of Year	<u>4,387,753</u>	<u>4,387,753</u>	<u>4,387,753</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 3,343,805</u>	<u>\$ 3,343,805</u>	<u>\$ 4,389,509</u>	<u>\$ 1,045,704</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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 43,507	\$ 43,507	\$ 150,461	\$ 106,954
Intergovernmental			337,073	337,073
Investment Income			8,114	8,114
Other			10,010	10,010
Total Revenues	<u>43,507</u>	<u>43,507</u>	<u>505,658</u>	<u>462,151</u>
<b>EXPENDITURES</b>				
Current:				
Public Works				-
Capital Outlay	<u>263,307</u>	<u>263,307</u>	<u>510,504</u>	<u>(247,197)</u>
Total Expenditures	<u>263,307</u>	<u>263,307</u>	<u>510,504</u>	<u>(247,197)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(219,800)</u>	<u>(219,800)</u>	<u>(4,846)</u>	<u>214,954</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	(219,800)	(219,800)	(4,846)	214,954
Fund Balance (Deficit), Beginning of Year	<u>(7,130,769)</u>	<u>(7,130,769)</u>	<u>(7,130,769)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (7,350,569)</u>	<u>\$ (7,350,569)</u>	<u>\$ (7,135,615)</u>	<u>\$ 214,954</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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges For Services	\$ 51,184	\$ 51,184	\$ 411,610	\$ 360,426
Intergovernmental			117,000	117,000
Investment Income			3,606	3,606
Other			190,869	190,869
Total Revenues	<u>51,184</u>	<u>51,184</u>	<u>723,085</u>	<u>671,901</u>
<b>EXPENDITURES</b>				
Current:				
General Government				-
Capital Outlay	235,769	235,769	527,655	(291,886)
Total Expenditures	<u>235,769</u>	<u>235,769</u>	<u>527,655</u>	<u>(291,886)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(184,585)</u>	<u>(184,585)</u>	<u>195,430</u>	<u>380,015</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			4,000	4,000
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>
Net Change in Fund Balances	(184,585)	(184,585)	199,430	384,015
Fund Balances (Deficit), Beginning of Year	<u>(2,279,959)</u>	<u>(2,279,959)</u>	<u>(2,279,959)</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u><u>\$ (2,464,544)</u></u>	<u><u>\$ (2,464,544)</u></u>	<u><u>\$ (2,080,529)</u></u>	<u><u>\$ 384,015</u></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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 20,610	\$ 20,610	\$ 71,578	\$ 50,968
Investment Income			1,580	1,580
Other				-
Total Revenues	<u>20,610</u>	<u>20,610</u>	<u>73,158</u>	<u>52,548</u>
<b>EXPENDITURES</b>				
Current:				
General Government	20,859	20,859	4,124	16,735
Capital Outlay				-
Total Expenditures	<u>20,859</u>	<u>20,859</u>	<u>4,124</u>	<u>16,735</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(249)</u>	<u>(249)</u>	<u>69,034</u>	<u>69,283</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	(249)	(249)	69,034	69,283
Fund Balance (Deficit), Beginning of Year	<u>(2,300,199)</u>	<u>(2,300,199)</u>	<u>(2,300,199)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (2,300,448)</u>	<u>\$ (2,300,448)</u>	<u>\$ (2,231,165)</u>	<u>\$ 69,283</u>

**NON-MAJOR GOVERNMENTAL FUNDS**

**City of Yucaipa  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2015**

	Special Revenue			
	Miscellaneous Special Revenue	State Gas Tax	Measure I Maintenance	Energy Independence Program
<b>ASSETS</b>				
Cash and Investments	\$ 1,509,529	\$	\$ 812,789	\$
Receivables:				
Interest	301	109	364	
Due From Other Governments	9,776	4,531	130,474	2,760
Total Assets	<u>\$ 1,519,606</u>	<u>\$ 4,640</u>	<u>\$ 943,627</u>	<u>\$ 2,760</u>
<b>LIABILITIES</b>				
Accounts Payable & Accrued Liabilities	\$ 46,669	\$ 72,339	\$	\$
Due to Other Funds		24,941		
Advances From Other Funds				
Total Liabilities	<u>46,669</u>	<u>97,280</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted	1,472,937		943,627	2,760
Assigned				
Unassigned		(92,640)		
Total Fund Balances	<u>1,472,937</u>	<u>(92,640)</u>	<u>943,627</u>	<u>2,760</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,519,606</u>	<u>\$ 4,640</u>	<u>\$ 943,627</u>	<u>\$ 2,760</u>

State COPs Grant	Office of Traffic and Safety	Special Revenue				Capital Projects
		LLMD	Housing Authority	Paramedic	PEG Video	Miscellaneous Capital Projects
\$ 272,352	\$ 107,318	\$ 1,817,771	\$	\$ 1,356,214	\$ 499,336	115,752
56		2,563		290	106	18
				10,053	21,540	
<u>\$ 272,408</u>	<u>\$ 107,318</u>	<u>\$ 1,820,334</u>	<u>\$ -</u>	<u>\$ 1,366,557</u>	<u>\$ 520,982</u>	<u>\$ 115,770</u>
\$	\$	\$ 32,700	\$	\$ 14,850	\$	\$ 93
-	-	32,700	-	14,850	-	93
-	-	-	-	-	-	-
272,408	107,318	1,787,634		1,351,707	520,982	115,677
<u>272,408</u>	<u>107,318</u>	<u>1,787,634</u>	<u>-</u>	<u>1,351,707</u>	<u>520,982</u>	<u>115,677</u>
<u>\$ 272,408</u>	<u>\$ 107,318</u>	<u>\$ 1,820,334</u>	<u>\$ -</u>	<u>\$ 1,366,557</u>	<u>\$ 520,982</u>	<u>\$ 115,770</u>

Continued

**City of Yucaipa  
Combining Balance Sheet  
Non-Major Governmental Funds (Continued)  
June 30, 2015**

	Capital Projects			
	CDBG Capital	Developer Fees Drainage	Air Quality Improvement	Low Water Crossings
<b>ASSETS</b>				
Cash and Investments	\$	\$	\$ 178,981	\$ 74,152
Receivables:				
Interest			39	
Due From Other Governments	3,444	1	17,142	101,470
Total Assets	<u>\$ 3,444</u>	<u>\$ 1</u>	<u>\$ 196,162</u>	<u>\$ 175,622</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 4,355	\$ 512,889	\$ 425	\$ 82,539
Due to Other Funds	90,966	8,126		
Advances From Other Funds		500,000		
Total Liabilities	<u>95,321</u>	<u>1,021,015</u>	<u>425</u>	<u>82,539</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues		1		57,004
Total Deferred Inflows of Resources	<u>-</u>	<u>1</u>	<u>-</u>	<u>57,004</u>
<b>FUND BALANCES</b>				
Restricted			195,737	
Assigned				36,079
Unassigned	(91,877)	(1,021,015)		
Total Fund Balances	<u>(91,877)</u>	<u>(1,021,015)</u>	<u>195,737</u>	<u>36,079</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,444</u>	<u>\$ 1</u>	<u>\$ 196,162</u>	<u>\$ 175,622</u>

