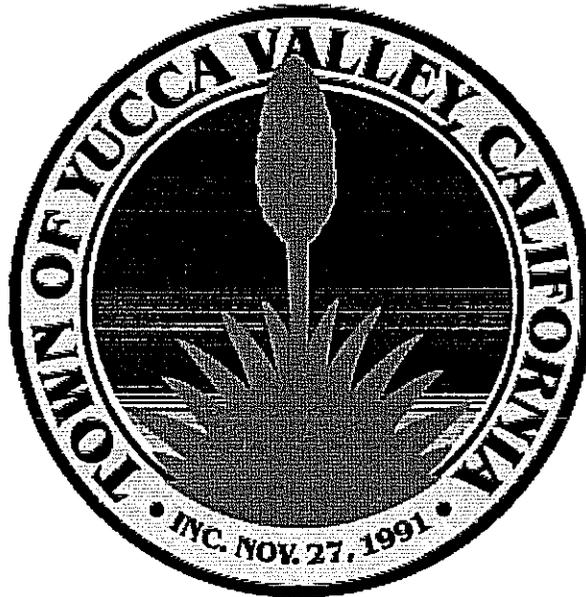


Town of Yucca Valley

Yucca Valley, California

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2009



Administrative Services Department

Curtis Yakimow
Director of Administrative Services

Kathy Ainsworth
Accountant

**Town of Yucca Valley, California
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2009**

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**Town of Yucca Valley, California
Comprehensive Annual Financial Report
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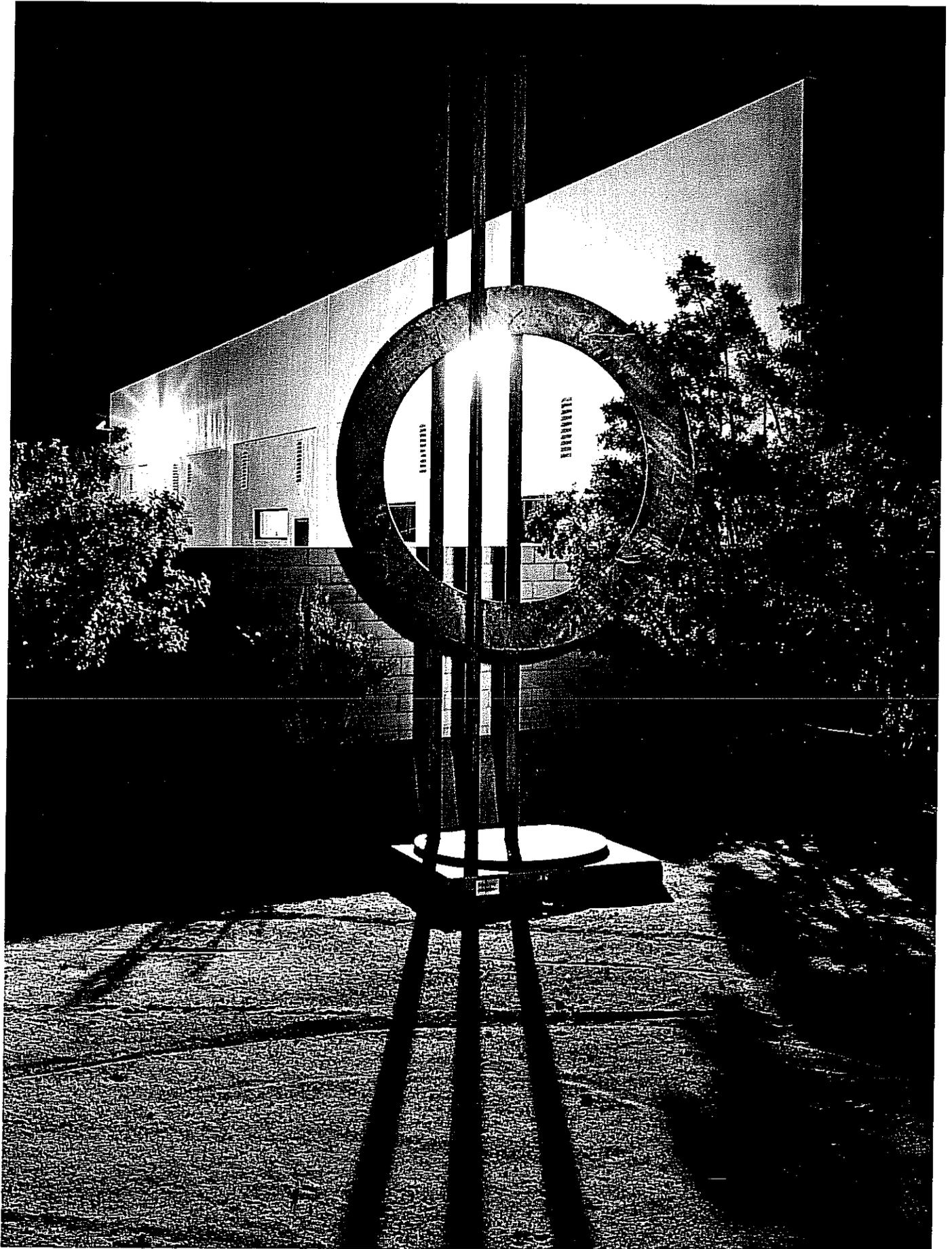
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INTRODUCTORY SECTION



December 1, 2009

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, 2009, is hereby submitted as required by both local ordinances and state statutes. These ordinances and statutes mandate that the Town of Yucca Valley issue annually, 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, 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 San Bernardino County's Yucca Valley Fire District.

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. Accordingly, the Redevelopment Agency is shown as a Special Revenue Fund, a Debt Service Fund, and a Capital Projects Fund. The Community Center Authority is reported as a Debt Service Fund.

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 21,500. The Town is empowered to levy a 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 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



The Town of
Yucca Valley

57090 Twentynine Palms Highway • Yucca Valley, California 92284
760/369-7207 • FAX 760/369-0626

Town Council, for overseeing the day-to-day operations of the Town, and for appointing the heads 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 several major financial institutions and a broad base of retail operations, the community serves the needs of the Morongo Basin. In the early 2000's, the Town experienced a steady increase in its retail sales base, as additional retail providers enter the Yucca Valley market to serve the increasing population, including the new opening of a major home improvement retailer. Since 2006 however, the slowing housing market has had a significant impact on local consumer spending, particularly auto sales. In early 2009, the Town lost one of its auto dealerships to insolvency. While there are some signs of improvement, it is likely that this downward trend will continue over the next few years, and will have an impact on the Town.

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 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. Consistently clear night skies have made Yucca Valley a favorite location of amateur astronomers, and is home of the annual Starry Nights Festival.

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. Examples of current identified priorities include public safety enhancements, the transformation of the Old Town area, the development of the Public Facilities Masterplan, the evaluation of the long-term vision for community, and the development of the Parks Masterplan. The Town is pleased to report that these planning documents were completed in fiscal year 2008. To ensure consistent progress toward the Town's strategic initiatives, the Town Council focused their strategic planning efforts on the development of a tangible work program framework to be used by Town staff in the implementation of the strategic plan. This work plan with corresponding actions steps was completed in the spring of 2009.

Community Development Block Grants. Annually, the Town partners with the County of San Bernardino in funding various programs of specific interest to the citizens in and around the Town of Yucca Valley, particularly those of low to moderate income. This funding is provided through the Federal Housing and Community Development Act, and is disbursed annually through appropriations authorized by the Town Council. Highlights of the CDBG program include the recent completion of the Jacobs Park Tennis Court and Ball Wall Project and coordination of the local Boys and Girls Club Teen Center improvement project.

Building Activity. The Building & Safety department is an integral segment of the Community Development/Public Works Department. Responsible for all new construction within the Town of Yucca Valley, the 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.

Over the past few years, building activity in the Town has increased steadily, peaking in fiscal year 2005. Since then, single family building has 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 growth, and coupled with a sluggish regional economy, overall commercial activity has slowed considerably. As part of the Council's strategic planning efforts, the Town has committed to support the Hi-Desert Water District, the responsible agency for the planned wastewater treatment facility, in whatever capacity the District would desire. The District's target date for operation of phase I of the wastewater treatment facility is currently 2012.

Recent SFR Permit History

1999-2000	54	2004-2005	384
2000-2001	82	2005-2006	244
2001-2002	118	2006-2007	99
2002-2003	188	2007-2008	36
2003-2004	351	2008-2009	7

Annual permit valuation has also been decreasing considerably with total permit valuation for the fiscal year ending June 30, 2009 of \$963,031.

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 2009-10 are focused on cost containment in all areas of Town operations. It is anticipated that future year's financial results will reflect these changes beginning with the year end June 30, 2010. While this effort will be ongoing, there is no assurance that the economic stress resulting from broader regional, state and federal challenges will not have a significant negative fiscal impact on the Town.

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.

Cash Management Policies and Practices

The Town Council annually adopts an investment policy that conforms to California State law, Town ordinance and resolutions, prudent money management, and the "prudent person" standards. The ordered objectives of the Town's investment policy are safety, liquidity, and yield. While recognizing the importance of a competitive yield, the safety of principle remains the Town's primary investment objective. The Town of Yucca Valley utilizes the Local Agency Investment Fund (LAIF) as the primary investment vehicle for idle cash. LAIF is a pooled investment fund administered by the State of California Treasurer's Office.

Risk Management

As in previous fiscal years, the Town of Yucca Valley is a member of the Public Agency Risk Sharing Authority of California (PARSAC). PARSAC is a self-insured public entity formed by a number of cities in California (currently 37) to pool their insurance risk and help lower the overall cost of providing insurance coverage for general liability claims. The coverage amount is \$10 million which is subject to a \$5,000 deductible per claim. The Town Manager, Town Attorney and Risk Manager work closely with PARSAC to coordinate the Town's insurance policies, maintain insurance records and represent the Town in claims filed against it.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the town's debt position. As of June 30, 2009, the Town General Fund had no outstanding General Obligation Debt.

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. 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, 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,



Andrew J. Takata
Town Manager



Curtis Yakimow
Administrative Services Director

Town of Yucca Valley

Elected and Appointed Officials

June 30, 2009

Elected Officials

Mayor

Mayor Pro Tem

Council Member

Council Member

Council Member

Frank Luckino

Chad Mayes

Lori Herbel

George Huntington

William Neeb

Appointed Officials

Town Manager

Town Attorney

Town Clerk

Deputy Town Manager

Director of Administrative Services

Director of Community Services

Director of Public Works

Human Resources and Risk Manager

Andy Takata

Douglas Haubert

Jamie Anderson

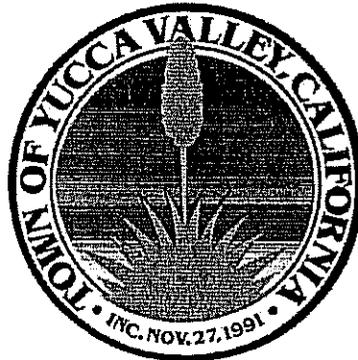
Shane Stueckle

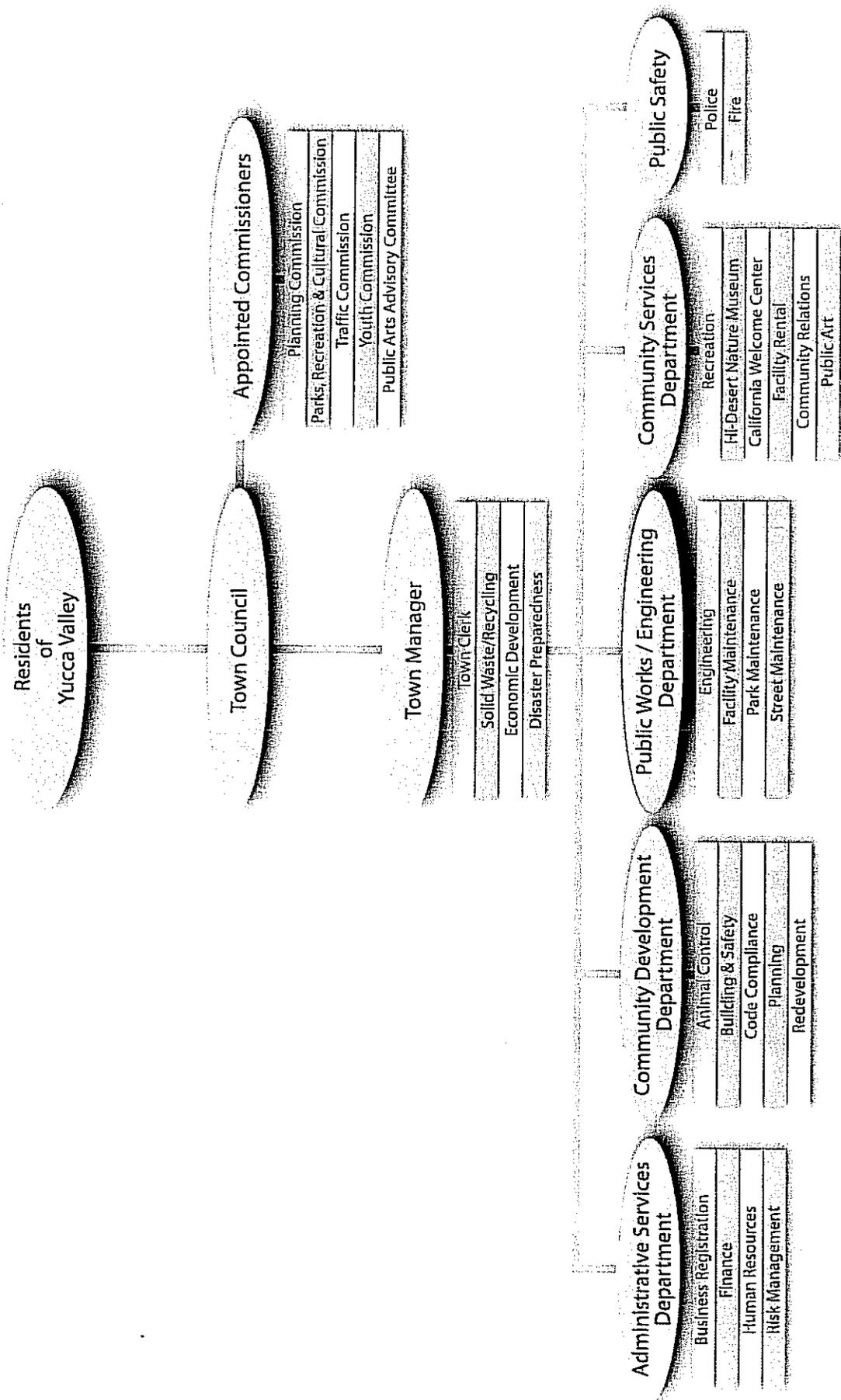
Curtis Yakimow

Jim Schooler

Artur da Rosa

Dani Lassetter





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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

