



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year
Ended June 30,
2022

Town of Yucca Valley

Yucca Valley, California

Annual Comprehensive Financial Report For the fiscal year ended June 30, 2022



Administrative Services Department

Curtis Yakimow
Town Manager

Town of Yucca Valley

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Town of Yucca Valley

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INTRODUCTORY SECTION



November 11, 2022

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, 2022, is hereby submitted as required by both local ordinances and state statutes. These ordinances and statutes mandate that the Town of Yucca Valley annually issue a report on its financial position and activity and that an independent firm of certified public accountants audit this report. The management of the Town is responsible for the contents of the information contained in this report.

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

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

Governmental Structure, Local Economic Condition and Outlook

The Town, incorporated in 1991, is located in the southeastern part of the state, in the Morongo Basin just north of the Coachella Valley. The Town of Yucca Valley currently has a land area of 39 square miles and a population of 22,813. The Town is empowered to levy a voter-approved property tax on both real and personal property located within its boundaries. The Town also has the power by state statute to extend its corporate limits by annexation, when deemed appropriate by the governing council.

The Town has operated under the council-manager form of government since incorporation. Policymaking and legislative authority is vested in the Town Council, which consists of a mayor and a four-member council. The Town Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the Town's manager and attorney. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, for overseeing the day-to-day operations of the Town, and for appointing the Town's management team. The council is elected on a non-partisan basis. During the 2017-18 fiscal year, the Town Council transitioned from an at-large election format to by-district elections.



The Town of
Yucca Valley

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With the establishment of five separate voting districts, council candidates are required to reside within the voting district which they wish to represent. Additionally, the candidates are elected by voters residing within the same district. 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 annually selected from among the council members.

Located in San Bernardino County, Yucca Valley is considered to be the economic hub of the Morongo Basin. With major financial institutions and a broad base of retail operations, the community serves both the commercial and retail needs of the Morongo Basin. Since the early to mid-2000's, the Town experienced a steady increase in its retail sales base, as additional retail providers have entered the Yucca Valley market to serve the increasing resident and visitor population. Despite the statewide and local economic slowdown from 2007 through 2011, the Town has experienced slow but steady growth. Retail interest in the area continues to accelerate in conjunction with the completion of several new retail developments. These additions continue to provide positive development momentum for the Town. Beginning in approximately 2018, the Town has experienced robust sales tax growth, attributable to the increase in tourism visitation.

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, in the City of Twentynine Palms. The base is home to more than 20,000 service members and dependents and continues to thrive. In 2017 the base expanded its footprint to allow for large-scale multi-branch coordinated training events that were previously not possible. The Town considers the base as a strategic partner as many base personnel or their dependents live, work, shop and play in the Town of Yucca Valley.

Joshua Tree National Park, a stunning backdrop on Yucca Valley's southern border, attracted 3.1 million visitors in 2021, and has led to a significant increase in short-term vacation rental properties in and around Yucca Valley and neighboring Joshua Tree. Yucca Valley is rich with history and invites the exploration of its many attractions and historical sites. Yucca Valley continues to receive high quality water both now and in future years by its participation in the California State Water Project as provided by the Hi-Desert Water District, subject to broader state water issues and the natural water cycle.

Significant Activities

Strategic Planning. The Town Council continues to actively engage in strategic planning activities in an effort to identify the overarching goals for both the Town and the community in a thoughtful and systematic process. Prioritization of goals occurs with respect to planning, financing, staffing and other needed resources. In fiscal year 2021-22, the Town Council revised its strategic plan, and aligned the adopted budget to reflect the updated strategic goals. Highlights of the plan include:

- Continued improvements to existing parks, in conjunction with the recently passed State bond measure Proposition 68 and awarded grant funding.
- Internal Information Technology assessment with corresponding actions and installations.

- Continued coordination with Hi Desert Water District in the launch of the Town-wide Sewer Collection Project and related road replacement impacts
- Infrastructure improvements in its maintained road system, including expansion of major arterials, sidewalks, and other significant enhancements
- Assessment, planning, and initiation of long-term capital maintenance and/or replacement projects related to Town facilities for municipal operations

Infrastructure Development. Infrastructure needs within the community remain great. Compounding the challenge is the fact that the Town has limited resources in meeting the many development needs. However, fiscal year 2017 represented a significant year in infrastructure funding for the Town with the full implementation of Measure Y, Measure Z, California Senate Bill 1 (SB1) and the Hi Desert Water District's Town-wide Sewer Project. Through the combined funding of these resources, the Town has secured more dedicated infrastructure funding than at any other time since Town incorporation.

The Hi Desert Water District's Town wide Sewer Project completed Phase 1 in 2022 and is scheduled to complete Phase 2 by the end of 2028. This project is financed through a sewer assessment district passed by Yucca Valley property owners in May 2015, providing funding for Phase I of the \$146 million regional wastewater project. This project had a significant impact on Yucca Valley residents, businesses, and visitors alike, with disruptions affecting local streets and roads, travel patterns and general commerce. The Town successfully coordinated related street improvement projects as part of the sewer project to ensure the most efficient use of funding available.

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

In recent years, the Town has experienced slow but consistent activity in both residential and commercial construction. In 2019, The California Department of Fish and Wildlife and Game Commission received the petition for listing of the Western Joshua Tree as a candidate for the California Endangered Species list. Due to the prevalence of this native species in the Town's limits, significant impacts have been introduced to the Town's Building and Safety division and the continuation of residential and commercial construction activity which can be noted through the significant increase in permit activity in fiscal year 2022. Final determination of the Western Joshua tree's listing is expected to be determined in early 2023.

Recent SFR Permit History

1999-2000	54	2009-2010	11
2000-2001	82	2010-2011	2
2001-2002	118	2011-2012	13
2002-2003	188	2012-2013	2
2003-2004	351	2013-2014	24
2004-2005	384	2014-2015	19
2005-2006	244	2015-2016	8
2006-2007	99	2016-2017	29
2007-2008	36	2018-2019	28
2008-2009	7	2019-2020	62
2020-2021	61	2021-2022	50

Annual permit valuation in FY 2021-22 totaled \$39,242,064.

Long-term financial planning. As part of the budget process, the Town forecasts revenue, expenditures and capital needs to address long-term financial concerns. The forecast is an integral part of the Town's strategic planning and budget process.

Through this activity, the Town identified the need for additional funding for both public safety and infrastructure. In FY 2015-16, the Town Council established a Revenue Ad Hoc Committee (Committee) to work with various citizen groups and stakeholders in assessing the appropriateness for voter consideration of a local sales tax revenue measure or measures. The Council collectively determined that there was sufficient community interest in meeting certain Town-wide needs through two revenue measures. The measures proposed on the November 2016 ballot included both a half-percent general fund sales tax revenue measure that would be allocated primarily for Town public safety, infrastructure needs, and other Town quality of life programs, and a second half-percent sales tax revenue measure to assist property owners with paying the assessment for the cost of the sewer. Together these measures have generated just over \$10 million in additional revenues since their inception, and are anticipated to generate approximately \$2.5 million annually for the remaining four year period. Both measures were overwhelmingly supported by local voters as Measure Y – Essential Town Services passed with 72% of the vote, and Measure Z – Sewer Assistance passed with 81%. Accordingly, the measures went into effect on April 1, 2017.

In 2022, the Town also secured additional funding for future infrastructure projects through the \$20 million financing lease agreement to fund future costs of capital improvement projects, including but not limited to; the Town Hall consolidation project, Senior Center rehabilitation, and Aquatics and Recreation facility.

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

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

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a Countywide Oversight Board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution. The loss of the Yucca Valley Redevelopment Agency (RDA) continues to have a lasting and profound impact on the Town of Yucca Valley. The RDA was the single most impactful tool available to the Town to assist in promoting, encouraging and participating in economic development. The loss of the agency will result into the direct siphoning of \$30-\$35 million from the Town over the next ten years and beyond. As of June 2018, the dissolution process is complete, with the exception of annually required debt service payments and administration. In 2021, the Department of Finance approved the Last and Final Recognized Obligation Payment Schedule which completes the reporting requirements through the life of the Successor Agency's debt obligations

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 Council. Activities of the general fund, certain special revenue funds and debt service funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level.

Independent Audit

State statutes and Town ordinance require an annual audit by independent certified public accountants. The firm of Rogers, Anderson, Malody & Scott, LLP, was re-appointed as the Town’s auditors in 2020. 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 Finance 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.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Yakimow', written in a cursive style.

Curtis Yakimow
Town Manager

Town of Yucca Valley

Elected and Appointed Officials
(as of June 30, 2022)

Elected Officials

Mayor

Jim Schooler

Mayor Pro Tem

Rick Denison

Council Member

Jeff Drozd

Council Member

Merl R. Abel

Council Member

Robert Lombardo

Appointed Officials

Town Manager

Curtis Yakimow

Deputy Town Manager

Shane R. Stueckle

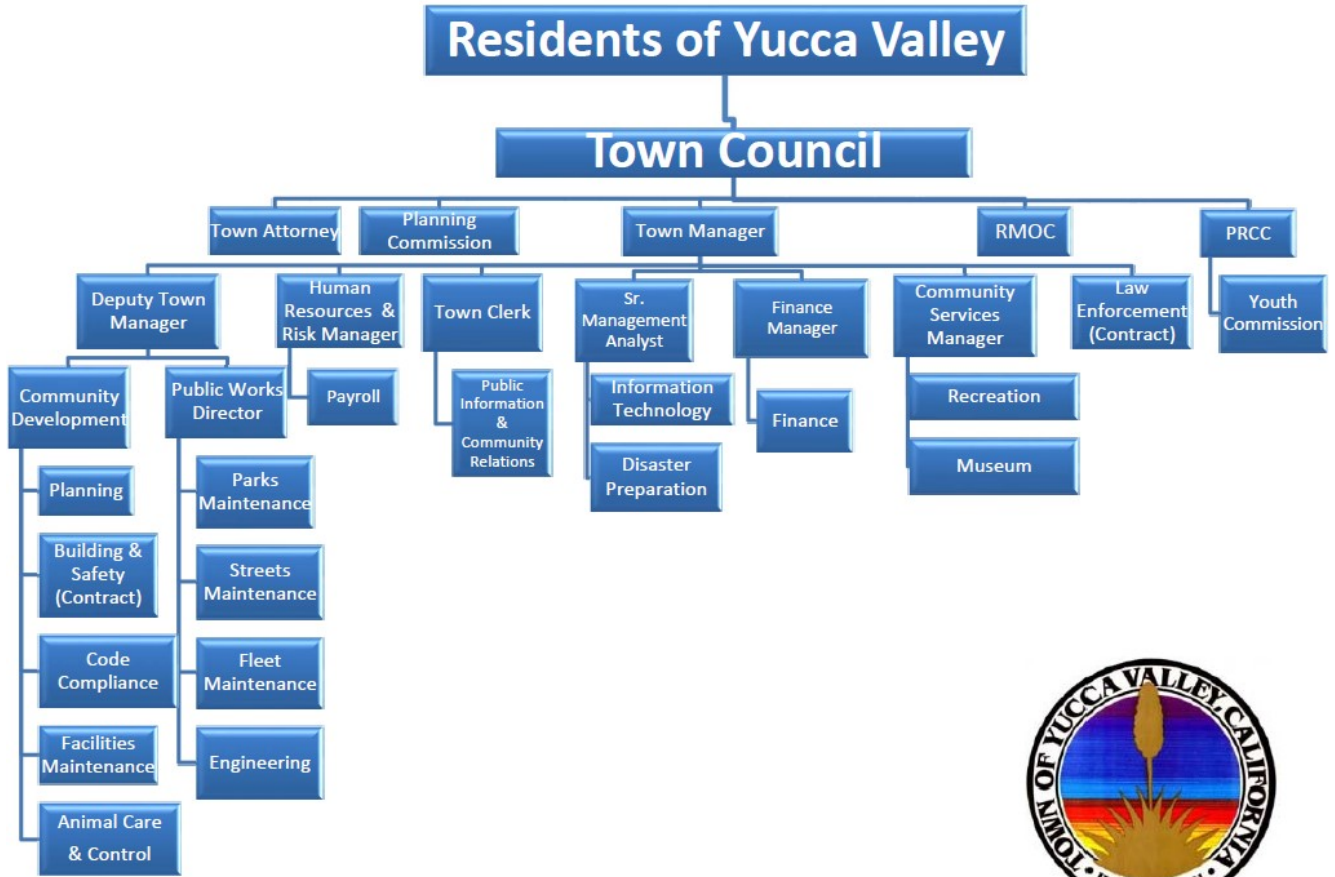
Town Clerk

Lesley Copeland

Town Attorney

Thomas D. Jex

Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Yucca Valley
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO





FINANCIAL SECTION





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

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Independent Auditor's Report

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

PARTNERS

Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Brenda L. Odle, CPA, MST (Partner Emeritus)

MANAGERS / STAFF

Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
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Demi Hite, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants



Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 of the financial statements, the Town adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified in respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for 12 months after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual non-major fund financial statements and the budgetary comparison schedules for major and non-major funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual report. The other information comprises the transmittal letter and the statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 11, 2022





MANAGEMENT'S DISCUSSION AND ANALYSIS



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, 2022. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Reporting the Town as a Whole

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

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

Town of Yucca Valley

Management's Discussion and Analysis For the year ended June 30, 2022

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).

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

Reporting the Town's Fiduciary Responsibilities

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

A summary of the Government-wide Statement of Net Position follows:

	2022	2021	Change
Current and other assets	\$ 45,398,136	\$ 34,094,267	\$ 11,303,869
Capital and intangible assets	61,573,194	60,269,556	1,303,638
Total assets	<u>106,971,330</u>	<u>94,363,823</u>	<u>12,607,507</u>
Deferred outflows of resources	<u>1,464,445</u>	<u>1,959,691</u>	<u>(495,246)</u>
Long-term liabilities	5,018,652	5,495,505	(476,853)
Other liabilities	2,774,250	2,128,665	645,585
Total liabilities	<u>7,792,902</u>	<u>7,624,170</u>	<u>168,732</u>
Deferred inflows of resources	<u>3,135,685</u>	<u>543,449</u>	<u>2,592,236</u>
Net position:			
Net investment in capital assets	58,771,013	60,269,556	(1,498,543)
Restricted	21,274,775	18,022,742	3,252,033
Unrestricted	17,461,400	9,866,597	7,594,803
Total net position	<u>\$ 97,507,188</u>	<u>\$ 88,158,895</u>	<u>\$ 9,348,293</u>

Town of Yucca Valley

**Management's Discussion and Analysis
For the year ended June 30, 2022**

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

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Revenues			
Program revenues:			
Charges for services	\$ 2,805,884	\$ 1,769,764	\$ 1,036,120
Operating grants and contributions	2,507,914	3,770,459	(1,262,545)
Capital grants and contributions	3,911,433	3,159,787	751,646
Total program revenues	<u>9,225,231</u>	<u>8,700,010</u>	<u>525,221</u>
General revenues:			
Property taxes	6,239,189	5,826,572	412,617
Sales taxes	7,717,316	7,295,017	422,299
Transient occupancy taxes	2,686,405	1,926,447	759,958
Franchise taxes	1,196,857	998,699	198,158
Investment income	(363,420)	319,538	(682,958)
State motor vehicle in-lieu	25,797	16,309	9,488
Other	3,331,176	170,163	3,161,013
Total general revenues	<u>20,833,320</u>	<u>16,552,745</u>	<u>4,280,575</u>
Total revenues	<u>30,058,551</u>	<u>25,252,755</u>	<u>4,805,796</u>
Program expenses			
General government	6,224,558	5,286,994	937,564
Public safety	6,844,833	6,420,538	424,295
Parks and recreation	1,533,261	1,307,178	226,083
Public works	4,303,980	7,224,917	(2,920,937)
Community development	1,779,673	1,215,069	564,604
Interest and fiscal charges	23,953	-	23,953
Total expenses	<u>20,710,258</u>	<u>21,454,696</u>	<u>(744,438)</u>
Change in net position	9,348,293	3,798,059	5,550,234
Net position, beginning of year	88,158,895	84,360,836	3,798,059
Net position, end of year	<u>\$ 97,507,188</u>	<u>\$ 88,158,895</u>	<u>\$ 9,348,293</u>

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

- The net position of the Town increased, from \$88.2 million to \$97.5 million, primarily as a result of increases in general revenues across all categories, with the most significant increases derived from other revenues. The total change in net position increased by \$9,348,3293
- Property tax revenue increased from the prior year as a result of an increase in the assessed valuation in real property combined with increased real estate sales activity. It appears the aggregate property valuations have somewhat stabilized, and it is likely that revenues will continue at the same level of modest growth in the near future.
- Sales taxes experienced an increase of \$422,299, reflecting the steadily increasing economic development and tourism to the Town and surrounding desert areas.
- Continuation and implementation of long-term capital maintenance and/or replacement projects related to Town facilities for municipal operations

MAJOR FUNDS

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

The **General Fund** is the primary operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$14,170,989, comprising the majority of the total fund balance of \$18,550,997. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 101 percent of total General Fund expenditures, while total fund balance represents 133 percent of that same amount. General Fund revenues exceeded expenditures by \$3,728,035. This excess was related to increased property values which resulted in increased property taxes, increases in sales taxes from increased spending and travel, and increased transient occupancy taxes from short-term vacation rentals combined with lower spending activity across all departments, particularly public safety expenditures.

The **Town Housing Special Revenue Fund** is a special revenue fund established for transactions related to the Town's housing activities. The fund was established as the Housing Successor of the former Yucca Valley Redevelopment Agency's Low and Moderate Housing fund which was eliminated as of February 1, 2012. The revenue source is currently repayment of funds loaned to the Successor Agency. At the end of the current fiscal year, the unassigned fund balance (deficit) totaled (\$123,543). The deficit fund balance is due to advances due from the Successor Agency from prior year RDA dissolution activities. Town Housing Fund reported expenditures exceeding revenues by (\$4,527).

The **Measure Z – Sewer Assistance Fund** is a special revenue fund established from the voter approved one-half percent of sales tax on retail sales within the Town limits to assist citizens with the sewer assessments costs. At the end of the current fiscal year, the restricted fund balance totaled \$774,368. The Measure Z Fund expenditures exceeded revenues by (\$45,826).

The **Measure Y – Essential Services Fund** is a special revenue fund established from the voter approved one-half percent of sales tax on retail sales to fund projects recommended by the Revenue Measure Oversight Commission and/or Town Council. At the end of the current fiscal year, the restricted fund balance totaled \$4,125,006. The Measure Y Fund revenues exceeded expenditures by \$982,416. This increase was related to the Town receiving additional sales tax revenues than budgeted expectations and the timing of budgeted capital projects into the next fiscal year.

The **Prop 68 Grant Fund** is a special revenue fund established to track the receipts and expenditures from the Statewide Parks Desert Community Program – Prop 68 Grant for the development of public facilities that will assist in achieving active recreational projects, including aquatic and fitness centers. The Prop 68 Grant Fund revenues exceeded expenditures by \$47,243. At the end of the current fiscal year, the unassigned fund balance totaled (\$128,397).

