

*City of*

# Yuba City

*California*

**Comprehensive  
Annual Financial  
Report for the  
Fiscal Year Ending  
June 30th, 2015**

**CITY OF YUBA CITY  
CALIFORNIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2015**

**CITY OF YUBA CITY  
Finance Department**

Robin Bertagna, CPA  
Finance Director

### **The Sutter Buttes**

The Sutter Buttes range formed between 1.4 and 1.6 million years ago as a cluster of plug-dome volcanoes that pushed through thousands of feet of Sierra Nevada and Coast Range sedimentary rock in the very center of the Great Central Valley of California, about 50 miles north of Sacramento. California tribes still consider this unique landform sacred as they had for thousands of years before European emigrants began using the mountains in the middle of the valley for grazing sheep and eventually cattle and horses. Today, the Sutter Buttes remain the largest contiguous wildlife habitat of the Great Central Valley where flora and fauna flourish on around 75,000 acres of privately held and operated land. The only public access is through limited, guided tours helping to keep this gem pristine and wild enough to be featured in a permanent exhibit at the Oakland Museum of California's Gallery of California Natural Sciences.

Yuba City's economy is driven by agriculture and we relish the open space and connection to nature, the land, and our food supply. Yet, word is beginning to spread that our region is a pretty fun place to play, as well. The Sutter Buttes have the largest physical presence of all of our recreational areas with around 45 miles of roads for sightseeing, motoring, and cycling. The wildlife viewing in the region is also spectacular as the city lies in the middle of the Pacific Flyway, bringing millions of waterfowl to the area each year. This is also a big draw for hunters, and the same waterways that bring the birds in winter, bring striped bass and salmon fishermen from across the states in the spring and fall.

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SCOTT HANSEN**

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November 25, 2015

Honorable Mayor and Members of the City Council,

It is our pleasure to submit the City of Yuba City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. Management relies upon a comprehensive framework of internal controls to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (USGAAP). Because the cost of internal controls should not outweigh their benefits, Yuba City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. This report includes the annual audit report of the City's independent auditors, Moss, Levy & Hartzheim, LLP. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. The data is designed to factually set forth the City's financial condition and to present results of City operations as measured by activity among the various fund groups in an easily readable and understandable style.

State statutes require an annual audit of the City's financial records by independent certified public accountants. The firm of Moss, Levy & Hartzheim, LLP, Certified Public Accountants audited the City's financial statements. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget's Circular A-133. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report on the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is combined in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can be found in the separately issued single audit report.

The financial statements are prepared in accordance with Accounting Principles Generally Accepted in the United States of America (USGAAP) as promulgated by the Governmental Accounting Standards Board (GASB), and include the report of the City's independent public accountants. The CAFR is presented in three sections: introductory, financial, and statistical. The introductory

section includes this transmittal letter, the City's organizational chart, and a list of principal officers. The financial section includes the basic financial statements, including management's discussion and analysis, the combined and individual fund statements and schedules, and the auditor's report on the financial statements and schedules. The statistical section includes selected multi-year financial and demographic information.

USGAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

For the fiscal year ended June 30, 2015, the City implemented the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, Statement No. 69, *Government Combinations and Disposals of Government Operations*, Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Implementation of Statement No. 69 had no impact on these financial statements. Implementation of Statement No. 68 and 71 did have an impact on the City's financial statements. More information regarding the implementation of GASB No. 68 and GASB No. 71 is available in both Note 8 and Note 16 to the Financial Statements.

## **YUBA CITY HISTORY AND GOVERNMENT PROFILE**

The City of Yuba City is a unique suburban/rural community located along the Feather River in Sutter County, 45 miles north of downtown Sacramento and 40 miles south of the City of Chico.

The City's population is currently estimated to be 66,363 and the City comprises 14.91 square miles. The City is the political, cultural, and economic center for the Yuba City Metropolitan Statistical Area (Yuba City MSA). The Yuba City MSA encompasses both Sutter and Yuba Counties. The MSA is comprised of nearly 1,250 square miles and is home to approximately 165,000 residents, 94,000 of whom reside in Sutter County and 71,000 of whom reside in Yuba County.

Yuba City was founded in 1849, as one of California's first communities that developed during the Gold Rush era. Since its incorporation in 1908, Yuba City has retained its link to the Sacramento Valley's rich agricultural heritage. Although Yuba City is home to hundreds of industrial, retail, and commercial businesses, and is responsible for providing a vast array of urban services to a growing population, agriculture continues to play an important role in the local economy. The area that surrounds Yuba City is one of the world's most productive agricultural regions. The region's leading commodities include rice, peaches, dried plums, walnuts, and tomatoes.

The City is a full-service general law city that operates under a Council-Manager form of government. The City Council consists of five members, elected at large to serve four-year terms. The elections are staggered every two years, with three seats open in one election and two seats open in the next election. The Mayor is elected by the City Council to serve a one-year term. The

Mayor serves as the City Council's presiding officer. The City Treasurer and City Clerk are also elected to serve four-year terms.

The City Council appoints a City Manager to implement its policies and directives. All of the City departments operate under the supervision of the City Manager. In adhering to the City's mission statement (*To anticipate and provide for the needs of the community through quality service, innovation, and leadership, now and into the future*), each department provides the level of services that the Yuba City community wants, needs, and is willing to pay for. Municipal services include police and fire protection, water and sanitation services, construction and maintenance of streets and infrastructure, planning and zoning, economic development, recreational activities and cultural events, and general administrative/support services.

This report includes all of the funds of the City. This report also includes the financial activities considered to be part of, controlled by, and/or dependent on the City. Accordingly, this financial report incorporates financial data for *component units* of the City including the Successor Agency to the Yuba City Redevelopment Agency and the Yuba City Public Financing Authority. Component units are legally separate entities for which the City is financially accountable. The Yuba City Redevelopment Agency was eliminated under the provisions of AB 1X 26 and AB 1484 as were all other Redevelopment Agencies in the State of California. The current year financial report includes the activities of the Successor Agencies, both the Low/Mod Successor Agency and the RDA Successor Agency, and are reported as Private-Purpose Trust Funds. Additionally, the financial report also includes the activities of various other legally separate entities in the section Agency Funds. The activities of Sutter Buttes Flood Control Agency (SBFCA) and the Sutter Animal Services Authority (SASA) both issue their own independent financial statements, but because the City serves as Treasurer for these entities, their financial statements are summarized in the Agency Funds section.

## **ECONOMIC CONDITION & FINANCIAL INFORMATION**

### Local Economy

The local economy was slower to recover from the recession than the State and national economy, however recovery has occurred. This pattern is typical, the Sacramento Valley typically enters the economic slowdown later than the national economy; recovery therefore lags the rest of the nation. Yuba City continues to show several positive signs of recovery. The City has enjoyed positive sales tax growth in twelve of the past fourteen quarters, the average quarterly results increased by 10.275% per quarter in FY 2014-15 when compared to the same quarter a year earlier. Sales tax has recovered completely from the recession, and in FY 2014-15 total revenues surpassed the pre-recession peak of FY 2005-06. Yuba City has also experienced increases in the residential home sales price in the past two years, an increase of 19 percent in FY 2013-14 and 7.7 percent in FY 2014-15. New home construction in Yuba City remains slow following years of significant residential development from 2001 through 2006. As of the end of October, 2015, the City issued 36 new single family dwelling building permits, a decline of 39 percent from the 59 issued through October, 2014. With the economy rebounding, there is pent up demand for home ownership. Interest rates remain at historically low levels so as people re-enter the home ownership market, local home sale prices continue to steadily increase.

Assessed valuations have been slower to show an increase. After peaking in FY 2007-08, the City suffered declining values over the next five fiscal years. General fund values have now shown increases in the most recent three years of data: Up 2 percent in FY 2013-14, slightly over 6 percent in FY 2014-15, and up about 6.3 percent in FY 2015-16. The increase in FY 2015-16 included increasing values related to Proposition 8 recapture of \$76.1 million in single family residential properties and \$10.0 million in non-residential properties caused by increasing real estate values. Values increased by \$52.1 million due to the CPI increase of 1.998%. There was also a large increase related to commercial properties, with a total increase in value of \$58.9 million. An additional 3,894 parcels remain under Proposition 8 status, with a total potential recapture of assessed value of \$272 million as long as they do not sell for a lesser value prior to the recapture.

As mentioned above, several years ago the State eliminated Redevelopment agencies throughout the State. The City, as the Successor Agency, met all of the requirements and performed all of the procedures required by both the State Department of Finance (DOF) and the State Controller's Office and remitted all remaining funds for both the former Redevelopment Agency and the Low and Moderate Income Housing Fund. In return, the State DOF issued a Finding of Completion for the Yuba City Successor Agency (the Agency). The Agency has now submitted the loan agreement between the former redevelopment agency and the City general fund on the Recognized Payment Obligation Schedule as an enforceable obligation to ultimately begin repayment when assessed values increase sufficiently to support the increased costs. Presently, property values have dropped in the former Redevelopment project area to a level wherein the Redevelopment Property Tax Trust Fund (RPTTF) receipts are not sufficient to cover the annual debt service payments on outstanding bonds and loan commitments. The deficiency has been paid for using residual cash reserve balances that the DOF has allowed the Agency to retain for this purpose. The City as Successor Agency is in the process of refunding all of the outstanding tax allocation bonds, including the 2004 Series A and B and the 2007 Series and received approval from the State Department of Finance to proceed in October, 2015. The refunding bonds are expected to close in Mid-December, 2015, and at that time it is expected that the RPTTF receipts will more closely match the debt service expenditures with a small surplus, thereby eliminating the on-going deficit cash flows of the Successor Agency. The Agency has also prepared, submitted and received approval on a long-range property management plan for initiating the disposal of Agency property and assets.

For additional information regarding Yuba City's local economy, please refer to the MD&A section, which begins on page 4.

### Budget Process and Long-Term Financial Planning

The City prepares a budget for each fiscal year on or before June 30. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund and special revenue funds are included in the annual appropriated budget. Budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the department level within an individual fund.

The City remains committed to reviewing and updating its long range fiscal model which looks out five to ten years but is placing more emphasis and focus on evaluating the three to five-year sustainability of our general fund budget. Projections in the three to five-year range indicate

anticipated growth in revenues, particularly in both property and sales taxes. However, expenditures are also expected to grow for employee benefits costs including retirement, healthcare, and worker's compensation.

In November, 2013, City Council adopted an updated Fiscal Policy which specifically states that "the City's general fund shall maintain a fund balance of at least 15% of the total expenditures appropriated for the following fiscal year. This will be evaluated annually." The updated policy also states that "one-time funds shall not be budgeted or used to pay ongoing operating expenses for the City. Any changes to this Fiscal Policy will require City Council review and approval". City Council recognized that with the City recovering from the recession, it was time to initiate a plan to stop deficit spending and bring the budget back into balance. Rather than requiring this all at once, likely causing a reduction in service levels, City Council instead opted to approve a budget for FY 2014-15 that once again used one-time reserve funds from the Economic Stabilization Reserve (ESR) to meet on-going expenditure requirements. The City is phasing-in the updated Fiscal Policy by continuing to use the City's ESR to balance out operating deficits while growing out of the recessionary fiscal environment. City Council has set a goal to have a balanced budget wherein operating revenues exceed operating expenditures by FY 2017-18. General fund expenditures will decline by \$1.2 million when the City's pension obligation bonds are paid off in FY 2016-17. As is described in more detail in the Management's Discussion and Analysis, with the general fund surplus of \$1.81 million in FY 2014-15, the City achieved the goal of an unassigned reserve of at least 15 percent not including the ESR that is committed to funding deficit budgets through FY 2016-17. It is important to note that the City still has a budget deficit as the surplus in FY 2014-15 was due to salary savings from vacant positions. As such, the savings is one-time in nature because when the vacant positions are hired, the savings is eliminated.

With the recession being worse and lasting longer than originally expected, additional concessions were obtained from employee bargaining groups which increased the City's furlough program from 5 percent to 10 percent. The first priority in getting back to a balanced budget included elimination of the furlough program in phases. The City's fiscal goals included eliminating the first 5 percent during FY 2014-15 and the second 5 percent at the beginning of FY 2015-16. This was a difficult position to negotiate with employee bargaining units. In the end the City achieved agreement with many of the bargaining units, and imposed terms on the remaining two unions. After determining that there would be a surplus for FY 2014-15 from one-time savings, the City invited bargaining groups back to the table to discuss extending contracts for one year in exchange for a 2 percent salary increase and a one-time stipend of \$1,500 per employee. The City now has contracts with all employee bargaining groups through June, 2017 except the IAFF union, meetings with them are on-going.

The City's three to five year financial projections all include a combination of anticipated revenue increases along with expenditure increases. The largest of the expenditure increases are related to elimination of the furlough programs. Each 5 percent furlough represents an additional cost to the general fund of \$1.15 million. In the City's financial projections, the ESR will provide adequate funding over the next two years until the City once again has a balanced budget and the structural deficit is eliminated. Additional information regarding the City's ESR and budget deficit is provided in the Management's Discussion and Analysis section beginning on page 4.

The City Council has communicated that prudent financial management is one of their top priorities. City staff will continue to take a proactive approach in responding to changes in both revenues and expenditures while ensuring we provide adequate service levels to our citizens. While City staff will continue to update its Long-Term Financial Planning model, we will continue reviewing financial results on a quarterly basis and provide updates to City Council at least semi-annually.

## **MAJOR ACCOMPLISHMENTS**

The City achieved many major accomplishments during FY 2014-15. Included are: Dedicated the necessary funding to improve the recruitment and retention of public safety personnel; maintained a balanced-budget (with the use of the ESR and employee concessions); advanced levee improvements through participation in the Sutter Butte Flood Control Agency; advanced the implementation of the Economic Development Strategic Work Plan to grow opportunities for well-paying jobs, create a positive and inspiring self-image, and enhance the quality of life through collaborative and integrated actions; advance the wastewater collection system rehabilitation and replacement project that provides major essential improvements to priority areas of the City with 50-100 year old infrastructure; continued to partner with the Yuba Sutter Chamber of Commerce to provide a Visitor Center and Tourism program for regional tourism promotion, attraction and branding; successfully completed the City's fifth "Make a Difference Day" through the City's HANDS (Helping Area Neighborhoods Develop Successfully) program; completed construction of the Proposition 84 water line project to construct a 16" water main on Franklin Road to service Franklin Elementary School and residential properties on the north side of Franklin Road; advanced water conservation outreach efforts including implementation of the WaterSmart Program, created a rebate program for high efficiency toilets, smart irrigation timers, and pre-rinse spray nozzles, and modified the "My Yuba City" app to allow reporting of water wasters; utilized federal grant funds to rehabilitate Garden Highway between Franklin Road and Winship Road and Bogue Road between Railroad Avenue and Garden Highway; adopted ordinances to address and reduce vagrancy issues specifically including new camping ordinances, addressing aggressive panhandling problems and increasing quality of life issues within our sphere of influence; and obtained grants through the Active Transportation Program and Blue Sky Program for continued development of the City's bikeway network.

## **MAJOR INITIATIVES**

As set forth in the adopted budget of the City Council, there are several key issues and priorities of the City including: Public Safety—Police, Fire and Flood Control; developing our economy, maintaining and improving our infrastructure, developing our organization; preparing for growth; and enhance our image and reputation. Additionally, examples of Council's commitment to further their stated priorities and goals include: Continue to monitor the City's financial health and ensure that the goal of reaching a balance budget by FY 2017-18 is met; support the Sutter Butte Flood Control Agency in their effort to increase flood protection for the citizens of Yuba City and work in a coordinated fashion with SBFCA staff as the City implements the requirements of SB5; continue to be committed to maintaining a system of transparency, public engagement, and collaboration, this ensuring the public's trust; continue to advance the City's Economic Development Strategic

Work plan to grow opportunities for well-paying jobs, create a positive and inspiring image and enhance the quality of life through collaborative and integrated actions; through coordinated efforts with the National Resource Network, identify: 1) How we can strengthen the City's job readiness pipeline and 2) Options for financing utility infrastructure system upgrades; continue to coordinate with Sutter County on regional planning; continue to seek grants and opportunities for additional resources; continue to advance the replacement of the 5<sup>th</sup> Street Bridget and the capacity of Highway 99 and Highway 20 through Yuba City; Continue to evaluate the cost effectiveness of existing services and identify more economical methods of providing municipal services; advance the construction of Phase 2 of the Feather River Parkway – Willow Island Project; develop active open spaces for recreation through current detention ponds and other projects; identify areas for placement of new park in the Tierra Buena area and submit for State grant funding; complete the upgrade of the City Pavement Management System and forward a long-range infrastructure strategic plan; assure Yuba City's continued supply of quality surface water; complete a rate study for the water and wastewater rates; advance the City's water conservation plan to address the current drought conditions, help achieve 32% reduction in water use as mandated by the State, and meet the City's 2020 target per the Water Conservation Bill of 2009; and continue the implementation of the City's Bike Master Plan.

## **PROSPECTS FOR THE FUTURE**

In summation, in 2013 the City increased its fiscally conservative general fund balance reserve from ten percent to fifteen percent to cover unanticipated revenue shortfalls or expenditure requirements. For the fiscal year ended June 30, 2015, the City's uncommitted general fund reserve met the increased percentage policy requirement. This amount is in addition to the committed ESR balance (\$4.5 million) which is shown as committed as it has been set aside by City Council to fund the City's anticipated deficits until the pension obligation bonds are paid off in FY 2016-17. In addition to the reserves within the City's general fund, the City also has an unallocated general fund capital improvement program balance available (\$3.8 million).

The City weathered the recession and is looking optimistically toward the future. Based on our five year financial plan we will have a balanced general fund budget by FY 2017-18, our revenues for both property taxes and sales tax are increasing year over year, we have been monitoring and controlling our increased labor costs, and our reserves are healthy.

## **AWARDS AND ACKNOWLEDGEMENTS**

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Yuba City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This was the 15<sup>th</sup> year that the City received the award. The Certificate of Achievement is a prestigious national

award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the City must publish an easily read and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both USGAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program's requirements, and we are submitting it to the GFOA for consideration of another Certificate.

The GFOA also awarded a Distinguished Budget Presentation Award to the City of Yuba City for Fiscal Year 2014-15. This is the highest form of recognition in governmental budgeting, and represents a significant achievement by any organization. The document is judged by an independent, anonymous panel of experts in the field of finance and budgeting. In order to receive the award, Yuba City had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well a government's budget serves as a policy document, a financial plan, an operations guide and a communications device. The California Society of Municipal Finance Officers (CSMFO) likewise awarded the City of Yuba City the Certificate of Award – Excellence in Operational Budgeting.

#### Acknowledgments

Publication of this report was made possible by the efficient and dedicated service of the Finance Department staff. Furthermore, the professional expertise and commitment of Derek Rampone of the auditing firm of Moss, Levy & Hartzheim, LLP was appreciated.

In closing, without the interest and support of the City Council, preparation of this report would not have been possible.

Respectfully submitted,



Robin Bertagna, CPA  
Finance/IT Director

**CITY OF YUBA CITY**  
**CITY OFFICIALS**  
For the Fiscal Year Ended June 30, 2015

**CITY COUNCIL**

John M. Dukes, Mayor

John Buckland, Vice Mayor

Kash Gill, Council Member

Preet Didbal, Council Member

Stanley Cleveland Jr., Council Member

**ELECTED OFFICIALS**

Terrel Locke, City Clerk

Spencer Morrison, City Treasurer

**APPOINTED OFFICIALS**

Steven Kroeger, City Manager

Timothy Hayes, City Attorney

**EXECUTIVE TEAM**

Robin Bertagna, CPA, Finance Director

Arnoldo Rodriguez, Development Services Director

Pete Daley, Fire Chief

Darin Gale, Economic Growth and Public Affairs Manager

Robert Landon, Police Chief

Diana Langley, Public Works Director

Terrel Locke, Assistant to the City Manager

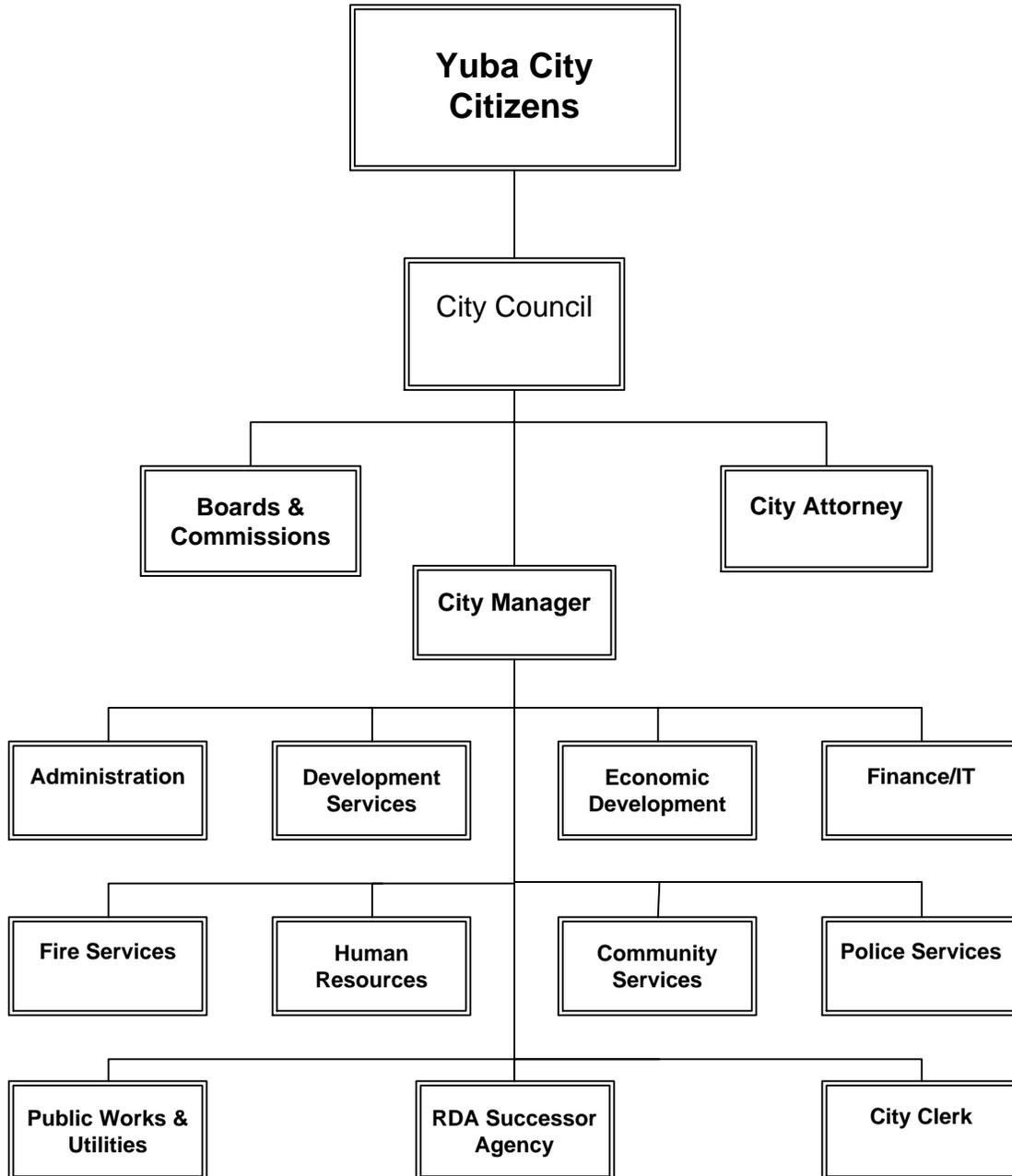
Brad McIntire, Community Services Director

Natalie Springer, Human Resources Director

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# City Organization Chart

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Government Finance Officers Association

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

Presented to

**City of Yuba City  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS**

RONALD A LEVY, CPA  
CRAIG A HARTZHEIM, CPA  
HADLEY Y HUI, CPA  
ALEXANDER C HOM, CPA  
ADAM V GUISE, CPA  
TRAVIS J HOLE, CPA

**COMMERCIAL ACCOUNTING & TAX SERVICES**

433 N. CAMDEN DR., SUITE 730  
BEVERLY HILLS, CA 90210  
TEL: 310.273.2745  
FAX: 310.670.1689  
www.mlhcpas.com

**GOVERNMENTAL AUDIT SERVICES**

5800 HANNUM AVE., SUITE E  
CULVER CITY, CA 90230  
TEL: 310.670.2745  
FAX: 310.670.1689  
www.mlhcpas.com

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Members  
of the City Council of the City of Yuba City  
Yuba City, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Yuba City (City), California, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principles*

As discussed in Note 1 to the basic financial statements, effective July 1, 2014, the City of Yuba City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, Statement No. 69, *Government Combinations and Disposals of Government Operations*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Pension Trend Information, the Schedule of Funding Progress of Other Postemployment Benefits, the Schedule of Changes in the Net Pension Liability and Related Ratios, the Schedule of Contributions, the Schedule of the City's Proportionate Share of the Net Pension Liability, and the Budgetary Comparison Schedules of the General Fund and major special revenue funds on pages 4 through 18 and pages 86 through 97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, the Budgetary Comparison Schedules for the Nonmajor Governmental Funds, the Combining Financial Statements for the Nonmajor Governmental Funds, Internal Service Funds, Private-Purpose Trust Funds, and Agency Funds, and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedules for the Nonmajor Governmental Funds, the Combining Financial Statements for the Nonmajor Governmental Funds, Internal Service Funds, Private-Purpose Trust Funds, and Agency Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City's internal control over financial reporting and compliance.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
November 25, 2015

This discussion and analysis of the City of Yuba City's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the preceding transmittal letter and the City's financial statements and related notes, which follow this section.

#### **A. FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$576.9 million. Of this amount, \$8.3 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$54.5 million, including prior period adjustments of \$55.0 million.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$40.9 million, a decrease of \$1.4 million from the prior fiscal year.
- The General Fund reported excess revenues (and other financing sources) over expenditures (and other financing uses) of \$1.8 million.

#### **B. OVERVIEW OF FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements, commonly referred to as the *City's Basic Financial Statements*. Management's Discussion and Analysis introduces these statements and includes two different views of the City's financial activities and position: (1) Government-Wide Financial Statements provide information about the activities of the City as a whole and present a longer-term view of the City's finances; (2) Fund Financial Statements provide detailed information about the individual functions of City government, telling how services were financed in the short-term as well as what remains for future spending.

Each set of statements presents the City's finances in a distinct way. To assist the reader in understanding the differences between them, a brief discussion of each follows, including the relationship of these statements to each other and the significant differences in the information they provide.

#### **Government-Wide Financial Statements**

The Government-Wide Financial Statements provide a broad overview of City finances in a manner similar to private-sector business. These statements separate the City's activities into two areas:

**Governmental Activities** – these services are principally supported by taxes and intergovernmental revenues. Most of the City's basic services are considered to be governmental activities including public safety, community development, public works, parks and recreation, and general administration.

**Business Type Activities** – these services rely upon user fees and charges to help cover all or most of their costs. The City's water and wastewater operations are reported here.

Within the framework of these activities, a Statement of Net Position and a Statement of Activities report information about the City as a whole. These statements include all assets and liabilities of the City (i.e., infrastructure and long-term debt including unfunded pension obligations) and use the *full accrual basis of accounting* in which all the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

The two statements can be generally described as follows:

**The Statement of Net Position** presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

**The Statement of Activities** presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows.

Notably, these statements differ from the Fund Financial Statements in that they *include* all assets of the City (including infrastructure) and all liabilities (including long-term debt and unfunded pension obligations) and *exclude* certain interfund receivables, payables and other interfund activity as prescribed by GASB Statement No. 34. For an additional reference, a reconciliation between the two is provided on page 25 of this report.

### **Fund Financial Statements**

The Fund Financial Statements provide detailed information about each of the City's most significant funds – not the City as a whole. Management establishes funds to help control and manage money for particular purposes. There are three categories of funds: governmental, proprietary, and fiduciary.

**Governmental Funds** – most of the City'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 *modified accrual* accounting, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. This information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The City's major governmental funds include the General Fund, HOME Grant Special Revenue Fund, Streets and Roads Special Revenue Fund, General Capital Improvement Projects Fund, and Impact Fee Capital Improvement Projects Fund. All other funds are combined in a single, aggregated presentation. Individual data for each of these non-major governmental funds is provided in the form of combining statements beginning on page 102 of this report.

**Proprietary Funds** – when the City charges customers for services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds provide the same type of information as shown in the government-wide financial statements (i.e., business type activities), only in more detail. The City has two types of proprietary funds: enterprise funds and internal service funds. The City uses enterprise funds to account for its water and wastewater operations. The City uses internal service funds to account for its general support services, employee benefits, and risk management services – activities that provide supplies and services for the City's other programs and activities. Since they predominantly serve the governmental rather than business type activities, they are included within the governmental activities in the government-wide financial statements.

**Fiduciary Funds** – the City is the trustee, or fiduciary, for certain funds held on behalf of external parties. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the resources of the funds are not available to support the City's own programs. The City is responsible for ensuring that the assets reported in these funds are used for the intended purposes. The City also has two Private-Purpose Trust Funds which are used to account for the Successor Agency funds of the former Redevelopment Agency. These Private-Purpose Trust Funds (PPTF) include the RDA Low/Mod Successor PPTF and the RDA Successor Agency PPTF.

### **Notes to Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report presents the following required supplementary information: budgetary comparisons for the City's General Fund, HOME Grant Special Revenue Fund, and Streets and Roads Special Revenue Fund; a description of the City's accounting policies with regard to the annual budget; and information regarding the funding progress for other postemployment benefits and the net pension liability.

**C. GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS**

The City's combined Net Position for the fiscal year ended June 30, 2015, totaled \$576.9 million, a decrease of \$54.5 million from the prior fiscal year (the detail in the table below may not add due to rounding).

