

City of Yucaipa



Yucaipa Police Station



Flag Hill Veterans Memorial Park



El Dorado Ranch Park

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2016



Cover photos courtesy of: Nancy Aguilar, Piotr Andzel, and Jeff Bohner

CITY OF YUCAIPA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2016

Prepared by
Administrative Services Department

City of Yucaipa
Comprehensive Annual Financial Report
Year Ended June 30, 2016

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INTRODUCTORY SECTION



December 16, 2016

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, 2016.

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, 2016, 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, 2016, 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. The MD&A 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 for their consideration and approval. 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, Debt Service, Capital Projects, 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. Effective in 2016, councilmembers are elected by district 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 16 parks, encompassing approximately 541 acres, including an equestrian arena and a municipal pool, as well as a 1,000+/- acre state park and a 200 acre regional park with 3 lakes for swimming, boating, and fishing, plus campgrounds and playgrounds for the entire family and the Wildwood Canyon State Park. The Yucaipa-Calimesa Joint Unified School District has an outstanding reputation, and it ranks at or near the top in every category of educational achievement. In addition, Crafton Hills College offers day and evening programs of continuing education and training opportunities for personal and professional development. Housing to accommodate all lifestyles is readily available, and three museums, a library, a Senior Center, two theater groups, and over 40 churches and 90 social or business clubs round out the community.

The City of Yucaipa provides a full range of services to its residents. These services include, but are not limited to police protection, fire suppression, paramedic services, the construction and maintenance of streets and infrastructure planning and zoning, building and safety permitting and inspecting, 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 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 six years preceding the time period for the 2015/2016 audit report due to the recession that affected the entire nation. Despite those 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 increased slightly to 8.2% and in 2015 again decreased to 6.6%.

The City of Yucaipa saw revenue sources stabilize and actually begin to increase during FY 2015/2016. The City's largest revenue source comes from property taxes. Property tax receipts are approximately 0.6% from their peak of approximately \$9.26 million in FY 2008/2009, and the City is seeing a continuing trend of rising property values through FY 2015/2016. In FY 2014/2015, the City experienced an increase in property taxes of approximately 5.09% and an additional 4.34% in FY 2015/2016. 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 sales taxes of approximately 11.23% in FY 2014/2015 an another 18.3% in FY 2015/2016. An element of this increase is due to the sunset of the state directed Sales Tax Swap and the auditor directed shift in the recording of monthly sales tax receipts to include the reconciled portion of the June quarter.

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 270 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 stage of development. Each project plays a vital role in the overall economic development strategy employed by the City Council.

- Yucaipa Performing Arts Center
- Crafton Hills College Village Plan
- Widening Yucaipa Boulevard from 15th Street to 17th Street
- Historic Uptown Revitalization
- Oak Glen Creek Specific Plan
- Widening Yucaipa Boulevard and utility undergrounding from 18th Street to Interstate 10
- Interstate 10 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 available cash include: the Community Park and Community Center/Gym, City Hall, Fire Station #3, and most recently the Police Station. Many infrastructure improvements that have been financed with available cash include: the Widening of Yucaipa Boulevard, the Live Oak / I-10 Interchange, and numerous drainage and park improvement projects including the most recent

acquisition of the 334 acre El Dorado Park to be used as open space and for recreational purposes 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 numerous 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. That was increased to 30% in FY 2015/2016. 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 2015/16 this commitment amounted to \$5,201,976. 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, 2015. This was the second submission and the second 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 second 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 Division of the Administrative Services 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

Assistant City Manager

Gregory A. Franklin

Deputy City Manager/City Clerk

Jennifer Shankland

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

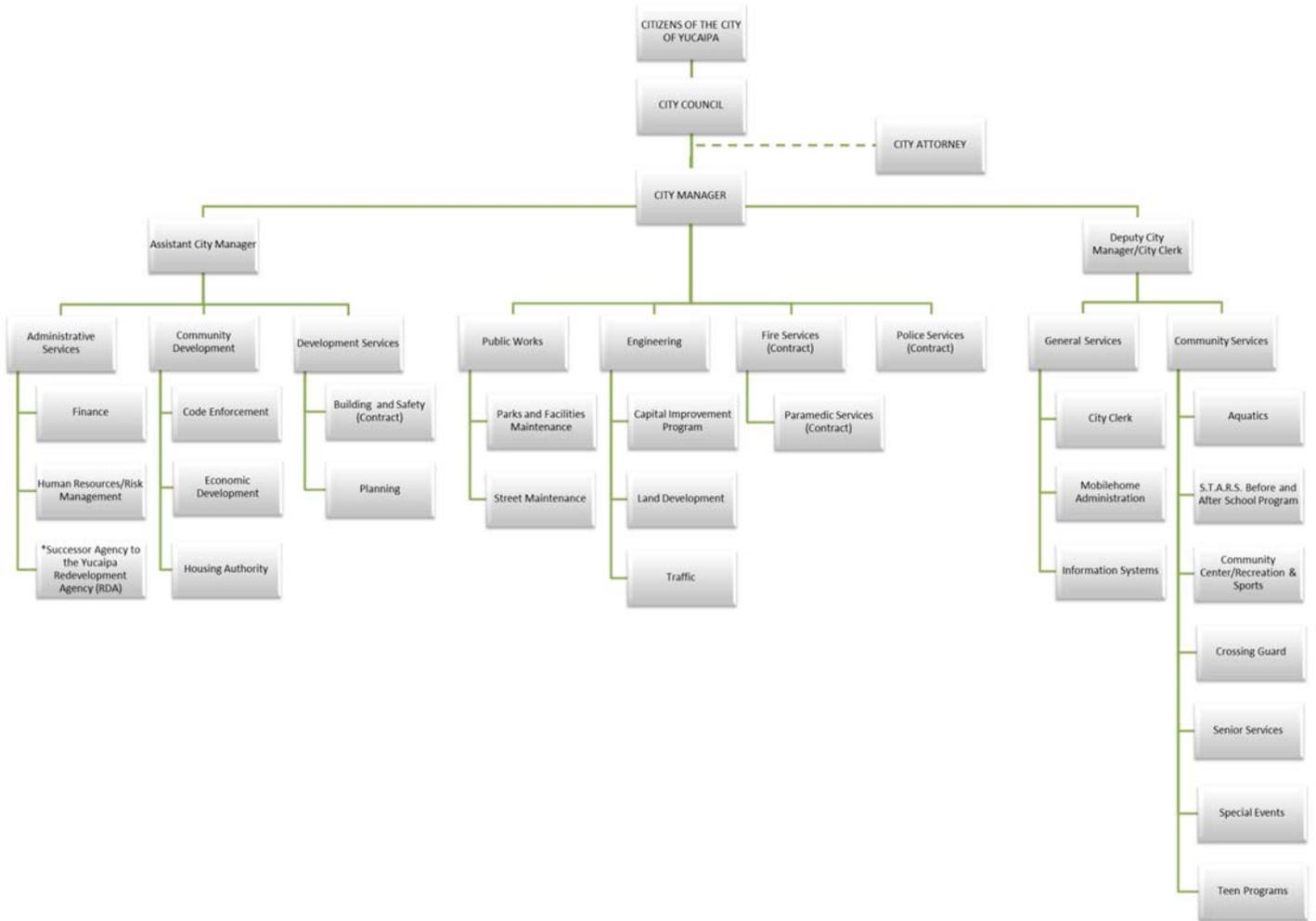
Frances Hernandez

* as of June 30, 2016



CITY OF YUCAIPA

Organizational Services by Department*



* as of June 30, 2016

** The Assistant City Manager 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, 2015

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, 2016, 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, 2016, 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 2 to the financial statements, in 2016, the City adopted new accounting guidance, *GASB Statement No. 72, Fair Value Measurement and Application*. 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 16, 2016 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 & Fankhaed, LLP". The signature is written in a cursive, flowing style.

December 16, 2016

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, 2016.

FINANCIAL HIGHLIGHTS

- The City's Governmental Net Position (Assets) increased by approximately 1.64% to \$207.8 million as a result of this year's operations, including normal annual depreciation and the capitalization of assets.
- During the year, the City's taxes and other governmental revenues exceeded expenses by approximately \$3.35 million.
- The total revenues from all sources were approximately \$33.7 million. The total cost of all City programs was approximately \$30.4 million.
- The General Fund reported total revenues over expenditures in the net amount of approximately \$1.71 million.
- The revised General Fund budget reflected estimated revenues over expenditures in the amount of \$170,868.
- For the General Fund, actual operating revenues received exceeded final budget estimates by \$1.19 million, primarily due to increases in charges for current services, investment income, Building and Safety permits, and increases in sales and use taxes. In addition, audited revenue reflects a shift in recording of sales taxes to include a reconciliation of the second quarter sales tax receipts.
- Actual operating expenditures in the General Fund were approximately \$1.87 million less than the final budget. This reflects transfers from other funds, which were allocated to abate expenditures in the amount of \$895,565, including the calculation of staff charges on capital projects and administrative overhead.
- At the end of Fiscal Year 2015-16, the Unassigned Fund Balance in the General Fund was approximately \$11.53 million or 62.9% of total General Fund budgeted expenditures. This represents a net decrease from the previous year's Unassigned Fund Balance in the amount of approximately (\$3.50 million). This is the net result of eight primary factors:
 1. Total net operating revenue over expenditures in the amount of approximately \$2.48 million, including interfund transfers for the abatement of budgeted expenditures;
 2. An increase due to the receipt of non-operational revenue in the amount of \$568,200;
 3. An increase due to payments made against previous General Fund advances in the amount of \$79,945;
 4. A decrease due to the allocation of fund balance in the amount of (\$600,000) for the purchase of property;
 5. A decrease due to encumbrances made in the amount of (\$775,500) towards City Council approved Service Level Options identified in the FY 2015/16 Budget;
 6. A decrease due to a loan in the amount of (\$1.8 million) to a capital projects fund for the Yucaipa Performing Arts Center;

7. A decrease in the amount of (\$1.955 million) due to the change by City Council in the Fund Balance Reserve Policy where the General Fund Emergency Contingency was increased from 20% to 30%;
8. Encumbrances to other prior year carryover accounts in the net amount of approximately (\$1.5 million).

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. Assets include all infrastructure assets in accordance with GASB 34. The liabilities include all obligations. Evaluating increases or decreases in net assets over time may serve as a useful indicator of whether the financial position of the City is improving or declining.

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

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

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

The focus of the Fund Financial Statements is narrower than that of the Government-wide Financial Statements. The various fund Balance Sheets and the Statement of Revenues, Expenditures, and Changes in Fund Balances, require a reconciliation to facilitate the comparison between fund statements and the government-wide statements. This reconciliation is required because the government-wide statements are prepared on the full accrual basis of accounting while the fund statements are prepared on the modified accrual basis of accounting. This reconciliation can be found on pages 18 and 21, 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 \$207,761,353

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, 2015 and June 30, 2016.

Table 1
Net Position
Governmental Activities

Fiscal Year Ended June 30		
	2016	2015
Current and other Assets	\$ 59,161,391	\$ 61,179,468
Capital Assets, Net	155,769,811	150,107,657
Total Assets	\$ 214,931,202	\$ 211,287,125
Deferred Outflows of Resources	\$ 450,618	\$ 601,224
Current Liabilities	3,321,992	2,940,546
Long Term Liabilities	3,812,670	3,549,185
Total Liabilities	\$ 7,134,662	\$ 6,489,731
Deferred Inflows of Resources	\$ 485,805	\$ 987,352
Net Position:		
Net investment in		
Capital Assets	155,769,811	150,107,657
Restricted	13,446,506	15,589,130
Unrestricted	38,545,036	38,714,479
Total Net Position	\$ 207,761,353	\$ 204,411,266

The City's assets and deferred inflows exceeded liabilities and deferred outflows by approximately \$208 million at June 30, 2016. This represents an increase from the previous year by the amount of approximately \$3.35 million.

A large portion of the City's net position (\$156 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 (\$13.4 million, or 6.5%) 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 increased by approximately \$3.35 million during the year as a result of operations. The summary reflects a decrease in total revenues in the amount of approximately \$5.01 million from the previous year. The difference is primarily the result of the receipt of grant funds associated with city initiated capital projects.

The summary also reflects an increase in total expenses in the amount of approximately \$774,476 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			
	2016	2015	
Revenues			
Program Revenues:			
Charges for Services	\$ 3,601,914	\$ 3,146,047	
Operating Grants	1,712,301	1,743,410	
Capital Grants	7,479,465	3,671,538	
General Revenues:			
Property Taxes	10,411,588	10,034,783	
Sales Taxes	3,528,777	3,178,195	
Other Taxes and Fees	1,604,322	1,619,950	
Motor Vehicle In-Lieu Fees	4,459,501	4,267,755	
Investment Income/Misc	916,590	1,041,283	
Total Revenues	\$ 33,714,458	\$ 28,702,961	
Expenses			
General Government	3,217,017	3,059,021	
Public Safety/Fire	12,526,134	12,038,940	
Comm. Dev. / Pub. Works	12,727,915	12,385,841	
Community Services	1,893,305	2,106,093	
Total Expenses	\$ 30,364,371	\$ 29,589,895	
Increase in Net Position	\$ 3,350,087	\$ (886,934)	
Beginning Net Position	\$ 204,411,266	\$ 205,298,200	
Ending Net Position	\$ 207,761,353	\$ 204,411,266	

Table 3
Revenues by Source – Governmental Funds
For the Years Ended June 30, 2016 & 2015

	2015/16		2014/15	
	Amount	% of Total	Amount	% of Total
Taxes				
Property	\$ 7,190,291	21.7%	\$ 6,947,431	24.2%
Property-Fire	3,221,297	9.7%	3,087,352	10.8%
Sales and Use	3,528,777	10.6%	3,178,195	11.1%
Franchise Fees	1,415,951	4.3%	1,427,826	5.0%
Doc. Transfer	165,430	0.5%	173,871	0.6%
Other Taxes	22,941	0.1%	18,253	0.1%
Fees for Services	3,097,730	9.3%	3,146,047	11.0%
Fines & Forfeitures	46,210	0.1%	65,641	0.2%
Other Agencies	12,863,241	38.7%	8,972,624	31.3%
Interest	463,238	1.4%	482,999	1.7%
Licenses & Permits	741,816	2.2%	644,438	2.2%
Miscellaneous Revenues	453,352	1.4%	558,284	1.9%
Extraordinary Item	-	0.0%	-	0.0%
Total	\$ 33,210,274	100%	\$ 28,702,961	100%

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately \$54.5 million, a net decrease in the amount of approximately \$2.73 million in comparison with the prior year, resulting primarily from the timing of the construction of certain capital projects. Approximately 42.74% of this amount (\$23.3 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 obligated 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, 2016, the Unassigned Fund Balance of the General Fund was approximately \$11.53 million. Included in the Committed Fund Balance is approximately \$6.76 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, 2016, was approximately \$45.32 million.

