

Town of Yucca Valley

Yucca Valley, California

Comprehensive Annual Financial Report For the fiscal year ended June 30, 2013



Administrative Services Department

Curtis Yakimow
Director of Administrative Services

Sharon Cisneros
Senior Accountant

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INTRODUCTORY SECTION

November 21, 2013

Citizens of the Town of Yucca Valley
Honorable Mayor
Members of the Town Council

The comprehensive annual financial report of the Town of Yucca Valley (the "Town") for the year ended June 30, 2013, is hereby submitted as required by both local ordinances and state statutes. These ordinances and statutes mandate that the Town of Yucca Valley annually issue a report on its financial position and activity and that an independent firm of certified public accountants audit this report. The management of the Town is responsible for the contents of the information contained in this report.

The financial reporting entity (the Town) includes all the funds of the primary government (i.e., the Town of Yucca Valley as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The Town provides a wide range of services including public safety, code enforcement, planning, building and safety, animal control, construction and maintenance of streets and infrastructure, recreational activities and cultural events. The Town provides public safety through a contract with the San Bernardino County Sheriff. Fire protection is provided to the Town and surrounding areas directly by the San Bernardino County Fire Department.

Blended component units, although legally separate entities, are in substance, part of the primary government's operations, and are included as part of the primary government. With the dissolution of redevelopment agencies statewide in California following the passage of AB x1 26, redevelopment funds were permanently transitioned to a private party trust fund structure for the year ended June 30, 2012 and beyond.

Governmental Structure, Local Economic Condition and Outlook

The Town, incorporated in 1991, is located in the southeastern part of the state, in the Morongo Basin just north of the Coachella Valley. The Town of Yucca Valley currently has a land area of 39 square miles and a population of approximately 21,030. The Town is empowered to levy a voter-approved property tax on both real and personal property located within its boundaries. The Town also has the power by state statute to extend its corporate limits by annexation, when deemed appropriate by the governing council.



The Town of
Yucca Valley

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The Town has operated under the council-manager form of government since incorporation. Policymaking and legislative authority is vested in the Town Council, which consists of a mayor and a four-member council. The Town Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the Town's manager and attorney. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, for overseeing the day-to-day operations of the Town, and for appointing the directors of the Town's departments. The council is elected on a non-partisan basis. Council members are elected to four-year staggered terms with two council members elected every two years and three council members elected on alternate election years. The mayor is selected from among the council members.

Located in San Bernardino County, Yucca Valley is considered to be the economic hub of the Morongo Basin. With major financial institutions and a broad base of retail operations, the community serves both the commercial and retail needs of the Morongo Basin. In the early to mid 2000's, the Town experienced a steady increase in its retail sales base, as additional retail providers entered the Yucca Valley market to serve the increasing population. Since 2006 however, the slowing economy has had a significant impact on local consumer spending in the basin, particularly with auto and retail sales. In early 2009, the Town lost two of its four auto dealerships. Over the course of the next two years, the Town continued to experience declines in both retail sales and assessed valuation of both commercial and residential properties.

This trend has stabilized and has been replaced by slow but steady growth into 2013. Retail interest in the area is progressing as an existing major retailer completed a new and expanded location in Town, and a smaller general merchandise store recently opened a new store in the Town's Old Town area. These additions, along with several other developments and tenant improvements in various stages of planning, continue to provide positive development momentum for the Town. The Town is cautious given the current national and international economic downturn; however private development within the Town has experienced a noticeable uptick in activity over the past twelve months.

The Marine Corps Air Ground Combat Center, the largest Marine Corps base in the world (932 square miles), is located just 25 miles to the east of Yucca Valley. The base is home to more than 17,000 service members and dependants and continues to thrive. Published communication from the base identifies continuing plans for base expansion both now and in the near future.

Joshua Tree National Park, a stunning backdrop on Yucca Valley's southern border, attracts more than one million visitors each year. Yucca Valley is rich with history and invites the exploration of local sites that served as a hub of Southern California's mining activity during the states' gold rush days. Yucca Valley is assured of an ample supply of high quality water now and in future years by its participation in the California State Water Project as provided by the Hi-Desert Water District, subject to broader state water issues and the natural water cycle.

Significant Activities

Strategic Planning: The Town Council continues to actively engage in strategic planning activities in an effort to identify the overarching goals for both the Town and the community at large. Through this process, prioritization of goals occurs with respect to planning, financing, staffing and other needed resources. Fiscal year 2012-2013 represented significant progress towards the implementation of the vision as adopted by the Town Council.

This move forward resulted in the following work plan over the past year:

- Comprehensive update to the Town's General Plan almost complete
- Ongoing public safety commitments
- Enhanced park facilities prioritization and completion of new park assets
- Commitment to securing quality affordable senior housing
- Expenditure reduction and operational efficiency with continued staffing modifications to align resources, service demands and cost of service
- Long-term revenue stability
- Pension and Other Post Employment Benefit reform implementation

To ensure consistent progress toward these strategic initiatives, the Town Council focused their planning efforts on the development of a tangible work program framework to be used by Town staff in the implementation of the strategic plan.

Infrastructure Development: Infrastructure needs within the community remain great. Compounding the challenge is the fact that the Town has limited resources in meeting the many development needs. As a result of the strategic planning session and the accompanying direction, the paramount infrastructure priority of the Town is maintenance of Town roads and infrastructure as well as appropriate assistance to the Hi Desert Water District in their development of a regional wastewater facility.

Additional infrastructure projects include continued focus on specific improvements to State Highway 62, the primary thoroughfare bisecting the Town. The majority of these improvements focus on sidewalks, median islands, curb and gutter, and widening of selected areas within the Town. While most of the past efforts were centered on the planning aspects of the projects, construction of certain segments began 2013. The Town continues to seek organizational and financial participation to the degree possible at the county, state and federal level. Recent communication with the regional transportation agencies have yielded promising commitments of funding resources for some of these broader transportation initiatives along the State highway.

Building Activity: The Building and Safety division is an integral segment of the Community Development/Public Works Department. Responsible for all new construction within the Town of Yucca Valley, Building and Safety staff play a critical role in ensuring not just health and safety components of building construction, but also in coordinating the additional construction requirements of other divisions and sections, including engineering, planning, and public works.

During the early 2000's, building activity in the Town increased steadily, peaking in fiscal year 2005. From 2005 through 2010, single family building slowed considerably as shown in the table below. Within the Town, the lack of a regionalized sewer treatment system continues to hamper some areas of commercial and residential growth, and coupled with a sluggish regional economy, overall development activity has been restrained.

In a similar pattern to the Town's sales tax environment, fiscal year 2012-13 showed signs of both the housing and commercial market stabilizing, and beginning to move forward once again. The Town has begun to see activity in residential construction, as several previously defunct projects had new life breathed into them. Coupled with steady progress on the regional wastewater project, there is reason to believe that Town-wide development, both commercial and residential, will continue at increased levels. While this progress remains exposed to the comprehensive state, national and international economic events, the Town is hopeful that the local economy can continue on its return to modest growth.

Recent SFR Permit History

1999-2000	54	2006-2007	99
2000-2001	82	2007-2008	36
2001-2002	118	2008-2009	7
2002-2003	188	2009-2010	11
2003-2004	351	2010-2011	2
2004-2005	384	2011-2012	13
2005-2006	244	2012-2013	2

Annual permit valuation increased in Fiscal Year 2012-2013 with total permit valuation for the fiscal year ending June 30, 2013 of \$4,947,294.

Cost Containment: To ensure the fiscal stability of the Town during times of economic stress, the management and staff of the Town presented a cost containment plan to the Town Council as part of the annual budgeting process. As a result, budgets of the Town beginning in FY 2008-09 and beyond have been focused on cost containment in all areas of Town operations. Both revenues and expenditures are down across almost all departments and functions, and are reflective of the Town's ongoing commitment to align services with available resources, including substantial efforts to reduce both short and long term personnel expenditures. To this degree, the Town completed an aggressive employee compensation, retirement and benefits review, and has made significant expenditure control changes to those areas. Continuing with this theme, in late fiscal year 2012-2013, the Town Council authorized the offering of an early retirement incentive to qualified employees, resulting in a 12% participation rate. In an effort to be in a position to respond to recent and continued financial challenge, the Town Council continues to waive its formal reserve policy limitations to allow for a larger general fund surplus as a percentage of annual expenditures. This waiver has allowed the Town to retain a larger unassigned fund balance as a resource in addressing economic uncertainty moving into the future

Redevelopment Agency: As identified in our last financial report, on December 29, 2011, the California Supreme Court upheld Assembly Bill 1x 26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California. Most cities in California had established a redevelopment agency that was included in the reporting entity of the city or Town as a blended component unit (since the Town council, in many cases, also served as the governing board for those agencies).

The Bill provided that upon dissolution of a redevelopment agency, either the Town or another unit of local government would agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. If the Town declined to accept the role of successor agency, other local agencies had the option to elect to perform this role. If no local agency accepted the role of successor agency the Governor was empowered by the Bill to establish a local "designated local authority" to perform this role. On January 10, 2012 the Town Council met and created a Successor Agency in accordance with the Bill as part of the Town's resolution number 12-01.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution.

The loss of the Yucca Valley Redevelopment Agency (RDA) continues to have a lasting and profound impact on the Town of Yucca Valley. The RDA was the single most impactful tool available to the Town to assist in promoting, encouraging and participating in economic development. The loss of the agency will result into the direct siphoning of \$25-\$30 million from the Town over the next ten years and beyond.

Financial Information

Management of the Town is responsible for establishing and maintaining a system of internal control designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements that conform to generally accepted accounting principles. The system of internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met.

As a recipient of federal, state and local financial assistance, the Town is also responsible for ensuring that an adequate system of internal control is in place to maintain and document compliance with applicable laws and regulations related to these programs. This system is subject to periodic evaluation by the Town's management.

In addition, the Town maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town's council. Activities of the general fund, certain special revenue funds and debt service funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level.

Independent Audit

State statutes and Town ordinance require an annual audit by independent certified public accountants. The firm of Rogers, Anderson, Malody and Scott, LLP was appointed as the Town's auditors in the spring of 2008 and renewed in the spring of 2011. Generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and were used by the auditors in conducting the engagement. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Other References

Additional information and detail is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

Acknowledgments: Preparation of this report was accomplished by the combined efforts of the Administrative Services Department and other members of Town staff. We appreciate the dedicated efforts and professionalism that our staff members bring to the Town. We would like to thank the members of the Town Council for their continued support in the planning and implementation of the Town of Yucca Valley's fiscal policies. Finally, we would also like to recognize the substantial contribution of Rogers, Anderson, Malody and Scott, LLP for their assistance in the preparation of this report.

Respectfully submitted,



Shane Stueckle
Deputy Town Manager



Curtis Yakimow
Administrative Services Director

Town of Yucca Valley

Elected and Appointed Officials

Elected Officials

Mayor

Merl Abel

Mayor Pro Tem

Robert Lombardo

Council Member

Dawn Rowe

Council Member

George Huntington

Council Member

Robert Leone

Appointed Officials

Deputy Town Manager

Shane R. Stueckle

Town Clerk

Lesley Copeland

Town Attorney

Lona Laymon

Director of Administrative Services

Curtis Yakimow

Human Resources Manager

Debra Breidenbach-Sterling





Government Finance Officers Association

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

Presented to

**Town of Yucca Valley
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO





FINANCIAL SECTION



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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Honorable Mayor and Town Council
Town of Yucca Valley
Yucca Valley, California

INDEPENDENT AUDITOR'S REPORT

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Matthew B. Wilson, CPA, MSA, CGMA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)

MANAGERS / STAFF

Nancy O'Rafferty, CPA, MBA
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Yiann Fang, CPA
Daniel T. Turner, CPA, MSA
Derek J. Brown, CPA, MST
David D. Henwood, CPA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Yucca Valley (Town), California, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

Opinions

In our opinions, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Yucca Valley (Town), California, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–9 and 46–51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Yucca Valley's (Town), California, basic financial statements. The introductory section, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

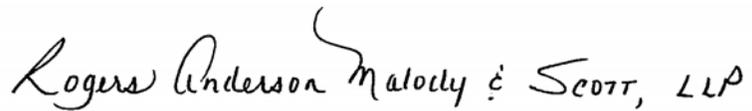
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Implementation of new pronouncement

As discussed in Note 1 of the financial statements, the Town adopted the provisions of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2013 on our consideration of the Town of Yucca Valley's (Town), California, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Yucca Valley's (Town), California, internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Rogers Anderson Malochy & Scott, LLP". The signature is written in black ink and is positioned below the main body of text.

San Bernardino, California

November 21, 2013



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis provides an overview of the financial activities of the Town of Yucca Valley for the fiscal year ended June 30, 2013. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

This report consists of a series of financial statements. The Statement of Net position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Also included in the accompanying report are the fund financial statements. The fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

OVERVIEW OF THE FINANCIAL STATEMENTS

This comprehensive annual report consists of three parts – The introductory section, the financial section (includes *management's discussion and analysis* (this section), the *basic financial statements and related notes*, *required supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental funds and internal service funds) and the statistical section. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the Town's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the Town government, reporting the Town's operations in *more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that provides additional financial and budgetary information.

Reporting the Town as a Whole

The accompanying **government-wide financial statements** include two statements that present financial data for the Town as a whole. One of the most important questions asked about the Town's finances is, "Is the Town as a *whole* better off or worse off as a result of the year's activities?" The Statement of Net position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. One can think of the Town's net position – the difference between assets and liabilities – as one way to measure the Town's financial health, or *financial position*. Over time, *increases and decreases* in the Town's net position are one indicator of whether its *financial health* is improving or deteriorating. One should consider other nonfinancial factors, however, such as changes in the Town's tax base or demographics, and changes in the condition of various Town infrastructure assets, to assess the *overall health* of the Town. Based on the current year's activity, the overall health of the Town changed due to the net of contributions from the Successor Agency and the continuing depreciation on capital assets.

Reporting the Town's Major Funds

The **fund financial statements** provide detailed information about the Town's most significant funds, rather than the Town as a whole. Some funds are required to be established by State law or by debt covenants. However, Town management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain taxes, grants, or other money (like grants received). The Town's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

- *Governmental funds* – Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *current financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship or differences between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and *governmental funds* in reconciliation after each of the fund financial statements.
- *Proprietary funds* – The Town uses internal service funds (a component of proprietary funds) to report activities that provide supplies and services for the various programs and activities of the Town. Proprietary funds are reported in the same way those activities are reported in the Statement of Net position and the Statement of Activities.

Reporting the Town's Fiduciary Responsibilities

The Town is an agent for certain assets held for, and under the control of, other organizations and individuals. All of the Town's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the government-wide statement of Net Position follows:

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Current and other assets	\$ 16,282,803	\$ 14,612,237	\$ 1,670,566
Capital assets	23,484,183	23,863,463	(379,280)
Total assets	<u>39,766,986</u>	<u>38,475,700</u>	<u>1,291,286</u>
Long-term debt	743,830	768,446	(24,616)
Other liabilities	685,418	847,486	(162,068)
Total liabilities	<u>1,429,248</u>	<u>1,615,932</u>	<u>(186,684)</u>
Net position:			
Invested in capital assets	23,484,183	23,795,539	(311,356)
Restricted	7,600,076	4,481,398	3,118,678
Unrestricted	7,253,479	8,582,831	(1,329,352)
Total net position	<u>\$ 38,337,738</u>	<u>\$ 36,859,768</u>	<u>\$ 1,477,970</u>

A summary of the government-wide statement of activities follows:

	2013	2012	Change
Revenues			
Program revenues:			
Charges for services	\$ 704,324	\$ 626,051	\$ 78,273
Operating contributions and grants	2,064,465	2,453,409	(388,944)
Capital contributions and grants	979,280	291,704	687,576
Total program revenues	<u>3,748,069</u>	<u>3,371,164</u>	<u>376,905</u>
General revenues:			
Property taxes	4,474,719	5,242,751	(768,032)
Sales taxes	3,083,885	2,863,039	220,846
Transient occupancy taxes	147,195	188,392	(41,197)
Franchise taxes	765,448	809,736	(44,288)
Investment income	36,135	44,463	(8,328)
State motor vehicle in-lieu	10,915	10,534	381
Other	245,556	87,370	158,186
Total general revenues	<u>8,763,853</u>	<u>9,246,285</u>	<u>(482,432)</u>
Total revenues	<u>12,511,922</u>	<u>12,617,449</u>	<u>(105,527)</u>
Program expenses			
General government	2,255,173	1,990,496	264,677
Public safety	4,477,341	4,311,178	166,163
Parks and recreation	2,111,901	1,056,148	1,055,753
Public works	1,500,235	3,518,397	(2,018,162)
Community development	2,266,567	2,064,831	201,736
Interest expense and other charges	-	309,095	(309,095)
Total expenses	<u>12,611,217</u>	<u>13,250,145</u>	<u>(638,928)</u>
Extraordinary Item			
Loss on dissolution of Redevelopment Agency	-	(1,314,780)	1,314,780
Special Item			
Contribution from Successor Agency	1,577,265	-	1,577,265
Change in net position	1,477,970	(1,947,476)	3,425,446
Net position, beginning of year	36,859,768	38,807,244	(1,947,476)
Net position, end of year	<u>\$ 38,337,738</u>	<u>\$ 36,859,768</u>	<u>\$ 1,477,970</u>

The increase or decrease in net position can provide an indication as to whether the overall financial position of the Town improved or deteriorated during the year. An analysis of the Town's operations reveals the following:

- Net position of the Town increased, from \$36.9 million to \$38.3 million, primarily as a result of the contribution from the Successor Agency. Some of the more significant highlights in the Town's underlying activities are further described below.
- Government-wide revenues decreased slightly in 2013 as one of the Town's major revenue sources continued to decline, as discussed in the following paragraph. Offsetting this decrease, the Town realized an increase in capital contributions, grants and the contribution from the Successor Agency. Coupled with the continuing effort to decrease ongoing expenditures, total net position increased by \$1,477,970.

Property tax revenue decreased from the prior year both as a result of a slight decrease in assessed valuation, and the continuing effects of the redevelopment agency dissolution process. This is the first full fiscal year in which the Town received none of the property tax which was previously reflected as redevelopment revenue due to the cessation of redevelopment agencies as of February 1, 2012 (see Note 14 to the Financial Statements). It appears that aggregate property valuations remain stabilized,

and the future declines or growth in property assessed values will be in the +/- 2% range. A related component of property tax is the amount of property tax backfill provided by the State of California. With one of the property tax types tied to the growth or reduction of assessed valuations, the decrease in assessed valuations has had a compounding effect on the Town's property tax receipts. With the moderation in assessed valuation volatility, this impact should not be as significant on a prospective basis. It is likely that revenues will continue at the same level with modest growth in the near future.

- Sales taxes continued to recover slowly from recession lows of 2009 and 2010. For the fiscal year end 2013, sales tax revenue increased 7.7%, reflecting a gain in both the auto sector and in fuel sales revenue, as well as a one-time accounting adjustment resulting in approximately \$150,000 in sales tax revenue recognition.
- The Town's investment income continued to decrease due to significantly lower returns on cash investments, with the Town's investment pool yielding less than 0.5% annually. This limitation is expected to continue in the next 12 – 18 months, in concert with current Federal economic policy.
- An area of increased expenditure was in the construction of public infrastructure. In FY 2012-13, a number of Town-wide infrastructure projects continued to advance from the planning stage to the projected delivery stage. This trend will continue over the next two fiscal years as long-planned street and highway projects get awarded, and commence construction.
- The Town balanced the slight decrease in revenue with continued reduction in operational expenditures. These reductions were associated with continued expenditure management, personnel reductions, benefit reductions and overall contraction in spending. It is anticipated that this conservative approach will continue as the Town's long-term financial planning indicates slow growth for the foreseeable future, coupled with the Town's limited ability to raise supplemental revenues.

MAJOR FUNDS

As noted earlier, the Town uses fund accounting to provide proper financial management of the Town's resources and to demonstrate compliance with finance-related legal requirements.