**Summary of Net Position**  
(Amounts in Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total % Change</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<b>Assets:</b>							
Current and Other Assets	\$ 78.2	\$ 77.5	\$ 31.4	\$ 25.9	\$109.7	\$103.3	6.1%
Capital Assets	416.7	423.0	212.8	210.5	629.6	633.5	-0.6%
<b>Total Assets</b>	<b>495.0</b>	<b>500.5</b>	<b>244.3</b>	<b>236.3</b>	<b>739.2</b>	<b>736.8</b>	<b>0.3%</b>
<b>Deferred Outflows of Resources:</b>							
Deferred outflow-pension	4.3	-	0.6	-	4.9	-	N/A
Deferred loss on refunding	-	-	1.1	1.2	1.1	1.2	-6.2%
<b>Total Deferred Outflows of Resources</b>	<b>4.3</b>	<b>-</b>	<b>1.7</b>	<b>1.2</b>	<b>6.0</b>	<b>1.2</b>	<b>405.5%</b>
<b>Liabilities:</b>							
Current and Other Liabilities	17.9	16.0	5.9	7.1	23.8	23.1	3.1%
Long-term Liabilities	59.0	20.4	72.9	63.1	131.9	83.6	57.9%
<b>Total Liabilities</b>	<b>76.8</b>	<b>36.4</b>	<b>78.8</b>	<b>70.2</b>	<b>155.7</b>	<b>106.6</b>	<b>46.0%</b>
<b>Deferred Inflows of Resources:</b>							
Deferred inflow-pension	11.0	-	1.6	-	12.7	-	N/A
<b>Total Deferred Inflows of Resources</b>	<b>11.0</b>	<b>-</b>	<b>1.6</b>	<b>-</b>	<b>12.7</b>	<b>-</b>	<b>N/A</b>
<b>Net Position:</b>							
Net Investment in Capital Assets,	402.1	408.4	146.1	146.2	548.2	554.6	-1.2%
Restricted	19.0	21.5	1.5	1.3	20.5	22.9	-10.5%
Unrestricted	(9.6)	34.2	17.9	19.8	8.3	53.9	-84.7%
<b>Total Net Position</b>	<b>\$411.4</b>	<b>\$464.1</b>	<b>\$165.5</b>	<b>\$167.3</b>	<b>\$576.9</b>	<b>\$631.4</b>	<b>-8.6%</b>

At June 30, 2015, a significant portion of net position (95 percent) consisted of the City's net investment in capital assets. This component, which reflects the total amount of funds used to acquire those assets less any outstanding debt used for such acquisition, decreased from the prior fiscal year by \$6.4 million. The decrease is comprised of both a decrease of \$6.3 million in governmental invested in capital assets and a decrease of \$0.1 million in business-type invested in capital assets.

Governmental net investment in capital assets increased by \$6.4 million due to the City's investment in new capital assets, decreased \$0.1 million due to the change in the long-term debt associated with capital assets, and decreased by \$12.7 million due to depreciation. The largest investments in governmental type assets were the Energy and Infrastructure Improvements Project \$1.1 million, the Street

Rehabilitation and Improvement Project \$1.0 million, and the Safe Routes to School Improvement Project \$0.8 million.

Business-type net investment in capital assets increased by \$10.4 million due to an increase in the investment in new assets, decreased by \$2.3 million due to an increase in long-term debt associated with capital assets, and decreased by \$8.1 million due to depreciation. Increases in business type assets include the ARRA Low Lift Pump Station Improvement Project \$3.3 million, the Coating and Rehabilitation of the Oxygen Reactors at the Wastewater Plant Project \$1.0 million, and the acquisition of a Crane Truck \$0.1 million.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets are not generally liquidated for such purposes.

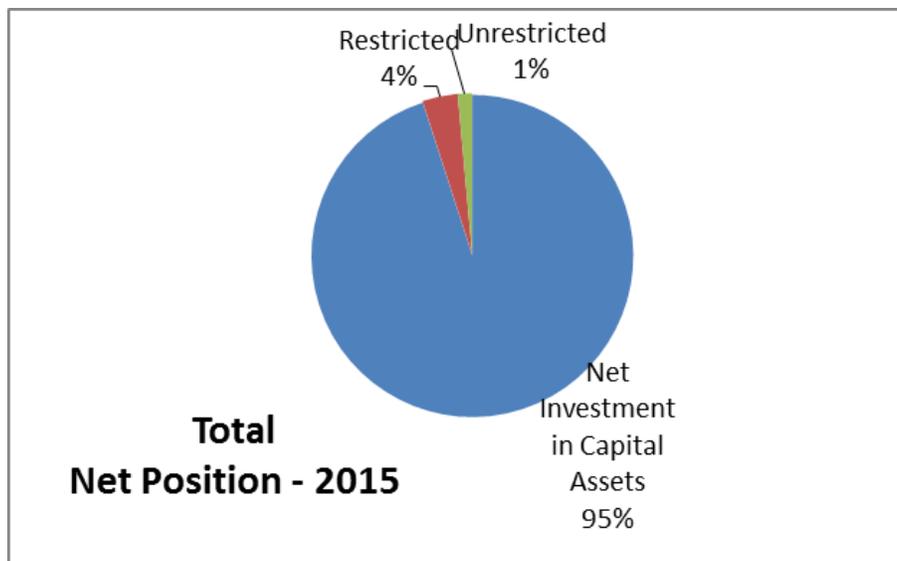
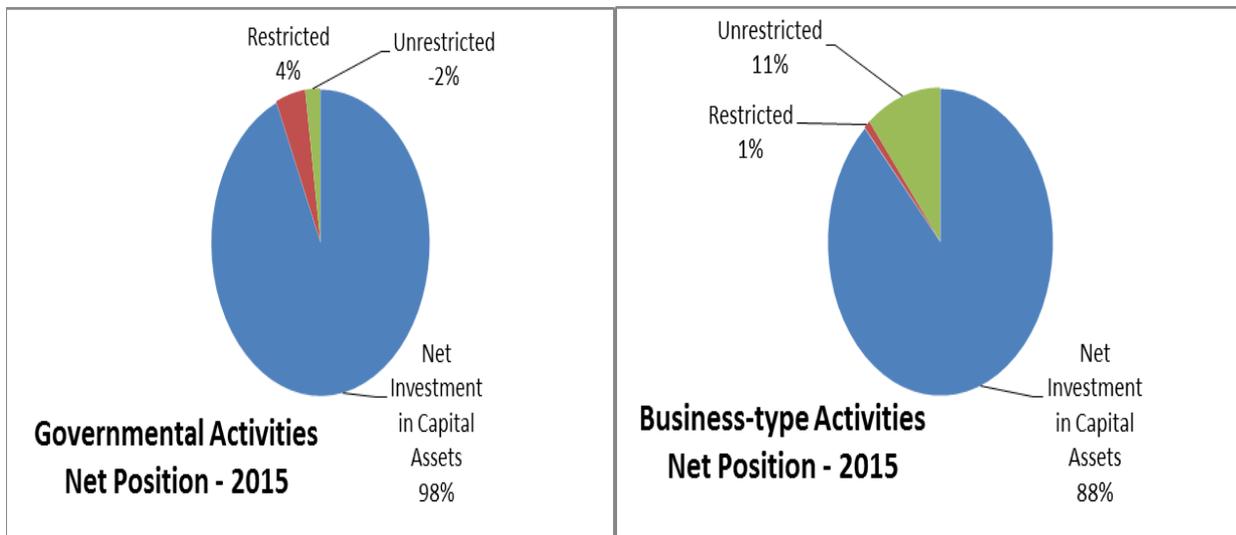
Restricted net position of \$20.5 million (4 percent of total net position) represent resources subject to external restrictions as to how they may be used. Of the \$2.4 million decrease in restricted net position, \$2.5 million was decreased within governmental activities and \$0.1 was increased in business activities. The \$2.5 million decrease in governmental activities included a decrease of \$3.7 million restricted for the Neighborhood Stabilization Program (NSP), offset by an increase of \$1.0 million restricted for streets & roads and an increase of \$0.2 million for Community Development programs (see page 47 for the detailed listing). The increase in business-type activities was due to an increase of \$0.1 million restricted for debt service.

Unrestricted Net Position of \$8.3 million (1 percent of total net position) represent amounts that may be used to meet the City's ongoing obligations to its residents, businesses, customers, and creditors have decreased \$45.6 million from the prior fiscal year. Of this decrease, \$43.7 million decreased in the governmental activities and \$1.9 million decreased in business-type activities. The decreases are in a large part attributable to the implementation of GASB Statement Nos. 68 and 71, and recording net pension liabilities of \$39.5 million for governmental activities and \$7.9 million for business-type activities. Governmental activities also had a decrease in unrestricted net position of \$6.7 million due to the recording of deferred outflows related to the pension plan of \$4.3 million and the deferred inflows related to the pension plan of (\$11.0) million. Business-type activities also had a decrease in unrestricted net position of \$1.0 million due to the recording of deferred outflows related to the pension plan of \$0.6 million and the deferred inflows related to the pension plan of (\$1.6) million. Also, the business-type activities had an increase in accounts receivable of \$4.5 million, an increase in cash and investments of \$0.9 million, and a decrease of accounts payable of \$1.7 million. All of these increases and decreases contributed to the \$1.9 million decrease in business-type unrestricted net position.

The increase in Current and Other Assets of \$6.4 million included an increase of \$0.8 million in governmental activities and \$5.6 million in business-type activities. The increase in governmental activities was mainly related to an increase in cash and investments of \$4.7 million, an increase in taxes and assessments receivable \$0.3 million, offset by a decrease in the property held for the housing authority of \$3.0 million and a reduction in accounts receivable of \$1.3 million. The increase in business-type activities was mainly due to an increase in cash and investments of \$0.9 million and an increase in accounts receivable of \$4.5 million.

The increase in Current and Other Liabilities of \$0.7 million is related to an increase of \$1.9 million of in governmental activities offset partially by a decrease of \$1.2 million in the business-type activities. The increase in governmental activities was mostly attributable to an increase of \$0.7 million in accounts payable and accrued liabilities and an increase of \$1.1 million in unearned revenue. The decrease in business-type activities was almost entirely due to a \$1.7 decrease in accounts payable.

Long-term Liabilities increased by \$48.3 million including an increase of \$38.6 million in governmental activities and an increase of \$9.8 million in business activities. Governmental activities decreased due to normal debt service retirement of \$2.0 million, offset by an increase of \$1.1 million for the energy service lease payable of \$1.1 million, an increase for a prior period adjustment related to the City's net pension liability of \$46.0 million, and a reduction of \$6.4 million for the current fiscal year net pension liability. The increase in business activities was due to an increase for the new loans payable of \$3.8 million, an increase in the energy service lease payable of \$1.1 million, an increase for the prior period adjustment of \$8.9 million for net pension liability, a decrease of \$1.0 million in the current year net pension liability, and a decrease of \$2.6 for normal debt service payments, not including the reclassification of non-current long-term debt to current amounts due within one year.



City of Yuba City  
**Management's Discussion and Analysis**  
For the Fiscal Year Ended June 30, 2015

The following table shows the changes in net position for governmental and business type activities (the detail may not add due to rounding):

<b>Statement of Activities</b> (Amounts in Millions)								
	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>		<b>Total % Change</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>		
<b>Revenues:</b>								
Program Revenues:								
Charges for services	\$ 5.6	\$ 5.7	\$ 23.5	\$ 23.7	\$ 29.1	\$ 29.3	-0.9%	
Operating Grants and Contributions	3.5	5.2	-	-	3.5	5.2	-32.2%	
Capital Grants and Contributions	4.6	6.0	8.1	3.9	12.7	9.8	29.6%	
General Revenues:								
Property Taxes	11.0	10.4	-	-	11.0	10.4	5.7%	
Sales and Other Taxes	16.0	14.4	-	-	16.0	14.4	11.4%	
Investment Income	0.7	0.7	0.2	0.2	0.8	1.0	-14.7%	
Other	1.1	0.8	-	-	1.1	0.8	32.7%	
<b>Total Revenues</b>	<b>42.6</b>	<b>43.3</b>	<b>31.8</b>	<b>27.8</b>	<b>74.3</b>	<b>71.0</b>	<b>4.7%</b>	
<b>Expenses:</b>								
General Government	4.4	4.4	-	-	4.4	4.4	-0.4%	
Public Safety	24.9	25.0	-	-	24.9	25.0	-0.3%	
Parks and Recreation	2.2	3.5	-	-	2.2	3.5	-36.5%	
Public Works and Facilities	14.9	15.4	-	-	14.9	15.4	-3.4%	
Community Development	5.4	1.3	-	-	5.4	1.3	320.7%	
Interest on Long-term Debt	0.8	0.8	-	-	0.8	0.8	-10.6%	
Water	-	-	11.5	10.7	11.5	10.7	7.3%	
Wastewater	-	-	9.8	10.1	9.8	10.1	-2.8%	
<b>Total Expenses</b>	<b>52.6</b>	<b>50.5</b>	<b>21.3</b>	<b>20.8</b>	<b>73.9</b>	<b>71.2</b>	<b>3.7%</b>	
Transfers	3.4	3.4	(3.4)	(3.4)	-	-	N/A	
Change in Net Position	(6.6)	(3.8)	7.1	3.6	0.5	(0.2)	-312.1%	
Net Position - Beginning	464.1	470.5	167.3	164.0	631.4	634.5	-0.5%	
Prior Period Adjustments	(46.1)	(2.6)	(8.9)	(0.4)	(55.0)	(2.9)	N/A	
Net Position - Beginning, Restated	418.0	467.9	158.4	163.7	576.4	631.6	-8.7%	
Net Position - Ending	<b>\$ 411.4</b>	<b>\$ 464.1</b>	<b>\$ 165.5</b>	<b>\$ 167.3</b>	<b>\$ 576.9</b>	<b>\$ 631.4</b>	<b>-8.6%</b>	

**Governmental Activities**

The City's governmental activities decreased the City's net position by \$6.6 million (before the prior period adjustment). Revenues decreased by 1.6 percent (\$0.7 million), while total expenses increased by 4.0 percent (\$2.1 million). Revenue Highlights include the following:

- Operating grants and contributions decreased by \$1.7 million mainly due a reduction in community development operating grants of \$2.2 million (the NSP Grant was mostly received in the previous fiscal year).
- Capital Grants and Contributions decreased by \$1.4 million because the Transportation Development Act Funds are now accounted for separately in their own fund and are included in taxes and assessments.
- Secured and unsecured property tax revenues increased by \$0.6 million

- Charges for services decreased \$0.1 million from the previous fiscal year.
- Sales and other taxes increased by \$1.6 million due to increases in sales tax revenues of \$1.1 million and \$0.5 million in other taxes.
- Miscellaneous other revenues increased by \$0.3.
- Total expenses for governmental activities were \$52.6 million, which is a \$2.1 million increase from the prior fiscal year. Public Safety decreased \$0.1 million, Parks and Recreation decreased \$1.3 million, Public Works decreased \$0.5 million, Community Development increased \$4.1 million, and General Government and Interest on long-term debt remained the same.
- A prior period adjustment of (\$46.1) million for an overstatement of accounts receivable of (\$0.2) million, an understatement of the net pension liability (\$46.0) million as a result of the implementation of GASB Statement Nos. 68 and 71, and an understatement of capital assets of \$0.1 million.

The following table shows the net cost of governmental activities (the detail may not add due to rounding):

**Net Cost of Governmental Activities**  
(Amounts in Millions)

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
General Government	\$ 4.4	\$ 4.4	\$ (4.3)	\$ (4.2)
Public Safety	24.9	25.0	(21.7)	(22.1)
Parks and Recreation	2.2	3.5	(1.3)	(2.4)
Public Works and Facilities	14.9	15.4	(8.0)	(7.3)
Community Development	5.4	1.3	(2.9)	3.3
Interest on Long-term Debt	0.8	0.8	(0.8)	(0.9)
<b>Total</b>	<b>\$ 52.6</b>	<b>\$ 50.5</b>	<b>\$ (38.9)</b>	<b>\$ (33.6)</b>

As shown in the Statement of Activities, the amount that taxpayers ultimately financed for governmental activities was \$38.9 million because some of the cost was paid by those who directly benefited from the programs (\$5.6 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$3.5 million), and capital grants and contributions (\$4.6 million). Overall, these governmental program revenues totaled \$13.7 million. The City paid for the remaining "public benefit" portion of the governmental activities with \$28.8 million in taxes (some of which could only be used for certain programs) and with other revenues, such as interest and general entitlements. There was also \$3.4 million transferred in from business-type activities. Ultimately, the expenses exceeded revenues by \$6.6 million for governmental activities for the fiscal year.

**Business-type Activities**

The City's business-type activities increased the City's net position by \$7.1 million (before the prior period adjustment). Total revenues increased by 14.4 percent (\$4.0 million), while total expenses increased 2.4 percent (\$0.5 million).

The net revenue increase includes the combination of a decrease in service fees (\$0.2 million), and an increase in capital grants and contributions (\$4.2 million), while investment income remained the same. The water enterprise had a reduction in service revenues (\$0.6 million) due to the drought which was mostly offset by an increase in the wastewater enterprise (\$0.8 million) revenue service fee due to increases in charges for services. Capital contributions and grants increased in the water fund (\$1.1

million) mostly due to a Prop 84 grant received. They also increased in the wastewater enterprise due to an SRF grant (\$3.5 million).

Operating costs for the water enterprise increased \$0.8 million and operating costs for the wastewater enterprise decreased \$0.3 million. The water fund experienced an increase in salary and benefits costs (\$0.4 million), an increase in tools and equipment (\$0.1 million), a decrease in power and utilities (\$0.1 million), an increase in water purchase costs (\$0.1 million) and an increase in depreciation (\$0.3 million). The wastewater fund experienced an increase in salary and benefits cost (\$0.2 million), an increase in maintenance and operating (\$0.3 million), a decrease in professional services (\$0.1 million), a decrease in tools and equipment (\$0.1 million), a decrease in power and utilities (\$0.2 million), a decrease in depreciation (\$0.1 million), a reduction in interest expense (\$0.2 million), and a reduction in debt issuance costs (\$0.1 million).

**D. FUND FINANCIAL STATEMENT ANALYSIS**

The fund financial statements provide detailed information about each of the City's most significant funds; not the City as a whole. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances that are available for spending. Unassigned fund balance is a measure of the City's net resources available for spending or assigning at the end of the fiscal year.

The General Fund is the chief operating fund of the City. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to total funding requirements. As of June 30, 2015, the total fund balance of the General Fund was \$22.0 million (of which 50.7 percent is attributable to a long-term receivable from the City's Successor Agency). The unassigned fund balance of \$6.3 million is equal to 17.7 percent of total General Fund expenditures. Total fund balance increased by \$1.8 million over the previous fiscal year.

At the beginning of FY 2008-09, the City transferred \$2.3 million of one-time funds to the General Fund to fund the City's Economic Stabilization Reserve (ESR) fund. The ESR was intended to provide funding to cover revenue shortfalls during the economic downturn. The economic downturn turned into a recession and in FY 2010-11 the City transferred additional funds into the ESR to cover anticipated structural budget deficits for FY 2011-12 through FY 2013-14. The chart below is the activity of the ESR since inception and shows that during FY 2013-14, instead of using funds from the ESR to cover a general fund deficit, a surplus was generated of \$0.6 million from operations and the committed fund balance (the ESR) was increased from operations:

**Summary of Economic Stabilization Reserve**

Initial Funding FY 08-09	\$ 2,300,000
Utilized for Operations FY 08-09	(592,000)
Utilized for Operations FY 09-10	(255,170)
Utilized for Operations FY 10-11	(827,579)
Remainder as of 6/30/11	\$ 625,251
VRP Funding FY 10-11 Budget	1,350,000
VRP Funding FY 11-12 Budget	1,350,000
General Unallocated CIP FY 11-12	1,350,000
Total Carryover FY 11-12 thru FY 13-14	\$ 4,675,251
Utilized for Operations FY 11-12	(422,623)
Utilized for Operations FY 12-13	(347,204)
Generated from Operations FY 13-14	636,133
Total ESR Committed as of 6/30/15	\$ 4,541,557

The City adopted an updated Fiscal Policy in November, 2013, which increased the unassigned fund balance from a previous level of 10 percent to 15 percent. Achieving the 15 percent unassigned fund balance was only possible by including the ESR in previous years. However, with the surplus generated for the fiscal year ended June 30, 2015, the City fully achieved the 15 percent reserve requirement as stated in the Fiscal Policy without inclusion of the ESR. Instead of adding the surplus from the recent fiscal year end to the ESR as was done in the previous fiscal year, this year it was instead used to achieve City Council's priority of a 15 percent general fund reserve.

At June 30, 2015, the HOME Grant Special Revenue Fund balance remained constant from the previous fiscal year. There was an increase of \$0.1 million in the portfolio of notes receivable on home loans made under program guidelines to low and moderate income persons. These loans are also shown as an unearned revenue liability until they are repaid at which time the repayment is program income revenue. Both the notes receivable and deferred revenue were \$5.3 million as of June 30, 2015.

The Streets and Roads Special Revenue fund balance decreased by \$3.0 million due to a prior period adjustment. Previously Transportation Development Act/Local Transportation Funds (TDA) funds were included within the Streets and Roads Special Revenue fund. During the fiscal year ended June 30, 2015, TDA funds were separated and moved to a separate special revenue fund pursuant to the recommendation of the TDA auditor. This resulted in a prior period adjustment of \$3.0 million. The fund balance as of June 30, 2015, is a negative amount of \$0.5 million as more dollars were transferred to the Streets and Roads Capital Projects fund than what was available. The deficit will be covered through future tax receipts.

The General Capital Improvement Projects fund shows a decrease in fund balance of \$0.4 million. The decrease in fund balance includes the net impact of expending funds on projects (\$1.6 million), an increase from receiving revenue from the sale of surplus land (\$0.4 million), a decrease due to transfers out for payment of debt service (\$0.4 million) and an increase from lease proceeds from an energy efficiency upgrades project (\$1.1 million).

The Impact Fees CIP fund balance is not the best indicator of the fund's financial position since revenues are not realized until spent. However, the unearned revenue balance of \$9.2 million, an increase of \$1.2 million from the previous fiscal year, represents the amount available for spending on projects included in the City's Impact Fee Ordinance.

### **Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning these funds have already been addressed in the discussion of government-wide financial analysis of business-type activities.

## **E. GENERAL FUND BUDGETARY HIGHLIGHTS**

A detailed budgetary comparison schedule for the year ended June 30, 2015, is presented as required supplementary information following the notes to the financial statements. The Approved Budget is adopted by the City Council prior to the July 1 start of the fiscal year (the "Original Budget"). The City Council usually makes expenditure and revenue estimate changes during the course of the fiscal year as new information becomes available (resulting in the "Final Budget").

The net increase in budgeted expenditures from the original budget to the final budget is \$2.0 million, which was attributable to: 1) Additional appropriations for carryover expenditures from the previous fiscal year for existing contractual obligations that totaled \$0.2 million; 2) additional appropriations for grant activities in the amount of \$1.1 million which are not included in the budget until funds are physically received by the City; 3) supplemental appropriations of \$0.2 million strike team expenditures which were

reimbursed by the State; and 4) supplemental appropriations of \$0.5 million for employee negotiations contract modifications. Actual expenditures were \$0.8 million less than the adopted budget and \$2.8 million less than the final budget.

The net increase in budgeted revenues from the original budget to the final budget was \$1.2 million. This was attributable to increasing revenue budgets to account for the receipt of grant funds. Actual revenues were \$2.8 million more than the adopted budget and \$1.6 million more than the final budget.

**F. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** – the capital assets of the City are those assets which are used in the performance of the City's functions, including infrastructure. The City has elected to use the "basic approach" as defined by GASB Statement No. 34 for infrastructure reporting. Accordingly, eligible infrastructure assets are depreciated under the straight-line method. At June 30, 2015, net capital assets of the governmental activities totaled \$416.7 million and the net capital assets of business type activities totaled \$212.8 million. Depreciation on capital assets is recognized in the Government-Wide and Proprietary Fund Financial Statements (the detail may not add due to rounding).

**Summary of Capital Assets**  
(Amounts in Thousands)

<b>Governmental Activities:</b>	
Land	\$ 125,998
Buildings and Improvements	50,151
Equipment, Vehicles, Machinery	20,546
Construction in Progress	6,557
Infrastructure	<u>364,533</u>
Total Governmental Capital Assets	567,785
Less: Depreciation	<u>(151,041)</u>
Total Net Governmental Activities:	<u><u>\$ 416,744</u></u>
 <b>Business Type Activities:</b>	
Land	\$ 1,675
Buildings and Improvements	99,932
Equipment, Vehicles, Machinery	26,880
Construction in Progress	16,462
Infrastructure	<u>165,630</u>
Total Business-Type Capital Assets	310,579
Less: Depreciation	<u>(97,740)</u>
Total Net Business Type Activities:	<u><u>\$ 212,839</u></u>

This fiscal year's major capital asset additions were:

- Energy and Infrastructure Improvements Project \$2.2 million
- Street Rehabilitation and Improvement Projects \$1.0 million
- Safe Routes to School Improvement Project \$0.8 million
- ARRA Low Lift Pump Station Improvement Project \$3.3 million
- Prop 84 Waterline Project \$2.5 million
- Low Lift Pump Station Improvements Project \$0.6 million
- Recoating/Rehabbing Wastewater Oxygen Reactors \$1.0 million
- 8" Wastewater Collection System Improvements Project \$0.9 million

**Long-Term Debt** – as of June 30, 2015, the City had outstanding debt issues as listed below. Not included in the table are assessment district and community facility district bonds since the City has no obligation for their repayment. Each of the City's other bonds are backed by certain specific revenues or General Fund lease payments. The City underwent rating reviews from Fitch Ratings Agency and Standard & Poor's Rating Agency as follows:

- 1) Fitch Ratings affirmed the AA- rating with a stable outlook related to the \$20.9 million 2013 water revenue refunding bond in their rating review update in April, 2015.
- 2) Standard and Poor's affirmed the AA- rating with a stable outlook related to the 2011 wastewater revenue refunding bonds in April, 2015.
- 3) Standard and Poor's assigned an A rating with a positive outlook related to the 2015 Gauche Park Aquatic Complex lease revenue bonds in their rating in October, 2015.

**Summary of Long Term Indebtedness**

(Amounts in Thousands)

Not including compensated absences, other post-employment benefits, or net pension liability

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Loans Payable	\$ 254	\$ 279	\$ 32,036	\$ 29,285	\$ 32,291	\$ 29,564
Capital Lease Payable	4,329	3,925	1,118	-	5,447	3,925
Certificates of Participation	10,345	10,650	-	-	10,345	10,650
Pension Obligation Bonds	2,165	3,115	-	-	2,165	3,115
Water Revenue Refunding Bonds	-	-	20,125	20,930	20,125	20,930
Wastewater Revenue Refunding Bonds	-	-	15,031	15,782	15,031	15,782
Total Indebtedness	<u>\$ 17,094</u>	<u>\$17,969</u>	<u>\$ 68,310</u>	<u>\$ 65,996</u>	<u>\$ 85,403</u>	<u>\$ 83,965</u>

The City entered into two funding agreements with the State of California Department of Public Health for \$19.1 million (Region 2/3) and \$6.8 million (Region 1) as described in Note 5 on page 65 of the CAFR.

The City approved two Project Finance Agreements with the California State Water Resources Control Board for \$6.5 million and \$10.2 million, both of which include principal forgiveness up to \$3.0 million, as discussed in Note 5, Business-type Activities Loans Payable, on Page 66 of the CAFR.

During the fiscal year, the City implemented GASB Statement Nos. 68 and 71, which required the recording of pension liabilities in the financial statements. The liability amounts of \$39.5 million and \$7.9 million are recorded in the governmental activities, business-type activities and proprietary fund statements respectively, and are detailed in Notes 5 and 8 to the Basic Financial Statements.

For more detailed information on Capital Assets and Long-Term Debt, see Notes 3 and 5 to the Basic Financial Statements.

**G. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

On June 2, 2015, the Council adopted the FY 2015-16 Operating Budget with total appropriations of \$75.4 million. Adequate resources are available to fund the proposed expenditures. The budget reflects the City's short and long-term organizational goals within the framework of projected revenue.

The FY 2015-16 adopted general fund budget includes revenues of \$37.2 million and appropriations of \$37.4 million, a deficit budget of \$0.2 million wherein excess expenditures must be funded with one-time reserves. However, the FY 2015-16 budget also includes one-time revenues of \$0.8 million for the true-up payment for the completion of the sales tax triple-flip. After subtracting the one-time revenue source of \$0.8 million, the City's structural deficit can more accurately be described as \$1.0 million. The City will

continue to have a structural deficit until the final payment is made on the City's Pension Obligation Bond debt in FY 2016-17. In FY 2017-18, general fund expenditures will be reduced by \$1.2 million as these bonds will be paid off and the City's structural deficit is expected to be eliminated.

The adopted budget reflects the full elimination of the City's furlough program for all bargaining units except Local 1 union members. Negotiations were not complete at the time of budget preparation and the City subsequently imposed terms on Local 1. After imposing terms, the City began meeting again with Local 1 and an agreement was reached in October 2015 that included elimination of the entire furlough, budget amendments were made at that time.

The adopted budget did not include the additional labor costs for contract amendments which were approved subsequent to budget adoption (in August, 2015). In evaluating the fiscal position of the City's general fund, it was expected that the City would have a surplus for the fiscal year ended June 30, 2015 due to budgeted savings from positions that were vacant. The City invited bargaining units that had an agreement with the City back to the bargaining table and offered them a 2 percent salary increase along with a one-time \$1,500 non-PERSable stipend payment in exchange for a one year extension on their contract. All bargaining units that had an agreement with City agreed to the contract extension and compensation adjustments.

In comparing FY 2015-16 projected revenues to those in the previous year's budget, they show a substantial increase of just under \$2.35 million. Expenditures increased as well, but only by \$1.1 million, thereby reducing the City's prior year deficit. As stated, the adopted budget includes elimination of all 10 percent of the employee furlough for all bargaining groups except Local 1. During Fiscal Year 2014-15, Finance staff met with City Council and employees to discuss the long-term strategy of eliminating employee furloughs and working towards a balanced budget. City Council developed the following strategic budgetary goals:

- 1) Eliminate existing 10 percent employee furlough program;
- 2) Work toward having employee's contribute to their retirement costs; and
- 3) Eliminate the budget deficit by a date certain.

Finance staff put together a five year financial model wherein increases in revenue are used to cover increasing employee benefit costs for retirement, healthcare, and worker's compensation while balancing the on-going general fund deficit with the continued use of the City's Economic Stabilization Reserve (ESR) fund. Throughout FY 2014-15 the City negotiated with employee bargaining groups to eliminate the furlough program, typically over a two year period with one-half being eliminated during FY 2014-15 and the remaining 5 percent being eliminated July 1, 2015, with the start of the FY 2015-16 fiscal year. Concurrently, the City worked towards having employees' pay one-half of the employee's portion of their retirement costs. The bargaining units which the City reached agreement with included a 5 percent return of the furlough during FY 2014-15 in exchange for the employees paying either 4 percent (Miscellaneous employees) or 4.5 percent (Safety employees) for Classic CalPERS members towards their retirement contributions. As of July 1, 2015, the second half of the furlough was eliminated and employees began paying the other one-half contribution towards CalPERS. It was a lengthy process, but the end resulted in City Council achieving all three of their strategic goals. City Council agreed to continue using the City's ESR for the next couple of years to balance out revenues and expenditures in order to phase out the furlough programs and avoid reducing service levels to the public.

The general fund surplus for fiscal year ended June 30, 2015, was \$1.81 million. Of this amount, \$1.76 million was due to savings from vacant positions. During FY 2014-15 the City began monitoring and tracking vacant positions. For example, in March 2015 there were 23 vacant positions in the general fund which represents 10 percent of the 292.5 authorized full-time equivalent positions. The total amount budgeted for these vacant positions was \$2.6 million. Not all of the savings from vacancies is fully realized for public safety as necessary shifts are covered through the use of overtime thereby reducing savings in order to continue service levels. Human Resources continues to place a high priority on

recruitments, even adding an additional staff person dedicated solely to recruitments, and contracting out some recruitments which in the past have been performed internally. The focus is on hiring to fill vacancies, but all the while ensuring that we are hiring only the highest quality individuals to join the City's team.

