

CITY OF YUCAIPA
FINANCIAL STATEMENTS
Year Ended June 30, 2010

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Financial Statements
Year Ended June 30, 2010

TABLE OF CONTENTS

	Page
I. INDEPENDENT AUDITORS' REPORT	1
II. MANAGEMENT DISCUSSION AND ANALYSIS	2 - 10
III. BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13 - 14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16 - 17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Assets - Proprietary Fund	19
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund	20
Statement of Cash Flows - Proprietary Fund	21
Statement of Fiduciary Assets and Liabilities - Agency Fund	22
Notes to Financial Statements	23 - 46
IV. REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
General Fund	47
Special Revenue - Fire Fund	48
Schedule of Funding Progress for the Defined Benefit Post-Employment Healthcare Plan	49
Notes to Required Supplementary Information	50
V. SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules – Major Fund	
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Traffic Facilities Capital Projects Fund	51
Developer Fees Public Facilities Capital Projects Fund	52
Development Impact Fees Parks Capital Projects Fund	53
Developer Fees Drainage Capital Projects Fund	54
Developer Fees Fire Capital Projects Fund	55
Non-Major Governmental Funds	
Combining Balance Sheet	56 -59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	60 - 63
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Miscellaneous Special Revenue Fund	64
State Gas Tax Special Revenue Fund	65
Measure I Maintenance Special Revenue Fund	66
Energy Independence Program Special Revenue Fund	67
State COPs Grant Special Revenue Fund	68
Office of Traffic and Safety Special Revenue Fund	69
LLMD Special Revenue Fund	70

City of Yucaipa
Financial Statements
Year Ended June 30, 2010

TABLE OF CONTENTS

Page

V. SUPPLEMENTARY INFORMATION - Continued

Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
RDA Low Income Housing Special Revenue Fund	71
Paramedic Special Revenue Fund	72
PEG Video Special Revenue Fund	73
Capital Projects Funds:	
Miscellaneous Capital Projects Fund	74
CDBG Capital Projects Fund	75
Air Quality Improvement Capital Projects Fund	76
Low Water Crossings Capital Projects Fund	77
RDA Capital Projects Fund	78
Pool Capital Replacement Capital Projects Fund	79
RDA Uptown Revitalization Capital Projects Fund	80
Street Maintenance Capital Projects Fund	81
RDA 2004 TAB Capital Projects Fund	82
I-10 Special Plan Capital Projects Fund	83
RDA Debt Service Capital Projects Fund	84
Agency Funds - Fiduciary Funds	
Combining Statement of Net Assets	85
Combining Statement of Changes in Assets and Liabilities	86

FINANCIAL SECTION

Independent Auditors' Report

The Honorable City Council
City of Yucaipa, California

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, 2010, which collectively comprise the City of Yucaipa's financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Yucaipa's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2010 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.

The information identified in the accompanying table of contents as *management's discussion and analysis* and *required supplementary information* is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information listed in the table of contents, including combining schedules and additional budgetary comparison schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Teaman Ramirez & Smith, Inc.

December 28, 2010

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City Of Yucaipa Management 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, 2010.

FINANCIAL HIGHLIGHTS

- The City's Governmental Net Assets decreased by approximately 2.5% from \$215.4 million to \$210 million as a result of this year's operations, including the cost of expenditure for capital projects, for which resources will be accounted in a different fiscal period.
- The Total Net Assets as of June 30, 2009 were reduced by the amount of \$4.4 million, from \$219.8 million to \$215.4 million, as the result of a prior period adjustment, resulting from the recognition of expenses for the I-10 Interchange Project incurred during fiscal years 2007-08 through 2008-09.
- During the year, the City's taxes and other governmental revenues were exceeded by expenses by approximately \$5.4 million.
- The total revenues from all sources were approximately \$28.6 million.
- The total cost of all City programs was approximately \$33.9 million. This includes the cost of the "loan" to SANBAG for the I-10 Interchange which will be repaid over the next three years. The repayment of the "loan" will be reflected as an addition to the City's Net Assets as the funds are received.
- The General Fund reported operational revenues over expenditures in the amount of approximately \$3.8 million, including the receipt of Proposition 1A Securitization funds in the amount of approximately \$1.15 million.
- In October 2009, the City Council reviewed revenue and expenditure accounts as part of a First Quarter Budget Review. This was precipitated by the State's action to take a substantial amount of property tax revenues from local governments in an attempt to bail the State out of its 2009-10 fiscal crisis. In addition to the State bailout action, approximately \$1.1 million, it was reported during the Review that, based upon updated projections, many of the General Fund major revenue accounts would be experiencing anticipated reductions during Fiscal Year 2009-10. Between property taxes, sales taxes and vehicle license fees, it was anticipated that revenues would fall short of budgeted estimates by the amount of approximately \$600,000 for a total financial impact to the 2009-10 General Fund Budget in the amount of approximately \$1.7 million. As a result of this information, Council took action to make reductions in the expenditure budgets. The 2009-10 Adopted Budget had included the amount of \$1 million as a "Reserve for Economic Certainties" in anticipation of the State's intent to take local government revenues. In order to balance the General Fund Budget, that Reserve Account was eliminated. In addition, the City Council made reductions in several operational expense accounts. At the conclusion of that fiscal exercise, the City Council had adopted a revised budget with a surplus of approximately \$207,000.
- In February 2010, City Council again reviewed revenue and expenditure accounts in the General Fund as part of the Mid-Year Budget Review. Additional reductions in anticipated General Fund revenues totaled approximately (\$713,000), including the reduction of Property Taxes (\$96,000), Sales Taxes (\$150,000), Sales Tax Swap

(\$113,327), Motor Vehicle Fee Triple Flip (\$104,229), Interest (\$250,000). The reduction in interest earnings is a direct result of a change in yield on investments. During Fiscal Year 2008-09 the City earned on average the amount of approximately 1.87% on its investments. During Fiscal Year 2009-10 the average yield dropped to less than 0.7%. On all City funds, this represents a decrease in revenue of approximately \$500,000. Some of the reductions were offset by adjustments in interfund transfers and Community Service revenues in the amount of approximately \$421,000 leaving a remaining estimated shortfall in the amount of approximately \$280,000. In light of the anticipated shortfall, City Council again took action to reduce budgeted expenditures by the amount of \$280,000 from various operational accounts, including salary savings, travel, supplies and professional services.

- For the General Fund, actual resources received exceeded final budget by approximately \$2.0 million, primarily due to the receipt of Proposition 1A Securitization funds, (\$1.15 million) and the transfer of staff and administrative charges on capital projects (\$0.4 million). Actual expenditures were approximately \$1.6 million less than the final revised budget.
- The City Council allocated a transfer of funds from the General Fund in the amount of \$2.5 million for the Yucaipa Energy Independence Program.
- During Fiscal Year 2009-10, funds from previous years' General Fund carryover balances were loaned, expended and/or transferred to other funds to complete capital improvement projects, in the amount of approximately \$1.4 million.
- At the end of fiscal year 2009-10, the Undesignated Fund Balance in the General Fund was approximately \$15.9 million or 89.7% of total General Fund budgeted expenditures. This represents a net decrease from the previous year in the amount of approximately \$0.4 million. This is the net result of five primary factors:
 1. Net revenues over expenses in the amount of approximately \$2.4 million;
 2. An increase due to payments made against other General Fund advances in the amount of \$172,000;
 3. An encumbrance in the amount of \$1.14 million from Proposition 1A Securitization funds;
 4. Miscellaneous adjustments to encumbrances in the amount of approximately \$0.7 million;
 5. The transfer of \$2.5 million for the Yucaipa Energy Independence Program;

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. Accordingly, the financial information for the City's Redevelopment Agency (RDA) is included as an integral part of the City's financial statements and is reported as a blended component unit.

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

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

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

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

The focus of the Fund Financial Statements is narrower than that of the Government-wide Financial Statements. The various fund Balance Sheets and the Statement of Revenues, Expenditures, and Changes in Fund Balances, require a reconciliation to facilitate the comparison between fund statements and the government-wide statements. This reconciliation is required because the government-wide statements are prepared on the full accrual basis of accounting while the fund statements are prepared on the modified accrual basis of accounting. This reconciliation can be found on pages 15 and 18, 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 three 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).

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 assets 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 \$210,045,885 at the close of the most recent fiscal year. See Table 1, below, for a comparative analysis of net assets between the fiscal years ended June 30, 2006 through June 30, 2010.

Table 1
Net Assets
Governmental Activities
Fiscal Year Ended June 30

	2010	2009	2008	2007	2006
Current and other Assets	\$ 68,379,073	\$ 75,409,848	\$ 75,833,494	\$ 67,938,005	\$ 60,375,331
Capital Assets, Net	148,144,100	150,529,949	143,812,593	143,626,532	23,752,557
Total Assets	\$ 216,523,173	\$ 225,939,797	\$ 219,646,087	\$ 211,564,537	\$ 84,127,888
Current Liabilities	3,656,609	3,302,503	4,150,918	3,817,819	4,277,454
Long Term Liabilities	2,820,679	2,865,361	2,915,219	3,051,013	3,146,030
Total Liabilities	\$ 6,477,288	\$ 6,167,864	\$ 7,066,137	\$ 6,868,832	\$ 7,423,484
Net Assets:					
Invested in Capital Assets,					
Net of related debt	148,144,100	150,529,949	143,812,593	143,626,532	23,752,557
Restricted	15,709,950	24,330,227	30,770,199	30,094,677	25,186,335
Unrestricted	46,191,835	44,911,757	37,997,158	30,974,496	27,765,512
Total Net Assets	\$ 210,045,885	\$ 219,771,933	\$ 212,579,950	\$ 204,695,705	\$ 76,704,404

The City's net assets exceeded liabilities by approximately \$210 million at June 30, 2010. This represents a decrease from the previous year in the amount of approximately \$5.4 million. This is the result of standard operations, including depreciation, and capital projects, primarily the I-10 Interchange, for which offsetting revenues will be received and recognized over the next three years.

In addition to the change in Net Assets from operations, the beginning Net Assets as of June 30, 2009 were reduced by the amount of approximately \$4.4 million in recognition of a prior period adjustment for the I-10 Interchange Project in which \$4.4 million had been expended in Fiscal Years 2007-08 through 2008-09. In those years, the City's direct expenditures for the project had been included in the Capital Asset section entitled Construction-In-Progress. However, those expenditures are being reduced from the list as the Interchange is not an asset of the City. From an accounting perspective, the I-10 Interchange Project represents a direct cost to the City with no resultant financial benefit in the form of an asset. As a result, this example reflects City funds expended for the construction of an asset owned by another entity and, therefore, those expenditures should not be reflected in the financial statement of the City as an asset.

A large portion of the City's net assets (\$148.1 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 Redevelopment Agency [RDA].)

An additional portion of the City's net assets (\$15.7 million, or 7.48%) 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 assets (\$46.2 million) may be used to meet the government's ongoing obligations to citizens and creditors. The RDA, a blended component unit of the City, represents approximately \$1,571,143 of total net assets. The RDA exists to finance improvements to the commercial environment, upgrade residential neighborhoods and provide new public improvements. Often these activities do not result in a residual asset, but rather underwrite the cost of a development activity deemed beneficial in meeting the Agency's objectives. The resulting statement of net assets reflects the debt obligation to be repaid through future tax revenues, without an offsetting asset. This is considered the routine and standard operating procedures of such an entity.

The condensed summary of activities, which follows, shows that net assets decreased by approximately \$5.4 million during the year as a result of operations and capital projects. The summary reflects a decrease in total revenues in the amount of approximately \$6.3 million from the previous year.

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

The summary also reflects an increase in total expenditures in the amount of approximately \$6.3 million from the previous year. The difference is primarily the result of typical increases in costs associated with public safety operations and the increased volume and cost associated with city initiated capital projects. Other General Fund administrative and budgets were decreased during FY 2009-10 in response to the State's bailout plan which included a reduction in Property tax revenue equal to 8% of the City's annual property tax allocation.