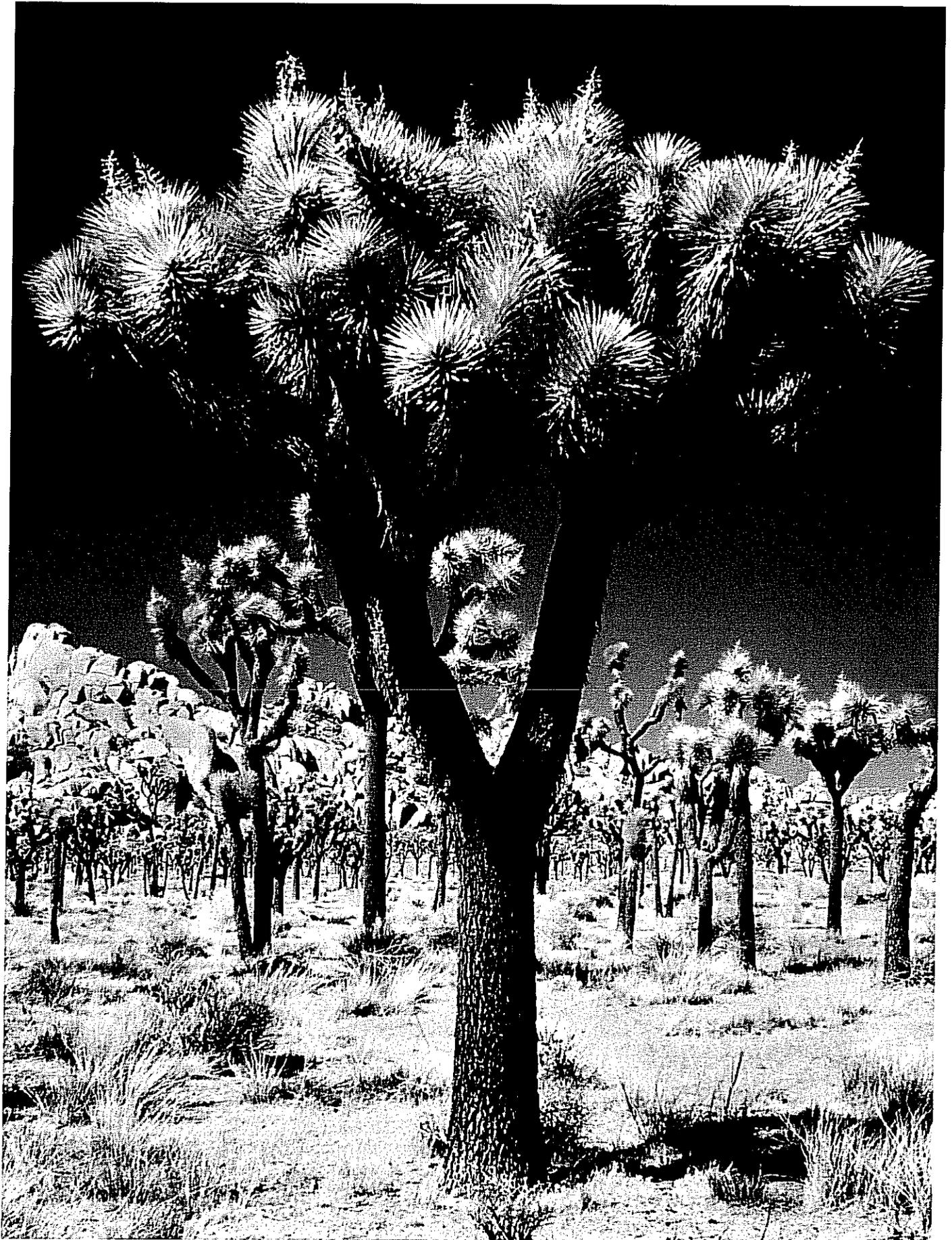


A handwritten signature in black ink, appearing to read "M. L. R.", is written above the title "President".

President

A handwritten signature in black ink, reading "Jeffrey R. Emery", is written above the title "Executive Director".

Executive Director



FINANCIAL SECTION



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

JAY H. ZERCHER, C.P.A.
 ROBERT B. MEMORY, C.P.A.
 PHILLIP H. WALLER, C.P.A.
 BRENDA L. ODLE, C.P.A.
 TERRY P. SHEA, C.P.A.
 KIRK A. FRANKS, C.P.A.
 MATTHEW B. WILSON, C.P.A.
 SCOTT W. MANNO, C.P.A.
 LEENA SHANBHAG, C.P.A.

NANCY O'RAFFERTY, C.P.A.
 BRADFORD A. WELEBIR, C.P.A.
 JENNY LIU, C.P.A.
 TIMOTHY P. HORN, C.P.A.
 KATIE L. MILLSOM, C.P.A.
 JOHN J. BADIA, C.P.A.
 JONATHAN R. KUHN, C.P.A.
 BRADFORD L. ROCKABRAND, C.P.A.
 PAPA MATAR THIAW, C.P.A.

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

INDEPENDENT AUDITORS' REPORT

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, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Yucca Valley, California, as of June 30, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2009 on our consideration of the Town of Yucca Valley, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

MEMBERS

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 CERTIFIED PUBLIC ACCOUNTANTS

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CALIFORNIA SOCIETY OF
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VANIR TOWER • 290 NORTH "D" STREET • SUITE 300
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The management's discussion and analysis and budgetary comparison information and the schedule of funding progress are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Yucca Valley, California's basic financial statements. The introductory section, combining nonmajor fund financial statements, the nonmajor individual budgetary comparison information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements and the nonmajor individual budgetary comparison information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

Rogers, Anderson, Malady & Siro, LLP

November 16, 2009

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, 2009. 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 Assets 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

The annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements, required supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental funds and internal service funds. 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 Assets 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 assets and changes in them. You can think of the Town's net assets – 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 assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Town's tax base and the condition of the Town's roads, to assess the *overall health* of the Town.

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 Assets and the Statement of Activities) and *governmental funds* in a reconciliation at the bottom 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 that activities are reported in the Statement of Net Assets 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. 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 assets* follows:

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Current and other assets	\$29,294,253	25,932,022	3,362,231
Capital assets	<u>21,099,457</u>	<u>19,871,583</u>	<u>1,227,874</u>
Total assets	<u>50,393,710</u>	<u>45,803,605</u>	<u>4,590,105</u>
Long-term debt	10,695,647	10,998,111	(302,464)
Other liabilities	<u>1,162,309</u>	<u>1,347,270</u>	<u>(184,961)</u>
Total liabilities	<u>11,857,956</u>	<u>12,345,381</u>	<u>(487,425)</u>
Net assets:			
Invested in capital assets	18,017,678	15,486,748	2,530,930
Restricted	12,118,747	10,364,881	1,753,866
Unrestricted	<u>8,399,329</u>	<u>7,606,595</u>	<u>792,734</u>
Total net assets	<u>\$38,535,754</u>	<u>33,458,224</u>	<u>5,077,530</u>

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

Revenues:

Program revenues:

Charges for services	\$ 900,732	899,854	878
Operating contributions and grants	2,447,329	2,465,909	(18,580)
Capital contributions and grants	<u>959,192</u>	<u>1,831,563</u>	<u>(872,371)</u>
Total program revenues	<u>4,307,253</u>	<u>5,197,326</u>	<u>(890,073)</u>

General revenues:

Property taxes	7,337,878	7,161,622	176,256
Sales taxes	2,980,561	3,170,306	(189,745)
Transient occupancy taxes	172,622	164,056	8,566
Franchise taxes	816,713	793,740	22,973
Investment income	432,158	571,218	(139,060)
State motor vehicle in lieu	72,272	93,324	(21,052)
Other revenue	<u>180,585</u>	<u>124,199</u>	<u>56,386</u>
Total general revenues	<u>11,992,789</u>	<u>12,078,465</u>	<u>(85,676)</u>

Total revenues	<u>16,300,042</u>	<u>17,275,791</u>	<u>(975,749)</u>
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Program expenses:

General government	2,435,817	2,366,009	69,808
Public safety	3,923,404	4,036,107	(112,703)
Parks and recreation	1,512,733	1,295,429	217,304
Public works	615,102	3,326,374	(2,711,272)
Community development	2,122,924	2,813,886	(690,962)
Interest expense and other charges	<u>612,532</u>	<u>488,468</u>	<u>124,064</u>
Total expenses	<u>11,222,512</u>	<u>14,326,273</u>	<u>(3,103,761)</u>

Increase (decrease) in net assets	5,077,530	2,949,518	2,128,012
Beginning net assets, as restated	<u>33,458,224</u>	<u>30,508,706</u>	<u>2,949,518</u>

Ending net assets	<u>\$38,535,754</u>	<u>33,458,224</u>	<u>5,077,530</u>
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The increase or decrease in net assets 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 assets of the Town increased by 15.2 percent, from \$33.4 million to \$38.5 million.
- Much of this net increase resulted from a decrease in the Town's public works and community development expenditures. The combined decrease in year over year spending in these two functional areas totaled \$3.4 million, and was a reflection of both operational changes as well as capital spending deferrals.
- Property tax revenue increased slightly from the prior year as a result of increases in assessed valuation. Aggregate property valuations will decline in future years starting in fiscal year 2009-20 as assessment values are adjusted to true market conditions. This process generally lags the current property market by 12-18 months. In addition, the County tax assessor has indicated that broad downward adjustments are occurring reflecting the challenges facing the housing market countywide, including Yucca Valley. This decline will have a significant impact on the Town's ability to provide current levels of service without offsetting increases in revenue. Barring such increases, it is likely that service levels will be contracted to match available revenues.
- Sales taxes declined in fiscal year 2009 by approximately 6% reflecting a decrease in the retail sector, particularly auto sales. The rate of decline is anticipated to increase significantly in upcoming years reflecting weakness in the broader economy. This weakness is expected to continue in the Town until such time as there is improvement in the broader economy.
- The Town's investment income decreased from \$571,218 to \$432,158 due to significantly lower returns on cash investments, with the Town's investment pool yielding less than 2% annually. This limitation is expected to continue in the next 12 – 18 months.
- The above decrease in revenue was partially off-set by an overall decrease in operating expenditures as a result of lower staffing costs. The Town has implemented an aggressive cost cutting approach, and continues to identify a full range of potential cost savings.

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, unreserved fund balance of the general fund was \$6,082,609, comprising the majority of the total fund balance of \$6,477,005. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 62 percent of total general fund expenditures, while total fund balance represents 66 percent of that same amount. General fund revenues exceeded expenditures by a moderate amount of \$353,929.

The **Redevelopment Agency Capital Projects Fund** – fund reflects a fund balance of \$6,897,228 and is related to the revenue received from bond proceeds related to the 2008 tax allocation bonds. This balance is restricted for use on qualified redevelopment agency projects within the redevelopment project area.

The **Redevelopment Debt Service Fund** has a total fund balance of \$4,123,930, all of which is legally restricted by law and debt covenants for redevelopment debt service transactions of the Town's Redevelopment Agency.

The **Community Development Block Grant Fund** has a total fund balance of \$(57,898) representing outstanding commitments to other funds. It is anticipated that this negative fund balance is temporary, and will be positive in the next reporting period.

The changes in fund balance were not significantly different from prior year balances, and reflect the anticipated differences from operational activity.

GENERAL FUND BUDGET

Aggregate differences between the original budget and the final amended budget of the General Fund were relatively minor. In General Fund revenues, actual sales tax received varied from budget by approximately -9.6%, reflecting a slowing economy while revenue related to charges for services varied by -53.7% as a result of limited building development. There were no significant variations of any budgetary variances between the final amended budget and actual results for revenues General Fund expenditures. Unbudgeted transfers of \$449,683 into the General Fund were the result of the receipt of unplanned revenues related to miscellaneous reimbursements in other funds.

These deviations did not significantly affect the Town's liquidity or ability to provide future government services.

CAPITAL ASSETS

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

	<u>2009</u>	<u>2008</u>
Land	\$ 4,113,951	\$ 4,113,951
Land improvements	2,982,115	2,658,578
Structures and improvements	4,750,614	4,896,645
Vehicles	622,788	615,127
Furniture and equipment	1,177,037	1,237,740
Infrastructure – street network	7,328,113	5,679,928
Construction in progress	<u>1,214,839</u>	<u>669,614</u>
 Total	 <u>\$ 22,189,457</u>	 <u>\$ 19,871,583</u>

The major changes to capital assets during the year ended June 30, 2009 were as follows:

- During the fiscal year, the Town recognized \$2,147,970 of contributed infrastructure assets. These assets primarily consisted of curbs, sidewalks and gutters and other street improvements subsequently conveyed to the Town upon completion of the related projects. Increases in construction in progress include work on the Town's solar project at Community Development and other infrastructure projects in various stages of completion.

Total unexpended construction commitments as of year end were \$2,672,213 related to the Town's current State Route 62 Rehabilitation and Realignment projects. Additional information on the Town's capital assets can be found in Note 6 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 \$10,998,111.

	<u>Outstanding Debt</u>	
	<u>2009</u>	<u>2008</u>
Tax Allocation Revenue Bonds	\$ 10,460,000	\$ 10,625,000
General Obligation Bonds	171,632	318,043
CA Energy Commission Loan	<u>180,401</u>	<u>186,792</u>
 Total	 <u>\$ 10,812,033</u>	 <u>\$ 11,129,835</u>

Additional information on the Town's long-term debt can be found in the Notes 7, 8 and 9 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 Assets
June 30, 2009**

	Governmental Activities
ASSETS	
Cash and investments	\$ 25,347,788
Cash with fiscal agent	743,203
Accounts receivable	163,104
Due from other governments	1,139,647
Interest receivable	104,993
Note receivable	365,000
Escrow deposit	25,000
Deferred charges	315,518
Capital assets, not being depreciated	5,328,790
Capital assets, depreciated, net	16,860,667
Total assets	50,393,710
LIABILITIES	
Accounts payable and accrued liabilities	1,108,813
Interest payable	40,642
Deferred revenue	12,854
Noncurrent liabilities:	
Due within one year	396,293
Due in more than one year	10,299,354
Total liabilities	11,857,956
NET ASSETS	
Invested in capital assets, net of related debt	18,017,678
Restricted	
Public safety	395,216
Public works	6,737,042
Community development	4,986,489
Unrestricted	8,399,329
Total net assets	\$ 38,535,754

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

**Town of Yucca Valley
Statement of Activities
For the year ended June 30, 2009**

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Governmental Activities
Governmental activities:					
General government	\$ 2,435,817	\$ 36,959	\$ -	\$ -	\$ (2,398,858)
Public safety	3,923,404	151,855	494,392	-	(3,277,157)
Parks and recreation	1,512,733	238,920	84,416	-	(1,189,397)
Public works	615,102	217,849	1,493,788	959,192	2,055,727
Community development	2,122,924	255,149	374,733	-	(1,493,042)
Interest on long-term debt	612,532	-	-	-	(612,532)
Total governmental activities	\$11,222,512	\$ 900,732	\$ 2,447,329	\$ 959,192	(6,915,259)

General revenues:

Taxes	
Property tax, levied for general purpose	7,337,878
Sales tax	2,980,561
Transient occupancy tax	172,622
Franchise tax	816,713
Motor vehicle in lieu tax – unrestricted	72,272
Unrestricted investment earnings	432,158
Other	180,585
Total general revenues	11,992,789
Changes in net assets	5,077,530
Net assets, beginning of year	33,458,224
Net assets, end of year	\$ 38,535,754

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

**Town of Yucca Valley
Balance Sheet
Governmental Funds
June 30, 2009**

	General	Debt Service Redevelopment Agency	Capital Projects Redevelopment Agency
ASSETS			
Cash and investments	\$ 5,812,020	\$ 3,612,693	\$ 6,849,666
Cash with fiscal agent	-	743,203	-
Receivables:			
Accounts, net	120,056	-	-
Due from other governments	405,797	98,639	-
Interest	42,297	13,124	24,884
Notes	350,000	-	-
Due from other funds	304,199	-	-
Escrow deposit	-	-	25,000
Total assets	\$ 7,034,369	\$ 4,467,659	\$ 6,899,550
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 244,206	\$ 339,042	\$ 2,322
Accrued payroll	300,304	4,687	-
Retentions payable	-	-	-
Deferred revenue	12,854	-	-
Due to other funds	-	-	-
Total liabilities	557,364	343,729	2,322
Fund balances:			
Reserved for:			
Encumbrances	44,396	-	-
Escrow deposit	-	-	25,000
Low and moderate housing	-	-	-
Note receivable	350,000	-	-
Debt service	-	4,123,930	-
Unreserved:			
Designated, reported in:			
Capital projects fund	-	-	6,872,228
Undesignated, reported in:			
General fund	6,082,609	-	-
Special revenue funds	-	-	-
Total fund balances	6,477,005	4,123,930	6,897,228
Total liabilities and fund balances	\$ 7,034,369	\$ 4,467,659	\$ 6,899,550

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

CDBG	Total Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 8,566,372	\$ 24,840,751
-	-	743,203
-	43,048	163,104
275,300	359,911	1,139,647
-	24,688	104,993
-	15,000	365,000
-	-	304,199
-	-	25,000
<u>\$ 275,300</u>	<u>\$ 9,009,019</u>	<u>\$ 27,685,897</u>
\$ 44,774	\$ 132,369	\$ 762,713
-	7,547	312,538
33,333	-	33,333
-	-	12,854
255,091	49,108	304,199
<u>333,198</u>	<u>189,024</u>	<u>1,425,637</u>
-	74,716	119,112
-	-	25,000
-	1,786,733	1,786,733
-	15,000	365,000
-	-	4,123,930
-	1,528,377	8,400,605
-	-	6,082,609
(57,898)	5,415,169	5,357,271
<u>(57,898)</u>	<u>8,819,995</u>	<u>26,260,260</u>
<u>\$ 275,300</u>	<u>\$ 9,009,019</u>	<u>\$ 27,685,897</u>



**Town of Yucca Valley
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Assets
June 30, 2009**

Fund balances of governmental funds \$ 26,260,260

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

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

Capital assets	45,918,449
Accumulated depreciation	(23,728,992)

Long-term liabilities are not due and payable in the current period and therefore are not reported in funds.