The FY 2015-16 adopted budget projected a 4.0% increase in property taxes. Based upon the final assessed valuation reports from the Sutter County Auditor-Controller's Office, general fund assessed values increased by 6.29%. The City therefore anticipates property tax revenues for the year to be approximately \$200,000 higher than budget projections. The six largest components of the change in assessed values are as follows:

- Properties were adjusted by a CPI factor of 1.998% between 2014-15 and 2015-16, an increase of \$52.1 million in assessed valuations.
- Unsecured values declined \$11.0 million.
- Prior year transfer of ownerships increased values by \$37.5 million.
- Non-residential new construction increased assessed values by \$10.1 million
- Single family residential increased by \$76.1 million in value due to Proposition 8 recaptures.
- Non-single family residential increased by \$10.0 million in values due to Proposition 8 recaptures.

In reviewing the changes in assessed value by use category, the largest changes were as follows:

- Residential values increased by 6.16% (\$187.4 million in assessed valuations).
- Vacant values decreased by 7.76% (\$6.7 million in assessed valuations).
- Commercial values increased by 7.68% (\$58.9 million in assessed valuations).
- Unsecured decreased by 3.17% (\$11.0 million in assessed valuations).

In most areas, the housing market has inched back towards normalcy in 2015 with more owner occupied sales and less distressed and investor purchases. Median sale prices for real estate have continued to increase steadily year over year while the number of sale transactions remains healthy with some expected seasonal dips. The median sale price of a single family home in Yuba City from January through August 2015 was \$225,000. This represents a \$16,000 (7.7%) increase in median sale price compared to 2014.

As it relates to sales tax, consumer confidence has returned as the City has had increases in retail sales tax revenues in twelve out of the past fourteen quarters. Revenue projections included in the FY 2015-16 budget include a projected 3.5% increase for sales tax revenues. On a cash basis the most recent quarterly sales tax results were up 13.1% (April - June, 2015), on an adjusted basis they were up 9.3%. The two prior quarter receipts were up 9.9% on a cash basis and 13.6% on an adjusted basis (January – March, 2015) and up 7.4% on a cash basis and 6.2% on an adjusted basis (October – December, 2014). Averaging the quarterly results for the FY 2014-15 results in an average increase on a cash basis of 10.275% per quarter and a 9.2% increase on an adjusted basis. Even with the large increases which occurred during FY 2014-15, the City still believes it will realize a modest 3.5% increase for FY 2015-16.

In July, 2012, the State adopted AB 1484 implementing the elimination of Redevelopment agencies throughout California. The City, as the Successor Agency, continues to file it's required Recognized Payment Obligation Schedule (ROPS) with the State Department of Finance every six months in order to receive tax increment funding to pay the former Agency's legal obligations. The property tax values within the former Redevelopment Project Area have fallen in recent years to a level such that the tax increment revenues generated in a given fiscal year do not support the payment of bonded debt obligations. As such, through the Due Diligence Review process, the City was approved to retain reserve funds to meet on-going debt service obligations. The activities of the former Agency have ceased, and as part of the winding down process the City completes the administrative process necessary to make debt service payments to meet the legal obligations of the former Agency. As part of this process, in September, 2013, the City as the Successor Agency, received a Finding of Completion from the State

Department of Finance and prepared of a Property Management Plan. In September, 2015, the State Department of Finance accepted the Long-Range Property Management Plan submitted by the City as the Successor Agency. This will allow the City to begin the final winding down of the affairs of the former Agency by selling off its assets and property. In October, 2015, the State Department of Finance approved the Successor Agency's Oversight Board Action requesting authorization and approval for the issuance of refunding bonds to completely refund the outstanding 2004 Series A and B and the 2007 Series Tax Allocation Bonds. The bond refunding is expected to eliminate the on-going deficit cash flow within the Successor Agency.

Current unemployment rate data approximates the annualized unemployment rate around 9.1 percent. This is a significant decline from historical amounts of the past several years. Previous unemployment rates were:

FY 2010-11	21.9%
FY 2011-12	17.7%
FY 2012-13	12.4%
FY 2013-14	10.1%
FY 2014-15	9.1%

The current 9.1 percent rate still seems high when compared to a statewide average of 5.7 percent. The decline indicates that the local economic and job outlook has improved tremendously. The current rate, although high, is nonetheless predictable and appropriately considered by City management when planning for operational costs and available resources. Yuba City's unemployment rate has consistently remained higher than the State average and given the seasonal nature of our ag-based economy, City management considers the current level relatively low.

Even with the planned use of a portion of its Economic Stabilization Reserve in previous years, the City has continually maintained City Council's goal of having at least a 10 percent budget reserve. In November, 2013, City Council adopted an updated Fiscal Policy which not only increases the reserve requirement from 10 percent to 15 percent but also requires that the City adopt a balanced budget. On-going expenditures must be paid for using on-going revenues. The updated Fiscal Policy is a commitment of the City Council, but the policy allows City Council the flexibility to adopt a deficit budget as long as they note an exception to the Fiscal Policy and have a plan for recovery to a balanced budget. It is understood that through FY 2016-17, City Council has made an exception to the requirement of a balanced budget. At the conclusion of the FY 2014-15, the City achieved City Council's priority of increasing the general fund unassigned reserve to \$6,304,518, or 16.8% of FY 2015-16 appropriations. This does not include the ESR that City Council intends to use to cover budget deficits over the next two fiscal years.

The City has positioned its operations so that this reserve can be properly maintained into the future. Taking into consideration the impacts of increased employee benefit costs for retirement, healthcare, and worker's compensation, the City continues to closely monitor its revenue projections in comparison with its expenditure commitments; adjusting service levels accordingly in order to provide priority services to its citizens without depleting reserves beyond the level planned during the next two years of the City's five year budget model.

The City's water and wastewater enterprises were not exempt from the negative economic conditions. City staff has reviewed the water and wastewater budgets and reduced them where practical. The City continues to construct necessary capital improvement projects in order to expand or enhance existing infrastructure. Most notable is the recent completion of the Proposition 84 waterline project, the recoating and rehabilitation of the oxygen reactors at the Wastewater plant, and the improvements to the low lift pump station. The City has applied for and received low interest loans from the State of California Department of Public Health to complete infrastructure improvement projects at a cost less than it could borrow using conventional bond financings. The loans will be repaid over a twenty-year period from increases in user fees approved by City Council in July, 2011, as part of a Citywide Water and

Wastewater rate study and public noticing process in accordance with the requirements of Proposition 218. A priority has been placed on preservation of existing capital connection fee fund balances in order to ensure balances are available to pay debt service during the period where housing development (and therefore receipt of new customer connection fees) has been significantly less than historical levels.

With the drought being the worst in California's recent history, the City has incorporated several water conservation measures into operations including a public education and information campaign, rebates for installing water conserving shower heads and toilets, restricting days for watering landscape to two days per week, and implementing water patrols. During June 2015 as an example, the City had a 30% reduction in water usage by citizens with a related decrease of 18% in water revenues. The average for FY 2014-15 compared to two years prior (the measurement date used by the State of California for conservation purposes) resulted in a decrease in water consumed of 17.6% and a decline in revenues of 5.1%.

City staff is nearing the final stages of completing both a Water Rate Study and a Wastewater Rate Study. As part of this process, the consultant preparing the studies has been asked to provide a rate structure that factors drought conservation consumption into the rate structure with the recognition that when a drought occurs, conservation is necessary and encouraged, but yet revenues must be sufficient to cover on-going fixed and operational costs. It is anticipated that the rate study will be completed in December, 2015 with rates being approved by City Council in February, and implementation occurring during the Spring, 2016.

#### **H. CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, or need any additional financial information, contact the Finance Department at 1201 Civic Center Boulevard, Yuba City, CA 95993, phone 530-822-5196, or email: [lhaile@yubacity.net](mailto:lhaile@yubacity.net).

**CITY OF YUBA CITY**  
**STATEMENT OF NET POSITION**

June 30, 2015

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 47,955,556	\$ 20,834,323	\$ 68,789,879
Cash and investments with fiscal agents	785,523	650,905	1,436,428
Restricted cash and investments		1,117,282	1,117,282
Interest receivable	161,467	7	161,474
Accounts receivable	3,685,183	10,990,894	14,676,077
Taxes and assessments receivable	3,902,913		3,902,913
Internal balances	2,191,414	(2,191,414)	
Receivable due from Successor Agency trust fund	11,098,170		11,098,170
Prepaid expenses	661,581	21,142	682,723
Inventory	14,017		14,017
Deposits receivable	15,000		15,000
Notes receivable	7,765,971		7,765,971
Capital assets:			
Nondepreciable:			
Land	125,998,465	1,674,698	127,673,163
Construction in progress	6,556,604	16,461,904	23,018,508
Depreciable:			
Buildings	38,462,281	25,417,272	63,879,553
Improvements	11,688,497	74,514,761	86,203,258
Machinery and equipment	20,545,939	26,880,005	47,425,944
Infrastructure	364,533,045	165,629,922	530,162,967
Accumulated depreciation	(151,041,159)	(97,740,007)	(248,781,166)
Total assets	494,980,467	244,261,694	739,242,161
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	4,300,156	579,595	4,879,751
Deferred loss on refunding		1,111,267	1,111,267
Total deferred outflows of resources	4,300,156	1,690,862	5,991,018
<b>LIABILITIES</b>			
Accounts payable	2,775,944	1,871,217	4,647,161
Accrued liabilities	1,493,614	249,633	1,743,247
Accrued interest payable	60,354	285,112	345,466
Deposits payable	747,785	70,255	818,040
Unearned revenue	10,573,802	89,953	10,663,755
Compensated absences, due within one year	14,368	314,240	328,608
Noncurrent liabilities, due within one year	2,194,334	3,037,623	5,231,957
Noncurrent liabilities:			
Other post-employment benefits obligation	1,061,084		1,061,084
Compensated absences, due in more than one year	3,471,558	195,821	3,667,379
Other, due in more than one year	54,444,356	72,723,378	127,167,734
Total liabilities	76,837,199	78,837,232	155,674,431
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	11,043,383	1,628,467	12,671,850
Total deferred inflows of resources	11,043,383	1,628,467	12,671,850
<b>NET POSITION</b>			
Net investment in capital assets	402,069,188	146,107,792	548,176,980
Restricted (Note 1L)	18,966,851	1,483,073	20,449,924
Unrestricted	(9,635,998)	17,895,992	8,259,994
Total net position	\$ 411,400,041	\$ 165,486,857	\$ 576,886,898

The notes to the financial statements are an integral part of this statement.

**CITY OF YUBA CITY**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Governmental activities:				
General government	\$ 4,374,344	\$ 75,309	\$ -	\$ -
Public safety	24,894,058	2,626,869	594,710	
Public works and facilities	14,888,082	424,353	1,862,977	4,623,083
Community development	5,438,612	1,458,308	1,088,372	
Parks and recreation	2,244,504	975,052		
Interest on long term debt	753,437			
Total governmental activities	<u>52,593,037</u>	<u>5,559,891</u>	<u>3,546,059</u>	<u>4,623,083</u>
Business-type activities:				
Water	11,512,906	11,021,165		4,596,107
Wastewater	<u>9,777,819</u>	<u>12,505,064</u>		<u>3,502,407</u>
Total business-type activities	<u>21,290,725</u>	<u>23,526,229</u>		<u>8,098,514</u>
Total government	<u>\$ 73,883,762</u>	<u>\$ 29,086,120</u>	<u>\$ 3,546,059</u>	<u>\$ 12,721,597</u>

General Revenues

Taxes:

    Secured and unsecured property taxes

    Sales and use taxes

    Transient lodging taxes

    Franchise taxes

    Other taxes

Motor vehicle in lieu, unrestricted

Use of money and property

Miscellaneous revenue

Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net Position, July 1, 2014

Prior period adjustments

Net Position, July 1, 2014, restated

Net Position, June 30, 2015

The notes to the financial statements are an integral part of this statement.

**Net (Expense) Revenue and Change in Net Position**

<b>Net Governmental Activities</b>	<b>Net Business-type Activities</b>	<b>Total</b>
\$ (4,299,035)	\$ -	\$ (4,299,035)
(21,672,479)		(21,672,479)
(7,977,669)		(7,977,669)
(2,891,932)		(2,891,932)
(1,269,452)		(1,269,452)
(753,437)		(753,437)
<u>(38,864,004)</u>		<u>(38,864,004)</u>
	4,104,366	4,104,366
	6,229,652	6,229,652
	<u>10,334,018</u>	<u>10,334,018</u>
<u>(38,864,004)</u>	<u>10,334,018</u>	<u>(28,529,986)</u>
11,003,670		11,003,670
11,864,667		11,864,667
816,356		816,356
1,764,820		1,764,820
1,567,630		1,567,630
26,982		26,982
668,306	170,129	838,435
1,022,209		1,022,209
89,804		89,804
3,422,409	(3,422,409)	
<u>32,246,853</u>	<u>(3,252,280)</u>	<u>28,994,573</u>
<u>(6,617,151)</u>	<u>7,081,738</u>	<u>464,587</u>
464,104,699	167,268,747	631,373,446
<u>(46,087,507)</u>	<u>(8,863,628)</u>	<u>(54,951,135)</u>
<u>418,017,192</u>	<u>158,405,119</u>	<u>576,422,311</u>
<u>\$ 411,400,041</u>	<u>\$ 165,486,857</u>	<u>\$ 576,886,898</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF YUBA CITY**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
June 30, 2015

	<b>General Fund</b>	<b>HOME Grant Special Revenue Fund</b>	<b>Streets and Roads Special Revenue Fund</b>
<b>ASSETS</b>			
Cash and investments	\$ 7,761,839	\$ 128,484	\$ -
Cash and investments with fiscal agent			
Interest receivable	161,467		
Accounts receivable	940,873		1,045,133
Taxes and assessments receivable	3,672,613		
Prepaid expenditures	38,985		
Due from other funds	2,085,303		
Deposits receivable	15,000		
Notes receivable		5,330,785	
Receivable due from Successor Agency trust fund	11,098,170		
<b>Total assets</b>	<b>\$ 25,774,250</b>	<b>\$ 5,459,269</b>	<b>\$ 1,045,133</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 695,361	\$ -	\$ -
Accrued liabilities	1,391,199		
Deposits payable			
Unearned revenue	880,625		
Due to other funds			1,553,906
<b>Total liabilities</b>	<b>2,967,185</b>		<b>1,553,906</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - notes receivable		5,330,785	
Deferred revenue - taxes	823,835		
<b>Total deferred inflows of resources</b>	<b>823,835</b>	<b>5,330,785</b>	
<b>FUND BALANCES</b>			
Nonspendable	11,137,155		
Restricted		128,484	
Committed	4,541,557		
Unassigned	6,304,518		(508,773)
<b>Total fund balances</b>	<b>21,983,230</b>	<b>128,484</b>	<b>(508,773)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 25,774,250</b>	<b>\$ 5,459,269</b>	<b>\$ 1,045,133</b>

The notes to the financial statements are an integral part of this statement.

<b>General CIP Capital Projects Fund</b>	<b>Impact Fees CIP Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
\$ 6,964,347	\$ 14,737,669	\$ 7,834,821	\$ 37,427,160
		785,523	785,523
			161,467
741,720	195,916	687,195	3,610,837
		230,300	3,902,913
			38,985
87,690			2,172,993
			15,000
	476,483	1,958,703	7,765,971
			11,098,170
<u>\$ 7,793,757</u>	<u>\$ 15,410,068</u>	<u>\$ 11,496,542</u>	<u>\$ 66,979,019</u>
\$ 638,759	\$ 1,055,882	\$ 238,766	\$ 2,628,768
			1,391,199
	44,801	702,984	747,785
7,109	9,185,937	492,001	10,565,672
	87,690	531,397	2,172,993
<u>645,868</u>	<u>10,374,310</u>	<u>1,965,148</u>	<u>17,506,417</u>
	476,483	1,958,703	7,765,971
			823,835
	476,483	1,958,703	8,589,806
			11,137,155
826,628	4,559,275	5,746,847	11,261,234
6,321,261		1,847,143	12,709,961
		(21,299)	5,774,446
<u>7,147,889</u>	<u>4,559,275</u>	<u>7,572,691</u>	<u>40,882,796</u>
<u>\$ 7,793,757</u>	<u>\$ 15,410,068</u>	<u>\$ 11,496,542</u>	<u>\$ 66,979,019</u>

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**CITY OF YUBA CITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
June 30, 2015

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 40,882,796

In the governmental funds balance sheet, only current assets are reported.  
In the statement of net position, all assets are reported,  
including capital assets and accumulated depreciation.

Capital assets	\$	554,559,205	
Accumulated depreciation		(141,082,698)	
		413,476,507	413,476,507

In the governmental funds balance sheet, interest on long-term debt is not recognized until the period in which it matures and is paid.  
In government-wide statement of net position, it is recognized in the period that it is incurred.

(60,354)

Under the modified accrual basis of accounting used in governmental funds, revenues and expenses are not recognized for transactions that do not represent available financial resources. In the statement of net position and statement of activities, however, revenues, assets, expenses, and liabilities are reported regardless of when financial resources are available.

Unearned revenue 8,589,806

Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

City's contributions subsequent to the measurement date		4,255,023	
Differences between projected and actual earnings on pension plan investments		(10,916,574)	

Long-term liabilities: In the governmental funds balance sheet, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Other post-employment benefits obligation	\$	(1,061,084)	
Certificates of participation		(10,345,000)	
Pension obligation bonds		(2,165,000)	
Capital leases payable		(4,329,484)	
Sutter County loan payable		(254,100)	
Net Pension liability		(38,928,454)	
Compensated absences		(3,443,199)	
Net			(60,526,321)

Internal service funds are used by management to charge the cost of certain activities such as insurance and equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.

15,699,158

TOTAL NET POSITION, GOVERNMENTAL ACTIVITIES \$ 411,400,041

The notes to the financial statements are an integral part of this statement.

**CITY OF YUBA CITY**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
For the Fiscal Year Ended June 30, 2015

	<b>General Fund</b>	<b>HOME Grant Special Revenue Fund</b>	<b>Streets and Roads Special Revenue Fund</b>
<b>Revenues:</b>			
Taxes and assessments	\$ 26,509,987	\$ -	\$ 2,028,698
Use of money and property	115,910	1,434	5,128
Intergovernmental revenues	867,908		796,042
Charges for services	2,375,566		
Licenses, permits, and fees	1,110,842		
Fines and forfeitures	13,491		
Program income		2,407	
Other revenues	401,022		378,133
Total revenues	<u>31,394,726</u>	<u>3,841</u>	<u>3,208,001</u>
<b>Expenditures:</b>			
Current:			
General government	3,845,777		
Public safety	23,832,458		
Parks and recreation	1,694,585		
Public works and facilities	4,398,423		
Community development	1,086,286	10	
Capital outlay	175,062		
Debt service:			
Principal	246,319		
Interest and other charges	270,354		
Total expenditures	<u>35,549,264</u>	<u>10</u>	
Excess of revenues over (under) expenditures	<u>(4,154,538)</u>	<u>3,831</u>	<u>3,208,001</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds from issuance of long-term debt			
Transfers in	5,968,940		539,223
Transfers out			(3,786,888)
Total other financing sources (uses)	<u>5,968,940</u>		<u>(3,247,665)</u>
Net changes in fund balances	<u>1,814,402</u>	<u>3,831</u>	<u>(39,664)</u>
Fund balances - July 1, 2014	20,168,828	124,653	2,483,536
Prior period adjustments			(2,952,645)
Fund balances (deficits) - July 1, 2014, restated	<u>20,168,828</u>	<u>124,653</u>	<u>(469,109)</u>
Fund balances (deficits) - June 30, 2015	<u>\$ 21,983,230</u>	<u>\$ 128,484</u>	<u>\$ (508,773)</u>

The notes to the financial statements are an integral part of this statement.

<b>General CIP Capital Projects Fund</b>	<b>Impact Fees CIP Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
\$ -	\$ -	\$ 1,917,189	\$ 30,455,874
57,723	126,734	82,968	389,897
100,000	228,588	1,684,892	3,677,430
20,842	516,041	1,118,578	4,031,027
			1,110,842
		292,822	306,313
	52,342	25,895	80,644
358,233	247,932	15,023	1,400,343
<u>536,798</u>	<u>1,171,637</u>	<u>5,137,367</u>	<u>41,452,370</u>
		2,967	3,848,744
			23,832,458
		248,404	1,942,989
8,558		214,728	4,621,709
		4,512,391	5,598,687
1,632,536	366,775	2,437,739	4,612,112
	165,012	1,575,502	1,986,833
	232,816	262,885	766,055
<u>1,641,094</u>	<u>764,603</u>	<u>9,254,616</u>	<u>47,209,587</u>
<u>(1,104,296)</u>	<u>407,034</u>	<u>(4,117,249)</u>	<u>(5,757,217)</u>
1,111,615			1,111,615
	38,835	2,982,511	9,529,509
(384,691)	(431,338)	(1,504,183)	(6,107,100)
<u>726,924</u>	<u>(392,503)</u>	<u>1,478,328</u>	<u>4,534,024</u>
<u>(377,372)</u>	<u>14,531</u>	<u>(2,638,921)</u>	<u>(1,223,193)</u>
7,525,261	4,544,744	7,452,820	42,299,842
		2,758,792	(193,853)
<u>7,525,261</u>	<u>4,544,744</u>	<u>10,211,612</u>	<u>42,105,989</u>
<u>\$ 7,147,889</u>	<u>\$ 4,559,275</u>	<u>\$ 7,572,691</u>	<u>\$ 40,882,796</u>

**CITY OF YUBA CITY**  
**RECONCILIATION OF THE STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2015

The schedule below reconciles the net changes in fund balances reported on the governmental funds statement of revenues, expenditures, and changes in fund balances, which measures only changes in current assets and current liabilities on the modified accrual basis, with the change in net position of governmental activities reported in the statement of activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES \$ (1,223,193)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures are, therefore, added back to fund balances	4,589,417
Depreciation expense not reported in governmental funds	(11,734,243)
Capital outlay expenditures reported as salary expenditures in governmental funds	432,603
Contributed capital not reported in governmental funds	718,320

Gain or loss on disposition of capital assets is not reported in the governmental funds.  
This is the net book value of the capital assets disposed during the current period (3,875)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but are deferred and amortized throughout the period during which the related debt is outstanding in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but in the statement of net position the repayment reduces long-term liabilities.

Proceeds from issuance of long-term debt	(1,111,615)
Repayment of debt principal is added back to fund balances	1,986,833

The amounts below included in the statement of activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenue or expenditures in governmental funds (net change). These are the current fiscal year changes:

Interest payable	12,618
Compensated absences	105,910

Certain revenues are offset by unearned revenue in the governmental funds because they are not available to pay for current period expenditures. This amount represents the amount by which prior year unearned revenue exceeded current year. 173,302

Other postemployment benefits payable is not a current liability and therefore is not recorded in the governmental fund statements. This amount represents the amount of the change in the payable in the current period. (157,867)

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis pension costs and actual employer contributions was: (311,472)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and equipment maintenance and operations, to individual funds.  
The net revenue (expense) of the internal service funds is reported with the governmental activities. (93,889)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (6,617,151)

The notes to the financial statements are an integral part of this statement.

**CITY OF YUBA CITY**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
June 30, 2015

	<b>Business-type Activities</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Enterprise Funds</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Totals</b>	
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 6,331,257	\$ 14,503,066	\$ 20,834,323	\$ 10,528,396
Cash and investments with fiscal agents	650,903	2	650,905	
Restricted cash and investments		1,117,282	1,117,282	
Accounts receivable - net	9,178,975	1,811,919	10,990,894	74,346
Interest receivable	7		7	
Inventory				14,017
Prepaid expenses	20,607	535	21,142	622,596
	<u>16,181,749</u>	<u>17,432,804</u>	<u>33,614,553</u>	<u>11,239,355</u>
Total Current Assets				
Capital Assets:				
Nondepreciable				
Land	974,698	700,000	1,674,698	
Construction in progress	10,918,095	5,543,809	16,461,904	
	<u>11,892,793</u>	<u>6,243,809</u>	<u>18,136,602</u>	
Total Nondepreciable Capital Assets				
Depreciable				
Buildings	9,124,700	16,292,572	25,417,272	306,372
Improvements	41,326,875	33,187,886	74,514,761	
Infrastructure	109,703,993	55,925,929	165,629,922	
Machinery and equipment	9,912,477	16,967,528	26,880,005	12,919,254
	<u>170,068,045</u>	<u>122,373,915</u>	<u>292,441,960</u>	<u>13,225,626</u>
Total Depreciable Capital Assets				
Less Accumulated Depreciation	<u>(52,824,479)</u>	<u>(44,915,528)</u>	<u>(97,740,007)</u>	<u>(9,958,461)</u>
Net Depreciable Capital Assets				
	<u>117,243,566</u>	<u>77,458,387</u>	<u>194,701,953</u>	<u>3,267,165</u>
Net Capital Assets				
	<u>129,136,359</u>	<u>83,702,196</u>	<u>212,838,555</u>	<u>3,267,165</u>
Advances to other funds				
				<u>2,191,414</u>
Total Noncurrent Assets				
	<u>129,136,359</u>	<u>83,702,196</u>	<u>212,838,555</u>	<u>5,458,579</u>
Total Assets				
	<u>145,318,108</u>	<u>101,135,000</u>	<u>246,453,108</u>	<u>16,697,934</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow - pension	233,960	345,635	579,595	45,133
Deferred loss on refunding	655,693	455,574	1,111,267	
	<u>889,653</u>	<u>801,209</u>	<u>1,690,862</u>	<u>45,133</u>
Total Deferred Outflows of Resources				

(Continued)

The notes to the financial statements are an integral part of this statement.

**CITY OF YUBA CITY**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION (Continued)**  
June 30, 2015

	<b>Business-type Activities</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Enterprise Funds</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Totals</b>	
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	\$ 1,399,239	\$ 471,978	\$ 1,871,217	\$ 147,176
Accrued interest payable	79,977	205,135	285,112	
Accrued wages	111,212	138,421	249,633	102,415
Unearned revenue	86,191	3,762	89,953	8,130
Deposits payable		70,255	70,255	
Compensated absences	132,017	182,223	314,240	14,368
Loans payable	1,035,798	367,934	1,403,732	
Bonds payable	793,681	751,658	1,545,339	
Capital lease payable	78,165	10,387	88,552	
<b>Total Current Liabilities</b>	<b>3,716,280</b>	<b>2,201,753</b>	<b>5,918,033</b>	<b>272,089</b>
Noncurrent Liabilities:				
Compensated absences	116,882	78,939	195,821	28,359
Loans payable	20,306,691	10,326,031	30,632,722	
Bonds payable	19,006,304	14,136,357	33,142,661	
Advances from other funds		2,191,414	2,191,414	
Capital lease payable	906,653	122,371	1,029,024	
Net pension liability	3,196,577	4,722,394	7,918,971	616,652
<b>Total Noncurrent Liabilities</b>	<b>43,533,107</b>	<b>31,577,506</b>	<b>75,110,613</b>	<b>645,011</b>
<b>Total Liabilities</b>	<b>47,249,387</b>	<b>33,779,259</b>	<b>81,028,646</b>	<b>917,100</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension	657,348	971,119	1,628,467	126,809
<b>Total Deferred Inflows of Resources</b>	<b>657,348</b>	<b>971,119</b>	<b>1,628,467</b>	<b>126,809</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>47,906,735</b>	<b>34,750,378</b>	<b>82,657,113</b>	<b>1,043,909</b>
<b>NET POSITION</b>				
Net investment in capital assets	87,664,760	58,443,032	146,107,792	3,267,165
Restricted for:				
Debt service	570,926	912,147	1,483,073	
Unrestricted	10,065,340	7,830,652	17,895,992	12,431,993
<b>Total Net Position</b>	<b>\$ 98,301,026</b>	<b>\$ 67,185,831</b>	<b>\$ 165,486,857</b>	<b>\$ 15,699,158</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF YUBA CITY**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION**  
For the Fiscal Year Ended June 30, 2015

	<b>Business-type Activities Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Wastewater</b>	<b>Totals</b>	
Operating Revenues:				
Sales and charges for services	\$ 10,307,701	\$ 11,999,830	\$ 22,307,531	\$ 7,041,744
Connection fees	454,441	433,760	888,201	
Other revenues	259,023	71,474	330,497	144,264
Total Operating Revenues	<u>11,021,165</u>	<u>12,505,064</u>	<u>23,526,229</u>	<u>7,186,008</u>
Operating Expenses:				
Salaries and benefits	2,243,106	2,827,091	5,070,197	371,594
Professional services	236,555	404,517	641,072	50,744
Supplies	29,349	34,355	63,704	9,475
Benefits, claims, and insurance	85,341	113,832	199,173	5,551,954
Maintenance and operation	572,698	882,980	1,455,678	541,984
Tools and equipment	280,215	918,654	1,198,869	61,840
Rents and leases	296	1,420	1,716	
Power and utilities	978,299	815,440	1,793,739	28,679
Training	41,989	12,202	54,191	2,861
Water purchases	882,073		882,073	
Depreciation	5,018,666	3,070,906	8,089,572	944,252
Total Operating Expenses	<u>10,368,587</u>	<u>9,081,397</u>	<u>19,449,984</u>	<u>7,563,383</u>
Operating Income (Loss)	<u>652,578</u>	<u>3,423,667</u>	<u>4,076,245</u>	<u>(377,375)</u>
Non-Operating Revenues (Expenses):				
Interest income	32,602	137,527	170,129	193,682
Interest expense	(1,095,078)	(646,643)	(1,741,721)	
Amortization expense	(49,241)	(49,779)	(99,020)	
Gain (loss) on sale of capital assets				89,804
Total Non-Operating Revenue (Expenses)	<u>(1,111,717)</u>	<u>(558,895)</u>	<u>(1,670,612)</u>	<u>283,486</u>
Income (Loss) Before Transfers	<u>(459,139)</u>	<u>2,864,772</u>	<u>2,405,633</u>	<u>(93,889)</u>
Transfers:				
Transfers in	431,386	245,000	676,386	
Transfers out	(1,966,273)	(2,132,522)	(4,098,795)	
Total Change in Net Position Before Capital Contributions	<u>(1,994,026)</u>	<u>977,250</u>	<u>(1,016,776)</u>	<u>(93,889)</u>
Capital contributions	<u>4,596,107</u>	<u>3,502,407</u>	<u>8,098,514</u>	
Change in Net Position	<u>2,602,081</u>	<u>4,479,657</u>	<u>7,081,738</u>	<u>(93,889)</u>
Net Position, July 1, 2014	99,276,842	67,991,905	167,268,747	16,483,260
Prior period adjustments	<u>(3,577,897)</u>	<u>(5,285,731)</u>	<u>(8,863,628)</u>	<u>(690,213)</u>
Net Position, July 1, 2014, restated	<u>95,698,945</u>	<u>62,706,174</u>	<u>158,405,119</u>	<u>15,793,047</u>
Net Position, June 30, 2015	<u>\$ 98,301,026</u>	<u>\$ 67,185,831</u>	<u>\$ 165,486,857</u>	<u>\$ 15,699,158</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF YUBA CITY**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
For the Fiscal Year Ended June 30, 2015

	<b>Business-type Activities</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Enterprise Funds</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Totals</b>	
Cash Flows from Operating Activities:				
Receipts from customers	\$ 6,833,694	\$ 12,157,843	\$ 18,991,537	\$ 7,153,812
Amounts (paid)/from interfund receivable		(82,164)	(82,164)	82,164
Payments to suppliers and users	(2,987,048)	(5,007,459)	(7,994,507)	(6,394,905)
Payments to employees	(2,157,803)	(2,709,412)	(4,867,215)	(287,745)
Net Cash Provided (Used) by Operating Activities	<u>1,688,843</u>	<u>4,358,808</u>	<u>6,047,651</u>	<u>553,326</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers in	431,386	245,000	676,386	
Transfers out	(1,966,273)	(2,132,522)	(4,098,795)	
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(1,534,887)</u>	<u>(1,887,522)</u>	<u>(3,422,409)</u>	
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(7,567,872)	(2,877,956)	(10,445,828)	(646,515)
Proceeds from sale of capital assets				132,006
Proceeds from issuance of debt	984,818	3,896,662	4,881,480	
Capital contributions	4,596,107	3,502,407	8,098,514	
Principal paid on debt	(1,817,019)	(750,966)	(2,567,985)	
Interest paid on debt	(1,102,835)	(612,867)	(1,715,702)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,906,801)</u>	<u>3,157,280</u>	<u>(1,749,521)</u>	<u>(514,509)</u>
Cash Flows from Investing Activities:				
Interest received	32,602	137,527	170,129	193,682
Net Cash Provided (Used) by Investing Activities	<u>32,602</u>	<u>137,527</u>	<u>170,129</u>	<u>193,682</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(4,720,243)	5,766,093	1,045,850	232,499
Cash and Cash Equivalents, July 1, 2014	<u>11,702,403</u>	<u>9,854,257</u>	<u>21,556,660</u>	<u>10,295,897</u>
Cash and Cash Equivalents, June 30, 2015	<u>\$ 6,982,160</u>	<u>\$ 15,620,350</u>	<u>\$ 22,602,510</u>	<u>\$ 10,528,396</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position				
Cash and investments	\$ 6,331,257	\$ 14,503,066	\$ 20,834,323	\$ 10,528,396
Cash and investments with fiscal agents	650,903	2	650,905	
Restricted cash and investments		1,117,282	1,117,282	
Total Cash and Investments	<u>\$ 6,982,160</u>	<u>\$ 15,620,350</u>	<u>\$ 22,602,510</u>	<u>\$ 10,528,396</u>

(Continued)

The notes to the financial statements are an integral part of this statement.