The total Fund Balance of the City's General Fund increased by approximately \$1.71 million. This increase was the net result of three primary factors:

- 1) Revised budget reflected estimated revenues over expenditures in the amount of \$170,867;
- 2) Actual revenues, including transfers in, exceeded their budgeted estimates by the net amount of approximately \$668,415, including the receipt of non-operational revenue in the amount of \$568,200; and
- 3) Expenditure savings were achieved as a result of tight budgetary and fiscal controls. Actual net operational expenditures, reduced by an amount equal to \$895,565 for interfund transfers authorized for the abatement of expenditures from other funds, were below the budgeted authorization by the net amount of approximately \$869,947. This includes funds authorized from the General Fund Unassigned Fund Balance in the amount of (\$600,000) for the acquisition of the Five Winds Ranch property and transfers out to other funds for the General Fund contribution to the Self-Insurance Fund, Pavement Management Fund and the Parks Capital Replacement Fund.

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

Description	2015/16 Budget Estimate	2015/16 Actual Revenue	Amount of Increase	% Increase
Property Tax	\$ 6,088,400	\$ 6,115,521	\$ 27,121	0.4%
Sales Tax	3,304,000	3,528,777	224,777	6.8%
Current Services	1,333,071	1,588,414	255,343	19.2%
Other Taxes	1,502,500	1,529,495	26,995	1.8%
Other Governmental	4,480,861	4,518,083	37,222	0.8%
Licenses & Permits	593,167	741,816	148,649	25.1%
Misc. Revenues	255,300	728,239	472,939	185.2%
Transfers	940,291	415,660	(524,631)	-55.8%

During FY 2015/16, the City experienced steady increases among most revenue categories including Property, Sales and Other Taxes and Charges for Services. Transfers appear below budgeted expectations as actual transfers for the abatement of staff time are reflected as a decrease in expenditures in the presentation of financial statements compliant with Generally Accepted Accounting Principles.

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 significance in capital outlay in fiscal year 2015-2016 is related to a grant funded capital project. 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. There is nothing significant to report relative to the change in fund balance.

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.

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.

Low Water Crossings

The Low Water Crossings Fund is used to account for grant and other funds used in replacing several low water crossings with bridges throughout the City. Changes in Fund Balance from one year to the next reflect the timing of grant revenue receipts and the construction of capital projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City’s investment in capital assets for its governmental activities as of June 30, 2016 amounts to \$155,769,811 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and construction-in-progress.

The total net increase in the City’s net investment in capital assets for the current fiscal year was approximately \$5.66 million. The primary major capital assets added during fiscal year 2015-16 were the completion of several public works projects, including the completion of the Fire Station #2 Seismic Retrofit, Street Rehabilitation projects, as well as increases to Construction-in-progress related to two low water crossing replacement projects and several drainage projects. Construction-in-progress totaled \$21.1 million at June 30, 2016 and depreciation expense during the fiscal year was approximately \$7.6 million. See Table 4, below, for the amounts recorded by category as of June 30, 2016. Refer to Note 4 in the financial statements.

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

Land	\$ 62,803,321
Infrastructure	64,155,644
Structures and Improvements	6,418,284
Equipment / Vehicles	1,307,363
Construction-in-Progress	21,085,198
Total Capital Assets	\$ 155,769,811

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, 2016 the Successor Agency to the Yucaipa RDA had incurred total long-term debt in the amount of \$7,680,641. 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, 2016**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 53,475,831
Receivables:	
Accounts	1,432,613
Interest Receivable	123,668
Grants Receivable	10,000
Due From Other Governments	2,657,244
Prepaid Expenses	475,153
Restricted Cash and Investments	986,882
Capital Assets, Not Being Depreciated	83,888,519
Capital Assets, Net of Accumulated Depreciation	71,881,292
Total Assets	214,931,202
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Related Items	450,618
 LIABILITIES	
Accounts Payable	2,260,110
Accrued Liabilities	75,000
Deposits Payable	986,882
Noncurrent Liabilities:	
Due Within One Year	64,291
Due in More Than One Year	3,748,379
Total Liabilities	7,134,662
 DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Related Items	485,805
 NET POSITION	
Net Investment in Capital Assets	155,769,811
Restricted for:	
Public Safety	1,709,562
Public Works/Transportation	3,001,667
Community Development	14,494
Community Services/Public Education	2,550,577
Capital Projects	4,680,900
Other Purposes	1,489,306
Unrestricted	38,545,036
Total Net Position	\$ 207,761,353

The accompanying notes are an integral part of this statement.

**City of Yucaipa
Statement of Activities
Year Ended June 30, 2016**

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
Governmental Activities:					
General Government	\$ 3,217,017	\$ 370,390	\$ 51,630	\$	\$ (2,794,997)
Community Development	5,564,038	665,963	71,000	254,485	(4,572,590)
Building and Safety	535,135	813,568			278,433
Public Works	6,628,742	432,721	939,591	6,939,590	1,683,160
Public Safety	8,559,107	107,297	138,612	2,921	(8,310,277)
Fire Protection Services	2,796,287	271,984	238,250	216,986	(2,069,067)
Paramedic Services	1,170,740				(1,170,740)
Community Services	1,893,305	939,991	273,218	65,483	(614,613)
Total Governmental Activities	\$ 30,364,371	\$ 3,601,914	\$ 1,712,301	\$ 7,479,465	(17,570,691)

General Revenues:

Taxes:

Property Taxes	10,411,588
Sales and Use Taxes	3,528,777
Franchise Taxes	1,415,951
Documentary Transfer Tax	165,430
Other Taxes	22,941
Vehicle License Fees, Unrestricted	4,459,501
Investment Income	463,238
Miscellaneous	453,352

Total General Revenues 20,920,778

Change in Net Position 3,350,087

Net Position - Beginning of Year 204,411,266

Net Position - End of Year \$ 207,761,353

The accompanying notes are an integral part of this statement.

**City of Yucaipa
Balance Sheet
Governmental Funds
June 30, 2016**

	<u>General</u>	<u>Special Revenue Fire</u>	<u>Capital Projects Low Water Crossings</u>	<u>Developer Fees Public Facilities</u>
ASSETS				
Cash and Investments	\$ 27,790,268	\$ 8,863,459	\$	\$ 1,165,489
Receivables:				
Accounts	1,432,613			
Interest	114,813	3,606		480
Due From Other Governments	3,587	109,193	1,124,906	
Due From Other Funds	2,617,935			
Prepaid Expenses		475,153		
Restricted Cash and Investments	986,882			
Advances to Other Funds	13,946,845	2,448,014		
	<u>\$ 46,892,943</u>	<u>\$ 11,899,425</u>	<u>\$ 1,124,906</u>	<u>\$ 1,165,969</u>
Total Assets				
LIABILITIES				
Accounts Payable & Accrued Liabilities	\$ 587,222	\$ 97,261	\$ 594,655	\$ 21,282
Deposits Payable	986,882			
Due to Other Funds			484,501	
Advances From Other Funds				8,155,395
	<u>1,574,104</u>	<u>97,261</u>	<u>1,079,156</u>	<u>8,176,677</u>
Total Liabilities				
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues			561,188	
	<u>-</u>	<u>-</u>	<u>561,188</u>	<u>-</u>
Total Deferred Inflows of Resources				
FUND BALANCES				
Nonspendable	13,946,845	2,923,167		
Restricted	1,073,460			
Committed	6,761,166	8,878,997		
Assigned	12,009,103			
Unassigned	11,528,265		(515,438)	(7,010,708)
	<u>45,318,839</u>	<u>11,802,164</u>	<u>(515,438)</u>	<u>(7,010,708)</u>
Total Fund Balances				
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 46,892,943</u>	<u>\$ 11,899,425</u>	<u>\$ 1,124,906</u>	<u>\$ 1,165,969</u>

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>
\$ 110,082	\$ 351,271	\$ 14,369,550	\$ 52,650,119
			1,432,613
116	157	4,230	123,402
132,893		1,286,665	2,657,244
			2,617,935
			475,153
			986,882
			16,394,859
<u>\$ 243,091</u>	<u>\$ 351,428</u>	<u>\$ 15,660,445</u>	<u>\$ 77,338,207</u>
\$ 51,382	\$	\$ 905,969	\$ 2,257,771
			986,882
		2,133,434	2,617,935
<u>2,559,050</u>	<u>2,448,014</u>	<u>3,232,400</u>	<u>16,394,859</u>
<u>2,610,432</u>	<u>2,448,014</u>	<u>6,271,803</u>	<u>22,257,447</u>
		1	561,189
-	-	1	561,189
			16,870,012
		13,272,331	14,345,791
			15,640,163
			12,009,103
<u>(2,367,341)</u>	<u>(2,096,586)</u>	<u>(3,883,690)</u>	<u>(4,345,498)</u>
<u>(2,367,341)</u>	<u>(2,096,586)</u>	<u>9,388,641</u>	<u>54,519,571</u>
<u>\$ 243,091</u>	<u>\$ 351,428</u>	<u>\$ 15,660,445</u>	<u>\$ 77,338,207</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, 2016

Fund balances of governmental funds \$ 54,519,571

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	83,888,519
Cost of Capital Assets Being Depreciated	212,398,431
Accumulated Depreciation	(140,517,139)

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

Compensated Absences	(311,486)
Net Pension Liability	(3,003,608)
Net OPEB Obligation	(497,576)

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

Deferred Outflows Related to Pensions	450,618
Deferred Inflows Related to Pensions	(485,805)

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. 758,639

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 561,189

Net position of governmental activities \$ 207,761,353

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, 2016

	General	Special Revenue	Capital Projects	
		Fire	Low Water Crossings	Developer Fees Public Facilities
REVENUES				
Taxes:				
Property Taxes	\$ 6,115,521	\$	\$	\$
Property Taxes - Fire		3,221,297		
Sales and Use Taxes	3,528,777			
Franchise Taxes	1,341,124			
Documentary Transfer Tax	165,430			
Other Taxes	22,941			
Licenses and Permits	741,816			
Fines and Forfeitures	8,241			
Charges for Services	1,588,414	86,551	-	242,481
Intergovernmental	4,518,083	204,957	2,801,749	
Investment Income	388,054	72,090	-	9,752
Other	331,944	137,037		10,000
Total Revenues	<u>18,750,345</u>	<u>3,721,932</u>	<u>2,801,749</u>	<u>262,233</u>
EXPENDITURES				
Current:				
General Government	2,667,936			
Community Development	869,132			
Building and Safety	535,135			
Public Works	2,156,821		1,531	
Public Safety	7,936,846			
Fire Protection Services		2,796,287		
Paramedic Services				
Community Services	1,464,902			
Capital Outlay	801,110	496,220	4,122,247	104,783
Total Expenditures	<u>16,431,882</u>	<u>3,292,507</u>	<u>4,123,778</u>	<u>104,783</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,318,463</u>	<u>429,425</u>	<u>(1,322,029)</u>	<u>157,450</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	415,660		770,512	220,457
Transfers Out	<u>(1,024,894)</u>	<u>(21,000)</u>		<u>(253,000)</u>
Total Other Financing Sources (Uses)	<u>(609,234)</u>	<u>(21,000)</u>	<u>770,512</u>	<u>(32,543)</u>
Net Change in Fund Balances	1,709,229	408,425	(551,517)	124,907
Fund Balances, Beginning of Year	<u>43,609,610</u>	<u>11,393,739</u>	<u>36,079</u>	<u>(7,135,615)</u>
Fund Balances, End of Year	<u>\$ 45,318,839</u>	<u>\$ 11,802,164</u>	<u>\$ (515,438)</u>	<u>\$ (7,010,708)</u>

The accompanying notes are an integral part of this statement.

Capital Projects			
Developer Impact Fees Parks	Developer Fees Fire	Non-Major Funds	Total Governmental Funds
\$	\$	\$ 1,074,770	\$ 7,190,291
			3,221,297
			3,528,777
		74,827	1,415,951
			165,430
			22,941
			741,816
		37,969	46,210
298,536	113,343	1,812,749	4,142,074
		3,667,775	11,192,564
5,195	2,921	421,249	899,261
72,607		92,074	643,662
<u>376,338</u>	<u>116,264</u>	<u>7,181,413</u>	<u>33,210,274</u>
	2,685	91,177	2,761,798
		4,995	874,127
			535,135
		1,801,746	3,960,098
		44,080	7,980,926
			2,796,287
		1,170,740	1,170,740
		242,200	1,707,102
538,878		7,990,498	14,053,736
<u>538,878</u>	<u>2,685</u>	<u>11,345,436</u>	<u>35,839,949</u>
(162,540)	113,579	(4,164,023)	(2,629,675)
75,728	21,000	2,998,927	4,502,284
(200,000)		(3,101,361)	(4,600,255)
(124,272)	21,000	(102,434)	(97,971)
(286,812)	134,579	(4,266,457)	(2,727,646)
(2,080,529)	(2,231,165)	13,655,098	57,247,217
<u>\$ (2,367,341)</u>	<u>\$ (2,096,586)</u>	<u>\$ 9,388,641</u>	<u>\$ 54,519,571</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, 2016

Net change in fund balances - total governmental funds \$ (2,727,646)

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	13,221,661
Depreciation	(7,559,507)

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. (176,061)

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. 504,184

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 Outflows Related to Pensions	(150,606)
Deferred Inflows Related to Pensions	501,547

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	(47,211)
Net Pension Liability	(152,075)
Net OPEB Obligation	<u>(64,199)</u>

Change in net position of governmental activities \$ 3,350,087

The accompanying notes are an integral part of this statement.

**City of Yucaipa
Statement of Net Position
Proprietary Fund
June 30, 2016**

	Governmental Activities - Internal Service Fund
ASSETS	
Current:	
Cash and Investments	\$ 825,712
Accounts Receivable	-
Interest Receivable	266
Grants Receivable	10,000
	835,978
Total Current Assets	835,978
LIABILITIES	
Current:	
Accounts Payable	2,339
Accrued Liabilities	75,000
	77,339
Total Current Liabilities	77,339
NET POSITION	
Unrestricted	758,639
Total Net Position	\$ 758,639

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, 2016

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Other Income	\$ 20,546
Total Operating Revenues	<u>20,546</u>
OPERATING EXPENSES	
Professional Services	17,006
Property and Liability Premiums	235,314
Claims Expense	<u>47,623</u>
Total Operating Expenses	<u>299,943</u>
Operating Income (Loss)	<u>(279,397)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment Earnings	<u>5,365</u>
Total Non-Operating Revenues (Expenses)	<u>5,365</u>
Income (Loss) before contributions and transfers	<u>(274,032)</u>
Transfers In	215,000
Transfers Out	<u>(117,029)</u>
Total Transfers	<u>97,971</u>
Change in Net Position	(176,061)
Total Net Position, Beginning of Year	<u>934,700</u>
Total Net Position, End of Year	<u><u>\$ 758,639</u></u>

The accompanying notes are an integral part of this statement.