2008 Tax allocation bonds	(10,460,000)
2001 Series B bonds	(171,632)
California Energy Commission loans	(180,401)
Cost of issuance – deferred	315,518
Deferred charges	303,433
Compensated absences	(187,047)

Accrued interest payable for the current portion of interest due on bonds payable has not been reported in the governmental funds.	(40,642)
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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 funds are included in the statement of net assets.	506,808
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Net assets of governmental activities \$ 38,535,754

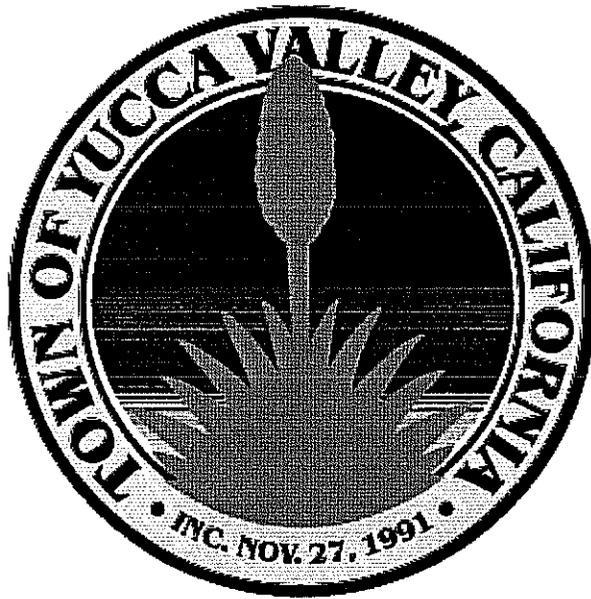
The accompanying notes are an integral part of these financial statements.

Town of Yucca Valley
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2009

	General	Debt Service Redevelopment Agency	Capital Projects Redevelopment Agency
REVENUES			
Taxes	\$ 8,635,174	\$ 2,683,423	\$ -
Licenses and permits	65,579	-	-
Intergovernmental	535,647	22,257	-
Charges for services	518,262	-	-
Fines, fees and forfeitures	34,991	-	-
Investment earnings	139,106	79,513	160,725
Miscellaneous	173,147	1,095	-
Total revenues	<u>10,101,906</u>	<u>2,786,288</u>	<u>160,725</u>
EXPENDITURES			
Current:			
General government	2,054,140	237,738	-
Public safety	3,845,248	-	-
Parks and recreation	1,424,522	-	-
Public works	1,340,975	-	-
Community development	1,071,822	-	63,940
Debt service:			
Principal	6,391	165,000	-
Interest	4,879	627,183	-
Pass-through payments	-	859,868	-
Total expenditures	<u>9,747,977</u>	<u>1,889,789</u>	<u>63,940</u>
Excess (deficiency) of revenues over expenditures	<u>353,929</u>	<u>896,499</u>	<u>96,785</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	229,683	68,445	-
Transfers out	(36,000)	(512,663)	-
Total other financing sources (uses)	<u>193,683</u>	<u>(444,218)</u>	<u>-</u>
Net change in fund balances	547,612	452,281	96,785
Fund balances, beginning of year	<u>5,929,393</u>	<u>3,671,649</u>	<u>6,800,443</u>
Fund balances, end of year	<u>\$ 6,477,005</u>	<u>\$ 4,123,930</u>	<u>\$ 6,897,228</u>

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

<u>CDBG</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 11,318,597
-	-	65,579
368,607	2,369,550	3,296,061
-	-	518,262
-	189,743	224,734
-	157,491	536,835
-	166,147	340,389
<u>368,607</u>	<u>2,882,931</u>	<u>16,300,457</u>
-	-	2,291,878
-	78,156	3,923,404
-	103,956	1,528,478
-	1,411,662	2,752,637
402,440	27,666	1,565,868
-	146,411	317,802
-	19,965	652,027
-	-	859,868
<u>402,440</u>	<u>1,787,816</u>	<u>13,891,962</u>
<u>(33,833)</u>	<u>1,095,115</u>	<u>2,408,495</u>
65,000	931,838	1,294,966
-	(782,303)	(1,330,966)
<u>65,000</u>	<u>149,535</u>	<u>(36,000)</u>
31,167	1,244,650	2,372,495
<u>(89,065)</u>	<u>7,575,345</u>	<u>23,887,765</u>
<u>\$ (57,898)</u>	<u>\$ 8,819,995</u>	<u>\$ 26,260,260</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, 2009

Net change in fund balances – total governmental funds \$ 2,372,495

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of 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 of disposals at net book value	3,436,799
Depreciation expense	(1,118,925)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect 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 payments on debt	317,802
Amortization of:	
Loss on refunding	(9,765)
Cost of issuance	(10,880)
Bond discount	(4,065)

Accrued interest expense related to long-term liabilities. This amount is the difference between the amount of interest paid and the amount of interest incurred on long-term liabilities.	53,325
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Compensated absences expenses reported in the statements of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.	(1,508)
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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 net activities.	42,252
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Change in net assets of governmental activities	<u><u>\$ 5,077,530</u></u>
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The accompanying notes are an integral part of these financial statements.

Town of Yucca Valley
Statement of Fund Net Assets
Proprietary Fund
June 30, 2009

	Governmental Activities Internal Service Fund
ASSETS	
Current assets:	
Cash and investments	\$ 507,037
Total assets	507,037
LIABILITIES	
Current liabilities:	
Accounts payable	229
Total liabilities	229
NET ASSETS	
Unrestricted	506,808
Total net assets	\$ 506,808

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

Town of Yucca Valley
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund
For the year ended June 30, 2009

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Charges for services	\$ 42,994
Total operating revenues	42,994
OPERATING EXPENSES	
Operations	36,742
Total operating expenses	36,742
Operating income	6,252
Transfers in	36,000
Change in net assets	42,252
Net assets, beginning of year	464,556
Net assets, end of year	\$ 506,808

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, 2009**

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from user departments	\$ 42,994
Cash payments to suppliers for goods and services	(40,450)
Net cash provided by operating activities	2,544
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from other funds	36,000
Net cash provided by noncapital financing activities	36,000
Net increase in cash and cash equivalents	38,544
Cash and cash equivalents, beginning of year	468,493
Cash and cash equivalents, end of year	\$ 507,037
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 6,252
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts payable	(3,708)
Net cash provided by operating activities	\$ 2,544
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
None	

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

Town of Yucca Valley
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

ASSETS

Cash and investments	\$ 512,122
Accounts receivable	4,813
	<hr/>
Total assets	<u>\$ 516,935</u>

LIABILITIES

Liabilities:	
Accounts payable	\$ 75,267
Deposits payable	441,668
	<hr/>
Total liabilities	<u>\$ 516,935</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, 2009

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 more significant of the Town's 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 Community Center Authority (Authority) entered into a Joint Powers agreement with the Yucca Valley Park and Recreation District (District) in order to lease certain facilities to the District. All rights to the facilities pass to the District at the end of the lease term. The District is obligated under the Agreement to pay lease payments to the Authority and all operating and maintenance expenses of the facilities. Inasmuch as the District was dissolved, the Town assumed the lease payment obligations and all rights to the facilities will pass to the Town at the end of the lease term. The Authority's activities are reflected in the accompanying financial statements of the Town and this component unit is considered to be a blended component unit.

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

(a) *Reporting Entity (continued)*

- The Yucca Valley Park and Recreation District (District) was dissolved pursuant to the Resolution No. 93-151 of the San Bernardino County Board of Supervisors dated June 15, 1993. The Local Agency Formation Commission (LAFCO) approved the dissolution on June 18, 1993.

The Town Council declared by ordinance that the Town Council would serve as the Board of Directors for the District. The District was formed to provide recreation facilities in the Yucca Valley area. The Town's Council members designate management and have full accountability for the District's fiscal matters. The District's activities are now reflected as a department of the Town's General Fund.

- 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 is 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 matter. The Agency's activities are blended with those of the Town in these financial statements and this component unit is considered to be a blended component unit. The Agency issues separate component unit financial statements that may be obtained at 57090 Twenty-nine Palms Highway, Yucca Valley, California, 92284.
- 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. Separate component unit financial statements for the Financing Authority are not prepared.

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

(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 discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expense are recorded only once (by the function to which they were allocated). Interfund services provided and used are not eliminated in the process of consolidation. However, general government expenses have not been allocated as indirect expenses to the various functions of the Town.

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.

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.

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

(b) *Measurement Focus and Basis of Accounting (continued)*

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.

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

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.

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

(b) Measurement Focus and Basis of Accounting (continued)

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 reserve accounts.

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.

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

(b) *Measurement Focus and Basis of Accounting (continued)*

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 assets.

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.

Capital Projects – Redevelopment Agency – Established to implement the goals and objectives of the Redevelopment Project Area Plans as adopted by the Town Council and the Redevelopment Agency Board consistent with the California Community Redevelopment Law. Agency funds are used to fund operating expenditures and capital projects.

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

(c) *Fund Classifications (continued)*

Debt Service – Redevelopment Agency – Established to account for tax levies, rental and other revenues and payments of principal and interest on Yucca Valley Redevelopment loans and bonds.

CDBG (Community Development Block Grant) – Established to account for capital and noncapital projects funded by CDBG for the revitalization of low-to-moderate income areas within the Town.

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

Internal Service Fund. This fund has been established to finance and account for goods and services provided by one Town department to other Town departments or agencies. Such goods and services include: sale of photocopies and stationary supplies provided by the Central Supplies department of the Town. The Town of Yucca Valley has only one internal service fund.

Agency Funds. These funds are established to account for assets received and held by the Town while acting in the capacity as agents or custodians. Cash and deposits are maintained for activities associated with various associations and third party projects.

(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, 2009, 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.

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

(e) *Cash and Investments (continued)*

Changes in fair value that occur during a fiscal year are recognized as *investment earnings* reported for that fiscal year. *Investment earnings* includes 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.

(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.

**Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009**

Note 1: Summary of Significant Accounting Policies (continued)

(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 reserved 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.

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.

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

(k) 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.

(l) 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.

Note 2: Cash and Investments

Cash and investments are reported as follows:

Statement of net assets:	
Cash and investments	\$ 25,347,788
Cash and investments with fiscal agent	743,203
Statement of fiduciary assets and liabilities:	
Cash and investments	512,122
Total	\$ 26,603,113

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

Cash on hand	\$ 3,200
Deposits with financial institutions	26,878
Investments	26,573,035
Total cash and investments	\$ 26,603,113

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 2: Cash and Investments (continued)

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 State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer *
Local Agency Bonds	Yes	5 years	None	None
U.S. Treasury Obligations	Yes	2 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Baker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	180 days	25%	10%
Negotiable Certificates of Deposits	Yes	2 years	30%	None
Repurchase Agreements	No	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	Yes	5 years	15%	None
Mutual Funds	Yes	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	15%	10%
Mortgage Pass-Through Securities	Yes	5 years	20%	None
County Pooled Investment Funds	Yes	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	None
JPA Pools (other investment pools)	Yes	N/A	None	None

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

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

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 2: Cash and Investments (continued)

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.

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		Remaining maturity			
		12 months or less	13 to 24 months	25 to 60 months	More than 60 months
State investment pool	\$ 25,524,115	\$ 25,524,115	\$ -	\$ -	\$ -
Money market	305,717	305,717	-	-	-
Held by bond trustees:					
Money market	743,203	743,203	-	-	-
Total	\$ 26,573,035	\$ 26,573,035	\$ -	\$ -	\$ -

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	Rating at fiscal year end	
			Aa	Not rated
State Investment Pool	\$ 25,524,115	N/A	\$ -	\$ 25,524,115
Money market	305,717	N/A	305,717	-
Held by bond trustees:				
Money market	743,203	N/A	743,203	-
Total	\$ 26,573,035		\$ 1,048,920	\$ 25,524,115

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, 2009.

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

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.

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 LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized costs basis. LAIF is not rated.

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 3: Due From and To Other Funds

Interfund receivable and payable balances at June 30, 2009 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	CDBG	\$ 255,091
	Nonmajor governmental funds	<u>49,108</u>
	Total interfund	<u>\$ 304,199</u>

These short term interfund borrowings were made to cover cash deficits at June 30, 2009.

Note 4: Transfers In and Out

Transfers in and out for the year ended June 30, 2009 were as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General Fund	Internal Service Fund	\$ 36,000
Nonmajor Governmental Funds	CDBG Fund	65,000
Low and Moderate Housing Fund	Debt Service - Redevelopment Debt Service Fund	68,445
Debt Service - Redevelopment Debt Service Fund	Nonmajor Governmental Funds	512,663 (a)
Nonmajor Governmental Funds	General Fund	229,683
	Nonmajor Governmental Funds	<u>419,175 (b)</u>
	Total transfers	<u>\$ 1,330,966</u>

(a) A transfer of \$512,663 was made from the Debt Service - Redevelopment Debt Service Fund to the Low and Moderate Housing Fund, which represents an amount equal to the 20% set aside required to be recorded in the Low and Moderate Income Housing Fund.

(b) Transfers to cover various costs incurred by one fund and reimbursed by another.