**CITY OF YUBA CITY**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS (Continued)**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Business-type Activities</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Enterprise Funds</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Totals</b>	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 652,578	\$ 3,423,667	\$ 4,076,245	\$ (377,375)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	5,018,666	3,070,906	8,089,572	944,252
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:				
Accounts receivable	(4,192,282)	(237,570)	(4,429,852)	(32,249)
Inventory				(538)
Advances to other funds				82,164
Prepaid expenses	(1,893)	(66)	(1,959)	(47,815)
Deferred outflow-pension	(233,960)	(345,635)	(579,595)	(45,133)
Increase (Decrease) in Operating Liabilities and Deferred Inflows of Resources:				
Accounts payable	121,660	(1,823,993)	(1,702,333)	(122,246)
Accrued wages	23,359	25,137	48,496	87,949
Compensated absences	19,877	30,395	50,272	11,016
Advances from other funds		(82,164)	(82,164)	
Deferred inflow-pension	657,348	971,119	1,628,467	126,809
Net pension liability	(381,321)	(563,337)	(944,658)	(73,561)
Unearned revenue	4,811	(109,651)	(104,840)	53
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,688,843</u>	<u>\$ 4,358,808</u>	<u>\$ 6,047,651</u>	<u>\$ 553,326</u>

The notes to the financial statements are an integral part of this statement.

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**CITY OF YUBA CITY**  
**FIDUCIARY FUNDS**  
**STATEMENT OF NET POSITION**  
June 30, 2015

	<b>Private-Purpose Trust Funds</b>	<b>Agency Funds</b>
	<hr/>	<hr/>
<b>ASSETS</b>		
Cash and investments	\$ 2,242,198	\$ 12,147,749
Cash and investments with fiscal agent	2,648,267	432,709
Interest receivable	1	283
Accounts receivable		18,451,644
Taxes and assessments receivable	44,909	
Prepaid expenses	310,133	
Deposits receivable	9,800	
Property held for resale	93,852	
Notes receivable	3,310,722	
Capital assets, nondepreciable	3,907,713	
Capital assets, depreciable, net of accumulated depreciation	1,511,254	
	<hr/>	<hr/>
Total Assets	14,078,849	\$ 31,032,385
	<hr/>	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on refunding	486,711	
	<hr/>	
Total Deferred Outflows of Resources	486,711	
	<hr/>	
<b>LIABILITIES</b>		
Accounts payable	2,953	\$ 6,939,768
Accrued liabilities		30,270
Interest payable	618,822	
Deposits payable		24,062,347
Long-term debt, due within one year	697,253	
Long-term debt, due in more than one year	44,780,057	
	<hr/>	<hr/>
Total Liabilities	46,099,085	\$ 31,032,385
	<hr/>	<hr/>
<b>NET POSITION</b>		
Restricted for debt service	2,029,445	
Unrestricted	(33,562,970)	
Total Net Position (Deficit)	<u>\$ (31,533,525)</u>	

The notes to the financial statements are an integral part of this statement.

**CITY OF YUBA CITY**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN NET POSITION**  
For the Fiscal Year Ended June 30, 2015

	<b>Private-Purpose Trust Funds</b>
Additions:	
Investment revenue	\$ 208,695
Taxes and assessments	2,810,126
Contribution from agency fund	48,285
Other revenue	113,515
	3,180,621
Deductions:	
Administration	76,791
Community development	609,158
Interest expense	1,896,833
Depreciation and amortization	128,070
	2,710,852
Total deductions	469,769
Net Position (Deficit) - July 1, 2014	(32,003,294)
Net Position (Deficit) - June 30, 2015	\$ (31,533,525)

The notes to the financial statements are an integral part of this statement.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Yuba City was founded in 1849, and is one of California's oldest cities. Yuba City was formally incorporated January 23, 1908, under the laws and regulations of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting methods and procedures adopted by the City conform to accounting principles generally accepted in the United States of America, as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14, *the Financial Reporting Entity*, as amended by GASB Statement No. 39 and GASB Statement No. 61.

The governmental reporting entity consists of the City (Primary Government) and its component units. Component units are legally separate organizations for which the City Council is financially accountable or other organizations whose component units' nature and significant relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the City's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the City.

Reporting for component units on the City's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance, part of the City's operations and, therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the City's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the City's Council.

Blended Component Units

Component units that are blended into the reporting activity types of the City's report are presented below:

*Yuba City Public Finance Authority*

The Yuba City Public Finance Authority was formed by a joint exercise of power agreement dated November 5, 1992, between the City of Yuba City and the Yuba City Redevelopment Agency for the purpose of issuing bonds to be used to provide financial assistance to the City and the Agency. The governing body is substantially the same as the primary government and the City and the component unit is financially interdependent; hence, the unit is presented by blending with the primary government.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity (Continued)**

*Yuba City Public Finance Authority (Continued)*

Separate audited financial statements for the Yuba City Public Finance Authority are not issued. Debt of the Yuba City Public Finance Authority is shown as general obligation long-term debt of the City.

Discretely Presented Component Units

There are no component units of the City which meet the criteria for discrete presentation.

Joint Powers Agencies

The City also has ownership interests in the Northern California Cities Self Insurance Fund (NCCSIF) and the Sutter Animal Services Authority (SASA). These entities have not met the criteria stated above, and their financial information is not combined with that of the City, although the City's investment in NCCSIF and SASA has been included in the financial statements as prepaid insurance and investment in JPA, respectively.

**B. Basis of Presentation and Accounting and Measurement Focus**

The accounts of the City are organized and operated on the basis of funds, each of which is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. These funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Government-wide Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary Activities of the City are not included in these statements.

The government-wide financial statements are reported using the *economic resources* measurement focus and the full accrual basis of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. The types of transactions reported as program revenues for the City are reported in three categories:

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation and Accounting and Measurement Focus (Continued)**

- > Charges for services
- > Operating grants and contributions
- > Capital grants and contributions

There have been certain eliminations as prescribed by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments*, in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated. However, transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- > Advances to/from other funds
- > Transfers in/out
- > Due to/from

Non-exchange transactions are typically described as taxes, fines, and certain grants and donations. In a non-exchange transaction, a government gives (or receives) value without directly receiving (or giving) equal value in return. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In accordance with GASB Statement No. 62, the City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, to the business type activities, unless those pronouncements conflict with or contradict GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, or Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure.

Major Funds

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and nonmajor funds aggregated.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation and Accounting and Measurement Focus (Continued)**

The City has presented all major funds that meet the qualifications for major fund reporting, including the election to present the HOME Grant Special Revenue Fund, the Streets and Roads Special Revenue Fund, the General CIP Capital Projects Fund as major funds.

The following are descriptions of the major governmental funds:

- The **General Fund** is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. The General Fund includes such activities as public safety, parks and recreation, public works and facilities and community development.
- The **HOME Grant Fund** is a special revenue fund used to account for funds related to various HOME housing rehabilitation grant programs. The main sources of revenue of this fund are loan repayments and intergovernmental revenues.
- The **Streets and Roads Fund** is a special revenue fund used to account for monies to be used on transportation, road, and street programs. The main sources of revenue of this fund are local transportation funds, gas tax funds, Proposition 42 funds, and road maintenance franchise fees.
- The **General Capital Improvement Projects Fund** is a capital projects fund used to account for funds budgeted for capital improvements which are funded from general City revenue sources.
- The **Impact Fees CIP Projects Fund** is a capital projects fund used to account for funds budgeted for capital expenditures, which are funded from development impact fees.

All governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The statement of revenues, expenditures, and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both *measurable* and *available* to finance expenditures of the current period. Accordingly, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Certain grant revenues are considered to be available if they are collected within 9 months of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized only when due and payable at year-end. General capital asset acquisitions and debt service principal payments are reported as expenditures in governmental funds. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, grant revenues, and investment earnings are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Licenses and permits, and fines and forfeitures are not susceptible to accrual because they are not measurable until received in cash. Grant revenues earned but not received are recorded as a receivable, and grants received before the related revenue recognition criteria have been met are reported as deferred revenues.

Reconciliations of the governmental fund financial statements to the government-wide financial statements are provided to explain the differences created by the integrated approach.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation and Accounting and Measurement Focus (Continued)**

Proprietary Fund Financial Statements

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows for each major proprietary fund. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

The following are descriptions of the major proprietary funds:

- The **Water Fund** is an enterprise fund used to account for activity related to providing customers with water service and billing for service provided by the City.
- The **Wastewater Fund** is an enterprise fund used to account for activity related to providing customers with wastewater service and billing for service provided by the City.

All proprietary fund types are accounted for on an *economic resources* measurement focus and full accrual basis of accounting. Accordingly, all assets and all liabilities (whether current or noncurrent) associated with their activity are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the full accrual basis of accounting, revenues are recognized in the accounting period in which they are *earned* and expenses are recognized in the accounting period *incurred*.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the funds. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Internal Service Funds

The City also reports the following fund type:

- Internal Service Funds - These funds are used to account for stores, vehicle replacement, insurance, technology replacement, and employee benefit services provided to other departments on a cost reimbursement basis.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a statement of net position and statement of changes in net position. The City has two types of fiduciary funds; agency funds and private-purpose trust funds.

- Agency funds are used to account for funds in which the City is acting as agent for another agency. The specific nature of the activities reported in the agency funds are: customer deposits, assessment district monies, community facilities district monies, narcotics enforcement joint powers authority operations, state-funded narcotics enforcement program, operations of the local flood control agency, and capital funds of the local flood control agency. Agency funds are custodial in nature and do not involve measurement of results of operations, however, they do use the full accrual basis of accounting to recognize receivables and payables.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation and Accounting and Measurement Focus (Continued)**

- Private-purpose trust funds are used to account for custodial responsibilities assigned to the Redevelopment Agency Successor Agency, and was established on February 1, 2012. Private-purpose trust funds are accounted for on an *economic resources* measurement focus and full accrual basis of accounting.

**C. Cash and Investments**

The City pools cash and investments of all funds, except amounts held by fiscal agents. The City sponsors an investment pool that is managed by the Yuba City City Council (Council). The Council invests on behalf of most funds of the City and external participants in accordance with the California State Government Code and the City's investment policy.

Investments are reported in the accompanying balance sheet at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

Participant's equity in an investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants annually. During the fiscal year ended June 30, 2015, the City had not entered into any legally binding guarantees to support the participant equity in the investment pool.

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB Statement No. 3)*, certain disclosure requirements for deposits and investment risks were made in the following areas: interest rate risk, credit risk, custodial credit risk, and concentrations of credit risk.

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

The City has implemented GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are not readily available.

The City participates in an investment pool Local Agency Investment Fund (LAIF), which has invested a portion of the pooled funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Cash and Investments (Continued)**

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity date of three months or less when purchased, and their equity in the City's investment pool, to be cash equivalents.

**D. Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The major receivable balances for the governmental activities are taxes, grants, and interest. Business-type activities report user fees and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as taxes and other similar intergovernmental revenues. Nonexchange transactions (except for grant revenues) that are collectible, but not available, are deferred in the fund financial statements in accordance with the modified accrual basis, but are not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received.

**E. Interfund Transactions**

Interfund transactions are reflected as loans, services provided or used, reimbursements, or transfers.

- Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.
- Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each governmental function and, therefore, are not eliminated in the process of preparing the government-wide statement of activities.
- Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are treated as an adjustment to expenditures or expenses; that is, a corresponding increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in expenditures or expenses in the reimbursed fund.
- All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

See Note 7 for details of interfund transactions.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Inventory and Prepaid Items**

Inventories are stated at cost (first-in, first-out basis) for proprietary funds. Inventory recorded by proprietary funds includes supplies for internal service funds. Proprietary fund inventories are recorded as expenses at the time the inventory is consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses/expenditures. The City utilizes the purchase method for prepaid expenses/expenditures.

**G. Notes Receivable**

For the purpose of the fund financial statements, special revenue fund expenditures relating to long-term notes receivable arising from mortgage subsidy programs are charged to operations upon funding and the notes receivable are recorded. The balance of the long-term receivable includes loans that may be forgiven if certain terms and conditions of the loans are met and, therefore, are offset by unearned revenue as a deferred inflow of resource.

**H. Capital Assets**

Capital assets, which includes land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. Capital assets are defined by the City as assets with a cost of more than \$5,000 and an estimated useful life of more than two years.

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations and whether they are reported in the governmental-wide or fund financial statements.

Government-wide Financial Statements

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these capital assets. The amount charged to depreciation expense each fiscal year represents that fiscal year's pro rata share of the cost of capital assets.

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation of all capital assets is charged as an expense against operations each fiscal year and is reported in the statement of activities. The total amount of depreciation taken over the years, called accumulated depreciation, is reported on the statement of net position as a reduction in the value of capital assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the capital asset constructed, net of interest earned on the invested proceeds over the same period.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Capital Assets (Continued)**

Government-wide Financial Statements (Continued)

The range of estimated useful lives by type of asset is as follows:

Depreciable Asset	Estimated Life
Equipment	3-25 years
Structures and improvements	5-50 years
Infrastructure	20-75 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

**I. Unearned Revenue**

Under both the accrual and modified accrual basis of accounting, revenues are recognized only when earned. Thus, the government-wide statement of net position, governmental funds, and enterprise funds defer revenue recognition for resources that have been received at fiscal year-end, but not yet earned. Assets recognized before the earning process is complete are offset by a corresponding liability as unearned revenue. In addition, loans receivable for which repayments are unearned, or for which the balance may be forgiven if certain terms and conditions of the loans are met, have also been offset by unearned revenue and shown as a deferred inflow of resources. Under the modified accrual basis of accounting, revenues are recognized when earned and susceptible to accrual. Revenues are considered susceptible to accrual if they are measurable and available to finance expenditures of the current period.

See Note 4 for details of unearned revenue at fiscal year-end.

**J. Long-term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. The long-term debt consists of loans, compensated absences, bonds, and certificates of participation. Bond premiums and discounts, as well as refunding differences, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium and discount. Refunding differences are reported as deferred outflows of resources on the Statement of Net Position while deferred outflows and deferred inflows of resources related to the net pension liability are reported as such in the Statement of Net Position.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Long-term Debt (Continued)**

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

**K. Compensated Absences**

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid to employees upon separation from City service. One hundred percent of unused vacation benefits are paid to employees upon termination. For employees hired prior to July 31, 1991, twenty-five percent of unused sick leave benefits vest with employees after five years and fifty percent vest with employees after fifteen years. For employees hired after July 31, 1991, fifteen percent of unused sick leave benefits vest with employees after five years and thirty percent vests with employees after fifteen years. In prior years, the General Fund has been used to liquidate the liability for non-proprietary fund compensated absences.

In the government-wide and proprietary fund financial statements, the accrued compensated absences is reported as an expense and related liability. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature. The City includes its share of medicare taxes and workers compensation payable on behalf of the employees in the accrual for compensated absences.

**L. Net Position/Fund Balances**

GASB Statement No. 63 adds the concept of net position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

Net position is divided into three captions under GASB Statements No. 34 and 63. These captions apply only to Net position as determined at the government-wide level, and are described below:

- *Net Investment in Capital Assets* describes the portion of net position, which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.
- *Restricted* describes the portion of net position, which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include debt service requirements and capital projects.
- *Unrestricted* describes the portion of net position, which is not restricted as to use.

When both restricted and unrestricted net position are available, restricted resources are depleted first before the unrestricted resources are used.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Net Position/Fund Balances (Continued)**

At June 30, 2015, the City had recorded restricted net position in the governmental activities and business-type activities as follows:

	Governmental Activities	Business-type Activities
Restricted for:		
Community development	\$ 7,444,423	\$ -
Streets and roads	3,446,947	
Landscape districts	534,074	
Lighting districts	1,340,926	
Mitigation purposes	1,258	
Specific plans	165,565	
Neighborhood stabilization	69	
Energy conservation	167,045	
Rate stabilization	9,639	
Capital projects	5,035,758	
Debt service	821,147	1,483,073
Total Restricted	\$ 18,966,851	\$ 1,483,073

Included in total restricted net position at June 30, 2015 is net position restricted by enabling legislation of \$1,048,372.

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Net Position/Fund Balances (Continued)**

Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Finance Director.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The constraints placed on fund balance for the major governmental funds and all other governmental funds at June 30, 2015 are as follows:

Fund Balances	General Fund	HOME Grant Special Revenue Fund	Streets and Roads Special Revenue Fund	General CIP Capital Projects Fund	Impact Fees CIP Capital Projects Fund	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>							
Prepays	\$ 38,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,985
Receivable from Successor Agency	11,098,170						11,098,170
<i>Total Nonspendable</i>	<u>11,137,155</u>						<u>11,137,155</u>
<b>Restricted for:</b>							
Community Development		128,484				26,451	154,935
Neighborhood Stabilization						69	69
Streets and Roads						3,446,947	3,446,947
Landscaping						534,074	534,074
Lighting				826,628		514,298	1,340,926
Mitigation Fees						1,258	1,258
Specific Plans						165,565	165,565
Rate Stabilization						9,639	9,639
Energy Conservation						167,045	167,045
Debt Service						881,501	881,501
Capital Projects					4,559,275		4,559,275
<i>Total Restricted</i>		<u>128,484</u>		<u>826,628</u>	<u>4,559,275</u>	<u>5,746,847</u>	<u>11,261,234</u>
<b>Committed for:</b>							
Economic Stabilization	4,541,557						4,541,557
Traffic Safety						243,116	243,116
Law Enforcement						149,123	149,123
Capital Projects				6,321,261		1,454,904	7,776,165
<i>Total Committed</i>	<u>4,541,557</u>			<u>6,321,261</u>		<u>1,847,143</u>	<u>12,709,961</u>
Unassigned	6,304,518		(508,773)			(21,299)	5,774,446
<i>Total Fund Balances (Deficits)</i>	<u>\$ 21,983,230</u>	<u>\$ 128,484</u>	<u>\$ (508,773)</u>	<u>\$ 7,147,889</u>	<u>\$ 4,559,275</u>	<u>\$ 7,572,691</u>	<u>\$ 40,882,796</u>

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Net Position/Fund Balances (Continued)**

The following are encumbrance amounts included in the restricted, committed, and assigned fund balances above:

	General Fund	HOME Grant Special Revenue Fund	Streets and Roads Special Revenue Fund	General CIP Capital Projects Fund	Impact Fees CIP Capital Projects Fund	Nonmajor Governmental Funds	Total
Encumbrances	\$ 381,911	\$ 10,841	\$ -	\$ 1,659,570	\$ 250,028	\$ 3,802,677	\$ 6,105,027

Stabilization Agreements/Rainy Day Fund/Budget Reserves

The City, has established, by resolution, a reserve for budget stabilization within the General Fund, to cover deficit spending during times of economic downturn. Amounts are added to or utilized from the Economic Stabilization Reserve Fund through City Council action. As of June 30, 2015 the balance in the Economic Stabilization Reserve Fund was \$4,541,557 and is reported within the committed fund balance classification in the general fund. The City also has a 15% reserve fund set by the City’s budget policy, which is equal to 15% of the following fiscal year’s appropriations. This balance is reported within the unassigned fund balance classification in the general fund.

**M. Property Tax Levy, Collections, and Maximum Rates**

The State of California’s (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value, as defined by Article XIII A, and may be adjusted by no more than 2% per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% tax levy amount to counties, cities, school districts, and other districts.

Tax Levy Dates

All lien dates attach annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and secured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections

The Sutter County Tax Collector is responsible for all property tax collections. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments; the first installment is due on November 1 of the fiscal year and is delinquent if not paid by December 10, the second installment is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County of Sutter (County) for late payments.

The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan”, as described by Section 4717 of the California Revenue and Taxation code. Therefore, the City receives 100 percent of the secured property tax levies to which it is entitled, whether or not collected. Unsecured delinquent taxes are considered fully collectible.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Grant Revenues**

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria are met. Cash received prior to incurrence of the related expenditure is recorded as deferred revenue.

**O. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**P. New Accounting Pronouncements**

The City has implemented the requirements of Governmental Accounting Standards Board (GASB) Statements No. 68, 69, and 71 during the fiscal year ended June 30, 2015.

*Governmental Accounting Standards Board Statement No. 68*

For the fiscal year ended June 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* as well as the requirements of Statement No. 50, *Pension Disclosures*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pensions. Implementation of GASB Statement No. 68 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Note 8 and Note 16.

*Governmental Accounting Standards Board Statement No. 69*

For the fiscal year ended June 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. Implementation of the GASB Statement No. 69 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2015.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**P. New Accounting Pronouncements (Continued)**

*Governmental Accounting Standards Board Statement No. 71*

For the fiscal year ended June 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and non-employer contributing entities. Implementation of the GASB Statement No. 71 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Note 8 and Note 16.

**Q. Rebatable Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years.

**R. GANN Spending Limitation**

Under Article XIII B of the California Constitution (the GANN Spending Limitation), the City is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the California State Controller or returned to the taxpayers through revised tax rates, revised fee schedules, or other refund arrangements.

**S. Deferred Outflows and Inflows of Resources**

Pursuant to GASB Statement No. 65 the City recognizes deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. Refer to Note 6 and Note 8 for a detailed listing of the deferred outflows of resources that the City has recognized.

Pursuant to GASB Statement No. 65 the City recognizes deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of fund balance by the government that is applicable to a future reporting period. Refer to Note 4 and Note 8 for a detailed listing of the deferred inflows of resources that the City has recognized.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 2 - CASH AND INVESTMENTS**

The City maintains a cash and investment pool for all funds. Certain restricted funds, which are held and invested by independent outside custodians through contractual agreements, are not pooled.

Statement of Net Position:	
Cash and investments	\$ 68,789,879
Cash and investments with fiscal agents	1,436,428
Restricted cash and investments	1,117,282
Statement of Fiduciary Net Position:	
Cash and investments	14,389,947
Cash and investments with fiscal agents	<u>3,080,976</u>
Total	<u><u>\$ 88,814,512</u></u>

Certain restricted cash and investments are held in separate cash accounts and with fiscal agents for the redemption of debt and for acquisition and construction of capital assets.

Cash on hand	\$ 3,790
Deposits with financial institutions	5,179,131
Investments	<u>83,631,591</u>
Total	<u><u>\$ 88,814,512</u></u>

**Investments Authorized by the California Government Code and the City's Investment Policy**

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	\$50 million
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues	5 years	20%	None
State of California and Local Agency Obligations	5 years	None	15%
Yuba City and Yuba City RDA Obligations	None	None	15%
Special Assessment District Obligations	30 years	None	15%
Bankers' Acceptance (must be dollar denominated)	180 days	40%	30%
Commercial Paper	270 days	10%	25%
Negotiable Certificates of Deposit	5 years	30%	None
Non-Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	5 years	None	None
Medium Term Notes	5 years	30%	10%
Asset Backed Obligations	5 years	20%	None
Money Market Funds	N/A	20%	None
Corporate Bonds	5 years	30%	10%
California Asset Management Program	N/A	None	None

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**Investments Authorized by Debt Agreements**

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues	5 years	None	None
State of California and Local Agency Obligations	5 years	None	15%
Special Assessment District Obligations	30 years	None	15%
Bankers Acceptance (must be dollar denominated)	180 days	40%	30%
Commercial Paper	270 days	10%	25%
Negotiable Certificates of Deposit	5 years	30%	None
Non-Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	5 years	None	None
Medium Term Notes	5 years	30%	10%
Asset Backed Obligations	5 years	20%	None
Money Market Funds	N/A	20%	None
Investment Agreements	7 years	None	None
Forward Delivery Agreements	None	None	None
California Asset Management Program	N/A	None	None

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments held by bond trustees to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**Disclosures Relating to Interest Rate Risk (Continued)**

Investment Type	Totals	Remaining Maturity (in Months)					
		12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	49-60 Months	More Than 60 Months
State investment pool	\$ 23,844,729	\$ 23,844,729	\$ -	\$ -	\$ -	\$ -	\$ -
California Asset Management Program (CAMP)	102,626	102,626					
Money market funds	9,671,540	9,671,540					
Special assessment district bonds	1,373,662	109,382	110,058	108,525	109,135	113,619	822,943
Certificates of deposit	3,801,090	1,400,854	2,400,236				
Commercial paper	998,610	998,610					
Yuba City RDA obligations	1,224,204						1,224,204
State of CA obligations	708,489	200,586		507,903			
U.S. treasury obligations	7,561,771	105,140	2,008,750	722,547	3,350,677	1,374,657	
U.S. government agency issues	17,100,222	653,074	9,017,792	6,244,039	883,742	301,575	
Corporate bonds	12,727,244	2,768,286	4,352,760	4,383,894	409,773	812,531	
Held by bond trustees:							
Money market funds	969,946	969,946					
U.S. government agency issues	3,547,458	3,547,458					
	<u>\$ 83,631,591</u>	<u>\$ 44,372,231</u>	<u>\$ 17,889,596</u>	<u>\$ 11,966,908</u>	<u>\$ 4,753,327</u>	<u>\$ 2,602,382</u>	<u>\$ 2,047,147</u>

**Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

**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 City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
State investment pool	\$ 23,844,729	None	\$ -	\$ -	\$ -	\$ -	\$ 23,844,729
California Asset Management Program (CAMP)	102,626	None					102,626
Money market funds	9,671,540	None		5,158,566			4,512,974
Special assessment district bonds	1,373,662	None					1,373,662
Certificates of deposit	3,801,090	None			1,325,525	975,637	1,499,928
Commercial paper	998,610	A			998,610		
Yuba City RDA obligations	1,224,204	None			1,224,204		
State of CA obligations	708,489	None			577,894	130,595	
U.S. treasury obligations	7,561,771	N/A	7,561,771				
U.S. government agency issues	17,100,222	None			17,100,222		
Corporate bonds	12,727,244	None		2,593,072	5,443,430	4,690,742	
Held by bond trustees:							
Money market funds	969,946	None		969,946			
U.S. government agency issues	3,547,458	None			3,547,458		
Total	<u>\$ 83,631,591</u>		<u>\$ 7,561,771</u>	<u>\$ 8,721,584</u>	<u>\$ 30,217,343</u>	<u>\$ 5,796,974</u>	<u>\$ 31,333,919</u>

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**Concentration of Credit Risk**

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There are two investments that represent more than 5% of total City investments other than U.S. treasury obligations, external investment pools, and money market funds (Federal National Mortgage - \$7,190,178 with various interest rates and maturity dates of .55% to 1.75% and 10/26/15 to 11/26/19, respectively, and Federal Home Loan Mortgage Corporation - \$8,654,691 with various interest rates and maturity dates of .50% to 1.75% and 9/28/16 to 5/30/19, respectively. Due to the City's pooling of its cash and investments, it is indeterminable of the amounts of concentration included in individual opinion units.

**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 the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision 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 fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2015, \$5,885,730 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts.