The **ARPA Fund** is a special revenue fund established to account for the receipts and expenditures from the American Rescue Plan Act. The purpose of the fund is to improve the local recovery efforts after the COVID-19 pandemic. At the end of the current fiscal year, the restricted fund balance totaled \$531.

The **Capital Projects Reserve Fund** is a special revenue fund 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. At the end of the current fiscal year, the assigned fund balance totaled \$7,633,336. Transfers into the fund are appropriated from the unassigned fund balance of the General Fund as directed by Council from prior year excess fund balances.

Town of Yucca Valley

Management's Discussion and Analysis For the year ended June 30, 2022

GENERAL FUND BUDGET

Aggregate differences between the original budget and the final budget of the General Fund revenues were somewhat significant in fiscal year 2022. Total actual revenues exceeded the final budget by \$2,256,891. 91% of that excess was due to various tax revenues exceeding the final budget by \$2,053,778.

Aggregate differences between the original budget and the final amended budget of the General Fund expenditures were less than the final budget, due to cost savings across departments. The General Fund was \$804,617 under final budgeted amounts or 26%. Significant variances include Community Development which was under budget by \$487,729 due to the reduction of professional services costs during the year.

These deviations did not significantly affect the General Fund's liquidity or ability to provide future government services as fund balances in the General Fund remain within the levels in the reserve policy.

CAPITAL ASSETS

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

	<u>2022</u>	<u>2021</u>
Land	\$ 6,346,251	\$ 5,905,539
Land improvements	2,230,827	2,500,679
Structures and improvements	11,499,066	11,361,096
Licensed vehicles	244,782	250,831
Machinery and equipment	1,230,270	963,720
Infrastructure	37,036,780	37,531,392
Construction in progress	<u>2,911,190</u>	<u>1,756,299</u>
Total	<u>\$ 61,499,166</u>	<u>\$ 60,269,556</u>
Intangible right to use asset	<u>\$ 74,028</u>	<u>\$ -</u>

The major changes to capital assets during the year ended June 30, 2022, were as follows:

- Structures and improvements increased with the completion of the Yucca Trail and Palomar improvement project and fiber installation projects.
- Machinery and equipment increased with the completion of the Senior Center kitchen equipment improvements, the purchase of new Town signage, and the purchase of new record retention software licenses.
- Construction in progress increased with continuation of several capital projects that began in the prior fiscal year.
- Land increased with the acquisition of two parcels on Business Center Drive.

There were several unexpended construction commitments as of year-end. For more information on the unexpended commitments and additional information on the Town's capital assets, please see Note 7 to the financial statements.

Town of Yucca Valley

Management's Discussion and Analysis For the year ended June 30, 2022

LONG-TERM LIABILITIES AND LONG-TERM DEBT

At the end of the current fiscal year, the Town had long term liabilities (excluding compensated absences) outstanding of \$4,761,872. As of June 30, 2022, the long-term liabilities of the Town are a leaseback agreement, obligations related to employee pensions and Other Post-Employment Benefits (OPEB) and lease liabilities.

The Town's pension plan has three levels of benefits for employees represented as Tier One, Tier Two, and Tier Three Plans. As of the June 30, 2020 valuation date, the three Tiers are funded at 74.7%, 95.8% and 93.4% respectively, excluding the Section 115 trust restricted amount of \$2,423,360. The net pension liability is measured as total pension liability less the pension plan's fiduciary net position. The total pension liability is based on actuarial assumptions to which a long-term discount rate is applied. The long-term discount rate and the investment return on the plan influence the net pension liability from year to year and may create fluctuations that may or may not be immaterial.

The Town authorized and established a multi-employer irrevocable trust to administer the OPEB and Pension Plan benefits in 2018. The OPEB balance in the trust is netted against the total OPEB liability. The OPEB Plan balance in the Trust is \$778,331 as of June 30, 2022. These funds will fund future obligations.

Other long-term liabilities

	<u>2022</u>	<u>2021</u>
Leaseback agreement	\$ 2,704,134	\$ -
Compensated absences	256,780	243,351
Lease liabilities	<u>74,293</u>	<u>-</u>
Total	<u>\$ 3,035,207</u>	<u>\$ 243,351</u>

Additional information on the Town's long-term liabilities and debt can be found in the Notes 8, 9, and 10 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 Finance Department at the Town of Yucca Valley, 57090 Twentynine Palms Highway, Yucca Valley, California 92284.

BASIC FINANCIAL STATEMENTS

Town of Yucca Valley

**Statement of Net Position
June 30, 2022**

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 35,279,522
Restricted cash and investments	2,423,360
Accounts receivable	405,801
Due from other governments	3,380,209
Interest receivable	154,636
Loan receivable	2,925,000
Lease receivable	691,023
Prepaid expenses	138,585
Capital assets, not being depreciated	9,257,441
Capital assets, depreciated, net	52,241,725
Intangible assets, net of amortization	74,028
	<hr/>
Total assets	106,971,330
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	1,298,810
OPEB related	165,635
	<hr/>
Total deferred outflow of resources	1,464,445
LIABILITIES	
Accounts payable and accrued liabilities	2,731,529
Unearned revenues	18,967
Interest payable	23,754
Noncurrent liabilities:	
Due within one year	
Long-term liabilities	446,035
Compensated absences	64,195
Due beyond one year	
Long-term liabilities	2,332,392
Net OPEB liability	48,403
Net pension liability	1,935,042
Compensated absences	192,585
	<hr/>
Total liabilities	7,792,902
DEFERRED INFLOWS OF RESOURCES	
Lease related	691,023
Pension related	2,110,418
OPEB related	334,244
	<hr/>
Total deferred inflows of resources	3,135,685
NET POSITION	
Net investment in capital assets	58,771,013
Restricted for:	
Investment in Section 115 trust	2,423,360
General government	6,268
Public safety	5,206,867
Public works	10,490,177
Community development	3,148,103
Unrestricted	17,461,400
	<hr/>
Total net position	\$ 97,507,188

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

Town of Yucca Valley

**Statement of Activities
For the year ended June 30, 2022**

	Expenses	Program Revenues			Net Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 6,224,558	\$ 279,634	\$ 125,500	\$ -	\$ (5,819,424)
Public safety	6,844,833	802,747	186,024	-	(5,856,062)
Parks and recreation	1,533,261	115,658	14,251	-	(1,403,352)
Public works	4,303,980	588,856	1,157,120	3,911,433	1,353,429
Community development	1,779,673	1,018,989	1,025,019	-	264,335
Interest and fiscal charges	23,953	-	-	-	(23,953)
Total governmental activities	\$ 20,710,258	\$ 2,805,884	\$ 2,507,914	\$ 3,911,433	\$ (11,485,027)
General revenues:					
Taxes					
Property tax, levied for general purpose					6,239,189
Sales tax					7,717,316
Transient occupancy tax					2,686,405
Franchise taxes					1,196,857
Motor vehicle in lieu tax					25,797
Investment earnings					(363,420)
Other					3,331,176
Total general revenues					20,833,320
Change in net position					9,348,293
Net position, beginning of year					88,158,895
Net position, end of year					\$ 97,507,188

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

Town of Yucca Valley

**Balance Sheet - Governmental Funds
June 30, 2022**

	General	Special Revenue		
		Town Housing	Measure Z - Sewer Assessment	Measure Y - Essential Services
ASSETS				
Cash and investments	\$ 14,685,020	\$ 626,459	\$ 1,025,831	\$ 4,122,148
Restricted cash and investments	2,423,360	-	-	-
Receivables:				
Accounts, net	384,575	6,639	-	-
Due from other governments	947,880	-	462,463	462,463
Interest	20,631	-	-	-
Leases	691,023	-	-	-
Prepaid items	138,585	-	-	-
Due from other funds	932,960	-	-	-
Advance to other funds	182,199	-	-	-
Total assets	\$ 20,406,233	\$ 633,098	\$ 1,488,294	\$ 4,584,611
LIABILITIES AND FUND BALANCES OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 681,992	\$ -	\$ 713,926	\$ 435,382
Accrued salaries	462,354	-	-	1,542
Retentions payable	-	-	-	22,681
Unearned revenue	18,967	-	-	-
Due to other funds	900	-	-	-
Advance from other funds	-	756,641	-	-
Total liabilities	1,164,213	756,641	713,926	459,605
Deferred inflows of resources:				
Lease related	691,023	-	-	-
Total deferred inflows of resources	691,023	-	-	-
Fund balances (deficit):				
Nonspendable:				
Advance to other funds	182,199	-	-	-
Prepaid items	138,585	-	-	-
Restricted:				
General government	-	-	-	-
Public safety	296,404	-	-	-
Parks and recreation	39,460	-	-	-
Community development	-	-	-	-
Section 115 Trust	2,423,360	-	-	-
Public works	-	-	774,368	4,125,006
Assigned	1,300,000	-	-	-
Unassigned	14,170,989	(123,543)	-	-
Total fund balances	18,550,997	(123,543)	774,368	4,125,006
Total liabilities, deferred inflows of resources and fund balances	\$ 20,406,233	\$ 633,098	\$ 1,488,294	\$ 4,584,611

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

Special Revenue		Capital Projects	Total Nonmajor	Total
Prop 68 Grant	ARPA	Capital Projects Reserve	Governmental Funds	Governmental Funds
\$ -	\$ 531	\$ 7,517,355	\$ 7,302,178	\$ 35,279,522
-	-	-	-	2,423,360
-	-	-	14,587	405,801
886,788	-	117,729	502,886	3,380,209
-	-	-	-	20,631
-	-	-	-	691,023
900	-	-	-	138,585
-	-	-	574,442	933,860
-	-	-	-	756,641
<u>\$ 887,688</u>	<u>\$ 531</u>	<u>\$ 7,635,084</u>	<u>\$ 8,394,093</u>	<u>\$ 44,029,632</u>
\$ 260,750	\$ -	\$ 1,748	\$ 121,046	\$ 2,214,844
-	-	-	9,451	473,347
-	-	-	20,657	43,338
-	-	-	-	18,967
755,335	-	-	177,625	933,860
-	-	-	-	756,641
<u>1,016,085</u>	<u>-</u>	<u>1,748</u>	<u>328,779</u>	<u>4,440,997</u>
-	-	-	-	691,023
-	-	-	-	691,023
-	-	-	574,442	756,641
-	-	-	-	138,585
-	531	-	6,268	6,799
-	-	-	785,457	1,081,861
-	-	-	-	39,460
-	-	-	31,395	31,395
-	-	-	-	2,423,360
-	-	-	6,678,547	11,577,921
-	-	7,633,336	57,703	8,991,039
(128,397)	-	-	(68,498)	13,850,551
<u>(128,397)</u>	<u>531</u>	<u>7,633,336</u>	<u>8,065,314</u>	<u>38,897,612</u>
<u>\$ 887,688</u>	<u>\$ 531</u>	<u>\$ 7,635,084</u>	<u>\$ 8,394,093</u>	<u>\$ 44,029,632</u>

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



Town of Yucca Valley

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2022**

Fund balances of governmental funds \$ 38,897,612

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

Long-term receivables are not reported in the governmental funds balance sheet, however, they are reported under full accrual in the Statement of Net Position.

Notes receivable	2,925,000
Interest receivable	134,005

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

Capital assets	103,527,910
Accumulated depreciation	(42,028,744)
Intangible assets	93,896
Accumulated amortization	(19,868)

Accrued interest payable for the current portion of interest due on the leaseback agreement that has not been reported in the governmental funds. (23,754)

Long-term liabilities are not due and payable in the current period:

Net OPEB liability	(48,403)
Compensated absences	(256,780)
Net pension liability	(1,935,042)
Long term debt	(2,279,134)
Current portion	(425,000)
Lease liability	(74,293)

Deferred inflows and outflows of resources related to pensions are not reported in the governmental funds.

Net deferred inflows of resources	(2,444,662)
Net deferred outflows of resources	1,464,445

Net position of governmental activities \$ 97,507,188

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, 2022**

	Special Revenue			
	General	Town Housing	Measure Z - Sewer Assessment	Measure Y - Essential Services
REVENUES				
Taxes	\$ 14,921,778	\$ -	\$ 2,917,989	\$ 2,917,989
Licenses and permits	91,175	-	-	-
Intergovernmental	548,801	-	-	-
Charges for services	1,452,450	-	-	-
Fines, fees and forfeitures	703,869	-	-	-
Investment earnings	(366,728)	804	1,327	(13,403)
Other	43,033	-	-	-
Total revenues	17,394,378	804	2,919,316	2,904,586
EXPENDITURES				
Current:				
General government	2,980,703	1,250	2,965,142	146,801
Public safety	5,804,339	-	-	1,044,543
Parks and recreation	1,660,650	-	-	73,284
Public works	1,577,129	4,081	-	630,042
Community development	1,924,670	-	-	27,500
Debt service:				
Cost of issuance	-	-	-	-
Interest and fiscal charges	199	-	-	-
Total expenditures	13,947,690	5,331	2,965,142	1,922,170
Excess of revenues over (under) expenditures	3,446,688	(4,527)	(45,826)	982,416
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	-	-	-	-
Transfers in	2,658,761	-	-	-
Transfers out	(2,377,414)	-	-	(195,000)
Total other financing sources (uses)	281,347	-	-	(195,000)
Net change in fund balances	3,728,035	(4,527)	(45,826)	787,416
FUND BALANCES (DEFICIT)				
Beginning of year	14,822,962	(119,016)	820,194	3,337,590
End of year	<u>\$ 18,550,997</u>	<u>\$ (123,543)</u>	<u>\$ 774,368</u>	<u>\$ 4,125,006</u>

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

Special Revenue		Capital Projects	Total Nonmajor	Total
Prop 68 Grant	ARPA	Capital Projects Reserve	Governmental Funds	Governmental Funds
\$ -	\$ -	\$ -	\$ 111,974	\$ 20,869,730
-	-	-	-	91,175
886,787	2,604,761	117,729	2,826,248	6,984,326
-	-	-	54,425	1,506,875
-	-	-	226,077	929,946
-	531	-	(7,295)	(384,764)
-	-	-	-	43,033
<u>886,787</u>	<u>2,605,292</u>	<u>117,729</u>	<u>3,211,429</u>	<u>30,040,321</u>
-	-	121,684	238,603	6,454,183
-	-	-	42,631	6,891,513
322,661	-	593,243	294,922	2,944,760
516,883	-	24,176	1,519,370	4,271,681
-	-	56,030	-	2,008,200
-	-	-	204,134	204,134
-	-	-	-	199
<u>839,544</u>	<u>-</u>	<u>795,133</u>	<u>2,299,660</u>	<u>22,774,670</u>
<u>47,243</u>	<u>2,605,292</u>	<u>(677,404)</u>	<u>911,769</u>	<u>7,265,651</u>
-	-	-	2,704,134	2,704,134
-	-	4,877,414	1,732,584	9,268,759
-	(2,604,761)	(191,000)	(3,900,584)	(9,268,759)
-	(2,604,761)	4,686,414	536,134	2,704,134
47,243	531	4,009,010	1,447,903	9,969,785
(175,640)	-	3,624,326	6,617,411	28,927,827
<u>\$ (128,397)</u>	<u>\$ 531</u>	<u>\$ 7,633,336</u>	<u>\$ 8,065,314</u>	<u>\$ 38,897,612</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, 2022**

Net change in fund balances - total governmental funds \$ 9,969,785

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	2,401,302
Depreciation expense	(1,171,692)
Amortization expense	(19,868)

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

Proceeds from issuance of debt	(2,704,134)
Payments on lease liabilities	19,603

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

Change in compensated absences	(13,429)
Change in accrued interest	(23,754)

Governmental funds report all contributions for pensions and OPEB as expenditures, however, in the Statement of Activities, pension and OPEB expenses are actuarially determined:

Pension related net adjustments	788,159
OPEB related net adjustments	84,091

Revenues in the statement of activities that do not provide for current financial resources are not reported as revenues in the governmental funds:

Interest on long-term note receivable	<u>18,230</u>
---------------------------------------	---------------

Change in net position of governmental activities \$ 9,348,293

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

Town of Yucca Valley

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022**

	Private Purpose Trust Fund	Custodial Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 309,610	\$ 476,177
Cash and investments with fiscal agent	2	-
	<u> </u>	<u> </u>
Total assets	<u>309,612</u>	<u>476,177</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunded debt	<u>224,669</u>	<u>-</u>
LIABILITIES		
Liabilities:		
Accounts payable	-	43,936
Deposits	-	432,241
Accrued liabilities	39,015	-
Advance from other governments	6,639	-
Long-term liabilities:		
Due within one year	323,000	-
Due in more than one year	<u>6,642,000</u>	<u>-</u>
Total liabilities	<u>7,010,654</u>	<u>476,177</u>
NET POSITION (DEFICIT)		
Restricted for:		
Held in trust for successor agency	(6,476,373)	-
Individuals, organizations and other governments	<u>-</u>	<u>227,105</u>
Total net position	<u><u>\$ (6,476,373)</u></u>	<u><u>\$ 227,105</u></u>

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

Town of Yucca Valley

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2022**

	Private Purpose Trust Fund	Custodial Funds
ADDITIONS		
RPTTF distributions	\$ 618,237	\$ -
Investment earnings	5	-
Payments from individuals and organizations	-	435,375
	<u>618,242</u>	<u>435,375</u>
Total additions	<u>618,242</u>	<u>435,375</u>
DEDUCTIONS		
Payments to individuals and organizations	-	420,941
Administrative payments	102,125	14,434
Interest expense	287,565	-
	<u>389,690</u>	<u>435,375</u>
Total deductions	<u>389,690</u>	<u>435,375</u>
Net increase (decrease) in fiduciary net position	228,552	-
NET POSITION (DEFICIT)		
Beginning of year, as restated	<u>(6,704,925)</u>	<u>227,105</u>
End of year	<u>\$ (6,476,373)</u>	<u>\$ 227,105</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, 2022

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 governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

(a) Reporting entity

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

As required by generally accepted accounting principles in the United States of America, these financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is considered to be financially accountable for an organization if the Town appoints a voting majority of that organization's governing body and the Town is able to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the Town. The Town is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the Town). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the Town are such that their exclusion would cause the Town's financial statements to be misleading or incomplete. All of the Town's component units are blended component units. Blended component units, although legally separate entities, are in substance, part of the Town's operations and so data from these units are reported with the inter-fund data of the primary government. A brief description of the Town's component units are as follows:

- The Yucca Valley Redevelopment Agency (Agency) was activated in September 1992, by the Town as a separate governing body. The Town Council declared by Ordinance that the Town Council will serve as the Board of Directors of the Agency. The primary purpose of the Agency was to eliminate blighted areas by encouraging development of residential, commercial, industrial, recreational, and public facilities. The Town's Councilmembers designate management and have a full accountability of the Agency's fiscal matters. As of February 1, 2012, the Redevelopment Agency ceased all operations in accordance with ABx1 26. All assets and activity of the former redevelopment agency (except for low- and moderate-income housing assets), as of February 1, 2012, were transferred to the Successor Agency to the Yucca Valley Redevelopment Agency (Successor Agency) (a private purpose trust fund). Since the Successor Agency is a private purpose trust fund, it can no longer be considered a component unit of the Town. Furthermore, the Town of Yucca Valley elected to be the Housing Successor and chose to retain the housing assets and functions previously held and performed by the former redevelopment agency.
- 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.