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 5: Due from Other Governments

The amounts due from other governments at June 30, 2009 consist of the following:

County of San Bernardino	\$ 1,051,142
State of California	<u>88,505</u>
Total due from other governments	<u>\$ 1,139,647</u>

Note 6: Capital Assets

Capital asset activity for the year ended June 30, 2009 is as follows:

	Beginning balance	Additions	Deletions	Ending balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,113,951	\$ -	\$ -	\$ 4,113,951
Construction in progress	669,614	970,826	(425,601)	1,214,839
Total capital assets not being depreciated	<u>4,783,565</u>	<u>970,826</u>	<u>(425,601)</u>	<u>5,328,790</u>
Capital assets, being depreciated:				
Building and improvements				
Land improvements	4,444,617	550,095	-	4,994,712
Construction	6,782,194	-	-	6,782,194
Infrastructure	23,368,247	2,147,970	-	25,516,217
Vehicle and equipment				
Machinery and equipment	1,881,316	63,470	-	1,944,786
Licensed vehicles	1,234,561	130,453	(13,266)	1,351,748
Total capital assets, being depreciated	<u>37,710,935</u>	<u>2,891,988</u>	<u>(13,266)</u>	<u>40,589,657</u>
Less accumulated depreciation for:				
Building and improvements				
Land improvements	(1,786,039)	(226,558)	-	(2,012,597)
Construction	(1,885,549)	(146,031)	-	(2,031,580)
Infrastructure	(17,688,319)	(499,785)	-	(18,188,104)
Vehicle and equipment				
Machinery and equipment	(643,576)	(124,173)	-	(767,749)
Licensed vehicles	(619,434)	(122,378)	12,852	(728,960)
Total accumulated depreciation	<u>(22,622,917)</u>	<u>(1,118,925)</u>	<u>12,852</u>	<u>(23,728,990)</u>
Total capital assets, being depreciated, net	<u>15,088,018</u>	<u>1,773,063</u>	<u>(414)</u>	<u>16,860,667</u>
Governmental activities capital assets, net	<u>\$19,871,583</u>	<u>\$ 2,743,889</u>	<u>\$ (426,015)</u>	<u>\$ 22,189,457</u>

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 6: Capital Assets (continued)

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

General government	\$	348,356
Parks and recreation		7,573
Community development		39,347
Public works		<u>723,649</u>
Total depreciation expense	\$	<u><u>1,118,925</u></u>

Significant construction commitments as of June 30, 2009 are as follows:

Description	Project budget	Cumulative expenditures to date	Unexpended commitments
SR62 Apache to Palm Avenue Rehabilitation	\$ 1,581,000	\$ 141,250	\$ 1,439,750
SR62 Old Town Realignment	1,246,263	13,800	1,232,463

Note 7: Changes in Long-Term Liabilities

Changes in long-term liabilities during the year ended June 30, 2009 were as follows:

<i>Governmental activities:</i>	Beginning balance	Additions	Deletions	Ending balance	Due within one year
2001 Series B Bonds	\$ 318,043	\$ -	\$ (146,411)	\$ 171,632	\$ 171,632
2008 Refunding TABS	10,625,000	-	(165,000)	10,460,000	170,000
Less deferred amounts:					
On refunding	(195,306)	-	(9,765)	(185,541)	-
For issuance discounts	<u>(121,957)</u>	<u>-</u>	<u>(4,065)</u>	<u>(117,892)</u>	<u>-</u>
Total bonds payable	<u>10,625,780</u>	<u>-</u>	<u>(325,241)</u>	<u>10,328,199</u>	<u>341,632</u>
CA energy commission	109,992	-	(6,391)	103,601	6,875
CA energy commission	76,800	-	-	76,800	1,024
Compensated absences*	<u>185,539</u>	<u>289,274</u>	<u>(287,766)</u>	<u>187,047</u>	<u>46,762</u>
Total long-term liabilities	<u><u>\$10,998,111</u></u>	<u><u>\$ 289,274</u></u>	<u><u>\$ (619,398)</u></u>	<u><u>\$10,695,647</u></u>	<u><u>\$ 396,293</u></u>

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

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 8: Bonds Payable

2001 Bonds – San Bernardino Associated Government

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.

The 2001 bond proceeds were used for street costs in accordance with Measure "I". The repayment of these proceeds is secured by the future Measure "I" from the County of San Bernardino. The bonds are due in annual installments from March 1, 2002 to March 1, 2010. Interest is paid semiannually.

Pursuant to an administrative agreement with SANBAG, amounts representing debt service payments are being withheld from the Town's monthly Measure "I" apportionments. These payments are reflected in the Town's books and records as principal and interest expense at the time of withholding as appropriate.

At June 30, 2009, the amount of bonds outstanding was \$171,632.

2008 Tax Allocation Bonds

In May 2008, the Agency issued Yucca Valley Redevelopment Project Area No. 1 Tax Allocation Bonds, Series of 2008, in the aggregate principal of \$10,652,000.

The bonds are dated May 1, 2008 and are in denominations of \$5,000 and bear interest at rates ranging from 3.10% to 5.75%. Principal is payable annually on June 1 beginning on June 1, 2009. Interest is payable semi-annually on June 1 and December 1. The bonds mature between the time frames of June 1, 2009 and June 1, 2038 in amounts ranging from \$165,000 to \$695,000. At June 30, 2009, the balance held in the reserve account was \$743,203 and the amount of bonds outstanding was \$10,460,000.

The bonds were issued to refund on a current basis the \$1,730,000 Yucca Valley Redevelopment Agency, 1995 Tax Allocation Bonds Series A and on an advanced basis \$2,665,000 Yucca Valley Redevelopment Agency, 2004 Tax Allocation Revenue Bonds. The bonds were also issued to fund redevelopment activities within and for the benefit of the Redevelopment Project. A portion of the bond proceeds from the sale were placed in an irrevocable trust to be used to service the future debt service requirements of the old debt.

The reacquisition price exceeded the net carrying amount of the old debt by \$195,306. This amount is being netted against the new debt and being amortized over the remaining life of the 1995 Tax Allocation Bonds Series A refunded debt. The advance refunding resulted in a decrease in debt service payments over the next 27 years of \$580,972 and in an economic gain of \$464,786.

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 8: Bonds Payable (continued)

The annual debt service requirements to maturity for all bonds are as follows:

Governmental activities:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 341,632	\$ 575,507
2011	175,000	562,702
2012	180,000	555,702
2013	190,000	548,142
2014	195,000	540,163
2015-2019	1,130,000	2,556,212
2020-2024	1,455,000	2,231,743
2025-2029	1,900,000	1,785,939
2030-2034	2,495,000	1,185,076
2035-2038	2,570,000	379,499
Totals	<u>\$ 10,631,632</u>	<u>\$ 10,920,685</u>

Note 9: Loans Payable

The CA Energy Commission loan 006-04-ECC was issued in March 2006 in the amount of \$120,328 to be paid semi-annually on December 22 and June 22 commencing on December 22, 2006 through December 22, 2021. This loan bears an interest rate of 4.5% annually.

The CA Energy Commission loan 004-04-ECB was issued in January 2008 in the amount of \$76,800 to be paid semi-annually on December 22 and June 22 commencing on December 22, 2009 through December 22, 2024. This loan bears an interest rate of 3.95% annually.

The annual debt service requirement to maturity for the CA Energy Commission loans are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 7,899	\$ 11,810
2011	11,335	7,360
2012	11,809	6,886
2013	12,342	6,354
2014	12,876	5,818
2015-2019	73,271	20,206
2020-2024	50,869	4,823
Totals	<u>\$ 180,401</u>	<u>\$ 63,257</u>

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 10: 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.

PARSAC's Liability Program offers a combination of pooled and commercially-purchased public auto and general liability coverages, plus errors and omissions coverage, above individual Member Entity self-insured retentions (similar to deductibles and ranging from \$0 to \$500,000) 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 \$5 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 \$5 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 carries a \$5,000 retention with amounts in excess of the retention covered by PARSAC up to \$995,000. In addition, coverage in excess of the \$1,000,000, up to \$28,000,000 is covered by additional commercial insurance purchased through PARSAC. All Risk Property is covered up to \$1,000,000 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.

Separate financial statements of the Authority 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 2007-2008 to fiscal year 2008-2009. Furthermore, there was no settlement, which exceeded the insurance coverage for the fiscal years 2006-2007, 2007-2008 and 2008-2009.

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 11: Expenditures in Excess of Appropriations

Expenditures exceeded appropriations in the following funds for the year ended June 30, 2009:

	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Special Revenue Funds:</i>			
Traffic Safety	\$ 1,500	\$ 2,344	\$ (844)
Asset Seizure	500	1,055	(555)
Permanent Flood Reimb/State	-	19,996	(19,996)
<i>Debt Service Fund:</i>			
Community Center Authority	67,452	87,754	(20,302)
Redevelopment Agency	1,824,000	1,889,789	(65,789)

Note 12: Retirement Plan

Plan Description

The Town contributes to the California Public Employees Retirements 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. Copies of PERS' annual financial report may be obtained from their executive office: 400 "Q" Street, Sacramento, California 95814.

Funding Policy

Participants are required to contribute 8% of their annual covered salary. The Town makes the contributions required of the employees on their behalf and for their account. The Town is required to contribute at an actuarially determined rate; the current rate 15.276% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by PERS.

Town of Yucca Valley
Notes to the Basic Financial Statements
For the year ended June 30, 2009

Note 12: Retirement Plan (continued)

Annual pension cost

For 2009, the Town's annual pension cost of \$338,743 for PERS was equal to the Town's required contributions. The required contribution was determined as part of the June 30, 2006, actuarial valuation using the entry age normal actuarial cost method.

THREE YEAR TREND INFORMATION FOR PERS			
Fiscal year	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
06/30/07	\$ 317,685	100%	\$ -
06/30/08	\$ 321,927	100%	\$ -
06/30/09	\$ 338,743	100%	\$ -

Note 13: Note 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 accrues daily at a rate using the PMIA Average Monthly Effective Yield as published by the State Treasurers Office. The note is 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.

Note 14: Deficit Fund Balances

As of June 30, 2009, a deficit fund balance was recorded in the following funds:

	Fund deficit
<i>Special Revenue Funds:</i>	
CDBG	\$ (57,898)
Public Lands Federal Grant	(12,701)

REQUIRED SUPPLEMENTARY INFORMATION



Town of Yucca Valley
Notes to Required Supplementary Information
For the year Ended June 30, 2009

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. 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 has 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. There were no significant budget amendments during the fiscal year.

Formal budgetary integration is employed as a management control device during the year for the general, special revenue, debt service and capital projects funds. Budgets for these funds are adopted on a basis consistent with generally accepted accounting principles. The fiduciary fund does not have a formally adopted budget.

Required Supplementary Information
Town of Yucca Valley
Budgetary Comparison Schedule – General Fund Revenues
For the year ended June 30, 2009

	Budgeted Amounts		Actual amounts	Variance with final budget
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 2,764,500	\$ 2,764,500	\$ 2,796,596	\$ 32,096
Property taxes in lieu	1,696,400	1,696,400	1,868,682	172,282
Sales tax	3,300,000	3,300,000	2,980,561	(319,439)
Transient occupancy tax	160,020	160,020	172,622	12,602
Franchise fees	748,000	748,000	816,713	68,713
Total taxes	<u>8,668,920</u>	<u>8,668,920</u>	<u>8,635,174</u>	<u>(33,746)</u>
Licenses and permits	<u>65,500</u>	<u>65,500</u>	<u>65,579</u>	<u>79</u>
Fines and forfeitures	<u>16,000</u>	<u>16,000</u>	<u>34,991</u>	<u>18,991</u>
Use of money and property:				
Investment earnings	<u>171,800</u>	<u>171,800</u>	<u>139,106</u>	<u>(32,694)</u>
Charges for services:				
Planning, engineering and building fees	607,200	607,200	280,828	(326,372)
Sports programs	207,000	207,000	164,113	(42,887)
Other	82,798	82,798	73,321	(9,477)
Total charges for services	<u>896,998</u>	<u>896,998</u>	<u>518,262</u>	<u>(378,736)</u>
Intergovernmental:				
Motor vehicle in lieu	65,600	65,600	72,272	6,672
HOPTR	35,000	35,000	32,652	(2,348)
Other	305,000	305,000	430,723	125,723
Total intergovernmental	<u>405,600</u>	<u>405,600</u>	<u>535,647</u>	<u>130,047</u>
Miscellaneous	<u>102,000</u>	<u>102,000</u>	<u>173,147</u>	<u>71,147</u>
Total revenues	<u>\$ 10,326,818</u>	<u>\$ 10,326,818</u>	<u>\$ 10,101,906</u>	<u>\$ (224,912)</u>

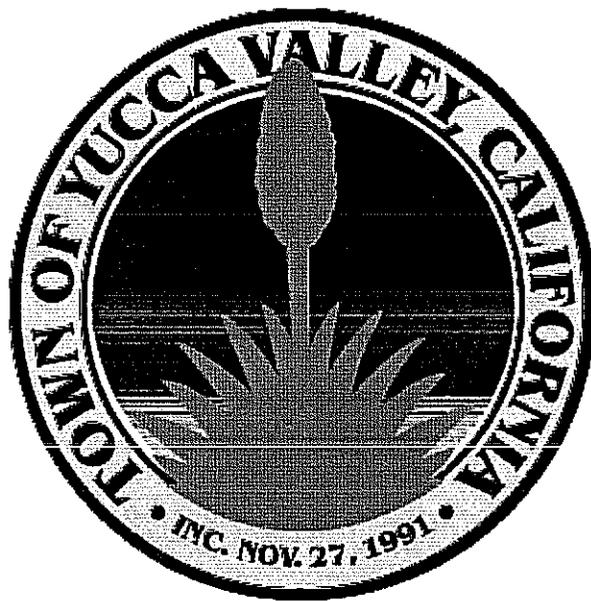
Required Supplementary Information
Town of Yucca Valley
Budgetary Comparison Schedule – General Fund Expenditures
For the year ended June 30, 2009

	Budgeted Amounts		Actual amounts	Variance with final budget
	Original	Final		
EXPENDITURES				
General government:				
Town council	\$ 131,165	\$ 448,313	\$ 138,661	\$ 309,652
Town clerk/attorney	213,120	213,120	207,705	5,415
Interdepartmental	314,232	302,532	275,724	26,808
Town administration	624,556	634,556	562,708	71,848
Management services	679,484	1,129,484	869,342	260,142
Total general government	1,962,557	2,728,005	2,054,140	673,865
Public works	1,503,416	1,531,016	1,340,975	190,041
Public safety:				
Police	3,256,000	3,306,000	3,260,055	45,945
Animal control	679,198	684,198	585,193	99,005
Total public safety	3,935,198	3,990,198	3,845,248	144,950
Parks and recreation	1,440,967	1,605,968	1,424,522	181,446
Community development	1,386,285	1,543,887	1,071,822	472,065
Debt service:				
Principal	-	6,200	6,391	(191)
Interest	-	5,500	4,879	621
Total debt service	-	11,700	11,270	430
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	229,683	(229,683)
Transfers out	-	(36,000)	(36,000)	-
Total other financing sources (uses)	-	(36,000)	193,683	(229,683)
Total expenditures	\$ 10,228,423	\$ 11,374,774	\$ 9,941,660	\$ 1,433,114

Required Supplementary Information
Town of Yucca Valley
Budgetary Comparison Schedule
CDBG Fund
For the year ended June 30, 2009

	Budgeted Amounts		Actual amounts	Variance with final budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 433,503	\$ 368,607	\$ (64,896)
Total revenues	-	433,503	368,607	(64,896)
EXPENDITURES				
Current:				
Community development	-	658,000	402,440	255,560
Total expenditures	-	658,000	402,440	255,560
Excess (deficiency) of revenue over expenditures	-	(224,497)	(33,833)	190,664
OTHER FINANCING SOURCES (USES)				
Transfers in	65,000	-	65,000	65,000
Total other financing sources (uses)	65,000	-	65,000	65,000
Net change in fund balance	65,000	(224,497)	31,167	255,664
Fund balance, beginning of year	(89,065)	(89,065)	(89,065)	-
Fund balance, end of year	<u>\$ (24,065)</u>	<u>\$ (313,562)</u>	<u>\$ (57,898)</u>	<u>\$ 255,664</u>