Table 2
Summary of Governmental Activities

	Fiscal Year Ended June 30				
	2010	2009	2008	2007	2006
Revenues					
Program Revenues:					
Charges for Services	\$ 3,062,820	\$ 4,294,014	\$ 5,986,509	\$ 8,023,190	\$ 7,751,242
General Revenues:					
Property Taxes	11,367,661	12,021,282	11,771,494	10,730,950	8,885,247
Sales Taxes	2,284,676	2,375,635	2,672,179	2,790,442	2,574,789
Other Taxes and Fees	1,357,012	1,412,026	1,348,544	1,526,834	1,403,274
Motor Vehicle In-Lieu Fees	4,223,851	4,585,039	4,499,944	4,619,932	4,488,505
Grants/Other	6,306,128	10,166,931	6,703,254	6,758,359	5,046,027
Total Revenues	\$ 28,602,148	\$ 34,854,927	\$ 32,981,924	\$ 34,449,707	\$ 30,149,084
Expenses					
General Government	3,229,450	2,600,522	2,827,084	2,179,937	2,628,675
Public Safety/Fire	10,115,418	9,130,282	8,364,342	7,288,951	6,882,300
Comm. Dev. / Pub. Works	18,877,371	14,247,157	11,741,517	11,146,392	5,688,621
Community Services	1,550,687	1,435,576	1,405,366	1,321,191	1,281,119
Interest and Fiscal Charges	188,331	249,407	188,310	132,439	145,000
Total Expenses	\$ 33,961,257	\$ 27,662,944	\$ 24,526,619	\$ 22,068,910	\$ 16,625,715
Increase in Net Assets	\$ (5,359,109)	\$ 7,191,983	\$ 8,455,305	\$ 12,380,797	\$ 13,523,369
Beginning Net Assets	\$ 215,404,994 ***	\$ 212,579,950 **	\$ 204,124,645 *	\$ 192,314,909	\$ 63,181,035
Ending Net Assets	\$ 210,045,885	\$ 219,771,933	\$ 212,579,950	\$ 204,695,706	\$ 76,704,404

*as restated pursuant to GASB 34 inclusion of prior infrastructure valuation

** The beginning net assets as of July 1, 2007 were restated by the reduced amount of \$571,060 to account for the elimination of a previously recorded prepaid asset and to properly record prior year transactions in accordance with generally accepted accounting principles.

*** The beginning net assets as of July 1, 2009 were restated by the reduced amount of \$4,366,939 to account for the removal of infrastructure assets in construction in process due to the property not being owned by the City of Yucaipa, but instead by the State of California.

Table 3
Revenues by Source – Governmental Activities
For the Years Ended June 30, 2010, 2009, 2008, and 2007

	2009/2010		2008/2009		2007/2008		2006/2007	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Taxes								
Property	\$ 8,755,952 *	30.6%	\$ 8,686,398	25.0%	\$ 8,493,524	25.8%	\$ 7,679,295	22.3%
Property-Fire	2,611,709	9.1%	3,334,884	9.6%	3,277,970	9.9%	3,051,655	8.9%
Sales and Use	2,284,676	8.0%	2,375,635	6.8%	2,672,179	8.1%	2,790,442	8.1%
Franchise Fees	1,245,207	4.4%	1,288,024	3.7%	1,195,630	3.6%	1,244,092	3.6%
Doc. Transfer	96,459	0.3%	105,435	0.3%	133,474	0.4%	261,695	0.8%
Other Taxes	15,346	0.1%	18,567	0.1%	19,440	0.1%	21,047	0.1%
Fees for Services	3,062,820	10.7%	4,294,014	12.3%	5,167,583	15.7%	7,141,614	20.7%
Fines & Forfeitures	144,082	0.5%	190,430	0.5%	137,659	0.4%	169,911	0.5%
Other Agencies	9,337,133	32.6%	12,573,851	36.1%	9,434,155	28.6%	7,762,985	22.5%
Interest	318,916	1.1%	831,250	2.4%	1,474,373	4.5%	2,797,190	8.1%
Licenses & Permits	383,386	1.3%	453,413	1.3%	681,267	2.1%	711,665	2.1%
Miscellaneous Revenues	346,462	1.2%	642,065	1.8%	294,670	0.9%	818,116	2.4%
Total	\$ 28,602,148	100%	\$ 34,793,966	100%	\$ 32,981,924	100%	\$ 34,449,707	100%

*Includes Proposition 1A Securitization funds of \$1.15 million

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 \$63.9 million, a decrease of approximately \$6.6 million in comparison with the prior year. Approximately 68.39% of this amount (\$43.7 million) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period, 2) for public facilities construction, and 3) for a variety of other restricted purposes.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the chief operating fund of the City. At the end of the fiscal year ending on June 30, 2010, the unreserved fund balance of the General Fund was approximately \$27.8 million, of which approximately \$11.9 million was designated for future operating and economic contingencies. The total fund balance in the General Fund, as of June 30, 2010, was approximately \$46 million.

The total fund balance of the City's General Fund decreased by approximately (\$134,705). This net decrease was the direct result of four primary factors:

- 1) Revised budget reflected revenues over expenditures in the amount of approximately \$207,000;
- 2) Actual revenues, including transfers in, exceeded their budgeted estimates by the amount of approximately \$2 million (including Proposition 1A Securitization funds in the amount of \$1.14 million) and expenditure savings were achieved as a result of tight budgetary and fiscal controls. Actual operational expenditures were below the budgeted authorization by the amount of approximately \$1.6 million;
- 3) Prior year carryover funds were expended and/or transferred to other funds in the net amount of approximately (\$1.4 million);
- 4) Funds were transferred to a Special Revenue fund for the Yucaipa Energy Independence Program in the amount of \$2.5 million.

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

Description	2009/10 Revised Budget*	2009/10 Actual Revenue	Amount of Increase	% Increase
Property Tax	\$ 4,589,853	\$ 4,642,964	\$ 53,111	1.2%
Sales Tax	2,092,083	2,284,676	192,593	9.2%
Current Services	1,240,535	1,512,697	272,162	21.9%
Other Taxes	1,324,800	1,294,811	(29,989)	-2.3%
Other Governmental	4,196,177	4,223,851	27,674	0.7%
Licenses & Permits	440,228	344,468	(95,760)	-21.8%
Misc. Revenues	546,804	1,476,600	929,796	170.0%
Transfers	966,290	1,611,890	645,600	66.8%

*Includes reductions for 1st Quarter and Mid-year Budget Adjustment

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental activities as of June 30, 2010 amounts to \$148.1 million (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and construction-in-progress.

The total net decrease in the City's net investment in capital assets for the current fiscal year was approximately (\$2.4 million). This decrease includes the prior period adjustment related to the recognition of expenditures for the I-10/Live Oak Interchange project in the amount of (\$4.37 million). The primary major capital assets added during fiscal year 2009-10 were the completion of several public works projects, including the widening of Yucaipa Boulevard between 5th Street and 12th Street, completion of Transit Center, 3rd Street Curb Gutter & Sidewalks, 1st Street Curb Gutter & Sidewalks, Wildwood Park Renovations, 7th Street Park Lighting upgrades and the purchase of property along Yucaipa Boulevard. Construction-in-progress totaled \$10.1 million at June 30, 2010 and depreciation expense during the fiscal year was approximately \$7.1 million. See Table 4, below, for the amounts recorded by category as of June 30, 2010

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

Land	\$	60,027,041
Infrastructure		69,029,775
Structures and Improvements		8,555,242
Equipment / Vehicles		388,148
Construction-in-Progress		10,143,894
Total Capital Assets		\$ 148,144,100

Long-term Debt. At the end of the current fiscal year, the City had no outstanding long-term debt. As of June 30, 2010 the RDA had incurred total long-term debt in the amount of approximately \$3.9 million. This includes advances made to the RDA from the City’s General Fund in the amount of approximately \$1.44 million and bonded indebtedness incurred as a result of Tax Allocation Bonds issued by the RDA in 1998 and 2004. As of June 30, 2010 the outstanding bonded indebtedness is \$2,490,000.

The 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.

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BASIC FINANCIAL STATEMENTS

City of Yucaipa
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 66,012,792
Cash and Investments with Fiscal Agents	246,568
Receivables:	
Accounts	20,322
Interest Receivable	53,868
Due From Other Governments	2,045,523
Capital Assets, Not Being Depreciated:	70,170,935
Capital Assets, Net of Accumulated Depreciation	<u>77,973,165</u>
Total Assets	<u>216,523,173</u>
LIABILITIES	
Accounts Payable	2,814,372
Accrued Liabilities	75,000
Interest Payable	39,898
Deposits Payable	727,339
Noncurrent Liabilities:	
Due Within One Year	104,742
Due in More Than One Year	<u>2,715,937</u>
Total Liabilities	<u>6,477,288</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	148,144,100
Restricted for:	
Low and Moderate Housing	1,507,986
Public Safety	10,842,601
Public Works	1,878,652
Debt Service	88,386
Other Purposes	1,392,325
Unrestricted	<u>46,191,835</u>
Total Net Assets	<u><u>\$ 210,045,885</u></u>

The accompanying notes are an integral part of this statement.

City of Yucaipa
Statement of Activities
Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Change in Net Assets</u>
					<u>Governmental Activities</u>
Governmental Activities:					
General Government	\$ 3,363,269	\$ 500,762	\$ 59,750	\$	\$ (2,802,757)
Community Development	10,293,479	1,018,192		1,135,645	(8,139,642)
Building and Safety	185,619	276,343			90,724
Public Works	8,398,273	291,045	813,113	3,498,661	(3,795,454)
Public Safety	6,537,445	227,911	133,581		(6,175,953)
Fire Protection Services	2,582,985	23,681			(2,559,304)
Paramedic Services	994,988				(994,988)
Community Services	1,416,868	724,886			(691,982)
Interest on Long-Term Debt	188,331				(188,331)
Total Governmental Activities	\$ 33,961,257	\$ 3,062,820	\$ 1,006,444	\$ 4,634,306	(25,257,687)

General Revenues:

Taxes:

Property Taxes	11,367,661
Sales and Use Taxes	2,284,676
Franchise Taxes	1,245,207
Documentary Transfer Tax	96,459
Other Taxes	15,346
Vehicle License Fees, Unrestricted	4,223,851
Investment Income	318,916
Miscellaneous	346,462

Total General Revenues 19,898,578

Change in Net Assets (5,359,109)

Net Assets - Beginning of Year 219,771,933

Prior Period Adjustment (4,366,939)

Net Assets - End of Year \$ 210,045,885

The accompanying notes are an integral part of this statement.

**City of Yucaipa
Balance Sheet
Governmental Funds
June 30, 2010**

	General	Special Revenue Fire	Capital Projects Traffic Facilities	Developer Fees Public Facilities
ASSETS				
Cash and Investments	\$ 27,151,297	\$ 9,657,058	\$ 6,193,166	\$ 769,875
Cash and Investments with Fiscal Agent				
Receivables:				
Accounts	20,322			
Interest	24,406	8,857	5,607	1,079
Due From Other Governments	722,733	87,140		424,805
Due From Other Funds	1,607,588			
Advances to Other Funds	18,203,751			
	<u>47,730,097</u>	<u>9,753,055</u>	<u>6,198,773</u>	<u>1,195,759</u>
Total Assets	<u>\$ 47,730,097</u>	<u>\$ 9,753,055</u>	<u>\$ 6,198,773</u>	<u>\$ 1,195,759</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable & Accrued Liabilities	\$ 697,667	\$ 85,917	\$ 337,697	\$ 252,858
Deposits Payable	727,339			
Due to Other Funds	273,872		391,977	146,448
Advances From Other Funds			6,551,246	4,716,631
Deferred Revenue				
	<u>1,698,878</u>	<u>85,917</u>	<u>7,280,920</u>	<u>5,115,937</u>
Total Liabilities	<u>1,698,878</u>	<u>85,917</u>	<u>7,280,920</u>	<u>5,115,937</u>
Fund Balances:				
Reserved for:				
Advances to Other Funds	18,203,751			
Specific Projects				
Unreserved:				
Designated Reported In:				
General Fund	11,940,866			
Undesignated Reported In:				
General Fund	15,886,602			
Special Revenue Funds		9,667,138		
Capital Projects Fund			(1,082,147)	(3,920,178)
Debt Service Fund				
	<u>46,031,219</u>	<u>9,667,138</u>	<u>(1,082,147)</u>	<u>(3,920,178)</u>
Total Fund Balances	<u>46,031,219</u>	<u>9,667,138</u>	<u>(1,082,147)</u>	<u>(3,920,178)</u>
Total Liabilities and Fund Balances	<u>\$ 47,730,097</u>	<u>\$ 9,753,055</u>	<u>\$ 6,198,773</u>	<u>\$ 1,195,759</u>

The accompanying notes are an integral part of this statement.