The **General Fund** is the primary operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,335,892, comprising the majority of the total fund balance of \$7,070,708. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 45 percent of total general fund expenditures, while total fund balance represents 73 percent of that same amount. General fund revenues exceeded expenditures by \$393,722. The majority of this excess was related to the one time contribution to the animal shelter from the estate of Cyla Wells. Excluding the one-time transaction, General Fund revenue would have exceeded expenditures by a modest amount of approximately \$91,000.

The remaining Major Funds are ongoing routine funds of the Town and reflect normal operational activity.

GENERAL FUND BUDGET

Aggregate differences between the original budget and the final budget of the General Fund revenues were not significant in fiscal year 2013. The actual revenues exceeded the final budget by \$602,000 due to property taxes and a one-time donation presented in other revenue.

Aggregate differences between the original budget and the final amended budget of the General Fund expenditures were higher as the final budget incorporated the remaining budget allocation for the Town's General Plan and Development Code Updates carried forward into fiscal year 2013. Additionally, the Council appropriated additional funds for an early retirement program offered to qualified staff at the end of fiscal year

2013. Total general government expenditures varied from final budget by 3.5% as the Town realized some of the savings implemented near the end of the fiscal year as well as not completing some of the budgeted projects as of the year end. As a result, ending expenditures were \$352,000 less than the final amended budget.

These deviations did not significantly affect the Town's liquidity or ability to provide future government services, although the level of services provided has changed measurably in response to the decrease in available resources.

CAPITAL ASSETS

Capital assets, net of accumulated depreciation at year end are as follows:

	2013	2012
Land	\$ 3,674,216	\$ 4,138,951
Land improvements	2,105,724	2,322,939
Structures and improvements	4,395,511	4,552,822
Licensed vehicles	179,806	281,517
Machinery and equipment	842,899	929,588
Infrastructure	6,824,730	7,304,026
Construction in progress	5,461,297	4,333,620
 Total	 \$ 23,484,183	 \$ 23,863,463

The major changes to capital assets during the year ended June 30, 2013 were as follows:

- During the fiscal year, the Town increased its construction in progress by \$1,127,000 due to continuing work on multiple infrastructure projects. These projects primarily consisted of street improvements, signalization improvements, sidewalk, curb and gutter efforts, park improvements and other infrastructure projects in various stages of completion. The majority of these infrastructure activities are focused on the State Highway bisecting the Town.
- Land and Land Improvements decreased from the prior year reflecting the reclassification and transfer of certain assets related to the dissolution process of the prior Yucca Valley Redevelopment Agency and sale of the Senior Housing Project land.

Total unexpended construction commitments as of year-end were \$207,000 related to the Town's upgrading of the community center park to ADA standards. Additional information on the Town's capital assets can be found in Note 8 to the financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the Town had bonded debt and loans (excluding compensated absences) outstanding of \$574,619. As part of FY 2012-13 activities, the Town retired a remaining General Obligation Debt associated with the San Bernardino Associated Governments. As of June 30, 2013, the remaining long-term liability of the Town is its obligations related to the provision of Other Post-Employment Benefits. It is notable that the Town has taken steps to address this liability through the utilization of a multi-employer irrevocable trust. It is anticipated that the trust will be authorized, established and partially funded as of June 30, 2014.

Outstanding Debt

	<u>2013</u>	<u>2012</u>
General obligation debt	\$ -	\$ 67,924
OPEB obligation	<u>574,619</u>	<u>497,843</u>
Total	<u>\$ 574,619</u>	<u>\$ 565,767</u>

Additional information on the Town's long-term debt can be found in the Notes 9, 11 and 14 of the accompanying financial statements.

Contacting Town Management

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, you may contact the Administrative Services Department, at the Town of Yucca Valley, 57090 Twentynine Palms Highway, Yucca Valley, California 92284.

BASIC FINANCIAL STATEMENTS

Town of Yucca Valley

**Statement of Net Position
June 30, 2013**

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 11,823,541
Accounts receivable	148,467
Due from other governments	1,930,353
Interest receivable	5,180
Notes receivable	1,960,460
Prepaid expenses	414,802
Capital assets, not being depreciated	9,135,513
Capital assets, depreciated, net	<u>14,348,670</u>
 Total assets	 <u>39,766,986</u>
LIABILITIES	
Accounts payable and accrued liabilities	685,418
Noncurrent liabilities:	
Due within one year	42,303
Due in more than one year	<u>701,527</u>
 Total liabilities	 <u>1,429,248</u>
NET POSITION	
Net investment in capital assets	23,484,183
Restricted for	
Public safety	438,155
Public works	4,224,188
Community development	2,937,733
Unrestricted	<u>7,253,479</u>
 Total net position	 <u><u>\$ 38,337,738</u></u>

The accompanying notes are an integral part of these financial statements.

Town of Yucca Valley

**Statement of Activities
For the year ended June 30, 2013**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net Governmental Activities</u>
Governmental activities:					
General government	\$ 2,255,173	\$ 12,481	\$ -	\$ -	\$ (2,242,692)
Public safety	4,477,341	137,990	491,840	-	(3,847,511)
Parks and recreation	2,111,901	215,701	883	415,517	(1,479,800)
Public works	1,500,235	65,160	802,851	260,919	(371,305)
Community development	2,266,567	272,992	768,891	302,844	(921,840)
Total governmental activities	<u>\$ 12,611,217</u>	<u>\$ 704,324</u>	<u>\$ 2,064,465</u>	<u>\$ 979,280</u>	<u>(8,863,148)</u>
General revenues:					
Taxes					
Property tax, levied for general purpose					4,474,719
Sales tax					3,083,885
Transient occupancy tax					147,195
Franchise taxes					765,448
Motor vehicle in lieu tax - unrestricted					10,915
Unrestricted investment earnings					36,135
Other					<u>245,556</u>
Total general revenues					8,763,853
Special Item					
Contributions from the Successor Agency					<u>1,577,265</u>
Change in net position					1,477,970
Net position, beginning of year					<u>36,859,768</u>
Net position, end of year					<u><u>\$ 38,337,738</u></u>

The accompanying notes are an integral part of these financial statements.

Town of Yucca Valley

**Balance Sheet - Governmental Funds
June 30, 2013**

	<u>General</u>	<u>Special Revenue Developmental Impact Fees</u>	<u>Special Revenue Town Housing</u>
ASSETS			
Cash and investments	\$ 5,157,514	\$ 155,429	\$ 1,416,919
Receivables:			
Accounts, net	148,467	-	-
Due from other governments	723,430	-	636,679
Interest	5,180	-	-
Notes	-	-	9,475
Prepaid expenses	411,999	-	-
Due from other funds	535,687	-	-
Advance to other funds	720,138	550,000	-
Total assets	<u>\$ 7,702,415</u>	<u>\$ 705,429</u>	<u>\$ 2,063,073</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 287,579	\$ -	\$ -
Accrued payroll	299,117	-	-
Unearned revenue	45,011	-	-
Due to other funds	-	-	-
Advance from other funds	-	377,000	1,193,138
Total liabilities	<u>631,707</u>	<u>377,000</u>	<u>1,193,138</u>
Fund balances:			
Nonspendable:			
Advance to other funds	720,138	173,000	-
Prepaid items	411,999	-	-
Notes receivable	-	-	9,475
Restricted:			
Public safety	302,679	-	-
Community development	-	155,429	860,460
Public works	-	-	-
Assigned	1,300,000	-	-
Unassigned	4,335,892	-	-
Total fund balances	<u>7,070,708</u>	<u>328,429</u>	<u>869,935</u>
Total liabilities and fund balances	<u>\$ 7,702,415</u>	<u>\$ 705,429</u>	<u>\$ 2,063,073</u>

The accompanying notes are an integral part of these financial statements.

Total Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,576,026	\$ 11,305,888
-	148,467
570,244	1,930,353
-	5,180
-	9,475
-	411,999
-	535,687
<u>300,000</u>	<u>1,570,138</u>
<u>\$ 5,446,270</u>	<u>\$ 15,917,187</u>
\$ 90,865	\$ 378,444
4,889	304,006
-	45,011
535,687	535,687
<u>-</u>	<u>1,570,138</u>
<u>631,441</u>	<u>2,833,286</u>
300,000	1,193,138
-	411,999
-	9,475
438,155	740,834
126,288	1,142,177
3,450,409	3,450,409
429,257	1,729,257
<u>70,720</u>	<u>4,406,612</u>
<u>4,814,829</u>	<u>13,083,901</u>
<u>\$ 5,446,270</u>	<u>\$ 15,917,187</u>



Town of Yucca Valley

**Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2013**

Fund balances of governmental funds	\$ 13,083,901
Amounts reported for governmental activities in the statement of net position are different because:	
Long-term receivables are not reported in the governmental funds balance sheet, however they are reported under full accrual in the Statement of Net Position	1,950,985
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets	51,483,301
Accumulated depreciation	(27,999,118)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds but recognized in the governmental activities:	45,011
Long-term liabilities are not due and payable in the current period:	
OPEB Obligation	(574,619)
Compensated absences	(169,211)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service fund are included in the statement of net assets.	<u>517,488</u>
Net position of governmental activities	<u><u>\$ 38,337,738</u></u>

The accompanying notes are an integral part of these financial statements.

Town of Yucca Valley

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2013**

	General	Special Revenue Developmental Impact Fees	Special Revenue Town Housing
REVENUES			
Taxes	\$ 8,485,175	\$ -	\$ -
Licenses and permits	41,886	-	-
Intergovernmental	508,789	-	-
Charges for services	563,194	-	-
Fines, fees and forfeitures	93,873	47,095	-
Investment earnings	34,205	1,224	718
Other	355,228	-	-
	<u>10,082,350</u>	<u>48,319</u>	<u>718</u>
EXPENDITURES			
Current:			
General government	2,175,279	-	-
Public safety	4,267,591	-	-
Parks and recreation	1,065,544	-	-
Public works	601,053	966	-
Community development	1,579,161	-	855,373
	<u>9,688,628</u>	<u>966</u>	<u>855,373</u>
Excess (deficiency) of revenues over expenditures	<u>393,722</u>	<u>47,353</u>	<u>(854,655)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	205,000	-
Transfers out	-	(90,000)	-
	<u>-</u>	<u>115,000</u>	<u>-</u>
SPECIAL ITEM			
Contributions from the Successor Agency	-	-	1,077,000
	<u>-</u>	<u>-</u>	<u>1,077,000</u>
Net change in fund balances	393,722	162,353	222,345
Fund balances, beginning of year	<u>6,676,986</u>	<u>166,076</u>	<u>647,590</u>
Fund balances, end of year	<u>\$ 7,070,708</u>	<u>\$ 328,429</u>	<u>\$ 869,935</u>

The accompanying notes are an integral part of these financial statements.

Total Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 8,485,175
-	41,886
2,007,513	2,516,302
47,743	610,937
45,243	186,211
8,912	45,059
<u>291,033</u>	<u>646,261</u>
<u>2,400,444</u>	<u>12,531,831</u>
-	2,175,279
217,805	4,485,396
1,044,328	2,109,872
1,863,187	2,465,206
<u>39,633</u>	<u>2,474,167</u>
<u>3,164,953</u>	<u>13,709,920</u>
<u>(764,509)</u>	<u>(1,178,089)</u>
423,272	628,272
<u>(538,272)</u>	<u>(628,272)</u>
<u>(115,000)</u>	<u>-</u>
<u>-</u>	<u>1,077,000</u>
(879,509)	(101,089)
<u>5,694,338</u>	<u>13,184,990</u>
<u>\$ 4,814,829</u>	<u>\$ 13,083,901</u>



Town of Yucca Valley

**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2013**

Net change in fund balances - total governmental funds \$ (101,089)

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

Governmental funds report contributions outlays as expenditures. However, in the statement of activities, the recoverable cost of those contributions is reported as notes receivable 1,010,985

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Cost of assets capitalized, less disposals at net book value 1,160,687
Depreciation expense (1,075,232)

The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal adjustment on debt estimate 67,924

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

Increase in OPEB obligation (76,776)
Change in compensated absences 33,468

Revenues that are measurable but not available are recorded as deferred revenue under the modified accrual basis of accounting. (19,909)

Internal service funds are used by management to charge the costs of certain activities, including insurance claims and expenses, to individual funds. The net revenues (expenses) of the internal service fund are reported on the statement of activities. 2,647

Net loss in assets transferred to the Successor Agency
recognized on Government Wide Statements 475,265

Change in net position of governmental activities \$ 1,477,970

The accompanying notes are an integral part of these financial statements.

Town of Yucca Valley

**Statement of Net Position
Proprietary Fund
June 30, 2013**

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
ASSETS	
Current assets:	
Cash and investments	\$ 517,653
Prepays	<u>2,803</u>
Total assets	<u>520,456</u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>2,968</u>
Total liabilities	<u>2,968</u>
NET POSITION	
Unrestricted	<u>517,488</u>
Total net position	<u><u>\$ 517,488</u></u>

The accompanying notes are an integral part of these financial statements.

Town of Yucca Valley

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the year ended June 30, 2013**

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Charges for services	\$ 40,827
Total operating revenues	40,827
OPERATING EXPENSES	
Operations	38,180
Total operating expenses	38,180
Change in net position	2,647
Net position, beginning of year	514,841
Net position, end of year	\$ 517,488

The accompanying notes are an integral part of these financial statements.

Town of Yucca Valley

**Statement of Cash Flows
Proprietary Fund
For the year ended June 30, 2013**

	Governmental Activities
	<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from user departments	\$ 40,827
Cash payments to suppliers for goods and services	<u>(38,969)</u>
Net cash provided by operating activities	<u>1,858</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from other funds	-
Cash transferred to other funds	<u>-</u>
Net cash provided by noncapital financing activities	<u>-</u>
Net increase in cash and cash equivalents	<u>1,858</u>
Cash and cash equivalents, beginning of year	<u>515,795</u>
Cash and cash equivalents, end of year	<u><u>\$ 517,653</u></u>
	-
Reconciliation of change in net position to net cash provided by operating activities	
Change in net position	\$ 2,647
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in prepaid expenses	(2,803)
Increase in accounts payable	<u>2,014</u>
Net cash provided by operating activities	<u><u>\$ 1,858</u></u>
Non-cash activity	
Investing, capital, and financing activities not resulting in cash receipts or payments in the period	"None"

The accompanying notes are an integral part of these financial statements.

Town of Yucca Valley

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013**

	Private Purpose Trust Fund	Agency Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 6,506,531	\$ 140,369
Cash and investments with fiscal agent	743,203	-
Property held for resale	1,658,552	-
Deferred charges	271,998	-
Land held for resale	<u>1,379,541</u>	<u>-</u>
 Total assets	 <u>\$ 10,559,825</u>	 <u>\$ 140,369</u>
 LIABILITIES		
Accounts payable	\$ 224,434	\$ 173
Deposits	-	140,196
Accrued liabilities	45,014	-
Advance from other governments	636,679	-
Long-term liabilities:		
Due within one year	208,830	-
Due in more than one year	<u>9,288,060</u>	<u>-</u>
 Total liabilities	 <u>\$ 10,403,017</u>	 <u>\$ 140,369</u>
 NET POSITION		
Held in trust for successor agency and other purposes	 <u>\$ 156,808</u>	

The accompanying notes are an integral part of these financial statements.

Town of Yucca Valley

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2013**

	<u>Private Purpose Trust Fund</u>
ADDITIONS	
RPTTF distributions	<u>\$ 970,954</u>
Total additions	<u>970,954</u>
DEDUCTIONS	
Dissolution Low-Mod residual payment	576,354
Administrative payments	324,184
Other payments	28,082
Debt service:	
Interest	<u>572,191</u>
Total deductions	<u>1,500,811</u>
SPECIAL ITEM:	
Contribution to Town of Yucca Valley	<u>(1,577,265)</u>
Change in net position	(2,107,122)
Net position, beginning of the period	<u>2,263,930</u>
Net position, end of the period	<u><u>\$ 156,808</u></u>

The accompanying notes are an integral part of these financial statements.

Town of Yucca Valley

Notes to the Basic Financial Statements For the year ended June 30, 2013

Note 1: Summary of significant accounting policies

The financial statements of the Town of Yucca Valley, California (Town) 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 Town's significant accounting policies are described below.

(a) *Reporting entity*

The Town of Yucca Valley, California was incorporated November 27, 1991 under the general laws of the State of California. The Town operates under an elected Council/Town Manager form of government.

As required by generally accepted accounting principles in the United States of America, these financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is considered to be financially accountable for an organization if the Town appoints a voting majority of that organization's governing body and the Town is able to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the Town. The Town 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 Town). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the Town are such that their exclusion would cause the Town's financial statements to be misleading or incomplete. All of the Town's component units are blended component units. Blended component units, although legally separate entities, are in substance, part of the Town's operations and so data from these units are reported with the interfund data of the primary government. A brief description of the Town's component units are as follows:

- The Yucca Valley Redevelopment Agency (Agency) was activated in September 1992, by the Town as a separate governing body. The Town Council declared by Ordinance that the Town Council will serve as the Board of Directors of the Agency. The primary purpose of the Agency was to eliminate blighted areas by encouraging development of residential, commercial, industrial, recreational and public facilities. The Town's Council-members designate management and have a full accountability of the Agency's fiscal matters. As of February 1, 2012, the Redevelopment Agency ceased all operations in accordance with ABx1 26. All assets and activity of the former redevelopment agency (except for low and moderate income housing assets), as of February 1, 2012, were transferred to the Successor Agency to the Yucca Valley Redevelopment Agency (Successor Agency) (a private purpose trust fund). Since the Successor Agency is a private purpose trust fund, it cannot be considered a component unit of the Town. The Town of Yucca Valley elected to be the Housing Successor and chose to retain the housing assets and functions previously held and performed by the former redevelopment agency.

Town of Yucca Valley

Notes to the Basic Financial Statements For the year ended June 30, 2013

Note 1: Summary of significant accounting policies (continued)

(a) *Reporting entity (continued)*

- The Yucca Valley Financing Authority (Financing Authority) was activated in November 1995, by a Joint Exercise of Powers Agreement between the Town and the Financing Authority. The Financing Authority was created for the purpose of assisting the financing or refinancing of certain public capital facilities within the Town. The Financing Authority's activities are blended with those of the Town in these financial statements.

ANIMAL CARE JOINT POWERS AUTHORITY

On or about November 18, 2008, the Town and the San Bernardino County (County) signed a joint powers agreement creating the Animal Care Joint Powers Authority. The purpose of the Agreement is to provide for the exercise of powers common to each Member, including but not limited to, the creation of the Authority to provide for the financing, planning, design, construction, operation and maintenance of an Animal Care and Control Facility in the Town of Yucca Valley, to provide animal services and shelter services to homeless animals in the incorporated areas of the Town and the unincorporated areas of the County. The Agreement is intended to provide a framework for construction and future operations of the replacement Town of Yucca Valley Animal Care and Control Facility. The project is currently under construction and expected to be fully operational in the fiscal year 2015.

(b) *Measurement focus and basis of accounting*

The *basic financial statements* of the Town are composed of the following:

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

Government-wide financial statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. The Town has no business-type activities or discretely presented component units. 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).

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 the nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

**Notes to the Basic Financial Statements
For the year ended June 30, 2013**

Note 1: Summary of significant accounting policies (continued)

(b) Measurement focus and basis of accounting (continued)

Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by the Town, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included as program revenues are reported as general revenues.

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

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund financial statements

The underlying accounting system of the Town 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.

The fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are represented after the government-wide financial statements. These statements display information about major funds individually, and nonmajor funds in the aggregate, for governmental funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the Town primarily represent assets held by the Town in a custodial capacity for other individuals or organizations.

Governmental funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The Town used an availability period of 60 days.

Notes to the Basic Financial Statements
For the year ended June 30, 2013

Note 1: Summary of significant accounting policies (continued)

(b) *Measurement focus and basis of accounting (continued)*

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

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds. *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 non-exchange 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 non-exchange 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 in their balance sheets in spite of their spending measurement focus. Special reporting treatment is used to indicate they should not be considered "available spendable resources", since they do not represent net current assets.