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

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 the discretely presented component units. The Town has no business-type activities or discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated), however, inter-fund services provided and used are not eliminated in the process of consolidation.

Government-wide financial statements are presented using the *economic resources measurement focus* and *accrual basis of accounting*. Under the economic resource's 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, deferred outflows, liabilities, and deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows, liabilities, and deferred inflows resulting from the non-exchange transactions are recognized in accordance with the requirements of generally accepted accounting principles (GAAP).

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

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

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

Notes to the Basic Financial Statements
For the year ended June 30, 2022

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.

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

Governmental funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The Town used an availability period of 60 days; however, grants reimbursements revenues are considered available if received within 6 months of the end of the current fiscal year.

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

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed non-exchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated* and *voluntary non-exchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 1: Summary of significant accounting policies (continued)

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

Non-current portions of long-term receivables due to governmental funds are reported in their balance sheets in spite of their spending measurement focus. Special reporting treatment is used to indicate they should not be considered "available spendable resources," since they do not represent net current assets.

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

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

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

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

Fiduciary funds

In the fund financial statements, fiduciary funds are presented using the *accrual basis of accounting*. Additions are recognized when they are earned and deductions are recognized when the related goods or services are delivered. This means that all assets and deferred outflows of resources, and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their balance sheets.

Town of Yucca Valley

Notes to the Basic Financial Statements For the year ended June 30, 2022

Note 1: Summary of significant accounting policies (continued)

(c) Fund classifications

The funds designated as major funds in the fund financial statements are determined by a mathematical calculation consistent with generally accepted accounting principles.

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.

Town Housing Fund – This fund accounts for activities related to the Town's housing activities. The fund was established as the Housing Successor of the former redevelopment agency's Low and Moderate Income Housing Fund. Sources of revenue are investment income and interest from loans.

Measure Z Sewer Assessment Assistance – This fund accounts for revenues and expenditures apportioned from the voter approved one-half percent of sales tax on retail sales within the Town limits to assist citizens with the sewer assessments costs. This fund is overseen by the Revenue Measure Oversight Commission and/or Town Council.

Measure Y Town Essential Services – This fund accounts for revenues and expenditures apportioned from the voter approved one-half percent of sales tax on retail sales within the Town limits to fund projects recommended by the Revenue Measure Oversight Commission and/or Town Council.

Desert Community Program Prop 68 Grant – Established to account for receipts and expenditures from the Statewide Parks Desert Community Program – Prop 68 Grant for the development of public facilities that will assist in achieving active recreational projects, including aquatic and fitness centers.

ARPA – This fund accounts for revenues and expenditures from the American Rescue Plan Act.

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.

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

Special Revenue Funds – Established to account for the proceeds of resources that are restricted or committed for specific purposes other than debt service or capital projects of the Town. The proceeds of resources are a substantial portion of the inflows reported in each special revenue fund.

Capital Projects Funds – Established to maintain capital projects reserves for the purpose of providing funding for the planning, construction, repair and rehabilitation of the Town's capital assets and to track the progress and expenditures in other capital projects of the Town.

Custodial Fund – Established as a fund to account for deposits advanced to the Town to fund development related services provided by the Town's Community Development department.

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

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 1: Summary of significant accounting policies (continued)

(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, 2022, proceeds of taxes did not exceed allowed appropriations.

(e) *Cash and investments*

Cash and investments are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents have an original maturity date of three months or less from the date of purchase.

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as investment earnings reported for that fiscal year. Investment earnings include interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The Town pools cash investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

(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. Developers contributed capital assets are valued at their estimated fair market value at the date of the contribution. Donated capital assets are recorded at their estimated acquisition value at the date of acquisition. 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.

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 1: Summary of significant accounting policies (continued)

(g) Compensated absences

In accordance with generally accepted accounting principles, 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 generally accepted accounting principles, 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 inter-fund advances are recorded as receivables and as a non-spendable fund balance by the advancing governmental fund, and as a liability in the receiving fund.

(i) Prepaid items

Prepaid items are reported in the governmental funds under consumption method. Prepaid items are offset equally by a fund balance designation which indicates that they do not constitute expendable available resources and therefore are not available for appropriation.

(j) 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.

(k) 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.

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 1: Summary of significant accounting policies (continued)

(l) 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.

(m) Fund balance reporting and governmental fund type definitions

In accordance with generally accepted accounting principles, the following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

The Town Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. The Town of Yucca Valley Fund Balance Policy authorizes the Town Manager to assign Fund Balances for specific purposes. When both restricted and unrestricted resources are available for use when expenditures are incurred, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. It is also the Town's policy to consider committed amounts as being reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

(n) 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.

Notes to the Basic Financial Statements
For the year ended June 30, 2022

Note 1: Summary of significant accounting policies (continued)

(o) *Pension plan*

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website at www.calpers.ca.gov.

Generally accepted accounting principles requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

These liabilities are typically liquidated from resources of the General Fund.

(p) *Other post-employment benefits (OPEB)*

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

These liabilities are typically liquidated from resources of the General Fund.

(q) *Implementation of new pronouncement*

Governmental Accounting Standards Board has issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 2: Cash and investments

Cash and investments are reported as follows:

Statement of net position:	
Cash and investments	\$ 35,279,522
Restricted cash and investments*	2,423,360
Statement of fiduciary net position:	
Cash and investments	785,787
Cash and investments with fiscal agent	<u>2</u>
Total cash and investments	<u><u>\$ 38,488,671</u></u>
Cash and investments held by the Town consist of the following:	
Cash on hand	\$ 3,390
Deposits with financial institutions	10,432,163
Investments	<u>28,053,118</u>
Total cash and investments	<u><u>\$ 38,488,671</u></u>

*Restricted cash and investments are related to the Pension Trust Fund being held with PARS to supplement the Town's Pension Plan.

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*.

<u>Authorized investment type</u>	<u>Maximum maturity</u>	<u>Maximum percentage allowed</u>	<u>Maximum investment in one issuer</u>
U.S. Treasury obligations	None	None	None
U.S. Agency securities	None	None	None
Bankers 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, 2022**

Note 2: Cash and investments (continued)

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

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

Investment types authorized by investment policy	Maximum maturity*	Maximum percentage of portfolio*	Maximum investment in one issuer*
U.S. Treasury obligations	5 years	None	None
U.S. Agency securities	5 years	None	None
Commercial paper	180 days	15%	10%
Negotiable certificates of deposits	5 years	30%	None
Money market mutual funds	N/A	20%	None
Local Agency Investment Fund	N/A	None	\$75,000,000

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

Disclosure relating to interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Town manages its exposure to interest rate risk is by diversifying its investment maturities evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

Investment type	Totals	Remaining maturity (in months)			
		12 or less	13 to 24	25 to 60	More than 60
State investment pool	\$ 10,877,867	\$ 10,877,867	\$ -	\$ -	\$ -
Money market	14,751,889	14,751,889	-	-	-
PARS Pension Trust	2,423,360	2,423,360	-	-	-
Held by bond trustee:					
Money market	2	2	-	-	-
Total investments	\$ 28,053,118	\$ 28,053,118	\$ -	\$ -	\$ -

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 2: Cash and investments (continued)

Disclosures relating to credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Town's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment type	Amount	Minimum legal rating	Ratings at fiscal year end	
			Aaa	Not rated
State investment pool	\$ 10,877,867	N/A	\$ -	\$ 10,877,867
Money market	14,751,889		-	14,751,889
PARS Pension Trust	2,423,360	N/A	-	2,423,360
Held by bond trustee:				
Money market	<u>2</u>		<u>-</u>	<u>2</u>
Totals	<u>\$ 28,053,118</u>		<u>\$ -</u>	<u>\$ 28,053,118</u>

Custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Town deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2022, the Town held deposits with financial institutions in excess of Federal Depository Insurance Corporation (FDIC) limits. These funds were held in collateralized accounts as required by the California Government Code as stated above.

As of June 30, 2022, the Successor Agency's held deposits with financial institutions in excess of Federal Depository Insurance Corporation (FDIC) limits. These funds were held in collateralized accounts as required by the California Government Code as stated above.

For investments identified as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 2: Cash and investments (continued)

Investment in State investment pool

The Town is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Town's investment in this pool is reported in the accompanying financial statements at amounts based upon the Town's pro-rata share of the fair value provided for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized costs basis. LAIF is not rated. LAIF has a minimum \$5,000 transaction amount in increments of \$1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of \$10 million or more.

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, 2022.

Fair value measurements

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs that are observable for an asset or liability, either directly or indirectly, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability.

As of June 30, 2022, none of the investments held by the Town were subject to classification under the fair value hierarchy.

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Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 3: Advances/Due from/to other funds

Interfund advances balances at June 30, 2022 were as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Town Housing - Major Special Revenue Fund	\$ 182,199
Non Major Governmental Funds	Town Housing - Major Special Revenue Fund	<u>574,442</u>
	Total interfund	<u>\$ 756,641</u>

These represent prior years borrowings from the Town Housing Fund to fund the Senior Housing Project described in Note 4.

Due to/from other funds balances at June 30, 2022 were as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Prop 68 Grant	\$ 755,335
	Non Major Governmental Funds	177,625
Prop 68 Grant	General Fund	<u>900</u>
	Total	<u>\$ 933,860</u>

The balances due to the General Fund are related to negative cash balances in various funds. The balance due to Prop 68 grant is related to interfund borrowings.

Note 4: Loan receivable

On or about March 20, 2012, the Town of Yucca Valley entered into certain Affordable Housing, Financing and Disposition and Development Agreement (Loan) that concerns the development of a 75-unit affordable rental housing complex for senior citizens (Project) with Yucca Valley Senior Housing Partners, LP (Developer) in the amount not to exceed Two Million Nine Hundred Twenty-Five Thousand Even Dollars (\$2,925,000) repayable to the Town with residual receipts after completion of the project. The Loan amount includes the purchase price of the site being conveyed by the Town to the Developer plus such amounts of the Town Loan advanced to the Developer. Interest shall accrue on the outstanding principal amount at the simple rate of one-half of one percent (0.5 %) per annum until repaid in full. Interest accrued on the Loan as of June 30, 2022 is \$134,005. This amount is included in the interest receivable balance at June 30, 2022. The principal outstanding balance of the Loan receivable at June 30, 2022 is \$2,925,000.

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 5: Transfers in and out

Transfers in and out for the year ended June 30, 2022 were as follows:

<u>Transfers in</u>	<u>Transfers out</u>		<u>Amount</u>
General Fund	American Rescue Plan fund	(a)	\$ 2,604,761
	Nonmajor Governmental Funds	(b)	54,000
			<u>2,658,761</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	(c)	1,346,584
	Measure Y Essential Services	(c)	195,000
	Capital Project Reserve	(c)	191,000
			<u>1,732,584</u>
Capital Reserve	General Fund	(c)	2,377,414
	Nonmajor Governmental Funds	(c)	2,500,000
			<u>4,877,414</u>
Total transfers			<u><u>\$ 9,268,759</u></u>

- (a) Transfer was completed for funding of public safety costs
- (b) Transfer for funding of the Animal Shelter Facility.
- (c) Transfer was completed for capital project funding.

Note 6: Due from other governments

The amounts due from other governments at June 30, 2022 consist of the following:

	<u>Amount</u>
County of San Bernardino	\$ 417,774
State of California	2,075,647
Other	886,788
	<u>886,788</u>
Total due from other governments	<u><u>\$ 3,380,209</u></u>

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 7: Capital and intangible assets

Capital asset activity for the year ended June 30, 2022 is as follows:

	Beginning balance	Additions	Deletions	Ending balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,905,539	\$ 440,712	\$ -	\$ 6,346,251
Construction in progress	1,756,299	1,670,171	(515,280)	2,911,190
Total capital assets not being depreciated	<u>7,661,838</u>	<u>2,110,883</u>	<u>(515,280)</u>	<u>9,257,441</u>
Capital assets being depreciated:				
Building and improvements				
Land improvements	7,807,678	-	-	7,807,678
Structures and improvements	16,109,757	514,780	-	16,624,537
Infrastructure	65,172,998	-	-	65,172,998
Vehicles and equipment				
Machinery and equipment	3,033,527	290,919	-	3,324,446
Licensed vehicles	1,340,810	-	-	1,340,810
Total capital assets being depreciated	<u>93,464,770</u>	<u>805,699</u>	<u>-</u>	<u>94,270,469</u>
Less accumulated depreciation for:				
Building and improvements				
Land improvements	(5,306,999)	(269,852)	-	(5,576,851)
Structures and improvements	(4,748,661)	(376,810)	-	(5,125,471)
Infrastructure	(27,641,606)	(494,612)	-	(28,136,218)
Vehicles and equipment				
Machinery and equipment	(2,069,807)	(24,369)	-	(2,094,176)
Licensed vehicles	(1,089,979)	(6,049)	-	(1,096,028)
Total accumulated depreciation	<u>(40,857,052)</u>	<u>(1,171,692)</u>	<u>-</u>	<u>(42,028,744)</u>
Total capital assets, being depreciated, net	<u>52,607,718</u>	<u>(365,993)</u>	<u>-</u>	<u>52,241,725</u>
Governmental activities capital assets, net	<u>\$ 60,269,556</u>	<u>\$ 1,744,890</u>	<u>\$ (515,280)</u>	<u>\$ 61,499,166</u>

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

General government	\$ 318,257
Parks and recreation	164,828
Public safety	32,734
Public works	641,331
Community development	<u>14,542</u>
Total depreciation expense	<u>\$ 1,171,692</u>

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 7: Capital and intangible assets (continued)

Intangible asset activity for the year is as follows:

	Beginning balance	Additions	Deletions	Ending balance
Governmental activities:				
Intangible right to use asset	\$ -	\$ 93,896	\$ -	\$ 93,896
Less: accumulated amortization	-	(19,868)	-	(19,868)
Totals	<u>\$ -</u>	<u>\$ 74,028</u>	<u>\$ -</u>	<u>\$ 74,028</u>

Amortization expense is charged to general government.

Construction commitments are as follows:

Project name	Contract amount	Expended	Remaining
North Park Project	\$ 639,730	\$ 298,585	\$ 341,145
Senior Center Kitchen Improvements	376,538	382,983	(6,445)
Onaga Safety Improvements	1,244,593	169,796	1,074,797
Little League Pedestrian Improvements	753,871	89,978	663,893
Aquatics/Recreation Center	20,000,000	889,662	19,110,338
Town Hall Redesign	357,800	73,230	284,570
TVLL Improvements	80,000	70,815	9,185
Totals	<u>\$ 23,452,532</u>	<u>\$ 1,975,049</u>	<u>\$ 21,477,483</u>

Note 8: Long-term liabilities

Changes in long-term liabilities during the year ended June 30, 2022 were as follows:

Governmental activities:	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Leaseback agreement	\$ -	\$ 2,704,134	\$ -	\$ 2,704,134	\$ 425,000
Compensated absences	243,351	197,131	(183,702)	256,780	64,195
Lease liabilities	-	93,896	(19,603)	74,293	21,035
Total long-term liabilities	<u>\$ 243,351</u>	<u>\$ 2,995,161</u>	<u>\$ (203,305)</u>	<u>\$ 3,035,207</u>	<u>\$ 510,230</u>

These liabilities are typically liquidated from resources of the General Fund.

Town of Yucca Valley

Notes to the Basic Financial Statements For the year ended June 30, 2022

Note 8: Long-term liabilities (continued)

Leaseback agreement

On February 1, 2022, the Town entered into a \$20,229,000 leaseback agreement to finance the cost of various General Fund capital improvements, including the Town Hall consolidation project, Senior Center rehabilitation project and the building of an Aquatics and Recreation facility. The lease agreement is using the Yucca Valley Town Hall, Yucca Valley Community Center, Hi Desert Nature Museum and Senior Center as the subject leased properties. The lease agreement has a rate of 2.36% on the unpaid principal with the term ending on August 1, 2041, or on the date on which all of the lease payments have been paid in full.

On February 17, 2022, the Town made the first draw against the loan of \$2,704,134 with the remainder of the balance to be drawn in full by December 31, 2022.

Future payments on the leaseback agreement are as follows:

<u>Leaseback agreement</u>		
<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 425,000	\$ 98,283
2024	865,000	462,300
2025	885,000	441,768
2026	907,000	420,752
2027	928,000	399,228
2028-2032	4,982,000	1,655,039
2033-2037	5,602,000	1,034,893
2038-2042	<u>5,635,000</u>	<u>337,678</u>
Totals	<u>\$ 20,229,000</u>	<u>\$ 4,849,941</u>

Lease liabilities

Postage machine – Community Development

On September 1, 2021, the Town entered into a 60-month lease as Lessee for the use of a postage machine. An initial lease liability was recorded in the amount of \$12,608. As of June 30, 2022, the value of the lease liability is \$10,760. The Agency is required to make quarterly fixed payments of \$216. The lease has an interest rate of 1.09%. The equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$12,608 with accumulated amortization of \$1,891.

Postage machine – Town Hall

On September 1, 2021, the Town entered into a 60-month lease as Lessee for the use of a postage machine. An initial lease liability was recorded in the amount of \$13,474. As of June 30, 2022, the value of the lease liability is \$11,498. The Agency is required to make quarterly fixed payments of \$231. The lease has an interest rate of 1.09%. The equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$13,474 with accumulated amortization of \$2,021.

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 8: Long-term liabilities (continued)

Lease liabilities (continued)

Copiers – various

On July 1, 2021, the Town entered into a 17-quarter lease as Lessee for the use of a copiers. An initial lease liability was recorded in the amount of \$67,814. As of June 30, 2022, the value of the lease liability is \$52,035. The Agency is required to make quarterly fixed payments of \$231. The lease has an interest rate of 1.09%. The equipment estimated useful life was 68 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$67,814 with accumulated amortization of \$15,956.

Future payments on the total lease liabilities are as follows:

	Leases	
<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 21,035	\$ 533
2024	21,200	368
2025	21,367	201
2026	9,361	54
2027	1,330	2
Totals	<u>\$ 74,293</u>	<u>\$ 1,158</u>

Note 9: Defined Benefit Pension Plan

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The Town sponsors three miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and Town's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 9: Defined Benefit Pension Plan (continued)

A. General Information about the Pension Plan (continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plans' provisions and benefits in effect at June 30, 2022 are summarized as follows:

	<u>Miscellaneous First Tier</u>	<u>Miscellaneous Second Tier</u>	<u>Miscellaneous PEPRA</u>
Hire date	Prior to July 1, 2011	From July 1, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.092% to 2.272%	1.0% to 2.5%
Required employer contribution rates	13.35%	8.63%	7.47%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2022 were \$648,049. The actual employer payments of \$1,271,095 made to CalPERS by the District during the measurement period ended June 30, 2022 differed from the District's proportionate share of the employer's contributions of \$836,182 by \$434,913, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 9: Defined Benefit Pension Plan (continued)

B. Net Pension Liability

The Town's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CALPERS' membership data for all funds
Post Retirement Benefit Increase	The lessor of contract COLA or 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.5% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Long-term Expected Rate of Return

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

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

Town of Yucca Valley

Notes to the Basic Financial Statements For the year ended June 30, 2022

Note 9: Defined Benefit Pension Plan (continued)

B. Net Pension Liability (continued)

The expected real rates of return by asset class are as follows:

<u>Asset Class¹</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10²</u>	<u>Real Return Years 11+³</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)
Total	100%		

¹ In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

Change of Assumptions

There were no change of assumptions for measurement date June 30, 2022.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the threshold specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for June 30, 2022, measurement date.