Capital Projects				
Pool Capital Replacement	Street Maintenance	I-10 Specific Plan	Facilities Construction	Total Nonmajor Governmental Funds
\$ 12,815	\$ 4,229,944	\$ 344,092	\$	\$ 11,331,045
	437	55		1,775
				303,754
<u>\$ 12,815</u>	<u>\$ 4,230,381</u>	<u>\$ 344,147</u>	<u>\$ -</u>	<u>\$ 11,636,574</u>
\$	\$ 162,623	\$ 52,242	\$ 10,560 661,584	\$ 992,284 785,617 500,000
-	162,623	52,242	672,144	2,277,901
				57,005
-	-	-	-	57,005
12,815	4,067,758	291,905		11,143,265 36,079
			(672,144)	(1,877,676)
12,815	4,067,758	291,905	(672,144)	9,301,668
<u>\$ 12,815</u>	<u>\$ 4,230,381</u>	<u>\$ 344,147</u>	<u>\$ -</u>	<u>\$ 11,636,574</u>

**City of Yucaipa**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2015**

	Special Revenue			
	Miscellaneous Special Revenue	State Gas Tax	Measure I Maintenance	Energy Independence Program
<b>REVENUES</b>				
Taxes:				
Property Taxes	\$	\$	\$	\$
Franchise Taxes				
Fines & Forfeitures	57,972			
Charges for Services	84,459			
Intergovernmental	31,895	1,325,820	837,666	
Investment Income	8,084	1,408	7,560	230,549
Other	36,056	9,027		
	<u>218,466</u>	<u>1,336,255</u>	<u>845,226</u>	<u>230,549</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current:				
General Government	104,468		17,030	168
Public Works	30,723	870,764		
Public Safety				
Paramedic Services				
Community Services				
Capital Outlay	17,524	16,416		
	<u>152,715</u>	<u>887,180</u>	<u>17,030</u>	<u>168</u>
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures	<u>65,751</u>	<u>449,075</u>	<u>828,196</u>	<u>230,381</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
Transfers Out		(501,540)	(837,666)	(227,621)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(501,540)</u>	<u>(837,666)</u>	<u>(227,621)</u>
Net Change in Fund Balances	65,751	(52,465)	(9,470)	2,760
Fund Balances (Deficit), Beginning of Year	<u>1,407,186</u>	<u>(40,175)</u>	<u>953,097</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u>\$ 1,472,937</u>	<u>\$ (92,640)</u>	<u>\$ 943,627</u>	<u>\$ 2,760</u>

Special Revenue						Capital Projects
State COPs Grant	Office of Traffic and Safety	LLMD	Housing Authority	Paramedic	PEG Video	Miscellaneous Capital Projects
\$	\$	\$	\$	\$ 1,053,595	\$	\$
					83,978	
106,251	2,720	475,354				
1,349	9,759			8,430	2,676	4,372
	546					
<u>107,600</u>	<u>13,025</u>	<u>475,354</u>	<u>-</u>	<u>1,062,025</u>	<u>86,654</u>	<u>4,372</u>
						1,675
15,831		451,633				
				1,064,232		
<u>19,660</u>						
<u>35,491</u>	<u>-</u>	<u>451,633</u>	<u>-</u>	<u>1,064,232</u>	<u>-</u>	<u>1,675</u>
<u>72,109</u>	<u>13,025</u>	<u>23,721</u>	<u>-</u>	<u>(2,207)</u>	<u>86,654</u>	<u>2,697</u>
		1,540				
<u>-</u>	<u>-</u>	<u>1,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
72,109	13,025	25,261	-	(2,207)	86,654	2,697
<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>\$ 272,408</u>	<u>\$ 107,318</u>	<u>\$ 1,787,634</u>	<u>\$ -</u>	<u>\$ 1,351,707</u>	<u>\$ 520,982</u>	<u>\$ 115,677</u>

Continued

**City of Yucaipa**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds (Continued)**  
**Year Ended June 30, 2015**

	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		136,936		
Intergovernmental	146,569	28,469	227,377	61,541
Investment Income		700	1,351	
Other				
Total Revenues	<u>146,569</u>	<u>166,105</u>	<u>228,728</u>	<u>61,541</u>
<b>EXPENDITURES</b>				
Current:				
General Government			6,757	
Public Works	218,871			6,276
Public Safety				
Paramedic Services				
Community Services				
Capital Outlay		878,914	217,754	346,354
Total Expenditures	<u>218,871</u>	<u>878,914</u>	<u>224,511</u>	<u>352,630</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(72,302)</u>	<u>(712,809)</u>	<u>4,217</u>	<u>(291,089)</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	(72,302)	(712,809)	4,217	(291,089)
Fund Balances (Deficit), Beginning of Year	<u>(19,575)</u>	<u>(308,206)</u>	<u>191,520</u>	<u>327,168</u>
Fund Balances (Deficit), End of Year	<u>\$ (91,877)</u>	<u>\$ (1,021,015)</u>	<u>\$ 195,737</u>	<u>\$ 36,079</u>

Capital Projects				
Pool Capital Replacement	Street Maintenance	I-10 Specific Plan	Facilities Construction	Total Nonmajor Governmental Funds
\$	\$	\$	\$	\$ 1,053,595
				83,978
				57,972
				699,469
	11,429		315,968	3,102,744
	14,210	2,574		283,809
	7,917			53,000
-	33,556	2,574	315,968	5,334,567
				130,098
		470,768		2,049,035
				15,831
				1,064,232
			579,439	579,439
	1,483,843		315,046	3,295,511
-	1,483,843	470,768	894,485	7,134,146
-	(1,450,287)	(468,194)	(578,517)	(1,799,579)
	2,104,466	45,000		2,151,006
				(1,566,827)
-	2,104,466	45,000	-	584,179
-	654,179	(423,194)	(578,517)	(1,215,400)
12,815	3,413,579	715,099	(93,627)	10,517,068
\$ 12,815	\$ 4,067,758	\$ 291,905	\$ (672,144)	\$ 9,301,668