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

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the unrestricted components of fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Notes to the Basic Financial Statements
For the year ended June 30, 2013

Note 1: Summary of significant accounting policies (continued)

(b) *Measurement focus and basis of accounting (continued)*

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

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

Proprietary and fiduciary funds

The Town's internal service fund is a proprietary fund. In the fund financial statements, proprietary funds 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, proprietary funds are presented using the *economic resources measurement focus*. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating expenses.

Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of Town revenues and expenses.

(c) *Fund classifications*

The funds designated as major funds in the fund financial statements are determined by a mathematical calculation consistent with GASB statement No.34.

The Town reports the following major governmental funds:

General Fund – The General Fund is used to account for resources traditionally associated with governments, which are not legally required or by sound financial management, to be accounted for in another fund.

Developmental Impact Fees Fund – Established as depository for development impact fees. The fees are levied against new development in the Town in order to pay for the construction or improvements of public facilities as a result of Town growth.

Town Housing Fund – This fund accounts for activities related to the Town's housing activities. The fund was established as the Housing Successor of the former redevelopment agency's Low and Moderate Income Housing Fund.

Town of Yucca Valley

Notes to the Basic Financial Statements For the year ended June 30, 2013

Note 1: Summary of significant accounting policies (continued)

(c) *Fund classifications (continued)*

The Town's fund structure also includes the following fund types:

Capital Projects Reserve – Established to maintain a capital projects reserve for the purpose of providing funding for the planning, construction, repair and rehabilitation of the Town's capital assets.

Internal Service Fund – Established to be used to finance and account for special activities and services performed by a department for other departments on a cost reimbursement basis. Photocopy and stationary costs are currently being charged to all departments through this internal service fund.

Agency Fund – Established as a fund to account for deposits advanced to the Town to fund development related services provided by the Town's Community Development department. Monies in this fund are considered liabilities until expended.

Private Purpose Trust Fund – This fund accounts for the activities of the Successor Agency to the former Town of Yucca Valley Redevelopment Agency. The fund primary purpose is to expedite the dissolution of the former redevelopment agency.

(d) *Appropriations limit*

Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the Town is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund agreements. For the fiscal year ended June 30, 2013, proceeds of taxes did not exceed allowed appropriations.

(e) *Cash and investments*

For purposes of the statement of cash flows, cash and investments 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. Cash equivalents have an original maturity date of three months or less from the date of purchase.

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and 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 earnings* reported for that fiscal year. *Investment earnings* include interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The Town pools cash 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.

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2013**

Note 1: Summary of significant accounting policies (continued)

(f) *Capital assets*

Capital assets (including infrastructure) 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 \$5,000 are capitalized if they have an expected useful life of three years or more.

Capital assets include additions to public domain (infrastructure) consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

The following schedule summarizes capital asset useful lives:

Improvements	10-66 years
Buildings	20-50 years
Vehicles	8 years
Furniture and Equipment	3-25 years
Infrastructure	20-99 years

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements.

(g) *Compensated absences*

In accordance with GASB Statement No. 16, a liability is recorded in the government-wide financial statements for compensated absences (unpaid vacation, sick leave and compensatory time) since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

Under GASB Statement No. 16, a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. The Town does not pay unused sick leave to employees upon separation of service. 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 Town and the employee.

(h) *Advances to other funds*

Long-term interfund advances are recorded as receivables and as a nonspendable fund balance by the advancing governmental fund, and as a liability in the receiving fund.

(i) *Property taxes*

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas.

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2013**

Note 1: Summary of significant accounting policies (continued)

(i) *Property taxes(continued)*

Accordingly, the Town accrues only those taxes, which are received from the county within 60 days after year-end:

Lien date	January 1
Levy date	March 1
Due dates	November 1 and February 1
Collection dates	December 10 and April 10

The County of San Bernardino bills and collects the property taxes and remits them to the Town in installments during the year.

(j) *Use of estimates*

The financial statements have been prepared in accordance with generally accepted accounting principles and necessarily include amounts based on estimates and assumptions made by Management. Actual results could differ from those amounts.

(k) *Fund Balance Reporting and Governmental Fund Type Definitions*

The Town has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.
- Committed – amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority, a Town Council Action; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned – amounts that are for any purpose; positive amounts are reported only in a general fund.

The Town Council, establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. The Director of Administrative Services has the authority, granted by the Council, to commit Town resources. When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the Town's policy to use restricted resource first, then unrestricted resources as they are needed. It is also the Town's policy to consider committed amounts as being reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Town of Yucca Valley

Notes to the Basic Financial Statements For the year ended June 30, 2013

Note 1: Summary of significant accounting policies (continued)

(l) *Inventories*

Inventories are stated at average cost. Physical counts of inventory are taken on a cyclical basis during each fiscal year with perpetual records adjusted to actual at that time. The Town uses the consumption method of accounting for inventories.

(m) *Claims and judgments*

The Town records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability has been incurred prior to year end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated.

(n) *Implementation of new GASB pronouncement*

Beginning with the current fiscal year, the Town implemented GASBS No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement is designed to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on the government's net position. Deferred outflows of resources are transactions that result in the consumption of net position in one period that are applicable to future periods and are not considered assets as described by the statement. Deferred outflows of resources are required to be presented separately after assets on the statement of net position. Deferred inflows of resources are transactions that result in the acquisition of net position in one period that are applicable to future periods and are not considered to be liabilities as described by the statement. Deferred inflows of resources are required to be presented separately after liabilities on the statement of net position.

Note 2: Cash and investments

Cash and investments are reported as follows:

Statement of net position:	
Cash and investments	\$ 11,823,541
Statement of fiduciary net position:	
Cash and investments	6,646,900
Cash and investments with fiscal agent	<u>743,203</u>
Total cash and investments	<u>\$ 19,213,644</u>

Cash and investments held by the Town consist of the following:

Cash on hand	\$ 3,550
Deposits with financial institutions	8,056,417
Investments	<u>11,153,677</u>
Total cash and investments	<u>\$ 19,213,644</u>

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2013**

Note 2: Cash and investments (continued)

Investments authorized by debt agreements

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

Authorized investment type	Maximum maturity	Maximum percentage allowed	Maximum investment in one issuer
U.S. Treasury obligations	None	None	None
U.S. Agency securities	None	None	None
Banker's acceptances	180 days	None	None
Commercial paper	270 days	None	None
Money market mutual funds	N/A	None	None
Repurchase agreements	270 days	None	None
Investment contracts	30 years	None	None

Investments authorized by the California Government Code and the Agency's investment policy

The table below identifies the *investment types* that are authorized for the Town by the California Government Code and the Town's investment policy. The table also identifies certain provisions of the California Code (or the Town's investment policy, if more restrictive) that address *interest rate risk* and *concentration of credit risk*. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Town, rather than the general provisions of the California Government Code or the Town's investment policy.

Investment types authorized by investment policy	Maximum maturity*	Maximum percentage of portfolio*	Maximum investment in one issuer*
U.S. Treasury obligations	5 years	None	None
U.S. Agency securities	5 years	None	None
Commercial paper	180 days	15%	10%
Negotiable certificates of deposits	5 years	20%	None
Money market mutual funds	N/A	20%	None
Local Agency Investment Fund	N/A	None	\$50,000,000

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

Disclosure 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 rates. One of the ways that the Town manages its exposure to interest rate risk is by diversifying its investment maturities evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2013**

Note 2: Cash and investments (continued)

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

Investment type	Totals	Remaining maturity (in months)			
		12 or less	13 to 24	25 to 60	More than 60
State investment pool	\$ 10,410,474	\$ 10,410,474	\$ -	\$ -	\$ -
Held by bond trustee:					
Federated Treasury					
Obligation	743,203	743,203	-	-	-
Total investments	<u>\$ 11,153,677</u>	<u>\$ 11,153,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Town's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment type	Amount	Minimum legal rating	Ratings at fiscal year end	
			Aaa	Not rated
State investment pool	\$ 10,410,474	N/A	\$ -	\$ 10,410,474
Held by bond trustee:				
Federated Treasury				
Obligation	743,203	N/A	743,203	-
Totals	<u>\$ 11,153,677</u>		<u>\$ 743,203</u>	<u>\$ 10,410,474</u>

**Notes to the Basic Financial Statements
For the year ended June 30, 2013**

Note 2: Cash and investments (continued)

Custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of 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 Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits.

The California Government Code requires that a financial institution secure deposits made by state or local governmental 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 Town deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2013, \$7,938,359 of the Town's deposits with financial institutions in excess of Federal Depository Insurance Corporation (FDIC) limits were held in collateralized accounts as required by the California Government Code as stated above.

For investments identified as held by bond trustee, the bond trustee selects the investment under the 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 Town is a voluntary participant in the Local Agency Investment Fund (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 Town's investment in this pool is reported in the accompanying financial statements at amounts based upon the Town's pro-rata share of the fair value provided 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 is recorded on an amortized costs basis. LAIF is not rated.

Concentration of credit risk

The investment policy of the Town 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 Town investments* for the year ended June 30, 2013.

Town of Yucca Valley

Notes to the Basic Financial Statements For the year ended June 30, 2013

Note 3: Due from and to other funds

Interfund receivable and payable balances at June 30, 2013 were as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amounts</u>
General Fund	Nonmajor governmental funds:	
	AB2928 - State Construction Grant	\$ 24,560
	Highway Safety Improvements	184,900
	Safe Routes to Schools	4,870
	HUD - Jerry Lewis Park	43,243
	CDBG	92,360
	Recycling Activities Grant	2,467
	CMAQ	29,670
	Public Lands Federal Grant	153,617
	Total interfund	<u>\$ 535,687</u>

These represent short-term borrowings to cash deficits at June 30, 2013.

Note 4: Notes receivable

On February 1, 2008, the Town executed a promissory note for \$350,000 with the Hi-Desert Water District in order to aid the District in the construction and operation of a wastewater treatment and collection system. The interest on the note accrued daily at a rate using the PMIA Average Monthly Effective Yield as published by the State Treasurer's Office. The note was due in full on or before January 31, 2013 together with interest thereon from the date of issue of the note to the date of payment. The note was fully paid by the District to the Town by the note's due date.

In November 2008, the Town of Yucca Valley Redevelopment Agency executed a note receivable with the Morongo Basin Unity Home (the Home) in the amount of \$15,000. The Home is to use the proceeds of the note to fund the final renovation needed to complete a transitional housing project which serves to provide assistance to victims and children of domestic violence. The note bears an interest rate of 2.7% and is payable in annual installments beginning in November 2009 with final payment due in November 2018. Pursuant to AB x1 26, the Town of Yucca Valley Redevelopment Agency was dissolved and all assets, excluding unencumbered deposits, were transferred to the Town's Housing fund. The balance of the Home note receivable in the Town's Housing fund at June 30, 2013 is \$9,475.

On or about March 20, 2012, the Town of Yucca Valley entered into certain Affordable Housing, Financing and Disposition and Development Agreement (Loan) that concerns the development of a 75-unit affordable rental housing complex for senior citizens (Project) with Yucca Valley Senior Housing Partners, LP (Developer) in the amount not to exceed Two Million Nine Hundred Twenty-Five Thousand Even Dollars (\$2,925,000.00) repayable to the Town with residual receipts after completion of the project. The Loan amount includes the purchase price of the site being conveyed by the Town to the Developer plus such amounts of the Town Loan advanced to the Developer from time to time, which will be contributed to the Project by Town. Interest shall accrue on the outstanding principal amount at the simple rate of one-half of one percent (0.5 %) per annum until repaid in full. The balance of the Note receivable at June 30, 2013 is \$1,950,985.

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2013**

Note 5: Transfers in and out

Transfers in and out for the year ended June 30, 2013 were as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
Development Impact Fees Fund	Capital Projects Reserve Fund	\$ 90,000 (a)
Nonmajor Governmental Funds	Capital Projects Reserve Fund	9,592 (b)
Nonmajor Governmental Funds	Development Impact Fees Fund	205,000 (c)
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>323,680 (d)</u>
Total transfers		<u>\$ 628,272</u>

(a) Transfer to finance the structure of a joint Town and San Bernardino County Animal Shelter project.

(b) Transfer completed as a one-time funding for capital project (AC units).

(c) Transfer to repay unused funds from prior year.

(d) Transfer completed as appropriated funding for median capital project.

Note 6: Due from other governments

The amounts due from other governments at June 30, 2013 consist of the following:

	<u>Amount</u>
County of San Bernardino	\$ 291,854
State of California	774,950
Other	<u>863,549</u>
Total due from other governments	<u>\$ 1,930,353</u>

Note 7: Construction commitments

Significant construction commitments as of June 30, 2013 are as follows:

<u>Description</u>	<u>Project budget</u>	<u>Cumulative expenditures to date</u>	<u>Unexpended commitments</u>
Community Center Playground	\$ 287,935	\$ 81,216	\$ 206,719

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2013**

Note 8: Capital assets

Capital asset activity for the year ended June 30, 2013 is as follows:

	Beginning balance	Additions	Deletions	Ending balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,138,951	\$ 940,000	\$ (1,404,735)	\$ 3,674,216
Construction in progress	4,333,620	1,644,610	(516,933)	5,461,297
Total capital assets not being depreciated	<u>8,472,571</u>	<u>2,584,610</u>	<u>(1,921,668)</u>	<u>9,135,513</u>
Capital assets being depreciated:				
Building and improvements				
Land improvements	4,994,712	-	-	4,994,712
Structures and improvements	7,027,491	-	-	7,027,491
Infrastructure	27,058,749	-	-	27,058,749
Vehicle and Equipment				
Machinery and equipment	1,945,078	33,010	-	1,978,088
Licensed vehicles	1,288,748	-	-	1,288,748
Total capital assets being depreciated	<u>42,314,778</u>	<u>33,010</u>	<u>-</u>	<u>42,347,788</u>
Less accumulated depreciation for:				
Building and improvements				
Land improvements	(2,671,773)	(217,215)	-	(2,888,988)
Structures and improvements	(2,474,669)	(157,311)	-	(2,631,980)
Infrastructure	(19,754,723)	(479,296)	-	(20,234,019)
Vehicle and Equipment				
Machinery and equipment	(1,015,490)	(119,699)	-	(1,135,189)
Licensed vehicles	(1,007,231)	(101,711)	-	(1,108,942)
Total accumulated depreciation	<u>(26,923,886)</u>	<u>(1,075,232)</u>	<u>-</u>	<u>(27,999,118)</u>
Total capital assets, being depreciated, net	<u>15,390,892</u>	<u>(1,042,222)</u>	<u>-</u>	<u>14,348,670</u>
Governmental activities capital assets, net	<u>\$ 23,863,463</u>	<u>\$ 1,542,388</u>	<u>\$ (1,921,668)</u>	<u>\$ 23,484,183</u>

Depreciation expense was charged to the following functions in the statement of activities:

General government	\$ 236,697
Parks and recreation	11,818
Public works	43,889
Community development	782,828
Total depreciation expense	<u>\$ 1,075,232</u>

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2013**

Note 9: Long-term liabilities

Changes in long-term liabilities during the year ended June 30, 2013 were as follows:

Governmental activities:	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
2001 Series B Bonds	\$ 67,924	\$ -	\$ (67,924)	\$ -	\$ -
Total bonds payable	67,924	-	(67,924)	-	-
OPEB obligation	497,843	76,776	-	574,619	-
Compensated absences*	202,679	34,335	(67,803)	169,211	42,303
Total long-term liabilities	<u>\$ 768,446</u>	<u>\$ 111,111</u>	<u>\$ (135,727)</u>	<u>\$ 743,830</u>	<u>\$ 42,303</u>

* This liability will be paid in future years from future resources from the General Fund.

2001 Bonds – San Bernardino Associated Governments

In July 1993, the San Bernardino Associated Governments (SANBAG) issued bonds for \$120,000,000. Of that, \$1,949,500 of the proceeds went to the Town. In April 2001, SANBAG issued \$47,020,000, 2001 Series B, to refinance a portion of the 1993 Series A Bonds. Of that, \$761,724 of the proceeds from refinancing went to the Town. In November 2004, the Measure I half-cent sales tax was extended by the voters of San Bernardino County. The new program named Measure I 2010-2040 is separate from the old program. As of June 30, 2013, the Town has eliminated from its financial statements a non-confirmable liability related to the old Measure I program for \$67,924 carrying from prior years. SANBAG is still in the process of determining, if any, amounts are owed or due from the old 2004 program. Once SANBAG determines any amounts due or owed, the liability will be reinstated if necessary.

Note 10: Retirement plan

Plan description

The Town contributes to the California Public Employees Retirement System (PERS), a cost sharing multi-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and Town ordinance. The Town contributes to three different plans, the Miscellaneous First Tier Plan, the Miscellaneous Second Tier Plan and the Miscellaneous Third Tier Plan. Copies of PERS' annual financial report may be obtained from their executive office: 400 "Q" Street, Sacramento, California 95814.

Funding policy

Participants in the First, Second and Third Tier contribute 8.00%, 7.00% and 6.25% of their covered annual salary respectively. The Town is required to contribute at an actuarially determined rate; the current rate is 18.586%, 7.846% and 6.250% of annual covered payroll for First, Second and Third Tier respectively. The contribution requirements of plan participants and the Town are established by and may be amended by PERS.

Town of Yucca Valley

Notes to the Basic Financial Statements For the year ended June 30, 2013

Note 10: Retirement plan (continued)

Annual pension cost

For 2013, the Town's annual pension cost of \$513,033 for PERS was equal to the Town's required contributions as indicated in the PERS Actuarial Valuations for each plan. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. For 2013, 2012 and 2011, the Town has contributed \$513,033, \$538,772 and \$456,219 respectively, which have been 100% of the annual required contribution for both plans combined. The annual pension cost for the Second and Third Tier Plans was not available from PERS as of June 30, 2013, however the amount is considered to be immaterial to the Financial Statements taken as a whole.

Note 11: Other post employment benefits

Plan description

The Town provides a single-employer medical plan for retirees. This coverage is available for employees who satisfy the requirements for retirement under the California Public Employees Retirement System (PERS), which is age 50 or older with at least five years of State or public agency service. The healthcare coverage provided by PERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45. Medical plan benefits are provided through PERS, as permitted by the Public Employees' Medical and Hospital and Care Act (PEMHCA). As a PEMHCA employer, the Town has elected the unequal contribution method, where the contribution will be increased annually until it reaches the same employer contribution as active employee medical plan coverage.

Funding policy

The contribution requirements of the Town are established and may be amended by the Town Council. The required contribution is based on pay-as-you-go financing requirements. For fiscal year 2013 and 2012, the Town contributed \$8,924 and \$ 6,997 to the plan, respectively, which was 100% of the total current premiums. As of June 30, 2013, the contribution requirements include an amortization of the unfunded AAL over an open 30-year period with payments developed as a level percent of pay. The Town uses the General Fund's available net positions to liquidate any net other post employment obligations. For the fiscal year ending June 30, 2014, the Town has changed to a prefunding basis for its OPEB obligations.

Annual OPEB cost and net OPEB obligation

The Town's annual other OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2013**

Note 11: Other post employment benefits (continued)

	<u>June 30, 2013</u>
Annual required contributions	\$ 84,935
Interest on net OPEB obligation	19,914
Adjustment to annual required contribution	<u>(19,131)</u>
Annual OPEB cost (expense)	85,718
Contributions made	<u>(8,942)</u>
Increase in net OPEB obligation	76,776
Net OPEB obligation, beginning of year	<u>497,843</u>
Net OPEB obligation, end of year	<u><u>\$ 574,619</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

<u>Fiscal year ended</u>	<u>Annual OPEB cost</u>	<u>Percentage of annual OPEB cost contributed</u>	<u>Net OPEB obligation</u>
June 30, 2011	\$ 165,019	3.83%	\$ 322,471
June 30, 2012	182,369	3.84%	497,843
June 30, 2013	85,718	10.43%	574,619

Funded status and progress

The funded status of the plan as of July 1, 2012, was as follows:

Actuarial accrued liability (AAL)	\$ 766,012
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 766,012</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 2,471,009

As of July 1, 2012, the most recent valuation date, the plan was 0.0% funded. The actuarial accrued liability for benefits was \$766,012, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$766,012 and a funded ratio (actuarial value of assets as a percentage of the actuarial accrued liability) of 0.0%. 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 multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Town of Yucca Valley

Notes to the Basic Financial Statements For the year ended June 30, 2013

Note 11: Other post employment benefits (continued)

Actuarial methods and assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

Following are the most relevant actuarial assumptions included in the valuation:

Valuation Date	July 1, 2012
Funding Method	Entry Age Normal Cost
Asset Valuation Method	Market Value
Discount Rates	4.0% for Pay-as-you-go
Salary Increase Trend	3.25% per year
Assumed Increase for Amortization Payments	3.25% per year
Inflation Rate	3.25% per year
Healthcare Increase Trend	4.5% per year

Note 12: Risk management

The Town is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters. As such, the Town is a member of the Public Agency Risk Sharing Authority of California (PARSAC), a joint powers authority formed under Section 990 of the California Government Code for the purpose of providing joint-protection coverage and related risk management services.