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 9: Defined Benefit Pension Plan (continued)

B. Net Pension Liability (continued)

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

C. Proportionate Share of Net Pension Liability

The following table shows the Plans' proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2020 (VD)	\$ 21,900,406	\$ 16,751,870	\$ 5,148,536
Balance at: 6/30/2021 (MD)	23,194,865	21,259,823	1,935,042
Net change during 2020-21	<u>\$ 1,294,459</u>	<u>\$ 4,507,953</u>	<u>\$ (3,213,494)</u>

Valuation Date (VD), Measurement Date (MD).

The Town's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov.

The Town's proportionate share of the net pension liability for the Miscellaneous Plan as of June 30, 2021 and 2022 measurement dates was as follows:

Proportionate Share - June 30, 2020	0.12206%
Proportionate Share - June 30, 2021	0.10191%
Change - Increase (Decrease)	<u>(0.02015%)</u>

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

The following presents the Town's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Net Pension Liability	\$ 4,997,481	\$ 1,935,042	\$ (596,633)

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 9: Defined Benefit Pension Plan (continued)

C. Proportionate Share of Net Pension Liability (continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2021 is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2020), the Town's net pension liability was \$5,148,536. For the measurement period ending June 30, 2022 (the measurement date), the Town incurred a pension expense of \$140,109.

As of June 30, 2022, the Town has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of resources	Deferred inflows of resources
Changes of assumptions	\$ -	\$ -
Differences between expected and actual experience	216,994	-
Differences between projected and actual investment earnings	-	1,689,189
Differences between employer's contributions and proportionate share of contributions	351,979	86,559
Change in employer's proportion	81,788	334,670
Pension contributions made subsequent to measurement date	648,049	-
Total	\$ 1,298,810	\$ 2,110,418

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 9: Defined Benefit Pension Plan (continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)

The amounts above are net of outflows and inflows recognized in the 2020-21 measurement period expense. Contributions subsequent to the measurement date of \$648,049 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2023	\$ (303,298)
2024	(322,152)
2025	(367,402)
2026	(466,804)
2027	-
Thereafter	-

E. Payable to the Pension Plan

At June 30, 2022, the Town reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year then ended.

Note 10: Other post-employment benefits (OPEB)

Plan description

The Town has established an agent multiple-employer Retiree Healthcare Plan (HC Plan). This coverage is available for employees who satisfy the requirements for retirement under the California Public Employees Retirement System (PERS), which requires the attainment of age 50 (age 52, if new to CalPERS on or after January 1, 2013) with five years of State or public agency service or approved disability retirement. The healthcare coverage provided by PERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 75. Medical plan benefits are provided through CalPERS, as permitted by the Public Employees' Medical and Hospital and Care Act (PEMHCA). As a PEMHCA employer, the Town has elected the unequal contribution method, where the contribution will be increased annually until it reaches the same employer contribution as active employee medical plan coverage. A separate financial report is not prepared for the HC Plan.

Employees Covered

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the HC Plan:

Active employees	44
Inactive employees or beneficiaries currently receiving benefits	5
Total	49

Town of Yucca Valley

Notes to the Basic Financial Statements For the year ended June 30, 2022

Note 10: Other post-employment benefits (OPEB) (continued)

Contributions

The HC Plan and its contribution requirements are established and may be amended by the Town Council. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2022, the Town's contributions were \$25,907 in payments to the trust, \$5,934 in contributions in the form of direct benefit payments (not reimbursed by the trust), and the estimated implied subsidy was \$10,241 resulting in a total of \$42,082. In fiscal year 2015, the Town established an Irrevocable Trust with the Public Agency Retirement Services (PARS). The Irrevocable Trust was required to fully implement the Town Council's direction of prefunding the Town's OPEB liability.

Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	5.65%
Inflation	2.50% per year
Salary Increases	3.00% per year, used to allocate the cost of benefits between service years
Investment Rate of Return	5.65% as of June 30, 2021, and 5.75% as of June 30, 2020 net of plan investment expense
Mortality Rate ⁽¹⁾	MacLeod Watt Scale 2020 applied generationally from 2015
Pre-Retirement Turnover ⁽²⁾ Healthcare Trend Rate	5.7% (increase effective January 1, 2022) and grand down to 4% for years 2076 and later

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Weight</u>	<u>Asset Class Expected Return**</u>
Equity	60.00%	6.8% to 7.90%
Fixed Income	35.00%	3.30% to 6.10 %
Cash	5.00%	2.40%

Changes in Assumptions

The discount rate used in this valuation changed from 5.75% to 5.65%, based on updated investment return information provided by the trust and investment advisor. Mortality improvement scale was changed from MP-2018 to MacLeod Watts Scale 2020. General inflation rate decreased from 2.75% to 2.5% per year; salary increase rate decreased from 3.25% to 3.0% per year. The health care trend model was updated to Getzen 2021_b, as published by the Society of Actuaries. Following a review of recent retiree elections, participation rate increased from 60% to 75% for active employees currently enrolled in coverage and decreased from 20% to 15% for employees currently waiving coverage.

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 10: Other post-employment benefits (OPEB) (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 5.65% percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

The changes in the net OPEB liability for the HC Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (B)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021 (Measurement Date June 30, 2020)	\$ 756,487	\$ 652,869	\$ 103,618
Changes recognized for the measurement period:			
Service cost	47,056	-	47,056
Interest	45,739	-	45,739
Differences between expected and actual experience	(38,330)	-	(38,330)
Changes of assumptions	108,976	-	108,976
Contributions - employer	-	42,082	(42,082)
Net investment income	-	176,574	(176,574)
Benefit payments	(16,175)	(16,175)	-
Net change	147,266	202,481	(55,215)
Balance at June 30, 2022 (Measurement Date June 30, 2021)	\$ 903,753	\$ 855,350	\$ 48,403

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

	1% Decrease 4.65%	Current discount rate 5.65%	1% Increase 6.65%
Net OPEB Liability	\$ 162,373	\$ 48,403	\$ (46,091)

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 10: Other post-employment benefits (OPEB) (continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the Town if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

	<u>1% Decrease</u>	<u>Current healthcare cost trend rates</u>	<u>1% Increase</u>
Net OPEB Liability	\$ (62,723)	\$ 48,403	\$ 185,728

OPEB Plan Fiduciary Net Position

PARS issues a publicly available financial report that may be obtained from the Public Agency Retirement Services, 4350 Von Karman Ave, Newport Beach, CA 92660.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and 5 years
actual earnings on trust earnings

All other amounts

Straight-line recognition over the expected average remaining services lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service years.

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Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 10: Other post-employment benefits (OPEB) (continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the Town recognized OPEB income of \$13,844, and deferred inflows and outflows of resources related to OPEB from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Changes of assumptions	\$ 95,388	\$ 11,160
Differences between expected and actual experience	-	225,756
Net difference between projected and actual earnings on investments	-	97,328
Contributions subsequent to measurement date	<u>70,247</u>	<u>-</u>
Total	<u>\$ 165,635</u>	<u>\$ 334,244</u>

The \$70,247 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal year ended June 30:	Deferred outflows/(inflows) of resources
2023	\$ (65,898)
2024	(69,667)
2025	(50,767)
2026	(50,405)
2027	(19,911)
Thereafter:	17,792

Note 11: Risk management

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

Public Agency Risk Sharing Authority of California (PARSAC) Liability Program offers a combination of pooled and commercially purchased auto and general liability coverage, plus errors and omissions coverage, above individual Member Entity self-insured retentions to limits of \$35 million per occurrence. The self-insured retentions range from \$5,000 to \$750,000. The Town's retention is \$100,000 per occurrence. PARSAC provides coverage to \$1 million and above PARSAC's coverage layer, the CSAC Excess Insurance Authority provides pooled coverage to \$5 million. Above \$5 million, PARSAC Member Entities are covered through a combination of commercial excess insurance and reinsurance.

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 11: Risk management (continued)

Employment Practices Liability coverage is provided through the Employment Risk Management Authority (ERMA). ERMA provides coverage above the Town’s retention to \$1 million. Losses above \$1 million to \$35 million are covered through CSAC.

PARSAC implemented a Workers’ Compensation Program on July 1, 1990. The Workers’ Compensation Program offers coverage consistent with that mandated by state law. PARSAC provides coverage to \$500,000 above the Member Entity’s self-insured retention which ranges from \$0 to \$350,000. The Local Agency Workers’ Compensation Excess Pool (LAWCX) provides coverage above \$500,000 to \$5 million and losses above \$5 million to statutory limits are covered through joint purchased commercial excess insurance.

There was no significant reduction in insurance coverage by major categories from fiscal year 2020 to 2022 and no settlements exceeding insurance coverage over the past three years. Separate financial statements of PARSAC can be obtained from 1525 Response Road - Suite One, Sacramento California 95815.

Note 12: Successor Agency

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

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

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

The debt of the Successor Agency as of June 30, 2022 is as follows:

Successor Agency:	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Tax Allocation Refunding Bonds 2018 - Direct lending	\$ 7,278,000	\$ -	\$ (313,000)	\$ 6,965,000	\$ 323,000

Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 12: Successor Agency (continued)

Tax Allocation Refunding Bonds 2018 (refunded 2008 Tax Allocation Bonds) – Direct lending

As of February 1, 2012, the former Redevelopment Agency's 2008 Tax Allocation Bonds were transferred to the Successor Agency to the Yucca Valley Redevelopment Agency due to ABx1 26, which dissolved redevelopment agencies in the State of California as of February 1, 2012. The Successor Agency, a separate legal entity, is responsible for the repayment of the principal and interest of the outstanding bonds. Revenues to the Successor Agency, in the form of property taxes, have been pledged for the repayment of enforceable obligations (which include the bonds).

In July, 2018, the Successor Agency to the Redevelopment Agency issued its Tax Allocation Refunding Bonds, Series 2018 (Federally Taxable) to fully refund the former Redevelopment Agency's 2008 Tax Allocation Bonds. The refunding resulted in significant annual savings by lowering the annual debt service payments, an economic gain of \$1,317,886, and in a cash flow net difference between service requirements of \$3,035,222.

In the event of default the Trustee may, by notice in writing by the owners of the bonds, declare the entire principal amount of the unpaid Tax Allocation Refunding Bonds 2018 and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable. The trustee shall exercise any other remedies available to the Trustee and the bond owners in law or at equity.

The outstanding balance of the refunding debt as of June 30, 2022 is \$6,965,000.

Future debt service requirements for the Tax Allocation Refunding Bonds 2018 are as follows:

Bonds payable		
<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 323,000	\$ 271,914
2024	338,000	260,018
2025	349,000	248,338
2026	364,000	234,809
2027	378,000	221,477
2028-2032	2,106,000	889,408
2033-2037	2,541,000	472,228
2038	<u>566,000</u>	<u>52,960</u>
Totals	<u>\$ 6,965,000</u>	<u>\$ 2,651,152</u>

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Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 13: Risks and uncertainties

Grants

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

Successor Agency

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2022 (and subsequent years in which the Successor Agency is in operation) are subject to review by various State agencies and County in which the Successor Agency resides. If any expenses incurred or transfers made by the Successor Agency are disallowed by the State agencies or County, the Town, acting as the Successor Agency could be liable for the repayment of the disallowed costs from either its own funds or by the State withholding tax revenue remittances normally paid to the Town. The amount, if any, of expenses that may be disallowed by the State agencies or County, cannot be determined at this time, although management of the Successor Agency expects such amounts may, or may not be immaterial.

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Town of Yucca Valley

**Notes to the Basic Financial Statements
For the year ended June 30, 2022**

Note 14: GASB 54 – Fund balance reporting

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

	General	Special Revenue				Prop 68 Grant	ARPA	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
		Town Housing	Measure Z - Sewer Assessment	Measure Y - Essential Services	Capital Projects Reserve					
Nonspendable:										
Advance to other funds	\$ 182,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 574,442	\$ 756,641	
Prepaid items	138,585	-	-	-	-	-	-	-	138,585	
Restricted:										
Public safety										
Animal services	296,404	-	-	-	-	-	-	-	296,404	
Safety programs	-	-	-	-	-	-	-	785,457	785,457	
Public safety costs	-	-	-	-	-	-	-	-	-	
Community development										
Community projects	-	-	-	-	-	-	-	31,395	31,395	
Public works										
Fund's program	-	-	774,368	4,125,006	-	-	-	6,678,547	11,577,921	
Parks and recreation										
Rec programs	39,460	-	-	-	-	-	-	-	39,460	
General government										
Section 115 Trust	2,423,360	-	-	-	-	-	-	6,268	2,429,628	
Assigned to:										
Capital projects	-	-	-	-	-	-	7,633,336	57,703	7,691,039	
Risk management	300,000	-	-	-	-	-	-	-	300,000	
Emergency-catastrophic	1,000,000	-	-	-	-	-	-	-	1,000,000	
Retirees obligations	-	-	-	-	-	-	-	-	-	
Unassigned	14,170,989	(123,543)	-	-	(128,397)	531	-	(68,498)	13,851,082	
Total fund balances	\$ 18,550,997	\$ (123,543)	\$ 774,368	\$ 4,125,006	\$ (128,397)	\$ 531	\$ 7,633,336	\$ 8,065,314	\$ 38,897,612	

As of June 30, 2022, a deficit fund balance was recorded in the following funds:

<i>Major Special Revenue Funds:</i>	<u>Fund deficit</u>
Town Housing	\$ (123,543)
Prop 68 Grant	(128,397)
<i>Non Major Special Revenue Funds:</i>	
Community Development Block Grant	(26,884)
Highway Safety Improvements	(41,614)



REQUIRED SUPPLEMENTARY INFORMATION

Town of Yucca Valley

**Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the year ended June 30, 2022**

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 3,377,000	\$ 3,602,000	\$ 3,914,756	\$ 312,756
Property taxes in lieu	2,150,000	2,150,000	2,324,433	174,433
Sales tax	3,750,000	4,250,000	4,799,327	549,327
Transient occupancy tax	1,625,000	1,900,000	2,686,405	786,405
Franchise fees	966,000	966,000	1,196,857	230,857
Total taxes	11,868,000	12,868,000	14,921,778	2,053,778
Licenses and permits	40,000	77,600	91,175	13,575
Intergovernmental:				
Motor vehicle in lieu	15,000	15,000	25,797	10,797
HOPTR	30,000	30,000	24,407	(5,593)
Other	527,446	527,446	498,597	(28,849)
Total intergovernmental	572,446	572,446	548,801	(23,645)
Charges for services:				
Planning, engineering and building fees	739,319	993,019	1,312,051	319,032
Sports programs	28,000	42,000	87,524	45,524
Other	46,450	46,450	52,875	6,425
Total charges for services	813,769	1,081,469	1,452,450	370,981
Fines and forfeitures	402,750	402,750	703,869	301,119
Use of money and property:				
Investment earnings	80,000	80,000	(366,728)	(446,728)
Other	50,517	55,222	43,033	(12,189)
Total revenues	13,827,482	15,137,487	17,394,378	2,256,891

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Town of Yucca Valley

**Required Supplementary Information
Budgetary Comparison Schedule, continued
General Fund
For the year ended June 30, 2022**

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
EXPENDITURES				
General government:				
Town council	\$ 129,650	\$ 183,150	\$ 109,332	\$ 73,818
Town clerk/attorney	441,812	491,812	611,394	(119,582)
Interdepartmental	387,070	498,092	573,684	(75,592)
Town administration	457,900	507,900	378,041	129,859
Management services	1,259,959	1,274,959	1,308,252	(33,293)
Total general government	2,676,391	2,955,913	2,980,703	(24,790)
Public safety:				
Police	4,990,541	4,990,541	4,990,544	(3)
Animal control	1,070,964	1,062,964	813,795	249,169
Total public safety	6,061,505	6,053,505	5,804,339	249,166
Parks and recreation	1,427,842	1,480,342	1,660,650	(180,308)
Public works	1,390,390	1,850,073	1,577,129	272,944
Community development	2,175,522	2,412,399	1,924,670	487,729
Interest and fiscal charges	-	-	199	(199)
Total expenditures	13,731,650	14,752,232	13,947,690	804,542
Excess (deficiency) of revenues over (under) expenditures	95,832	385,255	3,446,688	3,061,433
OTHER FINANCING SOURCES (USES)				
Transfers in	54,000	2,658,761	2,658,761	-
Transfers out	(8,414)	(2,377,414)	(2,377,414)	-
Total other financing sources (uses)	45,586	281,347	281,347	-
Net change in fund balance	141,418	666,602	3,728,035	3,061,433
FUND BALANCES (DEFICIT)				
Beginning of year	14,822,962	14,822,962	14,822,962	-
End of year	\$ 14,964,380	\$ 15,489,564	\$ 18,550,997	\$ 3,061,433

Town of Yucca Valley

**Required Supplementary Information
Budgetary Comparison Schedule
Town Housing Special Revenue Fund
For the year ended June 30, 2022**

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
REVENUES				
Investment earnings	\$ 2,500	\$ 2,500	\$ 804	\$ (1,696)
Total revenues	2,500	2,500	804	(1,696)
EXPENDITURES				
Current:				
General Government	2,500	2,500	1,250	1,250
Public works	30,000	30,000	4,081	25,919
Total expenditures	32,500	32,500	5,331	27,169
Net change in fund balance	(30,000)	(30,000)	(4,527)	25,473
FUND BALANCE (DEFICIT)				
Fund balance, beginning of year	(119,016)	(119,016)	(119,016)	-
Fund balance, end of year	\$ (149,016)	\$ (149,016)	\$ (123,543)	\$ 25,473

Town of Yucca Valley

**Required Supplementary Information
 Budgetary Comparison Schedule
 Measure Z – Sewer Assessment Assistance Special Revenue Fund
 For the year ended June 30, 2022**

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
REVENUES				
Taxes	\$ 2,400,000	\$ 2,750,000	\$ 2,917,989	\$ 167,989
Investment earnings	5,000	5,000	1,327	(3,673)
Total revenues	<u>2,405,000</u>	<u>2,755,000</u>	<u>2,919,316</u>	<u>164,316</u>
EXPENDITURES				
Current:				
General Government	<u>2,405,000</u>	<u>2,755,000</u>	<u>2,965,142</u>	<u>(210,142)</u>
Total expenditures	<u>2,405,000</u>	<u>2,755,000</u>	<u>2,965,142</u>	<u>(210,142)</u>
Net change in fund balance	-	-	(45,826)	(45,826)
FUND BALANCE (DEFICIT)				
Fund balance, beginning of year	<u>820,194</u>	<u>820,194</u>	<u>820,194</u>	<u>-</u>
Fund balance, end of year	<u>\$ 820,194</u>	<u>\$ 820,194</u>	<u>\$ 774,368</u>	<u>\$ (45,826)</u>