**City of Yucaipa
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2016**

	Governmental Activities - Internal Service Fund
	Fund
Cash Flows from Operating Activities	
Cash Paid to Suppliers for Goods and Service	\$ (271,394)
Cash Paid for Claims	(47,623)
Other Income	21,618
	(297,399)
 Cash Flows from Non-Capital Financing Activities	
Cash Transferred From (Paid To) Other Funds	97,971
	97,971
 Cash Flows from Investing Activities	
Interest on Investments	5,207
	5,207
Net Cash Provided (Used) by Investing Activities	(194,221)
Cash and Cash Equivalents, Beginning of Year	1,019,933
Cash and Cash Equivalents, End of Year	\$ 825,712
 Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating income (loss)	\$ (279,397)
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	(786)
Increase (Decrease) in Accounts Payable	(19,074)
	(279,397)
Net Cash Provided (Used) By Operating Activities	\$ (297,399)

The accompanying notes are an integral part of this statement.

**City of Yucaipa
Statement of Fiduciary Position
Fiduciary Funds
June 30, 2016**

	Successor Agency Private-Purpose Trust Fund	Agency Funds
ASSETS		
Cash and Investments	\$ 736,861	\$ 2,704,440
Cash and Investments with Fiscal Agent	768,476	2,251,327
Accounts Receivable		13,267
Interest Receivable	166	1,049
Total Assets	1,505,503	\$ 4,970,083
LIABILITIES		
Accounts Payable	8,020	\$
Deposits Payable		101,641
Interest Payable	129,894	
Bonds Payable	7,680,641	
Due to Bondholders		4,868,442
Due to City	731,498	
Total Liabilities	8,550,053	\$ 4,970,083
NET POSITION		
Net Position Held in Trust for Successor Agency	\$ (7,044,550)	

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, 2016

	Successor Agency Private-Purpose Trust Fund
ADDITIONS	
Taxes	\$ 1,013,706
Investment Income	2,980
Other	
Total Additions	1,016,686
DEDUCTIONS	
Administration Costs	77,264
Project Improvement Costs	259,196
Interest Expense	390,505
Total Deductions	726,965
Change in Net Position	289,721
Net Position - Beginning	(7,334,271)
Net Position - Ending	\$ (7,044,550)

The accompanying notes are an integral part of this statement.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

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, 2016

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, 2016

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, 2016

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 *Low Water Crossings Capital Projects Fund* accounts for and reports financial resources collected from grants and restricted for construction of low water crossings.

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, 2016

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, 2016.

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, 2016

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 received prior to the implementation of GASB 72 are valued at their estimated fair market value at the date of the contribution. Contributed capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received. 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, 2016

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, 2016**

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. 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) plan (Plan) and additions to/deductions from the Plan's 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.

2) CASH AND INVESTMENTS

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

Statement of Net Position:	
Cash and Investments	\$ 53,475,831
Restricted Cash and Investments	986,882
Statement of Fiduciary Net Position:	
Cash and Investments	3,441,301
Cash and Investments with Fiscal Agents	3,019,803
Total Cash and Investments	\$ 60,923,817

Cash and Investments consist of the following:

Cash on Hand	\$ 700
Deposits with Financial Institutions	4,725,213
Investments	56,197,904
Total Cash and Investments	\$ 60,923,817

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

2) CASH AND INVESTMENTS - Continued

Investments Authorized by the City's Investment Policy

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

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

<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 investment pools)	No	N/A	None	None

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

Investments Authorized by Debt Agreements

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

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

2) CASH AND INVESTMENTS - Continued

<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.

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:

<u>Investment Type</u>	<u>Remaining Maturity</u>			
	<u>12 Months or Less</u>	<u>1 to 2 Years</u>	<u>2 to 5 Years</u>	
U.S. Treasury Obligations	\$ 14,247,140	\$ -	\$ 2,305,642	\$ 11,941,498
U.S. Agency Securities	6,956,872	-	3,046,951	3,909,921
Commercial Paper	-	-	-	-
Negotiable Certificates of Deposit	7,715,528	2,801,754	4,913,774	-
Medium Term Notes	6,875,711	1,045,367	4,248,876	1,581,468
Money Market Mutual Funds	7,535	7,535	-	-
State Investment Pool	17,375,315	17,375,315	-	-
Held by Bond Trustee:				
LAIF	54,297	54,297	-	-
Money Market Mutual Funds	2,965,506	2,965,506	-	-
Total Pooled Investments	\$ 56,197,904	\$ 24,249,774	\$ 14,515,243	\$ 17,432,887

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of 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	\$ 14,247,140	N/A	\$ -	\$ -	\$ -	\$14,247,140
U.S. Agency Securities	6,956,872	N/A	6,956,872	-	-	-
Negotiable Certificates of Deposit	7,715,528	A-	-	2,808,108	4,907,420	-
Medium Term Notes	6,875,711	A-	-	5,306,748	1,568,963	-
Money Market Mutual Funds	7,535	N/A	7,535	-	-	-
State Investment Pool	17,375,315	N/A	-	-	-	17,375,315
Held by Bond Trustee:						
LAIF	54,297		-	-	-	54,297
Money Market Mutual Funds	2,965,506	AAA	2,965,506	-	-	-
Total Pooled Investments	<u>\$ 56,197,904</u>		<u>\$ 9,929,913</u>	<u>\$ 8,114,856</u>	<u>\$ 6,476,383</u>	<u>\$31,676,752</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2016, the City's investments with each of the following issuers exceed 5% of its total investments.

Issuer	Amount Invested	Percentage of Portfolio
Federal National Mortgage Association	\$ 3,309,927	5.9%

Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

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.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

2) CASH AND INVESTMENTS - Continued

As of June 30, 2016, 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, 2016, 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.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2016:

- U.S. Treasury Obligations of \$14,247,140 are valued using quoted market prices (Level 1 inputs)
- Federal Agency Securities of \$6,956,872 are valued using a matrix pricing model (Level 2 inputs)
- Medium Term Notes of \$6,875,711 are valued using a matrix pricing model (Level 2 inputs)
- Negotiable Certificates of Deposit of \$7,715,528 are valued using a matrix pricing model (Level 2 inputs)

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, 2016**

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at June 30, 2016 are as follows:

<u>Due From (Receivable)</u>	<u>Due To (Payable)</u>	<u>Amount</u>
General Fund	Low Water Crossings Capital Projects Fund	\$ 484,501
General Fund	Non-major Governmental Funds	<u>2,133,434</u>
Total		<u>\$ 2,617,935</u>

The interfund balance from the General Fund was the result of short-term borrowings to cover deficit cash balances at June 30, 2016 as well as for cash flow to cover operations.

Interfund advances at June 30, 2016 are as follows:

<u>Advances to Other Funds (Receivable)</u>	<u>Advances From Other Funds (Payable)</u>	<u>Amount</u>
General Fund	Developer Fees Public Facilities	\$ 8,155,395
	Developer Impact Fees Parks Fund	2,559,050
Fire Special Revenue Fund	Non-major Governmental Funds	3,232,400
	Developer Fees Fire	<u>2,448,014</u>
Total Advances To/From Other Funds		<u>\$ 16,394,859</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, 2016

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Interfund transfers at June 30, 2016 are as follows:

TRANSFERS IN	TRANSFERS OUT						Total
	General Fund	Fire	Developer Fees Public Facilities	Developer Impact Fees Parks	Internal Service Fund	Non-major Governmental Funds	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 117,029	\$ 298,631	\$ 415,660
Low Water Crossings	-	-	-	-	-	770,512	770,512
Developer Fees							
Public Facilities	-	-	-	200,000	-	20,457	220,457
Developer Impact							
Fees Parks	-	-	48,000	-	-	27,728	75,728
Developer Fees Fire	-	21,000	-	-	-	-	21,000
Internal Service Fund	215,000	-	-	-	-	-	215,000
Non-major							
Governmental Funds	809,894	-	205,000	-	-	1,984,033	2,998,927
Total	\$ 1,024,894	\$ 21,000	\$ 253,000	\$ 200,000	\$ 117,029	\$ 3,101,361	\$ 4,717,284

The transfer from the General Fund to the 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 transfer from the Fire Special Revenue to the Developer Fees Fire fund was to fund fire construction projects.

The transfer from the Non-major Governmental Funds to the Low Water Crossings Fund was to fund low water crossing improvement projects.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Buildings and Improvements	\$ 15,256,430	\$ -	\$ -	\$ 15,256,430
Equipment	1,302,314	436,557	-	1,738,871
Vehicles	2,434,318	138,554	-	2,572,872
Infrastructure	<u>191,953,379</u>	<u>2,297,529</u>	<u>(1,420,650)</u>	<u>192,830,258</u>
Total Cost of Depreciable Capital Assets	<u>210,946,441</u>	<u>2,872,640</u>	<u>(1,420,650)</u>	<u>212,398,431</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(8,443,904)	(394,242)	-	(8,838,146)
Equipment	(1,002,712)	(116,363)	-	(1,119,075)
Vehicles	(1,813,761)	(71,543)	-	(1,885,304)
Infrastructure	<u>(123,117,905)</u>	<u>(6,977,359)</u>	<u>1,420,650</u>	<u>(128,674,614)</u>
Total Accumulated Depreciation	<u>(134,378,282)</u>	<u>(7,559,507)</u>	<u>1,420,650</u>	<u>(140,517,139)</u>
Net Depreciable Assets	<u>76,568,159</u>	<u>(4,686,867)</u>	<u>-</u>	<u>71,881,292</u>
Capital Assets, Not Depreciated:				
Land	4,673,580	759,818	-	5,433,398
Rights of Way	57,369,923	-	-	57,369,923
Construction in Progress	<u>11,495,995</u>	<u>10,399,447</u>	<u>(810,244)</u>	<u>21,085,198</u>
Total Capital Assets Not Depreciated, Net	<u>73,539,498</u>	<u>11,159,265</u>	<u>(810,244)</u>	<u>83,888,519</u>
Total Capital Assets, Net	<u>\$150,107,657</u>	<u>\$ 6,472,398</u>	<u>\$ (810,244)</u>	<u>\$155,769,811</u>

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

General Government	\$ 268,643
Public Safety	578,181
Public Works	1,836,569
Community Development	4,689,911
Community Services	<u>186,203</u>
Total Depreciation Expense	<u>\$ 7,559,507</u>

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

5) CHANGES IN LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2016:

	Beginning		Ending		Due Within	Due Beyond
	Balance	Additions	Deletions	Balance	One Year	One Year
Governmental Activities:						
Net OPEB Obligation	\$ 433,377	\$ 80,126	\$ 15,927	\$ 497,576	\$ -	\$ 497,576
Net Pension Liability	2,851,533	705,592	553,517	3,003,608	-	3,003,608
Compensated Absences	264,275	105,710	58,499	311,486	64,291	247,195
Total	<u>\$ 3,549,185</u>	<u>\$ 891,428</u>	<u>\$ 627,943</u>	<u>\$ 3,812,670</u>	<u>\$ 64,291</u>	<u>\$ 3,748,379</u>

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, 2016 is recorded as a liability in the statements of net position. The General Fund finances this liability.

6) FIDUCIARY FUND LONG-TERM DEBT

The following is a summary of long-term liability activity for the City's fiduciary fund for the year ended June 30, 2016:

	Beginning		Ending		Due Within	Due Beyond
	Balance	Additions	Deletions	Balance	One Year	One Year
Tax Allocation Bonds:						
1998	\$ 430,000	\$ -	\$ 20,000	\$ 410,000	\$ 20,000	\$ 390,000
2004	1,775,000	-	45,000	1,730,000	45,000	1,685,000
2010	5,615,000	-	95,000	5,520,000	100,000	5,420,000
Unamortized Premium	21,466	-	825	20,641	825	19,816
Total	<u>\$ 7,841,466</u>	<u>\$ -</u>	<u>\$ 160,825</u>	<u>\$ 7,680,641</u>	<u>\$ 165,825</u>	<u>\$ 7,514,816</u>

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, 2016 was \$410,000.

**City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016**

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, 2016, the amount held in the reserve account was \$54,399. Future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 20,000	\$ 21,945	\$ 41,945
2018	20,000	20,865	40,865
2019	25,000	19,650	44,650
2020	25,000	18,288	43,288
2021	25,000	16,912	41,912
2022	30,000	15,400	45,400
2023	30,000	13,750	43,750
2024	30,000	12,100	42,100
2025	30,000	10,450	40,450
2026	35,000	8,662	43,662
2027	45,000	6,463	51,463
2028	45,000	3,987	48,987
2029	50,000	1,375	51,375
Totals	<u>\$ 410,000</u>	<u>\$ 169,847</u>	<u>\$ 579,847</u>

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, 2016 was \$1,730,000.

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, 2016, the amount held in the reserve account was \$191,227.

Future debt service requirements are as follows:

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

6) FIDUCIARY FUND LONG-TERM DEBT - Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 45,000	\$ 81,828	\$ 126,828
2018	50,000	79,902	129,902
2019	45,000	77,955	122,955
2020	50,000	75,970	125,970
2021	50,000	73,820	123,820
2022	50,000	71,633	121,633
2023	50,000	69,407	119,407
2024	55,000	67,011	122,011
2025	60,000	64,329	124,329
2026	85,000	60,900	145,900
2027	85,000	56,862	141,862
2028	90,000	52,650	142,650
2029	90,000	48,263	138,263
2030	145,000	42,534	187,534
2031	150,000	35,250	185,250
2032	155,000	27,625	182,625
2033	160,000	19,750	179,750
2034	170,000	11,500	181,500
2035	145,000	3,625	148,625
Totals	<u>\$ 1,730,000</u>	<u>\$ 1,020,814</u>	<u>\$ 2,750,814</u>

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, 2016 was \$5,520,000.

Per the bond covenants, the Agency is required to maintain a reserve account in an amount equal to \$522,580. At June 30, 2016, the amount held in the reserve account was \$523,016.