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Miscellaneous Special Revenue Fund**  
**Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$	\$	\$	\$ -
Fines and Forfeits	60,000	60,000	57,972	(2,028)
Charges for Services	68,420	68,420	84,459	16,039
Intergovernmental	12,000	12,000	31,895	19,895
Investment Income			8,084	8,084
Other	26,000	26,000	36,056	10,056
	<u>166,420</u>	<u>166,420</u>	<u>218,466</u>	<u>52,046</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current:				
General Government	78,920	78,920	104,468	(25,548)
Community Development				-
Public Works	31,000	31,000	30,723	277
Public Safety				-
Capital Outlay			17,524	(17,524)
	<u>109,920</u>	<u>109,920</u>	<u>152,715</u>	<u>(42,795)</u>
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures	<u>56,500</u>	<u>56,500</u>	<u>65,751</u>	<u>9,251</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				-
Transfers Out	(16,500)	(16,500)		16,500
	<u>(16,500)</u>	<u>(16,500)</u>	<u>-</u>	<u>16,500</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	40,000	40,000	65,751	25,751
Fund Balance (Deficit), Beginning of Year	<u>1,407,186</u>	<u>1,407,186</u>	<u>1,407,186</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,447,186</u>	<u>\$ 1,447,186</u>	<u>\$ 1,472,937</u>	<u>\$ 25,751</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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,527,500	\$ 1,527,500	\$ 1,325,820	\$ (201,680)
Investment Income	1,000	1,000	1,408	408
Other			9,027	9,027
Total Revenues	<u>1,528,500</u>	<u>1,528,500</u>	<u>1,336,255</u>	<u>(192,245)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	981,794	989,253	870,764	118,489
Capital Outlay	35,000	35,000	16,416	18,584
Total Expenditures	<u>1,016,794</u>	<u>1,024,253</u>	<u>887,180</u>	<u>137,073</u>
Excess (Deficiency) of Revenues over Expenditures	<u>511,706</u>	<u>504,247</u>	<u>449,075</u>	<u>(55,172)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(501,540)</u>	<u>(1,540)</u>
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(501,540)</u>	<u>(1,540)</u>
Net Change in Fund Balance	11,706	4,247	(52,465)	(56,712)
Fund Balance (Deficit), Beginning of Year	<u>(40,175)</u>	<u>(40,175)</u>	<u>(40,175)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u><u>\$ (28,469)</u></u>	<u><u>\$ (35,928)</u></u>	<u><u>\$ (92,640)</u></u>	<u><u>\$ (56,712)</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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 700,000	\$ 700,000	\$ 837,666	\$ 137,666
Investment Income	100	100	7,560	7,460
Total Revenues	<u>700,100</u>	<u>700,100</u>	<u>845,226</u>	<u>145,126</u>
<b>EXPENDITURES</b>				
Current:				
General Government			17,030	(17,030)
Capital Outlay				-
Total Expenditures	<u>-</u>	<u>-</u>	<u>17,030</u>	<u>(17,030)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>700,100</u>	<u>700,100</u>	<u>828,196</u>	<u>128,096</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(700,000)</u>	<u>(700,000)</u>	<u>(837,666)</u>	<u>(137,666)</u>
Total Other Financing Sources (Uses)	<u>(700,000)</u>	<u>(700,000)</u>	<u>(837,666)</u>	<u>(137,666)</u>
Net Change in Fund Balance	100	100	(9,470)	(9,570)
Fund Balance (Deficit), Beginning of Year	<u>953,097</u>	<u>953,097</u>	<u>953,097</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 953,197</u>	<u>\$ 953,197</u>	<u>\$ 943,627</u>	<u>\$ (9,570)</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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$	\$	\$	\$ -
Investment Income			230,549	230,549
Other Income	145,635	145,635		(145,635)
Total Revenues	145,635	145,635	230,549	84,914
<b>EXPENDITURES</b>				
Current:				
General Government			168	(168)
Capital Outlay			-	-
Total Expenditures	-	-	168	(168)
Excess (Deficiency) of Revenues over Expenditures	145,635	145,635	230,381	84,746
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	(145,635)	(145,635)	(227,621)	(81,986)
Total Other Financing Sources (Uses)	(145,635)	(145,635)	(227,621)	(81,986)
Net Change in Fund Balance	-	-	2,760	2,760
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ 2,760	\$ 2,760

**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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 106,251	\$ 6,251
Investment Income			1,349	1,349
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>107,600</u>	<u>7,600</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	100,000	100,000	15,831	84,169
Capital Outlay			19,660	(19,660)
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>35,491</u>	<u>64,509</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>72,109</u>	<u>72,109</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	72,109	72,109
Fund Balance, Beginning of Year	<u>200,299</u>	<u>200,299</u>	<u>200,299</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 200,299</u>	<u>\$ 200,299</u>	<u>\$ 272,408</u>	<u>\$ 72,109</u>

**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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$	\$	\$ 2,720	\$ 2,720
Intergovernmental	75,000	75,000	9,759	(65,241)
Investment Income			546	546
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>13,025</u>	<u>(61,975)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	75,000	75,000		75,000
Capital Outlay				-
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>13,025</u>	<u>13,025</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 Balance	-	-	13,025	13,025
Fund Balance (Deficit), Beginning of Year	<u>94,293</u>	<u>94,293</u>	<u>94,293</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 94,293</u>	<u>\$ 94,293</u>	<u>\$ 107,318</u>	<u>\$ 13,025</u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - LLMD Special Revenue Fund**  
**Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 659,023	\$ 659,022	\$ 475,354	\$ (183,668)
Total Revenues	<u>659,023</u>	<u>659,022</u>	<u>475,354</u>	<u>(183,668)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	601,020	601,019	451,633	149,386
Capital Outlay	-	-	-	-
Total Expenditures	<u>601,020</u>	<u>601,019</u>	<u>451,633</u>	<u>149,386</u>
Excess (Deficiency) of Revenues over Expenditures	<u>58,003</u>	<u>58,003</u>	<u>23,721</u>	<u>(34,282)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			1,540	1,540
Transfers Out	<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>1,540</u>	<u>59,545</u>
Net Change in Fund Balance	(2)	(2)	25,261	25,263
Fund Balance (Deficit), Beginning of Year	<u>1,762,373</u>	<u>1,762,373</u>	<u>1,762,373</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,762,371</u>	<u>\$ 1,762,371</u>	<u>\$ 1,787,634</u>	<u>\$ 25,263</u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Paramedic Special Revenue Fund**  
**Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,015,000	\$ 1,015,000	\$ 1,053,595	\$ 38,595
Investment Income			8,430	8,430
Total Revenues	<u>1,015,000</u>	<u>1,015,000</u>	<u>1,062,025</u>	<u>47,025</u>
<b>EXPENDITURES</b>				
Current:				
Paramedic Services	1,257,934	1,257,934	1,064,232	193,702
Capital Outlay				-
Total Expenditures	<u>1,257,934</u>	<u>1,257,934</u>	<u>1,064,232</u>	<u>193,702</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(242,934)</u>	<u>(242,934)</u>	<u>(2,207)</u>	<u>240,727</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	250,000	250,000		(250,000)
Transfers Out				-
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
Net Change in Fund Balance	7,066	7,066	(2,207)	(9,273)
Fund Balance, Beginning of Year	<u>1,353,914</u>	<u>1,353,914</u>	<u>1,353,914</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,360,980</u></u>	<u><u>\$ 1,360,980</u></u>	<u><u>\$ 1,351,707</u></u>	<u><u>\$ (9,273)</u></u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Miscellaneous Capital Projects Fund**  
**Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 25,000	\$ 25,000	\$	\$ (25,000)
Investment Income			4,372	4,372
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>4,372</u>	<u>(20,628)</u>
<b>EXPENDITURES</b>				
Current:				
General Government			1,675	(1,675)
Public Works	25,000	25,000		25,000
Capital Outlay				-
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>1,675</u>	<u>23,325</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>2,697</u>	<u>2,697</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	-	-	2,697	2,697
Fund Balance (Deficit), Beginning of Year	<u>112,980</u>	<u>112,980</u>	<u>112,980</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u><u>\$ 112,980</u></u>	<u><u>\$ 112,980</u></u>	<u><u>\$ 115,677</u></u>	<u><u>\$ 2,697</u></u>