Town of Yucca Valley

**Required Supplementary Information
Budgetary Comparison Schedule
Measure Y –Town Essential Services Special Revenue Fund
For the year ended June 30, 2022**

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
REVENUES				
Taxes	\$ 2,400,000	\$ 2,750,000	\$ 2,917,989	\$ 167,989
Investment earnings	15,000	15,000	(13,403)	(28,403)
Total revenues	<u>2,415,000</u>	<u>2,765,000</u>	<u>2,904,586</u>	<u>139,586</u>
EXPENDITURES				
Current:				
General government	170,000	222,000	146,801	75,199
Public safety	1,043,084	1,043,084	1,044,543	(1,459)
Parks and recreation	60,000	387,178	73,284	313,894
Public works	1,000,000	1,365,000	630,042	734,958
Community development	-	-	27,500	(27,500)
Total expenditures	<u>2,273,084</u>	<u>3,017,262</u>	<u>1,922,170</u>	<u>1,095,092</u>
Excess (deficiency) of revenues over (under) expenditures	<u>141,916</u>	<u>(252,262)</u>	<u>982,416</u>	<u>1,234,678</u>
OTHER FINANCING SOURCES				
Transfers out	-	(195,000)	(195,000)	-
Total other financing sources	<u>-</u>	<u>(195,000)</u>	<u>(195,000)</u>	<u>-</u>
Net change in fund balance	141,916	(447,262)	787,416	1,234,678
FUND BALANCE (DEFICIT)				
Fund balance, beginning of year	<u>3,337,590</u>	<u>3,337,590</u>	<u>3,337,590</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,479,506</u>	<u>\$ 2,890,328</u>	<u>\$ 4,125,006</u>	<u>\$ 1,234,678</u>

Town of Yucca Valley

**Required Supplementary Information
 Budgetary Comparison Schedule
 Desert Community Program Prop 68 Grant Special Revenue Fund
 For the year ended June 30, 2022**

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,075,000	\$ 9,480,536	\$ 886,787	\$ (8,593,749)
Total revenues	6,075,000	9,480,536	886,787	(8,593,749)
EXPENDITURES				
Current:				
Parks and recreation	-	1,749,897	322,661	1,427,236
Public works	6,075,000	7,555,000	516,883	7,038,117
Total expenditures	6,075,000	9,304,897	839,544	8,465,353
Net change in fund balance	-	175,639	47,243	(128,396)
FUND BALANCE (DEFICIT)				
Fund balance, beginning of year	(175,640)	(175,640)	(175,640)	-
Fund balance, end of year	\$ (175,640)	\$ (1)	\$ (128,397)	\$ (128,396)

Town of Yucca Valley

**Required Supplementary Information
Budgetary Comparison Schedule
ARPA Special Revenue Fund
For the year ended June 30, 2022**

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 2,604,760	\$ 2,604,761	\$ 1
Investment earnings	-	-	531	531
Total revenues	-	2,604,760	2,605,292	532
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	2,604,760	2,605,292	532
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(2,604,761)	(2,604,761)	-
Total other financing sources	-	(2,604,761)	(2,604,761)	-
Net change in fund balance	-	(1)	531	532
FUND BALANCE (DEFICIT)				
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ (1)	\$ 531	\$ 532

Town of Yucca Valley

**Required Supplementary Information
Schedule of the Town's Proportionate Share of the Plan's Net Pension Liability
and Related Ratios as of the measurement date – Last 10 Years***

<u>Measurement Date</u>	<u>Employer's Proportion of the Collective Net Pension Liability¹</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability</u>	<u>Employer's Covered Payroll²</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll</u>	<u>Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
6/30/2014	0.05381%	\$ 3,360,184	\$ 2,251,339	187.98%	81.27%
6/30/2015	0.05777%	3,965,258	2,135,328	185.70%	74.39%
6/30/2016	0.04782%	4,138,188	2,221,751	186.26%	74.60%
6/30/2017	0.04765%	4,725,488	2,336,296	202.26%	74.30%
6/30/2018	0.04807%	4,632,444	2,366,626	195.74%	76.13%
6/30/2019	0.04588%	4,701,133	2,310,070	203.51%	77.45%
6/30/2020	0.04732%	5,148,536	2,586,000	199.09%	76.49%
6/30/2021	0.03578%	1,935,042	2,798,265	69.15%	91.66%

¹ Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk pools excluding the 1959 Survivors Risk Pool.

² Covered payroll is defined as the payroll on which contributions to a pension plan are based, in accordance with GASB 68.

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

Town of Yucca Valley

**Required Supplementary Information
Schedule of Plan's Contributions – Last 10 Years***

<u>Fiscal Year</u>	<u>Actuarially Determined Contributions</u>	<u>Contributions in Relation to the Actuarially Determined Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll¹</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2015	\$ 367,774	\$ (367,774)	\$ -	\$ 2,135,328	17.22%
6/30/2016	455,028	(1,096,580)	(641,552)	2,221,751	49.36%
6/30/2017	394,738	(394,738)	-	2,336,296	16.90%
6/30/2018	431,923	(431,923)	-	2,366,626	18.25%
6/30/2019	833,506	(833,506)	-	2,310,070	36.08%
6/30/2020	565,731	(565,731)	-	2,586,000	21.88%
6/30/2021	644,070	(1,271,095)	(627,025)	2,798,265	45.42%
6/30/2022	684,049	(684,049)	-	3,021,783	22.64%

¹Covered payroll is defined as the payroll on which contributions to a pension plan are based, in accordance with GASB 68.

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: No change in assumptions for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

Town of Yucca Valley

**Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios – Last 10 Years***

Measurement Period	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	\$ 47,056	\$ 45,575	\$ 47,634	\$ 46,135	\$ 43,662
Interest	45,739	41,836	56,791	52,546	63,239
Differences between expected and actual experience	(38,330)	-	(235,199)	-	(153,123)
Changes of assumptions	108,976	-	(14,420)	-	(7,319)
Benefit payments	(16,175)	(25,864)	(27,364)	(38,220)	(37,914)
Net change in Total OPEB Liability	147,266	61,547	(172,558)	60,461	(91,455)
Total OPEB Liability - beginning	756,487	694,940	867,498	807,037	898,492
Total OPEB Liability - ending (a)	903,753	756,487	694,940	867,498	807,037
Plan Fiduciary Net Position					
Contribution - employer	42,082	160,812	119,672	134,481	109,688
Net investment income	176,574	16,482	27,459	2,037	27,376
Benefit payments	(16,175)	(25,864)	(27,364)	(38,220)	(37,914)
Net change in Plan Fiduciary Net Position	202,481	151,430	119,767	98,298	99,150
Plan Fiduciary Net Position - beginning	652,869	501,439	381,672	283,374	184,224
Plan Fiduciary Net Position - ending (b)	855,350	652,869	501,439	381,672	283,374
Net OPEB Liability - ending (a) - (b)	\$ 48,403	\$ 103,618	\$ 193,501	\$ 485,826	\$ 523,663
Plan fiduciary net position as a percentage of the total OPEB liability	94.64%	86.30%	72.16%	44.00%	35.11%
Covered-employee payroll	\$ 2,798,265	\$ 2,695,043	\$ 2,310,071	\$ 2,381,721	\$ 2,336,296
Net OPEB liability as a percentage of covered-employee payroll	1.73%	3.84%	8.38%	20.40%	22.41%

Town of Yucca Valley

Required Supplementary Information Schedule of OPEB Contributions – Last 10 Years*

<u>Fiscal Year Ended June 30</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contributions (ADC)	\$ 58,443	\$ 56,719	\$ 85,044	\$ 82,444	\$ 93,747
Contributions in relation to the ADC	(58,443)	(42,082)	(133,862)	(119,672)	(134,481)
Contribution deficiency/(excess)	\$ -	\$ 14,637	\$ (48,818)	\$ (37,228)	\$ (40,734)
Covered-employee payroll	\$ 2,882,213	\$ 2,798,265	\$ 2,695,043	\$ 2,310,071	\$ 2,381,721
Contribution as a percentage of covered-employee payroll	2.03%	1.50%	4.97%	5.18%	5.65%
Notes to schedule:					
Valuation date used	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level % of pay	Level % of pay	Level % of pay	Level % of pay	Level % of pay
Amortization period	22 Years closed	24 Years closed	24 Years closed	25 Years closed	26 Years closed
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value
Inflation	2.50%	2.75%	2.75%	2.75%	2.75%
Healthcare cost trend rates	5.75%	6.50%	6.50%	7.50%	8.00%
Salary increases	3.00%	3.25%	3.25%	3.25%	3.25%
Investment rate of return	5.65%	5.75%	5.75%	6.30%	6.30%
Retirement age	From 50 to 75	From 50 to 75	From 50 to 75	From 50 to 75	From 50 to 75
Mortality	2017 CalPers Study	2017 CalPers Study	2017 CalPers Study	2017 CalPers Study	2017 CalPers Study
Mortality improvement	McLeod Watts Scale 2018	McLeod Watts Scale 2018	McLeod Watts Scale 2018	McLeod Watts Scale 2017	McLeod Watts Scale 2017

*Historical information is required only for measurement periods for which GASB 75 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.

Town of Yucca Valley

**Notes to Required Supplementary Information
For the year ended June 30, 2022**

Note 1: Budgets and budgetary data

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

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

Formal budgetary integration is employed as a management control device during the year for the general, special revenue, and capital projects funds. Budgets for these funds are adopted on a basis consistent with generally accepted accounting principles for all government funds.

In the current year, total Expenditures exceeded Budgeted amounts for the following funds:

Major Fund:	Excess:
Measure Z – Major Special Revenue Fund	\$210,142
Non-major Funds:	Excess:
Mello-Ross Special Revenue Fund	\$5,579
Street and Drainage District Special Revenue Fund	2,223



SUPPLEMENTAL SCHEDULES

Town of Yucca Valley

**Combined Balance Sheet
Nonmajor Governmental Funds
June 30, 2022**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Totals
ASSETS				
Cash and investments	\$ 7,244,475	\$ 57,703	\$ -	\$ 7,302,178
Receivables:				
Accounts, net	14,587	-	-	14,587
Due from other governments	502,886	-	-	502,886
Advance to other funds	574,442	-	-	574,442
Total assets	<u>\$ 8,336,390</u>	<u>\$ 57,703</u>	<u>\$ -</u>	<u>\$ 8,394,093</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 121,046	\$ -	\$ -	\$ 121,046
Accrued salaries	9,451	-	-	9,451
Retentions payable	20,657	-	-	20,657
Due to other funds	177,625	-	-	177,625
Total liabilities	<u>328,779</u>	<u>-</u>	<u>-</u>	<u>328,779</u>
Fund balances (deficit):				
Nonspendable:				
Advance to other funds	574,442	-	-	574,442
Restricted:				
General government	6,268	-	-	6,268
Public safety	785,457	-	-	785,457
Community development	31,395	-	-	31,395
Public works	6,678,547	-	-	6,678,547
Assigned	-	57,703	-	57,703
Unassigned	(68,498)	-	-	(68,498)
Total fund balances	<u>8,007,611</u>	<u>57,703</u>	<u>-</u>	<u>8,065,314</u>
Total liabilities and fund balances	<u>\$ 8,336,390</u>	<u>\$ 57,703</u>	<u>\$ -</u>	<u>\$ 8,394,093</u>

Town of Yucca Valley

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2022**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Totals
REVENUES				
Taxes	\$ 111,974	\$ -	\$ -	\$ 111,974
Intergovernmental	2,826,248	-	-	2,826,248
Charges for services	54,425	-	-	54,425
Fines, fees and forfeitures	226,077	-	-	226,077
Investment earnings	(7,370)	75	-	(7,295)
Total revenues	<u>3,211,354</u>	<u>75</u>	<u>-</u>	<u>3,211,429</u>
EXPENDITURES				
Current:				
General government	238,603	-	-	238,603
Public safety	42,631	-	-	42,631
Parks and recreation	294,922	-	-	294,922
Public works	1,519,370	-	-	1,519,370
Debt service:				
Cost of issuance	-	-	204,134	204,134
Total expenditures	<u>2,095,526</u>	<u>-</u>	<u>204,134</u>	<u>2,299,660</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,115,828</u>	<u>75</u>	<u>(204,134)</u>	<u>911,769</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	-	-	2,704,134	2,704,134
Transfers in	1,732,584	-	-	1,732,584
Transfers out	(1,400,584)	-	(2,500,000)	(3,900,584)
Total other financing sources (uses)	<u>332,000</u>	<u>-</u>	<u>204,134</u>	<u>536,134</u>
Net change in fund balances	1,447,828	75	-	1,447,903
FUND BALANCES (DEFICIT)				
Beginning of year	<u>6,559,783</u>	<u>57,628</u>	<u>-</u>	<u>6,617,411</u>
End of year	<u>\$ 8,007,611</u>	<u>\$ 57,703</u>	<u>\$ -</u>	<u>\$ 8,065,314</u>

Town of Yucca Valley

Nonmajor Special Revenue Funds - Fund Descriptions For the year ended June 30, 2022

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

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

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

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

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

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

Measure I 65% Major Arterial – Established to account for revenues for a ½ percent sales tax on all retail transaction within the County

Street in Lieu – Established as a fund to account for monies received as paid-in-lieu funds pursuant to the requirements of the Town Ordinance relating to delayed improvements.

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

Road Maintenance Rehabilitation – Established to account for receipts and expenditures of money apportioned under the Road Repair and Accountability Act of 2017, to address basic road maintenance, rehabilitation, and critical safety needs on both State and local roads.

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

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

Article 3 TDA – Established to account for financial transactions per Article Number 3 of the Transportation Development Act of 1971 (SB325) State of California Streets, Roads, Bicycle and Pedestrian Capital Facilities.

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

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

Town of Yucca Valley

Nonmajor Special Revenue Funds - Fund Descriptions (continued) For the year ended June 30, 2022

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

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

Active Transportation Program – Established to account for the receipts and expenditures under the ATP grant. The purpose of ATP is to encourage increased use of active modes of transportation.

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

California Humanities Grant – Established to account for the receipts and expenditures under the California Humanities Grant Program. The purpose is to encourage participation in public humanities, particularly by new and/or underserved audiences, and promote understanding and empathy among residents in order to cultivate a thriving democracy.

Coronavirus, Aid, Relief and Economic Security Act (CARES Act) – Established to account for grants related to the CARES Act of 2020. The grant is to be used to reimburse the Town for costs associated with the Covid-19 pandemic. Amounts were passed through by the County of San Bernardino.

Highway Safety Improvements – Established to account for the receipts and expenditures under the HSIP federal grant which purpose is to achieve a significant reduction in traffic fatalities and serious injuries on all public roads.

Town of Yucca Valley

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022**

	Quimby Fees	Traffic Safety	Asset Seizure	Gas Tax
ASSETS				
Cash and investments	\$ 11,277	\$ 222,824	\$ 16,183	\$ 676,944
Receivables:				
Accounts, net	-	-	-	-
Due from other governments	-	450	-	41,263
Advance to other funds	-	-	-	-
Total assets	\$ 11,277	\$ 223,274	\$ 16,183	\$ 718,207
LIABILITIES AND FUND BALANCES OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 30,232
Accrued salaries	-	-	-	1,866
Retentions payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	-	32,098
Fund balances (deficit):				
Nonspendable:				
Advance to other funds	-	-	-	-
Restricted:				
General government	-	-	-	-
Public safety	-	223,274	16,183	-
Community development	-	-	-	-
Public works	11,277	-	-	686,109
Unassigned	-	-	-	-
Total fund balances	11,277	223,274	16,183	686,109
Total liabilities and fund balances	\$ 11,277	\$ 223,274	\$ 16,183	\$ 718,207

Local Transportation Act	Measure I - 65% Major Arterial	Street in Lieu	Measure I - 2010-2040	Road Maintenance Rehabilitation	Mello-Roos
\$ 252,332	\$ 2,126	\$ 337,379	\$ 1,688,070	\$ 83,977	\$ 274,170
-	-	-	-	-	14,587
-	-	-	193,606	76,024	1,409
-	-	-	-	-	-
<u>\$ 252,332</u>	<u>\$ 2,126</u>	<u>\$ 337,379</u>	<u>\$ 1,881,676</u>	<u>\$ 160,001</u>	<u>\$ 290,166</u>
\$ -	\$ -	\$ -	\$ 650	\$ -	\$ 1,905
-	-	-	7,585	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	8,235	-	1,905
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
252,332	2,126	337,379	1,873,441	160,001	288,261
-	-	-	-	-	-
<u>252,332</u>	<u>2,126</u>	<u>337,379</u>	<u>1,873,441</u>	<u>160,001</u>	<u>288,261</u>
<u>\$ 252,332</u>	<u>\$ 2,126</u>	<u>\$ 337,379</u>	<u>\$ 1,881,676</u>	<u>\$ 160,001</u>	<u>\$ 290,166</u>

Town of Yucca Valley

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022**

	COPS - LLESA	Article 3 TDA	Recycling Activities Grant	Landscape and Lighting Maintenance
ASSETS				
Cash and investments	\$ 571,450	\$ -	\$ 21,177	\$ 94,867
Receivables:				
Accounts, net	-	-	-	-
Due from other governments	-	-	-	-
Advance to other funds	-	-	-	-
Total assets	<u>\$ 571,450</u>	<u>\$ -</u>	<u>\$ 21,177</u>	<u>\$ 94,867</u>
LIABILITIES AND FUND BALANCES OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 25,450	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-
Retentions payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>25,450</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit):				
Nonspendable:				
Advance to other funds	-	-	-	-
Restricted:				
General government	-	-	-	-
Public safety	546,000	-	-	-
Community development	-	-	21,177	-
Public works	-	-	-	94,867
Unassigned	-	-	-	-
Total fund balances	<u>546,000</u>	<u>-</u>	<u>21,177</u>	<u>94,867</u>
Total liabilities and fund balances	<u>\$ 571,450</u>	<u>\$ -</u>	<u>\$ 21,177</u>	<u>\$ 94,867</u>

Street and Drainage District	Development Impact Fees	Active Transportation Program	Community Development Block Grant	California Humanities Grant
\$ 342,059	\$ 1,749,853	\$ 883,301	\$ -	\$ 10,218
-	-	-	-	-
-	-	-	190,134	-
-	574,442	-	-	-
<u>\$ 342,059</u>	<u>\$ 2,324,295</u>	<u>\$ 883,301</u>	<u>\$ 190,134</u>	<u>\$ 10,218</u>
\$ -	\$ -	\$ 2,459	\$ 54,530	\$ -
-	-	-	-	-
-	-	-	20,657	-
-	-	-	141,831	-
-	-	2,459	217,018	-
-	574,442	-	-	-
-	-	-	-	-
-	-	-	-	10,218
342,059	1,749,853	880,842	-	-
-	-	-	(26,884)	-
<u>342,059</u>	<u>2,324,295</u>	<u>880,842</u>	<u>(26,884)</u>	<u>10,218</u>
<u>\$ 342,059</u>	<u>\$ 2,324,295</u>	<u>\$ 883,301</u>	<u>\$ 190,134</u>	<u>\$ 10,218</u>