SUPPLEMENTAL SCHEDULES



**Town of Yucca Valley
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals
ASSETS				
Cash and investments	\$ 7,037,995	\$ -	\$ 1,528,377	\$ 8,566,372
Receivables:				
Accounts, net	43,048	-	-	43,048
Due from other governments	359,911	-	-	359,911
Interest	24,688	-	-	24,688
Notes	15,000	-	-	15,000
Total assets	<u>\$ 7,480,642</u>	<u>\$ -</u>	<u>\$ 1,528,377</u>	<u>\$ 9,009,019</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 132,369	\$ -	\$ -	\$ 132,369
Accrued payroll	7,547	-	-	7,547
Due to other funds	49,108	-	-	49,108
Total liabilities	<u>189,024</u>	<u>-</u>	<u>-</u>	<u>189,024</u>
Fund balances:				
Reserved for:				
Encumbrances	74,716	-	-	74,716
Low and moderate housing	1,786,733	-	-	1,786,733
Note receivable	15,000	-	-	15,000
Unreserved:				
Designated for special projects	-	-	1,528,377	1,528,377
Undesignated	5,415,169	-	-	5,415,169
Total fund balances	<u>7,291,618</u>	<u>-</u>	<u>1,528,377</u>	<u>8,819,995</u>
Total liabilities and fund balances	<u>\$ 7,480,642</u>	<u>\$ -</u>	<u>\$ 1,528,377</u>	<u>\$ 9,009,019</u>

Town of Yucca Valley
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals
REVENUES				
Intergovernmental	\$ 2,369,550	\$ -	\$ -	\$ 2,369,550
Fines, fees and forfeitures	189,743	-	-	189,743
Investment earnings	137,189	20,302	-	157,491
Miscellaneous	2,147	-	164,000	166,147
	<u>2,698,629</u>	<u>20,302</u>	<u>164,000</u>	<u>2,882,931</u>
EXPENDITURES				
Current:				
Public safety	78,156	-	-	78,156
Parks and recreation	16,202	87,754	-	103,956
Public works	1,411,662	-	-	1,411,662
Community development	27,666	-	-	27,666
Debt service:				
Principal	146,411	-	-	146,411
Interest	19,965	-	-	19,965
	<u>1,700,062</u>	<u>87,754</u>	<u>-</u>	<u>1,787,816</u>
Excess (deficiency) of revenues over expenditures	<u>998,567</u>	<u>(67,452)</u>	<u>164,000</u>	<u>1,095,115</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	931,838	-	-	931,838
Transfers out	(717,303)	-	(65,000)	(782,303)
	<u>214,535</u>	<u>-</u>	<u>(65,000)</u>	<u>149,535</u>
Net change in fund balances	1,213,102	(67,452)	99,000	1,244,650
Fund balances, beginning of year	<u>6,078,516</u>	<u>67,452</u>	<u>1,429,377</u>	<u>7,575,345</u>
Fund balances, end of year	<u>\$ 7,291,618</u>	<u>\$ -</u>	<u>\$ 1,528,377</u>	<u>\$ 8,819,995</u>

**Town of Yucca Valley
Nonmajor Special Revenue Funds
Year Ended June 30, 2009**

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 payment-in-lieu funds pursuant to the requirements of the Town Ordinance relating to the dedication of land for parks and recreational purposes.

Development Impact Fees – 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 improvement of public facilities as a result of Town growth.

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 – 04/05 (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 for the purpose of accounting for funds received as proceeds from the sale of assets seized during drug raids.

AB2928 State Construction Grant – Established to account for construction grant monies received for street and highway pavement maintenance, rehabilitation and reconstruction of necessary associated facilities such as drainage and traffic control devices.

AB2928 – TCRP (Traffic Congestion Relief Program) - Established to account for maintenance grant monies received for street and highway pavement maintenance, rehabilitation and reconstruction of necessary associated facilities such as drainage and traffic control devices.

Gas Tax – Established to account for receipts and expenditures for 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.

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

**Town of Yucca Valley
Nonmajor Special Revenue Funds
(Continued)**

Measure I – 5% Transit – Established to account for revenues from a (1/2%) sales tax on all retail transactions within the County.

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.

Cal Trans Outer Highway/Relinquishment – Established to account for expenditures and reimbursements of grant funds received from the State of California (Caltrans) for development, design and construction of improvements around public school sites in the Town, including sidewalks, flashing lights and related safety improvements.

Proposition 1b – Established to account for monies received from the State through Prop 1b. This proposition provided \$19 billion in bond funds for a variety of transportation projects, including \$2 billion for cities and counties for maintenance and improvements of local transportation facilities. The Town expects to receive approximately \$650,000 for qualified local transportation projects.

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 – These funds are available through the California Energy Commission Renewable Energy Program. The Commission provides long-term, low interest loans to municipalities that construct solar, wind or other renewable energy projects that meet program eligibility requirements.

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

FEMA (Federal Emergency Management Agency) – Established for the purpose of accounting for expenditures associated with projects that are the result of a recognized disaster or emergency. FEMA reimburses the Town at a rate of 75% of authorized expenditures. The State of California reimburses 75% of the remaining 25%. During some years there are no FEMA projects.

HUD – Jerry Lewis Park – Federal funds made available through the US department 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 (Pubic Law 106-554). The funds are for the purposes 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 local matching funds.

**Town of Yucca Valley
Nonmajor Special Revenue Funds
(Continued)**

Prop 12 – Paradise Park – This fund is used to account for revenues from the State of California to be used for park improvement expenditures.

Prop 40 – Parks Projects – This fund is used to account for revenues received from the State of California to be used for park improvement expenditures.

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

Permanent Flood Reimbursement/State – Established to account for revenues received from the State of California as reimbursement, as a result of a declared state of emergency, for permanent repairs of damage caused to the Town's roadways.

Landscape/Lighting Maintenance District – Established to provide regular maintenance, repair and replacement of all facilities within the public rights-of-ways or easement 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 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.

RDA Low/Mod Housing – Established to account for 20% set-aside for low and moderate income projects. Expenditures in this fund are designated for increasing, preserving and improving the number of low income housing units.

Public Lands Federal Grant – Public Lands Highway Discretionary Funds (PLHD) are administered by the Federal Highway Administration (FHWA) to implement the Safe, Accountable, Flexible, Efficient Transportation Equity Act; A Legacy for Users (SAFETELU), Public Law 109-59. PLHD funds are allocated through 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 Caltrans.

**Town of Yucca Valley
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009**

	Quimby Fees	Development Impact Fees	CLEEPS – High Tech
ASSETS			
Cash and investments	\$ 66,822	\$ 617,728	\$ 10,950
Accounts receivable	-	-	-
Receivables:			
Due from other governments	-	-	-
Interest	242	2,244	40
Notes	-	-	-
Total assets	<u>\$ 67,064</u>	<u>\$ 619,972</u>	<u>\$ 10,990</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit):			
Reserved for:			
Encumbrances	-	-	-
Low and moderate housing	-	-	-
Notes receivable	-	-	-
Unreserved:			
Undesignated	67,064	619,972	10,990
Total fund balances (deficit)	<u>67,064</u>	<u>619,972</u>	<u>10,990</u>
Total liabilities and fund balances	<u>\$ 67,064</u>	<u>\$ 619,972</u>	<u>\$ 10,990</u>

<u>COPS – SLESF</u>	<u>Traffic Safety</u>	<u>Asset Seizure</u>	<u>AB 2928 State Construction Grant</u>	<u>AB2928 TCRP</u>
\$ 134,301	\$ 206,530	\$ 2,567	\$ 46,123	\$ -
-	-	-	-	42,801
40,567	6,165	-	3,354	-
488	750	9	-	-
-	-	-	-	-
<u>\$ 175,356</u>	<u>\$ 213,445</u>	<u>\$ 2,576</u>	<u>\$ 49,477</u>	<u>\$ 42,801</u>
\$ 7,151	\$ -	\$ -	\$ 250	\$ -
-	-	-	-	-
-	-	-	-	27,934
<u>7,151</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>27,934</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>168,205</u>	<u>213,445</u>	<u>2,576</u>	<u>49,227</u>	<u>14,867</u>
<u>168,205</u>	<u>213,445</u>	<u>2,576</u>	<u>49,227</u>	<u>14,867</u>
<u>\$ 175,356</u>	<u>\$ 213,445</u>	<u>\$ 2,576</u>	<u>\$ 49,477</u>	<u>\$ 42,801</u>

**Town of Yucca Valley
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009
(continued)**

	<u>Gas Tax</u>	<u>Local Transportation</u>	<u>Measure I – 5% Transit</u>
ASSETS			
Cash and investments	\$ 357,198	\$ 497,727	\$ 20,557
Accounts receivable	-	-	-
Receivables:			
Due from other governments	30,789	167,215	5,558
Interest	1,298	1,808	75
Notes	-	-	-
Total assets	<u>\$ 389,285</u>	<u>\$ 666,750</u>	<u>\$ 26,190</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 35,906	\$ 14,598	\$ 25,623
Accrued payroll	7,547	-	-
Due to other funds	-	-	-
Total liabilities	<u>43,453</u>	<u>14,598</u>	<u>25,623</u>
Fund balances (deficit):			
Reserved for:			
Encumbrances	52,216	11,250	-
Low and moderate housing	-	-	-
Notes receivable	-	-	-
Unreserved:			
Undesignated	293,616	640,902	567
Total fund balances (deficit)	<u>345,832</u>	<u>652,152</u>	<u>567</u>
Total liabilities and fund balances	<u>\$ 389,285</u>	<u>\$ 666,750</u>	<u>\$ 26,190</u>

<u>Measure I – 65% Major Arterial</u>	<u>Measure I – 30% Local Roads</u>	<u>CalTrans Outer Highway/ Relinquishment</u>	<u>Prop 1B Funds</u>	<u>Flood Control</u>
\$ 1,491,920	\$ 623,577	\$ 140,927	\$ 536,184	\$ 169,505
-	-	-	246	-
51,456	33,347	-	-	-
5,420	2,265	512	1,948	616
-	-	-	-	-
<u>\$ 1,548,796</u>	<u>\$ 659,189</u>	<u>\$ 141,439</u>	<u>\$ 538,378</u>	<u>\$ 170,121</u>
\$ 18,742	\$ 5,685	\$ -	\$ 375	\$ -
-	-	-	-	-
-	-	-	-	-
<u>18,742</u>	<u>5,685</u>	<u>-</u>	<u>375</u>	<u>-</u>
-	11,250	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,530,054</u>	<u>642,254</u>	<u>141,439</u>	<u>538,003</u>	<u>170,121</u>
<u>1,530,054</u>	<u>653,504</u>	<u>141,439</u>	<u>538,003</u>	<u>170,121</u>
<u>\$ 1,548,796</u>	<u>\$ 659,189</u>	<u>\$ 141,439</u>	<u>\$ 538,378</u>	<u>\$ 170,121</u>

**Town of Yucca Valley
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009
(continued)**

	<u>CA Energy Commission</u>	<u>AB 2766 Air Pollution</u>	<u>FEMA</u>
ASSETS			
Cash and investments	\$ -	\$ 84,038	\$ 26,081
Accounts receivable	-	-	-
Receivables:			
Due from other governments	-	-	-
Interest	-	305	-
Notes	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 84,343</u>	<u>\$ 26,081</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit):			
Reserved for:			
Encumbrances	-	-	-
Low and moderate housing	-	-	-
Notes receivable	-	-	-
Unreserved:			
Undesignated	-	84,343	26,081
Total fund balances (deficit)	<u>-</u>	<u>84,343</u>	<u>26,081</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 84,343</u>	<u>\$ 26,081</u>

HUD-Jerry Lewis Park	Prop 12 – Paradise Park	Prop 40 – Parks Projects	Recycling Activities Grant	Permanent Flood Reimb/State
\$ 164,838	\$ 4,556	\$ -	\$ 353	\$ -
-	-	-	1	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 164,838</u>	<u>\$ 4,556</u>	<u>\$ -</u>	<u>\$ 354</u>	<u>\$ -</u>
\$ 5,832	\$ 4,556	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
<u>5,832</u>	<u>4,556</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>159,006</u>	<u>-</u>	<u>-</u>	<u>354</u>	<u>-</u>
<u>159,006</u>	<u>-</u>	<u>-</u>	<u>354</u>	<u>-</u>
<u>\$ 164,838</u>	<u>\$ 4,556</u>	<u>\$ -</u>	<u>\$ 354</u>	<u>\$ -</u>

**Town of Yucca Valley
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009
(continued)**

	<u>Landscape and Lighting Maintenance</u>	<u>Street and Drainage District</u>	<u>RDA Low/Mod Housing</u>
ASSETS			
Cash and investments	\$ 9,577	\$ 45,670	\$ 1,780,266
Accounts receivable	-	-	-
Receivables:			
Due from other governments	-	-	-
Interest	35	166	6,467
Notes	-	-	15,000
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 9,612</u>	<u>\$ 45,836</u>	<u>\$ 1,801,733</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 295	\$ 369	\$ -
Accrued payroll	-	-	-
Due to other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>295</u>	<u>369</u>	<u>-</u>
Fund balances (deficit):			
Reserved for:			
Encumbrances	-	-	-
Low and moderate housing	-	-	1,786,733
Notes receivable	-	-	15,000
Unreserved:			
Undesignated	9,317	45,467	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficit)	<u>9,317</u>	<u>45,467</u>	<u>1,801,733</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 9,612</u>	<u>\$ 45,836</u>	<u>\$ 1,801,733</u>

<u>Public Lands Federal Grant</u>	<u>Total</u>
\$ -	\$ 7,037,995
-	43,048
21,460	359,911
-	24,688
-	15,000
<u>\$ 21,460</u>	<u>\$ 7,480,642</u>
\$ 12,987	\$ 132,369
-	7,547
<u>21,174</u>	<u>49,108</u>
<u>34,161</u>	<u>189,024</u>
-	74,716
-	1,786,733
-	15,000
<u>(12,701)</u>	<u>5,415,169</u>
<u>(12,701)</u>	<u>7,291,618</u>
<u>\$ 21,460</u>	<u>\$ 7,480,642</u>

Town of Yucca Valley
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the year ended June 30, 2009

	<u>Quimby Fees</u>	<u>Development Impact Fees</u>	<u>CLEEPS – High Tech</u>
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Fines, fees and forfeitures	19,390	95,280	-
Investment earnings	2,496	14,633	240
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	21,886	109,913	240
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
Public safety	-	-	-
Parks and recreation	-	-	-
Public works	-	1,900	-
Community development	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	1,900	-
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	21,886	108,013	240
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(70,897)	(88,278)	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(70,897)	(88,278)	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(49,011)	19,735	240
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year, restated	116,075	600,237	10,750
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ 67,064	\$ 619,972	\$ 10,990
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<u>COPS - SLESF</u>	<u>Traffic Safety</u>	<u>Asset Seizure</u>	<u>AB2928 State Construction Grant</u>	<u>AB2928 TCRP</u>
\$ 101,226	\$ -	\$ -	\$ 52,778	\$ 179,895
-	75,073	-	-	-
3,142	4,139	57	-	596
-	-	-	-	-
<u>104,368</u>	<u>79,212</u>	<u>57</u>	<u>52,778</u>	<u>180,491</u>
74,757	2,344	1,055	-	-
-	-	-	-	-
-	-	-	52,892	30,624
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>74,757</u>	<u>2,344</u>	<u>1,055</u>	<u>52,892</u>	<u>30,624</u>
29,611	76,868	(998)	(114)	149,867
-	-	-	-	-
-	(25,000)	-	-	(135,000)
-	(25,000)	-	-	(135,000)
29,611	51,868	(998)	(114)	14,867
138,594	161,577	3,574	49,341	-
<u>\$ 168,205</u>	<u>\$ 213,445</u>	<u>\$ 2,576</u>	<u>\$ 49,227</u>	<u>\$ 14,867</u>