**City of Yucaipa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - CDBG Capital Projects Fund**  
**Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 255,361	\$ 13,304	\$ 146,569	\$ 133,265
Total Revenues	<u>255,361</u>	<u>13,304</u>	<u>146,569</u>	<u>133,265</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	255,361	13,304	218,871	(205,567)
Capital Outlay				-
Total Expenditures	<u>255,361</u>	<u>13,304</u>	<u>218,871</u>	<u>(205,567)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(72,302)</u>	<u>(72,302)</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	-	-	(72,302)	(72,302)
Fund Balance (Deficit), Beginning of Year	<u>(19,575)</u>	<u>(19,575)</u>	<u>(19,575)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (19,575)</u>	<u>\$ (19,575)</u>	<u>\$ (91,877)</u>	<u>\$ (72,302)</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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 60,630	\$ 60,630	\$ 136,936	\$ 76,306
Intergovernmental			28,469	28,469
Investment Income			700	700
Total Revenues	<u>60,630</u>	<u>60,630</u>	<u>166,105</u>	<u>105,475</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>61,528</u>	<u>46,500</u>	<u>878,914</u>	<u>(832,414)</u>
Total Expenditures	<u>61,528</u>	<u>46,500</u>	<u>878,914</u>	<u>(832,414)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(898)</u>	<u>14,130</u>	<u>(712,809)</u>	<u>(726,939)</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	(898)	14,130	(712,809)	(726,939)
Fund Balance (Deficit), Beginning of Year	<u>(308,206)</u>	<u>(308,206)</u>	<u>(308,206)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u><u>\$ (309,104)</u></u>	<u><u>\$ (294,076)</u></u>	<u><u>\$ (1,021,015)</u></u>	<u><u>\$ (726,939)</u></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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 227,377	\$ 167,377
Investment Income			1,351	1,351
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>228,728</u>	<u>168,728</u>
<b>EXPENDITURES</b>				
Current:				
General Government			6,757	(6,757)
Capital Outlay			217,754	(217,754)
Total Expenditures	<u>-</u>	<u>-</u>	<u>224,511</u>	<u>(224,511)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>60,000</u>	<u>60,000</u>	<u>4,217</u>	<u>(55,783)</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	60,000	60,000	4,217	(55,783)
Fund Balance (Deficit), Beginning of Year	<u>191,520</u>	<u>191,520</u>	<u>191,520</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u><u>\$ 251,520</u></u>	<u><u>\$ 251,520</u></u>	<u><u>\$ 195,737</u></u>	<u><u>\$ (55,783)</u></u>

## **AGENCY FUNDS**

**City of Yucaipa**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds**  
**June 30, 2015**

	Police Department Donation	Cramer House	CFD 98-1 Debt Reserves	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 51,287	\$ 65,074	\$ 2,090,309	\$ 2,206,670
Cash and Investments with Fiscal Agents			2,268,258	2,268,258
Accounts Receivable			13,297	13,297
Interest Receivable	34	14	307	355
	<u>34</u>	<u>14</u>	<u>307</u>	<u>355</u>
Total Assets	<u>\$ 51,321</u>	<u>\$ 65,088</u>	<u>\$ 4,372,171</u>	<u>\$ 4,488,580</u>
<b>LIABILITIES</b>				
Deposits Payable	\$ 51,321	\$ 65,088	\$	\$ 116,409
Due to Bondholders			4,372,171	4,372,171
	<u>51,321</u>	<u>65,088</u>	<u>4,372,171</u>	<u>4,488,580</u>
Total Liabilities	<u>\$ 51,321</u>	<u>\$ 65,088</u>	<u>\$ 4,372,171</u>	<u>\$ 4,488,580</u>

**City of Yucaipa**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**Year Ended June 30, 2015**

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>POLICE DEPARTMENT DONATION</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 50,989	\$ 298	\$	\$ 51,287
Interest Receivable	9	34	(9)	34
Total Assets	<u>\$ 50,998</u>	<u>\$ 332</u>	<u>\$ (9)</u>	<u>\$ 51,321</u>
<b>LIABILITIES</b>				
Deposits Payable	\$ 50,998	\$ 323	\$	\$ 51,321
Total Liabilities	<u>\$ 50,998</u>	<u>\$ 323</u>	<u>\$ -</u>	<u>\$ 51,321</u>
<b><u>CRAMER HOUSE</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 64,695	\$ 379	\$	\$ 65,074
Interest Receivable	12	14	(12)	14
Total Assets	<u>\$ 64,707</u>	<u>\$ 393</u>	<u>\$ (12)</u>	<u>\$ 65,088</u>
<b>LIABILITIES</b>				
Deposits Payable	\$ 64,707	\$ 381	\$	\$ 65,088
Total Liabilities	<u>\$ 64,707</u>	<u>\$ 381</u>	<u>\$ -</u>	<u>\$ 65,088</u>
<b><u>CFD 98-1 DEBT RESERVES</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 2,126,825	\$ 1,721,321	\$ (1,757,837)	\$ 2,090,309
Cash and Investments with Fiscal Agents	2,286,479	518	(18,739)	2,268,258
Accounts Receivable	22,681	13,297	(22,681)	13,297
Interest Receivable	361	307	(361)	307
Total Assets	<u>\$ 4,436,346</u>	<u>\$ 1,735,443</u>	<u>\$ (1,799,618)</u>	<u>\$ 4,372,171</u>
<b>LIABILITIES</b>				
Due to Bondholders	\$ 4,436,346	\$ 1,735,443	\$ (1,799,618)	\$ 4,372,171
Total Liabilities	<u>\$ 4,436,346</u>	<u>\$ 1,735,443</u>	<u>\$ (1,799,618)</u>	<u>\$ 4,372,171</u>
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 2,242,509	\$ 1,721,998	\$ (1,757,837)	\$ 2,206,670
Cash and Investments with Fiscal Agents	2,286,479	518	(18,739)	2,268,258
Accounts Receivable	22,681	13,297	(22,681)	13,297
Interest Receivable	382	355	(382)	355
Total Assets	<u>\$ 4,552,051</u>	<u>\$ 1,736,168</u>	<u>\$ (1,799,639)</u>	<u>\$ 4,488,580</u>
<b>LIABILITIES</b>				
Deposits Payable	\$ 115,705	\$ 704	\$	\$ 116,409
Due to Bondholders	4,436,346	1,735,443	(1,799,618)	4,372,171
Total Liabilities	<u>\$ 4,552,051</u>	<u>\$ 1,736,147</u>	<u>\$ (1,799,618)</u>	<u>\$ 4,488,580</u>

## **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.	92
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	100
<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.	106
<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.	111
<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.	113

CITY OF YUCAIPA  
Net Position by Component  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year			
	2015	2014	2013	2012
<b>Net Position:</b>				
Investment in Capital Assets	\$ 150,107,657	\$ 151,188,060	\$ 152,718,653	\$ 153,597,104
<b>Restricted for:</b>				
Low and Moderate Housing	-	-	-	-
Public Safety	1,731,433	1,648,506	1,511,857	1,626,410
Public Works	9,715,836	9,602,617	8,763,810	4,630,231
Community Development	12,815	12,815	5,546,679	4,270,590
Community Service / Public Education	2,308,616	2,196,701	1,978,972	281,933
Debt Service	-	-	-	-
Capital Projects	347,493	323,462	617,337	1,412,695
Other Purpose	1,472,937	1,407,186	1,372,341	641,451
<b>Unrestricted</b>	<u>38,714,479</u>	<u>42,269,769</u>	<u>41,093,013</u>	<u>47,010,514</u>
 <b>Total Net Position</b>	 <u><u>\$ 204,411,266</u></u>	 <u><u>\$ 208,649,116</u></u>	 <u><u>\$ 213,602,662</u></u>	 <u><u>\$ 213,470,928</u></u>