Town of Yucca Valley

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022**

	CARES Act	Highway Safety Improvements	Total
ASSETS			
Cash and investments	\$ 6,268	\$ -	\$ 7,244,475
Receivables:			
Accounts, net	-	-	14,587
Due from other governments	-	-	502,886
Advance to other funds	-	-	574,442
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 6,268</u>	<u>\$ -</u>	<u>\$ 8,336,390</u>
LIABILITIES AND FUND BALANCES OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 5,820	\$ 121,046
Accrued salaries	-	-	9,451
Retentions payable	-	-	20,657
Due to other funds	-	35,794	177,625
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>41,614</u>	<u>328,779</u>
Fund balances (deficit):			
Nonspendable:			
Advance to other funds	-	-	574,442
Restricted:			
General government	6,268	-	6,268
Public safety	-	-	785,457
Community development	-	-	31,395
Public works	-	-	6,678,547
Unassigned	-	(41,614)	(68,498)
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>6,268</u>	<u>(41,614)</u>	<u>8,007,611</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 6,268</u>	<u>\$ -</u>	<u>\$ 8,336,390</u>

Town of Yucca Valley

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2022**

	Quimby Fees	Traffic Safety	Asset Seizure	Gas Tax
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	535,381
Charges for services	-	-	-	-
Fines, fees and forfeitures	-	5,792	-	-
Investment earnings	15	285	20	837
	<u>15</u>	<u>6,077</u>	<u>20</u>	<u>536,218</u>
Total revenues	<u>15</u>	<u>6,077</u>	<u>20</u>	<u>536,218</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	360,564
Community development	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>360,564</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15</u>	<u>6,077</u>	<u>20</u>	<u>175,654</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	15	6,077	20	175,654
FUND BALANCES (DEFICIT):				
Beginning of year	<u>11,262</u>	<u>217,197</u>	<u>16,163</u>	<u>510,455</u>
End of year	<u>\$ 11,277</u>	<u>\$ 223,274</u>	<u>\$ 16,183</u>	<u>\$ 686,109</u>

Local Transportation Act	Measure I - 65% Major Arterial	Street in Lieu	Measure I - 2010-2040	Road Maintenance Rehabilitation	Mello-Roos
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,974
-	-	-	1,029,253	447,248	-
-	-	-	-	-	-
-	-	-	-	-	-
307	2	435	(5,844)	201	306
307	2	435	1,023,409	447,449	112,280
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,570	-	-	432,225	-	16,579
-	-	-	-	-	-
8,570	-	-	432,225	-	16,579
(8,263)	2	435	591,184	447,449	95,701
-	-	-	84,120	-	-
-	-	-	(400,000)	(531,000)	-
-	-	-	(315,880)	(531,000)	-
(8,263)	2	435	275,304	(83,551)	95,701
260,595	2,124	336,944	1,598,137	243,552	192,560
\$ 252,332	\$ 2,126	\$ 337,379	\$ 1,873,441	\$ 160,001	\$ 288,261

Town of Yucca Valley

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2022**

	COPS - LLESA	Article 3 TDA	Recycling Activities Grant	Landscape and Lighting Maintenance
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	161,330	-	5,870	-
Charges for services	-	-	-	11,299
Fines, fees and forfeitures	-	-	-	-
Investment earnings	699	21	25	120
	<u>162,029</u>	<u>21</u>	<u>5,895</u>	<u>11,419</u>
Total revenues	<u>162,029</u>	<u>21</u>	<u>5,895</u>	<u>11,419</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	42,631	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	5,683	6,697
Community development	-	-	-	-
	<u>42,631</u>	<u>-</u>	<u>5,683</u>	<u>6,697</u>
Total expenditures	<u>42,631</u>	<u>-</u>	<u>5,683</u>	<u>6,697</u>
Excess (deficiency) of revenues over (under) expenditures	<u>119,398</u>	<u>21</u>	<u>212</u>	<u>4,722</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(84,120)	-	-
	<u>-</u>	<u>(84,120)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(84,120)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	119,398	(84,099)	212	4,722
FUND BALANCES (DEFICIT):				
Beginning of year	<u>426,602</u>	<u>84,099</u>	<u>20,965</u>	<u>90,145</u>
End of year	<u>\$ 546,000</u>	<u>\$ -</u>	<u>\$ 21,177</u>	<u>\$ 94,867</u>

Street and Drainage District	Development Impact Fees	Active Transportation Program	Community Development Block Grant	California Humanities Grant
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	85,745	261,177	1,600
43,126	-	-	-	-
-	220,285	-	-	-
426	(6,108)	746	-	10
<u>43,552</u>	<u>214,177</u>	<u>86,491</u>	<u>261,177</u>	<u>1,610</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	293,684	1,238
8,223	-	231,209	370,965	-
-	-	-	-	-
<u>8,223</u>	<u>-</u>	<u>231,209</u>	<u>664,649</u>	<u>1,238</u>
<u>35,329</u>	<u>214,177</u>	<u>(144,718)</u>	<u>(403,472)</u>	<u>372</u>
-	331,464	931,000	386,000	-
-	(54,000)	-	-	-
-	277,464	931,000	386,000	-
35,329	491,641	786,282	(17,472)	372
306,730	1,832,654	94,560	(9,412)	9,846
<u>\$ 342,059</u>	<u>\$ 2,324,295</u>	<u>\$ 880,842</u>	<u>\$ (26,884)</u>	<u>\$ 10,218</u>

Town of Yucca Valley

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2022**

	CARES Act	Highway Safety Improvements	Total
REVENUES			
Taxes	\$ -	\$ -	\$ 111,974
Intergovernmental	119,169	179,475	2,826,248
Charges for services	-	-	54,425
Fines, fees and forfeitures	-	-	226,077
Investment earnings	19	108	(7,370)
	<u>119,188</u>	<u>179,583</u>	<u>3,211,354</u>
Total revenues	<u>119,188</u>	<u>179,583</u>	<u>3,211,354</u>
EXPENDITURES			
Current:			
General government	238,603	-	238,603
Public safety	-	-	42,631
Parks and recreation	-	-	294,922
Public works	-	78,655	1,519,370
Community development	-	-	-
	<u>238,603</u>	<u>78,655</u>	<u>2,095,526</u>
Total expenditures	<u>238,603</u>	<u>78,655</u>	<u>2,095,526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(119,415)</u>	<u>100,928</u>	<u>1,115,828</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	1,732,584
Transfers out	-	(331,464)	(1,400,584)
	<u>-</u>	<u>(331,464)</u>	<u>332,000</u>
Total other financing sources (uses)	<u>-</u>	<u>(331,464)</u>	<u>332,000</u>
Net change in fund balances	(119,415)	(230,536)	1,447,828
FUND BALANCES (DEFICIT):			
Beginning of year	<u>125,683</u>	<u>188,922</u>	<u>6,559,783</u>
End of year	<u>\$ 6,268</u>	<u>\$ (41,614)</u>	<u>\$ 8,007,611</u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Quimby Fees Special Revenue Fund
For the year ended June 30, 2022**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Investment earnings	\$ 100	\$ 15	\$ (85)
Total revenues	<u>100</u>	<u>15</u>	<u>(85)</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	100	15	(85)
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>11,262</u>	<u>11,262</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 11,362</u></u>	<u><u>\$ 11,277</u></u>	<u><u>\$ (85)</u></u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Traffic Safety Special Revenue Fund
For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Fines, fees and forfeitures	\$ 5,000	\$ 5,792	\$ 792
Investment earnings	1,000	285	(715)
Total revenues	<u>6,000</u>	<u>6,077</u>	<u>77</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	6,000	6,077	77
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>217,197</u>	<u>217,197</u>	<u>-</u>
Fund balance, end of year	<u>\$ 223,197</u>	<u>\$ 223,274</u>	<u>\$ 77</u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Asset Seizure Special Revenue Fund
For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Investment earnings	\$ 100	\$ 20	\$ (80)
Total revenues	<u> 100</u>	<u> 20</u>	<u> (80)</u>
EXPENDITURES			
Current:			
Public safety	<u> 2,500</u>	<u> -</u>	<u> 2,500</u>
Total expenditures	<u> 2,500</u>	<u> -</u>	<u> 2,500</u>
Net change in fund balance	(2,400)	20	2,420
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u> 16,163</u>	<u> 16,163</u>	<u> -</u>
Fund balance, end of year	<u><u> \$ 13,763</u></u>	<u><u> \$ 16,183</u></u>	<u><u> \$ 2,420</u></u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the year ended June 30, 2022**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	\$ 531,000	\$ 535,381	\$ 4,381
Investment earnings	1,500	837	(663)
	<u>532,500</u>	<u>536,218</u>	<u>3,718</u>
EXPENDITURES			
Current:			
Public works	<u>532,600</u>	<u>360,564</u>	<u>172,036</u>
	<u>532,600</u>	<u>360,564</u>	<u>172,036</u>
Net change in fund balance	(100)	175,654	175,754
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>510,455</u>	<u>510,455</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 510,355</u></u>	<u><u>\$ 686,109</u></u>	<u><u>\$ 175,754</u></u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Local Transportation Act Special Revenue Fund
For the year ended June 30, 2022**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Investment earnings	<u>\$ 5,000</u>	<u>\$ 307</u>	<u>\$ (4,693)</u>
Total revenues	<u>5,000</u>	<u>307</u>	<u>(4,693)</u>
EXPENDITURES			
Current:			
Public works	<u>70,000</u>	<u>8,570</u>	<u>61,430</u>
Total expenditures	<u>70,000</u>	<u>8,570</u>	<u>61,430</u>
Excess of revenues over expenditures	<u>(65,000)</u>	<u>(8,263)</u>	<u>56,737</u>
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>260,595</u>	<u>260,595</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 195,595</u></u>	<u><u>\$ 252,332</u></u>	<u><u>\$ 56,737</u></u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Measure I - 65% Major Arterial Special Revenue Fund
For the year ended June 30, 2022**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Investment earnings	\$ -	\$ 2	\$ 2
Total revenues	<u>-</u>	<u>2</u>	<u>2</u>
EXPENDITURES			
Current:			
Public works	<u>2,122</u>	<u>-</u>	<u>2,122</u>
Total expenditures	<u>2,122</u>	<u>-</u>	<u>2,122</u>
Net change in fund balance	(2,122)	2	2,124
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>2,124</u>	<u>2,124</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 2</u></u>	<u><u>\$ 2,126</u></u>	<u><u>\$ 2,124</u></u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Street in Lieu Special Revenue Fund
For the year ended June 30, 2022**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Investment earnings	\$ 1,400	\$ 435	\$ (965)
Total revenues	<u>1,400</u>	<u>435</u>	<u>(965)</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,400	435	(965)
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>336,944</u>	<u>336,944</u>	<u>-</u>
Fund balance, end of year	<u>\$ 338,344</u>	<u>\$ 337,379</u>	<u>\$ (965)</u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Measure I – 2010 – 2040 Special Revenue Fund
For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 620,000	\$ 1,029,253	\$ 409,253
Investment earnings	-	(5,844)	(5,844)
Total revenues	<u>620,000</u>	<u>1,023,409</u>	<u>403,409</u>
EXPENDITURES			
Current:			
Public works	<u>529,220</u>	<u>432,225</u>	<u>96,995</u>
Total expenditures	<u>529,220</u>	<u>432,225</u>	<u>96,995</u>
Excess of revenues over expenditures	<u>90,780</u>	<u>591,184</u>	<u>500,404</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	84,070	84,120	50
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(315,930)</u>	<u>(315,880)</u>	<u>50</u>
Net change in fund balance	(225,150)	275,304	500,454
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>1,598,137</u>	<u>1,598,137</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,372,987</u>	<u>\$ 1,873,441</u>	<u>\$ 500,454</u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Road Maintenance Rehabilitation Special Revenue Fund
For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 430,960	\$ 447,248	\$ 16,288
Investment earnings	500	201	(299)
Total revenues	<u>431,460</u>	<u>447,449</u>	<u>15,989</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>431,460</u>	<u>447,449</u>	<u>15,989</u>
OTHER FINANCING USES			
Transfers out	<u>(531,000)</u>	<u>(531,000)</u>	<u>-</u>
Total other financing uses	<u>(531,000)</u>	<u>(531,000)</u>	<u>-</u>
Net change in fund balance	(99,540)	(83,551)	15,989
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>243,552</u>	<u>243,552</u>	<u>-</u>
Fund balance, end of year	<u>\$ 144,012</u>	<u>\$ 160,001</u>	<u>\$ 15,989</u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Mello-Roos Special Revenue Fund
For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Taxes	\$ 102,500	\$ 111,974	\$ 9,474
Investment earnings	500	306	(194)
Total revenues	<u>103,000</u>	<u>112,280</u>	<u>9,280</u>
EXPENDITURES			
Current:			
Public works	<u>11,000</u>	<u>16,579</u>	<u>(5,579)</u>
Total expenditures	<u>11,000</u>	<u>16,579</u>	<u>(5,579)</u>
Net change in fund balance	92,000	95,701	3,701
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>192,560</u>	<u>192,560</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 284,560</u></u>	<u><u>\$ 288,261</u></u>	<u><u>\$ 3,701</u></u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
COPS - LLESA Special YV Revenue Fund
For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 150,000	\$ 161,330	\$ 11,330
Investment earnings	1,400	699	(701)
	<u>151,400</u>	<u>162,029</u>	<u>10,629</u>
EXPENDITURES			
Current:			
Public safety	<u>225,500</u>	<u>42,631</u>	<u>182,869</u>
	<u>225,500</u>	<u>42,631</u>	<u>182,869</u>
Net change in fund balance	(74,100)	119,398	193,498
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>426,602</u>	<u>426,602</u>	<u>-</u>
Fund balance, end of year	<u>\$ 352,502</u>	<u>\$ 546,000</u>	<u>\$ 193,498</u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Article 3 TDA Special Revenue Fund
For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Investment earnings	\$ -	\$ 21	\$ 21
Total revenues	-	21	21
EXPENDITURES			
Total expenditures	-	-	-
Excess of revenues over expenditures	-	21	21
OTHER FINANCING SOURCES (USES)			
Transfers out	(84,070)	(84,120)	(50)
Total other financing sources (uses)	(84,070)	(84,120)	(50)
Net change in fund balance	(84,070)	(84,099)	(29)
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	84,099	84,099	-
Fund balance, end of year	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ (29)</u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Recycling Activities Grant Special Revenue Fund
 For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 5,000	\$ 5,870	\$ 870
Investment earnings	50	25	(25)
	<u>5,050</u>	<u>5,895</u>	<u>845</u>
EXPENDITURES			
Current:			
Public works	20,965	5,683	15,282
Community development	5,050	-	5,050
	<u>26,015</u>	<u>5,683</u>	<u>20,332</u>
Net change in fund balance	(20,965)	212	21,177
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>20,965</u>	<u>20,965</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ 21,177</u></u>	<u><u>\$ 21,177</u></u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Landscape and Lighting Maintenance Special Revenue Fund
For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Charges for services	\$ 6,000	\$ 11,299	\$ 5,299
Investment earnings	400	120	(280)
Total revenues	<u>6,400</u>	<u>11,419</u>	<u>5,019</u>
EXPENDITURES			
Current:			
Public works	<u>7,500</u>	<u>6,697</u>	<u>803</u>
Total expenditures	<u>7,500</u>	<u>6,697</u>	<u>803</u>
Net change in fund balance	(1,100)	4,722	5,822
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>90,145</u>	<u>90,145</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 89,045</u></u>	<u><u>\$ 94,867</u></u>	<u><u>\$ 5,822</u></u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Street and Drainage District Special Revenue Fund
For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Charges for services	\$ 21,000	\$ 43,126	\$ 22,126
Investment earnings	500	426	(74)
Total revenues	<u>21,500</u>	<u>43,552</u>	<u>22,052</u>
EXPENDITURES			
Current:			
Public works	<u>6,000</u>	<u>8,223</u>	<u>(2,223)</u>
Total expenditures	<u>6,000</u>	<u>8,223</u>	<u>(2,223)</u>
Net change in fund balance	15,500	35,329	19,829
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>306,730</u>	<u>306,730</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 322,230</u></u>	<u><u>\$ 342,059</u></u>	<u><u>\$ 19,829</u></u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Development Impact Fees Special Revenue Fund
For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Fines, fees and forfeitures	\$ 150,000	\$ 220,285	\$ 70,285
Investment earnings	5,000	(6,108)	(11,108)
Total revenues	<u>155,000</u>	<u>214,177</u>	<u>59,177</u>
EXPENDITURES			
Current:			
Public works	<u>207,473</u>	<u>-</u>	<u>207,473</u>
Total expenditures	<u>207,473</u>	<u>-</u>	<u>207,473</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,473)</u>	<u>214,177</u>	<u>266,650</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	331,464	331,464	-
Transfers out	<u>(54,000)</u>	<u>(54,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>277,464</u>	<u>277,464</u>	<u>-</u>
Net change in fund balance	224,991	491,641	266,650
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>1,832,654</u>	<u>1,832,654</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,057,645</u>	<u>\$ 2,324,295</u>	<u>\$ 266,650</u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Active Transportation Program Special Revenue Fund
For the year ended June 30, 2022**

	<u>Final budgeted amounts</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>
REVENUES			
Intergovernmental	\$ 973,000	\$ 85,745	\$ (887,255)
Investment earnings	-	746	746
Total revenues	<u>973,000</u>	<u>86,491</u>	<u>(886,509)</u>
EXPENDITURES			
Current:			
Public works	<u>1,998,465</u>	<u>231,209</u>	<u>1,767,256</u>
Total expenditures	<u>1,998,465</u>	<u>231,209</u>	<u>1,767,256</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,025,465)</u>	<u>(144,718)</u>	<u>880,747</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>931,000</u>	<u>931,000</u>	<u>-</u>
Total other financing sources	<u>931,000</u>	<u>931,000</u>	<u>-</u>
Net change in fund balance	(94,465)	786,282	880,747
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>94,560</u>	<u>94,560</u>	<u>-</u>
Fund balance, end of year	<u>\$ 95</u>	<u>\$ 880,842</u>	<u>\$ 880,747</u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 639,681	\$ 261,177	\$ (378,504)
Total revenues	<u>639,681</u>	<u>261,177</u>	<u>(378,504)</u>
EXPENDITURES			
Current:			
Parks and recreation	639,730	293,684	346,046
Public works	<u>376,538</u>	<u>370,965</u>	<u>5,573</u>
Total expenditures	<u>1,016,268</u>	<u>664,649</u>	<u>351,619</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(376,587)</u>	<u>(403,472)</u>	<u>(26,885)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>386,000</u>	<u>386,000</u>	<u>-</u>
Total other financing sources	<u>386,000</u>	<u>386,000</u>	<u>-</u>
Net change in fund balance	9,413	(17,472)	(26,885)
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>(9,412)</u>	<u>(9,412)</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1</u>	<u>\$ (26,884)</u>	<u>\$ (26,885)</u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
California Humanities Grant Special Revenue Fund
For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 1,600	\$ 1,600	\$ -
Investment earnings	-	10	10
Total revenues	<u>1,600</u>	<u>1,610</u>	<u>10</u>
EXPENDITURES			
Current:			
Parks and recreation	<u>11,145</u>	<u>1,238</u>	<u>9,907</u>
Total expenditures	<u>11,145</u>	<u>1,238</u>	<u>9,907</u>
Net change in fund balance	(9,545)	372	9,917
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>9,846</u>	<u>9,846</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 301</u></u>	<u><u>\$ 10,218</u></u>	<u><u>\$ 9,917</u></u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 CARES Act Special Revenue Fund
 For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 125,684	\$ 119,169	\$ (6,515)
Investment earnings	-	19	19
Total revenues	<u>125,684</u>	<u>119,188</u>	<u>(6,496)</u>
EXPENDITURES			
Current:			
General government	<u>251,368</u>	<u>238,603</u>	<u>12,765</u>
Total expenditures	<u>251,368</u>	<u>238,603</u>	<u>12,765</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(125,684)</u>	<u>(119,415)</u>	<u>6,269</u>
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>125,683</u>	<u>125,683</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ (1)</u></u>	<u><u>\$ 6,268</u></u>	<u><u>\$ 6,269</u></u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Highway Safety Improvement Special Revenue Fund
For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Intergovernmental	\$ 222,123	\$ 179,475	\$ (42,648)
Investment earnings	-	108	108
Total revenues	<u>222,123</u>	<u>179,583</u>	<u>(42,540)</u>
EXPENDITURES			
Current:			
Public works	<u>79,580</u>	<u>78,655</u>	<u>925</u>
Total expenditures	<u>79,580</u>	<u>78,655</u>	<u>925</u>
Excess (deficiency) of revenues over (under) expenditures	<u>142,543</u>	<u>100,928</u>	<u>(41,615)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(331,464)</u>	<u>(331,464)</u>	<u>-</u>
Total other financing sources	<u>(331,464)</u>	<u>(331,464)</u>	<u>-</u>
Net change in fund balance	(188,921)	(230,536)	(41,615)
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>188,922</u>	<u>188,922</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1</u>	<u>\$ (41,614)</u>	<u>\$ (41,615)</u>

Town of Yucca Valley

Nonmajor Capital Projects Fund - Fund Description
June 30, 2022

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).