Future debt service requirements are as follows:

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

6) FIDUCIARY FUND LONG-TERM DEBT - Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 100,000	\$ 282,470	\$ 382,470
2018	105,000	278,370	383,370
2019	110,000	274,070	384,070
2020	115,000	269,570	384,570
2021	120,000	264,870	384,870
2022	125,000	259,908	384,908
2023	135,000	254,442	389,442
2024	140,000	248,390	388,390
2025	145,000	241,833	386,833
2026	125,000	235,378	360,378
2027	125,000	229,206	354,206
2028	135,000	222,622	357,622
2029	145,000	215,447	360,447
2030	155,000	207,759	362,759
2031	165,000	199,456	364,456
2032	175,000	190,422	365,422
2033	185,000	180,747	365,747
2034	195,000	170,534	365,534
2035	240,000	158,844	398,844
2036	405,000	141,509	546,509
2037	425,000	118,938	543,938
2038	450,000	94,875	544,875
2039	475,000	69,437	544,437
2040	500,000	42,625	542,625
2041	525,000	14,438	539,438
Totals	<u>\$ 5,520,000</u>	<u>\$ 4,866,160</u>	<u>\$ 10,386,160</u>

7) PENSION PLAN

General Information about the Defined Benefit Pension Plan

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all others.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City of Yucaipa sponsors 2 rate plans (both are miscellaneous.) Benefit provisions under the Plan are established by State statute and Town resolution.

**City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016**

7) PENSION PLAN - Continued

CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan 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, 2014 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2014 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

The Plan’s provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous	Miscellaneous PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2% @ 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	9.353% + \$121,101	6.73%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability and side fund was \$121,101 in fiscal year 2016.

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.

The City’s contributions to the Plan for the year ended June 30, 2016 were \$416,057. As of June 30, 2016, employees contribute 3% of the required employee contribution rate.

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

As of June 30, 2016, the City reported a net pension liability for its proportionate shares of the net pension liability of the Plan of \$3,003,608.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

7) PENSION PLAN - Continued

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 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 plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability as of June 30, 2014, and 2015 was as follows:

Proportion - June 30, 2014	0.04582%
Proportion - June 30, 2015	0.04375%
Change - Increase (Decrease)	-0.0021%

For the year ended June 30, 2016, the City recognized pension expense of \$206,727. At June 30, 2016, 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	\$ 416,057	\$ -
Differences between actual and expected experience	23,060	-
Changes in assumptions	-	218,165
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	11,501	158,271
Net differences between projected and actual earnings on plan investments	-	109,369
Total	<u>\$ 450,618</u>	<u>\$ 485,805</u>

\$416,057 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 Ending June 30,	
2017	\$ (206,958)
2018	(208,287)
2019	(188,328)
2020	152,329
2021	-
Thereafter	-

**City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016**

7) PENSION PLAN - Continued

Actuarial Assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2014
Measurement date	June 30, 2015
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.65%
Mortality	(2)

- (1) Depending on age, service and type of employment
- (2) Derived using CalPERS' Membership Data for all Funds.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 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.

Change of Assumptions - GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate – The discount rate used to measure the total pension liability was 7.65%. 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 testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS' website under the GASB 68 section.

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."

**City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016**

7) PENSION PLAN - Continued

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	51%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	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 the Plan, calculated using the discount rate for the 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, 2016**

7) PENSION PLAN - Continued

1% Decrease		6.65%
Net Pension Liability	\$	5,037,261
Current Discount Rate		7.65%
Net Pension Liability	\$	3,003,608
1% Increase		8.65%
Net Pension Liability	\$	1,324,592

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, 2016, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2016.

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.

Annual OPEB Cost

For 2016, 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:

**City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016**

8) OTHER POST EMPLOYMENT BENEFITS - Continued

Annual required contribution	\$	86,626
Interest on net OPEB obligation		21,669
Adjustment to annual required contribution		(28,169)
Annual OPEB cost (expense)		80,126
Contributions made		(15,927)
Increase in net OPEB obligation		64,199
Net OPEB obligation – beginning of the year		433,377
Net OPEB obligation – end of the year	\$	497,576

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
6/30/16	\$ 64,199	25%	\$ 497,576
6/30/15	\$ 49,844	32%	\$ 433,377
6/30/14	\$ 66,820	18%	\$ 383,533

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.

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, 2016 was 30 years.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

8) OTHER POST EMPLOYMENT BENEFITS - Continued

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.

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
6/30/14	\$ 75,000	\$ 54,457	\$ (54,457)	\$ 75,000
6/30/15	75,000	131,546	(131,546)	75,000
6/30/16	75,000	47,623	(47,623)	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.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

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, 2016, deferral fees owed to the City for all types of development impact fees totaled approximately \$766,144.

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.

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, 2016 is \$23,095,000.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

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

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.

The City has received State and Federal funds that are subject to review and audit by the grantor agencies. Such audits could generate expenditure disallowances under terms of the grants; however, it is believed that any such reimbursements will not be significant.

Remaining commitments on construction contracts at year-end were \$1,422,008.

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.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

13) FUND BALANCE – Continued

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.

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.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

13) FUND BALANCE – Continued

The City's governmental fund balances at June 30, 2016, are presented below:

	General Fund	Fire Fund	Low Water Crossings	Developer Fees Public Facilities Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Nonspendable:				
Advances to Other Funds	\$ 13,946,845	\$ 2,448,014	\$	\$
Prepaid Expenses		475,153		
Restricted for:				
Capital Projects				
Public Works/Street Projects				
Public Safety	180,647			
LLMD				
Community Services/Public Education	11,750			
Bond Funding Agreements	881,063			
Committed to:				
Emergency Contingency	5,201,976			
Economic Stabilization Contingency	1,000,000			
OPEB	559,190			
Fire Protection		8,878,997		
Assigned to:				
Capital Projects	7,693,454			
Solid Waste Disposal				
Continuing Appropriations	2,253,306			
Economic Development Initiative	281,200			
Other Purposes	1,781,143			
Unassigned	<u>11,528,265</u>		<u>(515,438)</u>	<u>(7,010,708)</u>
Total Fund Balance (Deficit)	<u>\$ 45,318,839</u>	<u>\$ 11,802,164</u>	<u>\$ (515,438)</u>	<u>\$ (7,010,708)</u>

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

13) FUND BALANCE – Continued

Developer Impact Fees Park Fund	Developer Fees Fire Fund	Non-Major Governmental Funds	Total
<u> </u>	<u> </u>	<u> </u>	<u> </u>
\$	\$	\$	\$ 16,394,859
			475,153
		377,312	377,312
		7,132,221	7,132,221
		3,079,823	3,260,470
		1,950,366	1,950,366
		732,609	744,359
			881,063
			5,201,976
			1,000,000
			559,190
			8,878,997
			7,693,454
			2,253,306
			281,200
			1,781,143
<u>(2,367,341)</u>	<u>(2,096,586)</u>	<u>(3,883,690)</u>	<u>(4,345,498)</u>
<u>\$ (2,367,341)</u>	<u>\$ (2,096,586)</u>	<u>\$ 9,388,641</u>	<u>\$ 54,519,571</u>

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2016

14) ACCUMULATED FUND DEFICITS

At June 30, 2016 the following funds had deficit fund balances:

Major Funds - Capital Projects:	
Low Water Crossings Fund	\$ (515,438)
Developer Fees Public Facilities	(7,010,708)
Developer Impact Fees Parks Fund	(2,367,341)
Developer Fees Fire Fund	(2,096,586)
Non-major Funds	
Housing Authority Fund	(21)
Developer Fees Drainage	(2,846,901)
Facilities Construction Fund	(1,036,768)

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

Low Water Crossings Fund - The deficit fund balance of \$515,438 is the result of accumulated expenditures in excess of revenues, funded by short-term interfund loans from the General Fund. The deficit fund balance will be offset by transfers from the General Fund and Streets Maintenance Fund upon completion of several ongoing projects.

Developer Impact Fees Public Facilities Fund - The deficit fund balance of \$7,010,708 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 \$2,367,341 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 \$2,096,586 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 \$2,846,901 is the result of accumulated expenditures in excess of revenues, funded by advances short term loans from the General Fund. The deficit fund balance will be offset by future development impact fee revenues, as they are collected, in addition to transfers from the General Fund that will be made upon completion of several ongoing projects.

Facilities Construction Fund - The deficit fund balance of \$1,036,768 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.

REQUIRED SUPPLEMENTARY INFORMATION

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property Taxes	\$ 6,053,400	\$ 6,088,400	\$ 6,115,521	\$ 27,121
Sales and Use Taxes	3,304,000	3,304,000	3,528,777	224,777
Franchise Taxes	1,355,200	1,355,200	1,341,124	(14,076)
Documentary Transfer Tax	130,000	130,000	165,430	35,430
Other Taxes	17,300	17,300	22,941	5,641
Licenses and Permits	483,167	593,167	741,816	148,649
Fines and Forfeitures	20,500	20,500	8,241	(12,259)
Charges for Services	1,288,071	1,333,071	1,588,414	255,343
Intergovernmental	4,267,755	4,480,861	4,518,083	37,222
Investment Income	154,300	154,300	388,054	233,754
Other	80,500	80,500	331,944	251,444
Total Revenues	17,154,193	17,557,299	18,750,345	1,193,046
EXPENDITURES				
Current:				
General Government:				
City Manager	821,991	841,991	730,229	111,762
City Council	65,645	65,645	56,648	8,997
General Services/City Clerk	822,659	849,532	725,777	123,755
Administrative Services	1,135,151	1,153,656	830,691	322,965
Non-departmental	710,520	649,302	324,591	324,711
Community Development	958,774	1,008,126	869,132	138,994
Building and Safety	339,473	489,473	535,135	(45,662)
Public Works	2,549,566	2,508,858	2,156,821	352,037
Public Safety:				
Police Services	8,164,248	8,164,248	7,936,846	227,402
Community Services	1,551,888	1,569,888	1,464,902	104,986
Capital Outlay	965,800	1,006,004	801,110	204,894
Total Expenditures	18,085,715	18,306,723	16,431,882	1,874,841
Excess (Deficiency) of Revenues over Expenditures	(931,522)	(749,424)	2,318,463	3,067,887
OTHER FINANCING SOURCES (USES)				
Transfers In	940,291	940,291	415,660	(524,631)
Transfers Out		(20,000)	(1,024,894)	(1,004,894)
Total Other Financing Sources (Uses)	940,291	920,291	(609,234)	(1,529,525)
Net Change in Fund Balances	8,769	170,867	1,709,229	1,538,362
Fund Balances, Beginning of Year	43,609,610	43,609,610	43,609,610	-
Fund Balances, End of Year	\$ 43,618,379	\$ 43,780,477	\$ 45,318,839	\$ 1,538,362

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Fire Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes - Fire	\$ 3,135,665	\$ 3,135,665	\$ 3,221,297	\$ 85,632
Charges for Services	45,000	45,000	86,551	41,551
Intergovernmental			204,957	204,957
Investment Income			72,090	72,090
Other	39,634	39,634	137,037	97,403
Total Revenues	<u>3,220,299</u>	<u>3,220,299</u>	<u>3,721,932</u>	<u>501,633</u>
EXPENDITURES				
Current:				
Fire Protection Services	3,218,385	3,218,385	2,796,287	422,098
Capital Outlay			496,220	(496,220)
Total Expenditures	<u>3,218,385</u>	<u>3,218,385</u>	<u>3,292,507</u>	<u>(74,122)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,914</u>	<u>1,914</u>	<u>429,425</u>	<u>427,511</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out			(21,000)	(21,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(21,000)</u>	<u>(21,000)</u>
Net Change in Fund Balances	1,914	1,914	408,425	406,511
Fund Balances, Beginning of Year	11,393,739	11,393,739	11,393,739	-
Fund Balances, End of Year	<u>\$ 11,395,653</u>	<u>\$ 11,395,653</u>	<u>\$ 11,802,164</u>	<u>\$ 406,511</u>

**City of Yucaipa
Required Supplementary Information
Year Ended June 30, 2016**

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, 2016**

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

	Measurement Period	
	2015	2014
Proportion of the Net Pension Liability	0.04375%	0.04582%
Proportionate Share of Net Pension Liability	\$ 3,003,608	\$ 2,851,533
Covered - Employee Payroll	\$ 3,081,312	\$ 2,950,265
Proportionate Share of the Net Pension Liability as a percentage of Payroll	97.48%	96.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.14%	75.28%

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

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

*Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information are available.

**City of Yucaipa
Required Supplementary Information
Year Ended June 30, 2016**

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

	2016	2015
Contractually Required Contributions (actuarially determined)	\$ 416,057	\$ 553,517
Contributions in Relation to the Actuarially Determined Contributions	(416,057)	(553,517)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-Employee Payroll	\$ 3,362,231	\$ 3,081,312
Contributions as a Percentage of Covered Employee Payroll	12.37%	17.96%

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2014

*Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information are available.

City of Yucaipa
Notes to Required Supplementary Information
Year Ended June 30, 2016

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).

Expenditures in excess of appropriations were as follows:

- General Fund: Building and Safety Division expenditures exceed appropriations by the amount of approximately \$45,662, which is offset by receipts in excess of budgeted Building and Safety revenues. In addition, Building and Safety is a division of the Community Development Department which experienced an overall budgetary savings in the amount of \$93,332.
- Fire Special Revenue Fund: Total expenditures exceeded appropriations by the amount of approximately \$74,122. The fund was used to account for a capital carryover project to seismically retrofit fire station #2 funded by a state grant in the approximate amount of \$502,000 that was budgeted by the City Council in the previous fiscal year.