Capital Projects				
Developer Impact Fees Parks	Developer Fees Drainage	Developer Fees Fire	Non-Major Funds	Total Governmental Funds
\$ 1,389,144	\$ 3,450,328	\$ 282,113	\$ 16,243,687 246,568	\$ 65,136,668 246,568
				20,322
1,433	3,252		8,612	53,246
	215,934		594,911	2,045,523
253,000			1,192,224	3,052,812
				18,203,751
<u>\$ 1,643,577</u>	<u>\$ 3,669,514</u>	<u>\$ 282,113</u>	<u>\$ 18,286,002</u>	<u>\$ 88,758,890</u>
\$ 24,398	\$ 467,153	\$	\$ 947,232	\$ 2,812,922
				727,339
39,663	47,450	42,000	2,111,402	3,052,812
2,804,050		2,689,079	1,442,745	18,203,751
	1		41,668	41,669
<u>2,868,111</u>	<u>514,604</u>	<u>2,731,079</u>	<u>4,543,047</u>	<u>24,838,493</u>
				18,203,751
			1,946,059	1,946,059
				11,940,866
				15,886,602
			8,050,346	17,717,484
(1,224,534)	3,154,910	(2,448,966)	3,658,164	(1,862,751)
			88,386	88,386
<u>(1,224,534)</u>	<u>3,154,910</u>	<u>(2,448,966)</u>	<u>13,742,955</u>	<u>63,920,397</u>
<u>\$ 1,643,577</u>	<u>\$ 3,669,514</u>	<u>\$ 282,113</u>	<u>\$ 18,286,002</u>	<u>\$ 88,758,890</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 Assets
June 30, 2010

Fund balances of governmental funds \$ 63,920,397

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

Capital assets net of depreciation have not been included as financial resources in governmental fund activity.

Cost of Capital Assets Not Being Depreciated	70,170,935
Cost of Capital Assets Being Depreciated	178,788,210
Accumulated Depreciation	(100,815,045)

Long-term debt obligations have not been included in the governmental fund activity:

Tax Allocation Bonds	(2,490,000)
Compensated Absences	(205,372)
Net OPEB Obligation	(125,307)

Accrued interest payable for the current portion of interest due on Tax Allocation Bonds has not been reported in the governmental funds. (39,898)

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 assets. 800,296

Certain revenues in governmental funds are deferred because they are not collected within the prescribed time period after year end. Those revenues are recognized in the government-wide financial statements. 41,669

Net assets of governmental activities \$ 210,045,885

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City of Yucaipa
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2010

	General	Special Revenue	Capital Projects	
		Fire	Traffic Facilities	Developer Fees Public Facilities
REVENUES				
Taxes:				
Property Taxes	\$ 5,795,491	\$	\$	\$
Property Taxes - Fire		2,611,709		
Sales and Use Taxes	2,284,676			
Franchise Taxes	1,183,007			
Documentary Transfers Tax	96,459			
Other Taxes	15,346			
Licenses and Permits	383,386			
Fines and Forfeitures	23,147			
Charges for Services	1,284,356	23,681	315,702	38,987
Intergovernmental	4,340,882		568,400	1,135,645
Investment Income	190,219	72,063	62,992	11,645
Other	183,098	51,947	90,033	
Total Revenues	<u>15,780,067</u>	<u>2,759,400</u>	<u>1,037,127</u>	<u>1,186,277</u>
EXPENDITURES				
Current:				
General Government	2,316,281			
Community Development	449,854			
Building and Safety	185,619			
Public Works	3,204,162			
Public Safety	5,854,499			
Fire Protection Services		2,582,985		
Paramedic Services				
Community Services	1,059,431			
Capital Outlay	127,199		6,269,056	1,999,892
Debt Service:				
Interest and Fiscal Charges				
Principal Payments				
Total Expenditures	<u>13,197,045</u>	<u>2,582,985</u>	<u>6,269,056</u>	<u>1,999,892</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,583,022</u>	<u>176,415</u>	<u>(5,231,929)</u>	<u>(813,615)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	355,587		4,722	
Transfers Out	(3,073,314)		(300,000)	
Total Other Financing Sources (Uses)	<u>(2,717,727)</u>	<u>-</u>	<u>(295,278)</u>	<u>-</u>
Net Change in Fund Balances	(134,705)	176,415	(5,527,207)	(813,615)
Fund Balances, Beginning of Year	<u>46,165,924</u>	<u>9,490,723</u>	<u>4,445,060</u>	<u>(3,106,563)</u>
Fund Balances, End of Year	<u>\$ 46,031,219</u>	<u>\$ 9,667,138</u>	<u>\$ (1,082,147)</u>	<u>\$ (3,920,178)</u>

The accompanying notes are an integral part of this statement.

Capital Projects				
Developer Impact Fees Parks	Developer Fees Drainage	Developer Fees Fire	Non-Major Funds	Total Governmental Funds
\$	\$	\$	\$ 2,960,461	\$ 8,755,952
				2,611,709
				2,284,676
			62,200	1,245,207
				96,459
				15,346
				383,386
			120,935	144,082
47,165	106,420	25,232	72,121	1,913,664
	1,641,739		2,857,295	10,543,961
14,849	27,196		74,507	453,471
	1,297		563,244	889,619
<u>62,014</u>	<u>1,776,652</u>	<u>25,232</u>	<u>6,710,763</u>	<u>29,337,532</u>
			218,892	2,535,173
			1,341,911	1,791,765
				185,619
			1,872,340	5,076,502
			298,070	6,152,569
				2,582,985
			994,988	994,988
				1,059,431
1,100,009	2,721,923	1,704	2,708,336	14,928,119
			189,726	189,726
			130,000	130,000
<u>1,100,009</u>	<u>2,721,923</u>	<u>1,704</u>	<u>7,754,263</u>	<u>35,626,877</u>
<u>(1,037,995)</u>	<u>(945,271)</u>	<u>23,528</u>	<u>(1,043,500)</u>	<u>(6,289,345)</u>
253,000			4,397,545	5,010,854
			(1,958,307)	(5,331,621)
<u>253,000</u>	<u>-</u>	<u>-</u>	<u>2,439,238</u>	<u>(320,767)</u>
(784,995)	(945,271)	23,528	1,395,738	(6,610,112)
<u>(439,539)</u>	<u>4,100,181</u>	<u>(2,472,494)</u>	<u>12,347,217</u>	<u>70,530,509</u>
<u>\$ (1,224,534)</u>	<u>\$ 3,154,910</u>	<u>\$ (2,448,966)</u>	<u>\$ 13,742,955</u>	<u>\$ 63,920,397</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, 2010

Net change in fund balances-total governmental funds \$ (6,610,112)

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. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	9,116,556
Depreciation	(7,135,466)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 130,000

Accrued interest on long-term debt reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The following amount represents the net change in accrued interest on long-term debt for the current period. 1,395

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. (36,366)

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 deferred revenue for the current period. (739,798)

The Net OPEB Obligation reported in the statement of activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The following amount represents the net change in the OPEB Obligation (61,906)

Compensated absences 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. The following amount represents the net change in compensated absences for the current period. (23,412)

Change in Net Assets of Governmental Activities \$ (5,359,109)

**City of Yucaipa
Statement of Net Assets
Proprietary Fund
June 30, 2010**

	<u>Governmental Activities - Internal Service Fund</u>
ASSETS	
Cash and Investments	\$ 876,124
Accounts Receivable	
Interest Receivable	622
Due From Other Funds	
Total Assets	<u>876,746</u>
LIABILITIES	
Accounts Payable	1,450
Accrued Liabilities	<u>75,000</u>
Total Liabilities	<u>76,450</u>
NET ASSETS	
Unrestricted	<u>800,296</u>
Total Net Assets	<u><u>\$ 800,296</u></u>

The accompanying notes are an integral part of this statement.

City of Yucaipa
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
Year Ended June 30, 2010

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Other Income	\$
	<hr/>
Total Operating Revenues	-
	<hr/>
OPERATING EXPENSES	
Professional Services	7,439
Property and Liability Premiums	333,975
Claims Expense	20,133
	<hr/>
Total Operating Expenses	361,547
	<hr/>
Operating Income (Loss)	(361,547)
	<hr/>
NON-OPERATING REVENUE (EXPENSES)	
Investment Earnings	4,414
	<hr/>
Total Non-operating revenues (expenses)	4,414
	<hr/>
Income (Loss) before contributions and transfers	(357,133)
	<hr/>
OTHER FINANCING SOURCES (USES)	
Transfers In	320,767
	<hr/>
Total Other Financing Sources (Uses)	320,767
	<hr/>
Change in Net Assets	(36,366)
	<hr/>
Total Net Assets, Beginning of Year	836,662
	<hr/>
Total Net Assets, End of Year	\$ 800,296
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

**City of Yucaipa
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2010**

	<u>Governmental Activities - Internal Service Fund</u>
Cash Flows from Operating Activities	
Cash Paid to Suppliers for Goods and Service	\$ (343,329)
Cash Paid for Claims	(20,133)
Other Income	<u>1,287</u>
Net Cash Provided (Used) by Operating Activities	<u>(362,175)</u>
Cash Flows from Non-Capital Financing Activities	
Cash Transferred From (Paid To) Other Funds	<u>320,767</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>320,767</u>
Cash Flows from Investing Activities	
Interest on Investments	<u>4,414</u>
Net Cash Provided (Used) by Investing Activities	<u>4,414</u>
Net Increase(Decrease) in Cash and Cash Equivalents	(36,994)
Cash and Cash Equivalents, Beginning of Year	<u>913,118</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 876,124</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Cash Flows from Operating Activities	
Operating income (loss)	\$ (361,547)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) Decrease in Accounts Receivable	1,909
(Increase) Decrease in Interest Receivable	(622)
Increase (Decrease) in Accounts Payable	<u>(1,915)</u>
Net Cash Provided By (Used for) Operating Activities	<u><u>\$ (362,175)</u></u>

City of Yucaipa
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2010

ASSETS

Cash and Investments	\$ 2,312,659
Cash and Investments with Fiscal Agent	2,428,931
Accounts Receivable	27,833
Interest Receivable	<u>1,747</u>
 Total Assets	 <u><u>\$ 4,771,170</u></u>

LIABILITIES

Deposits Payable	\$ 147,208
Due to Bondholders	<u>4,623,962</u>
 Total Liabilities	 <u><u>\$ 4,771,170</u></u>

The accompanying notes are an integral part of this statement.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
1	Summary of Significant Accounting Policies	24 - 30
2	Cash and Investments	30 - 33
3	Interfund Receivables, Payables and Transfers	34 - 35
4	Capital Assets	36
5	Changes in Long-Term Liabilities	37
6	Tax Allocation Bonds	37 - 38
7	Other Liabilities	38
8	Debt Without Government Commitment	39
9	Retirement Plan	39 - 40
10	Other Post-Employment Benefits	40 - 41
11	Summary Disclosure of Self-Insurance Contingencies	42
12	Tax Sharing Agreement	42
13	Development Impact Fees	43
14	Community Facilities District No. 98-1 City of Yucaipa (Chapman Heights)	43
15	Commitments and Contingencies	44
16	Fund Balance Reserves and Designations	44
17	Accumulated Fund Deficits	45
18	Proposition 1A Borrowing By The State of California	45
19	New Pronouncements	46
20	Subsequent Events	46
21	Prior Period Adjustment	46

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

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.

Included within the financial reporting entity of the City of Yucaipa is the Yucaipa Redevelopment Agency (Agency). The Agency was established on December 17, 1990 pursuant to the State of California Health and Safety Code, Section 33000 entitled Community Redevelopment Laws. The primary purpose of the Agency is to eliminate blighted areas by encouraging development of residential, commercial, industrial, recreational and public facilities. The City Council serves as the board, appoints the Agency director and has full accountability for the Agency's fiscal matters. Revenues of the Agency consist primarily of property tax allocations on the incremental increase of property values in the redevelopment area and interest income.

Since the City Council serves as the governing board for the Agency, or the component unit is considered fiscally dependent on the City, the Agency is considered to be a blended component unit. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the interfund data of the primary government. The Yucaipa Redevelopment Agency issues separate component unit financial statements. These financial statements can be obtained at City Hall.

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

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Basis of Accounting and Measurement Focus - Continued

Financial reporting is based upon all GASB pronouncements, as well as the FASB Statements and Interpretations, APB Opinions, and Accounting and Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB pronouncements issued after November 30, 1989 are not allowed in preparation of the accompanying 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.