Fiscal Year					
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 151,975,674	\$ 148,144,100	\$ 150,529,949	\$ 143,812,593	\$ 143,626,532	\$ 23,752,557
1,100,139	1,507,986	1,269,060	999,546	686,164	439,152
1,557,703	10,842,601	10,606,356	9,032,086	6,746,325	5,809,387
4,222,907	1,878,652	10,803,489	19,130,076	20,542,796	17,374,613
4,632,943	-	-	-	-	-
194,924	-	-	-	-	-
779,707	88,386	241,438	407,792	1,052,976	-
7,002,308	-	-	-	-	-
1,774,525	1,392,325	1,409,884	1,200,699	1,066,416	1,563,183
<u>38,720,659</u>	<u>46,191,835</u>	<u>44,911,757</u>	<u>37,997,158</u>	<u>30,974,496</u>	<u>27,765,512</u>
<u>\$ 211,961,489</u>	<u>\$ 210,045,885</u>	<u>\$ 219,771,933</u>	<u>\$ 212,579,950</u>	<u>\$ 204,695,705</u>	<u>\$ 76,704,404</u>

CITY OF YUCAIPA  
Changes in Net Position  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year			
	2015	2014	2013	2012
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 3,059,021	\$ 2,786,070	\$ 3,886,687	\$ 3,279,187
Community Development	5,170,508	6,178,671	6,281,252	6,769,295
Building and Safety	470,200	298,010	262,910	188,449
Public Works	6,745,133	12,320,777	6,336,623	6,735,182
Public Safety	8,133,233	7,269,032	7,008,652	6,519,554
Fire Protection Services	2,841,475	2,685,834	2,477,517	2,463,995
Paramedic Services	1,064,232	958,613	960,248	991,761
Community Services	2,106,093	1,633,333	1,427,406	1,234,728
Interest on Long-Term Debt			-	242,212
Total Governmental Activities	<u>29,589,895</u>	<u>34,130,340</u>	<u>28,641,295</u>	<u>28,424,363</u>
<b>Program Revenues:</b>				
Governmental activities:				
Charges for Services:	3,146,047	2,525,564	2,649,133	3,115,795
Operating Grants and Contributions	1,743,410	1,056,654	1,287,363	2,457,849
Capital Grants and Contributions	3,671,538	4,372,675	6,462,954	3,607,604
 Net (Expense) Revenue and Change in Net Position	 (21,028,900)	 (26,175,447)	 (18,241,845)	 (19,243,115)
 <b>General Revenues:</b>				
Taxes:				
Property Taxes	10,034,783	9,689,395	9,158,269	10,002,732
Sales and Use Taxes	3,178,195	2,857,302	2,663,584	2,731,544
Franchise Taxes	1,427,826	1,412,159	1,343,430	1,321,021
Documentary Transfer Tax	173,871	122,362	115,833	104,569
Other Taxes	18,253	17,656	15,861	12,439
Vehicle License Fees, Unrestricted	4,267,755	3,963,654	3,895,205	3,883,523
Intergovernmental, unrestricted		-	-	-
Investment Income	713,548	315,102	217,721	161,622
Miscellaneous	558,284	2,844,271	963,676	547,288
Extraordinary Item			-	1,987,816
Total General Revenue	<u>20,372,515</u>	<u>21,221,901</u>	<u>18,373,579</u>	<u>20,752,554</u>
 Change in Net Position	 (656,385)	 (4,953,546)	 131,734	 1,509,439
 Net Position- Beginning of the Year	 <u>205,298,200</u>	 <u>213,602,662</u>	 <u>213,470,928</u>	 <u>211,961,489</u>
 Net Position- End of the Year	 <u>\$ 204,641,815</u>	 <u>\$ 208,649,116</u>	 <u>\$ 213,602,662</u>	 <u>\$ 213,470,928</u>

Fiscal Year

	2011	2010	2009	2008	2007	2006
\$	2,993,619	\$ 3,363,269	\$ 2,600,522	\$ 2,827,084	\$ 2,179,937	\$ 2,628,675
	7,779,173	10,293,479	7,601,484	5,729,542	1,568,884	1,244,500
	273,870	185,619	228,925	410,221	351,989	1,048,624
	6,802,538	8,398,273	6,416,748	5,601,754	9,225,519	3,395,497
	6,310,298	6,537,445	5,989,346	5,812,239	5,194,401	4,751,610
	2,503,526	2,582,985	2,222,441	1,803,119	1,276,853	1,485,989
	969,404	994,988	918,495	748,984	817,697	644,701
	1,260,665	1,416,868	1,435,576	1,405,366	1,321,191	1,281,119
	356,152	188,331	188,446	188,310	132,439	145,000
	<u>29,249,245</u>	<u>33,961,257</u>	<u>27,601,983</u>	<u>24,526,619</u>	<u>22,068,910</u>	<u>16,625,715</u>
	3,067,686	3,062,820	4,294,014	5,986,509	8,023,190	7,751,242
	3,021,749	1,006,444	1,155,086	1,265,162	1,173,894	1,810,851
	5,567,417	4,634,306	7,477,569	3,669,049	1,969,159	778,095
	(17,592,393)	(25,257,687)	(14,675,314)	(13,605,899)	(10,902,667)	(6,285,527)
	10,870,359	11,367,661	12,021,282	11,771,494	10,730,950	8,885,247
	2,569,402	2,284,676	2,375,635	2,672,179	2,790,442	2,574,789
	1,294,626	1,245,207	1,288,024	1,195,630	1,244,092	1,038,147
	105,563	96,459	105,435	133,474	261,695	342,826
	14,704	15,346	18,567	19,440	21,047	22,301
	4,082,936	4,223,851	4,585,039	4,499,944	4,619,932	4,488,505
	-	-	-	-	-	202,846
	206,707	318,916	831,250	1,474,373	2,797,190	1,709,169
	363,700	346,462	642,065	294,670	818,116	545,066
	-	-	-	-	-	-
	<u>19,507,997</u>	<u>19,898,578</u>	<u>21,867,297</u>	<u>22,061,204</u>	<u>23,283,464</u>	<u>19,808,896</u>
	1,915,604	(5,359,109)	7,191,983	8,455,305	12,380,797	13,523,369
	<u>210,045,885</u>	<u>215,404,994</u>	<u>212,579,950</u>	<u>204,124,645</u>	<u>192,314,908</u>	<u>63,181,035</u>
\$	<u>211,961,489</u>	<u>\$ 210,045,885</u>	<u>\$ 219,771,933</u>	<u>\$ 212,579,950</u>	<u>\$ 204,695,705</u>	<u>\$ 76,704,404</u>