**Investment in State Investment Pool**

The City 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 City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The LAIF fair value factor of 1.000375979 was used to calculate the fair value of the investments in LAIF.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 3 - CAPITAL ASSETS**

At June 30, 2015, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Nondepreciable Assets:			
Land	\$ 125,998,465	\$ 1,674,698	\$ 127,673,163
Construction in progress	6,556,604	16,461,904	23,018,508
<b>Total nondepreciable assets</b>	<b>132,555,069</b>	<b>18,136,602</b>	<b>150,691,671</b>
Depreciable Assets:			
Buildings	38,462,281	25,417,272	63,879,553
Improvements	11,688,497	74,514,761	86,203,258
Machinery and equipment	20,545,939	26,880,005	47,425,944
Infrastructure	364,533,045	165,629,922	530,162,967
<b>Total depreciable assets</b>	<b>435,229,762</b>	<b>292,441,960</b>	<b>727,671,722</b>
Less accumulated depreciation	(151,041,159)	(97,740,007)	(248,781,166)
<b>Total depreciable assets, net</b>	<b>284,188,603</b>	<b>194,701,953</b>	<b>478,890,556</b>
<b>Total capital assets, net</b>	<b>\$ 416,743,672</b>	<b>\$ 212,838,555</b>	<b>\$ 629,582,227</b>

The following is a summary of capital asset activity for governmental activities for the fiscal year ended June 30, 2015:

	Balance July 1, 2014	Additions	Deletions	Transfers	Prior Period Adjustments	Balance June 30, 2015
<b>Governmental Activities</b>						
Nondepreciable capital assets:						
Land	\$ 125,347,238	\$ 651,227	\$ -	\$ -	\$ -	\$ 125,998,465
Construction in progress	5,115,634	4,849,888		(3,408,918)		6,556,604
<b>Total nondepreciable capital assets</b>	<b>130,462,872</b>	<b>5,501,115</b>		<b>(3,408,918)</b>		<b>132,555,069</b>
Depreciable capital assets:						
Buildings	38,423,190			39,091		38,462,281
Improvements	11,261,053			427,444		11,688,497
Machinery and equipment	18,256,389	818,647	(470,988)	756,521	1,185,370	20,545,939
Infrastructure	362,280,090	67,093		2,185,862		364,533,045
<b>Total depreciable capital assets</b>	<b>430,220,722</b>	<b>885,740</b>	<b>(470,988)</b>	<b>3,408,918</b>	<b>1,185,370</b>	<b>435,229,762</b>
Accumulated depreciation:						
Buildings	(14,542,257)	(1,086,483)				(15,628,740)
Improvements	(4,656,613)	(576,982)				(5,233,595)
Machinery and equipment	(12,435,479)	(1,630,159)	424,911		(1,110,278)	(14,751,005)
Infrastructure	(106,042,948)	(9,384,871)				(115,427,819)
<b>Total accumulated depreciation</b>	<b>(137,677,297)</b>	<b>(12,678,495)</b>	<b>424,911</b>		<b>(1,110,278)</b>	<b>(151,041,159)</b>
<b>Net depreciable capital assets</b>	<b>292,543,425</b>	<b>(11,792,755)</b>	<b>(46,077)</b>	<b>3,408,918</b>	<b>75,092</b>	<b>284,188,603</b>
<b>Net capital assets</b>	<b>\$ 423,006,297</b>	<b>\$ (6,291,640)</b>	<b>\$ (46,077)</b>	<b>\$ -</b>	<b>\$ 75,092</b>	<b>\$ 416,743,672</b>

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 3 - CAPITAL ASSETS (Continued)**

Depreciation Allocation

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

**Governmental Activities:**

General government	\$ 448,116
Public safety	1,302,960
Public works	10,589,527
Parks and recreation	332,793
Community development	<u>5,099</u>
Total Governmental Activities	<u>\$ 12,678,495</u>

Depreciation on capital assets held by the City's internal service funds of \$944,252 is charged to the various functions based on their usage of the assets and is included above.

The following is a summary of capital asset activity for business-type activities for the fiscal year ended June 30, 2015:

	Balance July 1, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
<b>Business-type Activities</b>					
<b>Water</b>					
Nondepreciable capital assets:					
Land	\$ 974,698	\$ -	\$ -	\$ -	\$ 974,698
Construction in progress	8,168,506	7,481,989		(4,732,400)	10,918,095
Total nondepreciable capital assets	<u>9,143,204</u>	<u>7,481,989</u>		<u>(4,732,400)</u>	<u>11,892,793</u>
Depreciable capital assets:					
Buildings	9,124,700				9,124,700
Improvements	41,326,875				41,326,875
Machinery and equipment	9,870,414	57,063	(15,000)		9,912,477
Infrastructure	104,942,773	28,820		4,732,400	109,703,993
Total depreciable capital assets	<u>165,264,762</u>	<u>85,883</u>	<u>(15,000)</u>	<u>4,732,400</u>	<u>170,068,045</u>
Accumulated depreciation:					
Buildings	(5,586,676)	(363,479)			(5,950,155)
Improvements	(19,565,408)	(1,465,983)			(21,031,391)
Machinery and equipment	(4,649,883)	(472,518)	15,000		(5,107,401)
Infrastructure	(18,018,846)	(2,716,686)			(20,735,532)
Total accumulated depreciation	<u>(47,820,813)</u>	<u>(5,018,666)</u>	<u>15,000</u>		<u>(52,824,479)</u>
Net depreciable capital assets	<u>117,443,949</u>	<u>(4,932,783)</u>		<u>4,732,400</u>	<u>117,243,566</u>
Net capital assets	<u>\$ 126,587,153</u>	<u>\$ 2,549,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,136,359</u>

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 3 - CAPITAL ASSETS (Continued)**

The following is a summary of capital asset activity for business-type activities for the fiscal year ended June 30, 2015: (Continued)

	Balance July 1, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
<b>Business-type Activities</b>					
<b>Wastewater</b>					
Nondepreciable capital assets:					
Land	\$ 700,000	\$ -	\$ -	\$ -	\$ 700,000
Construction in progress	14,412,547	2,676,484		(11,545,222)	5,543,809
Total nondepreciable capital assets	15,112,547	2,676,484		(11,545,222)	6,243,809
Depreciable capital assets:					
Buildings	16,292,572				16,292,572
Improvements	33,187,886				33,187,886
Machinery and equipment	16,789,741	177,787			16,967,528
Infrastructure	44,357,022	23,685		11,545,222	55,925,929
Total depreciable capital assets	110,627,221	201,472		11,545,222	122,373,915
Accumulated depreciation:					
Buildings	(8,598,570)	(432,912)			(9,031,482)
Improvements	(18,400,219)	(890,367)			(19,290,586)
Machinery and equipment	(8,730,929)	(901,612)			(9,632,541)
Infrastructure	(6,114,904)	(846,015)			(6,960,919)
Total accumulated depreciation	(41,844,622)	(3,070,906)			(44,915,528)
Net depreciable capital assets	68,782,599	(2,869,434)		11,545,222	77,458,387
Net capital assets	\$ 83,895,146	\$ (192,950)	\$ -	\$ -	\$ 83,702,196

Depreciation Allocation

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

<b>Business-Type Activities:</b>	
Water	\$ 5,018,666
Wastewater	3,070,906
	\$ 8,089,572
Depreciation Expense-Business-type Activities	\$ 8,089,572

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 4 – UNEARNED AND DEFERRED REVENUE**

At June 30, 2015, components of unearned revenue reported in the government-wide statements were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Business license and miscellaneous revenue received but not earned	\$ 401,812	\$ -
Senior fund raising revenue received but not earned	83,879	
Impact fees collected but not earned	9,185,937	
Franchise fees received but not earned	484,895	
Employee benefit contributions received but not earned	8,130	
Grant revenues received but not earned	409,149	
Water revenues collected but not earned		86,191
Wastewater revenues collected but not earned		<u>3,762</u>
 Total unearned revenue	 <u>\$ 10,573,802</u>	 <u>\$ 89,953</u>

At June 30, 2015, components of unearned revenue reported in the fund financial statements were as follows:

General Fund:	
Business license and miscellaneous revenue received but not earned	\$ 401,812
Senior fund raising revenue received but not earned	83,879
Grant revenue received but not earned	394,934
General CIP Capital Projects Fund:	
Grant revenue received but not earned	7,109
Impact Fees CIP Capital Projects Fund:	
Impact fees collected but not earned	9,185,937
Recology Rate Stabilization Special Revenue Fund:	
Franchise fees received but not yet earned	484,895
DOE Energy Conservation Special Revenue Fund:	
Grant revenue received but not earned	7,106
Water Fund:	
Water revenues collected but not earned	86,191
Wastewater Fund:	
Wastewater revenues collected but not earned	3,762
Employee Benefits Fund:	
Employee benefit contributions received but not earned	<u>8,130</u>
Total unearned revenue	<u>\$ 10,663,755</u>

At June 30, 2015, components of deferred inflows of resources - deferred revenue reported in the fund financial statements were as follows:

General Fund:	
Sales tax revenue accrued but not available	\$ 823,835
HOME Grant Special Revenue Fund:	
Notes receivable (balance may be forgiven)	5,330,785
Impact Fees CIP Capital Projects Fund:	
Notes receivable	476,483
CDBG Program Income Special Revenue Fund:	
Notes receivable (balance may be forgiven)	1,455,082
CAL-HOME Grant Special Revenue Fund:	
Notes receivable (balance may be forgiven)	<u>503,621</u>
Total deferred revenue	<u>\$ 8,589,806</u>

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 5 - LONG-TERM DEBT**

The following is a summary of long-term debt activity of the City for the fiscal year ended June 30, 2015:

	Balance July 1, 2014	Additions	Deletions	Prior Period Adjustments	Balance June 30, 2015	Due within one year
<b>Governmental Activities</b>						
Certificates of Participation	\$ 10,650,000	\$ -	\$ (305,000)	\$ -	\$ 10,345,000	\$ 315,000
Pension Obligation Bonds	3,115,000		(950,000)		2,165,000	1,035,000
Other post-employment benefits	903,217	198,129	(40,262)		1,061,084	
Energy Service Lease Payable		1,111,615			1,111,615	87,495
Fire Station #4 Lease Payable	2,653,317		(625,502)		2,027,815	650,070
Sutter County Loan	279,125		(25,025)		254,100	23,100
Net Pension Liability		22,542,191	(28,965,831)	45,968,746	39,545,106	
Compensated Absences	3,580,820	1,648,069	(1,742,963)		3,485,926	14,368
Street Light Conversion Lease Payable	1,271,360		(81,306)		1,190,054	83,669
<b>Total Governmental Activities</b>	<b>\$ 22,452,839</b>	<b>\$ 25,500,004</b>	<b>\$ (32,735,889)</b>	<b>\$ 45,968,746</b>	<b>\$ 61,185,700</b>	<b>\$ 2,208,702</b>
<b>Business-type Activities</b>						
Water Revenue Refunding Bonds	\$ 20,930,000	\$ -	\$ (805,000)	\$ -	\$ 20,125,000	\$ 810,000
Wastewater Revenue Refunding Bonds	15,781,541		(750,966)		15,030,575	760,568
Less Deferred Amounts:						
Bond Discount	(492,804)		25,229		(467,575)	(25,229)
Bonds, net	36,218,737		(1,530,737)		34,688,000	1,545,339
Energy Service Lease Payable		1,117,576			1,117,576	88,552
Loans Payable	29,284,569	3,763,904	(1,012,019)		32,036,454	1,403,732
Net Pension Liability		3,486,564	(4,431,221)	8,863,628	7,918,971	
Compensated Absences	459,789	305,302	(255,030)		510,061	314,240
<b>Total Business-type Activities</b>	<b>\$ 65,963,095</b>	<b>\$ 8,673,346</b>	<b>\$ (7,229,007)</b>	<b>\$ 8,863,628</b>	<b>\$ 76,271,062</b>	<b>\$ 3,351,863</b>

Compensated absences for governmental activities are generally liquidated by the fund where the accrued liability occurred, which is usually the General fund. Other post-employment benefits are generally liquidated by the fund in which the retiree was originally charged to, which is usually the General fund, but could also be Water or Wastewater funds.

**Governmental Activities**

Certificates of Participation – Gauche Park/Aquatic Facility - 2006

On August 22, 2006, the City issued \$12,500,000 of Certificates of Participation bearing interest between 3.50% and 4.5% and payable semi-annually on December 1 and June 1, maturing on June 1, 2036. These certificates were used to finance the construction of the Gauche Aquatic Park. The outstanding principal balance of the 2006 Gauche Park/Aquatic Facility Certificates of Participation at June 30, 2015 was \$10,345,000.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 5 - LONG-TERM DEBT (Continued)**

**Governmental Activities (Continued)**

Certificates of Participation – Gauche Park/Aquatic Facility – 2006 (Continued)

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 315,000	\$ 450,944	\$ 765,944
2017	330,000	438,816	768,816
2018	340,000	425,781	765,781
2019	355,000	412,181	767,181
2020	370,000	397,804	767,804
2021-2025	2,090,000	1,742,414	3,832,414
2026-2030	2,590,000	1,243,941	3,833,941
2031-2035	3,220,000	612,155	3,832,155
2036	735,000	33,075	768,075
Totals	<u>\$ 10,345,000</u>	<u>\$ 5,757,111</u>	<u>\$ 16,102,111</u>

Pension Obligation Bonds – Series 2007

On April 17, 2007, the City issued \$7,685,000 of Pension Obligation Bonds bearing interest between 5.21% and 5.37% and payable annually on June 1, maturing on June 1, 2017. These bonds were used to advance pay safety employee pension obligations. The outstanding principal balance of the 2007 Series bonds at June 30, 2015 was \$2,165,000.

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 1,035,000	\$ 115,536	\$ 1,150,536
2017	1,130,000	60,681	1,190,681
Totals	<u>\$ 2,165,000</u>	<u>\$ 176,217</u>	<u>\$ 2,341,217</u>

Capital Leases

The City has entered into a lease agreement with Bank of America (through OpTerra Energy Services) to provide funds for energy related improvements to City facilities. The general fund, water fund, and wastewater fund are providing the debt service for this lease at 49.7%, 44.4%, and 5.9% respectively. The cost of the assets acquired with this capital lease will be \$4,967,214. Lease payments commence September 13, 2015 and end June 13, 2031 and have an interest rate of 2.89%.

As of June 30, 2015, the City has not completed the improvements and has incurred \$1,111,615 (to be repaid by Governmental Activities) of improvement costs.

The City has entered into a lease agreement to provide funds for the construction of Fire Station #4 and the police department expansion. The building of Fire Station #4 will become the property of the City when all terms of the lease agreement are met. The fire department and police department are providing the debt service for this lease at 83.8% and 16.2% respectively. The value of the assets acquired with this capital lease was \$5,718,513. Lease payments end on May 6, 2018 and have an interest rate of 3.89%.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 5 - LONG-TERM DEBT (Continued)**

**Governmental Activities (Continued)**

Capital Leases (Continued)

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Total
2016	\$ 722,691
2017	722,691
2018	722,691
Total requirements	2,168,073
Less: interest	(140,258)
Present value of remaining payments	<u>\$ 2,027,815</u>

The City has entered into a lease agreement with Pacific Gas & Electric Co. to convert City street lights to LED technology. The value of the assets acquired with this capital lease was \$1,392,022. Lease payments end on June 22, 2027 and have an interest rate of 3.00%.

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Total
2016	\$ 118,844
2017	118,844
2018	118,844
2019	118,844
2020	118,844
2021-2025	594,220
2026-2027	237,691
Total requirements	1,426,131
Less: interest	(236,077)
Present value of remaining payments	<u>\$ 1,190,054</u>

Sutter County Loan

The City has entered into a loan agreement, dated April 1, 2009, with the County of Sutter to share in the design costs of the animal shelter. The original loan amount was \$346,500, with interest paid quarterly based on the County of Sutter's return on investment rate, and repayment due on or before June 1, 2026. As of June 30, 2015, the balance of the loan was \$254,100.

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Total
2016	\$ 23,100
2017	23,100
2018	23,100
2019	23,100
2020	23,100
2021-2025	115,500
2026-2027	23,100
Balance of principal payments	<u>\$ 254,100</u>

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 5 - LONG-TERM DEBT (Continued)**

**Business-type Activities**

Wastewater Revenue Refunding Bonds - 2011

On November 1, 2011, the City issued \$9,715,000 of Wastewater Revenue Refunding Bonds bearing interest of 4.350% and payable semi-annually on December 1 and June 1, maturing on June 1, 2032. The proceeds of the Bonds will be used to (i) prepay the 2002 Wastewater Revenue Certificates of Participation (COP); (ii) pay the premium for bond insurance and a reserve fund surety bond for the Bonds; and (iii) pay the costs of issuing the Bonds. The outstanding principal balance of the 2011 Wastewater Revenue Refunding Bonds at June 30, 2015 was \$8,965,000.

\$10,602,376 from the 2011 Wastewater Revenue Refunding Bonds (including \$1,007,355 of the reserve fund from the 2002 Wastewater Revenue COP) was placed in an irrevocable trust that is to be used to service the future debt requirements of the 2002 Wastewater Revenue Certificates of Participation. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts, plus or minus funds on hand) of \$634,485. The aggregate difference in debt service between the old and new debt is \$3,114,732.

The City defeased the 2002 Wastewater Revenue COP by placing the proceeds of the 2011 Wastewater Revenue Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the 2002 Wastewater Revenue COP. Accordingly, the trust account assets and the liability for the defeased COP is not included in the City's financial statements.

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 150,000	\$ 356,004	\$ 506,004
2017	150,000	352,854	502,854
2018	160,000	349,329	509,329
2019	155,000	345,129	500,129
2020	160,000	340,634	500,634
2021-2025	865,000	1,620,380	2,485,380
2026-2030	5,025,000	1,138,491	6,163,491
2031-2032	2,300,000	150,601	2,450,601
Totals	<u>\$ 8,965,000</u>	<u>\$ 4,653,422</u>	<u>\$ 13,618,422</u>

Wastewater Revenue Refunding Bonds – 2014

On April 22, 2014, the City issued \$7,321,914 of Wastewater Revenue Refunding Bonds bearing interest of 2.45% and payable semi-annually on December 1 and June 1, maturing on June 1, 2024. These Certificates were used to advance refund the 2007 Wastewater Certificates, which were issued originally to advance refund the 2000 Wastewater Certificates, which had been used for capital improvement projects and expansion of existing facilities. The outstanding principal balance of the 2014 Wastewater Certificates of Participation at June 30, 2015 was \$6,065,575.

\$8,057,450 from the 2014 Wastewater Revenue Refunding Bonds, including \$850,535 of reserve funds from the 2007 Wastewater Certificates, was placed in an irrevocable trust that was used to pay off the 2007 COPs. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts) of \$805,031. The aggregate difference in debt service between the 2007 Wastewater Certificates and the 2014 Wastewater Revenue Refunding Bonds was \$913,612.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 5 - LONG-TERM DEBT (Continued)**

**Business-type Activities (Continued)**

Wastewater Revenue Refunding Bonds – 2014 (Continued)

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 610,568	\$ 148,606	\$ 759,174
2017	625,527	133,648	759,175
2018	640,852	118,322	759,174
2019	656,553	102,622	759,175
2020	672,638	86,536	759,174
2021-2024	2,859,437	177,258	3,036,695
Totals	<u>\$ 6,065,575</u>	<u>\$ 766,992</u>	<u>\$ 6,832,567</u>

Water Revenue Refunding Bonds - 2013

On May 21, 2013, the City issued \$21,710,000 of Water Revenue Refunding Bonds bearing interest of .5% to 3.8% and payable semi-annually on December 1 and June 1, maturing on June 1, 2035. The proceeds of the Bonds will be used to (i) prepay the 2005 Water Revenue Certificates of Participation (COP); (ii) pay for additional improvements to the Water System; and (iii) pay the costs of issuing the Bonds. The outstanding principal balance of the 2013 Water Revenue Refunding Bonds at June 30, 2015 was \$20,125,000.

\$22,876,764 from the 2013 Water Revenue Refunding Bonds (including \$951,914 from the City, \$1,480,714 of the reserve fund from the 2005 Water Revenue COP, and \$33,099 of the installment fund from the 2005 Water Revenue COP) was placed in an irrevocable trust that is to be used to service the future debt requirements of the 2005 Water Revenue Certificates of Participation. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts) of \$1,157,810. The aggregate difference in debt service between the old and new debt is \$1,799,813.

The City defeased the 2005 Water Revenue COP by placing the proceeds of the 2013 Water Revenue Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the 2005 Water Revenue COP. Accordingly, the trust account assets and the liability for the defeased COP is not included in the City's financial statements.

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 810,000	\$ 581,488	\$ 1,391,488
2017	815,000	575,008	1,390,008
2018	825,000	566,042	1,391,042
2019	835,000	554,906	1,389,906
2020	850,000	541,546	1,391,546
2021-2025	4,520,000	2,421,704	6,941,704
2026-2030	5,235,000	1,709,210	6,944,210
2031-2035	6,235,000	715,656	6,950,656
Totals	<u>\$ 20,125,000</u>	<u>\$ 7,665,560</u>	<u>\$ 27,790,560</u>

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 5 - LONG-TERM DEBT (Continued)**

**Business-type Activities (Continued)**

Loans Payable

The City has entered into two funding agreements with the State of California Department of Public Health for a construction loan under the Safe Drinking Water State Revolving Fund Law of 1997, in the amounts of \$19,133,209 (Region 2/3) and \$6,817,375 (Region 1). The loans are payable in semi-annual installments of \$1,148,796 and \$378,512, respectively and have annual interest rates of 2.2836% and 2.5017%. Both loans have maturities of June 1, 2032.

The loans are being used to finance project costs to meet safe drinking water standards. The total amounts of the loans issued to the City were \$18,381,507 (Region 2/3) and \$5,927,874 (Region 1).

The outstanding principal balance of the Safe Drinking Water State Revolving Fund – Region 2/3 loan at June 30, 2015 was \$16,127,219.

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 786,205	\$ 363,819	\$ 1,150,024
2017	804,262	345,762	1,150,024
2018	822,733	327,291	1,150,024
2019	841,628	308,396	1,150,024
2020	860,957	289,067	1,150,024
2021-2025	4,610,621	1,139,497	5,750,118
2026-2030	5,164,951	585,165	5,750,116
2031-2032	2,235,862	64,184	2,300,046
Totals	<u>\$ 16,127,219</u>	<u>\$ 3,423,181</u>	<u>\$ 19,550,400</u>

The outstanding principal balance of the Safe Drinking Water State Revolving Fund – Region 1 loan at June 30, 2015 was \$5,215,270.

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 249,593	\$ 128,919	\$ 378,512
2017	255,876	122,636	378,512
2018	262,317	116,195	378,512
2019	268,921	109,591	378,512
2020	275,690	102,822	378,512
2021-2025	1,486,117	406,446	1,892,563
2026-2030	1,682,825	209,735	1,892,560
2031-2032	733,931	23,093	757,024
Totals	<u>\$ 5,215,270</u>	<u>\$ 1,219,437</u>	<u>\$ 6,434,707</u>

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 5 - LONG-TERM DEBT (Continued)**

**Business-type Activities (Continued)**

Loans Payable (Continued)

The City has entered into two funding agreements with the State of California Water Resources Control Board for a construction loan under the Clean Water State Revolving Fund program, in the amounts of \$6,513,194 (\$3,000,000 forgivable) and \$10,193,965 (\$3,000,000 forgivable). The loans have been recorded in the Wastewater Fund and are payable in annual installments of \$218,991 and \$435,039, respectively and have annual interest rates of 2.2% and 1.8%, respectively. The loans have maturities of January 1, 2035 and December 31, 2034, respectively.

The outstanding principal balance of the \$6,513,194 loan at June 30, 2015 was \$3,500,000, not including \$13,194 in capitalized project interest payable.

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 141,734	\$ 77,290	\$ 219,024
2017	144,852	74,172	219,024
2018	148,039	70,985	219,024
2019	151,296	67,728	219,024
2020	154,625	64,400	219,025
2021-2025	825,670	269,452	1,095,122
2026-2030	920,579	174,542	1,095,121
2031-2035	1,013,205	68,725	1,081,930
Totals	<u>\$ 3,500,000</u>	<u>\$ 867,294</u>	<u>\$ 4,367,294</u>

The outstanding principal balance of the \$10,193,965 loan at June 30, 2015 was \$7,193,965.

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 226,200	\$ 124,242	\$ 350,442
2017	329,494	112,516	442,010
2018	315,550	116,648	432,198
2019	321,230	110,917	432,147
2020	327,012	105,083	432,095
2021-2025	1,725,500	434,163	2,159,663
2026-2030	1,886,487	271,727	2,158,214
2031-2035	2,062,492	94,136	2,156,628
Totals	<u>\$ 7,193,965</u>	<u>\$ 1,369,432</u>	<u>\$ 8,563,397</u>

Capital Leases

The City has entered into a lease agreement with Bank of America (through OpTerra Energy Services) to provide funds for energy related improvements to City facilities. The general fund, water fund, and wastewater fund are providing the debt service for this lease at 49.7%, 44.4%, and 5.9% respectively. The cost of the assets acquired with this capital lease will be \$4,967,214. Lease payments commence September 13, 2015 and end June 13, 2031 and have an interest rate of 2.89%.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 5 - LONG-TERM DEBT (Continued)**

**Business-type Activities (Continued)**

Capital Leases (Continued)

As of June 30, 2015, the City has not completed the improvements and has incurred \$1,117,576 (to be repaid by Business-type activities) of improvement costs.

**Non-City Obligations**

The City reports the debt service transactions of various special assessment issues for which the City is not obligated in any manner, in Agency funds. The debt will be paid from and secured solely by the revenues of these special assessment districts and does not constitute an indebtedness of the City. At June 30, 2015, the principal amount of special assessment debt outstanding for which the City is not obligated was \$5,971,867

**NOTE 6 - DEFERRED OUTFLOWS OF RESOURCES**

Accounting gains or losses resulting from advance refundings of long-term debt is deferred in accordance with GASB Statement No. 23 and No. 65. Deferred amounts on bond refundings are amortized over the shorter of the life of the new debt or refunded debt. The deferred loss on refunding balance at June 30, 2015 was \$1,111,267 on the Statement of Net Position for business-type activities. \$325,553 was related to the 2014 Wastewater Refunding Revenue Bonds, \$130,021 was related to the 2011 Wastewater Revenue Refunding Bonds, and \$655,693 was related to the 2013 Water Revenue Refunding Bonds. See Note 8 for details of the deferred outflows of resources related to the net pension liability.

**NOTE 7 - INTERFUND AND SUCCESSOR AGENCY TRANSACTIONS**

**A. Long-Term Advances**

Advances to/from other funds and the Successor Agency are non-current interfund loans and are offset by nonspendable fund balance account classifications in the applicable governmental funds to indicate that they are not available for appropriations and are not expendable available financial resources.

At June 30, 2015, the City had the following long-term advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Governmental Fund: General Fund	Trust Fund: Redevelopment Agency Successor Agency Fund	\$ 11,098,170
Trust Fund: Redevelopment Agency Low/Mod Successor Agency Fund	Redevelopment Agency Successor Agency Fund	1,626,817
Internal Service Fund: Vehicle Replacement Fund	Major Enterprise Fund: Wastewater Fund	2,191,414

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 7 - INTERFUND AND SUCCESSOR AGENCY TRANSACTIONS (Continued)**

**B. Due To/From Other Funds**

Receivables and payables between funds are classified as due from or due to other funds. Due from and due to other funds are usually a result of a shortfall of pooled cash.

Due to/from other funds as of June 30, 2015 were as follows:

Receivable Fund	Payable Fund	Amount
Major Governmental Funds: General Fund	Major Governmental Fund: Streets and Roads Special Revenue Fund	\$ 1,553,906
	Nonmajor Governmental Funds: CDBG Grant Special Revenue Fund	167,793
	CAL-HOME Grant Special Revenue Fund	110,398
	Neighborhood Stabilization Program Grant Special Revenue Fund	253,206
General CIP Capital Projects Fund	Major Governmental Fund: Impact Fees CIP Capital Projects Fund	87,690
	<b>Totals</b>	<b>\$ 2,172,993</b>

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 7 - INTERFUND AND SUCCESSOR AGENCY TRANSACTIONS (Continued)**

**C. Transfers**

Transfers for the fiscal year ended June 30, 2015 were as follows:

<u>Major Governmental Funds:</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose of transfer</u>
General Fund	\$ 5,968,940	\$ -	Transfer in-for labor charges.
Streets and Roads Special Revenue Fund	539,223	3,786,888	Transfer in-reimbursement for project costs. Transfer out-\$1,491,050 is for labor charges and \$2,295,838 is for projects.
General CIP Capital Projects Fund		384,691	Transfer out-\$302,808 is for debt service and \$81,883 is for labor charges.
Impact Fees CIP Capital Projects Fund	38,835	431,338	Transfer in-debt service. Transfer out-\$428,579 is for debt service and \$2,759 is for labor charges.
<b><u>Major Enterprise Funds:</u></b>			
Water Fund	431,386	1,966,273	Transfer in-correction of revenue that was originally recorded in the Wastewater Fund. Transfer out-for labor charges.
Wastewater Fund	245,000	2,132,522	Transfer in-reimbursement for lab services. Transfer out-\$1,701,136 is for labor charges and \$431,386 is for Water Fund revenue originally recorded in the Wastewater Fund.
<b><u>Nonmajor Governmental Funds:</u></b>			
Traffic Safety Special Revenue Fund		150,000	Transfer out-for labor charges.
Law Enforcement Services Special Revenue Fund		75,000	Transfer out-for labor charges.
Landscape Districts Special Revenue Fund		165,431	Transfer out-for labor charges.
CDBG Grant Special Revenue Fund		105,305	Transfer out-for labor charges.
Miscellaneous Lighting Districts Special Revenue Fund		99,417	Transfer out-for labor charges.
TDA/LTF Special Revenue Fund		52,553	Transfer out-for labor charges.
Neighborhood Stabilization Program Grant Special Revenue Fund		23,530	Transfer out-for labor charges.
Gauche Park COP Debt Service Fund		31,632	Transfer out-debt service.
Fire Station #4 Lease Debt Service Fund	722,691		Transfer in-debt service.
Streets & Roads CIP Capital Projects Fund	2,259,820	801,315	Transfer in-reimbursement for project costs. Transfer out-\$539,223 is for reimbursement of project costs and \$262,092 is for labor charges.
<b>Totals</b>	<b><u>\$ 10,205,895</u></b>	<b><u>\$ 10,205,895</u></b>	

**NOTE 8 - EMPLOYEE RETIREMENT PLANS**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 8 - EMPLOYEE RETIREMENT PLANS (Continued)**

**A. General Information about the Pension Plan**

*Plan Descriptions* – All qualified employees are eligible to participate in the City’s pooled Safety (police and fire) Plan, a cost-sharing multiple-employer defined benefit pension plan and the City’s Miscellaneous (all other) Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

*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 10 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 Plans’ provisions and benefits in effect at June 30, 2015, are summarized as follows:

	City Miscellaneous Plan		
	Tier I	Tier II	Tier III
Hire date	Prior to July 1, 2012	On or after July 1, 2012	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 55	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
Required employee contribution rates	8.00%	8.00%	7.00%
Required employer contribution rates	24.815%	24.815%	24.82%

	City Safety Plan		
	Tier I	Tier II	Tier III
Hire date	Prior to July 1, 2012	On or after July 1, 2012	On or after January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Required employee contribution rates	9.00%	9.00%	13.00%
Required employer contribution rates	31.721%	24.989%	13.100%

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 8 - EMPLOYEE RETIREMENT PLANS (Continued)**

**A. General Information about the Pension Plan (Continued)**

*Employees Covered* – At June 30, 2015, the following employees were covered by the benefit terms for the Miscellaneous Plan:

	Miscellaneous*
Inactive employees or beneficiaries currently receiving benefits	225
Inactive employees entitled to but not yet receiving benefits	76
Active employees	158
Total	459

\* Information available for agent multiple-employer defined benefit plans

*Contributions* – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**B. Net Pension Liability**

The City's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. For the Safety Plans, net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability (Safety Plans) was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Safety Plans as of June 30, 2013 and June 30, 2014 was as follows:

Proportion - June 30, 2013	0.58430%
Proportion - June 30, 2014	0.56283%
Change - Increase (Decrease)	-0.02147%

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 8 - EMPLOYEE RETIREMENT PLANS (Continued)**

**B. Net Pension Liability (Continued)**

A summary of principal assumptions and methods used to determine the net pension liability is shown below.