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 expenditure. 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 expenditure.

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.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Basis of Accounting and Measurement Focus - Continued

Governmental Funds

In the fund financial statement, 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.

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 where 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 fund balance reserve accounts.

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.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Basis of Accounting and Measurement Focus - Continued

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.

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 is 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 assets.

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. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenditures and capital improvement costs which are paid through other funds.

The *Fire Special Revenue Fund* accounts for property taxes collected for financing fire services.

The *Traffic Facilities Fund* accounts for resources used for construction of major traffic facilities.

The *Developer Fees Public Facilities Capital Projects Fund* accounts for revenues collected from development impact fees on the new development and are used to construct public facilities.

The *Developer Impact Fees Parks Capital Projects Fund* accounts for revenues 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 Drainage Capital Projects Fund* accounts for resources used for construction of major drainage facilities.

The *Developer Fees Fire Capital Projects Fund* accounts for resources used for construction of major fire facilities.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Fund Classifications - Continued

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.

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 a receivable, 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, 2010.

G) Advances Between Funds

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account 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, 2010

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

J) Employee Leave Benefits

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

K) Capital Assets

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

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

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

**City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

2) CASH AND INVESTMENTS

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

Statement of Net Assets:	
Cash and Investments	\$ 66,012,792
Cash and Investments with Fiscal Agents	246,568
Statement of Fiduciary Assets and Liabilities:	
Cash and Investments	2,312,659
Cash and Investments with Fiscal Agents	<u>2,428,931</u>
Total Cash and Investments	<u><u>\$ 71,000,950</u></u>

Cash and Investments consist of the following:

Cash on Hand	\$ 700
Deposits with Financial Institutions	28,208,979
Investments	<u>42,791,271</u>
Total Cash and Investments	<u><u>\$ 71,000,950</u></u>

Investments Authorized by the City's Investment Policy

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

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

2) CASH AND INVESTMENTS - Continued

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

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

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

Investments Authorized by Debt Agreements

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	30%
Commercial Paper	270 days	None	10%
Money Market Mutual Funds	N/A	None	None
Repurchase Agreements	270 days	None	None
Investment Contracts	30 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Interest Rate Risk

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

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

Investment Type		Remaining Maturity 12 Months or Less
State Investment Pool	\$ 40,116,024	\$ 40,116,024
Held by Bond Trustee:		
Money Market Mutual Funds	880,419	880,419
Investment Contracts	1,794,828	1,794,828
Total Pooled Investments	\$ 42,791,271	\$ 42,791,271

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	Exempt From Disclosure	AAA	Not Rated
State Investment Pool	\$ 40,116,024	N/A	\$ -	\$ -	\$ 40,116,024
Held by Bond Trustee:					
Money Market Mutual Funds	880,419	A	-	880,419	-
Investment Contracts	1,794,828	N/A	-	-	1,794,828
Mutual Funds	\$ 42,791,271		\$ -	\$ 880,419	\$ 41,910,852

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

2) CASH AND INVESTMENTS - Continued

Concentration of Credit Risk

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

Custodial Credit Risk

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

As of June 30, 2010, 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, 2010, none of the City's investments were held by the broker-dealer (counterparty) that was used by the City to purchase the securities. For investments identified herein as held by bond trustee, the bond trustee selects the investments under terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

Investment in State Investment Pool

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

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at June 30, 2010 are as follows:

Due From (Receivable)	Due To (Payable)	Amount
General Fund	Nonmajor Governmental Funds	\$ 940,050 ^(a)
General Fund	Developer Fees Drainage	47,450 ^(b)
General Fund	Traffic Facilities	391,977 ^(b)
General Fund	Developer Fees Public Facilities	146,448 ^(b)
General Fund	Developer Impact Fees Parks	39,663 ^(b)
General Fund	Developer Fees Fire	42,000 ^(b)
Developer Impact Fees Parks	General Fund	253,000 ^(c)
Nonmajor Governmental Funds	General Fund	20,872 ^(c)
Nonmajor Governmental Funds	Nonmajor Governmental Funds	1,171,352 ^(c)
Total Due To/From Other Funds		<u>\$ 3,052,812</u>

^(a)The interfund balance was the result of short-term borrowings to cover deficit cash balances at June 30, 2010.

^(b)The interfund balance was the result of interest accrued on General Fund advance and staff time allocated to capital projects.

^(c)The interfund balance was the result of transfers of standard Measure I, AQMD, and capital project allocation.

Interfund advances at June 30, 2010 are as follows:

Advances to Other Funds (Receivable)	Advances From Other Funds (Payable)	Amount
General Fund	Traffic Facilities	\$ 6,551,246 ^(a)
	Developer Fees Public Facilities	4,716,631 ^(b)
	Developer Impact Fees Parks Fund	2,804,050 ^(c)
	Developer Fees Fire	2,689,079 ^(d)
	Nonmajor Governmental Funds	1,442,745 ^(e)
Total Advances To/From Other Funds		<u>\$ 18,203,751</u>

^(a) The interfund balance was the result of the City's General Fund financing the construction improvements to the Live Oak/Oak Glen Road Interchange.

^(b) The interfund balance was the result of the City's General Fund financing the construction of the Transit Center and Aquatic Center.

^(c) The interfund balance was the result of the City's General Fund financing the construction of the Community Park.

^(d) The interfund balance was the result of the City's General Fund financing the construction of the Fire Station No. 3.

^(e) The City's General Fund has advanced funds to the Agency (RDA Capital Projects Fund) for current operations. The advances bear interest at 8.27% for the year ended 1990-91 advance, and a rate equivalent to the Local Agency Investment (LAIF) rate for all other advances. At June 30, 2010 the balance including accrued interest is:

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Interfund advances at June 30, 2010 - Continued

Fiscal Year	Advances and Accrued Interest	Purpose
1990-91	\$ 100,000	Current Operations
1992-93	100,000	Current Operations
1992-93	10,000	Business Assistance Program
1994-95	125,000	Uptown Specific Plan/Sewer Main Extension
1994-95	28,000	Sewer Main Extension
1991-2009	661,811	Interest Charges for the Fiscal Years 1991- 2009
2006-07	350,000	Uptown Specific Plan Improvements
2009-10	67,934	Interest Charges for the 2009-10 Fiscal Year
	<u>\$ 1,442,745</u>	

Interfund transfers at June 30, 2010 are as follows:

Transfers In (Receiving Fund)	Transfer Out (Paying Fund)	Amount
General Fund	Traffic Facilities	\$ 300,000 ^(a)
	Nonmajor Governmental Funds	55,587 ^(a)
		<u>355,587</u>
Developer Impact Fees Parks	General Fund	<u>253,000^(a)</u>
Traffic Facilities	General Fund	<u>4,722^(a)</u>
Self Insurance Internal Service Fund	General Fund	<u>320,767</u>
Nonmajor Governmental Funds	General Fund	2,494,825 ^(a)
	Nonmajor Governmental Funds	1,902,720 ^(a)
		<u>4,397,545</u>
Total Interfund Transfers		<u>\$ 5,331,621</u>

^(a) Transfers occurred as a result of capital project activity.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Buildings and Improvements	\$ 14,937,844	\$ 45,373	\$ -	\$ 14,983,217
Equipment	700,263	78,419	-	778,682
Vehicles	1,474,739	17,930	-	1,492,669
Infrastructure	153,336,895	8,196,747	-	161,533,642
Total Cost of Depreciable Capital Assets	170,449,741	8,338,469	-	178,788,210
Less Accumulated Depreciation:				
Buildings and Improvements	(5,991,422)	(436,553)	-	(6,427,975)
Equipment	(530,057)	(49,515)	-	(579,572)
Vehicles	(1,229,550)	(74,081)	-	(1,303,631)
Infrastructure	(85,928,550)	(6,575,317)	-	(92,503,867)
Total Accumulated Depreciation	(93,679,579)	(7,135,466)	-	(100,815,045)
Net Depreciable Assets	76,770,162	1,203,003	-	77,973,165
Capital Assets, Not Depreciated:				
Land	1,892,353	764,765	-	2,657,118
Rights of Way	57,369,923	-	-	57,369,923
Construction in Progress	14,497,511	3,002,771	(7,356,388)*	10,143,894
Total Capital Assets Not Depreciated, Net	73,759,787	3,767,536	(7,356,388)	70,170,935
Governmental Activities Capital Assets, Net	\$ 150,529,949	\$ 4,970,539	\$ (7,356,388)	\$ 148,144,100

*Includes a \$4,366,939 prior period adjustment. See Note 21

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

General Government	\$ 210,107
Public Safety	212,116
Public Works	1,830,720
Community Development	4,685,530
Community Services	196,993
Total Depreciation Expense	\$ 7,135,466

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

5) CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2010 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
Governmental Activities:						
Tax Allocation Bonds:						
1998 Tax Allocation Bonds	\$ 545,000	\$	\$ (20,000)	\$ 525,000	\$ 25,000	\$ 500,000
2004 Tax Allocation Bonds	2,075,000		(110,000)	1,965,000	30,000	1,935,000
Total Tax Allocation Bonds	<u>2,620,000</u>	-	<u>(130,000)</u>	<u>2,490,000</u>	<u>55,000</u>	<u>2,435,000</u>
Other Long-Term Liabilities:						
Net OPEB Obligation	63,401	67,296	(5,390)	125,307		125,307
Compensated Absences	181,960	67,192	(43,780)	205,372	49,742	155,630
Total Long-term Liabilities	<u>\$ 2,865,361</u>	<u>\$ 134,488</u>	<u>\$ (179,170)</u>	<u>\$ 2,820,679</u>	<u>\$ 104,742</u>	<u>\$ 2,715,937</u>

6) TAX ALLOCATION BONDS

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 capital improvement projects throughout 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, 2010 was \$525,000.

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, 2010, the amount held in the reserve account was \$55,496.

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 capital improvement projects throughout the Agency.

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, 2010 was \$1,965,000.

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, 2010, the amount held in the reserve account was \$191,071.

**City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010**

6) TAX ALLOCATION BONDS - Continued

The annual requirements to amortize tax allocation debt outstanding at June 30, 2010 are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2011	\$ 55,000	\$ 119,696
2012	55,000	117,432
2013	55,000	115,318
2014	60,000	113,115
2015	60,000	110,605
2016	65,000	108,025
2017	65,000	105,212
2018	70,000	102,333
2019	70,000	99,202
2020	75,000	96,008
2021	75,000	92,507
2022	80,000	88,958
2023	80,000	85,107
2024	85,000	81,208
2025	90,000	77,014
2026	120,000	72,544
2027	130,000	66,581
2028	135,000	60,069
2029	140,000	53,206
2030	145,000	46,069
2031	150,000	39,000
2032	155,000	31,500
2033	160,000	23,750
2034	170,000	15,750
2035	145,000	7,250
Total	\$ 2,490,000	\$ 1,927,459

7) OTHER LIABILITIES

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, 2010 is recorded as a liability in the statements of net assets. The General Fund finances this liability.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

8) DEBT WITHOUT GOVERNMENT COMMITMENT

The following issues of Yucaipa Redevelopment Agency Mobile Home Park Revenue Bonds are not reflected in the Long-Term Liabilities because these bonds are special obligations payable solely from and secured by specific revenue sources described in the bond resolutions and official statements of the respective issue. Neither the faith and credit nor the taxing power of the City, the Redevelopment Agency, the State of California or any political subdivision thereof, is pledged for the payment of these bonds.

The Agency issued Mobile Home Park Revenue Bonds (Eldorado Palms) Series A and B in the amounts of \$6,995,000 and \$225,000, respectively. The bonds are dated May 26, 1998, with interest ranging from 4.90% to 7.7%. These bonds mature on May 1, 2030. The principal balance of the Series A outstanding bonds at June 30, 2010 is \$5,850,000. The principal balance of the Series B bonds was repaid in full in 2002.

On October 9, 2000, the Agency issued Mobile Home Park Revenue Bonds (Valley View) Series 2000 A and B in the amounts of \$1,100,000 and \$505,000, respectively. These bonds have interest rates of 5.0% and 7.5%, respectively and mature on November 15, 2030. The principal balance of outstanding bonds at June 30, 2010 is \$903,271 and \$450,000, respectively.

On May 15, 2001 the Agency issued Mobile Home Park Revenue Bonds (Rancho Del Sol and Grandview East) Series 2001 A and B in the amount of \$6,130,000 and \$245,000, respectively. These bonds have interest rates ranging from 5.0% to 6.9% and have maturity dates in increments from May 2002 through May 2036. The principal balance of outstanding bonds at June 30, 2010 is \$5,585,000 and \$60,000, respectively.