Retail Sector Improvements – Established to account for the improvement of the retail business sector of the Town.

Town of Yucca Valley

**Balance Sheet
Nonmajor Capital Projects Fund
June 30, 2022**

	<u>Retail Sector Improvements</u>
ASSETS	
Cash and investments	<u>\$ 57,703</u>
Total assets	<u><u>\$ 57,703</u></u>
LIABILITIES AND FUND BALANCE	
Total liabilities	<u>\$ -</u>
Fund balance: Assigned	<u>57,703</u>
Total fund balance	<u>57,703</u>
Total liabilities and fund balance	<u><u>\$ 57,703</u></u>

Town of Yucca Valley

**Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Fund
For the year ended June 30, 2022**

	<u>Retail Sector Improvements</u>
REVENUES	
Investment earnings	<u>\$ 75</u>
Total revenues	<u> 75</u>
EXPENDITURES	
Total expenditures	<u> -</u>
Net change in fund balance	75
Fund balance, beginning of year	<u> 57,628</u>
Fund balance, end of year	<u><u> \$ 57,703</u></u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Retail Sector Improvements Capital Projects Fund
For the year ended June 30, 2022**

	Final budgeted amounts	Actual amounts	Variance with final budget
REVENUES			
Investment earnings	\$ 300	\$ 75	\$ (225)
Total revenues	<u>300</u>	<u>75</u>	<u>(225)</u>
EXPENDITURES			
Current:			
Community development	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance	(9,700)	75	9,775
FUND BALANCE (DEFICIT)			
Fund balance, beginning of year	<u>57,628</u>	<u>57,628</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 47,928</u></u>	<u><u>\$ 57,703</u></u>	<u><u>\$ 9,775</u></u>

Town of Yucca Valley

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Projects Reserve Capital Projects Fund – Major Fund
For the year ended June 30, 2022**

	Budgeted amounts		Actual amounts	Variance with final budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 119,040	\$ 117,729	\$ (1,311)
Other	30,000	30,000	-	(30,000)
Total revenues	30,000	149,040	117,729	(31,311)
EXPENDITURES				
Current:				
General government	307,000	991,459	121,684	869,775
Parks and recreation	427,563	692,196	593,243	98,953
Public works	50,000	50,000	24,176	25,824
Community development	250,000	457,800	56,030	401,770
Total expenditures	1,034,563	2,191,455	795,133	1,396,322
Excess (deficiency) of revenues over (under) expenditures	(1,004,563)	(2,042,415)	(677,404)	1,365,011
OTHER FINANCING SOURCES (USES)				
Transfers in	8,414	4,877,414	4,877,414	-
Transfers out	-	(191,000)	(191,000)	-
Total other financing sources (uses)	8,414	4,686,414	4,686,414	-
Net change in fund balance	(996,149)	2,643,999	4,009,010	1,365,011
FUND BALANCE (DEFICIT)				
Fund balance, beginning of year	3,624,326	3,624,326	3,624,326	-
Fund balance, end of year	\$ 2,628,177	\$ 6,268,325	\$ 7,633,336	\$ 1,365,011



STATISTICAL SECTION



Overview of Statistical Information Presented in Five Categories

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

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

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

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

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

Town of Yucca Valley

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

	Fiscal year				
	2013	2014	2015	2016	2017
Governmental activities:					
Net investment in capital assets	\$ 23,484,183	\$ 25,913,868	\$ 25,913,868	\$ 32,591,351	\$ 34,786,380
Restricted	7,600,076	9,340,709	9,340,709	9,745,235	14,164,214
Unrestricted	<u>7,253,479</u>	<u>7,103,852</u>	<u>7,103,852</u>	<u>4,213,416</u>	<u>4,498,253</u>
Total governmental activities net position	<u>\$ 38,337,738</u>	<u>\$ 42,358,429</u>	<u>\$ 42,358,429</u>	<u>\$ 46,550,002</u>	<u>\$ 53,448,847</u>
Primary government:					
Net investment in capital assets	\$ 23,484,183	\$ 25,913,868	\$ 25,913,868	\$ 32,591,351	\$ 34,786,380
Restricted	7,600,076	9,340,709	9,340,709	9,745,235	14,164,214
Unrestricted	<u>7,253,479</u>	<u>7,103,852</u>	<u>7,103,852</u>	<u>4,213,419</u>	<u>4,498,253</u>
Total primary government net position	<u>\$ 38,337,738</u>	<u>\$ 42,358,429</u>	<u>\$ 42,358,429</u>	<u>\$ 46,550,005</u>	<u>\$ 53,448,847</u>

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

Source: Town of Yucca Valley Finance Department.

	Fiscal year				
	2018	2019	2020	2021	2022
Governmental activities:					
Net investment in capital assets	\$ 34,348,033	\$ 48,432,601	\$ 59,728,592	\$ 60,269,556	\$ 58,771,013
Restricted	19,765,901	14,158,974	14,369,385	18,022,742	21,274,775
Unrestricted	4,517,695	11,706,717	10,262,859	9,866,597	17,461,400
Total governmental activities net position	<u>\$ 58,631,629</u>	<u>\$ 74,298,292</u>	<u>\$ 84,360,836</u>	<u>\$ 88,158,895</u>	<u>\$ 97,507,188</u>
Primary government:					
Net investment in capital assets	\$ 34,348,033	\$ 48,432,601	\$ 59,728,592	\$ 60,269,556	\$ 58,771,013
Restricted	19,765,901	14,158,974	14,369,385	18,022,742	21,274,775
Unrestricted	4,517,695	11,706,717	10,262,859	9,866,597	17,461,400
Total primary government net position	<u>\$ 58,631,629</u>	<u>\$ 74,298,292</u>	<u>\$ 84,360,836</u>	<u>\$ 88,158,895</u>	<u>\$ 97,507,188</u>

Town of Yucca Valley

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

	Fiscal year				
	2013	2014	2015	2016	2017
Expenses:					
Governmental activities:					
General government	\$ 2,255,173	\$ 1,839,715	\$ 1,808,076	\$ 1,922,138	\$ 1,891,162
Public safety	4,477,341	4,784,560	4,897,263	4,968,371	5,222,916
Parks and recreation	2,111,901	399,990	729,359	813,926	1,275,224
Public works	1,500,235	2,970,101	1,979,622	3,124,182	3,142,439
Community development	2,266,567	1,579,315	2,168,836	1,232,726	1,419,701
Interest on long-term debt	-	-	-	-	-
Total governmental activities expenses	<u>12,611,217</u>	<u>11,573,681</u>	<u>11,583,156</u>	<u>12,061,343</u>	<u>12,951,442</u>
Total primary government expenses	<u>12,611,217</u>	<u>11,573,681</u>	<u>11,583,156</u>	<u>12,061,343</u>	<u>12,951,442</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	12,481	26,043	31,484	27,052	115,422
Public safety	137,990	148,294	148,751	197,337	425,126
Parks and recreation	215,701	175,184	186,075	212,682	168,874
Public works	65,160	105,391	26,164	49,120	57,741
Community development	272,992	222,596	245,513	288,117	302,787
Operating grants and contributions	979,280	2,496,097	3,154,115	3,279,736	1,626,389
Capital grants and contributions	<u>2,064,465</u>	<u>4,089,011</u>	<u>3,813,649</u>	<u>4,862,151</u>	<u>1,197,982</u>
Total governmental activities program revenues	<u>3,748,069</u>	<u>7,262,616</u>	<u>7,605,751</u>	<u>8,916,195</u>	<u>3,894,321</u>
Total primary government program revenues	<u>3,748,069</u>	<u>7,262,616</u>	<u>7,605,751</u>	<u>8,916,195</u>	<u>3,894,321</u>
Net revenues (expenses)	<u>\$ (8,863,148)</u>	<u>\$ (4,311,065)</u>	<u>\$ (3,977,405)</u>	<u>\$ (3,145,148)</u>	<u>\$ (9,057,121)</u>

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

Source: Town of Yucca Valley Finance Department.

	Fiscal year				
	2018	2019	2020	2021	2022
Expenses:					
Governmental activities:					
General government	\$ 2,349,441	\$ 2,557,387	\$ 5,422,639	\$ 5,286,994	\$ 6,224,558
Public safety	5,761,214	6,172,612	6,514,290	6,420,538	6,844,833
Parks and recreation	1,234,793	1,972,830	1,604,249	1,307,178	1,533,261
Public works	4,225,776	5,655,114	5,095,900	7,224,917	4,303,980
Community development	1,825,172	1,775,568	2,200,881	1,215,069	1,779,673
Interest on long-term debt	-	-	-	-	23,953
Total governmental activities expenses	<u>15,396,396</u>	<u>18,133,511</u>	<u>20,837,959</u>	<u>21,454,696</u>	<u>20,710,258</u>
Total primary government expenses	<u>15,396,396</u>	<u>18,133,511</u>	<u>20,837,959</u>	<u>21,454,696</u>	<u>20,710,258</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	93,763	132,851	76,892	157,302	279,634
Public safety	520,085	545,108	489,121	596,604	802,747
Parks and recreation	150,156	137,240	98,673	38,405	115,658
Public works	56,082	56,309	57,985	142,588	588,856
Community development	377,267	350,178	688,639	834,865	1,018,989
Operating grants and contributions	2,537,152	2,895,376	2,137,391	3,770,459	2,507,914
Capital grants and contributions	<u>4,615,342</u>	<u>16,314,825</u>	<u>13,496,971</u>	<u>3,159,787</u>	<u>3,911,433</u>
Total governmental activities program revenues	<u>8,349,847</u>	<u>20,431,887</u>	<u>17,045,672</u>	<u>8,700,010</u>	<u>9,225,231</u>
Total primary government program revenues	<u>8,349,847</u>	<u>20,431,887</u>	<u>17,045,672</u>	<u>8,700,010</u>	<u>9,225,231</u>
Net revenues (expenses)	<u>\$ (7,046,549)</u>	<u>\$ 2,298,376</u>	<u>\$ (3,792,287)</u>	<u>\$ (12,754,686)</u>	<u>\$ (11,485,027)</u>

Town of Yucca Valley

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

	Fiscal year				
	2013	2014	2015	2016	2017
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property tax levied for general purposes	\$ 4,474,719	\$ 4,110,921	\$ 4,366,088	\$ 4,478,913	\$ 4,610,099
Sales tax	3,083,885	2,972,557	3,003,421	3,498,005	3,616,990
Transient occupancy tax	147,195	134,183	571,645	290,878	316,912
Franchise taxes	765,448	791,821	833,722	851,943	806,945
Motor vehicle in lieu tax, unrestricted	10,915	9,033	8,726	8,616	9,534
Unrestricted investment earnings	36,135	15,019	42,786	37,559	87,833
Other	245,556	298,222	146,230	340,551	146,333
Extraordinary/Special Items:					
Gain (loss)/contributions from Redevelopment Agency	1,577,265	-	3,038,093	-	-
Total governmental activities	<u>10,341,118</u>	<u>8,331,756</u>	<u>12,010,711</u>	<u>9,506,465</u>	<u>9,594,646</u>
Total primary government	<u>10,341,118</u>	<u>8,331,756</u>	<u>12,010,711</u>	<u>9,506,465</u>	<u>9,594,646</u>
Total primary government change in net position	<u>\$ 1,477,970</u>	<u>\$ 4,020,691</u>	<u>\$ 8,033,306</u>	<u>\$ 6,361,317</u>	<u>\$ 537,525</u>

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

Source: Town of Yucca Valley Finance Department.

	Fiscal year				
	2018	2019	2020	2021	2022
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property tax levied for general purposes	\$ 4,884,374	\$ 5,161,487	\$ 5,491,570	\$ 5,826,572	\$ 6,239,189
Sales tax	5,507,159	5,929,763	5,759,796	7,295,017	7,717,316
Transient occupancy tax	578,997	784,202	864,733	1,926,447	2,686,405
Franchise taxes	955,028	983,535	891,399	998,699	1,196,857
Motor vehicle in lieu tax, unrestricted	11,327	10,481	17,451	16,309	25,797
Unrestricted investment earnings	167,902	345,044	419,312	319,538	(363,420)
Other	149,626	153,775	410,570	170,163	3,331,176
Extraordinary/Special Items:					
Gain (loss)/contributions from Redevelopment Agency	-	-	-	-	-
Total governmental activities	<u>12,254,413</u>	<u>13,368,287</u>	<u>13,854,831</u>	<u>16,552,745</u>	<u>20,833,320</u>
Total primary government	<u>12,254,413</u>	<u>13,368,287</u>	<u>13,854,831</u>	<u>16,552,745</u>	<u>20,833,320</u>
Total primary government change in net position	<u>\$ 5,207,864</u>	<u>\$ 15,666,663</u>	<u>\$ 10,062,544</u>	<u>\$ 3,798,059</u>	<u>\$ 9,348,293</u>



Town of Yucca Valley

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

	Fiscal year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Nonspendable	\$ 1,132,137	\$ 693,540	\$ 620,910	\$ 515,694	\$ 477,617	\$ 300,710	\$ 236,966	\$ 233,356	\$ 288,360	\$ 320,784
Restricted	302,679	331,414	-	359,676	332,536	310,570	327,057	1,031,036	2,259,818	2,759,224
Assigned	1,300,000	1,300,000	1,784,812	1,400,000	1,600,000	1,718,412	1,717,550	1,699,014	1,600,000	1,300,000
Unassigned	4,335,892	5,335,320	5,850,818	6,057,106	5,674,659	6,800,357	7,374,634	7,728,668	10,674,784	14,170,989
Total General Fund	7,070,708	7,660,274	8,256,540	8,332,476	8,084,812	9,130,049	9,656,207	10,692,074	14,822,962	18,550,997
All other governmental funds:										
Nonspendable	482,475	857,999	555,270	579,871	560,757	-	-	-	-	574,442
Restricted:										
General government	-	-	-	-	-	-	-	-	125,683	6,268
Public safety	438,155	453,824	271,518	364,181	421,131	373,485	421,530	554,688	659,962	785,457
Debt service	-	-	11,821	39,460	-	-	-	-	-	-
Community development	1,142,177	180,120	150,967	167,095	168,098	189,416	28,353	28,604	30,811	31,395
Parks and recreation	-	-	-	2,423,360	-	-	-	-	-	-
Public works	3,450,409	3,768,729	5,323,297	5,089,907	5,832,014	11,435,852	7,882,400	10,704,489	9,910,523	11,577,921
Assigned	429,257	2,253,854	1,887,102	2,432,589	3,867,476	4,460,878	9,019,260	4,159,031	3,681,954	7,691,039
Unassigned	70,720	(1,266,916)	(1,508,581)	(113,417)	(112,261)	(178,577)	(165,909)	(132,579)	(304,068)	(319,907)
Total all other governmental funds	6,013,193	6,247,610	6,691,394	10,983,046	10,737,215	16,281,054	17,185,634	15,314,233	14,104,865	20,346,615
Total all governmental funds	\$ 13,083,901	\$ 13,907,884	\$ 14,947,934	\$ 19,315,522	\$ 18,822,027	\$ 25,411,103	\$ 26,841,841	\$ 26,006,307	\$ 28,927,827	\$ 38,897,612

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

Source: Town of Yucca Valley Finance Department.

Town of Yucca Valley

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

	Fiscal year				
	2013	2014	2015	2016	2017
Revenues:					
Taxes	\$ 8,485,175	\$ 8,032,148	\$ 8,798,513	\$ 9,143,350	\$ 9,643,830
Licenses and permits	41,886	48,060	46,239	46,448	45,918
Intergovernmental	2,516,302	4,028,335	5,431,559	4,366,035	2,761,319
Charges for services	610,937	600,865	514,831	565,634	614,666
Fines, fees and forfeitures	186,211	1,936,155	487,305	183,069	218,584
Investment earnings	45,059	23,953	27,473	50,767	88,537
Miscellaneous	646,261	278,060	82,404	142,576	64,415
Total revenues	<u>12,531,831</u>	<u>14,947,576</u>	<u>15,388,324</u>	<u>14,497,879</u>	<u>13,437,269</u>
Expenditures:					
Current:					
General government	2,175,279	1,607,946	1,597,543	2,195,345	1,609,571
Public safety	4,485,396	4,780,111	4,908,924	5,066,965	5,196,778
Parks and recreation	2,109,872	666,853	793,532	1,303,134	1,044,727
Public works	2,465,206	4,700,039	4,713,570	2,165,685	2,162,001
Community development	2,474,167	2,368,644	2,332,526	1,842,461	1,446,936
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>13,709,920</u>	<u>14,123,593</u>	<u>14,346,095</u>	<u>12,573,590</u>	<u>11,460,013</u>
Excess (deficiency) of revenues over expenditures	<u>(1,178,089)</u>	<u>823,983</u>	<u>1,042,229</u>	<u>1,924,289</u>	<u>1,977,256</u>
Other financing sources (uses):					
Proceeds of loan	-	-	-	-	-
Transfers in	628,272	1,573,081	3,083,568	2,282,687	1,333,331
Transfers out	(628,272)	(1,573,081)	(3,097,568)	(2,290,387)	(1,341,262)
Total other financing sources (uses)	-	-	(14,000)	(7,700)	(7,931)
Extraordinary/Special Item					
Gain (loss) on dissolution of Redevelopment Agency	<u>1,077,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,178,089)</u>	<u>\$ 823,983</u>	<u>\$ 1,028,229</u>	<u>\$ 1,916,589</u>	<u>\$ 1,969,325</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Town of Yucca Valley Finance Department.