Public Agency Risk Sharing Authority of California (PARSAC) Liability Program offers a combination of pooled and commercially-purchased public auto and general liability coverage, plus errors and omissions coverage, above individual Member Entity self-insured retentions (similar to deductibles and ranging from \$5,000 to \$750,000) to an organizational retention of \$1 million. Beyond that \$1 million retention, there is \$4 million in jointly-purchased commercial excess coverage limits for most of the Liability Programs exposures, providing total coverage limits of \$35 million. However, for those exposures covered by the Liability Program's Memorandum of Coverage (self-funded coverage document), but not covered by the commercial excess liability insurance policy, there are full self-funded limits of \$55 million in per-occurrence coverage; thus, the Memorandum of Coverage wraps around the excess liability insurance policy and becomes, in essence, a "wrap-around document". The Town's General, Auto, Public Officials, and Employment Practices Liability Insurance carry \$25,000 retention with amounts in excess of the retention covered by PARSAC up to \$350,000. In addition, coverage in excess of the \$1,000,000 is covered via the CSAC Express Insurance Authority. All Risk Property is covered up to \$1,000,000,000 per occurrence with a \$5,000 deductible.

Claims are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

PARSAC implemented a Worker's Compensation Program on July 1, 1990. The Workers' Compensation Program offers coverage consistent with that mandated by state law. PARSAC provides coverage from up to \$500,000 per claim. Beyond that \$500,000 coverage, there is a jointly-purchased commercial excess insurance with coverage up to statutory limits.

Town of Yucca Valley

Notes to the Basic Financial Statements For the year ended June 30, 2013

Note 12: Risk management (continued)

Separate financial statements of PARSAC can be obtained from 1525 Response Road - Suite One, Sacramento, California 95815.

There was no significant reduction in insurance coverage by major categories of risk from fiscal year 2012 to fiscal year 2013. Furthermore, there was no settlement which exceeded the insurance coverage for the fiscal years 2011, 2012, and 2013.

Note 13: Deficit fund balances

As of June 30, 2013, a deficit fund balance was recorded in the following funds:

	<u>Fund deficit</u>
<i>Special Revenue Funds:</i>	
AB2928 - State Construction Grant	\$ (25,810)
Safe Routes to School	(35,868)
HUD - Jerry Lewis Park	(43,243)
CDBG	(92,376)
Public Lands Federal Grant	(155,880)

Note 14: Successor Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (Bill) that provided for the dissolution of all redevelopment agencies in the State of California. Most cities in California had established a redevelopment agency that was included in its reporting entity as a blended component unit (since the City's council, in many cases, also served as the governing board for those agencies). The Bill provided that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "Successor Agency" to hold the assets until they are distributed to other units of state and local government. On January 10, 2012 the Town of Yucca Valley's Council met and created the "Successor Agency" in accordance with the Bill as part of the Town's resolution number 12-01. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Subject to the control of a newly established Oversight Board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the Successor Agency will only be allocated tax revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former Town of Yucca Valley Redevelopment Agency until all enforceable obligations of the prior redevelopment agency have been paid in full.

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2013**

Note 14: Successor Agency (continued)

The movement of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) was reported from governmental funds of the Town to a Private-Purpose Trust Fiduciary Fund in the fiscal year 2012.

In the current fiscal year, several adjustments were made to the final amounts initially transferred to the Successor Agency due to Meet and Confer meetings and Asset Transfers reviews between the Town and its management, the California Department of Finance (DOF) and the California State Controller (SCO).

The debt of the Successor Agency as of June 30, 2013 is as follows:

Successor Agency:	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
2008 Refunding TABS	\$ 9,935,000	\$ -	\$ (190,000)	\$ 9,745,000	\$ 195,000
Less deferred amounts:					
On refunding	(156,246)	-	9,768	(146,478)	9,765
For issuance discounts	<u>(105,697)</u>	<u>-</u>	<u>4,065</u>	<u>(101,632)</u>	<u>4,065</u>
Total long-term liabilities	<u>\$ 9,673,057</u>	<u>\$ -</u>	<u>\$ (176,167)</u>	<u>\$ 9,496,890</u>	<u>\$ 208,830</u>

Future debt service requirements are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 195,000	\$ 540,162
2015	205,000	531,582
2016	215,000	522,358
2017	225,000	512,253
2018	235,000	501,002
2019-2023	1,380,000	2,306,099
2024-2028	1,805,000	1,885,214
2029-2033	2,360,000	1,320,775
2034-2038	<u>3,125,000</u>	<u>559,187</u>
Totals	<u>\$ 9,745,000</u>	<u>\$ 8,678,632</u>

Town of Yucca Valley

Notes to the Basic Financial Statements For the year ended June 30, 2013

Note 14: Successor Agency (continued)

2008 Tax Allocation Bonds

As of February 1, 2012, the bonds were transferred from the former redevelopment agency to the Successor Agency to the Yucca Valley Redevelopment Agency due to ABx1 26, which dissolved redevelopment agencies in the State of California as of February 1, 2012. The Successor Agency, a separate legal entity, is responsible for the repayment of the principal and interest of the outstanding bonds. Revenues to the Successor Agency, in the form of property taxes, have been pledged for the repayment of enforceable obligations (which include the bonds). Since the redevelopment agency no longer exists, the bonds have been removed from the Town's government-wide financial statements and are currently shown as Successor Agency debt.

Note 15: Risks and uncertainties

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts may, or may not be immaterial.

Successor Agency

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2013 (and subsequent years in which the Successor Agency is in operation) are subject to review by various State agencies and the County in which the Successor Agency resides. If any expenses incurred by the Successor Agency are disallowed by the State agencies or County, the Town, acting as the Successor Agency could be liable for the repayment of the disallowed costs from either its own funds or by the State withholding remittances normally paid to the Town. The amount, if any, of expenses that may be disallowed by the State agencies or County, if any, cannot be determined at this time, although management of the Successor Agency expects such amounts to be immaterial.

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2013**

Note 16: GASB 54 – Fund Balance Reporting

The following functional detail and principal purpose of Fund Balance is presented to comply with the requirements of GASB 54 for restricted, committed, and assigned fund balances, to enhance fund balance information reported, and to improve fund balance decision usefulness:

	General	Special Revenue Developmental Impact Fees	Special Revenue Town Housing	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Advance to other funds	\$ 720,138	\$ 173,000	\$ -	\$ 300,000	\$ 1,193,138
Prepaid Items	411,999	-	-	-	411,999
Notes receivable	-	-	9,475	-	9,475
Restricted:					
Public safety					
Animal care	302,679	-	-	-	302,679
Safety programs	-	-	-	438,155	438,155
Community development					
Projects development	-	155,429	-	-	155,429
Community projects	-	-	860,460	126,288	986,748
Public works					
Affordable housing	-	-	-	-	-
Fund program	-	-	-	3,450,409	3,450,409
Assigned to:					
Capital projects	-	-	-	429,257	429,257
Risk Management	200,000	-	-	-	200,000
Emergency-Catastrophic	1,000,000	-	-	-	1,000,000
Other	100,000	-	-	-	100,000
Unassigned	4,335,892	-	-	70,720	4,406,612
Total fund balances	\$ 7,070,708	\$ 328,429	\$ 869,935	\$ 4,814,829	\$ 13,083,901



REQUIRED SUPPLEMENTARY INFORMATION

Town of Yucca Valley

**Required Supplementary Information
Budgetary Comparison Schedule - Revenues
General Fund
For the year ended June 30, 2013**

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 2,400,000	\$ 2,465,000	\$ 2,928,637	\$ 463,637
Property taxes in lieu	1,575,000	1,575,000	1,560,010	(14,990)
Sales tax	3,100,000	3,100,000	3,083,885	(16,115)
Transient occupancy tax	160,000	160,000	147,195	(12,805)
Franchise fees	795,000	795,000	765,448	(29,552)
Total taxes	8,030,000	8,095,000	8,485,175	390,175
Licenses and permits	55,000	55,000	41,886	(13,114)
Intergovernmental:				
Motor vehicle in lieu	-	-	10,915	10,915
HOPTR	34,000	34,000	31,456	(2,544)
Other	470,500	470,500	466,418	(4,082)
Total intergovernmental	504,500	504,500	508,789	4,289
Charges for services:				
Planning, engineering and building fees	466,500	466,500	333,692	(132,808)
Sports programs	175,000	175,000	140,791	(34,209)
Other	88,300	88,300	88,711	411
Total charges for services	729,800	729,800	563,194	(166,606)
Fines and forfeitures	61,000	61,000	93,873	32,873
Use of money and property:				
Investment earnings	15,000	15,000	34,205	19,205
Other	20,000	20,000	355,228	335,228
Total revenues	\$ 9,415,300	\$ 9,480,300	\$ 10,082,350	\$ 602,050

Town of Yucca Valley

**Required Supplementary Information
Budgetary Comparison Schedule - Expenditures
General Fund
For the year ended June 30, 2013**

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
EXPENDITURES				
General government:				
Town council	\$ 86,309	\$ 86,309	\$ 78,442	\$ 7,867
Town clerk/attorney	257,516	357,516	330,241	27,275
Interdepartmental	243,950	253,950	276,243	(22,293)
Town administration	368,633	699,633	678,589	21,044
Management services	763,682	801,479	811,764	(10,285)
Total general government	1,720,090	2,198,887	2,175,279	23,608
Public works	663,982	663,982	601,053	62,929
Parks and recreation	1,092,010	1,092,010	1,065,544	26,466
Public safety:				
Police	3,600,711	3,600,711	3,534,862	65,849
Animal control	734,687	749,783	732,729	17,054
Total public safety	4,335,398	4,350,494	4,267,591	82,903
Community development	1,371,305	1,735,034	1,579,161	155,873
Total expenditures	9,182,785	10,040,407	9,688,628	351,779
Net change in fund balance	232,515	(560,107)	393,722	953,829
Fund balance, beginning of year	6,676,986	6,676,986	6,676,986	-
Fund balance, end of year	<u>\$ 6,909,501</u>	<u>\$ 6,116,879</u>	<u>\$ 7,070,708</u>	<u>\$ 953,829</u>

Town of Yucca Valley

**Required Supplementary Information
 Budgetary Comparison Schedule
 Development Impact Fees Special Revenue Fund
 For the year ended June 30, 2013**

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
REVENUES				
Developer contributions	\$ 971,640	\$ 971,640	\$ 47,095	\$ (924,545)
Investment earnings	-	-	1,224	1,224
Total revenues	<u>971,640</u>	<u>971,640</u>	<u>48,319</u>	<u>(923,321)</u>
EXPENDITURES				
Current:				
Public works	<u>1,000</u>	<u>301,000</u>	<u>966</u>	<u>300,034</u>
Total expenditures	<u>1,000</u>	<u>301,000</u>	<u>966</u>	<u>300,034</u>
Excess of revenues over expenditures	<u>970,640</u>	<u>670,640</u>	<u>47,353</u>	<u>(623,287)</u>
OTHER FINANCING USES				
Transfers in	-	205,000	205,000	-
Transfers out	<u>-</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>115,000</u>	<u>115,000</u>	<u>-</u>
Net change in fund balance	970,640	785,640	162,353	(623,287)
Fund balance, beginning of year	<u>166,076</u>	<u>166,076</u>	<u>166,076</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,136,716</u>	<u>\$ 951,716</u>	<u>\$ 328,429</u>	<u>\$ (623,287)</u>

Town of Yucca Valley

**Required Supplementary Information
Budgetary Comparison Schedule
Town Housing Special Revenue Fund
For the year ended June 30, 2013**

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 636,679	\$ 636,679	\$ -	\$ (636,679)
Investment earnings	-	-	718	718
Total revenues	<u>636,679</u>	<u>636,679</u>	<u>718</u>	<u>(635,961)</u>
EXPENDITURES				
Current:				
Community development	<u>250,000</u>	<u>250,000</u>	<u>855,373</u>	<u>(605,373)</u>
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>855,373</u>	<u>(605,373)</u>
Excess (deficiency) of revenues over expenditures	<u>386,679</u>	<u>386,679</u>	<u>(854,655)</u>	<u>(1,241,334)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(65,000)</u>	<u>(65,000)</u>	<u>-</u>	<u>65,000</u>
Total other financing sources (uses)	<u>(65,000)</u>	<u>(65,000)</u>	<u>-</u>	<u>65,000</u>
SPECIAL ITEM				
Contributions from the Successor Agency	<u>-</u>	<u>-</u>	<u>1,077,000</u>	<u>1,077,000</u>
Net change in fund balance	321,679	321,679	222,345	(99,334)
Fund balance, beginning of year	<u>647,590</u>	<u>647,590</u>	<u>647,590</u>	<u>-</u>
Fund balance, end of year	<u>\$ 969,269</u>	<u>\$ 969,269</u>	<u>\$ 869,935</u>	<u>\$ (99,334)</u>

Town of Yucca Valley

**Required Supplementary Information
Other Post-employment Benefits Plan
Schedule of Funding Progress**

<u>Actuarial valuation date</u>	<u>Actuarial Value of assets (a)</u>	<u>Actuarial accrued liability (AAL)- Entry age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded ratio (a/b)</u>	<u>Covered payroll (c)</u>	<u>UAAL as a percentage of covered payroll [(b-a)/c]</u>
7/1/2012	\$ -	\$ 766,012	\$ 766,012	0.00%	\$ 2,471,009	31%
7/1/2008	-	968,973	968,973	0.00%	2,770,000	35%

**Notes to Required Supplementary Information
For the year ended June 30, 2013**

Note 1: Budgets and budgetary data

Before the beginning of the fiscal year, the Town Manager submits to the Town Council a proposed budget for the year commencing the following July 1. Public hearings are conducted to obtain taxpayer comments and the budget is subsequently adopted through passage of a resolution.

All appropriated amounts are as originally adopted or as amended by the Town Council and lapse at year-end in the General Fund. For all Special Revenue Funds, unexpended appropriations for approved individual projects are carried forward to the following fiscal year. Encumbrances and continuing appropriations are re-budgeted on July 1 by Council Action. Budgetary control is exercised at the fund level. Original appropriations are modified by supplementary appropriations and transfers among budget categories. The Town Manager and the Director of Administrative Services have the authority to approve budget transfers within funds, as long as there is no net increase. Council approval is required for transfers between funds, or for an increase in total appropriations.

Formal budgetary integration is employed as a management control device during the year for the general, special revenue, and capital projects funds. Budgets for these funds are adopted on a basis consistent with generally accepted accounting principles for all government funds. The private-purpose trust fund and the agency fund do not have formally adopted budgets.



SUPPLEMENTAL SCHEDULES

Town of Yucca Valley

**Combined Balance Sheet
Nonmajor Governmental Funds
June 30, 2013**

	Special Revenue Funds	Capital Projects Funds	Totals
ASSETS			
Cash and investments	\$ 3,754,614	\$ 821,412	\$ 4,576,026
Receivables:			
Due from other governments	570,244	-	570,244
Advance to other funds	300,000	-	300,000
Total assets	<u>\$ 4,624,858</u>	<u>\$ 821,412</u>	<u>\$ 5,446,270</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 78,085	\$ 12,780	\$ 90,865
Accrued payroll	4,889	-	4,889
Due to other funds	535,687	-	535,687
Total liabilities	<u>618,661</u>	<u>12,780</u>	<u>631,441</u>
Fund balances:			
Nonspendable:			
Advance to other funds	300,000	-	300,000
Restricted:			
Public safety	438,155	-	438,155
Community development	126,288	-	126,288
Public works	3,450,409	-	3,450,409
Assigned	-	429,257	429,257
Unassigned	(308,655)	379,375	70,720
Total fund balances	<u>4,006,197</u>	<u>808,632</u>	<u>4,814,829</u>
Total liabilities and fund balances	<u>\$ 4,624,858</u>	<u>\$ 821,412</u>	<u>\$ 5,446,270</u>

Town of Yucca Valley

**Combined Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2013**

	Special Revenue Funds	Capital Projects Funds	Totals
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	2,007,513	-	2,007,513
Charges for services	47,743	-	47,743
Fines, fees and forfeitures	45,243	-	45,243
Investment earnings	8,912	-	8,912
Other	285,000	6,033	291,033
	<u>2,394,411</u>	<u>6,033</u>	<u>2,400,444</u>
Total revenues			
EXPENDITURES			
Current:			
Public safety	217,805	-	217,805
Parks and recreation	1,044,328	-	1,044,328
Public works	1,603,400	259,787	1,863,187
Community development	39,633	-	39,633
	<u>2,905,166</u>	<u>259,787</u>	<u>3,164,953</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(510,755)</u>	<u>(253,754)</u>	<u>(764,509)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	323,680	99,592	423,272
Transfers out	(538,272)	-	(538,272)
	<u>(214,592)</u>	<u>99,592</u>	<u>(115,000)</u>
Total other financing sources (uses)			
Net change in fund balances	(725,347)	(154,162)	(879,509)
Fund balances, beginning of year	<u>4,731,544</u>	<u>962,794</u>	<u>5,694,338</u>
Fund balances, end of year	<u>\$ 4,006,197</u>	<u>\$ 808,632</u>	<u>\$ 4,814,829</u>

Town of Yucca Valley

Nonmajor Special Revenue Funds For the year ended June 30, 2013

Special Revenue Funds are used to account for the proceeds derived from specific revenue sources which are legally restricted to expenditures for specified purposes.

Quimby Fees – Established as a fund to account for monies received as paid-in-lieu funds pursuant to the requirements of the Town Ordinance relating to the dedication of land for parks and recreational purposes.

CLEEPS – High Tech (California Law Enforcement Equipment Program) – Established to account for grant monies received to purchase equipment in compliance with the grant award. This equipment will be made available for special police and problem oriented police projects.

COPS – SLESF – (Supplemental Law Enforcement Special Fund) – Established to account for grant monies received as a result of AB3229, that created the Citizens Option for Public Safety Program (COPS). Expenditures for this fund are restricted to front line law enforcement services.

Traffic Safety – Established to account for expenditures financed by revenue generated from the enforcement of California vehicle codes and town ordinances. These restricted funds may be used only for traffic signals, school crossing guards, and other related traffic safety expenditures.

Asset Seizure – Established to account for assets seized during police narcotic activities.

AB2928 – State Construction Grant – Established to account for grant monies received for traffic and pedestrian safety improvement projects on Highway 62.

Highway Safety Improvements – Established through HSIP funding appropriated by the Federal Highway Administration and administered through Cal Trans.

Gas Tax – Established to account for receipts and expenditures of money apportioned under Street and Highway Code Sections 2105, 2106, 2107, and 2107.5 of the State of California. These funds must be spent only for street maintenance, repairs or construction. A limited amount may be spent on related engineering costs.

Local Transportation Act – Established to account for financial transactions per Article No. 8 of the Transportation Development Action of 1971 (SB325) State of California Streets, Roads, Bicycle and Pedestrian Capital Facilities.

Safe Routes to School – Established by the Federal government 1) to enable and encourage children in kindergarten through eighth grade (K-8), including children with disabilities, to safely walk and bicycle to school, 2) to make walking and bicycling to school a more appealing mode choice, and 3) to facilitate the planning, design, and implementation of projects that will improve safety, environment, and overall quality of life.