9) RETIREMENT PLAN

Plan Description

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

Funding Policy

Participants are required to contribute 7% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is also required to make an additional contribution at an actuarially determined rate. The required employer contribution rate for the fiscal year 2009/10 was 9.863%. The contribution requirements for plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

9) RETIREMENT PLAN (PERS) - Continued

Three Year Trend Information:

Fiscal Year	Required Contributions	Percent Contributed
6/30/08	\$ 282,841	100%
6/30/09	\$ 262,300	100%
6/30/10	\$ 281,935	100%

10) OTHER POST EMPLOYMENT BENEFITS

Plan Description

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

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the Council. The City contributes \$105 per employee per month.

Annual OPEB Cost

For 2010, the City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	68,249
Interest on net OPEB obligation		3,170
Adjustment to annual required contribution		(4,123)
Annual OPEB cost (expense)		67,296
Contributions made		(5,390)
Increase in net OPEB obligation		61,906
Net OPEB obligation – beginning of the year		63,401
Net OPEB obligation – end of the year	\$	125,307

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

10) OTHER POST EMPLOYMENT BENEFITS - Continued

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending June 30, 2010 and the two preceding fiscal years as follows:

THREE-YEAR TREND INFORMATION FOR CERBT			
Fiscal Year	Annual OPEB Cost (AOC)	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/10	\$ 67,296	8%	\$ 125,307
6/30/09	\$ 68,249	7%	\$ 63,401
6/30/08	*	*	*

*The information for the 6/30/08 is unavailable. GASB 45 was implemented in fiscal year 2009.

Funded Status and Funding Progress

As of June 30, 2009, the actuarial valuation accrued liability for benefits was 468,320, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,961,445 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 16 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 following is a summary of the actuarial assumptions and methods:

Valuation Date	June 30, 2009
Discount Rate	0.05
Ultimate Trend Rate	0.05
HealthCare trend rates	0.08
Dental	0.04
Vision (tied to dental)	0.04
Other (tied to dental)	0.04
Age-adjustment factor	0
Cap inflator	-1
(neg = full inflation, 0 = frozen)	
Percent of Retirees with Spouses)	0.6

**City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010**

11) 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 \$10,000,000 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.

	<u>Claims Payable</u> <u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>		<u>Claims Payable</u> <u>End of Year</u>
6/30/08	\$ 75,000	349,185	(349,185)	\$	75,000
6/30/09	\$ 75,000	368,338	(368,338)	\$	75,000
6/30/10	\$ 75,000	-	-	\$	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.

12) TAX SHARING AGREEMENT

Yucaipa-Calimesa Joint Unified School District

This agreement requires the Redevelopment Agency to pay into a Special Account of the Agency for the benefit of the School District, all of the School District's share of the base year inflation and 40% of the School District's share of the annual tax increment. The Agency may defer the payment to the Special Fund until the Agency receives \$500,000 per year net of all other pass through payments or the 17th year of the Redevelopment Plan, whichever is earlier. As of June 30, 2010 there is \$922,801 in accumulated deferred amounts, which will ultimately be utilized for mutually agreed-upon projects. There is no long-term debt reported in these financial statements for this agreement. However, fund balance has been reserved for the accumulated deferred amounts.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

13) 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, 2010, deferral fees owed to the City for all types of development impact fees totaled approximately \$649,489.

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.

14) 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. The principal balance outstanding of bonds as of June 30, 2010 is \$14,830,000.

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. The principle balance of outstanding bonds as of June 30, 2010 is \$5,330,000.

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. The principal balance of outstanding bonds as of June 30, 2010 is \$6,095,000.

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

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

17) ACCUMULATED FUND DEFICITS

At June 30, 2010 the following funds had deficit fund balances:

Capital Projects Funds:	
Traffic Facilities Fund	\$ (1,082,147)
Developer Fees Public Facilities Fund	(3,920,178)
Developer Impact Fees Parks Fund	(1,224,534)
Developer Fees Fire	(2,448,966)

Management’s explanations for the resolution of accumulated fund deficits are summarized as follows:

Traffic Facilities Fund - The deficit fund balance of \$1,082,147 is the result of accumulated expenditures in excess of revenues, offset by advances from the General Fund reflected in the financial statements as a reservation of fund balance in the amount of \$6,551,246.

Developer Fees Public Facilities Fund - The deficit fund balance of \$3,920,178 is the result of accumulated expenditures in excess of revenues, offset by advances from the General Fund reflected in the financial statements as a reservation of fund balance in the amount of \$4,716,631.

Developer Impact Fees Parks Fund - The deficit fund balance of \$1,224,534 is the result of accumulated expenditures in excess of revenues, offset by advances from the General Fund reflected in the financial statements as a reservation of fund balance in the amount of \$2,804,050.

Developer Fees Fire Fund - The deficit fund balance of \$2,448,966 is the result of accumulated expenditures in excess of revenues, offset by advances from the General Fund reflected in the financial statements as a reservation of fund balance in the amount of \$2,689,079.

18) PROPOSITION 1A BORROWING BY THE STATE OF CALIFORNIA

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California State Legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in-lieu sales tax, and the supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The State is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City was \$1,152,527.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority (“California Communities”), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds (“Prop 1A Bonds”) to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its right under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2010

19) NEW PRONOUNCEMENTS

The provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, will be required to be adopted and implemented by the City for the fiscal year 2010-11.

20) SUBSEQUENT EVENTS

The Yucaipa Redevelopment Agency issued 2010 Tax Allocation Bonds, dated November 2, 2010 in the amount of \$6,030,000 to finance Redevelopment projects. The 2010 bonds are being issued on a parity with the Agency's 1998 and 2004 Tax Allocation Bonds outstanding in the amount of \$525,000 and \$1,965,000 respectively and have interest rates ranging from 4.00% to 5.50%. The final payment is due September 1, 2040.

21) PRIOR PERIOD ADJUSTMENT – STATEMENT OF ACTIVITIES

In the prior year the City of Yucaipa recorded expenditures for the Live Oak Canyon Interchange in construction in progress for the amount of \$4,366,939, which was removed from construction in progress as the interchange is not the property of the City, but that of the State of California.

REQUIRED SUPPLEMENTARY INFORMATION

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property Taxes	\$ 5,677,853	\$ 4,589,853	\$ 5,795,491	\$ 1,205,638
Sales and Use Taxes	2,405,410	2,092,083	2,284,676	192,593
Franchise Taxes	1,207,000	1,207,000	1,183,007	(23,993)
Documentary Transfer Tax	100,000	100,000	96,459	(3,541)
Other Taxes	17,800	17,800	15,346	(2,454)
Licenses and Permits	412,728	482,200	383,386	(98,814)
Fines and Forfeitures	27,500	27,500	23,147	(4,353)
Charges for Services	1,234,285	1,360,142	1,284,356	(75,786)
Intergovernmental	4,400,406	4,196,177	4,340,882	144,705
Investment Income	573,652	250,000	190,219	(59,781)
Other	200,846	107,725	183,098	75,373
	<u>16,257,480</u>	<u>14,430,480</u>	<u>15,780,067</u>	<u>1,349,587</u>
EXPENDITURES				
Current:				
General Government	4,049,040	3,073,269	2,316,281	756,988
Community Development	770,262	767,964	449,854	318,110
Building and Safety	245,300	245,100	185,619	59,481
Public Works	3,397,231	3,195,210	3,204,162	(8,952)
Public Safety:				
Police Services	6,581,989	6,271,988	5,854,499	417,489
Community Services	1,728,722	1,335,787	1,059,431	276,356
Capital Outlay		125,000	127,199	(2,199)
	<u>16,772,544</u>	<u>15,014,318</u>	<u>13,197,045</u>	<u>1,817,273</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(515,064)</u>	<u>(583,838)</u>	<u>2,583,022</u>	<u>3,166,860</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	516,290	966,290	355,587	(610,703)
Transfers Out		(175,000)	(3,073,314)	(2,898,314)
	<u>516,290</u>	<u>791,290</u>	<u>(2,717,727)</u>	<u>(3,509,017)</u>
Net Change in Fund Balances	1,226	207,452	(134,705)	(342,157)
Fund Balances, Beginning of Year	<u>46,165,924</u>	<u>46,165,924</u>	<u>46,165,924</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 46,167,150</u>	<u>\$ 46,373,376</u>	<u>\$ 46,031,219</u>	<u>\$ (342,157)</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Fire Special Revenue Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes - Fire	\$ 3,194,446	\$ 2,636,446	\$ 2,611,709	\$ (24,737)
Charges for Services	40,000	40,000	23,681	(16,319)
Intergovernmental			-	-
Investment Income			72,063	72,063
Other	39,634	39,634	51,947	12,313
Total Revenues	<u>3,274,080</u>	<u>2,716,080</u>	<u>2,759,400</u>	<u>43,320</u>
EXPENDITURES				
Current:				
Fire Protection Services	2,765,128	2,528,742	2,582,985	(54,243)
Capital Outlay	144,000			-
Total Expenditures	<u>2,909,128</u>	<u>2,528,742</u>	<u>2,582,985</u>	<u>(54,243)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>364,952</u>	<u>187,338</u>	<u>176,415</u>	<u>(10,923)</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	364,952	187,338	176,415	(10,923)
Fund Balances, Beginning of Year	<u>9,490,723</u>	<u>9,490,723</u>	<u>9,490,723</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 9,855,675</u>	<u>\$ 9,678,061</u>	<u>\$ 9,667,138</u>	<u>\$ (10,923)</u>

City of Yucaipa
Schedule of Funding Progress for DPHP
Year Ended June 30, 2010

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]
06/30/09	\$ -	\$ 468,320	\$ 468,320	0%	\$ 2,961,445	16%

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

City of Yucaipa
Notes to Required Supplementary Information
Year Ended June 30, 2010

1. Budgetary Control and Accounting

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

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

2. Expenditures in Excess of Appropriations

Expenditures exceeded appropriations in the following funds:

	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
Fire Special Revenue Fund	\$ 2,528,742	\$ 2,582,985	\$ (54,243)