Town of Yucca Valley
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the year ended June 30, 2009
(continued)

	<u>Gas Tax</u>	<u>Local Transportation</u>	<u>Measure I – 5% Transit</u>
REVENUES			
Intergovernmental	\$ 345,550	\$ 167,215	\$ 54,072
Fines, fees and forfeitures	-	-	-
Investment earnings	5,699	12,209	365
Miscellaneous	-	-	-
	<u>351,249</u>	<u>179,424</u>	<u>54,437</u>
EXPENDITURES			
Current:			
Public safety	-	-	-
Parks and recreation	-	-	-
Public works	450,782	146,366	54,288
Community development	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
	<u>450,782</u>	<u>146,366</u>	<u>54,288</u>
Excess (deficiency) of revenues over expenditures	<u>(99,533)</u>	<u>33,058</u>	<u>149</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	160,000	-	-
Transfers out	-	-	-
	<u>160,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	60,467	33,058	149
Fund balances, beginning of year, restated	<u>285,365</u>	<u>619,094</u>	<u>418</u>
Fund balances, end of year	<u>\$ 345,832</u>	<u>\$ 652,152</u>	<u>\$ 567</u>

Measure I – 65% Major Arterial	Measure I – 30% Local Roads	CalTrans Outer Highway/ Relinquishment	Prop 1B Funds	Flood Control
\$ 702,929	\$ 324,429	\$ -	\$ 253,384	\$ -
-	-	-	-	-
29,655	14,326	3,092	8,111	1,896
-	-	-	-	-
<u>732,584</u>	<u>338,755</u>	<u>3,092</u>	<u>261,495</u>	<u>1,896</u>
-	-	-	-	-
-	-	-	-	-
177,972	230,476	-	129,724	-
-	-	-	-	-
146,411	-	-	-	-
19,965	-	-	-	-
<u>344,348</u>	<u>230,476</u>	<u>-</u>	<u>129,724</u>	<u>-</u>
388,236	108,279	3,092	131,771	1,896
-	-	-	-	100,000
-	-	-	-	-
-	-	-	-	100,000
388,236	108,279	3,092	131,771	101,896
1,141,818	545,225	138,347	406,232	68,225
<u>\$ 1,530,054</u>	<u>\$ 653,504</u>	<u>\$ 141,439</u>	<u>\$ 538,003</u>	<u>\$ 170,121</u>

Town of Yucca Valley
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the year ended June 30, 2009
(continued)

	CA Energy Commission	AB 2766 Air Pollution	FEMA
REVENUES			
Intergovernmental	\$ 85,963	\$ 14,778	\$ -
Fines, fees and forfeitures	-	-	-
Investment earnings	623	1,985	-
Miscellaneous	1,707	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	88,293	16,763	-
EXPENDITURES			
Current:			
Public safety	-	-	-
Parks and recreation	-	-	-
Public works	2,566	14,816	-
Community development	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	2,566	14,816	-
Excess (deficiency) of revenues over expenditures	<hr/>	<hr/>	<hr/>
	85,727	1,947	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(128,853)	-	(100,000)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(128,853)	-	(100,000)
Net change in fund balances	(43,126)	1,947	(100,000)
Fund balances, beginning of year, restated	<hr/>	<hr/>	<hr/>
	43,126	82,396	126,081
Fund balances, end of year	<hr/>	<hr/>	<hr/>
	\$ -	\$ 84,343	\$ 26,081

HUD-Jerry Lewis Park	Prop 12 – Paradise Park	Prop 40 – Parks Projects	Recycling Activities Grant	Permanent Flood Reimb/State
\$ -	\$ -	\$ -	\$ 5,521	\$ -
-	-	-	-	-
-	-	-	165	-
-	-	-	440	-
-	-	-	6,126	-
-	-	-	-	-
9,141	4,556	2,505	-	-
-	-	-	-	19,996
-	-	-	5,772	-
-	-	-	-	-
-	-	-	-	-
9,141	4,556	2,505	5,772	19,996
(9,141)	(4,556)	(2,505)	354	(19,996)
159,175	-	-	-	-
-	-	-	-	(100,830)
159,175	-	-	-	(100,830)
150,034	(4,556)	(2,505)	354	(120,826)
8,972	4,556	2,505	-	120,826
\$ 159,006	\$ -	\$ -	\$ 354	\$ -

Town of Yucca Valley
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2009
(continued)

	Landscape and Lighting Maintenance	Street and Drainage District	RDA Low/Mod Housing
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Fines, fees and forfeitures	-	-	-
Investment earnings	229	1,019	32,512
Miscellaneous	-	-	-
	<u>229</u>	<u>1,019</u>	<u>32,512</u>
Total revenues	<u>229</u>	<u>1,019</u>	<u>32,512</u>
EXPENDITURES			
Current:			
Public safety	-	-	-
Parks and recreation	-	-	-
Public works	1,696	1,994	-
Community development	-	-	21,894
Debt service:			
Principal	-	-	-
Interest	-	-	-
	<u>1,696</u>	<u>1,994</u>	<u>21,894</u>
Total expenditures	<u>1,696</u>	<u>1,994</u>	<u>21,894</u>
Excess (deficiency) of revenues over expenditures	<u>(1,467)</u>	<u>(975)</u>	<u>10,618</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	512,663
Transfers out	-	-	(68,445)
	<u>-</u>	<u>-</u>	<u>444,218</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>444,218</u>
Net change in fund balances	(1,467)	(975)	454,836
Fund balances, beginning of year, restated	<u>10,784</u>	<u>46,442</u>	<u>1,346,897</u>
Fund balances, end of year	<u>\$ 9,317</u>	<u>\$ 45,467</u>	<u>\$ 1,801,733</u>

Public Lands Federal Grant	Total
\$ 81,810	\$ 2,369,550
-	189,743
-	137,189
-	2,147
81,810	2,698,629
-	78,156
-	16,202
95,570	1,411,662
-	27,666
-	146,411
-	19,965
95,570	1,700,062
(13,760)	998,567
-	931,838
-	(717,303)
-	214,535
(13,760)	1,213,102
1,059	6,078,516
\$ (12,701)	\$ 7,291,618

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, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Fines, fees and forfeitures	\$ 2,500	\$ 19,390	\$ 16,890
Investment earnings	2,000	2,496	496
Total revenues	4,500	21,886	17,386
EXPENDITURES			
Parks and recreation	76,500	-	76,500
Total expenditures	76,500	-	76,500
Excess (deficiency) of revenues over expenditures	(72,000)	21,886	93,886
OTHER FINANCING SOURCES (USES)			
Transfers out	(70,897)	(70,897)	-
Total other financing sources (uses)	(70,897)	(70,897)	-
Net change in fund balance	(142,897)	(49,011)	93,886
Fund balance, beginning of year	116,075	116,075	-
Fund balance, end of year	\$ (26,822)	\$ 67,064	\$ 93,886

Town of Yucca Valley
Development Impact Fees Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
For the year ended June 30, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Fines, fees and forfeitures	\$ 304,000	\$ 95,280	\$ (208,720)
Investment earnings	12,000	14,633	2,633
Total revenues	316,000	109,913	(206,087)
EXPENDITURES			
Current:			
Public works	8,880	1,900	6,980
Total expenditures	8,880	1,900	6,980
Excess (deficiency) of revenue over expenditures	307,120	108,013	(199,107)
OTHER FINANCING SOURCES (USES)			
Transfers out	(88,278)	(88,278)	-
Total other financing sources (uses)	(88,278)	(88,278)	-
Net change in fund balance	218,842	19,735	(199,107)
Fund balance, beginning of year	600,237	600,237	-
Fund balance, end of year	\$ 819,079	\$ 619,972	\$ (199,107)

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, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Investment earnings	\$ 25	\$ 240	\$ 215
Total revenues	25	240	215
EXPENDITURES			
Current:			
Public safety	10,580	-	10,580
Total expenditures	10,580	-	10,580
Net change in fund balance	(10,555)	240	10,795
Fund balance, beginning of year	10,750	10,750	-
Fund balance, end of year	\$ 195	\$ 10,990	\$ 10,795

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, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 90,000	\$ 101,226	\$ 11,226
Investment earnings	2,000	3,142	1,142
Total revenues	<u>92,000</u>	<u>104,368</u>	<u>12,368</u>
EXPENDITURES			
Current:			
Public safety	<u>150,450</u>	<u>74,757</u>	<u>75,693</u>
Total expenditures	<u>150,450</u>	<u>74,757</u>	<u>75,693</u>
Net change in fund balance	(58,450)	29,611	88,061
Fund balance, beginning of year	<u>138,594</u>	<u>138,594</u>	<u>-</u>
Fund balance, end of year	<u>\$ 80,144</u>	<u>\$ 168,205</u>	<u>\$ 88,061</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, 2009

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Fines, fees and forfeitures	\$ 44,000	\$ 75,073	\$ 31,073
Investment earnings	1,500	4,139	2,639
Total revenues	<u>45,500</u>	<u>79,212</u>	<u>33,712</u>
EXPENDITURES			
Current:			
Public safety	<u>1,500</u>	<u>2,344</u>	<u>(844)</u>
Total expenditures	<u>1,500</u>	<u>2,344</u>	<u>(844)</u>
Excess (deficiency) of revenues over expenditures	<u>44,000</u>	<u>76,868</u>	<u>32,868</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balance	19,000	51,868	32,868
Fund balance, beginning of year	<u>161,577</u>	<u>161,577</u>	<u>-</u>
Fund balance, end of year	<u>\$ 180,577</u>	<u>\$ 213,445</u>	<u>\$ 32,868</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, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Investment earnings	\$ 50	\$ 57	\$ 7
Total revenues	50	57	7
EXPENDITURES			
Current:			
Public safety	500	1,055	(555)
Total expenditures	500	1,055	(555)
Net change in fund balance	(450)	(998)	(548)
Fund balance, beginning of year	3,574	3,574	-
Fund balance, end of year	\$ 3,124	\$ 2,576	\$ (548)

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, 2009

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	\$ 355,000	\$ 52,778	\$ (302,222)
Total revenues	<u>355,000</u>	<u>52,778</u>	<u>(302,222)</u>
EXPENDITURES			
Current:			
Public works	<u>380,000</u>	<u>52,892</u>	<u>327,108</u>
Total expenditures	<u>380,000</u>	<u>52,892</u>	<u>327,108</u>
Net change in fund balance	(25,000)	(114)	24,886
Fund balance, beginning of year	<u>49,341</u>	<u>49,341</u>	<u>-</u>
Fund balance, end of year	<u>\$ 24,341</u>	<u>\$ 49,227</u>	<u>\$ 24,886</u>

Town of Yucca Valley
AB2928 TCRP Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
For the year ended June 30, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 175,000	\$ 179,895	\$ 4,895
Investment earnings	1,568	596	(972)
Total revenues	<u>176,568</u>	<u>180,491</u>	<u>3,923</u>
EXPENDITURES			
Current:			
Public works	<u>38,750</u>	<u>30,624</u>	<u>8,126</u>
Total expenditures	<u>38,750</u>	<u>30,624</u>	<u>8,126</u>
Excess (deficiency) of revenues over expenditures	<u>137,818</u>	<u>149,867</u>	<u>12,049</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(135,000)</u>	<u>(135,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(135,000)</u>	<u>(135,000)</u>	<u>-</u>
Net change in fund balance	2,818	14,867	12,049
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,818</u>	<u>\$ 14,867</u>	<u>\$ 12,049</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, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 380,000	\$ 345,550	\$ (34,450)
Investment earnings	5,000	5,699	699
Total revenues	<u>385,000</u>	<u>351,249</u>	<u>(33,751)</u>
EXPENDITURES			
Current:			
Public works	<u>573,891</u>	<u>450,782</u>	<u>123,109</u>
Total expenditures	<u>573,891</u>	<u>450,782</u>	<u>123,109</u>
Excess (deficiency) of revenues over expenditures	<u>(188,891)</u>	<u>(99,533)</u>	<u>89,358</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>160,000</u>	<u>160,000</u>	<u>-</u>
Total other financing sources (uses)	<u>160,000</u>	<u>160,000</u>	<u>-</u>
Net change in fund balance	(28,891)	60,467	89,358
Fund balance, beginning of year	<u>285,365</u>	<u>285,365</u>	<u>-</u>
Fund balance, end of year	<u>\$ 256,474</u>	<u>\$ 345,832</u>	<u>\$ 89,358</u>

Town of Yucca Valley
Local Transportation Fund Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
For the year ended June 30, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 251,000	\$ 167,215	\$ (83,785)
Investment earnings	11,000	12,209	1,209
Total revenues	262,000	179,424	(82,576)
EXPENDITURES			
Current:			
Public works	466,000	146,366	319,634
Total expenditures	466,000	146,366	319,634
Excess (deficiency) of revenues over expenditures	(204,000)	33,058	237,058
OTHER FINANCING SOURCES (USES)			
Transfers in	(65,000)	-	65,000
Total other financing sources (uses)	(65,000)	-	65,000
Net change in fund balance	(269,000)	33,058	302,058
Fund balance, beginning of year	619,094	619,094	-
Fund balance, end of year	<u>\$ 350,094</u>	<u>\$ 652,152</u>	<u>\$ 302,058</u>

Town of Yucca Valley
Measure I – 5% Transit Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
For the year ended June 30, 2009

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	\$ 63,500	\$ 54,072	\$ (9,428)
Investment earnings	250	365	115
	<u>63,750</u>	<u>54,437</u>	<u>(9,313)</u>
Total revenues			
EXPENDITURES			
Current:			
Public works	<u>63,750</u>	<u>54,288</u>	<u>9,462</u>
Total expenditures	<u>63,750</u>	<u>54,288</u>	<u>9,462</u>
Net change in fund balance	-	149	149
Fund balance, beginning of year	<u>418</u>	<u>418</u>	<u>-</u>
Fund balance, end of year	<u>\$ 418</u>	<u>\$ 567</u>	<u>\$ 149</u>

Town of Yucca Valley
Measure I – 65% Local Roads Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
For the year ended June 30, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 707,000	\$ 702,929	\$ (4,071)
Investment earnings	25,000	29,655	4,655
 Total revenues	 732,000	 732,584	 584
EXPENDITURES			
Current:			
Public works	1,673,175	177,972	1,495,203
Debt service:			
Principal	147,840	146,411	1,429
Interest	20,160	19,965	195
 Total expenditures	 1,841,175	 344,348	 1,496,827
 Net change in fund balance	 (1,109,175)	 388,236	 1,497,411
 Fund balance, beginning of year	 1,141,818	 1,141,818	 -
 Fund balance, end of year	 \$ 32,643	 \$ 1,530,054	 \$ 1,497,411

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, 2009

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	\$ 311,000	\$ 324,429	\$ 13,429
Investment earnings	16,000	14,326	(1,674)
	<u>327,000</u>	<u>338,755</u>	<u>11,755</u>
EXPENDITURES			
Current:			
Public works	896,000	230,476	665,524
	<u>896,000</u>	<u>230,476</u>	<u>665,524</u>
Net change in fund balance	(569,000)	108,279	677,279
Fund balance, beginning of year	<u>545,225</u>	<u>545,225</u>	<u>-</u>
Fund balance, end of year	<u>\$ (23,775)</u>	<u>\$ 653,504</u>	<u>\$ 677,279</u>