Measure I – 65% Major Arterial – Established to account for revenues from a (1/2%) sales tax on all retail transactions within the County.

Measure I – 30% Local Roads – Established to account for revenues from a (1/2%) sales tax on all retail transactions within the County.

Measure I – 2010-2040 – Established to account for revenues from a voter approved (1/2%) local transportation sales tax for Measure I - 2010-2040, for the use in unrestricted street projects.

Prop 1B – Established by approval of the voters in November 2006. This proposition provided \$19.925 billion in bonds for a variety of transportation priorities, including \$2 billion for cities and counties to fund the maintenance and improvement of local transportation facilities.

Town of Yucca Valley

Nonmajor Special Revenue Funds For the year ended June 30, 2013

Flood Control – Established to account for grant monies received from the State of California for flood control improvement programs and/or projects. These funds are restricted solely for flood control related projects.

CA Energy Commission-ARRA-EECBG – Established by the Energy Independence and Security Act of 2007 and is funded by the American Recovery and Reinvestment Act of 2009. The EECBG program is to assist cities and counties with local programs that reduce fossil fuel emissions, reduce total energy use, and to improve energy efficiency. No legally adopted budget for this fund in the current fiscal year.

AB2766 – Air Pollution – Established to account for receipts and expenditures for the Air Pollution Fund.

HUD – Jerry Lewis Park – Established with federal funds made available through the US Dept of Housing and Urban Development. These expenditures were appropriated by Congress pursuant to the VA-HUD Independent Agencies (Economic Development Initiative) Appropriations Act of FY 2001 (Public Law 106-554). The funds are for the purpose of “creating community regional park improvements to provide recreational opportunities to the local community”. Funds provided through this program are 100% grants and require no matching funds.

CDBG (Community Development Block Grant) – Established to account for financing of rehabilitation of privately held homes and government infrastructures. Financing is provided by the Federal Housing and Community Development Act.

Recycling Activities Grant – Established to account for grant money for eligible cities and counties, for beverage container recycling and litter cleanup activities.

Landscape and Lighting Maintenance – Established to provide regular maintenance, repair and replacement of all facilities within the public rights-of-ways or easements which shall include, but not be limited to, the landscaping, irrigation system, signage, perimeter wall, retaining walls, pedestrian path and erosion control plantings within or adjacent to the detention basins and drainage swale.

Street and Drainage District – Established to provide improvements and maintenance of streets, roads, and highways needed to keep the streets in a safe condition and to preserve the street network. Also for maintenance and operation of drainage and flood control facilities, including but not limited to floodways, channels, percolation pond, storm drain systems including pipes and catch basins and appurtenant facilities.

CMAQ – Established through SANBAG for certain safety projects identified in United States Code Title 23 Section 120 that identifies organizations that are eligible to receive 100% CMAQ funding.

Public Lands Federal Grant – Established by the Federal Highway Administration (FHWA) and allocated through local government San Bernardino Association of Governments (SANBAG) for highway transportation projects that are eligible and listed on the approved Regional Transportation Improvement Project (RTIP) list. Funds are administered by Cal Trans.

Mello-Roos – Established to provide maintenance of streets, roads and other qualified infrastructure construction as part of new development pursuant to the Mello-Roos Community Facility Act of 1982, which provides a mechanism for funding such maintenance activities.

COPS – LLESA – Established by the American Recovery and Reinvestment Act to create and enhance crime prevention involving cooperation between community residents and law enforcement personnel to control, detect and investigate crime and the prosecution of criminals.

Town of Yucca Valley

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013**

	<u>Quimby Fees</u>	<u>CLEEPS - High Tech</u>	<u>COPS - SLESF</u>
ASSETS			
Cash and investments	\$ 77,948	\$ 4,245	\$ 18,634
Receivables:			
Due from other governments	-	-	-
Advance to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 77,948</u>	<u>\$ 4,245</u>	<u>\$ 18,634</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 18,634
Accrued payroll	-	-	-
Due to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>18,634</u>
Fund balances (deficit):			
Nonspendable:			
Advance to other funds	-	-	-
Restricted:			
Public safety	-	4,245	-
Community development	-	-	-
Public works	77,948	-	-
Unassigned	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>77,948</u>	<u>4,245</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 77,948</u>	<u>\$ 4,245</u>	<u>\$ 18,634</u>

Traffic Safety	Asset Seizure	AB2928 - State Construction Grant	Highway Safety Improvements	Gas Tax
\$ 223,077	\$ 8,370	\$ -	\$ -	\$ 617,968
3,798	-	-	185,400	44,522
-	-	-	-	-
<u>\$ 226,875</u>	<u>\$ 8,370</u>	<u>\$ -</u>	<u>\$ 185,400</u>	<u>\$ 662,490</u>
\$ -	\$ -	\$ 1,250	\$ -	\$ 8,132
-	-	-	-	4,889
-	-	24,560	184,900	-
-	-	25,810	184,900	13,021
-	-	-	-	-
226,875	8,370	-	-	-
-	-	-	-	-
-	-	-	500	604,947
-	-	(25,810)	-	44,522
<u>226,875</u>	<u>8,370</u>	<u>(25,810)</u>	<u>500</u>	<u>649,469</u>
<u>\$ 226,875</u>	<u>\$ 8,370</u>	<u>\$ -</u>	<u>\$ 185,400</u>	<u>\$ 662,490</u>

Town of Yucca Valley

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013**

	Local Transportation Act	Safe Routes to School	Measure I - 65% Major Arterial
ASSETS			
Cash and investments	\$ 441,343	\$ -	\$ 1,305,263
Receivables:			
Due from other governments	181,839	-	-
Advance to other funds	300,000	-	-
Total assets	<u>\$ 923,182</u>	<u>\$ -</u>	<u>\$ 1,305,263</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	30,998	\$ 7,032
Accrued payroll	-	-	-
Due to other funds	-	4,870	-
Total liabilities	<u>-</u>	<u>35,868</u>	<u>7,032</u>
Fund balances (deficit):			
Nonspendable:			
Advance to other funds	300,000	-	-
Restricted:			
Public safety	-	-	-
Community development	-	-	-
Public works	623,182	-	1,298,231
Unassigned	-	(35,868)	-
Total fund balances (deficit)	<u>923,182</u>	<u>(35,868)</u>	<u>1,298,231</u>
Total liabilities and fund balances	<u>\$ 923,182</u>	<u>\$ -</u>	<u>\$ 1,305,263</u>

Measure I - 30% Local Roads	Measure I - 2010-2040	Prop 1B	Flood Control	CA Energy Commission
\$ 81,817	\$ 454,624	\$ -	\$ 69,565	\$ -
-	108,872	-	-	-
-	-	-	-	-
<u>\$ 81,817</u>	<u>\$ 563,496</u>	<u>\$ -</u>	<u>\$ 69,565</u>	<u>\$ -</u>
\$ -	\$ 3,860	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	3,860	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
81,817	559,636	-	69,565	-
-	-	-	-	-
<u>81,817</u>	<u>559,636</u>	<u>-</u>	<u>69,565</u>	<u>-</u>
<u>\$ 81,817</u>	<u>\$ 563,496</u>	<u>\$ -</u>	<u>\$ 69,565</u>	<u>\$ -</u>

Town of Yucca Valley

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013**

	AB 2766 - Air Pollution	HUD-Jerry Lewis Park	CDBG
ASSETS			
Cash and investments	\$ 122,851	\$ -	\$ -
Receivables:			
Due from other governments	-	-	-
Advance to other funds	-	-	-
Total assets	<u>\$ 122,851</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 16
Accrued payroll	-	-	-
Due to other funds	-	43,243	92,360
Total liabilities	<u>-</u>	<u>43,243</u>	<u>92,376</u>
Fund balances (deficit):			
Nonspendable:			
Advance to other funds	-	-	-
Restricted:			
Public safety	-	-	-
Community development	122,851	-	-
Public works	-	-	-
Unassigned	-	(43,243)	(92,376)
Total fund balances (deficit)	<u>122,851</u>	<u>(43,243)</u>	<u>(92,376)</u>
Total liabilities and fund balances	<u>\$ 122,851</u>	<u>\$ -</u>	<u>\$ -</u>

Recycling Activities Grant	Landscape and Lighting Maintenance	Street and Drainage District	CMAQ	Public Lands Federal Grant
\$ -	\$ 15,318	\$ 118,849	\$ -	\$ -
5,904	-	-	29,670	-
-	-	-	-	-
<u>\$ 5,904</u>	<u>\$ 15,318</u>	<u>\$ 118,849</u>	<u>\$ 29,670</u>	<u>\$ -</u>
\$ -	\$ 2,700	\$ 3,200	\$ -	\$ 2,263
-	-	-	-	-
2,467	-	-	29,670	153,617
<u>2,467</u>	<u>2,700</u>	<u>3,200</u>	<u>29,670</u>	<u>155,880</u>
-	-	-	-	-
-	-	-	-	-
3,437	-	-	-	-
-	12,618	115,649	-	-
-	-	-	-	(155,880)
<u>3,437</u>	<u>12,618</u>	<u>115,649</u>	<u>-</u>	<u>(155,880)</u>
<u>\$ 5,904</u>	<u>\$ 15,318</u>	<u>\$ 118,849</u>	<u>\$ 29,670</u>	<u>\$ -</u>

Town of Yucca Valley

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013**

	Mello-Roos	COPS - LLESA	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 6,316	\$ 188,426	\$ 3,754,614
Receivables:			
Due from other governments	-	10,239	570,244
Advance to other funds	-	-	300,000
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 6,316</u>	<u>\$ 198,665</u>	<u>\$ 4,624,858</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 78,085
Accrued payroll	-	-	4,889
Due to other funds	-	-	535,687
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>-</u>	<u>618,661</u>
Fund balances (deficit):			
Nonspendable:			
Advance to other funds	-	-	300,000
Restricted:			
Public safety	-	198,665	438,155
Community development	-	-	126,288
Public works	6,316	-	3,450,409
Unassigned	-	-	(308,655)
	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficit)	<u>6,316</u>	<u>198,665</u>	<u>4,006,197</u>
Total liabilities and fund balances	<u>\$ 6,316</u>	<u>\$ 198,665</u>	<u>\$ 4,624,858</u>



Town of Yucca Valley

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2013**

	Quimby Fees	CLEEPS - High Tech	COPS - SLESF
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	13,021	-	-
Fines, fees and forfeitures	-	-	-
Investment earnings	162	10	133
Other	-	-	-
	<u>13,183</u>	<u>10</u>	<u>133</u>
EXPENDITURES			
Current:			
Public safety	-	106	96,158
Parks and recreation	-	-	-
Public works	-	-	-
Community development	-	-	-
	<u>-</u>	<u>106</u>	<u>96,158</u>
Excess (deficiency) of revenues over expenditures	<u>13,183</u>	<u>(96)</u>	<u>(96,025)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	13,183	(96)	(96,025)
Fund balances (deficit), beginning of year	<u>64,765</u>	<u>4,341</u>	<u>96,025</u>
Fund balances (deficit), end of year	<u>\$ 77,948</u>	<u>\$ 4,245</u>	<u>\$ -</u>

Traffic Safety	Asset Seizure	AB2928 - State Construction Grant	Highway Safety Improvements	Gas Tax
\$ -	\$ -	\$ 26,864	\$ 185,400	\$ 486,342
-	-	-	-	-
45,243	-	-	-	-
597	21	-	-	1,415
-	-	-	-	-
<u>45,840</u>	<u>21</u>	<u>26,864</u>	<u>185,400</u>	<u>487,757</u>
120,121	-	-	-	-
-	-	-	-	-
-	-	78,562	-	491,225
-	-	-	-	-
<u>120,121</u>	<u>-</u>	<u>78,562</u>	<u>-</u>	<u>491,225</u>
<u>(74,281)</u>	<u>21</u>	<u>(51,698)</u>	<u>185,400</u>	<u>(3,468)</u>
-	-	-	-	-
-	-	-	(184,900)	-
-	-	-	(184,900)	-
(74,281)	21	(51,698)	500	(3,468)
<u>301,156</u>	<u>8,349</u>	<u>25,888</u>	<u>-</u>	<u>652,937</u>
<u>\$ 226,875</u>	<u>\$ 8,370</u>	<u>\$ (25,810)</u>	<u>\$ 500</u>	<u>\$ 649,469</u>

Town of Yucca Valley

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2013**

	Local Transportation Act	Safe Routes to School	Measure I - 65% Major Arterial
REVENUES			
Intergovernmental	\$ 181,839	\$ -	\$ -
Charges for services	-	-	-
Fines, fees and forfeitures	-	-	-
Investment earnings	1,649	-	2,749
Other	85,000	-	-
Total revenues	<u>268,488</u>	<u>-</u>	<u>2,749</u>
EXPENDITURES			
Current:			
Public safety	-	-	-
Parks and recreation	-	-	-
Public works	4,623	35,840	296,901
Community development	-	-	-
Total expenditures	<u>4,623</u>	<u>35,840</u>	<u>296,901</u>
Excess (deficiency) of revenues over expenditures	<u>263,865</u>	<u>(35,840)</u>	<u>(294,152)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	323,680
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>323,680</u>
Net change in fund balances	263,865	(35,840)	29,528
Fund balances (deficit), beginning of year	<u>659,317</u>	<u>(28)</u>	<u>1,268,703</u>
Fund balances (deficit), end of year	<u>\$ 923,182</u>	<u>\$ (35,868)</u>	<u>\$ 1,298,231</u>

Measure I - 30% Local Roads	Measure I - 2010-2040	Prop 1B	Flood Control	CA Energy Commission
\$ -	\$ 761,060	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
199	735	336	-	-
-	-	-	-	-
<u>199</u>	<u>761,795</u>	<u>336</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	517,606	-	104,750	-
-	-	-	-	-
<u>-</u>	<u>517,606</u>	<u>-</u>	<u>104,750</u>	<u>-</u>
199	244,189	336	(104,750)	-
-	-	-	-	-
-	-	(138,780)	(205,000)	(9,592)
-	-	(138,780)	(205,000)	(9,592)
199	244,189	(138,444)	(309,750)	(9,592)
81,618	315,447	138,444	379,315	9,592
<u>\$ 81,817</u>	<u>\$ 559,636</u>	<u>\$ -</u>	<u>\$ 69,565</u>	<u>\$ -</u>

Town of Yucca Valley

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2013**

	AB 2766 - Air Pollution	HUD-Jerry Lewis Park	CDBG
REVENUES			
Intergovernmental	\$ 13,708	\$ 215,517	\$ 1,188
Charges for services	-	-	-
Fines, fees and forfeitures	-	-	-
Investment earnings	280	-	-
Other	-	200,000	-
	<u>13,988</u>	<u>415,517</u>	<u>1,188</u>
Total revenues	<u>13,988</u>	<u>415,517</u>	<u>1,188</u>
EXPENDITURES			
Current:			
Public safety	-	-	-
Parks and recreation	-	1,044,328	-
Public works	501	-	-
Community development	-	-	14,734
	<u>501</u>	<u>1,044,328</u>	<u>14,734</u>
Total expenditures	<u>501</u>	<u>1,044,328</u>	<u>14,734</u>
Excess (deficiency) of revenues over expenditures	<u>13,487</u>	<u>(628,811)</u>	<u>(13,546)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	13,487	(628,811)	(13,546)
Fund balances (deficit), beginning of year	<u>109,364</u>	<u>585,568</u>	<u>(78,830)</u>
Fund balances (deficit), end of year	<u>\$ 122,851</u>	<u>\$ (43,243)</u>	<u>\$ (92,376)</u>

Recycling Activities Grant	Landscape and Lighting Maintenance	Street and Drainage District	CMAQ	Public Lands Federal Grant
\$ 5,904	\$ -	\$ -	\$ 29,670	\$ -
-	6,575	21,332	-	-
-	-	-	-	-
4	28	249	-	-
-	-	-	-	-
<u>5,908</u>	<u>6,603</u>	<u>21,581</u>	<u>29,670</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	4,551	5,300	-	63,042
<u>4,259</u>	<u>-</u>	<u>-</u>	<u>20,640</u>	<u>-</u>
<u>4,259</u>	<u>4,551</u>	<u>5,300</u>	<u>20,640</u>	<u>63,042</u>
<u>1,649</u>	<u>2,052</u>	<u>16,281</u>	<u>9,030</u>	<u>(63,042)</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
<u>1,649</u>	<u>2,052</u>	<u>16,281</u>	<u>9,030</u>	<u>(63,042)</u>
<u>1,788</u>	<u>10,566</u>	<u>99,368</u>	<u>(9,030)</u>	<u>(92,838)</u>
<u>\$ 3,437</u>	<u>\$ 12,618</u>	<u>\$ 115,649</u>	<u>\$ -</u>	<u>\$ (155,880)</u>

Town of Yucca Valley

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2013**

	Mello-Roos	COPS - LLESA	Total
REVENUES			
Intergovernmental	\$ -	\$ 100,021	\$ 2,007,513
Charges for services	6,815	-	47,743
Fines, fees and forfeitures	-	-	45,243
Investment earnings	-	345	8,912
Other	-	-	285,000
	<hr/>	<hr/>	<hr/>
Total revenues	6,815	100,366	2,394,411
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
Public safety	-	1,420	217,805
Parks and recreation	-	-	1,044,328
Public works	499	-	1,603,400
Community development	-	-	39,633
	<hr/>	<hr/>	<hr/>
Total expenditures	499	1,420	2,905,166
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	6,316	98,946	(510,755)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	323,680
Transfers out	-	-	(538,272)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	(214,592)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	6,316	98,946	(725,347)
	<hr/>	<hr/>	<hr/>
Fund balances (deficit), beginning of year	-	99,719	4,731,544
	<hr/>	<hr/>	<hr/>
Fund balances (deficit), end of year	<u>\$ 6,316</u>	<u>\$ 198,665</u>	<u>\$ 4,006,197</u>

Town of Yucca Valley

**Quimby Fees Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Investment earnings	\$ 150	\$ 162	\$ 12
Miscellaneous	<u>-</u>	<u>13,021</u>	<u>13,021</u>
Total revenues	<u>150</u>	<u>13,183</u>	<u>13,033</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>150</u>	<u>13,183</u>	<u>13,033</u>
Fund balance, beginning of year	<u>64,765</u>	<u>64,765</u>	<u>-</u>
Fund balance, end of year	<u>\$ 64,915</u>	<u>\$ 77,948</u>	<u>\$ 13,033</u>

Town of Yucca Valley

CLEEPS - High Tech Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Investment earnings	<u>\$ 75</u>	<u>\$ 10</u>	<u>\$ (65)</u>
Total revenues	<u>75</u>	<u>10</u>	<u>(65)</u>
EXPENDITURES			
Current:			
Public safety	<u>4,500</u>	<u>106</u>	<u>4,394</u>
Total expenditures	<u>4,500</u>	<u>106</u>	<u>4,394</u>
Net change in fund balance	(4,425)	(96)	4,329
Fund balance, beginning of year	<u>4,341</u>	<u>4,341</u>	<u>-</u>
Fund balance, end of year	<u>\$ (84)</u>	<u>\$ 4,245</u>	<u>\$ 4,329</u>

Town of Yucca Valley

**COPS - SLESF Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Investment earnings	<u>\$ -</u>	<u>\$ 133</u>	<u>\$ 133</u>
Total revenues	<u>-</u>	<u>133</u>	<u>133</u>
EXPENDITURES			
Current:			
Public safety	<u>90,500</u>	<u>96,158</u>	<u>(5,658)</u>
Total expenditures	<u>90,500</u>	<u>96,158</u>	<u>(5,658)</u>
Net change in fund balance	(90,500)	(96,025)	(5,525)
Fund balance, beginning of year	<u>96,025</u>	<u>96,025</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,525</u>	<u>\$ -</u>	<u>\$ (5,525)</u>