CITY OF YUCAIPA

Fund balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2015	2014	2013	2012
General Fund:				
Nonspendable	\$ 11,313,445	\$ 11,537,445	\$ 11,788,003	\$ 12,974,225
Restricted	985,913	1,710,865	928,749	883,501
Committed	5,342,829	5,182,303	5,037,196	5,181,542
Assigned	10,933,751	9,536,944	8,579,695	8,872,998
Unassigned	15,033,672	14,689,176	13,074,022	17,644,570
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>43,609,610</u>	<u>42,656,732</u>	<u>39,407,665</u>	<u>45,556,836</u>
All other governmental funds:				
Nonspendable	2,523,014	2,531,014	2,577,079	-
Restricted	15,532,774	15,039,236	14,897,917	11,977,969
Committed	8,870,725	8,458,732	8,053,276	10,669,486
Assigned	36,079	327,168	358,898	-
Unassigned	(13,324,985)	(12,172,510)	(5,109,470)	(9,060,234)
Reserved for:				
Debt service funds		-	-	-
Specific Projects		-	-	-
Unreserved, reported in:		-	-	-
Special revenue funds		-	-	-
Capital projects funds		-	-	-
Debt service funds		-	-	-
Total all other governmental funds	<u>13,637,607</u>	<u>14,183,640</u>	<u>20,777,700</u>	<u>13,587,221</u>
Total Fund Balances	<u>57,247,217</u>	<u>56,840,372</u>	<u>60,185,365</u>	<u>59,144,057</u>

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

	Fiscal Year						
	2011	2010	2009	2008	2007	2006	2005
\$ 16,649,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
871,873	-	-	-	-	-	-	-
5,419,667	-	-	-	-	-	-	-
7,677,045	-	-	-	-	-	-	-
15,241,836	-	-	-	-	-	-	-
-	18,203,751	18,307,818	18,058,192	21,939,986	19,382,373	9,821,795	
-	27,827,468	27,858,106	24,003,988	16,507,073	15,876,083	24,463,485	
<u>45,859,427</u>	<u>46,031,219</u>	<u>46,165,924</u>	<u>42,062,180</u>	<u>38,447,059</u>	<u>35,258,456</u>	<u>34,285,280</u>	
-	-	-	-	-	-	-	-
20,393,283	-	-	-	-	-	-	-
10,133,160	-	-	-	-	-	-	-
570,420	-	-	-	-	-	-	-
(9,191,206)	-	-	-	-	-	-	-
-	-	241,438	450,363	-	-	-	-
-	1,946,059	746,079	591,550	7,769,785	-	-	-
-	-	-	-	-	-	-	-
-	17,717,484	14,980,105	12,747,130	9,240,844	6,701,008	1,892,793	
-	(1,862,751)	8,396,963	14,754,292	6,177,455	11,794,271	6,616,795	
-	88,386	-	-	1,096,768	632,744	632,157	
<u>21,905,657</u>	<u>17,889,178</u>	<u>24,364,585</u>	<u>28,543,335</u>	<u>24,284,852</u>	<u>19,128,023</u>	<u>9,141,745</u>	
<u>67,765,084</u>	<u>63,920,397</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  
Changes General Fund Balance  
Last Ten Fiscal Years

	Fiscal Year			
	2015	2014	2013	2012
<b>Revenues:</b>				
Taxes:				
Property Taxes	\$ 10,034,783	\$ 9,689,395	\$ 9,158,269	\$ 10,002,732
Property Taxes Fire	-	-	-	-
Sales and Use Taxes	3,178,195	2,857,302	2,663,584	2,731,544
Franchise Taxes	1,427,826	1,412,159	1,343,430	1,321,021
Documentary Transfer Tax	173,871	122,362	115,833	104,569
Other taxes	18,253	17,656	15,861	12,439
License and Permits	644,438	439,867	426,965	385,983
Fines and Forfeitures	65,641	87,443	99,282	61,941
Charges for Services	3,523,712	1,558,693	2,088,953	2,088,682
Intergovernmental	8,422,778	9,523,229	10,921,608	9,780,385
Investment Income	713,548	315,102	220,434	203,225
Other	692,134	1,456,782	1,559,870	1,016,664
Total Revenue	<u>28,895,179</u>	<u>27,479,990</u>	<u>28,614,089</u>	<u>27,708,185</u>
<b>Expenditures:</b>				
Current:				
General government	2,574,342	2,560,664	3,209,997	2,788,156
Community Development	662,301	680,532	639,820	3,016,056
Building and Safety	470,200	298,010	262,910	188,449
Public Works	4,217,659	3,672,607	3,628,420	5,115,331
Public Safety	7,570,372	6,974,900	6,710,993	6,339,465
Fire Protection Services	2,841,475	2,685,834	2,477,517	2,463,995
Paramedic Services	1,064,232	958,613	960,248	991,761
Community Service	1,908,332	1,396,430	1,190,224	1,076,932
Capital Outlay	6,964,420	13,423,621	8,292,652	7,514,000
Debt Service:				
Interest and Fiscal Charges	-	-	-	211,163
Principal Payments	-	-	-	200,000
Bond Issuance Costs	-	-	-	-
Total Expenditures	<u>28,273,333</u>	<u>32,651,211</u>	<u>27,372,781</u>	<u>29,905,308</u>
Excess (deficiency) and revenues over (under) expenditures	621,846	(5,171,221)	1,241,308	(2,197,123)
<b>Other financing sources (uses)</b>				
Transfer In	2,392,627	5,849,550	11,215,090	2,767,624
Transfer Out	(2,607,627)	(4,023,323)	(11,415,090)	(2,972,624)
Tax Allocation Bonds Issued	-	-	-	-
Premium on Bonds	-	-	-	-
Total Other Financing Sources	(215,000)	1,826,227	(200,000)	(205,000)
Extraordinary Item	-	-	-	(6,218,903)
Net Change in Fund Balance	406,846	(3,344,994)	1,041,308	(8,621,026)
Fund Balance, Beginning of Year	56,840,371	60,185,365	59,144,057	67,765,083
Fund Balance, End of the Year	<u>\$ 57,247,217</u>	<u>\$ 56,840,371</u>	<u>\$ 60,185,365</u>	<u>\$ 59,144,057</u>

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 10,870,359	\$ 11,367,661	\$ 12,021,282	\$ 11,771,494	\$ 10,730,950	\$ 8,885,246
-	-	-	-	-	-
2,569,402	2,284,676	2,375,635	2,672,179	2,790,443	2,574,789
1,294,626	1,245,207	1,288,024	1,195,630	1,244,092	1,038,147
105,563	96,459	105,435	133,474	261,695	342,826
14,704	15,346	18,567	19,440	21,047	22,301
508,734	383,386	453,413	681,267	711,665	1,361,248
83,985	144,082	190,430	137,659	169,911	165,462
2,060,734	1,913,664	2,666,090	2,918,950	7,015,074	5,191,713
12,473,427	10,543,961	12,428,860	9,921,150	7,739,527	9,100,127
266,415	453,471	1,351,132	2,659,551	3,147,396	1,738,440
760,948	889,619	1,369,644	1,194,935	818,114	1,590,577
<u>31,008,897</u>	<u>29,337,532</u>	<u>34,268,512</u>	<u>33,305,729</u>	<u>34,649,914</u>	<u>32,010,876</u>
2,450,564	2,535,173	1,959,720	2,276,166	2,019,159	2,363,936
2,477,779	1,791,765	1,239,563	1,044,012	765,963	668,288
273,870	185,619	228,925	410,221	351,989	1,048,624
4,742,770	5,076,502	4,031,318	3,044,499	5,453,380	2,469,348
6,055,274	6,152,569	5,779,791	5,759,254	5,183,545	4,740,754
2,503,526	2,582,985	2,222,441	1,803,119	1,240,525	1,449,661
969,404	994,988	918,495	748,984	817,697	644,701
1,037,780	1,059,431	1,249,786	1,221,665	1,158,586	1,118,514
11,919,657	14,928,119	16,072,579	7,878,059	8,824,494	6,219,701
256,128	189,726	189,724	189,531	189,144	192,895
55,000	130,000	125,000	125,000	120,000	135,000
273,089	-	-	-	-	-
<u>33,014,841</u>	<u>35,626,877</u>	<u>34,017,342</u>	<u>24,500,510</u>	<u>26,124,482</u>	<u>21,051,422</u>
(2,005,944)	(6,289,345)	251,170	8,805,219	8,525,432	10,959,454
6,043,092	5,010,854	6,706,388	4,797,264	8,214,932	7,075,802
(6,248,092)	(5,331,621)	(7,032,564)	(5,157,819)	(8,394,932)	(7,075,802)
6,030,000	-	-	-	-	-
25,631	-	-	-	-	-
5,850,631	(320,767)	(326,176)	(360,555)	(180,000)	-
-	-	-	-	-	-
3,844,687	(6,610,112)	(75,006)	8,444,664	8,345,432	10,959,454
63,920,397	70,530,509	70,605,515	62,160,851	54,386,479	43,427,025
<u>\$ 67,765,084</u>	<u>\$ 63,920,397</u>	<u>\$ 70,530,509</u>	<u>\$ 70,605,515</u>	<u>\$ 62,731,911</u>	<u>\$ 54,386,479</u>