SUPPLEMENTARY INFORMATION

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Low Water Crossings Capital Projects Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$	\$	\$	\$ -
Intergovernmental			2,801,749	2,801,749
Investment Income			-	-
Total Revenues	-	-	2,801,749	2,801,749
EXPENDITURES				
Current:				
Public Works			1,531	(1,531)
Capital Outlay	9,733,000	9,733,000	4,122,247	5,610,753
Total Expenditures	9,733,000	9,733,000	4,123,778	5,609,222
Excess (Deficiency) of Revenues over Expenditures	(9,733,000)	(9,733,000)	(1,322,029)	8,410,971
OTHER FINANCING SOURCES (USES)				
Transfers In			770,512	770,512
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	770,512	770,512
Net Change in Fund Balance	(9,733,000)	(9,733,000)	(551,517)	9,181,483
Fund Balance (Deficit), Beginning of Year	36,079	36,079	36,079	-
Fund Balance (Deficit), End of Year	\$ (9,696,921)	\$ (9,696,921)	\$ (515,438)	\$ 9,181,483

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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 88,528	\$ 126,196	\$ 242,481	\$ 116,285
Investment Income			9,752	9,752
Other			10,000	10,000
Total Revenues	<u>88,528</u>	<u>126,196</u>	<u>262,233</u>	<u>136,037</u>
EXPENDITURES				
Current:				
Public Works				-
Capital Outlay	<u>245,000</u>	<u>245,000</u>	<u>104,783</u>	<u>140,217</u>
Total Expenditures	<u>245,000</u>	<u>245,000</u>	<u>104,783</u>	<u>140,217</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(156,472)</u>	<u>(118,804)</u>	<u>157,450</u>	<u>276,254</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			220,457	220,457
Transfers Out			<u>(253,000)</u>	<u>(253,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(32,543)</u>	<u>(32,543)</u>
Net Change in Fund Balance	(156,472)	(118,804)	124,907	243,711
Fund Balance (Deficit), Beginning of Year	<u>(7,135,615)</u>	<u>(7,135,615)</u>	<u>(7,135,615)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (7,292,087)</u>	<u>\$ (7,254,419)</u>	<u>\$ (7,010,708)</u>	<u>\$ 243,711</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges For Services	\$ 106,789	\$ 117,608	\$ 298,536	\$ 180,928
Investment Income			5,195	5,195
Other			72,607	72,607
Total Revenues	<u>106,789</u>	<u>117,608</u>	<u>376,338</u>	<u>258,730</u>
EXPENDITURES				
Current:				
General Government				-
Capital Outlay	<u>2,884,000</u>	<u>2,884,000</u>	<u>538,878</u>	<u>2,345,122</u>
Total Expenditures	<u>2,884,000</u>	<u>2,884,000</u>	<u>538,878</u>	<u>2,345,122</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,777,211)</u>	<u>(2,766,392)</u>	<u>(162,540)</u>	<u>2,603,852</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			75,728	75,728
Transfers Out			<u>(200,000)</u>	<u>(200,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(124,272)</u>	<u>(124,272)</u>
Net Change in Fund Balances	(2,777,211)	(2,766,392)	(286,812)	2,479,580
Fund Balances (Deficit), Beginning of Year	<u>(2,080,529)</u>	<u>(2,080,529)</u>	<u>(2,080,529)</u>	<u>-</u>
Fund Balances (Deficit), End of Yea	<u>\$ (4,857,740)</u>	<u>\$ (4,846,921)</u>	<u>\$ (2,367,341)</u>	<u>\$ 2,479,580</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 41,983	\$ 61,547	\$ 113,343	\$ 51,796
Investment Income			2,921	2,921
Total Revenues	<u>41,983</u>	<u>61,547</u>	<u>116,264</u>	<u>54,717</u>
EXPENDITURES				
Current:				
General Government	<u>880,000</u>	<u>880,000</u>	<u>2,685</u>	<u>877,315</u>
Total Expenditures	<u>880,000</u>	<u>880,000</u>	<u>2,685</u>	<u>877,315</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(838,017)</u>	<u>(818,453)</u>	<u>113,579</u>	<u>932,032</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			<u>21,000</u>	<u>21,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>21,000</u>	<u>21,000</u>
Net Change in Fund Balances	(838,017)	(818,453)	134,579	953,032
Fund Balance (Deficit), Beginning of Year	<u>(2,231,165)</u>	<u>(2,231,165)</u>	<u>(2,231,165)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (3,069,182)</u>	<u>\$ (3,049,618)</u>	<u>\$ (2,096,586)</u>	<u>\$ 953,032</u>

NON-MAJOR GOVERNMENTAL FUNDS

**City of Yucaipa
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2016**

	Special Revenue			
	Miscellaneous Special Revenue	State Gas Tax	Measure I Maintenance	Energy Independence Program
ASSETS				
Cash and Investments	\$ 1,521,637	\$ 149,249	\$ 837,505	\$ 3,033
Receivables:				
Interest	573	51	615	
Due From Other Governments	15,057	105	134,662	8,314
Total Assets	<u>\$ 1,537,267</u>	<u>\$ 149,405</u>	<u>\$ 972,782</u>	<u>\$ 11,347</u>
LIABILITIES				
Accounts Payable & Accrued Liabilities	\$ 47,961	\$ 71,697	\$	\$
Due to Other Funds				
Advances From Other Funds				
Total Liabilities	<u>47,961</u>	<u>71,697</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	1,489,306	77,708	972,782	11,347
Assigned				
Unassigned				
Total Fund Balances	<u>1,489,306</u>	<u>77,708</u>	<u>972,782</u>	<u>11,347</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,537,267</u>	<u>\$ 149,405</u>	<u>\$ 972,782</u>	<u>\$ 11,347</u>

State COPs Grant	Special Revenue					Capital Projects
	Office of Traffic and Safety	LLMD	Housing Authority	Paramedic	PEG Video	Miscellaneous Capital Projects
\$ 349,931	\$ 111,539	\$ 2,031,254	\$	\$ 1,278,267	\$ 578,672	\$ 142,555
139	21	4,420		574 12,083	228 21,311	34
<u>\$ 350,070</u>	<u>\$ 111,560</u>	<u>\$ 2,035,674</u>	<u>\$ -</u>	<u>\$ 1,290,924</u>	<u>\$ 600,211</u>	<u>\$ 142,589</u>
\$ 19,833	\$	\$ 85,308	\$	\$ 23,159	\$	\$ 811
			21			
<u>19,833</u>	<u>-</u>	<u>85,308</u>	<u>21</u>	<u>23,159</u>	<u>-</u>	<u>811</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
330,237	111,560	1,950,366		1,267,765	600,211	141,778
			(21)			
<u>330,237</u>	<u>111,560</u>	<u>1,950,366</u>	<u>(21)</u>	<u>1,267,765</u>	<u>600,211</u>	<u>141,778</u>
<u>\$ 350,070</u>	<u>\$ 111,560</u>	<u>\$ 2,035,674</u>	<u>\$ -</u>	<u>\$ 1,290,924</u>	<u>\$ 600,211</u>	<u>\$ 142,589</u>

Continued

City of Yucaipa
Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2016

	Capital Projects			
	CDBG Capital	Developer Fees Drainage	Air Quality Improvement	Traffic Facilities
ASSETS				
Cash and Investments	\$ 18,204	\$	\$ 234,546	\$ 4,288,180
Receivables:				
Interest			9	994
Due From Other Governments	4,195	928,572	23,114	133,058
Total Assets	\$ 22,399	\$ 928,572	\$ 257,669	\$ 4,422,232
LIABILITIES				
Accounts Payable	\$ 20,393	\$ 283,659	\$ 36,629	\$ 30,150
Due to Other Funds		2,133,413		
Advances From Other Funds		1,358,400		74,000
Total Liabilities	20,393	3,775,472	36,629	104,150
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues		1		
Total Deferred Inflows of Resources	-	1	-	-
FUND BALANCES				
Restricted	2,006		221,040	4,318,082
Assigned				
Unassigned		(2,846,901)		
Total Fund Balances	2,006	(2,846,901)	221,040	4,318,082
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,399	\$ 928,572	\$ 257,669	\$ 4,422,232

Capital Projects				
Pool Capital Replacement	Street Maintenance	I-10 Specific Plan	Facilities Construction	Total Nonmajor Governmental Funds
\$ 14,494	\$ 1,762,475	\$ 60,558	\$ 987,451	\$ 14,369,550
	960	32		4,230
	1,774			1,286,665
<u>\$ 14,494</u>	<u>\$ 1,765,209</u>	<u>\$ 60,590</u>	<u>\$ 987,451</u>	<u>\$ 15,660,445</u>
\$	\$ 62,150	\$	\$ 224,219	\$ 905,969
			1,800,000	2,133,434
				3,232,400
<u>-</u>	<u>62,150</u>	<u>-</u>	<u>2,024,219</u>	<u>6,271,803</u>
				1
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
14,494	1,703,059	60,590		13,272,331
			(1,036,768)	-
				(3,883,690)
<u>14,494</u>	<u>1,703,059</u>	<u>60,590</u>	<u>(1,036,768)</u>	<u>9,388,641</u>
<u>\$ 14,494</u>	<u>\$ 1,765,209</u>	<u>\$ 60,590</u>	<u>\$ 987,451</u>	<u>\$ 15,660,445</u>

City of Yucaipa
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2016

	Special Revenue			
	Miscellaneous Special Revenue	State Gas Tax	Measure I Maintenance	Energy Independence Program
REVENUES				
Taxes:				
Property Taxes	\$	\$	\$	\$
Franchise Taxes				
Fines & Forfeitures	37,969			
Charges for Services	67,631			
Intergovernmental	31,843	1,148,949	860,830	
Investment Income	11,451	693	14,623	257,218
Other	33,272	12,116		
	<u>182,166</u>	<u>1,161,758</u>	<u>875,453</u>	<u>257,218</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	84,270			
Community Development	4,995			
Public Works	42,249	910,871	41,138	
Public Safety				
Paramedic Services				
Community Services				
Capital Outlay	34,283	80,124		
	<u>165,797</u>	<u>990,995</u>	<u>41,138</u>	<u>-</u>
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures	<u>16,369</u>	<u>170,763</u>	<u>834,315</u>	<u>257,218</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out		(415)	(805,160)	(248,631)
		<u>(415)</u>	<u>(805,160)</u>	<u>(248,631)</u>
Total Other Financing Sources (Uses)	-	(415)	(805,160)	(248,631)
Net Change in Fund Balances	16,369	170,348	29,155	8,587
Fund Balances (Deficit), Beginning of Year	<u>1,472,937</u>	<u>(92,640)</u>	<u>943,627</u>	<u>2,760</u>
Fund Balances (Deficit), End of Year	<u>\$ 1,489,306</u>	<u>\$ 77,708</u>	<u>\$ 972,782</u>	<u>\$ 11,347</u>

Special Revenue						Capital Projects
State COPs Grant	Office of Traffic and Safety	LLMD	Housing Authority	Paramedic	PEG Video	Miscellaneous Capital Projects
\$	\$	\$	\$	\$ 1,074,770	\$ 74,827	\$
96,577	3,360	506,271				
20,583	882			12,028	4,402	32,987
<u>117,160</u>	<u>4,242</u>	<u>506,271</u>	<u>-</u>	<u>1,086,798</u>	<u>79,229</u>	<u>32,987</u>
			21			6,886
44,080		323,954				
				1,170,740		
<u>15,251</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>59,331</u>	<u>-</u>	<u>343,954</u>	<u>21</u>	<u>1,170,740</u>	<u>-</u>	<u>6,886</u>
<u>57,829</u>	<u>4,242</u>	<u>162,317</u>	<u>(21)</u>	<u>(83,942)</u>	<u>79,229</u>	<u>26,101</u>
		415				
<u>-</u>	<u>-</u>	<u>415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
57,829	4,242	162,732	(21)	(83,942)	79,229	26,101
<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>\$ 330,237</u>	<u>\$ 111,560</u>	<u>\$ 1,950,366</u>	<u>\$ (21)</u>	<u>\$ 1,267,765</u>	<u>\$ 600,211</u>	<u>\$ 141,778</u>

Continued

City of Yucaipa
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
Year Ended June 30, 2016

	Capital Projects			
	CDBG Capital	Developer Fees Drainage	Air Quality Improvement	Traffic Facilities
REVENUES				
Taxes:				
Property Taxes	\$	\$	\$	\$
Franchise Taxes				
Fines & Forfeitures				
Charges for Services		219,650		1,015,837
Intergovernmental	304,899	857,339	72,318	127,771
Investment Income		1,000	1,065	38,565
Other				5,286
				<u>5,286</u>
Total Revenues	<u>304,899</u>	<u>1,077,989</u>	<u>73,383</u>	<u>1,187,459</u>
EXPENDITURES				
Current:				
General Government				
Community Development				
Public Works	250,900			
Public Safety				
Paramedic Services				
Community Services	8,000			
Capital Outlay	61,116	2,900,202	516,874	1,174,958
				<u>1,174,958</u>
Total Expenditures	<u>320,016</u>	<u>2,900,202</u>	<u>516,874</u>	<u>1,174,958</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(15,117)</u>	<u>(1,822,213)</u>	<u>(443,491)</u>	<u>12,501</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	109,000	222,566	700,087	64,910
Transfers Out		(226,239)	(231,293)	(148,838)
				<u>(148,838)</u>
Total Other Financing Sources (Uses)	<u>109,000</u>	<u>(3,673)</u>	<u>468,794</u>	<u>(83,928)</u>
Net Change in Fund Balances	93,883	(1,825,886)	25,303	(71,427)
Fund Balances (Deficit), Beginning of Year	<u>(91,877)</u>	<u>(1,021,015)</u>	<u>195,737</u>	<u>4,389,509</u>
Fund Balances (Deficit), End of Year	<u>\$ 2,006</u>	<u>\$ (2,846,901)</u>	<u>\$ 221,040</u>	<u>\$ 4,318,082</u>

Capital Projects				
Pool Capital Replacement	Street Maintenance	I-10 Specific Plan	Facilities Construction	Total Nonmajor Governmental Funds
\$	\$	\$	\$	\$ 1,074,770
				74,827
				37,969
				1,812,749
	71,000		96,249	3,667,775
	24,433	1,319		421,249
	41,400			92,074
-	136,833	1,319	96,249	7,181,413
				91,177
				4,995
		232,634		1,801,746
				44,080
				1,170,740
			234,200	242,200
	2,674,602		513,088	7,990,498
-	2,674,602	232,634	747,288	11,345,436
-	(2,537,769)	(231,315)	(651,039)	(4,164,023)
1,679	1,613,855		286,415	2,998,927
	(1,440,785)			(3,101,361)
1,679	173,070	-	286,415	(102,434)
1,679	(2,364,699)	(231,315)	(364,624)	(4,266,457)
12,815	4,067,758	291,905	(672,144)	13,655,098
\$ 14,494	\$ 1,703,059	\$ 60,590	\$ (1,036,768)	\$ 9,388,641