Town of Yucca Valley

**Traffic Safety Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Fines, fees and forfeitures	\$ 50,000	\$ 45,243	\$ (4,757)
Investment earnings	200	597	397
Total Revenues	<u>50,200</u>	<u>45,840</u>	<u>(4,360)</u>
EXPENDITURES			
Current:			
Public safety	<u>231,828</u>	<u>120,121</u>	<u>111,707</u>
Total expenditures	<u>231,828</u>	<u>120,121</u>	<u>111,707</u>
Net change in fund balance	<u>(181,628)</u>	<u>(74,281)</u>	<u>107,347</u>
Fund balance, beginning of year	<u>301,156</u>	<u>301,156</u>	<u>-</u>
Fund balance, end of year	<u>\$ 119,528</u>	<u>\$ 226,875</u>	<u>\$ 107,347</u>

Town of Yucca Valley

**Asset Seizure Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Investment earnings	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ 21</u>
Total revenues	<u>-</u>	<u>21</u>	<u>21</u>
EXPENDITURES			
Current:			
Public safety	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total expenditures	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Net change in fund balance	(4,000)	21	4,021
Fund balance, beginning of year	<u>8,349</u>	<u>8,349</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,349</u>	<u>\$ 8,370</u>	<u>\$ 4,021</u>

Town of Yucca Valley

**AB2928 - State Construction Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	<u>\$ 314,704</u>	<u>\$ 26,864</u>	<u>\$ (287,840)</u>
Total revenues	<u>314,704</u>	<u>26,864</u>	<u>(287,840)</u>
EXPENDITURES			
Current:			
Public works	<u>2,891,278</u>	<u>78,562</u>	<u>2,812,716</u>
Total expenditures	<u>2,891,278</u>	<u>78,562</u>	<u>2,812,716</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,576,574)</u>	<u>(51,698)</u>	<u>2,524,876</u>
OTHER FINANCING SOURCES			
Transfers in	<u>2,592,700</u>	<u>-</u>	<u>(2,592,700)</u>
Total other financing sources	<u>2,592,700</u>	<u>-</u>	<u>(2,592,700)</u>
Net change in fund balance	16,126	(51,698)	(67,824)
Fund balance, beginning of year	<u>25,888</u>	<u>25,888</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 42,014</u>	<u>\$ (25,810)</u>	<u>\$ (67,824)</u>

Town of Yucca Valley

**Highway Safety Improvements Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended June 30, 2013**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 1,084,400	\$ 185,400	\$ (899,000)
Total revenues	<u>1,084,400</u>	<u>185,400</u>	<u>(899,000)</u>
EXPENDITURES			
Current:			
Public works	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING USES			
Transfers out	(1,084,400)	(184,900)	899,500
Total other financing uses	<u>(1,084,400)</u>	<u>(184,900)</u>	<u>899,500</u>
Net change in fund balance	-	500	500
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>

Town of Yucca Valley

**Gas Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	\$ 551,000	\$ 486,342	\$ (64,658)
Investment earnings	<u>1,100</u>	<u>1,415</u>	<u>315</u>
Total revenues	<u>552,100</u>	<u>487,757</u>	<u>(64,343)</u>
EXPENDITURES			
Current:			
Public works	<u>657,636</u>	<u>491,225</u>	<u>166,411</u>
Total expenditures	<u>657,636</u>	<u>491,225</u>	<u>166,411</u>
Net change in fund balance	<u>(105,536)</u>	<u>(3,468)</u>	<u>102,068</u>
Fund balance, beginning of year	<u>652,937</u>	<u>652,937</u>	<u>-</u>
Fund balance, end of year	<u>\$ 547,401</u>	<u>\$ 649,469</u>	<u>\$ 102,068</u>

Town of Yucca Valley

**Local Transportation Act Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended June 30, 2013**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 186,000	\$ 181,839	\$ (4,161)
Investment earnings	-	1,649	1,649
Miscellaneous	-	85,000	85,000
 Total revenues	 <u>186,000</u>	 <u>268,488</u>	 <u>82,488</u>
EXPENDITURES			
Current:			
Public works	<u>287,500</u>	<u>4,623</u>	<u>282,877</u>
 Total expenditures	 <u>287,500</u>	 <u>4,623</u>	 <u>282,877</u>
Excess(deficiency) of revenues over (under) expenditures	<u>(101,500)</u>	<u>263,865</u>	<u>365,365</u>
OTHER FINANCING USES			
Transfers out	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
 Total other financing uses	 <u>(50,000)</u>	 <u>-</u>	 <u>50,000</u>
Net change in fund balance	(151,500)	263,865	415,365
Fund balance, beginning of year	<u>659,317</u>	<u>659,317</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 507,817</u></u>	<u><u>\$ 923,182</u></u>	<u><u>\$ 415,365</u></u>

Town of Yucca Valley

**Safe Routes to School Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	<u>\$ 498,800</u>	<u>\$ -</u>	<u>\$ (498,800)</u>
Total revenues	<u>498,800</u>	<u>-</u>	<u>(498,800)</u>
EXPENDITURES			
Current:			
Public works	<u>540,972</u>	<u>35,840</u>	<u>505,132</u>
Total expenditures	<u>540,972</u>	<u>35,840</u>	<u>505,132</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,172)</u>	<u>(35,840)</u>	<u>6,332</u>
OTHER FINANCING SOURCES			
Transfers in	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Total other financing sources	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balance	7,828	(35,840)	(43,668)
Fund balance (deficit), beginning of year	<u>(28)</u>	<u>(28)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 7,800</u>	<u>\$ (35,868)</u>	<u>\$ (43,668)</u>

Town of Yucca Valley

**Measure I - 65% Major Arterial Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended June 30, 2013**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Investment earnings	\$ 500	\$ 2,749	\$ 2,249
Total revenues	500	2,749	2,249
EXPENDITURES			
Current:			
Public works	367,200	296,901	70,299
Total expenditures	367,200	296,901	70,299
Excess (deficiency) of revenues over (under) expenditures	(366,700)	(294,152)	72,548
OTHER FINANCING SOURCES (USES)			
Transfers in	322,900	323,680	780
Transfers out	(1,243,720)	-	1,243,720
Total other financing sources (uses)	(920,820)	323,680	1,244,500
Net change in fund balance	(1,287,520)	29,528	1,317,048
Fund balance, beginning of year	1,268,703	1,268,703	-
Fund balance, end of year	<u>\$ (18,817)</u>	<u>\$ 1,298,231</u>	<u>\$ 1,317,048</u>

Town of Yucca Valley

**Measure I - 30% Local Roads Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Investment earnings	<u>\$ 250</u>	<u>\$ 199</u>	<u>\$ (51)</u>
Total revenues	<u>250</u>	<u>199</u>	<u>(51)</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	250	199	(51)
Fund balance, beginning of year	<u>81,618</u>	<u>81,618</u>	<u>-</u>
Fund balance, end of year	<u>\$ 81,868</u>	<u>\$ 81,817</u>	<u>\$ (51)</u>

Town of Yucca Valley

**Measure I – 2010 – 2040 Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended June 30, 2013**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 655,000	\$ 761,060	\$ 106,060
Investment earnings	500	735	235
Total revenues	<u>655,500</u>	<u>761,795</u>	<u>106,295</u>
EXPENDITURES			
Current:			
Public works	<u>561,478</u>	<u>517,606</u>	<u>43,872</u>
Total expenditures	<u>561,478</u>	<u>517,606</u>	<u>43,872</u>
Excess of revenues over expenditures	<u>94,022</u>	<u>244,189</u>	<u>150,167</u>
OTHER FINANCING SOURCES			
Transfers out	<u>(170,000)</u>	<u>-</u>	<u>170,000</u>
Total other financing sources	<u>(170,000)</u>	<u>-</u>	<u>170,000</u>
Net change in fund balance	(75,978)	244,189	320,167
Fund balance, beginning of year	<u>315,447</u>	<u>315,447</u>	<u>-</u>
Fund balance, end of year	<u>\$ 239,469</u>	<u>\$ 559,636</u>	<u>\$ 320,167</u>

Town of Yucca Valley

**Prop 1B Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Investment earnings	<u>\$ -</u>	<u>\$ 336</u>	<u>\$ 336</u>
Total revenues	<u>-</u>	<u>336</u>	<u>336</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>336</u>	<u>336</u>
OTHER FINANCING SOURCES			
Transfers out	<u>(138,000)</u>	<u>(138,780)</u>	<u>(780)</u>
Total other financing sources	<u>(138,000)</u>	<u>(138,780)</u>	<u>(780)</u>
Net change in fund balance	<u>(138,000)</u>	<u>(138,444)</u>	<u>(444)</u>
Fund balance, beginning of year	<u>138,444</u>	<u>138,444</u>	<u>-</u>
Fund balance, end of year	<u>\$ 444</u>	<u>\$ -</u>	<u>\$ (444)</u>

Town of Yucca Valley

**Flood Control Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended June 30, 2013**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Investment earnings	\$ 600	\$ -	\$ (600)
Total revenues	<u>600</u>	<u>-</u>	<u>(600)</u>
EXPENDITURES			
Current:			
Public works	<u>104,750</u>	<u>104,750</u>	<u>-</u>
Total expenditures	<u>104,750</u>	<u>104,750</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(104,150)</u>	<u>(104,750)</u>	<u>(600)</u>
OTHER FINANCING USES			
Transfers out	<u>(205,000)</u>	<u>(205,000)</u>	<u>-</u>
Total other financing uses	<u>(205,000)</u>	<u>(205,000)</u>	<u>-</u>
Net change in fund balance	(309,150)	(309,750)	(600)
Fund balance, beginning of year	<u>379,315</u>	<u>379,315</u>	<u>-</u>
Fund balance, end of year	<u>\$ 70,165</u>	<u>\$ 69,565</u>	<u>\$ (600)</u>

Town of Yucca Valley

**AB 2766 - Air Pollution Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	\$ 13,000	\$ 13,708	\$ 708
Investment earnings	200	280	80
Total revenues	<u>13,200</u>	<u>13,988</u>	<u>788</u>
EXPENDITURES			
Current:			
Public works	<u>90,500</u>	<u>501</u>	<u>89,999</u>
Total expenditures	<u>90,500</u>	<u>501</u>	<u>89,999</u>
Net change in fund balance	(77,300)	13,487	90,787
Fund balance, beginning of year	<u>109,364</u>	<u>109,364</u>	<u>-</u>
Fund balance, end of year	<u>\$ 32,064</u>	<u>\$ 122,851</u>	<u>\$ 90,787</u>

Town of Yucca Valley

**HUD - Jerry Lewis Park Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	\$ 294,877	\$ 215,517	\$ (79,360)
Other	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total revenues	<u>494,877</u>	<u>415,517</u>	<u>(79,360)</u>
EXPENDITURES			
Current:			
Parks and recreation	<u>1,080,182</u>	<u>1,044,328</u>	<u>35,854</u>
Total expenditures	<u>1,080,182</u>	<u>1,044,328</u>	<u>35,854</u>
Net change in fund balance	<u>(585,305)</u>	<u>(628,811)</u>	<u>(43,506)</u>
Fund balance, beginning of year	<u>585,568</u>	<u>585,568</u>	<u>-</u>
Fund balance(deficit), end of year	<u>\$ 263</u>	<u>\$ (43,243)</u>	<u>\$ (43,506)</u>

Town of Yucca Valley

**CDBG Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	<u>\$ 416,667</u>	<u>\$ 1,188</u>	<u>\$ (415,479)</u>
Total revenues	<u>416,667</u>	<u>1,188</u>	<u>(415,479)</u>
EXPENDITURES			
Current:			
Community development	<u>356,017</u>	<u>14,734</u>	<u>341,283</u>
Total expenditures	<u>356,017</u>	<u>14,734</u>	<u>341,283</u>
Net change in fund balance	<u>60,650</u>	<u>(13,546)</u>	<u>(74,196)</u>
Fund balance (deficit), beginning of year	<u>(78,830)</u>	<u>(78,830)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (18,180)</u>	<u>\$ (92,376)</u>	<u>\$ (74,196)</u>

Town of Yucca Valley

**Recycling Activities Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	\$ 5,000	\$ 5,904	\$ 904
Investment earnings	-	4	4
Total revenues	<u>5,000</u>	<u>5,908</u>	<u>908</u>
EXPENDITURES			
Current:			
Community development	<u>6,000</u>	<u>4,259</u>	<u>1,741</u>
Total expenditures	<u>6,000</u>	<u>4,259</u>	<u>1,741</u>
Net change in fund balance	(1,000)	1,649	2,649
Fund balance, beginning of year	<u>1,788</u>	<u>1,788</u>	<u>-</u>
Fund balance, end of year	<u>\$ 788</u>	<u>\$ 3,437</u>	<u>\$ 2,649</u>

Town of Yucca Valley

**Landscape and Lighting Maintenance Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Charges for services	\$ 5,064	\$ 6,575	\$ 1,511
Investment earnings	-	28	28
Total revenues	<u>5,064</u>	<u>6,603</u>	<u>1,539</u>
EXPENDITURES			
Current:			
Public works	<u>5,110</u>	<u>4,551</u>	<u>559</u>
Total expenditures	<u>5,110</u>	<u>4,551</u>	<u>559</u>
Net change in fund balance	(46)	2,052	2,098
Fund balance, beginning of year	<u>10,566</u>	<u>10,566</u>	-
Fund balance, end of year	<u>\$ 10,520</u>	<u>\$ 12,618</u>	<u>\$ 2,098</u>

Town of Yucca Valley

**Street and Drainage District Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Charges for services	\$ 14,307	\$ 21,332	\$ 7,025
Investment earnings	159	249	90
Total revenues	<u>14,466</u>	<u>21,581</u>	<u>7,115</u>
EXPENDITURES			
Current:			
Public works	<u>6,110</u>	<u>5,300</u>	<u>810</u>
Total expenditures	<u>6,110</u>	<u>5,300</u>	<u>810</u>
Net change in fund balance	8,356	16,281	7,925
Fund balance, beginning of year	<u>99,368</u>	<u>99,368</u>	<u>-</u>
Fund balance, end of year	<u>\$ 107,724</u>	<u>\$ 115,649</u>	<u>\$ 7,925</u>

Town of Yucca Valley

**CMAQ Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	<u>\$ 216,920</u>	<u>\$ 29,670</u>	<u>\$ (187,250)</u>
Total revenues	<u>216,920</u>	<u>29,670</u>	<u>(187,250)</u>
EXPENDITURES			
Current:			
Community development	<u>207,890</u>	<u>20,640</u>	<u>187,250</u>
Total expenditures	<u>207,890</u>	<u>20,640</u>	<u>187,250</u>
Net change in fund balance	<u>9,030</u>	<u>9,030</u>	<u>-</u>
Fund balance, beginning of year	<u>(9,030)</u>	<u>(9,030)</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Town of Yucca Valley

**Public Lands Federal Grant Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended June 30, 2013**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 250,000	\$ -	\$ (250,000)
Total revenues	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
EXPENDITURES			
Current:			
Public works	<u>3,031,293</u>	<u>63,042</u>	<u>2,968,251</u>
Total expenditures	<u>3,031,293</u>	<u>63,042</u>	<u>2,968,251</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,781,293)</u>	<u>(63,042)</u>	<u>2,718,251</u>
OTHER FINANCING SOURCES			
Transfers in	<u>2,886,240</u>	<u>-</u>	<u>(2,886,240)</u>
Total other financing sources	<u>2,886,240</u>	<u>-</u>	<u>(2,886,240)</u>
Net change in fund balance	104,947	(63,042)	(167,989)
Fund balance (deficit), beginning of year	<u>(92,838)</u>	<u>(92,838)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 12,109</u>	<u>\$ (155,880)</u>	<u>\$ (167,989)</u>

Town of Yucca Valley

**Mello-Roos Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2013**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Charges for services	<u>\$ 6,815</u>	<u>\$ 6,815</u>	<u>\$ -</u>
Total revenues	<u>6,815</u>	<u>6,815</u>	<u>-</u>
EXPENDITURES			
Current:			
Public works	<u>2,500</u>	<u>499</u>	<u>2,001</u>
Total expenditures	<u>2,500</u>	<u>499</u>	<u>2,001</u>
Net change in fund balance	4,315	6,316	2,001
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,315</u>	<u>\$ 6,316</u>	<u>\$ 2,001</u>

Town of Yucca Valley

**COPS-LLESA Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended June 30, 2013**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 100,000	\$ 100,021	\$ 21
Investment earnings	100	345	245
	<u>100,100</u>	<u>100,366</u>	<u>266</u>
EXPENDITURES			
Current:			
Public safety	500	1,420	(920)
	<u>500</u>	<u>1,420</u>	<u>(920)</u>
Net change in fund balance	99,600	98,946	(654)
Fund balance, beginning of year	<u>99,719</u>	<u>99,719</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 199,319</u></u>	<u><u>\$ 198,665</u></u>	<u><u>\$ (654)</u></u>

Town of Yucca Valley

**Non major Capital Projects Fund
For the year ended June 30, 2013**

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Capital Projects Reserve – Established to maintain a capital projects reserve for the purpose of providing funding for the planning, construction, repair and rehabilitation of the Town's capital assets.

Town of Yucca Valley

**Non major Capital Projects Fund
Balance Sheet
For the year ended June 30, 2013**

	<u>Capital Projects Reserve</u>
ASSETS	
Cash and investments	<u>\$ 821,412</u>
Total assets	<u><u>\$ 821,412</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	<u>\$ 12,780</u>
Total liabilities	<u>12,780</u>
Fund balance:	
Assigned	429,257
Unassigned	<u>379,375</u>
Total fund balance	<u>808,632</u>
Total liabilities and fund balance	<u><u>\$ 821,412</u></u>

Town of Yucca Valley

**Non major Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2013**

	Capital Projects Reserve
REVENUES	
Other	\$ 6,033
Total revenues	<u>6,033</u>
EXPENDITURES	
Current:	
Public works	<u>259,787</u>
Total expenditures	<u>259,787</u>
Deficiency of revenues under expenditures	<u>(253,754)</u>
OTHER FINANCING SOURCES	
Transfers in	<u>99,592</u>
Total other financing sources	<u>99,592</u>
Net change in fund balance	(154,162)
Fund balance, beginning of year	<u>962,794</u>
Fund balance, end of year	<u><u>\$ 808,632</u></u>

Town of Yucca Valley

**Non major Fund - Capital Projects Reserve Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended June 30, 2013**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Other	\$ -	\$ 6,033	\$ 6,033
Total Revenues	-	6,033	6,033
EXPENDITURES			
Current:			
Public works	369,464	259,787	109,677
Total expenditures	369,464	259,787	109,677
Excess (deficiency) of revenues over (under) expenditures	(369,464)	(253,754)	115,710
OTHER FINANCING SOURCES			
Transfers in	90,000	99,592	9,592
Total other financing sources	90,000	99,592	9,592
Net change in fund balance	(279,464)	(154,162)	125,302
Fund balance, beginning of year	962,794	962,794	-
Fund balance, end of year	\$ 683,330	\$ 808,632	\$ 125,302

Town of Yucca Valley

Fiduciary Funds

Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds

June 30, 2013

	Successor Debt Service Fund	Successor Capital Projects Fund	Successor RORF Fund	Total
ASSETS				
Cash and investments	\$ 223,657	\$ 5,546,007	\$ 736,867	\$ 6,506,531
Cash and investments with fiscal agent	743,203	-	-	743,203
Property held for resale	1,658,552	-	-	1,658,552
Deferred charges	271,998	-	-	271,998
Land held for resale	1,379,541	-	-	1,379,541
	<u>4,276,951</u>	<u>5,546,007</u>	<u>736,867</u>	<u>10,559,825</u>
Total assets	<u>\$ 4,276,951</u>	<u>\$ 5,546,007</u>	<u>\$ 736,867</u>	<u>\$ 10,559,825</u>
LIABILITIES				
Accounts payable	\$ -	\$ 74,184	\$ 150,250	\$ 224,434
Accrued liabilities	45,014	-	-	45,014
Advance from other governments	636,679	-	-	636,679
Long-term liabilities:				
Due within one year	208,830	-	-	208,830
Due in more than one year	9,288,060	-	-	9,288,060
	<u>10,178,583</u>	<u>74,184</u>	<u>150,250</u>	<u>10,403,017</u>
Total liabilities	<u>10,178,583</u>	<u>74,184</u>	<u>150,250</u>	<u>10,403,017</u>
NET POSITION				
Held in trust for successor agency and other purposes	<u>\$ (5,901,632)</u>	<u>\$ 5,471,823</u>	<u>\$ 586,617</u>	<u>\$ 156,808</u>

Town of Yucca Valley

Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds
For the year ended June 30, 2013

	Successor Debt Service Fund	Successor Capital Projects Fund	Successor RORF Fund	Total
ADDITIONS				
RPTTF distributions	\$ -	\$ -	\$ 970,954	\$ 970,954
Total additions	-	-	970,954	970,954
DEDUCTIONS				
Dissolution Low-Mod residual payment	576,354	-	-	576,354
Administrative payments	-	74,184	250,000	324,184
Other payments	-	-	28,082	28,082
Debt service:				
Interest	24,712	-	547,479	572,191
Total deductions	601,066	74,184	825,561	1,500,811
Special item:				
Contribution to the Town of Yucca Valley	(1,577,265)	-	-	(1,577,265)
Change in net position	(2,178,331)	(74,184)	145,393	(2,107,122)
Net position (deficit), beginning of the period	(3,723,301)	5,546,007	441,224	2,263,930
Net position (deficit), end of the period	\$ (5,901,632)	\$ 5,471,823	\$ 586,617	\$ 156,808

Town of Yucca Valley

Fiduciary Funds

Statement of Changes in Fiduciary Assets and Liabilities – Agency Fund

For the year ended June 30, 2013

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
ASSETS				
Cash and investments	\$ 169,637	\$ 157,668	\$ 186,936	\$ 140,369
Accounts receivable	<u>1,716</u>	<u>-</u>	<u>1,716</u>	<u>-</u>
Total assets	<u>\$ 171,353</u>	<u>\$ 157,668</u>	<u>\$ 188,652</u>	<u>\$ 140,369</u>
LIABILITIES				
Accounts payable	\$ 115	\$ 58	-	\$ 173
Deposits	<u>171,238</u>	<u>157,610</u>	<u>188,652</u>	<u>140,196</u>
Total liabilities	<u>\$ 171,353</u>	<u>\$ 157,668</u>	<u>\$ 188,652</u>	<u>\$ 140,369</u>



STATISTICAL SECTION

Overview of Statistical Information Presented in Five Categories

Financial Trend Information: Intended to assist users in understanding and assessing how a government's financial position has changed over time.