*Actuarial Assumptions* – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies (1)	Varies (1)
Investment Rate of Return	7.50% (2)	7.50% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds	

- (1) Depending on age, service, and type of employment.  
(2) Net of pension plan investment expenses, including inflation.

*Discount Rate* – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 8 - EMPLOYEE RETIREMENT PLANS (Continued)**

**B. Net Pension Liability (Continued)**

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Year 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

**C. Changes in the Net Pension Liability**

The change in the Net Pension Liability for the Miscellaneous Plan is as follows:

**Miscellaneous Plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
<b>Balance at June 30, 2013</b>	\$ 100,129,477	\$ 68,454,353	\$ 31,675,124
<b>Changes in the year:</b>			
Services Cost	1,996,804		1,996,804
Interest on the Total Pension Liability	7,426,882		7,426,882
Contribution from the Employer		2,178,855	(2,178,855)
Contribution from the Employees		722,828	(722,828)
Net investment income		11,844,477	(11,844,477)
Benefit Payments	(4,205,602)	(4,205,602)	
<b>Net Changes</b>	5,218,084	10,540,558	(5,322,474)
<b>Balance at June 30, 2014</b>	\$ 105,347,561	\$ 78,994,911	\$ 26,352,650

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 8 - EMPLOYEE RETIREMENT PLANS (Continued)**

**C. Changes in the Net Pension Liability (Continued)**

As of June 30, 2015, the City reported net pension liabilities for its proportionate share of the net pension liability of the Public Safety Plans as follows:

Proportionate Share  
of Net Pension  
Liability  
  
\$ 21,111,427

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* –The following presents the net pension liability of the Local Government for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Miscellaneous		Public Safety
1% Decrease	6.50%		6.50%
Net Pension Liability	\$ 40,910,489	\$	36,330,032
Current Discount Rate	7.50%		7.50%
Net Pension Liability	\$ 26,352,650	\$	21,111,427
1% Increase	8.50%		8.50%
Net Pension Liability	\$ 14,355,731	\$	8,571,953

*Pension Plan Fiduciary Net Position* – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the fiscal year ended June 30, 2015, the City recognized pension expense of \$4,786,502 (\$2,275,571 for the Miscellaneous Plan and \$2,510,931 for the Public Safety Plans). At June 30, 2015, the City of Yuba City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Miscellaneous Plan:**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,928,767	\$ -
Net differences between projected and actual earnings on plan investments		(5,419,190)
Total	\$ 1,928,767	\$ (5,419,190)

**Public Safety Plans:**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,433,934	\$ -
Net differences between projected and actual earnings on plan investments		(6,374,237)
Adjustments due to differences in proportions	517,050	(878,423)
Total	\$ 2,950,984	\$ (7,252,660)

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 8 - EMPLOYEE RETIREMENT PLANS (Continued)**

***D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)***

\$4,362,701 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,		
2016	\$	(3,077,420)
2017		(3,077,420)
2018		(3,051,607)
2019		(2,948,353)

On April 17, 2007, the City issued \$7,685,000 of Pension Obligation Bonds. These bonds were used to advance pay safety employee pension obligations of \$7,498,612, which was paid to CalPERS on April 17, 2007.

**PARS**

Part-time employees who work under 1,000 hours per year do not participate in the Public Employees Retirement System; however, they are covered through the City's participation in Public Alternative Retirement System (PARS).

**457 Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all permanent City employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Pursuant to changes in August, 1996, of IRC Section 457, in January, 1997, the City formally established a trust in which all assets and income of the 457 plan were placed. The asset, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries. These assets are no longer the property of the City, and as such are no longer subject to the claims of the City's general creditors. As a result, the assets of the 457 plan are not reflected in the City's financial statements.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS**

Plan Description

The City assumed certain post employment benefits payable when assuming the Walton Fire Protection District. These liabilities include a salary severance and health package for one former employee and funding for additional PERS benefits for a second employee. The City also provided health benefits for one retired City employee. In addition, Executive Service Employees/City Manager who retire from the City in good standing; have at least five years of City of Yuba City service; and are of full retirement age (55 for miscellaneous and 50 for public safety) are entitled to have 80% of the lowest cost City medical plan paid by the City until such time as the employee is eligible to receive Medicare or turns 65 years old. The City's other postemployment benefits plan is a single-employer plan.

Funding Policy

The City's adopted policy is to contribute an amount sufficient to pay the current fiscal year's premium. For fiscal year 2014-2015, the City contributed \$40,262 which consisted of current premiums, but did not include any additional prefunding of benefits.

Annual OPEB and Net OPEB Obligation

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

Annual required contribution	\$	238,000
Interest on net OPEB obligation		36,129
Net OPEB obligation adjustment		<u>(76,000)</u>
Annual OPEB cost (expense)		198,129
Contributions made		<u>(40,262)</u>
Increase in net OPEB obligation		157,867
Net OPEB obligation - beginning of fiscal year		<u>903,217</u>
Net OPEB obligation - end of fiscal year	\$	<u><u>1,061,084</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014-2015 and the two preceding fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contribution</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/2013	\$ 173,651	34.6%	\$ 765,903
6/30/2014	187,636	26.8%	903,217
6/30/2015	198,129	20.3%	1,061,084

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,614,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,614,000. The covered payroll (annual payroll of active employees covered by the plan) was \$5,470,000, and the ratio of the UAAL to the covered payroll was 29.5 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the January 1, 2014 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return, which is the expected long-term investment returns on plan assets, a projected salary increase assumption rate of 3.25 percent, an inflation rate of 3.0 percent, and annual healthcare cost trend rates of 5.0 to 8.3 percent. The actuarial value of assets is not applicable (no assets as of the initial valuation date). The UAAL is being amortized as a flat percentage of covered payroll over thirty years. The remaining amortization period at January 1, 2014 was twenty-five years.

**NOTE 10 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three fiscal years.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 10 - RISK MANAGEMENT (Continued)**

As of July 1, 1992, the City became a member of Northern California Cities Self Insurance Fund (NCCSIF), a joint powers agency which provides the City with a shared risk layer of coverage above the self insured \$25,000 (\$50,000 as of July 1, 2007) retention for liability and the self insured \$100,000 retention for workers compensation. The NCCSIF is composed of 22 member cities and is governed by a board of directors appointed by the member cities. The governing board has authority over budgeting and financing.

NCCSIF is a joint powers agency organized in accordance with Article 1, Chapter 5, Division 7, Title I of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The Authority provides claims processing administrative services, risk management services, and actuarial studies. It is governed by a member of each city. The City of Yuba City council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. However, ultimate liability for payment of claims and insurance premiums resides with member cities. The Authority is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance.

Upon termination of the JPA agreement, all property of the Authority will vest in the respective parties which theretofore transferred, conveyed or leased said property to the Authority. Any surplus of funds will be returned to the parties in proportion to actual balances of each equity.

The Authority establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The participants as of June 30, 2015, were as follows:

Anderson	Corning	Folsom	Ione	Marysville	Paradise	Rio Vista
Auburn	Dixon	Galt	Jackson	Oroville	Placerville	Rocklin
Colusa	Elk Grove	Gridley	Lincoln	Nevada City	Red Bluff	Willows
						Yuba City

The City's investment in the NCCSIF of \$338,965 is recorded in the General Liability Program Internal Service fund as prepaid insurance. The City's negative investment of (\$45,705) is recorded in the Workers' Compensation Program Internal Service fund as accounts payable. The net change is shown as an income or expense item in the internal service funds.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 10 - RISK MANAGEMENT (Continued)**

The NCCSIF's June 30, 2015 financial statements were audited by a different accounting firm and received an unmodified opinion. The following is summary financial information of the NCCSIF for the liability and workers' compensation programs for the fiscal year ended June 30, 2015:

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>
Total assets	\$ 39,104,262	\$ 11,922,766
Total liabilities	31,239,731	10,407,172
Net members equity	<u>\$ 7,864,531</u>	<u>\$ 1,515,594</u>
Operating revenue	\$ 9,736,313	\$ 6,066,240
Operating expenses	10,750,354	6,380,479
Operating income (loss)	(1,014,041)	(314,239)
Investment income	477,888	166,585
Net income (loss)	(536,153)	(147,654)
Beginning members equity	8,400,684	1,663,248
Ending members equity	<u>\$ 7,864,531</u>	<u>\$ 1,515,594</u>

Complete audited financial statements can be obtained from JPA Accounting firm of James Marta & Co. LLP, 701 Howe Avenue, Suite E3, Sacramento, California, 95825.

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

**A. Construction**

The City has signed agreements to construct various capital improvement projects. The balance owed on these commitments at June 30, 2015 was \$10,125,395. The majority of these costs will be financed by proceeds of debt previously issued or existing reserves.

**B. Contingencies**

The City is involved in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of management and legal counsel, that the resolution of these matters will not have a material adverse effect on the City's financial statements.

The City has received various state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 12 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Deficit Fund Balances

As of June 30, 2015 the following funds had a deficit fund balance/net position:

Major Special Revenue Fund:		
Streets and Roads Fund	\$	508,773
Nonmajor Special Revenue Fund:		
CDBG Grant Fund		21,299
Internal Service Fund:		
Vehicle Maintenance Fund		386,353

These deficit fund balances are expected to be eliminated in future years through intergovernmental revenues.

Excess of Expenditures Over Appropriations

Excess of expenditures over appropriations in individual funds are as follows:

<u>Fund</u>	<u>Excess</u> <u>Expenditures</u>
Nonmajor Special Revenue Funds:	
Landscape Districts Fund	\$ 11,455
Neighborhood Stabilization Program Grant Fund	2,860,426

**NOTE 13 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Yuba City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or other unit of local government will agree to serve as the “successor agency” to hold the assets units they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 12-001.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence as the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 13 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**  
**(Continued)**

The Bill directs that State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

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.

**NOTE 14 – SUCCESSOR AGENCY**

A. Notes Receivable of the Successor Agency as of June 30, 2015 consisted of the following:

The former Redevelopment Agency made a loan to Consolidated Area Housing Authority of the County of Sutter. The loan receivable balance at June 30, 2015 was \$926,938. The loan bears interest at 1.0% and is due on March 25, 2053.

The former Redevelopment Agency made a loan to Consolidated Area Housing Authority of the County of Sutter. The loan receivable balance at June 30, 2015 was \$342,453. The loan bears interest at 3.0% and is due on July 1, 2065.

The former Redevelopment Agency made a loan to Sutter Community Affordable Housing. The loan receivable balance at June 30, 2015 was \$1,991,331. The loan bears interest at 3.0% and is due on March 25, 2053.

The former Redevelopment Agency made an interest free loan to Park Terrace Apartments, L.P. The loan receivable balance at June 30, 2015 was \$50,000. The loan is due on December 15, 2030.

The former Redevelopment Agency purchased a promissory note from Sutter Community Bank, with the debtor being the Sutter Performing Arts Association (SPAA). The loan receivable balance at June 30, 2015 was \$228,068. The loan bears interest at 7.25% and was due on March 3, 2013. No payments have been received as of June 30, 2015, therefore, the Successor Agency has set up an allowance in the amount of \$228,068.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 14 – SUCCESSOR AGENCY (Continued)**

B. Capital assets of the Successor Agency as of June 30, 2015 consisted of the following:

	July 1, 2014 Balance	Additions	Deletions	June 30, 2015 Balance
Capital assets, not being depreciated:				
Land	\$ 3,907,713	\$ -	\$ -	\$ 3,907,713
Total capital assets, not being depreciated	3,907,713			3,907,713
Capital assets, being depreciated:				
Buildings	2,050,070			2,050,070
Improvements other than buildings	80,379			80,379
Total capital assets, being depreciated	2,130,449			2,130,449
Less accumulated depreciation for:				
Buildings	(486,882)	(99,001)		(585,883)
Improvements other than buildings	(24,909)	(8,403)		(33,312)
Total accumulated depreciation, net	(511,791)	(107,404)		(619,195)
Total capital assets, being depreciated, net	1,618,658	(107,404)		1,511,254
Total capital assets, net	<u>\$ 5,526,371</u>	<u>\$ (107,404)</u>	<u>\$ -</u>	<u>\$ 5,418,967</u>

C. Long-term receivables and payables between funds are classified as advances to or advances from other trust funds.

	Advances to	Advances from
RDA Low/Mod Successor Agency Private-Purpose Trust Fund	\$ 1,626,817	\$ -
RDA Successor Agency Private-Purpose Trust Fund		1,626,817
	<u>\$ 1,626,817</u>	<u>\$ 1,626,817</u>

D. Long-term debt of the Successor Agency as of June 30, 2015, consisted of the following:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due within one year
Tax Allocation Bonds	\$ 33,205,000	\$ -	\$ (600,000)	\$ 32,605,000	\$ 630,000
Plus: Bond Premium	312,044		(12,002)	300,042	12,002
Bonds, net	33,517,044		(612,002)	32,905,042	642,002
Advances from City of Yuba City	11,069,664	28,506		11,098,170	
Loan payable	1,527,777		(53,679)	1,474,098	55,251
Totals	<u>\$ 46,114,485</u>	<u>\$ 28,506</u>	<u>\$ (665,681)</u>	<u>\$ 45,477,310</u>	<u>\$ 697,253</u>

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 14 – SUCCESSOR AGENCY (Continued)**

D. Long-term debt of the Successor Agency as of June 30, 2015, consisted of the following (Continued):

Tax Allocation Bonds – Series 2004A

On July 22, 2004, the former Redevelopment Agency issued \$16,210,000 of Tax Allocation Bonds bearing interest between 2.000% and 5.375% and payable semi-annually on March 1 and September 1, maturing on September 1, 2039. These bonds provided funds to aid in the financing of redevelopment in the project area and advance refund bonds issued in 1996. The outstanding principal balance of the 2004A Series bonds at June 30, 2015 was \$14,090,000.

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 270,000	\$ 822,610	\$ 1,092,610
2017	280,000	808,650	1,088,650
2018	295,000	793,696	1,088,696
2019	310,000	777,621	1,087,621
2020	330,000	759,885	1,089,885
2021-2025	1,940,000	3,488,775	5,428,775
2025-2030	2,585,000	2,829,750	5,414,750
2031-2035	3,460,000	1,929,000	5,389,000
2036-2040	4,620,000	725,100	5,345,100
Totals	<u>\$ 14,090,000</u>	<u>\$ 12,935,087</u>	<u>\$ 27,025,087</u>

Tax Allocation Bonds – Series 2004B

On July 22, 2004, the former Redevelopment Agency issued \$4,480,000 of Tax Allocation Bonds bearing interest between 2.000% and 5.375% and payable semi-annually on March 1 and September 1, maturing on September 1, 2039. These bonds provided funds to aid in the financing of low and moderate income housing activities and advance refund bonds issued in 1996. The outstanding principal balance of the 2004B Series bonds at June 30, 2015 was \$3,885,000.

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 75,000	\$ 226,789	\$ 301,789
2017	80,000	222,854	302,854
2018	80,000	218,694	298,694
2019	85,000	214,309	299,309
2020	90,000	209,460	299,460
2021-2025	535,000	961,943	1,496,943
2026-2030	710,000	780,600	1,490,600
2031-2035	955,000	532,350	1,487,350
2036-2040	1,275,000	200,250	1,475,250
Totals	<u>\$ 3,885,000</u>	<u>\$ 3,567,249</u>	<u>\$ 7,452,249</u>

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 14 – SUCCESSOR AGENCY (Continued)**

D. Long-term debt of the Successor Agency as of June 30, 2015, consisted of the following (Continued):

Tax Allocation Bonds – Series 2007

On June 28, 2007, the Agency issued \$16,000,000 of Tax Allocation Bonds bearing interest of 5.00% and payable semi-annually on March 1 and September 1, maturing on September 1, 2039. These bonds provided funds to aid in the financing of redevelopment in the project area. The outstanding principal balance of the 2007 Series bonds at June 30, 2015 was \$14,630,000.

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 285,000	\$ 757,362	\$ 1,042,362
2017	305,000	743,048	1,048,048
2018	320,000	727,155	1,047,155
2019	340,000	711,028	1,051,028
2020	350,000	694,694	1,044,694
2021-2025	2,045,000	3,188,921	5,233,921
2026-2030	2,630,000	2,589,138	5,219,138
2031-2035	3,390,000	1,795,159	5,185,159
2036-2040	4,965,000	689,207	5,654,207
Totals	<u>\$ 14,630,000</u>	<u>\$ 11,895,712</u>	<u>\$ 26,525,712</u>

On September 1, 2015, the Successor Agency’s Oversight Board authorized the issuance and sale of Tax Allocation Bonds to refinance the outstanding 2004 and 2007 Tax Allocations Bonds of the Successor Agency.

Advances from City of Yuba City

The City of Yuba City had loaned the former Redevelopment Agency amounts as needed for operations. These amounts accrue interest at the same rate as LAIF earns. As of June 30, 2015, the interest rate was .2575%. At June 30, 2015, the balance was \$11,098,170.

Loan Payable

The former Redevelopment Agency has a loan with the California Infrastructure and Economic Development Bank, issued in the amount of \$1,905,700. The loan is payable in annual principal installments of \$45,139 to \$95,640, with an interest rate of 2.91%, and a maturity of September 1, 2034.

The loan was used to finance redevelopment activities. The outstanding principal balance of the loan at June 30, 2015 was \$1,474,098.

**CITY OF YUBA CITY**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**NOTE 14 – SUCCESSOR AGENCY (Continued)**

D. Long-term debt of the Successor Agency as of June 30, 2015, consisted of the following (Continued):

Loan Payable (Continued)

The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 55,251	\$ 42,382	\$ 97,633
2017	56,870	40,739	97,609
2018	58,537	39,048	97,585
2019	60,252	37,308	97,560
2020	62,017	35,517	97,534
2021-2025	338,430	148,824	487,254
2026-2030	391,002	95,484	486,486
2031-2035	451,739	33,856	485,595
Totals	<u>\$ 1,474,098</u>	<u>\$ 473,158</u>	<u>\$ 1,947,256</u>

**NOTE 15 - SUBSEQUENT EVENTS**

On September 15, 2015, the City Council authorized the issuance and sale of refunding Certificates of Participation (COP) of the 2006 Gauche Aquatic Park COP.

**NOTE 16 – PRIOR PERIOD ADJUSTMENTS**

A prior period adjustment of (\$46,087,507) was made on the statement of activities for governmental activities, for an overstatement of accounts receivable of (\$193,853), an understatement of the net pension liability (\$45,968,746) as a result of the implementation of GASB Statements No. 68 and No. 71, and an understatement of capital assets of \$75,092 in the prior fiscal year.

A prior period adjustment of (\$8,863,628) was made on the statement of activities for business-type activities for an understatement of the net pension liability in the prior fiscal year. This was a result of the implementation of GASB Statements No. 68 and No. 71.

A prior period adjustment of (\$2,952,645) was made on the statement of revenues, expenditures, and changes in fund balances, for an overstatement of cash of (\$2,385,169), and an overstatement of accounts receivable of (\$567,476) in the Streets and Roads Special Revenue Fund in the prior fiscal year.

A prior period adjustment of \$2,758,792 was made on the statement of revenues, expenditures, and changes in fund balances, for an understatement of cash of \$2,385,169, and an understatement of accounts receivable of \$373,623 in the TDA/LTF Special Revenue Fund in the prior fiscal year.

A prior period adjustment of (\$3,577,897) was made on the statement of revenues, expenses, and change in fund net position for an understatement of the net pension liability in the Water Fund in the prior fiscal year. This was a result of the implementation of GASB Statements No. 68 and No. 71.

A prior period adjustment of (\$5,285,731) was made on the statement of revenues, expenses, and change in fund net position for an understatement of the net pension liability in the Wastewater Fund in the prior fiscal year. This was a result of the implementation of GASB Statements No. 68 and No. 71.

A prior period adjustment of (\$690,213) was made on the statement of revenues, expenses, and change in fund net position for an understatement of the net pension liability in the Vehicle Maintenance Fund in the prior fiscal year. This was a result of the implementation of GASB Statements No. 68 and No. 71.

**CITY OF YUBA CITY**  
**Required Supplementary Information**  
**June 30, 2015**

Other Postemployment Benefits

Schedule of Funding Progress

Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (Excess Assets) (a)-(b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a)-(b)]/(c)
1/1/2011	\$ 1,336,000	\$ -	\$ 1,336,000	0.0%	\$ 6,701,000	19.9%
1/1/2014	1,614,000	-	1,614,000	0.0%	5,470,000	29.5%

**CITY OF YUBA CITY**  
**Required Supplementary Information**  
**June 30, 2015**

**Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Fiscal Years\***

**Schedule of Changes in the Net Pension Liability and Related Ratios**

	<u>Miscellaneous Plan</u> <u>2015</u>
Measurement Period	2013-14 <sup>1</sup>
<b>Total Pension Liability</b>	
Services Cost	\$ 1,996,804
Interest on the Total Pension Liability	7,426,882
Benefit Payments, including Refunds of Employee Contributions	<u>(4,205,602)</u>
<b>Net Change in Total Pension Liability</b>	5,218,084
<b>Total Pension Liability - Beginning</b>	<u>100,129,477</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 105,347,561</u>
<b>Plan Fiduciary Net Position</b>	
Contribution from the Employer	\$ 2,178,855
Contribution from the Employees	722,828
Net investment income <sup>2</sup>	11,844,477
Benefit Payments	<u>(4,205,602)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	10,540,558
<b>Plan Fiduciary Net Position - Beginning</b>	<u>68,454,353</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 78,994,911</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 26,352,650</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.99%
Covered - Employee Payroll	\$ 10,002,524
Net Pension Liability as Percentage of Covered-Employee Payroll	263.46%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Net of administrative expenses.

**Note to Schedule:**

**Benefit Changes:** The figures above do not include any liability impact may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in Assumptions:** There were no changes in assumptions.

\* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF YUBA CITY**  
**Required Supplementary Information**  
**June 30, 2015**

**Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Fiscal Years\***

**Schedule of Contributions<sup>1</sup>**

	<b>Miscellaneous Plan</b>
	Fiscal Year 2014-15
Actuarially Determined Contribution <sup>2</sup>	\$ 1,928,768
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	<u>(1,928,768)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll <sup>3,4</sup>	\$ 10,002,524
Contributions as a Percentage of Covered-Employee Payroll <sup>3</sup>	19.28%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

<sup>3</sup> Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

<sup>4</sup> Payroll from prior year \$9,711,188 was assumed to increase by the 3.00 percent payroll growth assumption.

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were from the June 30, 2012 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For detail, see June 30, 2012 Funding Valuation Report
Assets Valuation Method	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary Increases	3.30% to 14.20%, depending on Age, Service, and type of employment
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

\* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF YUBA CITY**  
**Required Supplementary Information**  
**June 30, 2015**

Prepared for the City of Yuba City's Public Safety Plan, a Cost Sharing Defined Benefit Pension Plan

**Schedule of the City's Proportionate Share of the Net Pension Liability – Last 10 Years\***

	June 30, 2015
Proportion of the net pension liability	0.33927%
Proportionate share of the net pension liability	\$ 21,111,427
Covered-employee payroll	\$ 9,815,408
Proportionate Share of the net pension liability as a percentage of covered-employee payroll	215.08%
Plan's fiduciary net position	\$ 92,504,752
Plan's total pension liability	\$ 113,616,179
Plan fiduciary net position as a percentage of total pension liability	81.42%

***Notes to Schedule***

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change in Assumptions: None

**\*Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only one year is shown.**

**CITY OF YUBA CITY**  
**Required Supplementary Information**  
**June 30, 2015**

Prepared for the City of Yuba City's Public Safety Plan, a Cost Sharing Defined Benefit Pension Plan

Schedule of Contributions – Last 10 Years\*

	June 30, 2015
Contractual required contribution (actuarially determined)	\$ 2,433,934
Contributions in relation to the actuarially determined contributions	(2,433,934)
Contribution deficiency (excess)	\$ -
Covered-employee payroll	9,815,408
Contributions as a percentage of covered-employee payroll	24.80%

***Notes to Schedule***

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were from the June 30, 2012 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For detail, see June 30, 2012 Funding Valuation Report
Assets Valuation Method	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary Increases	3.30% to 14.20%, depending on Age, Service, and type of employment
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

**\*Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only one year is shown.**

**CITY OF YUBA CITY**  
**Notes to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2015**

**BUDGETARY BASIS OF ACCOUNTING**

The City prepares a budget for each fiscal year on or before June 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the City Council.

From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The legal level of control is the department. The City Council may amend the budget by resolution during the fiscal year.

Formal budgetary integration is employed as a management control device during the fiscal year for the General fund and special revenue funds. Special Revenue Fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States (USGAAP) and are consistent with the basis used for financial reporting. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any reconciliation. There were no budgets adopted for the Recology Rate Stabilization, Fire Mitigation Fees, or Harter Specific Plan Special Revenue Funds for the fiscal year ended June 30, 2015. The City adopts project (versus annual) budgets (which can span a number of years) for the capital projects funds, therefore budgetary schedules for the capital projects funds are not presented. The debt service funds budgets are adopted when the debt issuances are authorized, therefore budgetary schedules for debt service funds are not presented.

The City uses an encumbrance system as an extension of normal budgetary accounting for the other governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed, or assigned fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriation lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

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**CITY OF YUBA CITY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			<b>Variance with</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Final Budget</b> <b>Positive</b> <b>(Negative)</b>
<b>Revenues:</b>				
Taxes and assessments	\$ 25,390,600	\$ 25,390,600	\$ 26,509,987	\$ 1,119,387
Intergovernmental revenues	90,000	1,279,391	867,908	(411,483)
Licenses, permits, and fees	615,000	615,000	1,110,842	495,842
Fines and forfeitures			13,491	13,491
Use of money and property	89,800	89,800	115,910	26,110
Charges for services	2,268,000	2,268,825	2,375,566	106,741
Other revenues	145,700	145,700	401,022	255,322
	<u>28,599,100</u>	<u>29,789,316</u>	<u>31,394,726</u>	<u>1,605,410</u>
<b>Expenditures:</b>				
Current:				
General government:				
City council	132,718	132,718	131,972	746
City manager	675,650	610,838	450,006	160,832
City attorney	150,000	259,052	240,585	18,467
Finance	1,541,037	1,567,859	1,536,529	31,330
City treasurer	7,211	7,211	2,662	4,549
Information technology	741,572	760,782	690,738	70,044
City clerk	44,244	44,244	28,892	15,352
Human resources	501,594	549,367	540,570	8,797
Non departmental	254,749	256,441	204,496	51,945
Contingency	197,600	75,616	19,327	56,289
	<u>4,246,375</u>	<u>4,264,128</u>	<u>3,845,777</u>	<u>418,351</u>
Public safety:				
Animal control	642,112	642,112	635,976	6,136
Police-traffic	1,006,476	1,040,266	639,972	400,294
Police-administration	1,391,124	1,419,350	1,282,845	136,505
Police-investigation	2,275,725	2,344,751	2,067,486	277,265
Police-field operations	7,357,661	7,613,203	7,674,541	(61,338)
Police-community outreach	11,788	11,788	17,062	(5,274)
Police-technology research	98,074	101,867	91,459	10,408
Police-information and analysis	26,557	26,557	28,153	(1,596)
Police-communications	1,092,476	1,135,738	1,124,656	11,082
Law Enforcement-grants		530,489	311,846	218,643
Fire-administration	926,919	999,827	975,263	24,564
Fire-operations	8,586,520	8,633,493	8,929,993	(296,500)
Fire-grants		179,577	53,206	126,371
	<u>23,415,432</u>	<u>24,679,018</u>	<u>23,832,458</u>	<u>846,560</u>

(Continued)

See notes to required supplementary information.

**CITY OF YUBA CITY**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**

**BUDGET AND ACTUAL (Continued)**

For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			<b>Variance with</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Final Budget Positive (Negative)</b>
<b>Expenditures: (Continued)</b>				
Current:				
Parks and recreation:				
Administration	\$ 286,061	\$ 385,889	\$ 286,602	\$ 99,287
Supervision	274,703	287,364	185,287	102,077
Programs	751,223	752,940	674,347	78,593
Swimming pool	428,369	443,340	403,794	39,546
Senior center	117,586	125,287	144,555	(19,268)
Total parks and recreation	<u>1,857,942</u>	<u>1,994,820</u>	<u>1,694,585</u>	<u>300,235</u>
Public works and facilities:				
Administration	195,947	197,880	178,431	19,449
Streets	1,192,347	1,194,702	1,063,956	130,746
Parks	1,352,388	1,354,254	1,064,356	289,898
General services	623,393	624,788	510,491	114,297
Electrical maintenance	309,072	317,322	399,795	(82,473)
Engineering	1,420,531	1,475,860	1,181,394	294,466
Total public works and facilities	<u>5,093,678</u>	<u>5,164,806</u>	<u>4,398,423</u>	<u>766,383</u>
Community development:				
Planning	449,539	473,134	419,532	53,602
Building	486,760	486,760	490,557	(3,797)
Economic development	223,045	228,137	176,197	51,940
Total community development	<u>1,159,344</u>	<u>1,188,031</u>	<u>1,086,286</u>	<u>101,745</u>
Debt Service:				
Principal	268,806	268,806	246,319	22,487
Interest and other charges	268,805	268,805	270,354	(1,549)
Total debt service	<u>537,611</u>	<u>537,611</u>	<u>516,673</u>	<u>20,938</u>
Capital Outlay:				
General government		15,978	15,975	3
Public safety		496,534	152,857	343,677
Parks and recreation			6,230	(6,230)
Total capital outlay		<u>512,512</u>	<u>175,062</u>	<u>337,450</u>
Total expenditures	<u>36,310,382</u>	<u>38,340,926</u>	<u>35,549,264</u>	<u>2,791,662</u>
Excess of revenues over (under) expenditures	<u>(7,711,282)</u>	<u>(8,551,610)</u>	<u>(4,154,538)</u>	<u>4,397,072</u>

(Continued)

See notes to required supplementary information.

**CITY OF YUBA CITY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (Continued)**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Other Financing Sources (Uses):</b>				
Transfers in	\$ 6,297,400	\$ 6,324,911	\$ 5,968,940	\$ (355,971)
Total other financing sources (uses)	<u>6,297,400</u>	<u>6,324,911</u>	<u>5,968,940</u>	<u>(355,971)</u>
Net changes in fund balance	(1,413,882)	(2,226,699)	1,814,402	4,041,101
Fund balance - July 1, 2014	<u>20,168,828</u>	<u>20,168,828</u>	<u>20,168,828</u>	
Fund balance - June 30, 2015	<u><u>\$ 18,754,946</u></u>	<u><u>\$ 17,942,129</u></u>	<u><u>\$ 21,983,230</u></u>	<u><u>\$ 4,041,101</u></u>

See notes to required supplementary information.