Town of Yucca Valley
CalTrans Outer Highway/Relinquishment Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
For the year ended June 30, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Investment earnings	\$ -	\$ 3,092	\$ 3,092
Total revenues	-	3,092	3,092
EXPENDITURES			
Current:			
Public works	132,000	-	132,000
Total expenditures	132,000	-	132,000
Net change in fund balance	(132,000)	3,092	135,092
Fund balance, beginning of year	138,347	138,347	-
Fund balance, end of year	\$ 6,347	\$ 141,439	\$ 135,092

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, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 258,713	\$ 253,384	\$ (5,329)
Investment earnings	2,000	8,111	6,111
Total revenues	<u>260,713</u>	<u>261,495</u>	<u>782</u>
EXPENDITURES			
Current:			
Public works	<u>383,500</u>	<u>129,724</u>	<u>253,776</u>
Total expenditures	<u>383,500</u>	<u>129,724</u>	<u>253,776</u>
Net change in fund balance	(122,787)	131,771	254,558
Fund balance, beginning of year	<u>406,232</u>	<u>406,232</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 283,445</u></u>	<u><u>\$ 538,003</u></u>	<u><u>\$ 254,558</u></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, 2009**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Investment earnings	\$ -	\$ 1,896	\$ 1,896
Total revenues	-	1,896	1,896
EXPENDITURES			
Current:			
Public works	150,000	-	150,000
Total expenditures	150,000	-	150,000
Excess (deficiency) of revenues over expenditures	(150,000)	1,896	151,896
OTHER FINANCING SOURCES (USES)			
Transfers in	100,000	100,000	-
Total other financing sources (uses)	100,000	100,000	-
Net change in fund balance	(50,000)	101,896	151,896
Fund balance, beginning of year	68,225	68,225	-
Fund balance, end of year	\$ 18,225	\$ 170,121	\$ 151,896

Town of Yucca Valley
CA Energy Commission Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
For the year ended June 30, 2009

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	\$ -	\$ 85,963	\$ 85,963
Investment earnings	-	623	623
Miscellaneous	-	1,707	1,707
	<hr/>	<hr/>	<hr/>
Total revenues	-	88,293	88,293
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
Public works	37,724	2,566	35,158
	<hr/>	<hr/>	<hr/>
Total expenditures	37,724	2,566	35,158
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	(37,724)	85,727	123,451
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(128,853)	(128,853)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	(128,853)	(128,853)
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(37,724)	(43,126)	(5,402)
Fund balance, beginning of year	43,126	43,126	-
	<hr/>	<hr/>	<hr/>
Fund balance, end of year	\$ 5,402	\$ -	\$ (5,402)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 15,000	\$ 14,778	\$ (222)
Investment earnings	1,800	1,985	185
Total revenues	<u>16,800</u>	<u>16,763</u>	<u>(37)</u>
EXPENDITURES			
Current:			
Public works	<u>15,000</u>	<u>14,816</u>	<u>184</u>
Total expenditures	<u>15,000</u>	<u>14,816</u>	<u>184</u>
Net change in fund balance	1,800	1,947	147
Fund balance, beginning of year	<u>82,396</u>	<u>82,396</u>	<u>-</u>
Fund balance, end of year	<u>\$ 84,196</u>	<u>\$ 84,343</u>	<u>\$ 147</u>

Town of Yucca Valley
FEMA Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
For the year ended June 30, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Investment earnings	\$ 3,000	\$ -	\$ (3,000)
Total revenues	3,000	-	(3,000)
EXPENDITURES			
Current:			
Public works	2,500	-	2,500
Total expenditures	2,500	-	2,500
Excess (deficiency) of revenues over expenditures	500	-	(500)
OTHER FINANCING SOURCES (USES)			
Transfers out	(100,000)	(100,000)	-
Total other financing sources (uses)	(100,000)	(100,000)	-
Net change in fund balance	(99,500)	(100,000)	(500)
Fund balance, beginning of year	126,081	126,081	-
Fund balance, end of year	\$ 26,581	\$ 26,081	\$ (500)

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, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 196,000	\$ -	\$ (196,000)
Investment earnings	500	-	(500)
Total revenues	<u>196,500</u>	<u>-</u>	<u>(196,500)</u>
EXPENDITURES			
Current:			
Parks and recreation	424,515	9,141	415,374
Total expenditures	<u>424,515</u>	<u>9,141</u>	<u>415,374</u>
Excess (deficiency) of revenues over expenditures	<u>(228,015)</u>	<u>(9,141)</u>	<u>218,874</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	159,175	159,175
Total other financing sources (uses)	<u>-</u>	<u>159,175</u>	<u>159,175</u>
Net change in fund balance	(228,015)	150,034	378,049
Fund balance, beginning of year	<u>8,972</u>	<u>8,972</u>	<u>-</u>
Fund balance, end of year	<u>\$ (219,043)</u>	<u>\$ 159,006</u>	<u>\$ 378,049</u>

Town of Yucca Valley
Prop 12 – Paradise Park Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
For the year ended June 30, 2009

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Investment earnings	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
Parks and recreation	<u>4,556</u>	<u>4,556</u>	<u>-</u>
Total expenditures	<u>4,556</u>	<u>4,556</u>	<u>-</u>
Net change in fund balance	(4,556)	(4,556)	-
Fund balance, beginning of year	<u>4,556</u>	<u>4,556</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Town of Yucca Valley
Prop 40 – Parks Projects Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
For the year ended June 30, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Current:			
Parks and recreation	2,505	2,505	-
Total expenditures	2,505	2,505	-
Net change in fund balance	(2,505)	(2,505)	-
Fund balance, beginning of year	2,505	2,505	-
Fund balance, end of year	\$ -	\$ -	\$ -

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, 2009

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	\$ 11,000	\$ 5,521	\$ (5,479)
Investment earnings	200	165	(35)
Miscellaneous	-	440	440
	<hr/>	<hr/>	<hr/>
Total revenues	11,200	6,126	(5,074)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
Community development	10,800	5,772	5,028
	<hr/>	<hr/>	<hr/>
Total expenditures	10,800	5,772	5,028
	<hr/>	<hr/>	<hr/>
Net change in fund balance	400	354	(46)
Fund balance, beginning of year	-	-	-
	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 400</u>	<u>\$ 354</u>	<u>\$ (46)</u>

Town of Yucca Valley
Permanent Flood Reimb/State Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
For the year ended June 30, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Current:			
Public works	-	19,996	(19,996)
Total expenditures	-	19,996	(19,996)
Excess (deficiency) of revenues over expenditures	-	(19,996)	(19,996)
OTHER FINANCING SOURCES (USES)			
Transfers out	(141,600)	(100,830)	40,770
Total other financing sources (uses)	(141,600)	(100,830)	40,770
Net change in fund balance	(141,600)	(120,826)	20,774
Fund balance, beginning of year	120,826	120,826	-
Fund balance, end of year	\$ (20,774)	\$ -	\$ 20,774

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, 2009

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Taxes	\$ 23,504	\$ -	\$ (23,504)
Investment earnings	-	229	229
	<u>23,504</u>	<u>229</u>	<u>(23,275)</u>
Total revenues	<u>23,504</u>	<u>229</u>	<u>(23,275)</u>
EXPENDITURES			
Current:			
Public works	<u>23,520</u>	<u>1,696</u>	<u>21,824</u>
Total expenditures	<u>23,520</u>	<u>1,696</u>	<u>21,824</u>
Net change in fund balance	(16)	(1,467)	(1,451)
Fund balance, beginning of year	<u>10,784</u>	<u>10,784</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,768</u>	<u>\$ 9,317</u>	<u>\$ (1,451)</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, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Taxes	\$ 71,360	\$ -	\$ (71,360)
Investment earnings	-	1,019	1,019
Total revenues	<u>71,360</u>	<u>1,019</u>	<u>(70,341)</u>
EXPENDITURES			
Current:			
Public works	<u>67,750</u>	<u>1,994</u>	<u>65,756</u>
Total expenditures	<u>67,750</u>	<u>1,994</u>	<u>65,756</u>
Net change in fund balance	3,610	(975)	(4,585)
Fund balance, beginning of year	<u>46,442</u>	<u>46,442</u>	<u>-</u>
Fund balance, end of year	<u>\$ 50,052</u>	<u>\$ 45,467</u>	<u>\$ (4,585)</u>

Town of Yucca Valley
RDA – Low/Mod Housing Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
For the year ended June 30, 2009

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Investment earnings	\$ 42,000	\$ 32,512	\$ (9,488)
Total revenues	<u>42,000</u>	<u>32,512</u>	<u>(9,488)</u>
EXPENDITURES			
Current:			
Community development	<u>820,000</u>	<u>21,894</u>	<u>798,106</u>
Total expenditures	<u>820,000</u>	<u>21,894</u>	<u>798,106</u>
Excess (deficiency) of revenues over expenditures	<u>(778,000)</u>	<u>10,618</u>	<u>788,618</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	469,000	512,663	43,663
Transfers out	<u>(65,000)</u>	<u>(68,445)</u>	<u>(3,445)</u>
Total other financing sources (uses)	<u>404,000</u>	<u>444,218</u>	<u>40,218</u>
Net change in fund balance	(374,000)	454,836	828,836
Fund balance, beginning of year	<u>1,346,897</u>	<u>1,346,897</u>	<u>-</u>
Fund balance, end of year	<u>\$ 972,897</u>	<u>\$ 1,801,733</u>	<u>\$ 828,836</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, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 1,584,378	\$ 81,810	\$ (1,502,568)
Total revenues	<u>1,584,378</u>	<u>81,810</u>	<u>(1,502,568)</u>
EXPENDITURES			
Current:			
Public works	<u>1,581,000</u>	<u>95,570</u>	<u>1,485,430</u>
Total expenditures	<u>1,581,000</u>	<u>95,570</u>	<u>1,485,430</u>
Net change in fund balance	3,378	(13,760)	(17,138)
Fund balance, beginning of year	<u>1,059</u>	<u>1,059</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,437</u>	<u>\$ (12,701)</u>	<u>\$ (17,138)</u>

**Town of Yucca Valley
Nonmajor Debt Service Fund
For the year Ended June 30, 2009**

Debt Service Funds are used to account for the payment of interest and principal of long-term debt instruments of the Town and component entities.

Community Center Authority – Established to account for debt service transactions including revenue collections and payments of principal and interest on long-term obligations of the Yucca Valley Community Center Authority.

**Town of Yucca Valley
Community Center Authority Debt Service Fund
Balance Sheet
June 30, 2009**

	Community Center Authority
ASSETS	<u>\$ -</u>
LIABILITIES AND FUND BALANCE	
Total liabilities	-
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

Town of Yucca Valley
Community Center Authority Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2009

	Community Center Authority
REVENUES	
Miscellaneous	\$ 20,302
Total revenues	20,302
 EXPENDITURES	
Current:	
Parks and recreation	87,754
Total expenditures	87,754
Net change in fund balance	(67,452)
Fund balance, beginning of year	67,452
Fund balance, end of year	\$ -

**Town of Yucca Valley
Community Center Authority Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
For the year ended June 30, 2009**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Investment earnings	\$ -	\$ 20,302	\$ 20,302
Total revenues	-	20,302	20,302
EXPENDITURES			
Current:			
Parks and recreation	67,452	87,754	(20,302)
Total expenditures	67,452	87,754	(20,302)
Net change in fund balance	(67,452)	(67,452)	-
Fund balance, beginning of year	67,452	67,452	-
Fund balance, end of year	\$ -	\$ -	\$ -

**Town of Yucca Valley
Major Debt Service Fund
For the year ended June 30, 2009**

Debt Service Funds are used to account for the payment of interest and principal of long-term debt instruments of the Town and component entities.

Debt Service – Redevelopment Agency – Established to account for tax levies, rental and other revenues and payment of principal and interest on Yucca Valley Redevelopment loans and bonds.

Town of Yucca Valley
Major Fund – Redevelopment Agency Debt Service
Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
For the year ended June 30, 2009

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
REVENUES				
Taxes	\$ 2,348,000	\$ 2,348,000	\$ 2,683,423	\$ 335,423
Intergovernmental	-	-	22,257	22,257
Investment earnings	68,000	68,000	79,513	11,513
Miscellaneous	-	-	1,095	1,095
Total revenues	<u>2,416,000</u>	<u>2,416,000</u>	<u>2,786,288</u>	<u>370,288</u>
EXPENDITURES				
Current:				
General government	313,000	313,000	237,738	75,262
Debt service:				
Principal	165,000	165,000	165,000	-
Interest	611,000	611,000	627,183	(16,183)
Pass-through payments	735,000	735,000	859,868	(124,868)
Total expenditures	<u>1,824,000</u>	<u>1,824,000</u>	<u>1,889,789</u>	<u>(65,789)</u>
Excess of revenues over (under) expenditures	<u>592,000</u>	<u>592,000</u>	<u>896,499</u>	<u>304,499</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	65,000	65,000	68,445	3,445
Transfers out	(469,000)	(469,000)	(512,663)	(43,663)
Total other financing sources (uses)	<u>(404,000)</u>	<u>(404,000)</u>	<u>(444,218)</u>	<u>(40,218)</u>
Net change in fund balance	188,000	188,000	452,281	264,281
Fund balance, beginning of year	<u>3,671,649</u>	<u>3,671,649</u>	<u>3,671,649</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,859,649</u>	<u>\$ 3,859,649</u>	<u>\$ 4,123,930</u>	<u>\$ 264,281</u>

**Town of Yucca Valley
Nonmajor Capital Projects Funds
For the year ended June 30, 2009**

The Capital Projects Funds are 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
Capital Projects Reserve Capital Projects Fund
Balance Sheet
June 30, 2009

	<u>Capital Projects Reserve</u>
ASSETS	
Cash and investments	<u>\$ 1,528,377</u>
Total assets	<u><u>\$ 1,528,377</u></u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	<u>\$ -</u>
Fund balance:	
Unreserved:	
Designated for special projects	<u>1,528,377</u>
Total fund balances	<u>1,528,377</u>
Total liabilities and fund balance	<u><u>\$ 1,528,377</u></u>

Town of Yucca Valley
Capital Projects Reserve Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2009

	<u>Capital Projects Reserve</u>
REVENUES	
Miscellaneous	<u>\$ 164,000</u>
Total revenues	<u>164,000</u>
EXPENDITURES	
Total expenditures	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>164,000</u>
OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(65,000)</u>
Total other financing sources (uses)	<u>(65,000)</u>
Net change in fund balance	99,000
Fund balance, beginning of year	<u>1,429,377</u>
Fund balance, end of year	<u><u>\$ 1,528,377</u></u>

Town of Yucca Valley
Capital Projects Reserve Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
For the year ended June 30, 2009

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Miscellaneous	\$ -	\$ 164,000	\$ 164,000
Total revenues	-	164,000	164,000
EXPENDITURES			
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	164,000	164,000
OTHER FINANCING SOURCES (USES)			
Transfers out	(65,000)	(65,000)	-
Total other financing sources (uses)	(65,000)	(65,000)	-
Net change in fund balance	(65,000)	99,000	164,000
Fund balance, beginning of year	1,429,377	1,429,377	-
Fund balance, end of year	<u>\$ 1,364,377</u>	<u>\$ 1,528,377</u>	<u>\$ 164,000</u>

Town of Yucca Valley
Major Capital Projects Funds
For the year ended June 30, 2009

The Capital Projects Funds are 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).