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Miscellaneous Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$	\$	\$	\$ -
Fines and Forfeits	60,000	60,000	37,969	(22,031)
Charges for Services	68,420	68,420	67,631	(789)
Intergovernmental	12,000	12,000	31,843	19,843
Investment Income			11,451	11,451
Other	32,000	32,000	33,272	1,272
	<u>172,420</u>	<u>172,420</u>	<u>182,166</u>	<u>9,746</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	78,920	78,920	84,270	(5,350)
Community Development			4,995	(4,995)
Public Works	37,000	37,000	42,249	(5,249)
Capital Outlay			34,283	(34,283)
	<u>115,920</u>	<u>115,920</u>	<u>165,797</u>	<u>(49,877)</u>
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures	<u>56,500</u>	<u>56,500</u>	<u>16,369</u>	<u>(40,131)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(16,500)</u>	<u>(16,500)</u>		<u>16,500</u>
Total Other Financing Sources (Uses)	<u>(16,500)</u>	<u>(16,500)</u>	-	<u>16,500</u>
Net Change in Fund Balance	40,000	40,000	16,369	(23,631)
Fund Balance (Deficit), Beginning of Year	<u>1,472,937</u>	<u>1,472,937</u>	<u>1,472,937</u>	-
Fund Balance (Deficit), End of Year	<u>\$ 1,512,937</u>	<u>\$ 1,512,937</u>	<u>\$ 1,489,306</u>	<u>\$ (23,631)</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,118,001	\$ 1,118,001	\$ 1,148,949	\$ 30,948
Investment Income	1,000	1,000	693	(307)
Other			12,116	12,116
Total Revenues	<u>1,119,001</u>	<u>1,119,001</u>	<u>1,161,758</u>	<u>42,757</u>
EXPENDITURES				
Current:				
Public Works	1,079,206	1,079,206	910,871	168,335
Capital Outlay	35,000	35,000	80,124	(45,124)
Total Expenditures	<u>1,114,206</u>	<u>1,114,206</u>	<u>990,995</u>	<u>123,211</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,795</u>	<u>4,795</u>	<u>170,763</u>	<u>165,968</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out			(415)	(415)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(415)</u>	<u>(415)</u>
Net Change in Fund Balance	4,795	4,795	170,348	165,553
Fund Balance (Deficit), Beginning of Year	<u>(92,640)</u>	<u>(92,640)</u>	<u>(92,640)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (87,845)</u>	<u>\$ (87,845)</u>	<u>\$ 77,708</u>	<u>\$ 165,553</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 700,000	\$ 700,000	\$ 860,830	\$ 160,830
Investment Income	100	100	14,623	14,523
Total Revenues	<u>700,100</u>	<u>700,100</u>	<u>875,453</u>	<u>175,353</u>
EXPENDITURES				
Current:				
Public Works			41,138	(41,138)
Total Expenditures	<u>-</u>	<u>-</u>	<u>41,138</u>	<u>(41,138)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>700,100</u>	<u>700,100</u>	<u>834,315</u>	<u>134,215</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(700,000)</u>	<u>(700,000)</u>	<u>(805,160)</u>	<u>(105,160)</u>
Total Other Financing Sources (Uses)	<u>(700,000)</u>	<u>(700,000)</u>	<u>(805,160)</u>	<u>(105,160)</u>
Net Change in Fund Balance	100	100	29,155	29,055
Fund Balance (Deficit), Beginning of Year	<u>943,627</u>	<u>943,627</u>	<u>943,627</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 943,727</u>	<u>\$ 943,727</u>	<u>\$ 972,782</u>	<u>\$ 29,055</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$	\$	\$	\$ -
Investment Income	110,000	110,000	257,218	147,218
Total Revenues	110,000	110,000	257,218	147,218
EXPENDITURES				
Current:				
General Government				-
Capital Outlay				-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	110,000	110,000	257,218	147,218
OTHER FINANCING SOURCES (USES):				
Transfers Out	(110,000)	(110,000)	(248,631)	(138,631)
Total Other Financing Sources (Uses)	(110,000)	(110,000)	(248,631)	(138,631)
Net Change in Fund Balance	-	-	8,587	8,587
Fund Balance, Beginning of Year	2,760	2,760	2,760	-
Fund Balance, End of Year	\$ 2,760	\$ 2,760	\$ 11,347	\$ 8,587

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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 96,577	\$ (3,423)
Investment Income			20,583	20,583
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>117,160</u>	<u>17,160</u>
EXPENDITURES				
Current:				
Public Safety	100,000	100,000	44,080	55,920
Capital Outlay			15,251	(15,251)
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>59,331</u>	<u>40,669</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>57,829</u>	<u>57,829</u>
OTHER FINANCING SOURCES (USES):				
Transfers In				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	57,829	57,829
Fund Balance, Beginning of Year	<u>272,408</u>	<u>272,408</u>	<u>272,408</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 272,408</u>	<u>\$ 272,408</u>	<u>\$ 330,237</u>	<u>\$ 57,829</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$	\$	\$ 3,360	\$ 3,360
Intergovernmental	75,000	75,000		(75,000)
Investment Income			882	882
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>4,242</u>	<u>(70,758)</u>
EXPENDITURES				
Current:				
Public Safety	<u>75,000</u>	<u>75,000</u>		<u>75,000</u>
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>4,242</u>	<u>4,242</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	4,242	4,242
Fund Balance (Deficit), Beginning of Year	<u>107,318</u>	<u>107,318</u>	<u>107,318</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 107,318</u>	<u>\$ 107,318</u>	<u>\$ 111,560</u>	<u>\$ 4,242</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - LLMD Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 687,251	\$ 687,426	\$ 506,271	\$ (181,155)
Total Revenues	<u>687,251</u>	<u>687,426</u>	<u>506,271</u>	<u>(181,155)</u>
EXPENDITURES				
Current:				
Public Works	629,528	629,705	323,954	305,751
Capital Outlay			20,000	(20,000)
Total Expenditures	<u>629,528</u>	<u>629,705</u>	<u>343,954</u>	<u>285,751</u>
Excess (Deficiency) of Revenues over Expenditures	<u>57,723</u>	<u>57,721</u>	<u>162,317</u>	<u>104,596</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			415	415
Transfers Out	<u>(57,723)</u>	<u>(57,723)</u>		<u>57,723</u>
Total Other Financing Sources (Uses)	<u>(57,723)</u>	<u>(57,723)</u>	<u>415</u>	<u>58,138</u>
Net Change in Fund Balance	-	(2)	162,732	162,734
Fund Balance (Deficit), Beginning of Year	<u>1,787,634</u>	<u>1,787,634</u>	<u>1,787,634</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,787,634</u>	<u>\$ 1,787,632</u>	<u>\$ 1,950,366</u>	<u>\$ 162,734</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Paramedic Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,077,500	\$ 1,077,500	\$ 1,074,770	\$ (2,730)
Investment Income			12,028	12,028
Total Revenues	<u>1,077,500</u>	<u>1,077,500</u>	<u>1,086,798</u>	<u>9,298</u>
EXPENDITURES				
Current:				
Paramedic Services	<u>1,327,035</u>	<u>1,327,035</u>	<u>1,170,740</u>	<u>156,295</u>
Total Expenditures	<u>1,327,035</u>	<u>1,327,035</u>	<u>1,170,740</u>	<u>156,295</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(249,535)</u>	<u>(249,535)</u>	<u>(83,942)</u>	<u>165,593</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>250,000</u>	<u>250,000</u>		<u>(250,000)</u>
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
Net Change in Fund Balance	465	465	(83,942)	(84,407)
Fund Balance, Beginning of Year	<u>1,351,707</u>	<u>1,351,707</u>	<u>1,351,707</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,352,172</u>	<u>\$ 1,352,172</u>	<u>\$ 1,267,765</u>	<u>\$ (84,407)</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Miscellaneous Capital Projects Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 25,000	\$ 25,000	\$	\$ (25,000)
Investment Income			32,987	32,987
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>32,987</u>	<u>7,987</u>
EXPENDITURES				
Current:				
General Government			6,886	(6,886)
Public Works	25,000	25,000		25,000
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>6,886</u>	<u>18,114</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>26,101</u>	<u>26,101</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	26,101	26,101
Fund Balance (Deficit), Beginning of Year	<u>115,677</u>	<u>115,677</u>	<u>115,677</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 115,677</u>	<u>\$ 115,677</u>	<u>\$ 141,778</u>	<u>\$ 26,101</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - CDBG Capital Projects Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 267,904	\$ 20,077	\$ 304,899	\$ 284,822
Total Revenues	<u>267,904</u>	<u>20,077</u>	<u>304,899</u>	<u>284,822</u>
EXPENDITURES				
Current:				
Public Works	252,991	8,000	250,900	(242,900)
Community Services	36,077	12,077	8,000	4,077
Capital Outlay	<u>105,000</u>	<u> </u>	<u>61,116</u>	<u>(61,116)</u>
Total Expenditures	<u>394,068</u>	<u>20,077</u>	<u>320,016</u>	<u>(299,939)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(126,164)</u>	<u>-</u>	<u>(15,117)</u>	<u>(15,117)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u> </u>	<u> </u>	<u> </u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>109,000</u>	<u>109,000</u>
Net Change in Fund Balances	(126,164)	-	93,883	93,883
Fund Balance (Deficit), Beginning of Year	<u>(91,877)</u>	<u>(91,877)</u>	<u>(91,877)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (218,041)</u>	<u>\$ (91,877)</u>	<u>\$ 2,006</u>	<u>\$ 93,883</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 126,638	\$ 139,226	\$ 219,650	\$ 80,424
Intergovernmental			857,339	857,339
Investment Income			1,000	1,000
Total Revenues	<u>126,638</u>	<u>139,226</u>	<u>1,077,989</u>	<u>938,763</u>
EXPENDITURES				
Capital Outlay	<u>13,459,000</u>	<u>13,497,000</u>	<u>2,900,202</u>	<u>10,596,798</u>
Total Expenditures	<u>13,459,000</u>	<u>13,497,000</u>	<u>2,900,202</u>	<u>10,596,798</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(13,332,362)</u>	<u>(13,357,774)</u>	<u>(1,822,213)</u>	<u>11,535,561</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			222,566	222,566
Transfers Out			(226,239)	(226,239)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,673)</u>	<u>(3,673)</u>
Net Change in Fund Balances	(13,332,362)	(13,357,774)	(1,825,886)	11,531,888
Fund Balance (Deficit), Beginning of Year	<u>(1,021,015)</u>	<u>(1,021,015)</u>	<u>(1,021,015)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (14,353,377)</u>	<u>\$ (14,378,789)</u>	<u>\$ (2,846,901)</u>	<u>\$ 11,531,888</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 72,318	\$ 12,318
Investment Income			1,065	1,065
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>73,383</u>	<u>13,383</u>
EXPENDITURES				
Current:				
General Government				-
Capital Outlay			516,874	(516,874)
Total Expenditures	<u>-</u>	<u>-</u>	<u>516,874</u>	<u>(516,874)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>60,000</u>	<u>60,000</u>	<u>(443,491)</u>	<u>(503,491)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			700,087	700,087
Transfers Out	(74,000)	(74,000)	(231,293)	(157,293)
Total Other Financing Sources (Uses)	<u>(74,000)</u>	<u>(74,000)</u>	<u>468,794</u>	<u>542,794</u>
Net Change in Fund Balances	(14,000)	(14,000)	25,303	39,303
Fund Balance (Deficit), Beginning of Year	<u>195,737</u>	<u>195,737</u>	<u>195,737</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 181,737</u>	<u>\$ 181,737</u>	<u>\$ 221,040</u>	<u>\$ 39,303</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Traffic Facilities Fees Capital Projects Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 437,495	\$ 524,750	\$ 1,015,837	\$ 491,087
Intergovernmental			127,771	127,771
Investment Income			38,565	38,565
Other Income			5,286	5,286
	<hr/>		<hr/>	
Total Revenues	437,495.0	524,750	1,187,459	662,709
<hr/>				
EXPENDITURES				
Current:				
Public Works				-
Capital Outlay	1,318,000	1,318,000	1,174,958	143,042
	<hr/>		<hr/>	
Total Expenditures	1,318,000	1,318,000	1,174,958	143,042
<hr/>				
Excess (Deficiency) of Revenues over Expenditures	(880,505)	(793,250)	12,501	805,751
<hr/>				
OTHER FINANCING SOURCES (USES)				
Transfers In			64,910	64,910
Transfers Out			(148,838)	(148,838)
	<hr/>		<hr/>	
Total Other Financing Sources (Uses)	-	-	(83,928)	(83,928)
<hr/>				
Net Change in Fund Balances	(880,505)	(793,250)	(71,427)	721,823
<hr/>				
Fund Balance (Deficit), Beginning of Year	4,389,509	4,389,509	4,389,509	-
<hr/>				
Fund Balance (Deficit), End of Year	<u>\$ 3,509,004</u>	<u>3,596,259</u>	<u>\$ 4,318,082</u>	<u>\$ 721,823</u>

AGENCY FUNDS

City of Yucaipa
Combining Statement of Fiduciary Net Position
Agency Funds
June 30, 2016

	Police Department Donation	Cramer House	CFD 98-1 Debt Reserves	Totals
ASSETS				
Cash and Investments	\$ 51,693	\$ 49,885	\$ 2,602,862	\$ 2,704,440
Cash and Investments with Fiscal Agents			2,251,327	2,251,327
Accounts Receivable			13,267	13,267
Interest Receivable	43	20	986	1,049
	<u>43</u>	<u>20</u>	<u>986</u>	<u>1,049</u>
Total Assets	<u>\$ 51,736</u>	<u>\$ 49,905</u>	<u>\$ 4,868,442</u>	<u>\$ 4,970,083</u>
LIABILITIES				
Deposits Payable	\$ 51,736	\$ 49,905	\$	\$ 101,641
Due to Bondholders			4,868,442	4,868,442
	<u>51,736</u>	<u>49,905</u>	<u>4,868,442</u>	<u>4,868,442</u>
Total Liabilities	<u>\$ 51,736</u>	<u>\$ 49,905</u>	<u>\$ 4,868,442</u>	<u>\$ 4,970,083</u>

City of Yucaipa
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2016

	Beginning Balance	Additions	Deletions	Ending Balance
<u>POLICE DEPARTMENT DONATION</u>				
ASSETS				
Cash and Investments	\$ 51,287	\$ 406	\$	\$ 51,693
Interest Receivable	34	20	(11)	43
Total Assets	<u>\$ 51,321</u>	<u>\$ 426</u>	<u>\$ (11)</u>	<u>\$ 51,736</u>
LIABILITIES				
Deposits Payable	\$ 51,321	\$ 415	\$	\$ 51,736
Total Liabilities	<u>\$ 51,321</u>	<u>\$ 415</u>	<u>\$ -</u>	<u>\$ 51,736</u>
<u>CRAMER HOUSE</u>				
ASSETS				
Cash and Investments	\$ 65,074	\$ 431	\$ (15,620)	\$ 49,885
Interest Receivable	14	20	(14)	20
Total Assets	<u>\$ 65,088</u>	<u>\$ 451</u>	<u>\$ (15,634)</u>	<u>\$ 49,905</u>
LIABILITIES				
Deposits Payable	\$ 65,088	\$ 451	\$ (15,634)	\$ 49,905
Total Liabilities	<u>\$ 65,088</u>	<u>\$ 451</u>	<u>\$ (15,634)</u>	<u>\$ 49,905</u>
<u>CFD 98-1 DEBT RESERVES</u>				
ASSETS				
Cash and Investments	\$ 2,090,309	\$ 2,234,019	\$ (1,721,466)	\$ 2,602,862
Cash and Investments with Fiscal Agents	2,268,258	1,121	(18,052)	2,251,327
Accounts Receivable	13,297	13,267	(13,297)	13,267
Interest Receivable	307	986	(307)	986
Total Assets	<u>\$ 4,372,171</u>	<u>\$ 2,249,393</u>	<u>\$ (1,753,122)</u>	<u>\$ 4,868,442</u>
LIABILITIES				
Due to Bondholders	\$ 4,372,171	\$ 2,249,393	\$ (1,753,122)	\$ 4,868,442
Total Liabilities	<u>\$ 4,372,171</u>	<u>\$ 2,249,393</u>	<u>\$ (1,753,122)</u>	<u>\$ 4,868,442</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Investments	\$ 2,206,670	\$ 2,234,856	\$ (1,737,086)	\$ 2,704,440
Cash and Investments with Fiscal Agents	2,268,258	1,121	(18,052)	2,251,327
Accounts Receivable	13,297	13,267	(13,297)	13,267
Interest Receivable	355	1,026	(332)	1,049
Total Assets	<u>\$ 4,488,580</u>	<u>\$ 2,250,270</u>	<u>\$ (1,768,767)</u>	<u>\$ 4,970,083</u>
LIABILITIES				
Deposits Payable	\$ 116,409	\$ 866	\$ (15,634)	\$ 101,641
Due to Bondholders	4,372,171	2,249,393	(1,753,122)	4,868,442
Total Liabilities	<u>\$ 4,488,580</u>	<u>\$ 2,250,259</u>	<u>\$ (1,768,756)</u>	<u>\$ 4,970,083</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.