**CITY OF YUBA CITY**  
**HOME GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 1,434	\$ 1,434
Program income	12,000	12,000	2,407	(9,593)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>3,841</u>	<u>(8,159)</u>
<b>Expenditures:</b>				
Current:				
Community development	<u>22,841</u>	<u>22,841</u>	<u>10</u>	<u>22,831</u>
Total expenditures	<u>22,841</u>	<u>22,841</u>	<u>10</u>	<u>22,831</u>
Net changes in fund balance	(10,841)	(10,841)	3,831	14,672
Fund balance - July 1, 2014	<u>124,653</u>	<u>124,653</u>	<u>124,653</u>	
Fund balance - June 30, 2015	<u><u>\$ 113,812</u></u>	<u><u>\$ 113,812</u></u>	<u><u>\$ 128,484</u></u>	<u><u>\$ 14,672</u></u>

See notes to required supplementary information.

**CITY OF YUBA CITY**  
**STREETS AND ROADS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes and assessments	\$ 1,744,950	\$ 1,744,950	\$ 2,028,698	\$ 283,748
Use of money and property	9,900	9,900	5,128	(4,772)
Intergovernmental revenues		860,210	796,042	(64,168)
Other revenue		153,297	378,133	224,836
	<u>1,754,850</u>	<u>2,768,357</u>	<u>3,208,001</u>	<u>439,644</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	539,223	562,242	539,223	(23,019)
Transfers out	(2,601,201)	(3,763,870)	(3,786,888)	(23,018)
	<u>(2,061,978)</u>	<u>(3,201,628)</u>	<u>(3,247,665)</u>	<u>(46,037)</u>
Net change in fund balance	<u>(307,128)</u>	<u>(433,271)</u>	<u>(39,664)</u>	<u>393,607</u>
Fund balance - July 1, 2014	2,483,536	2,483,536	2,483,536	
Prior period adjustments			(2,952,645)	(2,952,645)
Fund balance (deficit) - July 1, 2014, restated	<u>2,483,536</u>	<u>2,483,536</u>	<u>(469,109)</u>	<u>(2,952,645)</u>
Fund balance (deficit) - June 30, 2015	<u>\$ 2,176,408</u>	<u>\$ 2,050,265</u>	<u>\$ (508,773)</u>	<u>\$ (2,559,038)</u>

See notes to required supplementary information.

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CITY OF YUBA CITY

NONMAJOR GOVERNMENTAL FUNDS

**Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are restricted by law or administrative action and expenditures for specified purposes. Nonmajor special revenue funds used by the City are listed below:

Traffic Safety Fund – This fund is used to account for court fines collected on the City’s account for moving violations.

Law Enforcement Services Fund – This fund is used to account for special police revenue to be used for traffic enforcement services.

Landscape Districts Fund – This fund is used to account for monies to be used to landscape various areas of the City.

Recology Rate Stabilization Fund – This fund is used to account for funds received from Recology Yuba-Sutter to be used for stabilization of future solid waste collection rates and/or the acquisition of solid waste facilities or equipment.

CDBG Grant Fund – This fund is used to account for CDBG open grant activities.

CDBG Program Income Fund – This fund is used to account for CDBG program income generated from loans made previously, which revolve back into the program for reuse.

Miscellaneous Lighting Districts Fund – This fund is used to account for monies to be used for various street lighting districts.

TDA/LTF Fund – This fund is used to account for Transportation Development Act and Local Transportation fund monies.

CAL-HOME Grant Fund – This fund is used to account for CAL-HOME grant activities.

Fire Mitigation Fees Fund – This fund is used to account for monies collected for fire mitigation purposes.

Harter Specific Plan Fund – This fund is used to account for monies to be used for the Harter Specific Plan.

Neighborhood Stabilization Program Grant Fund – This fund is used to account for Neighborhood Stabilization Program federal grant monies that were used for program activities.

DOE Energy Conservation Fund – This fund is used to account for DOE Energy Conservation grant activities.

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CITY OF YUBA CITY

NONMAJOR GOVERNMENTAL FUNDS

**Debt Service Funds**

Debt Service Funds are used to account for accumulation of resources for, and payment of, principal and interest on the City's governmental activities long-term debt. Nonmajor debt service funds of the City are listed below:

Gauche Park COP Fund – This fund is used to account for the activity for the repayment of the 2006 Gauche Park Certificates of Participation.

Pension Obligation Bonds Fund – This fund is used to account for the repayment of the Pension Obligation Bonds.

Fire Station #4 Lease Fund – This fund is used to account for the capital lease payments associated with Fire Station #4.

**Capital Project Funds**

Capital Project Funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major capital facilities other than those financed by the proprietary fund types. Nonmajor capital project funds are listed below:

Streets and Roads CIP Projects Fund – This fund is used to account for funds budgeted for capital expenditures, which are funded from gas tax revenue and streets and road fund sources.

**CITY OF YUBA CITY**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
June 30, 2015

**Special Revenue Funds**

	<b>Traffic Safety Fund</b>	<b>Law Enforcement Services Fund</b>	<b>Landscape Districts Fund</b>	<b>Recology Rate Stabilization Fund</b>
<b>Assets</b>				
Cash and investments	\$ 210,063	\$ 147,483	\$ 550,327	\$ 494,534
Cash and investments with fiscal agent				
Accounts receivable	34,907	1,640		
Taxes and assessments receivable			2,897	
Notes receivable				
<b>Total assets</b>	<b>\$ 244,970</b>	<b>\$ 149,123</b>	<b>\$ 553,224</b>	<b>\$ 494,534</b>
<b>Liabilities</b>				
Accounts payable	\$ 1,854	\$ -	\$ 19,150	\$ -
Deposits payable				
Unearned revenue				484,895
Due to other funds				
<b>Total liabilities</b>	<b>1,854</b>		<b>19,150</b>	<b>484,895</b>
<b>Deferred inflows of resources</b>				
Deferred revenue - notes receivable				
<b>Total deferred inflows of resources</b>				
<b>Fund Balances</b>				
Restricted			534,074	9,639
Committed	243,116	149,123		
Unassigned				
<b>Total fund balances (deficits)</b>	<b>243,116</b>	<b>149,123</b>	<b>534,074</b>	<b>9,639</b>
<b>Total liabilities, deferred inflows of of resources and fund balances</b>	<b>\$ 244,970</b>	<b>\$ 149,123</b>	<b>\$ 553,224</b>	<b>\$ 494,534</b>

**Special Revenue Funds**

<b>CDBG Grant Fund</b>	<b>CDBG Program Income Fund</b>	<b>Miscellaneous Lighting Districts Fund</b>	<b>TDA/LTF Fund</b>	<b>CAL-HOME Grant Fund</b>
\$ -	\$ 25,571	\$ 526,725	\$ 3,284,491	\$ -
174,232	386	4,162	223,241	111,000
	1,455,082			503,621
<u>\$ 174,232</u>	<u>\$ 1,481,039</u>	<u>\$ 530,887</u>	<u>\$ 3,507,732</u>	<u>\$ 614,621</u>
\$ 27,738	\$ 108	\$ 16,589	\$ 60,785	\$ -
167,793				110,398
<u>195,531</u>	<u>108</u>	<u>16,589</u>	<u>60,785</u>	<u>110,398</u>
	1,455,082			503,621
	1,455,082			503,621
	25,849	514,298	3,446,947	602
(21,299)				
<u>(21,299)</u>	<u>25,849</u>	<u>514,298</u>	<u>3,446,947</u>	<u>602</u>
<u>\$ 174,232</u>	<u>\$ 1,481,039</u>	<u>\$ 530,887</u>	<u>\$ 3,507,732</u>	<u>\$ 614,621</u>

(Continued)

**CITY OF YUBA CITY**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (Continued)**  
June 30, 2015

**Special Revenue Funds**

	<b>Fire Mitigation Fees Fund</b>	<b>Harter Specific Plan Fund</b>	<b>Neighborhood Stabilization Program Grant Fund</b>	<b>DOE Energy Conservation Grant Fund</b>
<b>Assets</b>				
Cash and investments	\$ 1,258	\$ 868,549	\$ -	\$ 97,716
Cash and investments with fiscal agent				
Accounts receivable			272,946	90,105
Taxes and assessments receivable				
Notes receivable				
Total assets	<u>\$ 1,258</u>	<u>\$ 868,549</u>	<u>\$ 272,946</u>	<u>\$ 187,821</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 19,671	\$ 13,670
Deposits payable		702,984		
Unearned revenue				7,106
Due to other funds			253,206	
Total liabilities		<u>702,984</u>	<u>272,877</u>	<u>20,776</u>
<b>Deferred inflows of resources</b>				
Deferred revenue - notes receivable				
Total deferred inflows of resources				
<b>Fund Balances</b>				
Restricted	1,258	165,565	69	167,045
Committed				
Unassigned				
Total fund balances (deficits)	<u>1,258</u>	<u>165,565</u>	<u>69</u>	<u>167,045</u>
Total liabilities, deferred inflows of of resources and fund balances	<u>\$ 1,258</u>	<u>\$ 868,549</u>	<u>\$ 272,946</u>	<u>\$ 187,821</u>

<b>Debt Service Funds</b>		<b>Capital Projects Fund</b>			
<b>Gauche Park COP Fund</b>	<b>Pension Obligation Bonds Fund</b>	<b>Fire Station #4 Lease Fund</b>	<b>Streets and Roads CIP Projects Fund</b>	<b>Totals</b>	
\$ -	\$ 93,999	\$ -	\$ 1,534,105	\$ 7,834,821	
785,434	89			785,523	
	1,979			687,195	
				230,300	
				1,958,703	
<u>\$ 785,434</u>	<u>\$ 96,067</u>	<u>\$ -</u>	<u>\$ 1,534,105</u>	<u>\$ 11,496,542</u>	
\$ -	\$ -	\$ -	\$ 79,201	\$ 238,766	
				702,984	
				492,001	
				531,397	
			79,201	1,965,148	
				1,958,703	
				1,958,703	
785,434	96,067			5,746,847	
			1,454,904	1,847,143	
				(21,299)	
<u>785,434</u>	<u>96,067</u>		<u>1,454,904</u>	<u>7,572,691</u>	
<u>\$ 785,434</u>	<u>\$ 96,067</u>	<u>\$ -</u>	<u>\$ 1,534,105</u>	<u>\$ 11,496,542</u>	

**CITY OF YUBA CITY**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
For the Fiscal Year Ended June 30, 2015

**Special Revenue Funds**

	<b>Traffic Safety Fund</b>	<b>Law Enforcement Services Fund</b>	<b>Landscape Districts Fund</b>	<b>Recology Rate Stabilization Fund</b>
<b>Revenues:</b>				
Taxes and assessments	\$ -	\$ -	\$ 324,041	\$ -
Use of money and property	1,420	1,117	5,032	4,930
Intergovernmental revenues				
Charges for services				
Fines and forfeitures	209,858	82,964		
Program income				
Other revenues				
<b>Total revenues</b>	<b>211,278</b>	<b>84,081</b>	<b>329,073</b>	<b>4,930</b>
<b>Expenditures:</b>				
Current:				
General government				
Parks and recreation			248,404	
Public works and facilities				
Community development				
Capital outlay				
Debt Service:				
Principal				
Interest and other charges				
<b>Total expenditures</b>			<b>248,404</b>	
Excess of revenues over (under) expenditures	211,278	84,081	80,669	4,930
<b>Other Financing Sources (Uses):</b>				
Transfers in				
Transfers out	(150,000)	(75,000)	(165,431)	
<b>Total other financing sources (uses)</b>	<b>(150,000)</b>	<b>(75,000)</b>	<b>(165,431)</b>	
Net changes in fund balances	61,278	9,081	(84,762)	4,930
Fund balances (deficits) - July 1, 2014	181,838	140,042	618,836	4,709
Prior period adjustments				
Fund balances (deficits) - July 1, 2014, restated	181,838	140,042	618,836	4,709
Fund balances (deficits) - June 30, 2015	<u>\$ 243,116</u>	<u>\$ 149,123</u>	<u>\$ 534,074</u>	<u>\$ 9,639</u>

**Special Revenue Funds**

<b>CDBG Grant Fund</b>	<b>CDBG Program Income Fund</b>	<b>Miscellaneous Lighting Districts Fund</b>	<b>TDA/LTF Fund</b>	<b>CAL-HOME Grant Fund</b>
\$ -	\$ -	\$ 303,709	\$ 1,289,439	\$ -
593,797	1,955	3,827	18,476	73,700
	24,245	8,048		1,650
<u>593,797</u>	<u>26,200</u>	<u>315,584</u>	<u>1,307,915</u>	<u>75,350</u>
286,692	21	214,728		76,251
221,512			567,207	
<u>508,204</u>	<u>21</u>	<u>214,728</u>	<u>567,207</u>	<u>76,251</u>
<u>85,593</u>	<u>26,179</u>	<u>100,856</u>	<u>740,708</u>	<u>(901)</u>
<u>(105,305)</u>		<u>(99,417)</u>	<u>(52,553)</u>	
<u>(105,305)</u>		<u>(99,417)</u>	<u>(52,553)</u>	
<u>(19,712)</u>	<u>26,179</u>	<u>1,439</u>	<u>688,155</u>	<u>(901)</u>
<u>(1,587)</u>	<u>(330)</u>	<u>512,859</u>		<u>1,503</u>
			<u>2,758,792</u>	
<u>(1,587)</u>	<u>(330)</u>	<u>512,859</u>	<u>2,758,792</u>	<u>1,503</u>
<u>\$ (21,299)</u>	<u>\$ 25,849</u>	<u>\$ 514,298</u>	<u>\$ 3,446,947</u>	<u>\$ 602</u>

(Continued)

**CITY OF YUBA CITY**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (Continued)**  
For the Fiscal Year Ended June 30, 2015

**Special Revenue Funds**

	<b>Fire Mitigation Fees Fund</b>	<b>Harter Specific Plan Fund</b>	<b>Neighborhood Stabilization Program Grant Fund</b>	<b>DOE Energy Conservation Grant Fund</b>
<b>Revenues:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	10	6,812		500
Intergovernmental revenues			420,875	179,363
Charges for services				
Fines and forfeitures				
Program income				
Other revenues			69	
<b>Total revenues</b>	<b>10</b>	<b>6,812</b>	<b>420,944</b>	<b>179,863</b>
<b>Expenditures:</b>				
Current:				
General government				
Parks and recreation				
Public works and facilities				
Community development			4,065,939	83,488
Capital outlay				13,670
Debt Service:				
Principal				
Interest and other charges				
<b>Total expenditures</b>			<b>4,065,939</b>	<b>97,158</b>
Excess of revenues over (under) expenditures	10	6,812	(3,644,995)	82,705
<b>Other Financing Sources (Uses):</b>				
Transfers in				
Transfers out			(23,530)	
<b>Total other financing sources (uses)</b>			<b>(23,530)</b>	
Net changes in fund balances	10	6,812	(3,668,525)	82,705
Fund balances (deficits) - July 1, 2014	1,248	158,753	3,668,594	84,340
Prior period adjustments				
Fund balances (deficits) - July 1, 2014, restated	1,248	158,753	3,668,594	84,340
Fund balances (deficits) - June 30, 2015	<u>\$ 1,258</u>	<u>\$ 165,565</u>	<u>\$ 69</u>	<u>\$ 167,045</u>

Debt Service Funds		Capital Projects Fund			
Gauche Park COP Fund	Pension Obligation Bonds Fund	Fire Station #4 Lease Fund	Streets and Roads CIP Projects Fund	Totals	
\$ -	\$ -	\$ -	\$ -	\$	1,917,189
38,800	89				82,968
	1,118,578		417,157		1,684,892
					1,118,578
					292,822
					25,895
			6,906		15,023
38,800	1,118,667		424,063		5,137,367
					2,967
	2,967				248,404
					214,728
					4,512,391
			1,635,350		2,437,739
	950,000	625,502			1,575,502
	165,696	97,189			262,885
	1,118,663	722,691	1,635,350		9,254,616
38,800	4	(722,691)	(1,211,287)		(4,117,249)
		722,691	2,259,820		2,982,511
(31,632)			(801,315)		(1,504,183)
(31,632)		722,691	1,458,505		1,478,328
7,168	4		247,218		(2,638,921)
778,266	96,063		1,207,686		7,452,820
					2,758,792
778,266	96,063		1,207,686		10,211,612
\$ 785,434	\$ 96,067	\$ -	\$ 1,454,904	\$	7,572,691

**CITY OF YUBA CITY**  
**TRAFFIC SAFETY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and forfeitures	\$ 154,000	\$ 209,858	\$ 55,858
Use of money and property	1,900	1,420	(480)
Total revenues	<u>155,900</u>	<u>211,278</u>	<u>55,378</u>
Excess of revenues over (under) expenditures	<u>155,900</u>	<u>211,278</u>	<u>55,378</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	
Net changes in fund balance	5,900	61,278	55,378
<b>Fund balance - beginning of fiscal year</b>	<u>181,838</u>	<u>181,838</u>	
<b>Fund balance - end of fiscal year</b>	<u>\$ 187,738</u>	<u>\$ 243,116</u>	<u>\$ 55,378</u>

**CITY OF YUBA CITY**  
**LAW ENFORCEMENT SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and forfeitures	\$ 74,000	\$ 82,964	\$ 8,964
Use of money and property	1,400	1,117	(283)
Total revenues	<u>75,400</u>	<u>84,081</u>	<u>8,681</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	<u>(75,000)</u>	<u>(75,000)</u>	
Total other financing sources (uses)	<u>(75,000)</u>	<u>(75,000)</u>	
Net changes in fund balance	400	9,081	8,681
<b>Fund balance - beginning of fiscal year</b>	<u>140,042</u>	<u>140,042</u>	
<b>Fund balance - end of fiscal year</b>	<u><u>\$ 140,442</u></u>	<u><u>\$ 149,123</u></u>	<u><u>\$ 8,681</u></u>

**CITY OF YUBA CITY**  
**LANDSCAPE DISTRICTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes and assessments	\$ 330,697	\$ 324,041	\$ (6,656)
Use of money and property	6,026	5,032	(994)
Total revenues	<u>336,723</u>	<u>329,073</u>	<u>(7,650)</u>
<b>Expenditures:</b>			
Current:			
Parks and recreation	<u>236,949</u>	<u>248,404</u>	<u>(11,455)</u>
Total expenditures	<u>236,949</u>	<u>248,404</u>	<u>(11,455)</u>
Excess of revenues over (under) expenditures	<u>99,774</u>	<u>80,669</u>	<u>(19,105)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	<u>(179,946)</u>	<u>(165,431)</u>	<u>14,515</u>
Total other financing sources (uses)	<u>(179,946)</u>	<u>(165,431)</u>	<u>14,515</u>
Net change in fund balance	(80,172)	(84,762)	(4,590)
<b>Fund balance - beginning of fiscal year</b>	<u>618,836</u>	<u>618,836</u>	
<b>Fund balance - end of fiscal year</b>	<u>\$ 538,664</u>	<u>\$ 534,074</u>	<u>\$ (4,590)</u>

**CITY OF YUBA CITY**  
**RECOLOGY RATE STABILIZATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	\$ 4,930	\$ 4,930
Total Revenues		4,930	4,930
Net change in fund balance		4,930	4,930
<b>Fund balance - beginning of fiscal year</b>	4,709	4,709	
<b>Fund balance - end of fiscal year</b>	\$ 4,709	\$ 9,639	\$ 4,930

**CITY OF YUBA CITY**  
**CDBG GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	\$ 642,123	\$ 593,797	\$ (48,326)
Use of money and property	12,000		(12,000)
Total revenues	<u>654,123</u>	<u>593,797</u>	<u>(60,326)</u>
<b>Expenditures:</b>			
Current:			
Community development	421,016	286,692	134,324
Capital outlay	<u>584,732</u>	<u>221,512</u>	<u>363,220</u>
Total expenditures	<u>1,005,748</u>	<u>508,204</u>	<u>497,544</u>
Excess of revenues over (under) expenditures	<u>(351,625)</u>	<u>85,593</u>	<u>437,218</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out		<u>(105,305)</u>	<u>(105,305)</u>
Total other financing sources (uses)		<u>(105,305)</u>	<u>(105,305)</u>
Net change in fund balance	(351,625)	(19,712)	331,913
<b>Fund balance (deficit) - beginning of fiscal year</b>	<u>(1,587)</u>	<u>(1,587)</u>	
<b>Fund balance (deficit) - end of fiscal year</b>	<u>\$ (353,212)</u>	<u>\$ (21,299)</u>	<u>\$ 331,913</u>

**CITY OF YUBA CITY**  
**CDBG PROGRAM INCOME SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	\$ 1,955	\$ 1,955
Program income	2,400	24,245	21,845
Total revenues	2,400	26,200	23,800
<b>Expenditures:</b>			
Current:			
Community development	2,400	21	2,379
Total expenditures	2,400	21	2,379
Net change in fund balance		26,179	26,179
<b>Fund balance (deficit) - beginning of fiscal year</b>	(330)	(330)	
<b>Fund balance (deficit) - end of fiscal year</b>	\$ (330)	\$ 25,849	\$ 26,179

**CITY OF YUBA CITY**  
**MISCELLANEOUS LIGHTING DISTRICTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes and assessments	\$ 303,019	\$ 303,709	\$ 690
Use of money and property	4,396	3,827	(569)
Other revenues		8,048	8,048
<b>Total revenues</b>	<u>307,415</u>	<u>315,584</u>	<u>8,169</u>
<b>Expenditures:</b>			
Current:			
Public works and facilities	<u>217,165</u>	<u>214,728</u>	<u>2,437</u>
<b>Total expenditures</b>	<u>217,165</u>	<u>214,728</u>	<u>2,437</u>
Excess of revenues over (under) expenditures	<u>90,250</u>	<u>100,856</u>	<u>10,606</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	<u>(109,539)</u>	<u>(99,417)</u>	<u>10,122</u>
<b>Total other financing sources (uses)</b>	<u>(109,539)</u>	<u>(99,417)</u>	<u>10,122</u>
Net change in fund balance	(19,289)	1,439	20,728
<b>Fund balance - beginning of fiscal year</b>	<u>512,859</u>	<u>512,859</u>	
<b>Fund balance - end of fiscal year</b>	<u><u>\$ 493,570</u></u>	<u><u>\$ 514,298</u></u>	<u><u>\$ 20,728</u></u>

**CITY OF YUBA CITY**  
TDA/LTF SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes and assessments	\$ 1,289,450	\$ 1,289,439	\$ (11)
Use of money and property		18,476	18,476
Total revenues	<u>1,289,450</u>	<u>1,307,915</u>	<u>18,465</u>
<b>Expenditures:</b>			
Capital outlay	<u>2,864,189</u>	<u>567,207</u>	<u>2,296,982</u>
Total expenditures	<u>2,864,189</u>	<u>567,207</u>	<u>2,296,982</u>
Excess of revenues over (under) expenditures	<u>(1,574,739)</u>	<u>740,708</u>	<u>2,315,447</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out		<u>(52,553)</u>	<u>(52,553)</u>
Total other financing sources (uses)		<u>(52,553)</u>	<u>(52,553)</u>
Net changes in fund balance	<u>(1,574,739)</u>	<u>688,155</u>	<u>2,262,894</u>
<b>Fund balance - beginning of fiscal year</b>			
Prior period adjustments		<u>2,758,792</u>	<u>2,758,792</u>
<b>Fund balance - beginning of fiscal year, restated</b>		<u>2,758,792</u>	<u>2,758,792</u>
<b>Fund balance - end of fiscal year</b>	<u>\$ (1,574,739)</u>	<u>\$ 3,446,947</u>	<u>\$ 5,021,686</u>

**CITY OF YUBA CITY**  
**CAL-HOME GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	\$ 179,000	\$ 73,700	\$ (105,300)
Program income	1,800	1,650	(150)
Total revenues	<u>180,800</u>	<u>75,350</u>	<u>(105,450)</u>
<b>Expenditures:</b>			
Current:			
Community development	<u>196,805</u>	<u>76,251</u>	<u>120,554</u>
Total expenditures	<u>196,805</u>	<u>76,251</u>	<u>120,554</u>
Net change in fund balance	(16,005)	(901)	15,104
<b>Fund balance - beginning of fiscal year</b>	<u>1,503</u>	<u>1,503</u>	
<b>Fund balance (deficit) - end of fiscal year</b>	<u><u>\$ (14,502)</u></u>	<u><u>\$ 602</u></u>	<u><u>\$ 15,104</u></u>

**CITY OF YUBA CITY**  
**FIRE MITIGATION FEES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	\$ 10	\$ 10
Total revenues		10	10
Net change in fund balance		10	10
<b>Fund balance - beginning of fiscal year</b>	<u>1,248</u>	<u>1,248</u>	
<b>Fund balance - end of fiscal year</b>	<u>\$ 1,248</u>	<u>\$ 1,258</u>	<u>\$ 10</u>

**CITY OF YUBA CITY**  
**HARTER SPECIFIC PLAN SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	\$ 6,812	\$ 6,812
Total revenues		6,812	6,812
Net change in fund balance		6,812	6,812
<b>Fund balance - beginning of fiscal year</b>	<u>158,753</u>	<u>158,753</u>	
<b>Fund balance - end of fiscal year</b>	<u><u>\$ 158,753</u></u>	<u><u>\$ 165,565</u></u>	<u><u>\$ 6,812</u></u>

**CITY OF YUBA CITY**  
**NEIGHBORHOOD STABILIZATION PROGRAM GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	\$ 1,200,000	\$ 420,875	\$ (779,125)
Other revenues		69	69
Total revenues	<u>1,200,000</u>	<u>420,944</u>	<u>(779,056)</u>
<b>Expenditures:</b>			
Current:			
Community development	<u>1,205,513</u>	<u>4,065,939</u>	<u>(2,860,426)</u>
Total expenditures	<u>1,205,513</u>	<u>4,065,939</u>	<u>(2,860,426)</u>
Excess of revenues over (under) expenditures	<u>(5,513)</u>	<u>(3,644,995)</u>	<u>(3,639,482)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out		<u>(23,530)</u>	<u>(23,530)</u>
Total other financing sources (uses)		<u>(23,530)</u>	<u>(23,530)</u>
Net change in fund balance	(5,513)	(3,668,525)	(3,663,012)
<b>Fund balance - beginning of fiscal year</b>	<u>3,668,594</u>	<u>3,668,594</u>	
<b>Fund balance - end of fiscal year</b>	<u>\$ 3,663,081</u>	<u>\$ 69</u>	<u>\$ (3,663,012)</u>

**CITY OF YUBA CITY**  
**DOE ENERGY CONSERVATION GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	\$ 210,526	\$ 179,363	\$ (31,163)
Use of money and property	1,000	500	(500)
Total revenues	<u>211,526</u>	<u>179,863</u>	<u>(31,663)</u>
<b>Expenditures:</b>			
Current:			
Community development	87,483	83,488	3,995
Capital outlay	<u>20,000</u>	<u>13,670</u>	<u>6,330</u>
Total Expenditures	<u>107,483</u>	<u>97,158</u>	<u>10,325</u>
Net change in fund balance	104,043	82,705	(21,338)
<b>Fund balance - beginning of fiscal year</b>	<u>84,340</u>	<u>84,340</u>	
<b>Fund balance - end of fiscal year</b>	<u><u>\$ 188,383</u></u>	<u><u>\$ 167,045</u></u>	<u><u>\$ (21,338)</u></u>

CITY OF YUBA CITY

## Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments on a cost reimbursement basis. Internal service funds used by the City are listed below:

Vehicle Replacement Fund – This fund is used to account for the replacement of City vehicles upon the expiration of their useful life.

Vehicle Maintenance Fund – This fund is used to account for the maintenance of City vehicles.

Technology Replacement Fund – This fund is used to account for the replacement of City computers and servers upon the expiration of their useful life.

Employee Benefits Fund – This fund is used to account for the provision of health and unemployment benefits.

Vision/Dental Fund – This fund is used to account for the provisions of employee vision and dental benefits.

Disability Program Fund – This fund is used to account for the City's self-funded employee disability benefits.

Workers' Compensation Program Fund – This fund is used to account for the City's self-insured employee workers' compensation benefits.

General Liability Program Fund – This fund is used to account for the provision of the City's self-insured general liability program.