Revenue Capacity Information: Intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own revenue.

Debt Capacity Information: Intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

Demographic and Economic Information: Intended to assist users in understanding the socioeconomic environment within which a government operates and to provide information that facilitates comparison of financial statement information over time and among governments.

Operating Information: Intended to provide information about a government's operations and resources in order to assist readers in using financial statement information to understand and assess a government's economic condition.

Town of Yucca Valley

**Net Position by Component
Last Nine Fiscal Years
(accrual basis of accounting)**

	Fiscal year				
	2005	2006	2007	2008	2009
Governmental activities:					
Net invested in capital assets	\$ 28,417,781	\$ 28,557,712	\$ 32,093,731	\$ 15,486,748	\$ 18,017,678
Restricted	3,075,726	3,233,997	3,701,001	10,364,881	12,118,747
Unrestricted	8,268,787	8,913,720	11,443,892	7,606,595	8,399,329
Total governmental activities net position	<u>\$ 39,762,294</u>	<u>\$ 40,705,429</u>	<u>\$ 47,238,624</u>	<u>\$ 33,458,224</u>	<u>\$ 38,535,754</u>
Primary government:					
Net invested in capital assets	\$ 28,417,781	\$ 28,557,712	\$ 32,093,731	\$ 15,486,748	\$ 18,017,678
Restricted	3,075,726	3,233,997	3,701,001	10,364,881	12,118,747
Unrestricted	8,268,787	8,913,720	11,443,892	7,606,595	8,399,329
Total primary government net position	<u>\$ 39,762,294</u>	<u>\$ 40,705,429</u>	<u>\$ 47,238,624</u>	<u>\$ 33,458,224</u>	<u>\$ 38,535,754</u>

The Town has elected to show the nine most current years of data for this schedule.

	Fiscal year			
	2010	2011	2012*	2013
Governmental activities:				
Net invested in capital assets	\$ 20,670,064	\$ 20,939,003	\$ 23,795,539	\$ 23,484,183
Restricted	9,960,683	8,986,346	4,481,398	7,600,076
Unrestricted	8,018,983	8,881,895	8,582,831	7,253,479
Total governmental activities net position	<u>\$ 38,649,730</u>	<u>\$ 38,807,244</u>	<u>\$ 36,859,768</u>	<u>\$ 38,337,738</u>
Primary government:				
Net invested in capital assets	\$ 20,670,064	\$ 20,939,003	\$ 23,795,539	\$ 23,484,183
Restricted	9,960,683	8,986,346	4,481,398	7,600,076
Unrestricted	8,018,983	8,881,895	8,582,831	7,253,479
Total primary government net position	<u>\$ 38,649,730</u>	<u>\$ 38,807,244</u>	<u>\$ 36,859,768</u>	<u>\$ 38,337,738</u>

* Through legislation passed by the State of California and upheld by the Supreme Court of California, redevelopment agencies were dissolved as of January 31, 2012. The legislation established Successor Agencies to assist with the dissolution process. The Successor Agency to the Yucca Valley Redevelopment Agency is a private purpose trust fund and cannot be considered a component unit of the Town of Yucca Valley. It succeeded the Yucca Valley Redevelopment Agency (RDA) on February 1, 2012. Prior to the transition date, the activities of the RDA are blended with those of the Town in these financial statements. This change in entities is reflected in the variances from prior years in the fiscal year ended June 30, 2012.

Town of Yucca Valley

**Change in Net Position
Last Nine Fiscal Years
(accrual basis of accounting)**

	Fiscal year				
	2005	2006	2007	2008	2009
Expenses:					
Governmental activities:					
General government	\$ 1,509,399	\$ 1,875,001	\$ 1,700,382	\$ 2,366,009	\$ 2,435,817
Public safety	2,742,738	3,001,568	3,711,665	4,036,107	3,923,404
Parks and recreation	1,175,688	1,040,235	1,235,369	1,295,429	1,512,733
Public works	2,783,043	3,885,289	4,387,109	3,326,374	615,102
Community development	1,631,991	2,232,448	1,561,046	2,813,886	2,122,924
Interest on long-term debt	380,976	463,163	333,449	488,468	612,532
Total governmental activities expenses	<u>10,223,835</u>	<u>12,497,704</u>	<u>12,929,020</u>	<u>14,326,273</u>	<u>11,222,512</u>
Total primary government expenses	<u>10,223,835</u>	<u>12,497,704</u>	<u>12,929,020</u>	<u>14,326,273</u>	<u>11,222,512</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	19,841	128,352	104,172	39,273	36,959
Public safety	97,667	34,490	103,419	130,496	151,855
Parks and recreation	234,847	221,876	207,246	223,666	238,920
Public works	912,236	787,240	523,170	156,967	217,849
Community development	32,957	64,018	28,137	349,452	255,149
Capital grants and contributions	-	-	342,216	1,831,563	959,192
Operating grants and contributions	<u>3,268,150</u>	<u>2,910,993</u>	<u>3,369,479</u>	<u>2,465,909</u>	<u>2,447,329</u>
Total governmental activities program revenues	<u>4,565,698</u>	<u>4,146,969</u>	<u>4,677,839</u>	<u>5,197,326</u>	<u>4,307,253</u>
Total primary government program revenues	<u>4,565,698</u>	<u>4,146,969</u>	<u>4,677,839</u>	<u>5,197,326</u>	<u>4,307,253</u>
Net revenues (expenses)	<u>\$ (5,658,137)</u>	<u>\$ (8,350,735)</u>	<u>\$ (8,251,181)</u>	<u>\$ (9,128,947)</u>	<u>\$ (6,915,259)</u>

The Town has elected to show the nine most current years of data for this schedule.

	Fiscal year			
	2010	2011	2012*	2013
Expenses:				
Governmental activities:				
General government	\$ 2,392,307	\$ 2,505,382	\$ 1,990,496	\$ 2,255,173
Public safety	3,955,882	4,137,500	4,311,178	4,477,341
Parks and recreation	1,277,855	1,183,256	1,056,148	2,111,901
Public works	3,235,938	2,512,429	3,518,397	1,500,235
Community development	2,940,622	2,352,830	2,064,831	2,266,567
Interest on long-term debt	612,104	586,832	309,096	-
Total governmental activities expenses	<u>14,414,708</u>	<u>13,278,229</u>	<u>13,250,146</u>	<u>12,611,217</u>
Total primary government expenses	<u>14,414,708</u>	<u>13,278,229</u>	<u>13,250,146</u>	<u>12,611,217</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	28,055	68,840	3,453	12,481
Public safety	155,839	135,383	156,384	137,990
Parks and recreation	280,928	267,357	209,202	215,701
Public works	186,982	71,198	63,070	65,160
Community development	361,683	234,553	193,942	272,992
Capital grants and contributions	1,022,507	784,267	291,705	979,280
Operating grants and contributions	<u>1,864,296</u>	<u>1,815,317</u>	<u>2,453,409</u>	<u>2,064,465</u>
Total governmental activities program revenues	<u>3,900,290</u>	<u>3,376,915</u>	<u>3,371,165</u>	<u>3,748,069</u>
Total primary government program revenues	<u>3,900,290</u>	<u>3,376,915</u>	<u>3,371,165</u>	<u>3,748,069</u>
Net revenues (expenses)	<u>\$ (10,514,418)</u>	<u>\$ (9,901,314)</u>	<u>\$ (9,878,981)</u>	<u>\$ (8,863,148)</u>

* Through legislation passed by the State of California and upheld by the Supreme Court of California, redevelopment agencies were dissolved as of January 31, 2012. The legislation established Successor Agencies to assist with the dissolution process. The Successor Agency to the Yucca Valley Redevelopment Agency is a private purpose trust fund and cannot be considered a component unit of the Town of Yucca Valley. It succeeded the Yucca Valley Redevelopment Agency (RDA) on February 1, 2012. Prior to the transition date, the activities of the RDA are blended with those of the Town in these financial statements. This change in entities is reflected in the variances from prior years in the fiscal year ended June 30, 2012.

Town of Yucca Valley

**Change in Net Position
Last Nine Fiscal Years
(accrual basis of accounting)**

	Fiscal year				
	2005	2006	2007	2008	2009
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property tax levied for general purposes	\$ 2,604,745	\$ 3,264,007	\$ 4,185,302	\$ 7,161,622	\$ 7,337,878
Sales tax	2,747,900	2,958,865	3,290,412	3,170,306	2,980,561
Transient occupancy tax	139,997	129,968	133,612	164,056	172,622
Franchise tax	682,162	773,076	779,957	793,740	816,713
Motor vehicle in lieu tax, unrestricted	1,433,508	1,449,006	463,536	93,324	72,272
Unrestricted investment earnings	184,741	272,701	215,245	571,218	432,158
Other	279,329	161,247	1,669,034	124,199	180,585
Extraordinary/Special Item:					
Gain (loss) on dissolution of Redevelopment Agency	-	-	-	-	-
Total governmental activities	<u>8,072,382</u>	<u>9,008,870</u>	<u>10,737,098</u>	<u>12,078,465</u>	<u>11,992,789</u>
Total primary government	<u>8,072,382</u>	<u>9,008,870</u>	<u>10,737,098</u>	<u>12,078,465</u>	<u>11,992,789</u>
Total primary government change in net position	<u>\$ 2,414,245</u>	<u>\$ 658,135</u>	<u>\$ 2,485,917</u>	<u>\$ 2,949,518</u>	<u>\$ 5,077,530</u>

The Town has elected to show the nine most current years of data for this schedule.

	Fiscal year			
	2010	2011	2012*	2013
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property tax levied for general purposes	\$ 6,684,036	\$ 6,136,537	\$ 5,242,751	\$ 4,474,719
Sales tax	2,720,029	2,712,111	2,863,039	3,083,885
Transient occupancy tax	143,487	164,615	188,392	147,195
Franchise tax	754,715	780,066	809,736	765,448
Motor vehicle in lieu tax, unrestricted	62,397	97,307	10,534	10,915
Unrestricted investment earnings	132,170	79,729	44,463	36,135
Other	131,560	88,463	87,370	245,556
Extraordinary/Special Item:				
Gain (loss) on dissolution of Redevelopment Agency	-	-	(1,314,780)	1,577,265
Total governmental activities	10,628,394	10,058,828	7,931,505	10,341,118
Total primary government	10,628,394	10,058,828	7,931,505	10,341,118
Total primary government change in net position	\$ 113,976	\$ 157,514	\$ (1,947,476)	\$ 1,477,970

* Through legislation passed by the State of California and upheld by the Supreme Court of California, redevelopment agencies were dissolved as of January 31, 2012. The legislation established Successor Agencies to assist with the dissolution process. The Successor Agency to the Yucca Valley Redevelopment Agency is a private purpose trust fund and cannot be considered a component unit of the Town of Yucca Valley. It succeeded the Yucca Valley Redevelopment Agency (RDA) on February 1, 2012. Prior to the transition date, the activities of the RDA are blended with those of the Town in these financial statements. This change in entities is reflected in the variances from prior years in the fiscal year ended June 30, 2012.

Town of Yucca Valley

**Fund Balances of Governmental Funds
Last Nine Fiscal Years
(modified accrual basis of accounting)**

Pre GASB 54	Fiscal year					
	2005	2006	2007	2008	2009	2010
General Fund:						
Reserved	\$ 407,143	\$ 187,334	\$ 31,043	\$ -	\$ 394,396	\$ 350,000
Unreserved	5,066,024	5,897,785	5,671,854	5,929,393	6,082,609	6,218,404
Total General Fund	5,473,167	6,085,119	5,702,897	5,929,393	6,477,005	6,568,404
All other governmental funds:						
Reserved, reported in:						
Debt service fund	883,002	1,380,845	2,038,277	3,739,101	4,123,930	3,713,435
Other	486,363	731,507	1,057,115	1,696,897	1,901,449	2,227,642
Unreserved, reported in:						
Capital projects funds	1,825,829	1,543,723	2,852,038	7,879,820	8,400,605	6,737,054
Special revenue funds	2,939,278	3,155,047	3,190,524	4,642,554	5,357,271	4,413,074
Total all other governmental funds	6,134,472	6,811,122	9,137,954	17,958,372	19,783,255	17,091,205
Total all governmental funds	\$ 11,607,639	\$ 12,896,241	\$ 14,840,851	\$ 23,887,765	\$ 26,260,260	\$ 23,659,609

Post GASB 54	Fiscal year		
	2011	2012	2013
General Fund:			
Nonspendable	\$ 350,000	\$ 350,000	\$ 1,132,137
Restricted	-	-	302,679
Assigned	-	1,040,000	1,300,000
Unassigned	7,119,586	5,286,986	4,335,892
Total General Fund	7,469,586	6,676,986	7,070,708
All other governmental funds:			
Nonspendable	-	-	482,475
Restricted:			
Public safety	451,708	509,590	438,155
Debt service	2,534,676	-	-
Community development	8,058,375	768,334	1,142,177
Parks and recreation	96,552	585,568	-
Public works	4,015,566	3,862,444	3,450,409
Assigned	1,076,842	962,794	429,257
Unassigned	(43,097)	(180,726)	70,720
Total all other governmental funds	16,190,622	6,508,004	6,013,193
Total all governmental funds	\$ 23,660,208	\$ 13,184,990	\$ 13,083,901

The Town has elected to show the nine most current years of data for this schedule.

During the 2011 fiscal year, the Town adopted GASBS No. 54. This Statement changed the presentation of governmental fund equity. The Town retroactively changed the fiscal year 2010 to comply with the requirements of the Statement, but chose not to retroactively apply the Statement in the Statistical Section (except for the 2010 fiscal year).

* Through legislation passed by the State of California and upheld by the Supreme Court of California, redevelopment agencies were dissolved as of January 31, 2012. The legislation established Successor Agencies to assist with the dissolution process. The Successor Agency to the Yucca Valley Redevelopment Agency is a private purpose trust fund and cannot be considered a component unit of the Town of Yucca Valley. It succeeded the Yucca Valley Redevelopment Agency (RDA) on February 1, 2012. Prior to the transition date, the activities of the RDA are blended with those of the Town in these financial statements. This change in entities is reflected in the variances from prior years in the fiscal year ended June 30, 2012.

Town of Yucca Valley

**Changes in Fund Balances of Governmental Funds
Last Nine Fiscal Years
(modified accrual basis of accounting)**

	Fiscal year				
	2005	2006	2007	2008	2009
Revenues:					
Taxes	\$ 6,404,644	\$ 7,418,674	\$ 8,849,815	\$ 11,330,968	\$ 11,318,597
Licenses and permits	32,957	26,274	64,263	71,575	65,579
Intergovernmental	4,421,358	4,103,009	410,616	3,911,034	3,296,061
Charges for services	1,114,273	1,030,152	797,677	639,810	518,262
Fines, fees and forfeitures	183,275	181,339	4,460,436	394,293	224,734
Investment earnings	374,953	359,527	794,627	700,277	536,835
Miscellaneous	279,329	334,134	155,209	233,243	340,389
Total revenues	12,810,789	13,453,109	15,532,643	17,281,200	16,300,457
Expenditures:					
Current:					
General government	1,472,618	1,822,720	1,699,333	2,144,688	2,291,878
Public safety	2,728,025	2,986,498	3,703,982	4,066,649	3,923,404
Parks and recreation	1,287,939	979,038	1,563,853	1,286,589	1,528,478
Public works	2,707,617	3,541,152	1,219,835	3,602,888	2,752,637
Community development	1,562,653	2,191,775	3,797,852	1,993,089	1,565,868
Debt service:					
Principal retirement	229,438	245,312	219,638	303,255	317,802
Interest and fiscal charges	277,023	275,881	423,008	421,054	652,027
Bond issuance costs	-	-	-	326,398	-
Supplemental ERAF shift	-	-	-	-	-
Pass-through payments	269,326	334,131	460,532	826,797	859,868
Total expenditures	10,534,639	12,376,507	13,088,033	14,971,407	13,891,962
Excess (deficiency) of revenues over expenditures	2,276,150	1,076,602	2,444,610	2,309,793	2,408,495
Other financing sources (uses):					
Transfers in	1,252,396	759,482	2,308,853	5,810,777	1,294,966
Transfers out	(1,719,414)	(547,482)	(2,808,853)	(5,767,636)	(1,330,966)
Proceeds of loan	-	-	-	76,800	-
Refunded bond issuance	-	-	-	10,625,000	-
Bond discount	-	-	-	(121,957)	-
Payment to refunded bond escrow agent	-	-	-	(3,924,561)	-
Total other financing sources (uses)	(467,018)	212,000	(500,000)	6,698,423	(36,000)
Extraordinary/Special Item					
Gain (loss) on dissolution of Redevelopment Agency	-	-	-	-	-
Net change in fund balances	\$ 1,809,132	\$ 1,288,602	\$ 1,944,610	\$ 9,008,216	\$ 2,372,495
Debt service as a percentage of noncapital expenditures	5.1%	4.3%	5.1%	5.2%	9.3%

The Town has elected to show the nine most current years of data for this schedule.