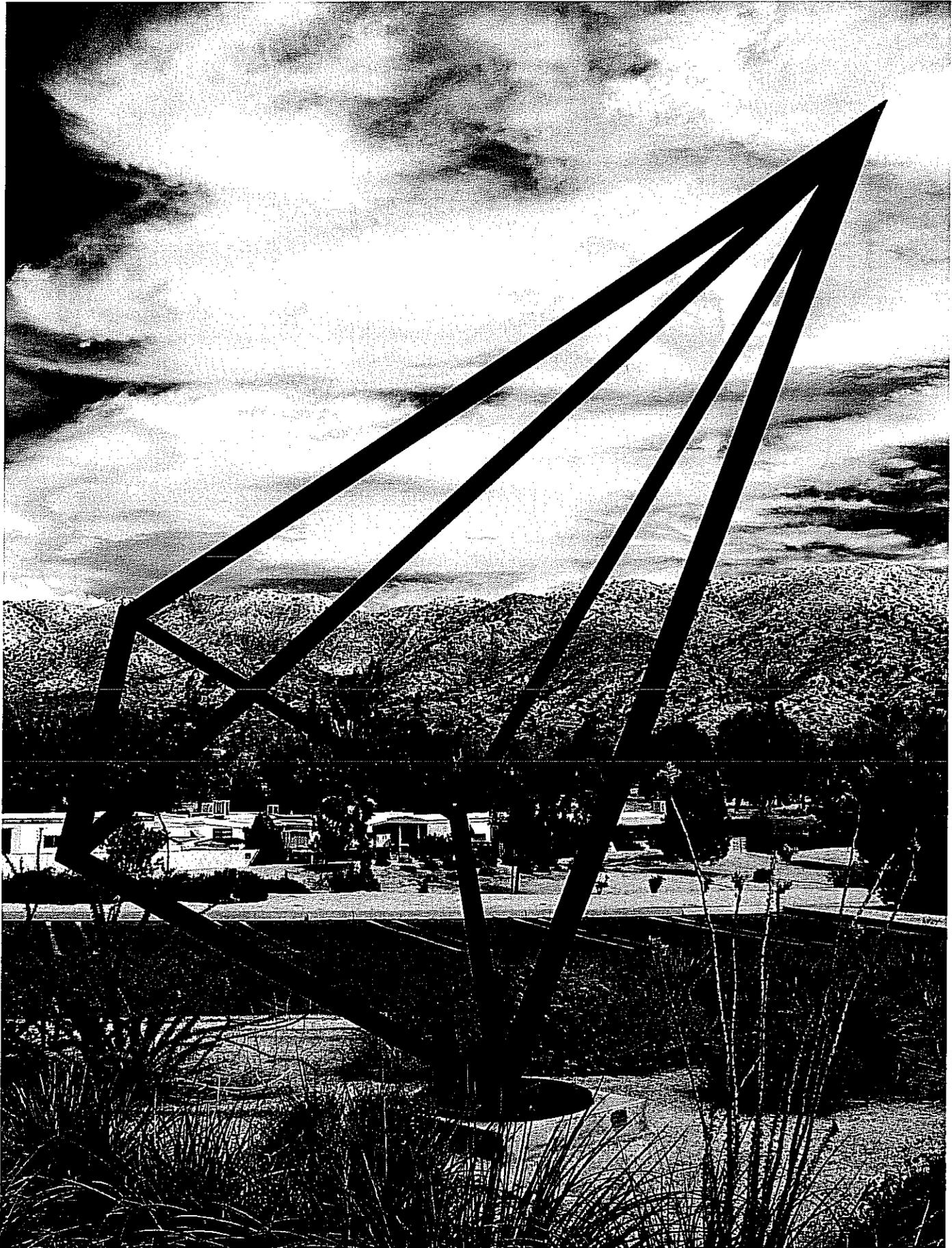
Capital Projects – Redevelopment Agency – Established to implement the goals and objectives of the Redevelopment Project Area Plans as adopted by the Town Council and the Redevelopment Agency Board consistent with the California Community Redevelopment Law. Agency funds are used for fund operating expenditures and capital projects.

Town of Yucca Valley
Major Fund – Redevelopment Agency Capital Projects
Statement of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
For the year ended June 30, 2009

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
REVENUES				
Investment earnings	\$ 174,000	\$ 174,000	\$ 160,725	\$ (13,275)
Total revenues	174,000	174,000	160,725	(13,275)
EXPENDITURES				
Current:				
Community development	1,370,000	1,370,000	63,940	1,306,060
Total expenditures	1,370,000	1,370,000	63,940	1,306,060
Net change in fund balance	(1,196,000)	(1,196,000)	96,785	1,292,785
Fund balance, beginning of year	6,800,443	6,800,443	6,800,443	-
Fund balance, end of year	<u>\$ 5,604,443</u>	<u>\$ 5,604,443</u>	<u>\$ 6,897,228</u>	<u>\$ 1,292,785</u>

**Town of Yucca Valley
Fiduciary Funds
Statement of Changes in Fiduciary Assets and Liabilities
For the year ended June 30, 2009**

	Beginning balance	Additions	Reductions	Ending balance
ASSETS				
Cash and investments	\$ 1,155,579	\$ 152,918	\$ 796,375	\$ 512,122
Accounts receivable	2,566	4,813	2,566	4,813
Total assets	\$ 1,158,145	\$ 157,731	\$ 798,941	\$ 516,935
LIABILITIES				
Accounts payable	\$ 43,745	\$ 31,522	\$ -	\$ 75,267
Deposits	1,114,400	126,209	798,941	441,668
Total liabilities	\$ 1,158,145	\$ 157,731	\$ 798,941	\$ 516,935



STATISTICAL SECTION

**Town of Yucca Valley
Statistical Section
For the year ended June 30, 2009**

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 Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)**

	Fiscal year				
	2005	2006	2007	2008	2009
Governmental activities:					
Invested in capital assets, net of related debt	\$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 assets	<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:					
Invested in capital assets, net of related debt	\$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 assets	<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 five most current years of data for this schedule.

**Town of Yucca Valley
Change in Net Assets
Last Five 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	3,268,150	2,910,993	3,369,479	2,465,909	2,447,329
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 five most current years of data for this schedule.

**Town of Yucca Valley
Change in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)**

	Fiscal year				
	2005	2006	2007	2008	2009
General revenues and other changes in net assets:					
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
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 assets	<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 five most current years of data for this schedule.

**Town of Yucca Valley
Fund Balances of Governmental Funds
Last Five Fiscal Years
(modified accrual basis of accounting)**

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

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

Town of Yucca Valley
Changes in Fund Balances of Governmental Funds
Last Five 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	<u>12,810,789</u>	<u>13,453,109</u>	<u>15,532,643</u>	<u>17,281,200</u>	<u>16,300,457</u>
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 & 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	-
Pass-through payments	269,326	334,131	460,532	826,797	859,868
Total expenditures	<u>10,534,639</u>	<u>12,376,507</u>	<u>13,088,033</u>	<u>14,971,407</u>	<u>13,891,962</u>
Excess (deficiency) of revenues over expenditures	<u>2,276,150</u>	<u>1,076,602</u>	<u>2,444,610</u>	<u>2,309,793</u>	<u>2,408,495</u>
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)	<u>(467,018)</u>	<u>212,000</u>	<u>(500,000)</u>	<u>6,698,423</u>	<u>(36,000)</u>
Net change in fund balances	<u>\$ 1,809,132</u>	<u>\$ 1,288,602</u>	<u>\$ 1,944,610</u>	<u>\$ 9,008,216</u>	<u>\$ 2,372,495</u>
Debt service as a percentage of noncapital expenditures	4.8%	4.3%	5.1%	5.2%	9.3%

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

Town of Yucca Valley
Assessed Value and Estimated Actual Value of Taxable Property
Last Five 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	1,604,648,145	47,460,940	28,395,505	1,623,713,580	0.3621%

Note:

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 taxes. 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.

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

The Town has elected to show the five 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 Five Fiscal Years

Town General Fund Direct Rates

	Town share of 1% levy	Debt rates	Total Town rate	RDA Incremental rate	Total direct rate
2005	0.1674%	0.0000%	0.1674%	1.0000%	0.2940%
2006	0.1674%	0.0000%	0.1674%	1.0000%	0.3091%
2007	0.1674%	0.0000%	0.1674%	1.0000%	0.3288%
2008	0.1674%	0.0000%	0.1674%	1.0000%	0.3466%
2009	0.1653%	0.0000%	0.1653%	1.0000%	0.3622%

Overlapping Rates						Outstanding debt 6/30/09 (5)	Estimated share of overlapping debt
	2005	2006	2007	2008	2009		
Town of Yucca Valley	0.16764	0.16764	0.16764	0.16764	0.16533	\$ 180,401	\$ 180,401
Copper Mountain Community College	0.03995	0.03995	0.03995	0.03995	0.03990	-	-
County Free Library	0.01023	0.01023	0.01023	0.01023	0.01037	-	-
County General Fund	0.10539	0.10539	0.10539	0.10539	0.10710	1,429,795,591	15,427,494
County Superintendent ERAF	0.00718	0.00718	0.00718	0.00718	0.00729	-	-
Flood Control Admin	0.00064	0.00064	0.00064	0.00064	0.00065	-	-
Flood Control Zone 6	0.00853	0.00853	0.00853	0.00853	0.00845	117,495,000	1,267,771
Hi-Des County Water	0.07007	0.07007	0.07007	0.07007	0.06930	3,340,000	2,883,255
Hi-Des Hospital District	0.01339	0.01339	0.01339	0.01339	0.01346	-	-
Mojave Desert RCD	0.00011	0.00011	0.00011	0.00011	0.00009	-	-
Mojave Water Agency	0.00385	0.00385	0.00385	0.00385	0.00394	-	-
Morongo Unified SD	0.19321	0.19321	0.19321	0.19321	0.19411	-	-
Yucca Valley Fire	0.22032	0.22032	0.22032	0.22032	0.21781	-	-
Total Prop 13 Rate	1.0000	1.0000	1.0000	1.0000	1.0000	1,550,810,992	19,758,921
Morongo Unified SD	0.0000	0.0000	0.05230	0.04040	0.05400	29,210,000	11,376,127
Copper Mountain CC	0.0000	0.0000	0.01780	0.02480	0.01400	19,289,587	7,512,523
Mojave Water Agency	0.10000	0.09000	0.08500	0.08500	0.08500	20,205,000	1,128,651
Mojave Water Agency Land Only	0.11250	0.11250	0.11250	0.11250	0.11250	31,730,000	17,280,158
Mojave Water Agency	0.05500	0.05500	0.05500	0.05500	0.05500	-	-
Total voter approved rate	0.26750	0.25750	0.32260	0.31770	0.32050	100,434,587	37,297,459
Total direct and overlapping rate	1.26750	1.25750	1.32260	1.31770	1.32050	\$1,651,245,579	\$ 57,056,380

Town of Yucca Valley
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Four Fiscal Years
(continued)

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 passes 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; n/a – Information not available.

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

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

**Town of Yucca Valley
Principal Property Tax Payers
Current Year**

Taxpayer	Fiscal Year 2009	
	Taxable assessed value	Percent of total town taxable assessed value
1 Wal Mart Real Estate Business Trust	\$ 15,246,866	0.94%
2 Home Depot United States	13,435,558	0.83%
3 California Valley Associates	8,278,777	0.51%
4 CAC Exchange I	6,723,697	0.41%
5 Yashraj Hospitality Inc	5,675,400	0.35%
6 Neil R Phelps	4,494,899	0.28%
7 Copper Hills Homes LLC	4,399,873	0.27%
8 Robert J. Ruehman II Trust	4,173,596	0.26%
9 Jack A Domingue	4,100,000	0.25%
10 Shamrock Millco-Aztec LLC	4,029,957	0.25%
	<u>\$ 70,558,623</u>	<u>4.35%</u>

Source: San Bernardino County Assessor 2008-09 Combined Tax Rolls and the SBE non Unitary tax roll

The Town has elected to present only one year on this schedule.

**Town of Yucca Valley
Property Tax Levies and Collections
Last Four 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%

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 four most current years of data for this schedule.

**Town of Yucca Valley
Ratios of Outstanding Debt by Type
Last Five Fiscal Years**

Fiscal year ended June 30,	Tax allocation bonds	General obligation bonds	Loans	Total governmental activities	% of personal income
2005	\$ 4,090,000	\$ 741,231	\$ -	\$ 4,831,231	1.37%
2006	3,985,000	574,855	120,328	4,680,183	1.17%
2007	3,880,000	464,454	116,091	4,460,545	1.03%
2008	10,625,000	318,043	186,792	11,129,835	2.58%
2009	10,460,000	171,632	180,401	10,812,033	2.67%

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 five most current years of data for this schedule.

**Town of Yucca Valley
Ratio of General Bonded Debt Outstanding
Last Five Fiscal Years**

Fiscal Year Ended June 30,	Outstanding general bonded debt			% of assessed value (1)	Per capita
	Tax allocation bonds	General obligation bonds	Total		
2005	\$ 4,090,000	\$ 741,231	\$ 4,831,231	0.58%	\$ 241
2006	3,985,100	574,855	4,559,955	0.47%	222
2007	3,880,000	464,454	4,344,454	0.38%	206
2008	10,625,000	318,043	10,943,043	0.85%	514
2009	10,460,000	171,632	10,631,632	0.65%	500

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 five most current years of data for this schedule.

**Town of Yucca Valley
Legal Debt Margin Information
Last Five Fiscal Years**

	Fiscal year				
	2005	2006	2007	2008	2009
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	2.25%	1.46%	0.96%	0.57%	0.29%

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

**Town of Yucca Valley
Pledged-Revenue Coverage
Last Five Fiscal Years**

Fiscal year ended June 30,	Tax allocation bonds			
	Tax increment	Debt service Principal	Interest	Coverage
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	610,787	4.55
2009	2,683,423	165,000	610,787	3.46

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 five most current years of data for his schedule.

**Town of Yucca Valley
Demographic and Economic Statistics
Last Four Calendar Years**

Calendar Year	Population (1)	Aggregate Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate (2)
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	13.00% (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 of Yucca Valley has elected to show only five years of data for this schedule.

**Town of Yucca Valley
Principal Employers
Last Two Calendar Years**

Employer	Fiscal Year		Current Year % Total Employment
	2008 Number of Employees	2009 Number of Employees	
Morongo Unified School District	389	419	N/A
Wal-Mart	297	350	N/A
Braswell Family Senior Care	196	189	N/A
San Bernardino County	133	131	N/A
Stater Bros.	186	185	N/A

N/A – Not available at this time
Source: YV Chamber of Commerce

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

**Town of Yucca Valley
Employment Trends and Other Miscellaneous Information
Last Four Fiscal Years**

Employment Trends

Function	2006	2007	2008	2009
General government	15	15	14	13
Public works	15	18	20	14
Community development	16	17	16	17
Community services	40	36	35	31
Total	86	86	85	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 four years of data for this schedule.

**Town of Yucca Valley
Operating Indicators by Function
Last Four Fiscal Years**

Function	2006	2007	2008	2009
Animal control:				
Calls for service	9,168	19,114	22,476	26,808
Animal licenses issued	1,409	1,200	1,475	1,372
Community development:				
Building permits issued	1,139	885	143	607
Plan checks	599	325	13	122
Public works:				
Newly paved streets	15	-	-	2
Street resurfacing (miles)	4.20	2.512	3.16	.23
Parks and recreation:				
Number of recreation classes	1,300	1,250	1,193	1,276
Number of facility rentals	384	397	379	720

Source: Town of Yucca Valley

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

**Town of Yucca Valley
Capital Asset Statistics
by Function
Last Four Fiscal Years**

Function	2006	2007	2008	2009
Public works:				
Streets (miles)	153.3	168.3	168.3	168.3
Traffic signals (1)	-	-	-	-
Parks and recreation:				
Parks	8	8	8	8
Community centers	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 four years of data for this schedule.