CITY OF YUCAIPA

Assessed Value and Estimated Actual Value of Taxable Property by Major Type

Last Ten Fiscal Years

<u>Category</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Residential	3,197,499,722	2,941,326,218	2,878,776,247	2,846,903,947
Commercial	279,379,006	278,331,820	276,265,189	273,744,743
Industrial	27,816,631	25,761,469	23,991,367	20,762,516
Irrigated	3,328,926	132,771	130,167	127,614
Dry Farm	6,693,945	3,313,882	3,248,902	3,185,198
Recreational	133,374	5,052,198	5,001,371	7,014,523
Institutional	11,413,452	4,629,021	2,966,082	3,105,703
Miscellaneous	4,107,321	11,156,895	10,820,367	10,767,981
Vacant Land	105,449,947	103,068,595	109,700,908	112,764,550
Unsecured	65,290,823	64,584,003	67,096,047	67,141,606
Exempt	-	-	-	-
Total	<u><u>3,701,113,147</u></u>	<u><u>3,437,356,872</u></u>	<u><u>3,377,996,647</u></u>	<u><u>3,345,518,381</u></u>
Total direct rate	0.22912	0.22915	0.27624	0.2748

Source:  
HdL

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
2,831,503,480	3,006,115,775	3,310,453,094	3,231,145,210	2,811,800,835	2,375,654,681
269,925,338	252,015,949	264,234,597	208,896,478	188,177,054	166,414,729
18,426,334	18,374,670	17,067,825	16,779,884	17,072,605	18,529,967
126,661	126,961	124,471	122,030	119,637	117,292
3,368,272	3,106,272	5,324,049	6,138,528	7,047,950	6,551,103
6,963,679	7,219,167	7,500,172	7,383,793	7,175,870	7,224,239
3,175,684	3,878,434	5,244,229	3,666,064	2,452,702	1,543,644
10,808,961	10,458,874	8,437,085	9,974,750	6,011,342	5,661,248
118,638,093	152,880,519	152,528,633	157,174,314	167,373,336	156,020,866
70,615,476	75,677,744	68,666,414	61,305,542	53,994,624	49,902,505
-	-	-	-	-	-
<u><u>3,333,551,978</u></u>	<u><u>3,529,854,365</u></u>	<u><u>3,839,580,569</u></u>	<u><u>3,702,586,593</u></u>	<u><u>3,261,225,955</u></u>	<u><u>2,787,620,274</u></u>
0.27536	0.27262	0.26610	0.25943	0.25289	0.24982

CITY OF YUCAIPA  
 Direct & Overlapping Property Tax Rates  
 (Rate Per \$100 of Taxable Value)

<u>Agency</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Basic Levy</b>	1.00000	1.00000	1.00000	1.00000	1.00000
Redlands Unified School Bond 1993	0.05940	0.06290	0.06410	0.05820	0.06170
San Bernardino Community College Bo	0.03930	0.04190	0.04590	0.03730	0.04670
San Bernardino Valley Muni Water	0.16250	0.16250	0.04190	0.16500	0.16500
Total Direct & Overlapping Tax Rates	1.26120	1.26730	1.27250	1.26050	1.27340
City's Share of 1% Levy Per Prop 13	0.22228	0.22228	0.22228	0.22228	0.22228
General Obligation Debt Rate	0	0	0	0	0
Redevelopment Rate <sup>1</sup>				1.16500	1.16500
Total Direct Rate	0.22912	0.22915	0.27624	0.27480	0.27536

<sup>1</sup> The approval of ABx1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

Source:  
 HdL

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
1.00000	1.00000	1.00000	1.00000	1.00000
0.05410	0.05190	0.03220	0.03760	0.04490
0.02800	0.03930	0.01270	0.01950	0.01660
0.16500	0.16500	0.16500	0.16500	0.16000
1.24710	1.25620	1.20990	1.21210	1.22150
0.22228	0.22228	0.22228	0.22228	0.22228
0	0	0	0	0
1.16500	1.16500	1.16500	1.15500	1.16000
0.27262	0.26610	0.25943	0.25289	0.24982

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

Taxpayer	2015		2006	
	Combined (Secured & Unsecured)			
	Total Assessed Value	Percent of Net Assessed Value	Total Assessed Value	Percent of Net Assessed Value
1 YVCC II LLC	\$ 21,995,104	0.59%	\$ 10,358,424	0.37%
2 YUCAIPA RETIREMENT RESIDENCE LP	14,125,467	0.38%	-	-
3 STATER BROS MARKETS	13,416,622	0.36%	10,397,226	0.37%
4 CHAPMAN HEIGHTS YUCAIPA	13,383,021	0.36%		
5 GERALD S RUBIN	11,351,978	0.31%		
6 CALANDA REAL LP	11,265,240	0.30%	9,905,508	0.36%
7 PUTNAM FAMILY PARTNERSHIP	10,635,155	0.29%		
8 SORENSON ENGINEERING INC	10,278,957	0.28%	7,693,354	0.28%
9 YUCAIPA VALLEY ACRES	8,555,054	0.23%	11,065,805	0.40%
10 VEDRES FAMILY INVESTMENT PTSHP	8,365,142	0.23%		
11 HEARTHSTONE MULTI-ASSET ENTITY LP	-	-	39,336,538	1.41%
12 YUCAIPA PROPERTIES INC	-	-	12,469,589	0.45%
13 WILLIAM LYON HOMES INC	-	-	10,776,597	0.39%
14 BRADFORD H. BODLEY	-	-	9,379,445	0.34%
15 WILDWOOD CANYON VILLA LLC	-	-	6,614,590	0.24%
<b>TOP TEN TOTAL</b>	<u>123,371,740</u>	<u>3.33%</u>	<u>127,997,076</u>	<u>4.61%</u>
<b>CITY TOTAL</b>	<u>3,701,113,147</u>		<u>2,787,620,274</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		Subsequent Years Collections of Prior Years <sup>2</sup>	Total Collections to Date	
		Fiscal Year of Levy Amount	Percent of Levy		Amount	Percent of Levy
2015	8,636,028	8,460,894	97.97%	360,019	8,820,913	102.14%
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.