	Fiscal year			
	2010	2011	2012	2013
Revenues:				
Taxes	\$ 10,292,984	\$ 9,776,769	\$ 9,106,577	\$ 8,485,175
Licenses and permits	68,937	58,956	39,382	41,886
Intergovernmental	2,993,907	3,692,772	2,794,257	2,516,302
Charges for services	544,397	545,198	458,950	610,937
Fines, fees and forfeitures	341,472	179,376	183,073	186,211
Investment earnings	147,795	100,866	60,345	45,059
Miscellaneous	20,685	46,735	3,522	646,261
Total revenues	<u>14,410,177</u>	<u>14,400,672</u>	<u>12,646,106</u>	<u>12,531,831</u>
Expenditures:				
Current:				
General government	2,177,514	3,152,504	2,175,885	2,175,279
Public safety	4,369,254	4,114,119	4,243,756	4,485,396
Parks and recreation	1,348,149	1,253,535	1,284,466	2,109,872
Public works	4,173,267	2,622,724	2,883,863	2,465,206
Community development	2,662,459	1,550,082	1,662,770	2,474,167
Debt service:				
Principal retirement	281,414	186,133	161,562	-
Interest and fiscal charges	598,723	573,502	348,789	-
Bond issuance costs	-	-	-	-
Supplemental ERAF shift	636,679	131,081	-	-
Pass-through payments	763,369	816,393	414,791	-
Total expenditures	<u>17,010,828</u>	<u>14,400,073</u>	<u>13,175,882</u>	<u>13,709,920</u>
Excess (deficiency) of revenues over expenditures	<u>(2,600,651)</u>	<u>599</u>	<u>(529,776)</u>	<u>(1,178,089)</u>
Other financing sources (uses):				
Transfers in	1,294,966	1,155,660	1,329,858	628,272
Transfers out	(1,330,966)	(1,155,660)	(1,329,858)	(628,272)
Proceeds of loan	-	-	-	-
Refunded bond issuance	-	-	-	-
Bond discount	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(36,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Extraordinary/Special Item				
Gain (loss) on dissolution of Redevelopment Agency	<u>-</u>	<u>-</u>	<u>(9,945,443)</u>	<u>1,077,000</u>
Net change in fund balances	<u>\$ (2,636,651)</u>	<u>\$ 599</u>	<u>\$ (10,475,219)</u>	<u>\$ (101,089)</u>
Debt service as a percentage of noncapital expenditures	6.6%	6.2%	3.9%	0.0%



Town of Yucca Valley

**Assessed Value and Estimated Actual Value of Taxable Property
Last Nine Fiscal Years**

Fiscal year ended June 30,	Town				Total direct tax rate
	Secured	Unsecured	Less: exemptions	Taxable assessed value	
2005	\$ 824,302,798	\$ 28,711,598	\$ 26,501,249	\$ 826,513,147	0.2940%
2006	959,832,493	29,560,629	26,619,795	962,773,327	0.3091%
2007	1,147,778,043	29,798,972	26,869,764	1,150,707,251	0.3288%
2008	1,280,109,208	30,099,850	27,243,364	1,282,965,694	0.3466%
2009	1,328,588,785	30,099,850	27,658,964	1,331,029,671	0.3621%
2010	1,198,371,820	31,265,447	27,683,664	1,201,953,603	0.3060%
2011	1,109,603,922	33,206,291	27,759,864	1,115,050,349	0.3019%
2012	1,112,098,163	33,029,216	27,544,264	1,117,583,115	0.2993%
2013	1,114,561,955	31,019,077	26,844,714	1,118,736,318	0.2941%

Note 1:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation date shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Note 2:

Assessed values for the updated year ended June 30, 2009 have been restated to reflect values obtained from the San Bernardino County's Assessor's Office.

Source: San Bernardino County Assessor's Office Combined Tax Rolls

The Town has elected to show the nine most current years of data for this schedule.

Town of Yucca Valley

Direct and Overlapping Property Tax Rates (Rate per \$100 of assessed value) Last Nine Fiscal Years

Town General Fund Direct Rates

	Town share of 1% levy	Debt rates	Total Town rate	Total direct rate
2005	0.1674%	0.0000%	0.1674%	0.2940%
2006	0.1674%	0.0000%	0.1674%	0.3091%
2007	0.1674%	0.0000%	0.1674%	0.3288%
2008	0.1674%	0.0000%	0.1674%	0.3466%
2009	0.1653%	0.0000%	0.1653%	0.3622%
2010	0.1653%	0.0000%	0.1653%	0.3060%
2011	0.1653%	0.0000%	0.1653%	0.3019%
2012	0.1653%	0.0000%	0.1653%	0.2993%
2013	0.1653%	0.0000%	0.1653%	0.2941%

Overlapping rates

	2005	2006	2007	2008	2009	2010	2011	2012	2013	Estimated Outstanding debt 6/30/13 (5)	share of overlapping debt
Town of Yucca Valley	0.16764	0.16764	0.16764	0.16764	0.16533	0.16533	0.16533	0.16533	0.16533	-	-
Copper Mountain											
Community College	0.03995	0.03995	0.03995	0.03995	0.03990	0.03990	0.03990	0.03990	0.03990	18,760,430	7,366,283
County Free Library	0.01023	0.01023	0.01023	0.01023	0.01037	0.01037	0.01037	0.01037	0.01037	-	-
County General Fund	0.10539	0.10539	0.10539	0.10539	0.10710	0.10710	0.10710	0.10710	0.10710	1,093,620,214	9,055,175
County Superintendent	0.00718	0.00718	0.00718	0.00718	0.00729	0.00729	0.00729	0.00729	0.00729	-	-
ERAF	0.15949	0.15949	0.15949	0.15949	0.16220	0.16220	0.16220	0.16220	0.16220	-	-
Flood Control Admin	0.00064	0.00064	0.00064	0.00064	0.00065	0.00065	0.00065	0.00065	0.00065	104,705,000	866,957
Flood Control Zone 6	0.00853	0.00853	0.00853	0.00853	0.00845	0.00845	0.00845	0.00845	0.00845	-	-
Hi-Desert County Water	0.07007	0.07007	0.07007	0.07007	0.06930	0.06930	0.06930	0.06930	0.06930	-	-
Hi-Desert Hospital District	0.01339	0.01339	0.01339	0.01339	0.01345	0.01345	0.01345	0.01345	0.01345	-	-
Mojave Desert RCD	0.00011	0.00011	0.00011	0.00011	0.00009	0.00009	0.00009	0.00009	0.00009	-	-
Mojave Water Agency	0.00385	0.00385	0.00385	0.00385	0.00393	0.00393	0.00393	0.00393	0.00393	-	-
Morongo USD	0.19321	0.19321	0.19321	0.19321	0.19410	0.19410	0.19410	0.19410	0.19410	45,187,652	17,742,932
Yucca Valley Fire	0.22032	0.22032	0.22032	0.22032	0.21780	0.21780	0.21780	0.21780	0.21780	-	-
Total Prop 13 rate	1.0000	1,262,273,296	\$ 35,031,347								
Morongo USD											
Copper Mountain											
Community College	0.00000	0.00000	0.01780	0.02480	0.01400	0.02400	0.02980	0.02670	0.02950	-	-
Mojave Water Agency	0.10000	0.09000	0.08500	0.08500	0.08500	0.08500	0.08500	0.08500	0.10500	15,530,000	765,784
Mojave Water Agency											
Land only	0.11250	0.11250	0.11250	0.11250	0.11250	0.11250	0.11250	0.11250	0.11250	24,550,000	14,275,580
Mojave Water Agency	0.05500	0.05500	0.05500	0.05500	0.05500	0.05500	0.05500	0.05500	0.05500	-	-
Total voter approved rate	0.26750	0.25750	0.32260	0.31770	0.32050	0.31560	0.32880	0.32750	0.36010	40,080,000	15,041,364
Successor Agency	-	-	-	-	-	-	-	-	-	9,745,000	9,745,000
Total direct and overlapping rate	1.26750	1.25750	1.32260	1.31770	1.32046	1.31556	1.32880	1.32750	1.36010	\$ 1,312,098,296	\$ 59,817,711

Notes:

- 1) General fund tax rates are representative and based upon the direct and overlapping rates for the largest General Fund tax rate area (TRA) by net taxable value.
- 2) Total Direct Rate is the weighted average of all individual direct rates applied by the Town. The percentages presented in the columns above do not sum across rows.
- 3) RDA rate is based on the largest RDA tax rate (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.
- 4) In 1978, California voters passed Prop 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- 5) Includes Town and Agency share.

Source: San Bernardino County Assessor's Office & California Municipal Statistics, Inc.

The Town of Yucca Valley has elected to show nine years of data for this schedule.

Town of Yucca Valley

**Principal Property Tax Payers
Current Year**

		2013	
<u>Taxpayer</u>		<u>Taxable assessed value</u>	<u>Percent of total town taxable assessed value</u>
1	Home Depot USA Inc*	\$ 13,238,335	0.98%
2	Walmart Realty*	11,463,040	0.85%
3	Netreit Yucca Valley LLC	8,447,395	0.62%
4	Yashraj Hospitality Inc*	6,447,564	0.48%
5	Shamrock Millco-Aztec LLC	6,249,803	0.46%
6	G and L Yucca Valley LLCA	6,185,995	0.46%
7	Time Warner NY Cable	6,172,531	0.46%
8	Salsha Enterprises LLC*	4,840,000	0.36%
9	Depierro Development LLC	4,384,738	0.32%
10	Robert J Ruehman II Trust*	4,364,537	0.32%
Totals		<u>\$ 71,793,938</u>	<u>5.31%</u>

- Source reporting indicates pending appeals on parcels as of 6/30/2013

Source: San Bernardino County Assessor 2012-13 Combined Tax Rolls and the SBE non unitary tax roll

The Town has elected to present only one year on this schedule due to annual fluctuation in top tax payers.

Town of Yucca Valley

**Property Tax Levies and Collections
Last Eight Fiscal Years**

Fiscal year ended June 30,	Taxes levied for fiscal year	Collected within the fiscal year of levy		Collections in subsequent years	Total collections to date	
		Amount	% of Levy		Amount	% of Levy
2006	\$ 3,151,522	\$ 3,151,522	100.00%	\$ -	\$ 3,151,522	100.00%
2007	4,185,302	4,185,302	100.00%	-	4,185,302	100.00%
2008	5,402,385	5,402,385	100.00%	-	5,402,385	100.00%
2009	5,480,018	5,480,018	100.00%	-	5,480,018	100.00%
2010	4,782,684	4,782,684	100.00%	-	4,782,684	100.00%
2011	4,450,182	4,450,182	100.00%	-	4,450,182	100.00%
2012	4,403,922	3,672,055	83.38%	731,867	4,403,922	100.00%
2013	4,310,331	2,914,809	67.62%	1,395,522	4,310,331	100.00%

Note:

The amounts presented include the Town as a whole (including the Redevelopment Agency increment). The schedule also includes amounts collected by the Town and passed through to other agencies.

Source: The Town of Yucca Valley and the San Bernardino County Teeter Plan Notification

The Town has elected to show the eight most current years of data for this schedule.

Town of Yucca Valley

**Ratios of Outstanding Debt by Type
Last Nine Fiscal Years**

Fiscal year ended June 30	Tax allocation bonds	General obligation bonds	Loans	Total governmental activities	% of personal income	Debt per capita
2005	\$ 4,090,000	\$ 741,231	\$ -	\$ 4,831,231	1.37%	\$ 244
2006	3,985,000	574,855	120,328	4,680,183	1.17%	228
2007	3,880,000	464,454	116,091	4,460,545	1.03%	212
2008	10,625,000	318,043	186,792	11,129,835	2.58%	523
2009	10,460,000	171,632	180,401	10,812,033	2.67%	509
2010	10,290,000	67,924	172,695	10,530,619	2.32%	495
2011	10,115,000	67,924	161,562	10,344,486	2.38%	475
2012	*	-	67,924	67,924	0.02%	3
2013	-	-	-	-	-	-

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

The Town has elected to show the nine most current years of data for this schedule.

* Through legislation passed by the State of California and upheld by the Supreme Court of California, redevelopment agencies were dissolved as of January 31, 2012. The legislation established Successor Agencies to assist with the dissolution process. The Successor Agency to the Yucca Valley Redevelopment Agency is a private purpose trust fund and cannot be considered a component unit of the Town of Yucca Valley. It succeeded the Yucca Valley Redevelopment Agency (RDA) on February 1, 2012. Prior to the transition date, the activities of the RDA are blended with those of the Town in these financial statements. This change in entities is reflected in the variances from prior years in the fiscal year ended June 30, 2012.

Town of Yucca Valley

**Ratios of General Bonded Debt Outstanding
Last Nine Fiscal Years**

Fiscal year ended June 30,	Outstanding general bonded debt				% of personal income	Per capita
	Tax allocation bonds	General obligation bonds	Loans	Total		
2005	\$ 4,090,000	\$ 741,231	\$ -	\$ 4,831,231	1.37%	\$ 244
2006	3,985,000	574,855	120,328	4,559,855	1.17%	228
2007	3,880,000	464,454	116,091	4,344,454	1.03%	212
2008	10,625,000	318,043	186,792	10,943,043	2.58%	523
2009	10,460,000	171,632	180,401	10,631,632	2.67%	509
2010	10,290,000	67,924	172,695	10,357,924	2.32%	495
2011	10,115,000	67,924	181,562	10,182,924	2.38%	475
2012*	-	67,924	-	67,924	0.02%	3
2013	-	-	-	-	0.00%	-

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which the Town has none).

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

The Town has elected to show the nine most current years of data for this schedule.

* Through legislation passed by the State of California and upheld by the Supreme Court of California, redevelopment agencies were dissolved as of January 31, 2012. The legislation established Successor Agencies to assist with the dissolution process. The Successor Agency to the Yucca Valley Redevelopment Agency is a private purpose trust fund and cannot be considered a component unit of the Town of Yucca Valley. It succeeded the Yucca Valley Redevelopment Agency (RDA) on February 1, 2012. Prior to the transition date, the activities of the RDA are blended with those of the Town in these financial statements. This change in entities is reflected in the variances from prior years in the fiscal year ended June 30, 2012.

Town of Yucca Valley

**Legal Debt Margin Information
Last Nine Fiscal Years**

	Fiscal year				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed valuation	\$ 899,377,178	\$ 1,067,360,308	\$ 1,308,322,950	\$ 1,488,885,770	\$ 1,590,758,294
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	224,844,295	266,840,077	327,080,738	372,221,443	397,689,574
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	33,726,644	40,026,012	49,062,111	55,833,216	59,653,436
Total net debt applicable to limit: general obligation bonds	<u>741,231</u>	<u>574,855</u>	<u>464,454</u>	<u>318,043</u>	<u>171,632</u>
Legal debt margin	<u>\$ 32,985,413</u>	<u>\$ 39,451,157</u>	<u>\$ 48,597,657</u>	<u>\$ 55,515,173</u>	<u>\$ 59,481,804</u>
Total debt applicable to the limit as a percentage of debt limit	2.247%	1.457%	0.956%	0.573%	0.289%

Town of Yucca Valley has elected to show the nine most current years of data for this schedule.

	Fiscal year			
	2010	2011	2012	2013
Assessed valuation	\$ 1,446,883,236	\$ 1,367,679,701	\$ 1,365,523,976	\$ 1,355,651,200
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	361,720,809	341,919,925	341,380,994	338,912,800
Debt limit percentage	15%	15%	15%	15%
Debt limit	54,258,121	51,287,989	51,207,149	50,836,920
Total net debt applicable to limit: general obligation bonds	<u>67,924</u>	<u>67,924</u>	<u>67,924</u>	<u>-</u>
Legal debt margin	<u>\$ 54,190,197</u>	<u>\$ 51,220,065</u>	<u>\$ 51,139,225</u>	<u>\$ 50,836,920</u>
Total debt applicable to the limit as a percentage of debt limit	0.125%	0.133%	0.133%	0.000%

Town of Yucca Valley

**Pledged-Revenue Coverage
Last Nine Fiscal Years**

Fiscal year ended June 30,	Tax allocation bonds				Coverage
	Tax increment	Debt service			
		Principal	Interest		
2005	\$ 872,715	\$ 100,000	\$ 257,070	2.44%	
2006	1,302,884	105,000	256,750	3.60%	
2007	1,810,698	105,000	249,038	5.11%	
2008	2,523,287	165,000	389,506	4.55%	
2009	2,683,423	165,000	610,787	3.46%	
2010	2,448,275	170,000	573,917	3.29%	
2011	2,128,307	175,000	562,703	2.89%	
2012	*	-	-	0.00%	
2013	-	-	-	0.00%	

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

The Town has elected to show the nine most current years of data for his schedule.

* Through legislation passed by the State of California and upheld by the Supreme Court of California, redevelopment agencies were dissolved as of January 31, 2012. The legislation established Successor Agencies to assist with the dissolution process. The Successor Agency to the Yucca Valley Redevelopment Agency is a private purpose trust fund and cannot be considered a component unit of the Town of Yucca Valley. It succeeded the Yucca Valley Redevelopment Agency (RDA) on February 1, 2012. Prior to the transition date, the activities of the RDA are blended with those of the Town in these financial statements. This change in entities is reflected in the variances from prior years in the fiscal year ended June 30, 2012.

Town of Yucca Valley

**Demographic and Economic Statistics
Last Nine Calendar Years**

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Aggregate Personal Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (2)</u>	
2005	19,774	\$ 353,000,000	\$ 17,852	5.30%	
2006	20,537	400,000,000	19,477	5.00%	
2007	21,044	432,000,000	20,528	5.60%	
2008	21,268	432,000,000 (3)	20,312	8.20%	(4)
2009	21,239	405,000,000	19,069	13.20%	(4)
2010	21,282	453,000,000	21,286	14.20%	(4)
2011	21,800	434,000,000	19,908	13.40%	(4)
2012	20,916	423,000,000	20,224	12.70%	(4)
2013	21,030	451,000,000	21,446	10.20%	(4)

Sources: (1) State Department of Finance
 (2) Inland Empire Quarterly
 (3) Current Year n/a: prior year used
 (4) Inland Empire regional Rate: Town rate n/a

The Town has elected to show the nine most current years of data for this schedule.
 Data adjusted by Calendar year to reflect change from fiscal to calendar year basis.

Town of Yucca Valley

**Principal Employers
Last Three Fiscal Years**

Employer	Number of employees			Current year % of total employment
	2011	2012	2013	
Morongo Unified School District	379	384	364	N/A
Wal-Mart	286	236	320	N/A
Braswell Continuing Care	112	229	200	N/A
Home Depot	175	175	177	N/A
Starter Bros.	151	155	163	N/A

The Town of Yucca Valley has elected to show only three years of data for this schedule.

Town of Yucca Valley

Employment Trends and Other Miscellaneous Information Last Seven Fiscal Years

Employment Trends

Function	2007	2008	2009	2010	2011	2012	2013
General government	11	11	10	8	8	9	9
Public works	15	15	17	12	12	8	9
Community development	14	11	9	8	7	8	7.5
Community service	8	8	18.75	17	16.75	14.75	15.25
Total	48	45	54.75	45	43.75	39.75	40.75

Date Incorporated	November 27, 1991
Type of Municipality	General Law
Form of Government	Council – Town Manager
Area	39 Square Miles

Source: Town of Yucca Valley

The Town of Yucca Valley has elected to show only seven years of data for this schedule.

The prior year's employment trends have been restated to reflect full-time equivalents (FTE's).

Town of Yucca Valley

Operating Indicators by Function Last Seven Fiscal Years

<u>Function</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Animal Control:							
Service calls/shelter visitors	19,114	22,476	26,808	27,021	21,475	19,716	18,936
Animal licenses issued	1,200	1,475	1,372	1,443	2,128	1,475	1,322
Community Development:							
Building permits issued	885	143	607	585	292	545	541
Plan checks	325	13	122	118	74	136	129
Public Works:							
Newly paved streets	-	-	2	-	-	0.50	0.24
Street resurfacing (miles)	2.512	3.16	0.23	22.19	1.52	0.25	42.00
Parks and Recreation:							
Number of recreation classes	1,250	1,193	1,276	1,144	936	1,199	960
Number of facility rentals	397	379	720	732	746	960	800

Source: Town of Yucca Valley

The Town of Yucca Valley has elected to show only seven years of data for this schedule.

Town of Yucca Valley

**Capital Asset Statistics by Function
Last Seven Fiscal Years**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public Works:							
Streets (miles)	168.3	168.3	168.3	168.3	168.3	168.3	168.3
Traffic signals	-	-	-	-	-	-	2.0
Parks and Recreation:							
Parks	8	8	8	8	8	8	9
Community centers	1	1	1	1	1	1	1

Source: Town of Yucca Valley

Note:

1. Traffic signals have been restated to correctly reflect State ownership as part of the State highway.

The Town of Yucca Valley has elected to show only seven years of data for this schedule.