CONTENTS	PAGE
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	93
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	101
Debt Capacity 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.	107
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	112
Operating Information 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.	114

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

	Fiscal Year			
	2016	2015	2014	2013
Net Position:				
Investment in Capital Assets	\$ 155,769,811	\$ 150,107,657	\$ 151,188,060	\$ 152,718,653
Restricted for:				
Low and Moderate Housing	-	-	-	-
Public Safety	1,709,562	1,731,433	1,648,506	1,511,857
Public Works	3,001,667	9,715,836	9,602,617	8,763,810
Community Development	14,494	12,815	12,815	5,546,679
Community Service / Public Education	2,550,577	2,308,616	2,196,701	1,978,972
Debt Service	-	-	-	-
Capital Projects	4,680,900	347,493	323,462	617,337
Other Purpose	1,489,306	1,472,937	1,407,186	1,372,341
Unrestricted	<u>38,545,036</u>	<u>38,714,479</u>	<u>42,269,769</u>	<u>41,093,013</u>
Total Net Position	<u>\$ 207,761,353</u>	<u>\$ 204,411,266</u>	<u>\$ 208,649,116</u>	<u>\$ 213,602,662</u>

Fiscal Year

2012	2011	2010	2009	2008	2007
\$ 153,597,104	\$ 151,975,674	\$ 148,144,100	\$ 150,529,949	\$ 143,812,593	\$ 143,626,532
-	1,100,139	1,507,986	1,269,060	999,546	686,164
1,626,410	1,557,703	10,842,601	10,606,356	9,032,086	6,746,325
4,630,231	4,222,907	1,878,652	10,803,489	19,130,076	20,542,796
4,270,590	4,632,943	-	-	-	-
281,933	194,924	-	-	-	-
-	779,707	88,386	241,438	407,792	1,052,976
1,412,695	7,002,308	-	-	-	-
641,451	1,774,525	1,392,325	1,409,884	1,200,699	1,066,416
47,010,514	38,720,659	46,191,835	44,911,757	37,997,158	30,974,496
<u>\$ 213,470,928</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>

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

	Fiscal Year			
	2016	2015	2014	2013
Expenses:				
Governmental activities:				
General government	\$ 3,217,017	\$ 3,059,021	\$ 2,786,070	\$ 3,886,687
Community Development	5,564,038	5,170,508	6,178,671	6,281,252
Building and Safety	535,135	470,200	298,010	262,910
Public Works	6,628,742	6,745,133	12,320,777	6,336,623
Public Safety	8,559,107	8,133,233	7,269,032	7,008,652
Fire Protection Services	2,796,287	2,841,475	2,685,834	2,477,517
Paramedic Services	1,170,740	1,064,232	958,613	960,248
Community Services	1,893,305	2,106,093	1,633,333	1,427,406
Interest on Long-Term Debt	-	-	-	-
Total Governmental Activities	<u>30,364,371</u>	<u>29,589,895</u>	<u>34,130,340</u>	<u>28,641,295</u>
Program Revenues:				
Governmental activities:				
Charges for Services:	3,601,914	3,146,047	2,525,564	2,649,133
Operating Grants and Contributions	1,712,301	1,743,410	1,056,654	1,287,363
Capital Grants and Contributions	7,479,465	3,671,538	4,372,675	6,462,954
 Net (Expense) Revenue and Change in Net Position	 (17,570,691)	 (21,028,900)	 (26,175,447)	 (18,241,845)
General Revenues:				
Taxes:				
Property Taxes	10,411,588	10,034,783	9,689,395	9,158,269
Sales and Use Taxes	3,528,777	3,178,195	2,857,302	2,663,584
Franchise Taxes	1,415,951	1,427,826	1,412,159	1,343,430
Documentary Transfer Tax	165,430	173,871	122,362	115,833
Other Taxes	22,941	18,253	17,656	15,861
Vehicle License Fees, Unrestricted	4,459,501	4,267,755	3,963,654	3,895,205
Intergovernmental, unrestricted	-	-	-	-
Investment Income	463,238	713,548	315,102	217,721
Miscellaneous	453,352	558,284	2,844,271	963,676
Extraordinary Item	-	-	-	-
Total General Revenue	<u>20,920,778</u>	<u>20,372,515</u>	<u>21,221,901</u>	<u>18,373,579</u>
 Change in Net Position	 3,350,087	 (656,385)	 (4,953,546)	 131,734
 Net Position- Beginning of the Year	 <u>204,641,815</u>	 <u>205,298,200</u>	 <u>213,602,662</u>	 <u>213,470,928</u>
 Net Position- End of the Year	 <u>\$ 207,991,902</u>	 <u>\$ 204,641,815</u>	 <u>\$ 208,649,116</u>	 <u>\$ 213,602,662</u>

Fiscal Year						
	2012	2011	2010	2009	2008	2007
\$	3,279,187	\$ 2,993,619	\$ 3,363,269	\$ 2,600,522	\$ 2,827,084	\$ 2,179,937
	6,769,295	7,779,173	10,293,479	7,601,484	5,729,542	1,568,884
	188,449	273,870	185,619	228,925	410,221	351,989
	6,735,182	6,802,538	8,398,273	6,416,748	5,601,754	9,225,519
	6,519,554	6,310,298	6,537,445	5,989,346	5,812,239	5,194,401
	2,463,995	2,503,526	2,582,985	2,222,441	1,803,119	1,276,853
	991,761	969,404	994,988	918,495	748,984	817,697
	1,234,728	1,260,665	1,416,868	1,435,576	1,405,366	1,321,191
	242,212	356,152	188,331	188,446	188,310	132,439
	<u>28,424,363</u>	<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>
	3,115,795	3,067,686	3,062,820	4,294,014	5,986,509	8,023,190
	2,457,849	3,021,749	1,006,444	1,155,086	1,265,162	1,173,894
	3,607,604	5,567,417	4,634,306	7,477,569	3,669,049	1,969,159
	(19,243,115)	(17,592,393)	(25,257,687)	(14,675,314)	(13,605,899)	(10,902,667)
	10,002,732	10,870,359	11,367,661	12,021,282	11,771,494	10,730,950
	2,731,544	2,569,402	2,284,676	2,375,635	2,672,179	2,790,442
	1,321,021	1,294,626	1,245,207	1,288,024	1,195,630	1,244,092
	104,569	105,563	96,459	105,435	133,474	261,695
	12,439	14,704	15,346	18,567	19,440	21,047
	3,883,523	4,082,936	4,223,851	4,585,039	4,499,944	4,619,932
	-	-	-	-	-	-
	161,622	206,707	318,916	831,250	1,474,373	2,797,190
	547,288	363,700	346,462	642,065	294,670	818,116
	1,987,816	-	-	-	-	-
	<u>20,752,554</u>	<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>
	1,509,439	1,915,604	(5,359,109)	7,191,983	8,455,305	12,380,797
	<u>211,961,489</u>	<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>213,470,928</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>

CITY OF YUCAIPA

Fund balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2016	2015	2014	2013
General Fund:				
Nonspendable	\$ 13,946,845	\$ 11,313,445	\$ 11,537,445	\$ 11,788,003
Restricted	1,073,460	985,913	1,710,865	928,749
Committed	6,761,166	5,342,829	5,182,303	5,037,196
Assigned	12,009,103	10,933,751	9,536,944	8,579,695
Unassigned	11,528,265	15,033,672	14,689,176	13,074,022
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>45,318,839</u>	<u>43,609,610</u>	<u>42,656,732</u>	<u>39,407,665</u>
All other governmental funds:				
Nonspendable	2,923,167	2,523,014	2,531,014	2,577,079
Restricted	13,272,331	15,532,774	15,039,236	14,897,917
Committed	8,878,997	8,870,725	8,458,732	8,053,276
Assigned	-	36,079	327,168	358,898
Unassigned	(15,873,763)	(13,324,985)	(12,172,510)	(5,109,470)
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>9,200,732</u>	<u>13,637,607</u>	<u>14,183,640</u>	<u>20,777,700</u>
Total Fund Balances	<u>54,519,571</u>	<u>57,247,217</u>	<u>56,840,372</u>	<u>60,185,365</u>

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

Fiscal Year						
2012	2011	2010	2009	2008	2007	2006
\$ 12,974,225	\$ 16,649,006	\$ -	\$ -	\$ -	\$ -	\$ -
883,501	871,873	-	-	-	-	-
5,181,542	5,419,667	-	-	-	-	-
8,872,998	7,677,045	-	-	-	-	-
17,644,570	15,241,836	-	-	-	-	-
-	-	18,203,751	18,307,818	18,058,192	21,939,986	19,382,373
-	-	27,827,468	27,858,106	24,003,988	16,507,073	15,876,083
<u>45,556,836</u>	<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>
-	-	-	-	-	-	-
11,977,969	20,393,283	-	-	-	-	-
10,669,486	10,133,160	-	-	-	-	-
-	570,420	-	-	-	-	-
(9,060,234)	(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
-	-	(1,862,751)	8,396,963	14,754,292	6,177,455	11,794,271
-	-	88,386	-	-	1,096,768	632,744
<u>13,587,221</u>	<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>59,144,057</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>

CITY OF YUCAIPA
Changes General Fund Balance
Last Ten Fiscal Years

	Fiscal Year			
	2016	2015	2014	2013
Revenues:				
Taxes:				
Property Taxes	\$ 10,411,588	\$ 10,034,783	\$ 9,689,395	\$ 9,158,269
Property Taxes Fire	-	-	-	-
Sales and Use Taxes	3,528,777	3,178,195	2,857,302	2,663,584
Franchise Taxes	1,415,951	1,427,826	1,412,159	1,343,430
Documentary Transfer Tax	165,430	173,871	122,362	115,833
Other taxes	22,941	18,253	17,656	15,861
License and Permits	741,816	644,438	439,867	426,965
Fines and Forfeitures	46,210	65,641	87,443	99,282
Charges for Services	4,142,074	3,523,712	1,558,693	2,088,953
Intergovernmental	11,192,564	8,422,778	9,523,229	10,921,608
Investment Income	899,261	713,548	315,102	220,434
Other	643,662	692,134	1,456,782	1,559,870
Total Revenue	<u>33,210,274</u>	<u>28,895,179</u>	<u>27,479,990</u>	<u>28,614,089</u>
Expenditures:				
Current:				
General government	2,761,798	2,574,342	2,560,664	3,209,997
Community Development	874,127	662,301	680,532	639,820
Building and Safety	535,135	470,200	298,010	262,910
Public Works	3,960,098	4,217,659	3,672,607	3,628,420
Public Safety	7,980,926	7,570,372	6,974,900	6,710,993
Fire Protection Services	2,796,287	2,841,475	2,685,834	2,477,517
Paramedic Services	1,170,740	1,064,232	958,613	960,248
Community Service	1,707,102	1,908,332	1,396,430	1,190,224
Capital Outlay	14,053,736	6,964,420	13,423,621	8,292,652
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Principal Payments	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total Expenditures	<u>35,839,949</u>	<u>28,273,333</u>	<u>32,651,211</u>	<u>27,372,781</u>
Excess (deficiency) and revenues over (under) expenditures	(2,629,675)	621,846	(5,171,221)	1,241,308
Other financing sources (uses)				
Transfer In	5,469,107	2,392,627	5,849,550	11,215,090
Transfer Out	(5,567,078)	(2,607,627)	(4,023,323)	(11,415,090)
Tax Allocation Bonds Issued	-	-	-	-
Premium on Bonds	-	-	-	-
Total Other Financing Sources	(97,971)	(215,000)	1,826,227	(200,000)
Extraordinary Item		-	-	-
Net Change in Fund Balance	(2,727,646)	406,846	(3,344,994)	1,041,308
Fund Balance, Beginning of Year	57,247,217	56,840,371	60,185,365	59,144,057
Fund Balance, End of the Year	<u>\$ 54,519,571</u>	<u>\$ 57,247,217</u>	<u>\$ 56,840,371</u>	<u>\$ 60,185,365</u>