<sup>2</sup> Subsequent Years Collections of Prior Years may include delinquent tax payments from multiple prior years which are not identified separately by the County of San Bernardino. Limitations exist within the County's tax system which impede the ability to identify prior tax year delinquent payments by assesment year.

Source:

San Bernardino County Auditor-Controller's Office

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

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>
2015	-	0.00%	\$ -
2014	-	0.00%	\$ -
2013	-	0.00%	\$ -
2012	-	0.00%	\$ -
2011	8,489,786	0.64%	\$ 165

<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.

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>
2015	-	0.00%	\$ -
2014	-	0.00%	-
2013	-	0.00%	-
2012	-	0.00%	-
2011	8,489,786	0.25%	165

<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.

CITY OF YUCAIPA  
Direct and Overlapping Debt  
June 30, 2015

Net Taxable 2014-2015 Assessed Valuation \$ 3,701,079,127

	Percentage Applicable	Outstanding Debt 06/30/15	Estimated Share of Overlapping Debt
<b><u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
San Bernardino Community College District	6.587%	\$ 436,185,141	\$ 28,731,515
Redlands Unified School District	0.080%	\$ 95,797,733	76,638
<b>City of Yucaipa</b>	<b>100.000%</b>	<b>\$ -</b>	<b>-</b>
City of Yucaipa Community Facilities District No. 98-1	100.000%	\$ 23,660,000	23,660,000
Yucaipa Calimesa Joint Unified School District Community Facilities District No.	100.000%	1,165,000	1,165,000
Yucaipa Calimesa Joint Unified School District Community Facilities District No.	100.000%	2,215,000	2,215,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$ 559,022,874	\$ 55,848,153
 <b><u>OVERLAPPING GENERAL FUND DEBT:</u></b>			
San Bernardino County General Fund Obligations	2.072%	\$ 470,135,000	\$ 9,741,197
San Bernardino County Pension Obligation Bonds	2.072%	455,796,704	9,444,108
San Bernardino County Flood Control District General Fund Obligations	2.072%	97,230,000	2,014,606
Redlands Unified School District Certificates of Participation	0.080%	5,000,000	4,000
Yucaipa-Calimesa Joint Unified School District Certificates of Participation	83.734%	10,805,000	9,047,459
TOTAL OVERLAPPING GENERAL FUND DEBT		1,038,966,704	30,251,369
OVERLAPPING GENERAL FUND DEBT (Successor Agency):	100.000%	7,820,000	7,820,000
TOTAL DIRECT DEBT			
TOTAL OVERLAPPING DEBT			\$ -
COMBINED TOTAL DEBT <sup>2</sup>			93,919,523

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 2014-15 Assessed Valuation:

Direct Debt.....	0%
Total Direct and Overlapping Tax and Assessment Debt.....	1.51%
Combined Total Debt.....	2.54%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$180,095,837):

Total Overlapping Tax Increment Debt.....	4.34%
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Sources: California Municipal Statistics

CITY OF YUCAIPA  
 Legal Debt Margin Information  
 Last Five Fiscal Years

	Fiscal Year				
	2015	2014	2013	2012	2011
Assessed Valuation	3,701,113,147	3,437,356,872	3,377,996,647	3,345,518,381	3,333,551,978
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	925,278,287	859,339,218	844,499,162	836,379,595	833,387,995
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	138,791,743	128,900,883	126,674,874	125,456,939	125,008,199
Total net debt applicable to the limit					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>138,791,743</u>	<u>128,900,883</u>	<u>126,674,874</u>	<u>125,456,939</u>	<u>125,008,199</u>
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 up 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

CITY OF YUCAIPA  
Pledged Revenue Coverage  
Last Five Fiscal Years

Tax Allocation Bonds

Fiscal Year Ended June 30	Former RDA Tax Increment	Debt Service		Coverage
		Principal	Interest	
2015	-	155,000	400,775	-
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

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

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>
2014	52,598	\$ 1,353,662	\$ 25,736	8.20%
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



CITY OF YUCAIPA

City Employees  
by Function

Last Five Fiscal Years

	Employees as of June 30				
	2015	2014	2013	2012	2011
Full-time employees:					
Administrative Services Department:					
Administrative Services	3.00	3.00	2.00	2.00	2.00
City Clerk's office	4.00	4.00	4.00	3.00	3.00
City Managers office	2.00	2.00	2.00	2.00	2.00
Finance	3.75	3.75	3.75	3.75	4.75
Community Development Department:					
Director	0.33	0.33	0.33	1.00	1.00
Administrative Assistant	0.40	0.40	0.40	0.00	0.00
Planning	0.00	0.00	0.00	2.33	2.33
Code Enforcement	4.33	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	1.00	0.00	0.00
Planning	1.40	1.40	1.40	0.00	0.00
Public Works Department:					
Administration	1.50	1.00	1.00	1.00	1.00
Engineering	5.50	4.30	4.30	4.30	4.30
Street Maintenance	5.00	6.00	6.00	6.00	6.00
Parks/Facilities Maintenance	7.00	6.70	6.70	8.70	8.70
Redevelopment Agency	0.54	0.87	0.87	1.67	1.67
Total	<u>46.75</u>	<u>45.75</u>	<u>44.75</u>	<u>46.75</u>	<u>47.75</u>

Sources:

City of Yucaipa

CITY OF YUCAIPA  
 Operating Indicators  
 by Function  
 Last Five Fiscal Years

Function	Fiscal Year				
	2015	2014	2013	2012	2011
Police:					
Calls for service	32,558	34,958	38,685	44,308	45,092
Citations issued	3,916	4,702	5,280	5,281	6,522
Fire:					
Number of Incidents	7,069	6,894	6,611	6,209	6,184
Inspections performed	1,078	706	1,139	991	1,814
Building and Safety:					
Building Permits Issued	1,544	1,638	1,089	1,019	1,059
No. of New Dwelling Units	92	10	4	45	78
Parks and recreation:					
Community center attendance	15,569	16,070	20,293	19,775	21,125
Youth sports attendance	-	-	-	113 <sup>1</sup>	318
Adult sports attendance	-	-	-	75 <sup>1</sup>	157
Kids Club	9,937	22,723 <sup>2</sup>	20,577 <sup>2</sup>	12,242 <sup>2</sup>	8,660
Aquatics	-	-	-	376 <sup>1</sup>	1,018
Community Services Classes	7,304	3,758	2,600	2,522	2,220
Administration					
New Business Licenses	490	572	534	510	486
Renewed Business Licenses	1,581	1,586	1,546	1,551	1,438

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

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

Sources:

City of Yucaipa

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

Function	Fiscal Year				
	2015	2014	2013	2012	2011
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	227.82	227
Traffic signals (city-owned)	27.5	27.5	29.5	29.5	29.5
Roundabouts	2	2			
Parks and Recreation:					
Parks (acreage)	874	874	540	540	540
Community centers	2	2	2	2	2

Sources:  
 City of Yucaipa