	Fiscal year				
	2018	2019	2020	2021	2022
Revenues:					
Taxes	\$ 13,921,784	\$ 15,100,374	\$ 15,173,967	\$ 18,853,247	\$ 20,869,730
Licenses and permits	48,526	55,782	44,347	62,993	91,175
Intergovernmental	5,279,531	3,260,417	4,898,514	4,190,673	6,984,326
Charges for services	689,966	651,369	953,715	1,139,015	1,506,875
Fines, fees and forfeitures	323,928	248,325	215,764	575,803	929,946
Investment earnings	226,730	472,300	471,081	312,951	(384,764)
Miscellaneous	80,478	64,797	300,144	103,448	43,033
Total revenues	<u>20,570,943</u>	<u>19,853,364</u>	<u>22,057,532</u>	<u>25,238,130</u>	<u>30,040,321</u>
Expenditures:					
Current:					
General government	1,938,449	2,334,859	5,014,652	6,137,345	6,454,183
Public safety	5,674,358	6,154,306	6,364,455	6,479,823	6,891,513
Parks and recreation	1,273,623	1,817,737	4,860,704	1,335,723	2,944,760
Public works	3,742,386	6,309,063	4,475,047	6,583,326	4,271,681
Community development	1,857,006	1,806,661	2,180,208	1,778,393	2,008,200
Debt service:					
Interest and fiscal charges	-	-	-	-	199
Bond issuance costs	-	-	-	-	204,134
Total expenditures	<u>14,485,822</u>	<u>18,422,626</u>	<u>22,895,066</u>	<u>22,314,610</u>	<u>22,774,670</u>
Excess (deficiency) of revenues over expenditures	<u>6,085,121</u>	<u>1,430,738</u>	<u>(837,534)</u>	<u>2,923,520</u>	<u>7,265,651</u>
Other financing sources (uses):					
Proceeds of loan	-	-	-	-	2,704,134
Transfers in	3,143,419	3,724,499	1,453,045	1,958,592	9,268,759
Transfers out	(2,639,464)	(3,724,499)	(1,453,045)	(1,958,592)	(9,268,759)
Total other financing sources (uses)	<u>503,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,704,134</u>
Extraordinary/Special Item Gain (loss) on dissolution of Redevelopment Agency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 6,589,076</u>	<u>\$ 1,430,738</u>	<u>\$ (837,534)</u>	<u>\$ 2,923,520</u>	<u>\$ 9,969,785</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%

Town of Yucca Valley

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

Fiscal year ended June 30,	Town						Total direct tax rate
	Secured	Unsecured	SBE Nonunitary	Less: exemptions	Taxable assessed value		
2013	\$ 1,114,561,955	\$ 31,019,077	\$ -	\$ 26,844,714	\$ 1,118,736,318	0.2941%	
2014	1,103,475,992	30,911,422	-	26,141,193	1,108,246,221	0.1655%	
2015	1,163,382,478	30,332,137	-	25,665,756	1,168,048,859	0.1655%	
2016	1,209,583,489	30,790,661	-	25,601,356	1,214,772,794	0.1655%	
2017	1,233,995,499	31,116,338	-	26,797,656	1,238,314,181	0.1655%	
2018	1,286,274,570	29,593,322	-	26,283,600	1,289,584,292	0.1655%	
2019	1,354,111,570	30,080,733	-	25,711,000	1,358,481,303	0.1655%	
2020	1,438,360,203	29,798,785	7,623	25,191,600	1,442,975,011	0.1976%	
2021	1,508,156,382	30,320,532	7,623	24,747,800	1,513,736,737	0.1960%	
2022	2,042,965,955	47,168,665	7,623	23,959,600	2,066,182,643	0.1960%	

Note 1:

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

Note 2:

Beginning in Fiscal Year 2012-13, the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during Fiscal Year 2012-13.

Note 3:

Beginning in Fiscal Year 2013-14, the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during Fiscal Year 2012-13.

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

Town of Yucca Valley

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

	Town General Fund Direct Rates			
	<u>Town share of 1% levy</u>	<u>Debt rates</u>	<u>Total Town rate</u>	<u>Total direct rate</u>
2013	0.1653%	0.0000%	0.1653%	0.2941%
2014	0.1653%	0.0000%	0.1653%	0.1655%
2015	0.1653%	0.0000%	0.1653%	0.1655%
2016	0.1653%	0.0000%	0.1653%	0.1655%
2017	0.1653%	0.0000%	0.1653%	0.1655%
2018	0.1653%	0.0000%	0.1653%	0.1655%
2019	0.1653%	0.0000%	0.1653%	0.1655%
2020	0.1653%	0.0000%	0.1653%	0.1976%
2021	0.1653%	0.0000%	0.1653%	0.1960%
2022	0.1653%	0.0000%	0.1653%	0.1944%

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. Beginning in Fiscal Year 2012-2013, the Total Direct Rate no longer includes revenues generated from the former redevelopment tax rate areas. Challenges to recognize enforceable obligations are assumed to have been resolved during Fiscal Year 2012-2013.
- 3) In 1978, California voters passed Prop 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- 4) Includes Town and Agency share.

Source: HDL direct and overlapping tax rates.

Town of Yucca Valley

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

Overlapping rates	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Town of Yucca Valley	0.16533	0.16533	0.16533	0.16533	0.16533	0.16533
Copper Mountain						
Community College	0.03990	0.03990	0.03990	0.03990	0.03990	0.03990
County Free Library	0.01037	0.01037	0.01037	0.01037	0.01037	0.01037
County General Fund	0.10710	0.10710	0.10710	0.10710	0.10710	0.10710
County Superintendent	0.00729	0.00729	0.00729	0.00729	0.00729	0.00729
ERAF	0.16220	0.16220	0.16220	0.16220	0.16220	0.16220
Flood Control Admin	0.00065	0.00065	0.00065	0.00065	0.00065	0.00065
Flood Control Zone 6	0.00845	0.00845	0.00845	0.00845	0.00845	0.00845
Hi-Desert County Water	0.06930	0.06930	0.06930	0.06930	0.06930	0.06930
Hi-Desert Hospital District	0.01345	0.01345	0.01345	0.01345	0.01345	0.01345
Mojave Desert RCD	0.00009	0.00009	0.00009	0.00009	0.00009	0.00009
Mojave Water Agency	0.00393	0.00393	0.00393	0.00393	0.00393	0.00393
Morongo USD	0.19410	0.19410	0.19410	0.19410	0.19410	0.19410
Yucca Valley Fire	0.21780	0.21780	0.21780	0.21780	0.21780	0.21780
Total Prop 13 rate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Morongo USD	0.05810	0.05280	0.05250	0.04660	0.05000	0.04970
Copper Mountain						
Community College	0.02950	0.02660	0.02830	0.02020	0.02600	0.02420
Mojave Water Agency	0.27500	0.27500	0.27500	0.27500	0.27250	0.27250
Total voter approved rate	0.36260	0.35440	0.35580	0.34180	0.34850	0.34640
Successor Agency	0	-	-	-	-	-
Total direct and overlapping rate	1.36256	1.35436	1.35576	1.34176	1.34846	1.34636

Source: HDL graph on property tax break down and Cal-Muni statistics.

2019	2020	2021	2022	Outstanding debt 6/30/22	Share of overlapping debt
0.16533	0.16533	0.16533	0.16533	\$ -	\$ -
0.03990	0.03990	0.03990	0.03990	13,047,693	5,180,326
0.01037	0.01037	0.01037	0.01037	-	-
0.10710	0.10710	0.10710	0.10710	307,870,000	2,333,654
0.00729	0.00729	0.00729	0.00729	-	-
0.16220	0.16220	0.16220	0.16220	-	-
0.00065	0.00065	0.00065	0.00065	44,780,000	339,432
0.00845	0.00845	0.00845	0.00845	-	-
0.06930	0.06930	0.06930	0.06930	-	-
0.01345	0.01345	0.01345	0.01345	-	-
0.00009	0.00009	0.00009	0.00009	-	-
0.00393	0.00393	0.00393	0.00393	-	-
0.19410	0.19410	0.19410	0.19410	41,455,986	16,459,270
0.21780	0.21780	0.21780	0.21780	-	-
<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>407,153,679</u>	<u>24,312,682</u>
0.03580	0.04360	0.04100	0.03910	-	-
0.02670	0.02430	0.02350	0.02180	-	-
<u>0.27250</u>	<u>0.27250</u>	<u>0.27250</u>	<u>0.27250</u>	<u>3,590,000</u>	<u>1,143,941</u>
<u>0.33500</u>	<u>0.34040</u>	<u>0.33700</u>	<u>0.33340</u>	<u>3,590,000</u>	<u>1,143,941</u>
-	-	-	-	6,965,000	6,965,000
<u>1.33496</u>	<u>1.34036</u>	<u>1.33696</u>	<u>1.33336</u>	<u>\$ 417,708,679</u>	<u>\$ 32,421,623</u>

Town of Yucca Valley

**Principal Property Taxpayers
Current Year**

	Taxpayer	Fiscal Year 2022	
		Taxable assessed value	Percent of total town taxable assessed value
1	Walmart Stores Inc	\$ 27,178,713	1.35%
2	Home Depot USA Inc	13,935,413	0.69%
3	Sweetwater YV Joshua PropCo LLC	8,622,149	0.43%
4	Gates of Spain HMC	8,082,840	0.40%
5	Joshua Village 2022	8,027,089	0.40%
6	Spectrum Pacific West LLC	7,391,985	0.37%
7	Guerra Family Trust 2014	7,108,700	0.35%
8	HC-58295 29 Palms Highway LLC	6,870,448	0.34%
9	County Club MHP	6,700,000	0.33%
10	Steven J and Suk K Koo	6,400,358	0.32%
	Totals	<u>\$ 100,317,695</u>	<u>4.98%</u>

Source: HDL Reports.

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

Town of Yucca Valley

**Property Tax Levies and Collections
Last Ten 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
2013	\$ 4,310,331	\$ 4,310,331	100.00%	\$ -	\$ 4,310,331	100.00%
2014	4,288,917	4,110,921	95.85%	177,996	4,288,917	100.00%
2015	4,380,418	4,366,088	99.67%	14,330	4,380,418	100.00%
2016	4,601,051	4,507,251	97.96%	93,800	4,601,051	100.00%
2017	4,708,789	4,610,099	97.90%	98,690	4,708,789	100.00%
2018	4,848,778	4,884,374	100.73%	-	4,884,374	100.73%
2019	5,455,350	5,161,487	94.61%	293,863	5,455,350	100.00%
2020	5,801,735	5,491,570	94.65%	310,165	5,801,735	100.00%
2021	6,003,828	5,826,572	97.05%	177,256	6,003,828	100.00%
2022	6,364,058	6,239,189	98.04%	-	6,239,189	98.04%

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

- 1) Taxes levied - Teeter schedule from SBCO
- 2) Collected - statement of activities in ACFR- general revenue

Town of Yucca Valley

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

Fiscal year ended June 30	Tax allocation bonds	General obligation bonds	Loans	Total governmental activities	% of personal income	Debt per capita
2013	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	2,704,134	2,704,134	0.45%	97

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

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

Source: Town of Yucca Valley Finance Department.

Town of Yucca Valley

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

Fiscal year ended June 30,	Outstanding general bonded debt				% of personal income	Per capita
	Tax allocation bonds	General obligation bonds	Loans	Total		
2013	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2014	-	-	-	-	0.00%	-
2015	-	-	-	-	0.00%	-
2016	-	-	-	-	0.00%	-
2017	-	-	-	-	0.00%	-
2018	-	-	-	-	0.00%	-
2019	-	-	-	-	0.00%	-
2020	-	-	-	-	0.00%	-
2021	-	-	-	-	0.00%	-
2022	-	-	-	-	0.00%	-

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

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

Source: Town of Yucca Valley Finance Department.

Town of Yucca Valley

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

	Fiscal year				
	2013	2014	2015	2016	2017
Assessed valuation	\$ 1,355,651,200	\$ 1,340,266,831	\$ 1,431,184,369	\$ 1,502,995,101	\$ 1,483,401,141
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	338,912,800	335,066,708	357,796,092	375,748,775	370,850,285
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	50,836,920	50,260,006	53,669,414	56,362,316	55,627,543
Total net debt applicable to limit: general obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 50,836,920</u>	<u>\$ 50,260,006</u>	<u>\$ 53,669,414</u>	<u>\$ 56,362,316</u>	<u>\$ 55,627,543</u>
Total debt applicable to the limit as a percentage of debt limit	0.000%	0.000%	0.000%	0.000%	0.000%

	Fiscal year				
	2018	2019	2020	2021	2022
Assessed valuation	\$ 1,548,452,864	\$ 1,652,176,125	\$ 1,755,214,224	\$ 1,846,506,752	\$ 1,972,214,143
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	387,113,216	413,044,031	438,803,556	461,626,688	493,053,536
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	58,066,982	61,956,605	65,820,533	69,244,003	73,958,030
Total net debt applicable to limit: general obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 58,066,982</u>	<u>\$ 61,956,605</u>	<u>\$ 65,820,533</u>	<u>\$ 69,244,003</u>	<u>\$ 73,958,030</u>
Total debt applicable to the limit as a percentage of debt limit	0.000%	0.000%	0.000%	0.000%	0.000%

Source: Town of Yucca Valley Finance Department.
County of San Bernardino

Town of Yucca Valley

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

Fiscal year ended June 30,	Tax allocation bonds				Coverage
	Tax increment	Debt service			
		Principal	Interest		
2013	\$ -	\$ -	\$ -	0.00%	
2014	-	-	-	0.00%	
2015	-	-	-	0.00%	
2016	-	-	-	0.00%	
2017	-	-	-	0.00%	
2018	-	-	-	0.00%	
2019	-	-	-	0.00%	
2020	-	-	-	0.00%	
2021	-	-	-	0.00%	
2022	-	-	-	0.00%	

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

Source: Town of Yucca Valley Finance Department.

Town of Yucca Valley

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

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Aggregate Personal Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2013	21,030	\$ 450,967,000	\$ 21,444	10.20%
2014	21,053	437,397,000	20,776	8.70%
2015	21,030	419,801,000	19,962	6.50%
2016	21,281	435,225,000	20,451	8.10%
2017	21,519	450,557,000	20,937	7.20%
2018	21,834	470,452,000	21,547	6.00%
2019	22,050	514,853,000	23,349	5.50%
2020	22,236	564,104,000	25,368	5.30%
2021	22,330	583,327,000	26,123	14.30%
2022	21,813	589,771,400	27,828	11.10%

Data has been adjusted by calendar year to reflect change from fiscal to calendar year basis.

Sources:

- 1) State Department of Finance
- 2) US Census Bureau
- 3) California Employment Development Department

Town of Yucca Valley

Principal Employers Last Eight Fiscal Years

Employer	Number of Employees								Current year % of total employment
	2015	2016	2017	2018	2019	2020	2021	2022	
Morongo Unified School District	436	421	317	382	325	377	377	328	4%
Walmart	360	340	272	272	272	272	272	272	3%
Home Depot	136	135	160	150	150	150	150	150	2%
Stater Bros.	195	151	157	205	135	205	135	70	2%
US Army	121	121	121	121	121	121	121	121	1%
CA Dept of Forestry & Fire Protection	104	104	104	104	104	104	104	104	1%
San Bernardino County School District	103	103	103	103	103	103	103	149	1%
Apple Core Enterprises (Applebee's)	100	100	100	100	100	100	100	99	1%
Von's	75	75	75	75	75	75	75	91	1%
San Bernardino County	70	70	70	70	70	70	70	70	1%

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

Source: Buzzfile.com; DATAUSA.com

Total employees – Yucca Valley (2020: 8,774)

Note: There is limited employer data available for the Town of Yucca Valley

Town of Yucca Valley

Employment Trends and Other Miscellaneous Information Last Ten Fiscal Years

Employment Trends – Number of Full-Time Equivalent Employees

Function	2013	2014	2015	2016	2017
General government	9	8	8	7	7
Public works	9	7.5	7.5	10.5	10.5
Community development	7.5	7	7	6	6
Community service	15.25	12	12	11	11
Total	40.75	34.5	34.5	34.5	34.5

Function	2018	2019	2020	2021	2022
General government	7	7	8	8	8
Public works	11.5	12	10	10	10
Community development	5	7	6	6	6
Community service	11	11	13	13	19
Total	34.5	37	37	37	43

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

Town of Yucca Valley

**Operating Indicators by Function
Last Ten Fiscal Years**

Function	2013	2014	2015	2016	2017
Animal Control:					
Service calls/shelter visitors	18,936	16,884	17,297	18,697	16,531
Animal licenses issued	1,322	1,301	979	1,048	919
Community Development:					
Building permits issued	541	574	632	707	787
Plan checks	129	229	257	270	306
Public Works:					
Newly paved streets	0.24	-	-	0.61	-
Street resurfacing (miles)	42.00	16.00	11.00	22.50	17.71
Parks and Recreation:					
Number of recreation classes	960	948	948	1,039	1,044
Number of facility rentals	800	828	965	983	868
Function	2018	2019	2020	2021	2022
Animal Control:					
Service calls/shelter visitors	17,440	15,324	13,482	11,563	12,145
Animal licenses issued	842	899	632	635	579
Community Development:					
Building permits issued	897	804	2,219	2,266	2,621
Plan checks	333	354	1,262	197	888
Public Works:					
Newly paved streets	-	22.05*	12.0*	0.56	-
Street resurfacing (miles)	-	14.40	13.40	17.21	17.21
Parks and Recreation:					
Number of recreation classes	1,042	936	637	178	388
Number of facility rentals	1,182	981	809	270	2,879

* Newly paved streets included contributed streets from the Hi Desert Water District

Source: Town of Yucca Valley

Town of Yucca Valley

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

Capital asset statistics

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public Works:					
Streets (miles)	168.3	168.3	169.3	169.3	169.3
Traffic signals	2.0	2.0	2.0	2.0	2.0
Parks and Recreation:					
Parks	9	9	9	9	10
Community centers	1	1	1	1	1
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Public Works:					
Streets (miles)	149.3	149.3	149.3	149.3	149.3
Traffic signals	2.0	2.0	2.0	2.0	2.0
Parks and Recreation:					
Parks	10	10	10	10	10
Community centers	1	1	1	1	1

Source: Town of Yucca Valley