SUPPLEMENTARY INFORMATION

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Traffic Facilities Capital Projects Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 276,125	\$ 276,125	\$ 315,702	\$ 39,577
Intergovernmental			568,400	568,400
Investment Income			62,992	62,992
Other			90,033	90,033
Total Revenues	<u>276,125</u>	<u>276,125</u>	<u>1,037,127</u>	<u>761,002</u>
EXPENDITURES				
Capital Outlay	<u>1,395,000</u>	<u>24,779,855</u>	<u>6,269,056</u>	<u>18,510,799</u>
Total Expenditures	<u>1,395,000</u>	<u>24,779,855</u>	<u>6,269,056</u>	<u>18,510,799</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,118,875)</u>	<u>(24,503,730)</u>	<u>(5,231,929)</u>	<u>19,271,801</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			4,722	4,722
Transfers Out			<u>(300,000)</u>	<u>(300,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(295,278)</u>	<u>(295,278)</u>
Net Change in Fund Balance	(1,118,875)	(24,503,730)	(5,527,207)	18,976,523
Fund Balance, Beginning of Year	<u>4,445,060</u>	<u>4,445,060</u>	<u>4,445,060</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,326,185</u>	<u>\$ (20,058,670)</u>	<u>\$ (1,082,147)</u>	<u>\$ 18,976,523</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Developer Fees Public Facilities Capital Projects Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 33,737	\$ 33,737	\$ 38,987	\$ 5,250
Intergovernmental			1,135,645	1,135,645
Investment Income			11,645	11,645
Other				-
Total Revenues	<u>33,737</u>	<u>33,737</u>	<u>1,186,277</u>	<u>1,152,540</u>
EXPENDITURES				
Current:				
Public Works				-
Capital Outlay	<u>109,736</u>	<u>4,355,762</u>	<u>1,999,892</u>	<u>2,355,870</u>
Total Expenditures	<u>109,736</u>	<u>4,355,762</u>	<u>1,999,892</u>	<u>2,355,870</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(75,999)</u>	<u>(4,322,025)</u>	<u>(813,615)</u>	<u>3,508,410</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(75,999)	(4,322,025)	(813,615)	3,508,410
Fund Balance, Beginning of Year	<u>(3,106,563)</u>	<u>(3,106,563)</u>	<u>(3,106,563)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (3,182,562)</u>	<u>\$ (7,428,588)</u>	<u>\$ (3,920,178)</u>	<u>\$ 3,508,410</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Development Impact Fees Parks Capital Projects Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges For Services	\$ 42,215	\$ 42,215	\$ 47,165	\$ 4,950
Intergovernmental				-
Interest			14,849	14,849
Total Revenues	<u>42,215</u>	<u>42,215</u>	<u>62,014</u>	<u>19,799</u>
EXPENDITURES				
Capital Outlay	<u>99,733</u>	<u>2,267,560</u>	<u>1,100,009</u>	<u>1,167,551</u>
Total Expenditures	<u>99,733</u>	<u>2,267,560</u>	<u>1,100,009</u>	<u>1,167,551</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(57,518)</u>	<u>(2,225,345)</u>	<u>(1,037,995)</u>	<u>1,187,350</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			253,000	253,000
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>253,000</u>	<u>253,000</u>
Net Change in Fund Balances	(57,518)	(2,225,345)	(784,995)	1,440,350
Fund Balances, Beginning of Year	<u>(439,539)</u>	<u>(439,539)</u>	<u>(439,539)</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ (497,057)</u>	<u>\$ (2,664,884)</u>	<u>\$ (1,224,534)</u>	<u>\$ 1,440,350</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 3,243,061	\$ 70,061	\$ 106,420	\$ 36,359
Intergovernmental			1,641,739	1,641,739
Investment Income			27,196	27,196
Other			1,297	1,297
Total Revenues	<u>3,243,061</u>	<u>70,061</u>	<u>1,776,652</u>	<u>1,706,591</u>
EXPENDITURES				
Capital Outlay	<u>3,735,000</u>	<u>8,532,877</u>	<u>2,721,923</u>	<u>5,810,954</u>
Total Expenditures	<u>3,735,000</u>	<u>8,532,877</u>	<u>2,721,923</u>	<u>5,810,954</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(491,939)</u>	<u>(8,462,816)</u>	<u>(945,271)</u>	<u>7,517,545</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(491,939)	(8,462,816)	(945,271)	7,517,545
Fund Balance (Deficit), Beginning of Year	<u>4,100,181</u>	<u>4,100,181</u>	<u>4,100,181</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 3,608,242</u>	<u>\$ (4,362,635)</u>	<u>\$ 3,154,910</u>	<u>\$ 7,517,545</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 21,902	\$ 21,902	\$ 25,232	\$ 3,330
Investment Income				-
Total Revenues	<u>21,902</u>	<u>21,902</u>	<u>25,232</u>	<u>3,330</u>
EXPENDITURES				
Current:				
Public Safety	92,000			-
Capital Outlay			1,704	(1,704)
Total Expenditures	<u>92,000</u>	<u>-</u>	<u>1,704</u>	<u>(1,704)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(70,098)</u>	<u>21,902</u>	<u>23,528</u>	<u>1,626</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	(70,098)	21,902	23,528	1,626
Fund Balance (Deficit), Beginning of Year	<u>(2,472,494)</u>	<u>(2,472,494)</u>	<u>(2,472,494)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (2,542,592)</u>	<u>\$ (2,450,592)</u>	<u>\$ (2,448,966)</u>	<u>\$ 1,626</u>

City of Yucaipa
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2010

	Special Revenue				
	Miscellaneous Special Revenue	State Gas Tax	Measure I Maintenance	Energy Independence Program	State COPs Grant
ASSETS					
Cash and Investments	\$ 1,464,145	\$	\$ 1,085,687	\$ 2,158,964	\$ 66,408
Cash and Investments with Fiscal Agents					
Receivables:					
Interest	1,150		864		47
Due From Other Governments	52,048	83,037			8,976
Due From Other Funds					
Total Assets	<u>\$ 1,517,343</u>	<u>\$ 83,037</u>	<u>\$ 1,086,551</u>	<u>\$ 2,158,964</u>	<u>\$ 75,431</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable & Accrued Liabilities	\$ 244,176	\$ 28,042	\$	\$ 5,946	\$
Deposits Payable					
Due to Other Funds	5,267	13,980		49,221	
Advances From Other Funds					
Deferred Revenue		41,668			
Total Liabilities	<u>249,443</u>	<u>83,690</u>	<u>-</u>	<u>55,167</u>	<u>-</u>
Fund Balances:					
Reserved:					
Specific Projects					
Unreserved:					
Undesignated	1,267,900	(653)	1,086,551	2,103,797	75,431
Total Fund Balances	<u>1,267,900</u>	<u>(653)</u>	<u>1,086,551</u>	<u>2,103,797</u>	<u>75,431</u>
Total Liabilities and Fund Balances	<u>\$ 1,517,343</u>	<u>\$ 83,037</u>	<u>\$ 1,086,551</u>	<u>\$ 2,158,964</u>	<u>\$ 75,431</u>

Office of Traffic and Safety	Special Revenue				Capital Projects	
	LLMD	RDA Low-Income Housing	Paramedic	PEG Video	Miscellaneous Capital Projects	CDBG Capital
\$ 75,200	\$ 1,309,759	\$ 1,491,433	\$ 1,127,288	\$ 86,555	\$ 119,293	\$
65	5,757	1,318 21,181	1,106 13,124	51 16,947 20,872	99	43,684 605,082
<u>\$ 75,265</u>	<u>\$ 1,315,516</u>	<u>\$ 1,513,932</u>	<u>\$ 1,141,518</u>	<u>\$ 124,425</u>	<u>\$ 119,392</u>	<u>\$ 648,766</u>
\$	\$ 20,077	\$ 5,946	\$ 41,320	\$	\$ 31,904	\$ 1,662
	19,723				87	593,735
<u>-</u>	<u>39,800</u>	<u>5,946</u>	<u>41,320</u>	<u>-</u>	<u>31,991</u>	<u>595,397</u>
<u>75,265</u>	<u>1,275,716</u>	<u>1,507,986</u>	<u>1,100,198</u>	<u>124,425</u>	<u>87,401</u>	<u>53,369</u>
<u>75,265</u>	<u>1,275,716</u>	<u>1,507,986</u>	<u>1,100,198</u>	<u>124,425</u>	<u>87,401</u>	<u>53,369</u>
<u>\$ 75,265</u>	<u>\$ 1,315,516</u>	<u>\$ 1,513,932</u>	<u>\$ 1,141,518</u>	<u>\$ 124,425</u>	<u>\$ 119,392</u>	<u>\$ 648,766</u>

Continued

City of Yucaipa
Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2010

	Capital Projects					
	Air Quality Improvement	Low Water Crossings	RDA Capital Projects	Pool Capital Replacement	RDA Uptown Revitalization	Street Maintenance
ASSETS						
Cash and Investments	\$ 524,967	\$ 52,598	\$ 3,200,573	\$ 46,830	\$ 25,592	\$ 2,149,582
Cash and Investments with Fiscal Agents						
Receivables:						
Interest	457		1,368		23	1,107
Due From Other Governments	15,604					250,095
Due From Other Funds						566,270
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 541,028</u>	<u>\$ 52,598</u>	<u>\$ 3,201,941</u>	<u>\$ 46,830</u>	<u>\$ 25,615</u>	<u>\$ 2,967,054</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 81		\$ 492,590			\$ 73,213
Deposits Payable						
Due to Other Funds	75,000	11,286				530,082
Advances From Other Funds			1,442,745			
Deferred Revenue						
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>75,081</u>	<u>11,286</u>	<u>1,935,335</u>	<u>-</u>	<u>-</u>	<u>603,295</u>
Fund Balances:						
Reserved:						
Specific Projects			1,946,059			
Unreserved:						
Undesignated	465,947	41,312	(679,453)	46,830	25,615	2,363,759
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>465,947</u>	<u>41,312</u>	<u>1,266,606</u>	<u>46,830</u>	<u>25,615</u>	<u>2,363,759</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 541,028</u>	<u>\$ 52,598</u>	<u>\$ 3,201,941</u>	<u>\$ 46,830</u>	<u>\$ 25,615</u>	<u>\$ 2,967,054</u>

Capital Projects		Debt Service	Total Nonmajor Governmental Funds
RDA 2004 TAB	I-10 Specific Plan	RDA	
\$ 1,217,913	\$ 40,900	\$ 246,568	\$ 16,243,687
			246,568
	36	921	8,612
		84,458	594,911
			1,192,224
<u>\$ 1,217,913</u>	<u>\$ 40,936</u>	<u>\$ 331,947</u>	<u>\$ 18,286,002</u>
\$ 2,275	\$	\$	\$ 947,232
3,190		243,561	-
			1,545,132
			1,442,745
			41,668
<u>5,465</u>	<u>-</u>	<u>243,561</u>	<u>3,976,777</u>
			1,946,059
<u>1,212,448</u>	<u>40,936</u>	<u>88,386</u>	<u>12,363,166</u>
<u>1,212,448</u>	<u>40,936</u>	<u>88,386</u>	<u>14,309,225</u>
<u>\$ 1,217,913</u>	<u>\$ 40,936</u>	<u>\$ 331,947</u>	<u>\$ 18,286,002</u>

City of Yucaipa
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2010

	Special Revenue				
	Miscellaneous Special Revenue	State Gas Tax	Measure I Maintenance	Energy Independence Program	State COPs Grant
REVENUES					
Property Taxes	\$ 5,534	\$	\$	\$	\$
Franchise Taxes					
Fines & Forfeitures	120,935				
Charges for Services	64,921				
Intergovernmental	40,597	807,811	527,015		122,090
Investment Income	9,116	10	6,992		419
Other	10,380	5,292			
Total Revenues	<u>251,483</u>	<u>813,113</u>	<u>534,007</u>	<u>-</u>	<u>122,509</u>
EXPENDITURES					
Current:					
General Government	85,073			133,819	
Community Development					
Public Works	12,050	830,185	569,936		
Public Safety	234,564				63,506
Fire Protection Services					
Paramedic Services					
Community Services					
Capital Outlay		21,316		262,384	17,930
Debt Service:					
Interest and Fiscal Charges					
Principal Payments					
Total Expenditures	<u>331,687</u>	<u>851,501</u>	<u>569,936</u>	<u>396,203</u>	<u>81,436</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(80,204)</u>	<u>(38,388)</u>	<u>(35,929)</u>	<u>(396,203)</u>	<u>41,073</u>
OTHER FINANCING SOURCES (USES)					
Transfers In				2,500,000	
Transfers Out		(11,149)			
Total Other Financing Sources (Uses)	<u>-</u>	<u>(11,149)</u>	<u>-</u>	<u>2,500,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(80,204)</u>	<u>(49,537)</u>	<u>(35,929)</u>	<u>2,103,797</u>	<u>41,073</u>
Fund Balances (Deficit), Beginning of Year	1,348,104	48,884	556,210		34,358
Fund Balances (Deficit), End of Year	<u>\$ 1,267,900</u>	<u>\$ (653)</u>	<u>\$ 520,281</u>	<u>\$ 2,103,797</u>	<u>\$ 75,431</u>

Office of Traffic and Safety	Special Revenue				Capital Projects	
	LLMD	RDA Low-Income Housing	Paramedic	PEG Video	Miscellaneous Capital Projects	CDBG Capital
\$	\$	\$ 388,813	\$ 1,015,506	\$ 62,200	\$	\$
7,200						
32,370						667,385
422		9,705	8,939	445	878	
	454,200	1,000				
<u>39,992</u>	<u>454,200</u>	<u>399,518</u>	<u>1,024,445</u>	<u>62,645</u>	<u>878</u>	<u>667,385</u>
		159,579				
	233,837					106,797
			994,988			
			9,619		57,781	568,153
<u>-</u>	<u>233,837</u>	<u>159,579</u>	<u>1,004,607</u>	<u>-</u>	<u>57,781</u>	<u>674,950</u>
<u>39,992</u>	<u>220,363</u>	<u>239,939</u>	<u>19,838</u>	<u>62,645</u>	<u>(56,903)</u>	<u>(7,565)</u>
		(1,013)				(60,000)
<u>-</u>	<u>-</u>	<u>(1,013)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,000)</u>
<u>39,992</u>	<u>220,363</u>	<u>238,926</u>	<u>19,838</u>	<u>62,645</u>	<u>(56,903)</u>	<u>(67,565)</u>
<u>35,273</u>	<u>1,055,353</u>	<u>1,269,060</u>	<u>1,080,360</u>	<u>61,780</u>	<u>144,304</u>	<u>120,934</u>
<u>\$ 75,265</u>	<u>\$ 1,275,716</u>	<u>\$ 1,507,986</u>	<u>\$ 1,100,198</u>	<u>\$ 124,425</u>	<u>\$ 87,401</u>	<u>\$ 53,369</u>