Fiscal Year						
2012	2011	2010	2009	2008	2007	
\$ 10,002,732	\$ 10,870,359	\$ 11,367,661	\$ 12,021,282	\$ 11,771,494	\$ 10,730,950	
-	-	-				
2,731,544	2,569,402	2,284,676	2,375,635	2,672,179	2,790,443	
1,321,021	1,294,626	1,245,207	1,288,024	1,195,630	1,244,092	
104,569	105,563	96,459	105,435	133,474	261,695	
12,439	14,704	15,346	18,567	19,440	21,047	
385,983	508,734	383,386	453,413	681,267	711,665	
61,941	83,985	144,082	190,430	137,659	169,911	
2,087,682	2,060,734	1,913,664	2,666,090	2,918,950	7,015,074	
9,780,385	12,473,427	10,543,961	12,428,860	9,921,150	7,739,527	
203,225	266,415	453,471	1,351,132	2,659,551	3,147,396	
1,016,664	760,948	889,619	1,369,644	1,194,935	818,114	
<u>27,708,185</u>	<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>	
2,788,156	2,450,564	2,535,173	1,959,720	2,276,166	2,019,159	
3,016,056	2,477,779	1,791,765	1,239,563	1,044,012	765,963	
188,449	273,870	185,619	228,925	410,221	351,989	
5,115,331	4,742,770	5,076,502	4,031,318	3,044,499	5,453,380	
6,339,465	6,055,274	6,152,569	5,779,791	5,759,254	5,183,545	
2,463,995	2,503,526	2,582,985	2,222,441	1,803,119	1,240,525	
991,761	969,404	994,988	918,495	748,984	817,697	
1,076,932	1,037,780	1,059,431	1,249,786	1,221,665	1,158,586	
7,514,000	11,919,657	14,928,119	16,072,579	7,878,059	8,824,494	
211,163	256,128	189,726	189,724	189,531	189,144	
200,000	55,000	130,000	125,000	125,000	120,000	
-	273,089	-	-	-	-	
<u>29,905,308</u>	<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>	
(2,197,123)	(2,005,944)	(6,289,345)	251,170	8,805,219	8,525,432	
2,767,624	6,043,092	5,010,854	6,706,388	4,797,264	8,214,932	
(2,972,624)	(6,248,092)	(5,331,621)	(7,032,564)	(5,157,819)	(8,394,932)	
-	6,030,000	-	-	-	-	
-	25,631	-	-	-	-	
(205,000)	5,850,631	(320,767)	(326,176)	(360,555)	(180,000)	
(6,218,903)	-	-	-	-	-	
(8,621,026)	3,844,687	(6,610,112)	(75,006)	8,444,664	8,345,432	
67,765,083	63,920,397	70,530,509	70,605,515	62,160,851	54,386,479	
<u>\$ 59,144,057</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>	

CITY OF YUCAIPA

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

Last Ten Fiscal Years

Category	2016	2015	2014	2013
Residential	3,358,340,145	3,197,499,722	2,941,326,218	2,878,776,247
Commercial	282,344,120	279,379,006	278,331,820	276,265,189
Industrial	28,947,572	27,816,631	25,761,469	23,991,367
Irrigated	3,395,439	3,328,926	132,771	130,167
Dry Farm	3,759,117	6,693,945	3,313,882	3,248,902
Recreational	136,038	133,374	5,052,198	5,001,371
Institutional	10,959,685	11,413,452	4,629,021	2,966,082
Miscellaneous	5,415,474	4,107,321	11,156,895	10,820,367
Vacant Land	109,221,283	105,449,947	103,068,595	109,700,908
Unsecured	64,879,744	65,290,823	64,584,003	67,096,047
Exempt	-	-	-	-
Total	<u>3,867,398,617</u>	<u>3,701,113,147</u>	<u>3,437,356,872</u>	<u>3,377,996,647</u>
Total direct rate	0.22914	0.22912	0.22915	0.27624

Source:
HdL

2012	2011	2010	2009	2008	2007
2,846,903,947	2,831,503,480	3,006,115,775	3,310,453,094	3,231,145,210	2,811,800,835
273,744,743	269,925,338	252,015,949	264,234,597	208,896,478	188,177,054
20,762,516	18,426,334	18,374,670	17,067,825	16,779,884	17,072,605
127,614	126,661	126,961	124,471	122,030	119,637
3,185,198	3,368,272	3,106,272	5,324,049	6,138,528	7,047,950
7,014,523	6,963,679	7,219,167	7,500,172	7,383,793	7,175,870
3,105,703	3,175,684	3,878,434	5,244,229	3,666,064	2,452,702
10,767,981	10,808,961	10,458,874	8,437,085	9,974,750	6,011,342
112,764,550	118,638,093	152,880,519	152,528,633	157,174,314	167,373,336
67,141,606	70,615,476	75,677,744	68,666,414	61,305,542	53,994,624
-	-	-	-	-	-
<u>3,345,518,381</u>	<u>3,333,551,978</u>	<u>3,529,854,365</u>	<u>3,839,580,569</u>	<u>3,702,586,593</u>	<u>3,261,225,955</u>
0.2748	0.27536	0.27262	0.26610	0.25943	0.25289

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

<u>Agency</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Basic Levy	1.00000	1.00000	1.00000	1.00000	1.00000
Redlands Unified School Bond 1993	0.05670	0.05940	0.06290	0.06410	0.05820
San Bernardino Community College Bond	0.04030	0.03930	0.04190	0.04590	0.03730
San Bernardino Valley Muni Water	0.16250	0.16250	0.16250	0.04190	0.16500
Total Direct & Overlapping Tax Rates	1.25950	1.26120	1.26730	1.27250	1.26050
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 ¹					1.16500
Total Direct Rate	0.22914	0.22912	0.22915	0.27624	0.27480

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

Source:
 HdL

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
1.00000	1.00000	1.00000	1.00000	1.00000
0.06170	0.05410	0.05190	0.03220	0.03760
0.04670	0.02800	0.03930	0.01270	0.01950
0.16500	0.16500	0.16500	0.16500	0.16500
1.27340	1.24710	1.25620	1.20990	1.21210
0.22228	0.22228	0.22228	0.22228	0.22228
0	0	0	0	0
1.16500	1.16500	1.16500	1.16500	1.15500
0.27536	0.27262	0.26610	0.25943	0.25289

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

Taxpayer	2016		2007	
	Combined (Secured & Unsecured)		Combined (Secured & Unsecured)	
	Total Assessed Value	Percent of Net Assessed Value	Total Assessed Value	Percent of Net Assessed Value
1 YVCC II LLC	\$ 16,304,360	0.42%	\$ 15,848,409	0.49%
2 YUCAIPA VALLEY ACRES LLC	15,692,886	0.41%	6,178,926	0.19%
3 SNR 24 GOLDEN OAKS OWNER LLC	14,407,694	0.37%	-	-
4 CHAPMAN HEIGHTS YUCAIPA	13,650,415	0.35%	-	-
5 STATER BROS MARKETS	13,307,475	0.34%	10,936,202	0.34%
6 CALANDA REAL LP	11,490,032	0.30%	10,106,681	0.31%
7 PUTNAM FAMILY PARTNERSHIP	10,847,644	0.28%	-	-
8 SORENSON ENGINEERING INC	10,220,338	0.26%	8,236,051	0.25%
9 JDP CH INVESTMENTS LP	9,291,563	0.24%	-	-
10 ATLAS STORAGE YUCAIPA LLC	8,031,907	0.21%	-	-
11 WILLIAM LYON HOMES INC	-	-	41,273,738	1.27%
12 HEARTHSTONE MULTI-ASSET ENTITY LP	-	-	11,562,245	0.35%
13 BRADFORD H. BODLEY	-	-	9,567,033	0.29%
14 WILDWOOD CANYON VILLA LLC	-	-	6,821,012	0.21%
15 PACIFIC CREST HOLDINGS LLC	-	-	563,500	0.17%
TOP TEN TOTAL	<u>123,244,314</u>	<u>3.18%</u>	<u>121,093,797</u>	<u>3.87%</u>
CITY TOTAL	<u>3,867,398,617</u>		<u>3,261,225,955</u>	

Source:
HdL

CITY OF YUCAIPA
Property Tax Levies and Collections ¹
Last Five Fiscal Years

Fiscal Year Ended 30-Jun	Taxes Levied for the Fiscal Year	Collected within the		Subsequent Years Collections of Prior Years ²	Total Collections to Date	
		Fiscal Year of Levy Amount	Percent of Levy		Amount	Percent of Levy
2016	9,072,734	8,847,926	97.52%	355,412	9,203,338	101.44%
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%

NOTE:

¹ 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.

² 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 assessment 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 ¹	Debt Per Capita ¹
2016		0.00%	\$ -
2015	-	0.00%	\$ -
2014	-	0.00%	\$ -
2013	-	0.00%	\$ -
2012	-	0.00%	\$ -
2011	8,489,786	0.64%	\$ 165

¹ 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 ¹	Percentage of Assessed Value ¹	Per Capita ¹
2016	-	0.00%	\$ -
2015	-	0.00%	-
2014	-	0.00%	-
2013	-	0.00%	-
2012	-	0.00%	-
2011	8,489,786	0.25%	165

¹ 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, 2016

Net Taxable 2015-2016 Assessed Valuation \$ 3,867,364,597

	Percentage Applicable	Outstanding Debt 06/30/16	Estimated Share of Overlapping Debt
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
San Bernardino Community College District	6.539%	\$ 463,914,004	\$ 30,335,337
Redlands Unified School District	0.079%	\$ 92,311,062	72,926
City of Yucaipa	100.000%	\$ -	-
City of Yucaipa Community Facilities District No. 98-1	100.000%	\$ 23,115,000	23,115,000
Yucaipa Calimesa Joint Unified School District Community Facilities District No. 2	100.000%	1,135,000	1,135,000
Yucaipa Calimesa Joint Unified School District Community Facilities District No. 3	100.000%	2,175,000	2,175,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$ 582,650,066	\$ 56,833,262
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
San Bernardino County General Fund Obligations	2.061%	\$ 435,550,000	\$ 8,976,686
San Bernardino County Pension Obligation Bonds	2.061%	419,370,824	8,643,233
San Bernardino County Flood Control District General Fund Obligations	2.061%	78,165,000	1,610,981
Redlands Unified School District Certificates of Participation	0.790%	5,000,000	39,500
Yucaipa-Calimesa Joint Unified School District Certificates of Participation	83.580%	9,910,000	8,282,778
TOTAL OVERLAPPING GENERAL FUND DEBT		947,995,824	27,553,177
OVERLAPPING GENERAL FUND DEBT (Successor Agency):	100.000%	7,660,000	7,660,000
<u>DIRECT TAX AND ASSESSMENT DEBT:</u>			
City of Yucaipa	100.000%	\$ -	-
TOTAL DIRECT DEBT		\$ -	\$ -
COMBINED TOTAL DEBT²			92,046,439

Notes:

¹ 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.

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

Ratios to 2015-16 Assessed Valuation:

Direct Debt.....	0%
Total Direct and Overlapping Tax and Assessment Debt.....	1.47%
Combined Total Debt.....	2.38%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$184,671,539):

Total Overlapping Tax Increment Debt.....	4.15%
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Sources: California Municipal Statistics

CITY OF YUCAIPA
 Legal Debt Margin Information
 Last Five Fiscal Years

	Fiscal Year				
	2016	2015	2014	2013	2012
Assessed Valuation	3,867,398,617	3,701,113,147	3,437,356,872	3,377,996,647	3,345,518,381
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	966,849,654	925,278,287	859,339,218	844,499,162	836,379,595
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	145,027,448	138,791,743	128,900,883	126,674,874	125,456,939
Total net debt applicable to the limit					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>145,027,448</u>	<u>138,791,743</u>	<u>128,900,883</u>	<u>126,674,874</u>	<u>125,456,939</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 Six Fiscal Years

Tax Allocation Bonds

Fiscal Year Ended June 30	Former RDA Tax Increment	Debt Service		Coverage
		Principal	Interest	
2016	-	160,000	394,394	-
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 Seven 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>
2015	53,779	\$ 1,367,950.00	\$ 25,436.00	6.60%
2014	52,598	\$ 1,353,662.00	\$ 25,736.00	8.20%
2013	52,654	\$ 1,365,950.00	\$ 25,942.00	6.60%
2012	52,549	\$ 1,372,475.00	\$ 26,118.00	7.70%
2011	52,100	\$ 1,343,555.00	\$ 25,788.00	10.60%
2010	51,476	\$ 1,324,375.00	\$ 25,728.00	11.50%
2009	51,113	\$ 1,186,068.00	\$ 23,150.00	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				
	2016	2015	2014	2013	2012
Full-time employees:					
Administrative Services Department:					
Administrative Services	3.00	3.00	3.00	2.00	2.00
City Clerk's office	4.00	4.00	4.00	4.00	3.00
City Managers office	2.00	2.00	2.00	2.00	2.00
Finance	3.75	3.75	3.75	3.75	3.75
Community Development Department:					
Director	0.33	0.33	0.33	0.33	1.00
Administrative Assistant	0.40	0.40	0.40	0.40	0.00
Planning	0.00	0.00	0.00	0.00	2.33
Code Enforcement	4.33	4.33	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	1.00	0.00
Planning	1.90	1.40	1.40	1.40	0.00
Public Works Department:					
Administration	1.50	1.50	1.00	1.00	1.00
Engineering	5.00	5.50	4.30	4.30	4.30
Street Maintenance	5.00	5.00	6.00	6.00	6.00
Parks/Facilities Maintenance	7.00	7.00	6.70	6.70	8.70
Redevelopment Agency	0.54	0.54	0.87	0.87	1.67
Total	<u>46.75</u>	<u>46.75</u>	<u>45.75</u>	<u>44.75</u>	<u>46.75</u>

Sources:

City of Yucaipa

CITY OF YUCAIPA
 Operating Indicators
 by Function
 Last Five Fiscal Years

Function	Fiscal Year				
	2016	2015	2014	2013	2012
Police:					
Calls for service	32676	32,558	34,958	38,685	44,308
Citations issued	3126	3,916	4,702	5,280	5,281
Fire:					
Number of Incidents	7,536	7,069	6,894	6,611	6,209
Inspections performed	1,549	1,078	706	1,139	991
Building and Safety:					
Building Permits Issued	1,420	1,544	1,638	1,089	1,019
No. of New Dwelling Units	97	92	10	4	45
Parks and recreation:					
Community center attendance	17,840	15,569	16,070	20,293	19,775
Youth sports attendance	-	-	-	-	113
Adult sports attendance	-	-	-	-	75
Kids Club	12,654	9,937	22,723 ²	20,577 ²	12,242
Aquatics	4,348	-	-	-	376
Community Services Classes	4,144	7,304	3,758	2,600	2,522
Administration					
New Business Licenses	535	490	572	534	510
Renewed Business Licenses	1,497	1,581	1,586	1,546	1,551

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				
	2016	2015	2014	2013	2012
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	227.82
Traffic signals (city-owned)	27.5	27.5	27.5	29.5	29.5
Roundabouts	2	2	2		
Parks and Recreation:					
Parks (acreage)	532	532	532	198	198
Community centers	2	2	2	2	2

Sources:
 City of Yucaipa