Continued

City of Yucaipa
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
Year Ended June 30, 2010

	Capital Projects					
	Air Quality Improvement	Low Water Crossings	RDA Capital Projects	Pool Capital Replacement	RDA Uptown Revitalization	Street Maintenance
REVENUES						
Property Taxes	\$	\$	\$	\$	\$	\$
Franchise Taxes						
Fines & Forfeitures						
Charges for Services						
Intergovernmental	74,381					585,646
Investment Income	3,604		16,105		186	14,258
Other		89,548	2,596	228		
Total Revenues	<u>77,985</u>	<u>89,548</u>	<u>18,701</u>	<u>228</u>	<u>186</u>	<u>599,904</u>
EXPENDITURES						
Current:						
General Government						
Community Development			1,182,332			
Public Works						
Public Safety						
Fire Protection Services						
Paramedic Services						
Community Services						
Capital Outlay	7,057	229,184	193,737			1,300,457
Debt Service:						
Interest and Fiscal Charges			67,934			
Principal Payments						
Total Expenditures	<u>7,057</u>	<u>229,184</u>	<u>1,444,003</u>	<u>-</u>	<u>-</u>	<u>1,300,457</u>
Excess (Deficiency) of Revenues over Expenditures	<u>70,928</u>	<u>(139,636)</u>	<u>(1,425,302)</u>	<u>228</u>	<u>186</u>	<u>(700,553)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In			1,455,000	8,000		
Transfers Out	(75,000)	(55,587)	(375,558)			75,000
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>(55,587)</u>	<u>1,079,442</u>	<u>8,000</u>	<u>-</u>	<u>75,000</u>
Net Change in Fund Balances	<u>(4,072)</u>	<u>(195,223)</u>	<u>(345,860)</u>	<u>8,228</u>	<u>186</u>	<u>(625,553)</u>
Fund Balances (Deficit), Beginning of Year	470,019	236,535	1,612,466	38,602	25,429	2,989,312
Fund Balances (Deficit), End of Year	<u>\$ 465,947</u>	<u>\$ 41,312</u>	<u>\$ 1,266,606</u>	<u>\$ 46,830</u>	<u>\$ 25,615</u>	<u>\$ 2,363,759</u>

Capital Projects		Debt Service	Total Nonmajor Governmental Funds
RDA 2004 TAB	I-10 Specific Plan	RDA	
\$	\$	\$ 1,550,608	\$ 2,960,461
			62,200
			120,935
			72,121
			2,857,295
	296	3,132	74,507
			563,244
			<hr/>
-	296	1,553,740	6,710,763
			<hr/>
			218,892
			1,341,911
119,535			1,872,340
			298,070
			-
			994,988
			0
40,718			2,708,336
		121,792	189,726
		130,000	130,000
			<hr/>
160,253	-	251,792	7,754,263
			<hr/>
(160,253)	296	1,301,948	(1,043,500)
			<hr/>
434,545			4,397,545
		(1,455,000)	(1,958,307)
			<hr/>
434,545	-	(1,455,000)	2,439,238
			<hr/>
274,292	296	(153,052)	1,395,738
			<hr/>
938,156	40,640	241,438	12,347,217
			<hr/>
\$ 1,212,448	\$ 40,936	\$ 88,386	\$ 13,742,955

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Miscellaneous Special Revenue Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 6,000	\$ 6,000	\$ 5,534	\$ (466)
Fines and Forfeits	288,000	288,000	120,935	(167,065)
Charges for Services	64,272	64,272	64,921	649
Intergovernmental	12,000	12,000	40,597	28,597
Investment Income	1,500	1,500	9,116	7,616
Other			10,380	10,380
Total Revenues	371,772	371,772	251,483	(120,289)
EXPENDITURES				
Current:				
General Government	381,354	81,854	85,073	(3,219)
Public Works	6,000	6,000	12,050	(6,050)
Public Safety	5,000	24,281	234,564	(210,283)
Total Expenditures	392,354	112,135	331,687	(219,552)
Excess (Deficiency) of Revenues over Expenditures	(20,582)	259,637	(80,204)	(339,841)
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out		(280,219)		280,219
Total Other Financing Sources (Uses)	-	(280,219)	-	280,219
Net Change in Fund Balance	(20,582)	(20,582)	(80,204)	(59,622)
Fund Balance (Deficit), Beginning of Year	1,348,104	1,348,104	1,348,104	-
Fund Balance (Deficit), End of Year	<u>\$ 1,327,522</u>	<u>\$ 1,327,522</u>	<u>\$ 1,267,900</u>	<u>\$ (59,622)</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 927,500	\$ 927,500	\$ 807,811	\$ (119,689)
Investment Income	10,000	10,000	10	(9,990)
Other			5,292	5,292
Total Revenues	<u>937,500</u>	<u>937,500</u>	<u>813,113</u>	<u>(124,387)</u>
EXPENDITURES				
Current:				
Public Works	872,290	872,288	830,185	42,103
Capital Outlay	<u>35,000</u>	<u>35,000</u>	<u>21,316</u>	<u>13,684</u>
Total Expenditures	<u>907,290</u>	<u>907,288</u>	<u>851,501</u>	<u>55,787</u>
Excess (Deficiency) of Revenues over Expenditures	<u>30,210</u>	<u>30,212</u>	<u>(38,388)</u>	<u>(68,600)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(57,000)</u>	<u>(57,000)</u>	<u>(11,149)</u>	<u>45,851</u>
Total Other Financing Sources (Uses)	<u>(57,000)</u>	<u>(57,000)</u>	<u>(11,149)</u>	<u>45,851</u>
Net Change in Fund Balance	(26,790)	(26,788)	(49,537)	(22,749)
Fund Balance (Deficit), Beginning of Year	<u>48,884</u>	<u>48,884</u>	<u>48,884</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 22,094</u>	<u>\$ 22,096</u>	<u>\$ (653)</u>	<u>\$ (22,749)</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 800,000	\$ 800,000	\$ 527,015	\$ (272,985)
Investment Income	5,000	5,000	6,992	1,992
Total Revenues	<u>805,000</u>	<u>805,000</u>	<u>534,007</u>	<u>(270,993)</u>
EXPENDITURES				
Current:				
Public Works	<u>805,000</u>	<u>805,000</u>	<u>569,936</u>	<u>235,064</u>
Total Expenditures	<u>805,000</u>	<u>805,000</u>	<u>569,936</u>	<u>235,064</u>
Net Change in Fund Balance	-	-	(35,929)	(35,929)
Fund Balance (Deficit), Beginning of Year	<u>556,210</u>	<u>556,210</u>	<u>556,210</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u><u>\$ 556,210</u></u>	<u><u>\$ 556,210</u></u>	<u><u>\$ 520,281</u></u>	<u><u>\$ (35,929)</u></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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$	\$	\$	\$ -
Investment Income				-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
General Government			133,819	(133,819)
Capital Outlay			262,384	(262,384)
Total Expenditures	-	-	396,203	(396,203)
Excess (Deficiency) of Revenues over Expenditures	-	-	(396,203)	(396,203)
OTHER FINANCING SOURCES (USES):				
Transfers In			2,500,000	2,500,000
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	2,500,000	2,500,000
Net Change in Fund Balance	-	-	2,103,797	2,103,797
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ 2,103,797	\$ 2,103,797

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 122,090	\$ 22,090
Investment Income			419	419
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>122,509</u>	<u>22,509</u>
EXPENDITURES				
Current:				
Public Safety	100,000	100,000	63,506	36,494
Capital Outlay			17,930	(17,930)
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>81,436</u>	<u>18,564</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>41,073</u>	<u>41,073</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	-	-	41,073	41,073
Fund Balance, Beginning of Year	<u>34,358</u>	<u>34,358</u>	<u>34,358</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 34,358</u>	<u>\$ 34,358</u>	<u>\$ 75,431</u>	<u>\$ 41,073</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$	\$	\$ 7,200	\$ 7,200
Intergovernmental	75,000	75,000	32,370	(42,630)
Investment Income			422	422
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>39,992</u>	<u>(35,008)</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>39,992</u>	<u>39,992</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out				<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	39,992	39,992
Fund Balance (Deficit), Beginning of Year	<u>35,273</u>	<u>35,273</u>	<u>35,273</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 35,273</u>	<u>\$ 35,273</u>	<u>\$ 75,265</u>	<u>\$ 39,992</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - LLMD Special Revenue Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other	\$ 501,248	\$ 501,249	\$ 454,200	(47,049)
Total Revenues	<u>501,248</u>	<u>501,249</u>	<u>454,200</u>	<u>(47,049)</u>
EXPENDITURES				
Current:				
Public Works	501,250	438,890	233,837	205,053
Capital Outlay		<u>40,417</u>		<u>40,417</u>
Total Expenditures	<u>501,250</u>	<u>479,307</u>	<u>233,837</u>	<u>245,470</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2)</u>	<u>21,942</u>	<u>220,363</u>	<u>198,421</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out		<u>(21,944)</u>		<u>21,944</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(21,944)</u>	<u>-</u>	<u>21,944</u>
Net Change in Fund Balance	(2)	(2)	220,363	220,365
Fund Balance (Deficit), Beginning of Year	<u>1,055,353</u>	<u>1,055,353</u>	<u>1,055,353</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,055,351</u>	<u>\$ 1,055,351</u>	<u>\$ 1,275,716</u>	<u>\$ 220,365</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - RDA Low Income Housing Special Revenue Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 363,750	\$ 363,750	\$ 388,813	\$ 25,063
Investment Income	600	600	9,705	9,105
Other			1,000	1,000
Total Revenues	<u>364,350</u>	<u>364,350</u>	<u>399,518</u>	<u>35,168</u>
EXPENDITURES				
Current:				
Community Development	<u>100,067</u>	<u>173,401</u>	<u>159,579</u>	<u>13,822</u>
Total Expenditures	<u>100,067</u>	<u>173,401</u>	<u>159,579</u>	<u>13,822</u>
Excess (Deficiency) of Revenues over Expenditures	<u>264,283</u>	<u>190,949</u>	<u>239,939</u>	<u>48,990</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out			<u>(1,013)</u>	<u>(1,013)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,013)</u>	<u>(1,013)</u>
Net Change in Fund Balance	264,283	190,949	238,926	47,977
Fund Balance, Beginning of Year	<u>1,269,060</u>	<u>1,269,060</u>	<u>1,269,060</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,533,343</u>	<u>\$ 1,460,009</u>	<u>\$ 1,507,986</u>	<u>\$ 47,977</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Paramedic Special Revenue Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 930,000	\$ 930,000	\$ 1,015,506	\$ 85,506
Interest			8,939	8,939
Total Revenues	<u>930,000</u>	<u>930,000</u>	<u>1,024,445</u>	<u>94,445</u>
EXPENDITURES				
Current:				
Paramedic Services	1,204,520	1,204,520	994,988	209,532
Capital Outlay	31,000	31,000	9,619	21,381
Total Expenditures	<u>1,235,520</u>	<u>1,235,520</u>	<u>1,004,607</u>	<u>230,913</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(305,520)</u>	<u>(305,520)</u>	<u>19,838</u>	<u>325,358</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	(305,520)	(305,520)	19,838	325,358
Fund Balance, Beginning of Year	<u>1,080,360</u>	<u>1,080,360</u>	<u>1,080,360</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 774,840</u>	<u>\$ 774,840</u>	<u>\$ 1,100,198</u>	<u>\$ 325,358</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - PEG Video Special Revenue Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Franchise Taxes	\$	\$	\$ 62,200	\$ 62,200
Interest			445	445
Total Revenues	-	-	62,645	62,645
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	62,645	62,645
Fund Balance, Beginning of Year	61,780	61,780	61,780	-
Fund Balance, End of Year	<u>\$ 61,780</u>	<u>\$ 61,780</u>	<u>\$ 124,425</u>	<u>\$ 62,645</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Miscellaneous Capital Projects Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 25,000	\$ 25,000	\$	\$ (25,000)
Investment Income			878	878
Other				-
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>878</u>	<u>(24,122)</u>
EXPENDITURES				
Current:				
Public Works	25,000	25,000		25,000
Capital Outlay			57,781	(57,781)
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>57,781</u>	<u>(32,781)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(56,903)</u>	<u>(56,903)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	(56,903)	(56,903)
Fund Balance (Deficit), Beginning of Year	<u>144,304</u>	<u>144,304</u>	<u>144,304</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 144,304</u>	<u>\$ 144,304</u>	<u>\$ 87,401</u>	<u>\$ (56,903)</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - CDBG Capital Projects Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 352,741	\$ 360,741	\$ 667,385	\$ 306,644
Total Revenues	<u>352,741</u>	<u>360,741</u>	<u>667,385</u>	<u>306,644</u>
EXPENDITURES				
Current:				
Public Works	352,741	352,741	106,797	245,944
Capital Outlay	<u> </u>	<u>408,687</u>	<u>568,153</u>	<u>(159,466)</u>
Total Expenditures	<u>352,741</u>	<u>761,428</u>	<u>674,950</u>	<u>86,478</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(400,687)</u>	<u>(7,565)</u>	<u>393,122</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out			<u>(60,000)</u>	<u>(60,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(60,000)</u>	<u>(60,000)</u>
Net Change in Fund Balances	-	(400,687)	(67,565)	333,122
Fund Balance, Beginning of Year	<u>120,934</u>	<u>120,934</u>	<u>120,934</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 120,934</u>	<u>\$ (279,753)</u>	<u>\$ 53,369</u>	<u>\$ 333,122</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 74,381	\$ 14,381
Investment Income			3,604	3,604
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>77,985</u>	<u>17,985</u>
EXPENDITURES				
Capital Outlay	<u>150,000</u>	<u>125,838</u>	<u>7,057</u>	<u>118,781</u>
Total Expenditures	<u>150,000</u>	<u>125,838</u>	<u>7,057</u>	<u>118,781</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(90,000)</u>	<u>(65,838)</u>	<u>70,928</u>	<u>136,766</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out		<u>(150,000)</u>	<u>(75,000)</u>	<u>75,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(150,000)</u>	<u>(75,000)</u>	<u>75,000</u>
Net Change in Fund Balances	(90,000)	(215,838)	(4,072)	211,766
Fund Balance, Beginning of Year	<u>470,019</u>	<u>470,019</u>	<u>470,019</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 380,019</u></u>	<u><u>\$ 254,181</u></u>	<u><u>\$ 465,947</u></u>	<u><u>\$ 211,766</u></u>

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other	\$	\$	\$ 89,548	\$ 89,548
Total Revenues	-	-	89,548	89,548
EXPENDITURES				
Capital Outlay		5,571,045	229,184	5,341,861
Total Expenditures	-	5,571,045	229,184	5,341,861
Excess (Deficiency) of Revenues over Expenditures	-	(5,571,045)	(139,636)	5,431,409
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out			(55,587)	(55,587)
Total Other Financing Sources (Uses)	-	-	(55,587)	(55,587)
Net Change in Fund Balances	-	(5,571,045)	(195,223)	5,375,822
Fund Balance, Beginning of Year	236,535	236,535	236,535	-
Fund Balance, End of Year	\$ 236,535	(5,334,510)	\$ 41,312	\$ 5,375,822

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - RDA Capital Projects Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$	\$	\$ 16,105	\$ 16,105
Other	2,592	2,592	2,596	4
Total Revenues	2,592	2,592	18,701	16,109
EXPENDITURES				
Current:				
Community Development	959,422	1,385,413	1,182,332	203,081
Capital Outlay	553,000		193,737	(193,737)
Debt Service:				
Interest and Fiscal Charges			67,934	(67,934)
Total Expenditures	1,512,422	1,385,413	1,444,003	(58,590)
Excess (Deficiency) of Revenues over Expenditures	(1,509,830)	(1,382,821)	(1,425,302)	(42,481)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,455,000		1,455,000	1,455,000
Transfers Out	(89,644)	(485,066)	(375,558)	109,508
Total Other Financing Sources (Uses)	1,365,356	(485,066)	1,079,442	1,564,508
Net Change in Fund Balances	(144,474)	(1,867,887)	(345,860)	1,522,027
Fund Balance (Deficit), Beginning of Year	1,612,466	1,612,466	1,612,466	-
Fund Balance (Deficit), End of Year	\$ 1,467,992	\$ (255,421)	\$ 1,266,606	\$ 1,522,027

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Pool Capital Replacement Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$	\$	\$	\$ -
Other			228	228
Total Revenues	-	-	228	228
EXPENDITURES				
Capital Outlay				-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	228	228
OTHER FINANCING SOURCES (USES)				
Transfers In			8,000	8,000
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	8,000	8,000
Net Change in Fund Balances	-	-	8,228	8,228
Fund Balance (Deficit), Beginning of Year	38,602	38,602	38,602	-
Fund Balance (Deficit), End of Year	\$ 38,602	\$ 38,602	\$ 46,830	\$ 8,228

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - RDA Uptown Revitalization Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$	\$	\$ 186	\$ 186
Total Revenues	-	-	186	186
Excess (Deficiency) of Revenues over Expenditures	-	-	186	186
Fund Balance, Beginning of Year	25,429	25,429	25,429	-
Fund Balance, End of Year	\$ 25,429	\$ 25,429	\$ 25,615	\$ 186

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Street Maintenance Capital Projects Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$	\$	\$ 585,646	\$ 585,646
Investment Income			14,258	14,258
Other				-
Total Revenues	-	-	599,904	599,904
EXPENDITURES				
Capital Outlay		95,811	1,300,457	(1,204,646)
Total Expenditures	-	95,811	1,300,457	(1,204,646)
Excess (Deficiency) of Revenues over Expenditures	-	(95,811)	(700,553)	(604,742)
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out			75,000	75,000
Total Other Financing Sources (Uses)	-	-	75,000	75,000
Net Change in Fund Balances	-	(95,811)	(625,553)	(529,742)
Fund Balance (Deficit), Beginning of Year	2,989,312	2,989,312	2,989,312	-
Fund Balance (Deficit), End of Year	\$ 2,989,312	\$ 2,893,501	\$ 2,363,759	\$ (529,742)

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - RDA 2004 TAB Capital Projects Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$	\$	\$	\$ -
Other				-
Total Revenues	-	-	-	-
EXPENDITURES				
Public Works		146,244	119,535	26,709
Capital Outlay		10,332	40,718	(30,386)
Total Expenditures	-	156,576	160,253	(3,677)
Excess (Deficiency) of Revenues over Expenditures	-	(156,576)	(160,253)	(3,677)
OTHER FINANCING SOURCES (USES)				
Transfers In			434,545	434,545
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	434,545	434,545
Net Change in Fund Balances	-	(156,576)	274,292	430,868
Fund Balance, Beginning of Year	938,156	938,156	938,156	-
Fund Balance, End of Year	\$ 938,156	\$ 781,580	\$ 1,212,448	\$ 430,868

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - I-10 Specific Plan Capital Projects Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$	\$	\$ 296	\$ 296
Total Revenues	-	-	296	296
EXPENDITURES				
Public Works				-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	296	296
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	296	296
Fund Balance (Deficit), Beginning of Year	40,640	40,640	40,640	-
Fund Balance (Deficit), End of Year	\$ 40,640	\$ 40,640	\$ 40,936	\$ 296

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - RDA Debt Service Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$	\$ 1,455,000	\$ 1,550,608	\$ 95,608
Investment Income		2,400	3,132	732
Total Revenues	-	1,457,400	1,553,740	96,340
EXPENDITURES				
Debt Service:				
Interest and Fiscal Charges		60,213	121,792	(61,579)
Principal Payments		111,058	130,000	(18,942)
Total Expenditures	-	171,271	251,792	(80,521)
Excess (Deficiency) of Revenues over Expenditures	-	1,286,129	1,301,948	15,819
OTHER FINANCING SOURCES (USES)				
Transfers Out			(1,455,000)	(1,455,000)
Total Other Financing Sources (Uses)	-	-	(1,455,000)	(1,455,000)
Net Change in Fund Balances	-	1,286,129	(153,052)	(1,439,181)
Fund Balance, Beginning of Year	241,438	241,438	241,438	-
Fund Balance, End of Year	\$ 241,438	\$ 1,527,567	\$ 88,386	\$ (1,439,181)

City of Yucaipa
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2010

	Police Department Donation	Cramer House	CFD 98-1 Debt Reserves	Totals
ASSETS				
Cash and Investments	\$ 50,321	\$ 96,756	\$ 2,165,582	\$ 2,312,659
Cash and Investments with Fiscal Agents			2,428,931	2,428,931
Accounts Receivable			27,833	27,833
Interest Receivable	45	86	1,616	1,747
	<u>50,366</u>	<u>96,842</u>	<u>4,623,962</u>	<u>4,771,170</u>
Total Assets	<u>\$ 50,366</u>	<u>\$ 96,842</u>	<u>\$ 4,623,962</u>	<u>\$ 4,771,170</u>
LIABILITIES				
Deposits Payable	\$ 50,366	\$ 96,842	\$	\$ 147,208
Due to Bondholders			4,623,962	4,623,962
	<u>50,366</u>	<u>96,842</u>	<u>4,623,962</u>	<u>4,771,170</u>
Total Liabilities	<u>\$ 50,366</u>	<u>\$ 96,842</u>	<u>\$ 4,623,962</u>	<u>\$ 4,771,170</u>

City of Yucaipa
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2010

	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
<u>POLICE DEPARTMENT DONATION</u>				
ASSETS				
Cash and Investments	\$ 50,883	\$ 534	\$ (1,096)	\$ 50,321
Interest Receivable	107	45	(107)	45
Total Assets	<u>\$ 50,990</u>	<u>\$ 579</u>	<u>\$ (1,203)</u>	<u>\$ 50,366</u>
LIABILITIES				
Deposits Payable	\$ 50,990	\$ 366	\$ (990)	\$ 50,366
Total Liabilities	<u>\$ 50,990</u>	<u>\$ 366</u>	<u>\$ (990)</u>	<u>\$ 50,366</u>
<u>CRAMER HOUSE</u>				
ASSETS				
Cash and Investments	\$ 113,944	\$ 1,143	\$ (18,331)	\$ 96,756
Interest Receivable	239	86	(239)	86
Total Assets	<u>\$ 114,183</u>	<u>\$ 1,229</u>	<u>\$ (18,570)</u>	<u>\$ 96,842</u>
LIABILITIES				
Deposits Payable	\$ 114,183	\$ 750	\$ (18,091)	\$ 96,842
Total Liabilities	<u>\$ 114,183</u>	<u>\$ 750</u>	<u>\$ (18,091)</u>	<u>\$ 96,842</u>
<u>CFD 98-1 DEBT RESERVES</u>				
ASSETS				
Cash and Investments	\$ 1,900,866	\$ 2,475,642	\$ (2,210,926)	\$ 2,165,582
Cash and Investments with Fiscal Agents	2,459,972	2,204,021	(2,235,062)	2,428,931
Accounts Receivable	43,767	27,833	(43,767)	27,833
Interest Receivable	3,400	1,616	(3,400)	1,616
Total Assets	<u>\$ 4,408,005</u>	<u>\$ 4,709,112</u>	<u>\$ (4,493,155)</u>	<u>\$ 4,623,962</u>
LIABILITIES				
Due to Bondholders	\$ 4,408,005	\$ 7,545,937	\$ (7,329,980)	\$ 4,623,962
Total Liabilities	<u>\$ 4,408,005</u>	<u>\$ 7,545,937</u>	<u>\$ (7,329,980)</u>	<u>\$ 4,623,962</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Investments	\$ 2,065,693	\$ 2,477,319	\$ (2,230,353)	\$ 2,312,659
Cash and Investments with Fiscal Agents	2,459,972	2,204,021	(2,235,062)	2,428,931
Accounts Receivable	43,767	27,833	(43,767)	27,833
Interest Receivable	3,746	1,747	(3,746)	1,747
Total Assets	<u>\$ 4,573,178</u>	<u>\$ 4,710,920</u>	<u>\$ (4,512,928)</u>	<u>\$ 4,771,170</u>
LIABILITIES				
Deposits Payable	\$ 165,173	\$ 1,116	\$ (19,081)	\$ 147,208
Due to Bondholders	4,408,005	7,545,937	(7,329,980)	4,623,962
Total Liabilities	<u>\$ 4,573,178</u>	<u>\$ 7,547,053</u>	<u>\$ (7,349,061)</u>	<u>\$ 4,771,170</u>