**CITY OF YUBA CITY**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
June 30, 2015

	<u>Vehicle Replacement Fund</u>	<u>Vehicle Maintenance Fund</u>	<u>Technology Replacement Fund</u>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 5,400,192	\$ 293,601	\$ 2,587,249
Accounts receivable			27,625
Inventory		14,017	
Prepaid expenses			
Total current assets	<u>5,400,192</u>	<u>307,618</u>	<u>2,614,874</u>
Capital Assets:			
Depreciable			
Buildings		306,372	
Machinery and equipment	<u>10,586,754</u>	<u>88,821</u>	<u>2,243,679</u>
Total depreciable capital assets	10,586,754	395,193	2,243,679
Less accumulated depreciation	<u>(7,911,237)</u>	<u>(303,344)</u>	<u>(1,743,880)</u>
Net depreciable capital assets	<u>2,675,517</u>	<u>91,849</u>	<u>499,799</u>
Net capital assets	<u>2,675,517</u>	<u>91,849</u>	<u>499,799</u>
Advances to other funds	<u>2,191,414</u>		
Total noncurrent assets	<u>4,866,931</u>	<u>91,849</u>	<u>499,799</u>
Total assets	<u>10,267,123</u>	<u>399,467</u>	<u>3,114,673</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension		<u>45,133</u>	
Total deferred outflows of resources		<u>45,133</u>	
Total assets and deferred outflows of resources	<u>10,267,123</u>	<u>444,600</u>	<u>3,114,673</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	4,462	26,129	3,615
Accrued wages		18,636	
Compensated absences		14,368	
Unearned revenue			
Total current liabilities	<u>4,462</u>	<u>59,133</u>	<u>3,615</u>
Noncurrent Liabilities:			
Compensated absences		28,359	
Net pension liability		<u>616,652</u>	
Total noncurrent liabilities		<u>645,011</u>	
Total liabilities	4,462	704,144	3,615
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension		<u>126,809</u>	
Total liabilities and deferred inflows of resources	<u>4,462</u>	<u>830,953</u>	<u>3,615</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,675,517	91,849	499,799
Unrestricted	<u>7,587,144</u>	<u>(478,202)</u>	<u>2,611,259</u>
Total net position (deficit)	<u>\$ 10,262,661</u>	<u>\$ (386,353)</u>	<u>\$ 3,111,058</u>

<b>Employee Benefits Fund</b>	<b>Vision/ Dental Fund</b>	<b>Disability Program Fund</b>	<b>Workers' Compensation Program Fund</b>	<b>General Liability Program Fund</b>	<b>Totals</b>
\$ 134,659	\$ 287,779	\$ 49,038	\$ 1,366,875	\$ 409,003	\$ 10,528,396
46,148			573		74,346
283,631				338,965	14,017
464,438	287,779	49,038	1,367,448	747,968	622,596
					306,372
					12,919,254
					13,225,626
					(9,958,461)
					3,267,165
					3,267,165
					2,191,414
					5,458,579
464,438	287,779	49,038	1,367,448	747,968	16,697,934
					45,133
					45,133
464,438	287,779	49,038	1,367,448	747,968	16,743,067
27,861	35,870	3,534	45,705		147,176
83,779					102,415
8,130					14,368
119,770	35,870	3,534	45,705		8,130
					272,089
					28,359
					616,652
					645,011
119,770	35,870	3,534	45,705		917,100
					126,809
119,770	35,870	3,534	45,705		1,043,909
					3,267,165
344,668	251,909	45,504	1,321,743	747,968	12,431,993
\$ 344,668	\$ 251,909	\$ 45,504	\$ 1,321,743	\$ 747,968	\$ 15,699,158

**CITY OF YUBA CITY**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION**  
For the Fiscal Year Ended June 30, 2015

	<b>Vehicle Replacement Fund</b>	<b>Vehicle Maintenance Fund</b>	<b>Technology Replacement Fund</b>
Revenues:			
Charges for services	\$ 682,408	\$ 763,226	\$ 469,544
Other revenues	1,059	10,000	53,743
Total revenues	<u>683,467</u>	<u>773,226</u>	<u>523,287</u>
Expenses:			
Salaries and benefits		371,594	
Professional services		4,694	29,053
Supplies	9,147	328	
Benefits, claims, and insurance		3,059	
Maintenance and operation		346,765	195,219
Tools and equipment		6,889	54,951
Power and utilities		10,937	17,742
Training		2,861	
Depreciation	723,634	13,418	207,200
Total expenses	<u>732,781</u>	<u>760,545</u>	<u>504,165</u>
Operating Income (Loss)	<u>(49,314)</u>	<u>12,681</u>	<u>19,122</u>
Non-Operating Revenues (Expenses):			
Gain (loss) on sale of capital assets	89,804		
Interest income	155,075	2,044	20,219
Total non-operating revenues (expenses)	<u>244,879</u>	<u>2,044</u>	<u>20,219</u>
Change in net position	<u>195,565</u>	<u>14,725</u>	<u>39,341</u>
Net Position, July 1, 2014	10,067,096	289,135	3,071,717
Prior period adjustments		<u>(690,213)</u>	
Net Position (Deficit), July 1, 2014, Restated	<u>10,067,096</u>	<u>(401,078)</u>	<u>3,071,717</u>
Net Position (Deficit), June 30, 2015	<u>\$ 10,262,661</u>	<u>\$ (386,353)</u>	<u>\$ 3,111,058</u>

<b>Employee Benefits Fund</b>	<b>Vision/ Dental Fund</b>	<b>Disability Program Fund</b>	<b>Workers' Compensation Program Fund</b>	<b>General Liability Program Fund</b>	<b>Totals</b>
\$ 3,017,636	\$ 468,717	\$ 28,093	\$ 982,120	\$ 630,000	\$ 7,041,744
49,809			8,380	21,273	144,264
<u>3,067,445</u>	<u>468,717</u>	<u>28,093</u>	<u>990,500</u>	<u>651,273</u>	<u>7,186,008</u>
					371,594
16,997					50,744
					9,475
3,239,752	480,634	24,674	1,169,716	634,119	5,551,954
					541,984
					61,840
					28,679
					2,861
					<u>944,252</u>
<u>3,256,749</u>	<u>480,634</u>	<u>24,674</u>	<u>1,169,716</u>	<u>634,119</u>	<u>7,563,383</u>
<u>(189,304)</u>	<u>(11,917)</u>	<u>3,419</u>	<u>(179,216)</u>	<u>17,154</u>	<u>(377,375)</u>
					89,804
<u>2,012</u>	<u>2,352</u>	<u>374</u>	<u>10,555</u>	<u>1,051</u>	<u>193,682</u>
<u>2,012</u>	<u>2,352</u>	<u>374</u>	<u>10,555</u>	<u>1,051</u>	<u>283,486</u>
<u>(187,292)</u>	<u>(9,565)</u>	<u>3,793</u>	<u>(168,661)</u>	<u>18,205</u>	<u>(93,889)</u>
531,960	261,474	41,711	1,490,404	729,763	16,483,260
					(690,213)
<u>531,960</u>	<u>261,474</u>	<u>41,711</u>	<u>1,490,404</u>	<u>729,763</u>	<u>15,793,047</u>
<u>\$ 344,668</u>	<u>\$ 251,909</u>	<u>\$ 45,504</u>	<u>\$ 1,321,743</u>	<u>\$ 747,968</u>	<u>\$ 15,699,158</u>

**CITY OF YUBA CITY**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
For the Fiscal Year Ended June 30, 2015

	<u>Vehicle Replacement Fund</u>	<u>Vehicle Maintenance Fund</u>	<u>Technology Replacement Fund</u>
Cash Flows from Operating Activities:			
Receipts from customers	\$ 683,467	\$ 773,226	\$ 495,662
Amounts (paid)/from interfund receivable	82,164		
Payment to suppliers and users	(12,819)	(372,331)	(359,187)
Payment to employees		(348,293)	
	<u>752,812</u>	<u>52,602</u>	<u>136,475</u>
Net Cash Provided (Used) by Operating Activities			
Cash Flows from Capital and Related Financing Activities:			
Proceeds from sale of capital assets	132,006		
Acquisition of capital assets	(491,547)		(154,968)
	<u>(359,541)</u>		<u>(154,968)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities			
Cash Flows from Investing Activities:			
Interest received	155,075	2,044	20,219
	<u>155,075</u>	<u>2,044</u>	<u>20,219</u>
Net Cash Provided (Used) by Investing Activities			
Net Increase (Decrease) in Cash and Cash Equivalents	548,346	54,646	1,726
Cash and Cash Equivalents, July 1, 2014	4,851,846	238,955	2,585,523
Cash and Cash Equivalents, June 30, 2015	<u>\$ 5,400,192</u>	<u>\$ 293,601</u>	<u>\$ 2,587,249</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (49,314)	\$ 12,681	\$ 19,122
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	723,634	13,418	207,200
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:			
Accounts receivable			(27,625)
Inventory		(538)	
Prepaid expenses			
Deferred outflow - pension		(45,133)	
Advances to other funds	82,164		
Increase (Decrease) in Operating Liabilities and Deferred Inflows of Resources:			
Accounts payable	(3,672)	3,740	(62,222)
Accrued wages		4,170	
Unearned revenue			
Deferred inflow - pension		126,809	
Net pension liability		(73,561)	
Compensated absences		11,016	
	<u>752,812</u>	<u>52,602</u>	<u>136,475</u>
Net Cash Provided (Used) by Operating Activities			

<b>Employee Benefits Fund</b>	<b>Vision/ Dental Fund</b>	<b>Disability Program Fund</b>	<b>Workers' Compensation Program Fund</b>	<b>General Liability Program Fund</b>	<b>Totals</b>
\$ 3,063,440	\$ 468,724	\$ 28,093	\$ 989,927	\$ 651,273	\$ 7,153,812
(3,279,204)	(485,178)		(1,216,400)	(669,786)	(6,394,905)
83,779		(23,231)			(287,745)
(131,985)	(16,454)	4,862	(226,473)	(18,513)	553,326
					132,006
					(646,515)
					(514,509)
2,012	2,352	374	10,555	1,051	193,682
2,012	2,352	374	10,555	1,051	193,682
(129,973)	(14,102)	5,236	(215,918)	(17,462)	232,499
264,632	301,881	43,802	1,582,793	426,465	10,295,897
<u>\$ 134,659</u>	<u>\$ 287,779</u>	<u>\$ 49,038</u>	<u>\$ 1,366,875</u>	<u>\$ 409,003</u>	<u>\$ 10,528,396</u>
\$ (189,304)	\$ (11,917)	\$ 3,419	\$ (179,216)	\$ 17,154	\$ (377,375)
					944,252
(4,058)	7		(573)		(32,249)
(23,056)				(24,759)	(538)
					(47,815)
					(45,133)
					82,164
601	(4,544)	1,443	(46,684)	(10,908)	(122,246)
83,779					87,949
53					53
					126,809
					(73,561)
					11,016
<u>\$ (131,985)</u>	<u>\$ (16,454)</u>	<u>\$ 4,862</u>	<u>\$ (226,473)</u>	<u>\$ (18,513)</u>	<u>\$ 553,326</u>

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## CITY OF YUBA CITY

### Fiduciary Funds

Private-Purpose Trust Funds are used to account for the Successor Agency funds of the former Redevelopment Agency and are presented in the following two funds:

RDA Low/Mod Successor Agency Private-Purpose Trust Fund – This fund is used to account for the activities related to the former Redevelopment Agency’s low/moderate income housing fund.

RDA Successor Agency Private-Purpose Trust Fund – This fund is used to account for all activities related to the former Redevelopment Agency’s activities that are not already accounted for in the RDA Low/Mod Successor Agency Private-Purpose Trust Fund.

Agency Funds are used to account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the City, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency funds maintained by the City are divided into the following categories for presentation in this report.

City Trust Fund – This fund is used to account for assets held for employees and outside independent entities in a fiduciary capacity.

Net – 5 Operations Fund – This fund is used to account for assets held for an independent agency in a fiduciary capacity.

Assessment District Funds – These funds are used to account for assets held for independent assessment districts in a fiduciary capacity.

Sunsweet Boulevard CFD Fund – This fund is used to account for assets held for an independent community facilities district in a fiduciary capacity.

Flood Control Agency Fund – This fund is used to account for the operating activities of the Sutter-Butte Flood Control Agency.

Animal Control Operations Fund – This fund is used to account for the operating activities of the Sutter Animal Services Authority.

SBFCA Capital Fund – This fund is used to account for the capital project activities of the Sutter-Butte Flood Control Agency.

**CITY OF YUBA CITY**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
June 30, 2015

	<b>RDA Low/Mod Successor Agency Fund</b>	<b>RDA Successor Agency Fund</b>	<b>Totals</b>
<b>Assets:</b>			
Cash and investments	\$ 3,515	\$ 2,238,683	\$ 2,242,198
Cash and investments with fiscal agents		2,648,267	2,648,267
Interest receivable		1	1
Taxes and assessments receivable		44,909	44,909
Prepaid expenses		310,133	310,133
Deposit receivable	9,800		9,800
Property held for resale		93,852	93,852
Notes receivable, net	3,310,722		3,310,722
Advances to other trust funds	1,626,817		1,626,817
Capital assets, nondepreciable	3,087,127	820,586	3,907,713
Capital assets, depreciable, net of accumulated depreciation	1,422,121	89,133	1,511,254
<b>Total assets</b>	<b>9,460,102</b>	<b>6,245,564</b>	<b>15,705,666</b>
<b>Deferred Outflows of Resources:</b>			
Deferred loss on refunding		486,711	486,711
<b>Total deferred outflows of resources</b>		<b>486,711</b>	<b>486,711</b>
<b>Liabilities:</b>			
Accounts payable		2,953	2,953
Interest payable		618,822	618,822
Advances from other trust funds		1,626,817	1,626,817
Long-term debt, due within one year		697,253	697,253
Long-term debt, due in more than one year		44,780,057	44,780,057
<b>Total liabilities</b>		<b>47,725,902</b>	<b>47,725,902</b>
<b>Net Position</b>			
Restricted for debt service		2,029,445	2,029,445
Unrestricted	9,460,102	(43,023,072)	(33,562,970)
<b>Total net position (deficit)</b>	<b>\$ 9,460,102</b>	<b>\$ (40,993,627)</b>	<b>\$ (31,533,525)</b>

**CITY OF YUBA CITY**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
For the Fiscal Year Ended June 30, 2015

	<b>RDA Low/Mod Successor Agency Fund</b>	<b>RDA Successor Agency Fund</b>	<b>Totals</b>
<b>Additions:</b>			
Investment revenue	\$ 62,664	\$ 146,031	\$ 208,695
Taxes and assessments		2,810,126	2,810,126
Contribution from agency fund		48,285	48,285
Other revenue		113,515	113,515
	<hr/>	<hr/>	<hr/>
Total additions	62,664	3,117,957	3,180,621
<b>Deductions:</b>			
Administration		76,791	76,791
Community development	2,310	606,848	609,158
Interest expense		1,896,833	1,896,833
Depreciation and amortization	101,426	26,644	128,070
	<hr/>	<hr/>	<hr/>
Total deductions	103,736	2,607,116	2,710,852
Change in net position	(41,072)	510,841	469,769
Net Position (Deficit) - July 1, 2014	<hr/>	<hr/>	<hr/>
	9,501,174	(41,504,468)	(32,003,294)
Net Position (Deficit) - June 30, 2015	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 9,460,102	\$ (40,993,627)	\$ (31,533,525)

**CITY OF YUBA CITY**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
June 30, 2015

	<b>City Trust</b>	<b>Net-5 Operations</b>	<b>West Hillcrest Assessment District</b>	<b>Village Green - Del Wayne Assessment District 2003-2</b>
<b>Assets:</b>				
Cash and investments	\$ 693,939	\$ 418,053	\$ -	\$ 30,923
Cash and investments with fiscal agent				
Due from agency fund	70,083			
Interest receivable				
Accounts receivable	24,877			
	<u>788,899</u>	<u>418,053</u>	<u>-</u>	<u>30,923</u>
Total assets	<u>\$ 788,899</u>	<u>\$ 418,053</u>	<u>\$ -</u>	<u>\$ 30,923</u>
<b>Liabilities:</b>				
Due to agency fund	\$ -	\$ -	\$ -	\$ -
Accounts payable	42,580	3,925		
Accrued liabilities				
Deposits payable	746,319	414,128		30,923
	<u>788,899</u>	<u>418,053</u>	<u>-</u>	<u>30,923</u>
Total liabilities	<u>\$ 788,899</u>	<u>\$ 418,053</u>	<u>\$ -</u>	<u>\$ 30,923</u>

<b>Marcia Avenue Assessment District</b>	<b>East Hillcrest Assessment District</b>	<b>Staple/Ashley/Dennis/Cornwell Assessment District 2004-1</b>	<b>Butte Vista Assessment District 2000-1</b>	<b>Butte Vista Assessment District 2002-1</b>
\$ -	\$ 1,857	\$ 22,184	\$ 183,079	\$ 118,376
			1,445	465
<u>\$ -</u>	<u>\$ 1,857</u>	<u>\$ 22,184</u>	<u>\$ 184,524</u>	<u>\$ 118,841</u>
\$ -	\$ -	\$ -	\$ -	\$ -
	1,857	22,184	184,524	118,841
<u>\$ -</u>	<u>\$ 1,857</u>	<u>\$ 22,184</u>	<u>\$ 184,524</u>	<u>\$ 118,841</u>

(Continued)

**CITY OF YUBA CITY**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
June 30, 2015  
(Continued)

	<b>Darrough Assessment District 2003</b>	<b>Tierra Buena Assessment District</b>	<b>Sunsweet Boulevard CFD</b>	<b>Flood Control Agency</b>
<b>Assets</b>				
Cash and investments	\$ 40,740	\$ 309,620	\$ 193,264	\$ 3,312,564
Cash and investments with fiscal agent			432,709	
Due from agency fund				
Interest receivable			154	
Accounts receivable		2,119		
	<u>40,740</u>	<u>311,739</u>	<u>626,127</u>	<u>3,312,564</u>
Total assets	<u>\$ 40,740</u>	<u>\$ 311,739</u>	<u>\$ 626,127</u>	<u>\$ 3,312,564</u>
<b>Liabilities:</b>				
Due to agency fund	\$ -	\$ -	\$ -	\$ -
Accounts payable		329	1,695	24,820
Accrued liabilities				30,270
Deposits payable	40,740	311,410	624,432	3,257,474
	<u>40,740</u>	<u>311,410</u>	<u>624,432</u>	<u>3,257,474</u>
Total liabilities	<u>\$ 40,740</u>	<u>\$ 311,739</u>	<u>\$ 626,127</u>	<u>\$ 3,312,564</u>

<b>Animal Control Operations</b>	<b>SBFCA Capital</b>	<b>Totals</b>
\$ -	\$ 6,823,150	\$ 12,147,749
		432,709
		70,083
	129	283
<u>163,668</u>	<u>18,259,070</u>	<u>18,451,644</u>
<u>\$ 163,668</u>	<u>\$ 25,082,349</u>	<u>\$ 31,102,468</u>
\$ 70,083	\$ -	\$ 70,083
88,017	6,778,402	6,939,768
		30,270
<u>5,568</u>	<u>18,303,947</u>	<u>24,062,347</u>
<u>\$ 163,668</u>	<u>\$ 25,082,349</u>	<u>\$ 31,102,468</u>

**CITY OF YUBA CITY**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>CITY TRUST</b>				
<b>ASSETS</b>				
Cash and investments	\$ 744,401	\$ 52,154	\$ (102,616)	\$ 693,939
Accounts receivable	47,023	24,877	(47,023)	24,877
Due from agency fund		70,083		70,083
	<u>791,424</u>	<u>147,114</u>	<u>(149,639)</u>	<u>788,899</u>
Total Assets	<u>\$ 791,424</u>	<u>\$ 147,114</u>	<u>\$ (149,639)</u>	<u>\$ 788,899</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 29,533	\$ 42,580	\$ (29,533)	\$ 42,580
Deposits payable	761,891	104,534	(120,106)	746,319
	<u>791,424</u>	<u>147,114</u>	<u>(149,639)</u>	<u>788,899</u>
Total Liabilities	<u>\$ 791,424</u>	<u>\$ 147,114</u>	<u>\$ (149,639)</u>	<u>\$ 788,899</u>
<b>NET-5 OPERATIONS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 289,890	\$ 331,802	\$ (203,639)	\$ 418,053
	<u>289,890</u>	<u>331,802</u>	<u>(203,639)</u>	<u>418,053</u>
Total Assets	<u>\$ 289,890</u>	<u>\$ 331,802</u>	<u>\$ (203,639)</u>	<u>\$ 418,053</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 11,771	\$ 3,925	\$ (11,771)	\$ 3,925
Deposits payable	278,119	327,877	(191,868)	414,128
	<u>289,890</u>	<u>331,802</u>	<u>(203,639)</u>	<u>418,053</u>
Total Liabilities	<u>\$ 289,890</u>	<u>\$ 331,802</u>	<u>\$ (203,639)</u>	<u>\$ 418,053</u>
<b>WEST HILLCREST ASSESSMENT DISTRICT</b>				
<b>ASSETS</b>				
Cash and investments	\$ 92,045	\$ -	\$ (92,045)	\$ -
	<u>92,045</u>	<u>-</u>	<u>(92,045)</u>	<u>-</u>
Total Assets	<u>\$ 92,045</u>	<u>\$ -</u>	<u>\$ (92,045)</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Deposits payable	\$ 92,045	\$ -	\$ (92,045)	\$ -
	<u>92,045</u>	<u>-</u>	<u>(92,045)</u>	<u>-</u>
Total Liabilities	<u>\$ 92,045</u>	<u>\$ -</u>	<u>\$ (92,045)</u>	<u>\$ -</u>

**CITY OF YUBA CITY**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>VILLAGE GREEN - DEL WAYNE ASSESSMENT DISTRICT 2003-2</b>				
<b>ASSETS</b>				
Cash and investments	\$ 49,890	\$ 37,738	\$ (56,705)	\$ 30,923
Total Assets	<u>\$ 49,890</u>	<u>\$ 37,738</u>	<u>\$ (56,705)</u>	<u>\$ 30,923</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 18,318	\$ -	\$ (18,318)	\$ -
Deposits payable	<u>31,572</u>	<u>37,738</u>	<u>(38,387)</u>	<u>30,923</u>
Total Liabilities	<u>\$ 49,890</u>	<u>\$ 37,738</u>	<u>\$ (56,705)</u>	<u>\$ 30,923</u>
<b>MARCIA AVENUE ASSESSMENT DISTRICT</b>				
<b>ASSETS</b>				
Cash and investments	\$ 8,410	\$ -	\$ (8,410)	\$ -
Total Assets	<u>\$ 8,410</u>	<u>\$ -</u>	<u>\$ (8,410)</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Deposits payable	\$ 8,410	\$ -	\$ (8,410)	\$ -
Total Liabilities	<u>\$ 8,410</u>	<u>\$ -</u>	<u>\$ (8,410)</u>	<u>\$ -</u>
<b>EAST HILLCREST ASSESSMENT DISTRICT</b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,644	\$ 7,219	\$ (7,006)	\$ 1,857
Total Assets	<u>\$ 1,644</u>	<u>\$ 7,219</u>	<u>\$ (7,006)</u>	<u>\$ 1,857</u>
<b>LIABILITIES</b>				
Deposits payable	\$ 1,644	\$ 7,219	\$ (7,006)	\$ 1,857
Total Liabilities	<u>\$ 1,644</u>	<u>\$ 7,219</u>	<u>\$ (7,006)</u>	<u>\$ 1,857</u>
<b>STAPLE/ASHLEY/DENNIS/CORNWELL ASSESSMENT DISTRICT 2004-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 11,607	\$ 28,497	\$ (17,920)	\$ 22,184
Total Assets	<u>\$ 11,607</u>	<u>\$ 28,497</u>	<u>\$ (17,920)</u>	<u>\$ 22,184</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 91	\$ -	\$ (91)	\$ -
Deposits payable	<u>11,516</u>	<u>28,497</u>	<u>(17,829)</u>	<u>22,184</u>
Total Liabilities	<u>\$ 11,607</u>	<u>\$ 28,497</u>	<u>\$ (17,920)</u>	<u>\$ 22,184</u>

(Continued)

**CITY OF YUBA CITY**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
(Continued)

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>BUTTE VISTA ASSESSMENT DISTRICT 2000-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 183,191	\$ 67,006	\$ (67,118)	\$ 183,079
Accounts receivable	194	1,445	(194)	1,445
	<u>183,385</u>	<u>68,451</u>	<u>(67,312)</u>	<u>184,524</u>
Total Assets	<u>\$ 183,385</u>	<u>\$ 68,451</u>	<u>\$ (67,312)</u>	<u>\$ 184,524</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 4	-	\$ (4)	\$ -
Deposits payable	183,381	68,451	(67,308)	184,524
	<u>183,385</u>	<u>68,451</u>	<u>(67,312)</u>	<u>184,524</u>
Total Liabilities	<u>\$ 183,385</u>	<u>\$ 68,451</u>	<u>\$ (67,312)</u>	<u>\$ 184,524</u>
<b>BUTTE VISTA ASSESSMENT DISTRICT 2002-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 115,154	\$ 62,951	\$ (59,729)	\$ 118,376
Accounts receivable	1,110	465	(1,110)	465
	<u>116,264</u>	<u>63,416</u>	<u>(60,839)</u>	<u>118,841</u>
Total Assets	<u>\$ 116,264</u>	<u>\$ 63,416</u>	<u>\$ (60,839)</u>	<u>\$ 118,841</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 86	-	\$ (86)	\$ -
Deposits payable	116,178	63,416	(60,753)	118,841
	<u>116,264</u>	<u>63,416</u>	<u>(60,839)</u>	<u>118,841</u>
Total Liabilities	<u>\$ 116,264</u>	<u>\$ 63,416</u>	<u>\$ (60,839)</u>	<u>\$ 118,841</u>
<b>DARROUGH ASSESSMENT DISTRICT 2003</b>				
<b>ASSETS</b>				
Cash and investments	\$ 39,917	\$ 15,433	\$ (14,610)	\$ 40,740
Accounts receivable	128		(128)	
	<u>40,045</u>	<u>15,433</u>	<u>(14,738)</u>	<u>40,740</u>
Total Assets	<u>\$ 40,045</u>	<u>\$ 15,433</u>	<u>\$ (14,738)</u>	<u>\$ 40,740</u>
<b>LIABILITIES</b>				
Deposits payable	\$ 40,045	\$ 15,433	\$ (14,738)	\$ 40,740
	<u>40,045</u>	<u>15,433</u>	<u>(14,738)</u>	<u>40,740</u>
Total Liabilities	<u>\$ 40,045</u>	<u>\$ 15,433</u>	<u>\$ (14,738)</u>	<u>\$ 40,740</u>

**CITY OF YUBA CITY**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>TIERRA BUENA ASSESSMENT DISTRICT</b>				
<b>ASSETS</b>				
Cash and investments	\$ 303,309	\$ 241,010	\$ (234,699)	\$ 309,620
Accounts receivable	3,386	2,119	(3,386)	2,119
Total Assets	<u>\$ 306,695</u>	<u>\$ 243,129</u>	<u>\$ (238,085)</u>	<u>\$ 311,739</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,587	\$ 329	\$ (1,587)	\$ 329
Deposits payable	305,108	242,800	(236,498)	311,410
Total Liabilities	<u>\$ 306,695</u>	<u>\$ 243,129</u>	<u>\$ (238,085)</u>	<u>\$ 311,739</u>
<b>SUNSWEEP BOULEVARD CFD</b>				
<b>ASSETS</b>				
Cash and investments	\$ 177,568	\$ 286,824	\$ (271,128)	\$ 193,264
Cash and investments with fiscal agent	432,243	466		432,709
Interest receivable	2	154	(2)	154
Accounts receivable	9,961		(9,961)	
Total Assets	<u>\$ 619,774</u>	<u>\$ 287,444</u>	<u>\$ (281,091)</u>	<u>\$ 626,127</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 1,695	\$ -	\$ 1,695
Deposits payable	619,774	285,749	(281,091)	624,432
Total Liabilities	<u>\$ 619,774</u>	<u>\$ 287,444</u>	<u>\$ (281,091)</u>	<u>\$ 626,127</u>
<b>FLOOD CONTROL AGENCY</b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,963,043	\$ 772,207	\$ (422,686)	\$ 3,312,564
Prepaid expenses	63		(63)	
Total Assets	<u>\$ 2,963,106</u>	<u>\$ 772,207</u>	<u>\$ (422,749)</u>	<u>\$ 3,312,564</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 40,445	\$ 24,820	\$ (40,445)	\$ 24,820
Accrued liabilities	21,562	30,270	(21,562)	30,270
Deposits payable	2,901,099	717,117	(360,742)	3,257,474
Total Liabilities	<u>\$ 2,963,106</u>	<u>\$ 772,207</u>	<u>\$ (422,749)</u>	<u>\$ 3,312,564</u>

(Continued)

**CITY OF YUBA CITY**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
(Continued)

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>ANIMAL CONTROL OPERATIONS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 82,758	\$ 1,014,196	\$ (1,096,954)	\$ -
Accounts receivable	72,254	163,668	(72,254)	163,668
	<u>\$ 155,012</u>	<u>\$ 1,177,864</u>	<u>\$ (1,169,208)</u>	<u>\$ 163,668</u>
<b>LIABILITIES</b>				
Due to agency fund	\$ -	\$ 70,083	\$ -	\$ 70,083
Accounts payable	120,087	88,017	(120,087)	88,017
Deposits payable	34,925	1,019,764	(1,049,121)	5,568
	<u>\$ 155,012</u>	<u>\$ 1,177,864</u>	<u>\$ (1,169,208)</u>	<u>\$ 163,668</u>
<b>SBFCA CAPITAL</b>				
<b>ASSETS</b>				
Cash and investments	\$ 24,008,024	\$ 63,695,110	\$ (80,879,984)	\$ 6,823,150
Interest receivable	5,091	129	(5,091)	129
Accounts receivable	9,095,059	18,259,070	(9,095,059)	18,259,070
	<u>\$ 33,108,174</u>	<u>\$ 81,954,309</u>	<u>\$ (89,980,134)</u>	<u>\$ 25,082,349</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 12,790,436	\$ 6,778,402	\$ (12,790,436)	\$ 6,778,402
Deposits payable	20,317,738	75,175,907	(77,189,698)	18,303,947
	<u>\$ 33,108,174</u>	<u>\$ 81,954,309</u>	<u>\$ (89,980,134)</u>	<u>\$ 25,082,349</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 29,070,851	\$ 66,612,147	\$ (83,535,249)	\$ 12,147,749
Cash and investments with fiscal agent	432,243	466		432,709
Due from agency fund		70,083		70,083
Interest receivable	5,093	283	(5,093)	283
Prepaid expenses	63		(63)	
Accounts receivable	9,229,115	18,451,644	(9,229,115)	18,451,644
	<u>\$ 38,737,365</u>	<u>\$ 85,134,623</u>	<u>\$ (92,769,520)</u>	<u>\$ 31,102,468</u>
<b>LIABILITIES</b>				
Due to agency fund	\$ -	\$ 70,083	\$ -	\$ 70,083
Accounts payable	13,012,358	6,939,768	(13,012,358)	6,939,768
Accrued liabilities	21,562	30,270	(21,562)	30,270
Deposits payable	25,703,445	78,094,502	(79,735,600)	24,062,347
	<u>\$ 38,737,365</u>	<u>\$ 85,134,623</u>	<u>\$ (92,769,520)</u>	<u>\$ 31,102,468</u>

## **CITY OF YUBA CITY STATISTICAL SECTION**

This part of the City's comprehensive annual financial report presents detailed information in a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### **• Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

### **• Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

### **• Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

### **• Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

### **• Operating Information**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

**CITY OF YUBA CITY**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

	Fiscal Year			
	2006	2007	2008	2009
<b>Governmental Activities</b>				
Net Investment In Capital Assets	\$ 25,793,897	\$ 398,797,672	\$ 403,278,221	\$ 403,377,779
Restricted	16,552,036	26,188,402	32,249,323	29,786,112
Unrestricted	30,678,331	10,968,014	22,227,025	21,847,750
<b>Total Governmental Activities Net Position</b>	<b>\$ 73,024,264</b>	<b>\$ 435,954,088</b>	<b>\$ 457,754,569</b>	<b>\$ 455,011,641</b>
<b>Business-Type Activities</b>				
Net Investment In Capital Assets	\$ 48,346,102	\$ 141,461,866	\$ 145,579,890	\$ 144,507,456
Restricted	762,967	762,967	762,967	448,717
Unrestricted	37,874,324	28,969,981	28,952,704	27,368,372
<b>Total Business-Type Activities Net Position</b>	<b>\$ 86,983,393</b>	<b>\$ 171,194,814</b>	<b>\$ 175,295,561</b>	<b>\$ 172,324,545</b>
<b>Primary Government</b>				
Net Investment In Capital Assets	\$ 74,139,999	\$ 540,259,538	\$ 548,858,111	\$ 547,885,235
Restricted	17,315,003	26,951,369	33,012,290	30,234,829
Unrestricted	68,552,655	39,937,995	51,179,729	49,216,122
<b>Total Primary Government Net Position</b>	<b>\$ 160,007,657</b>	<b>\$ 607,148,902</b>	<b>\$ 633,050,130</b>	<b>\$ 627,336,186</b>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002/2003. The City implemented retroactive reporting of infrastructure in fiscal year 2006/2007.

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

		Fiscal Year									
		2010	2011	2012	2013	2014	2015				
\$	402,012,636	\$	396,981,908	\$	419,160,425	\$	413,009,592	\$	408,431,621	\$	402,069,188
	33,415,439		28,759,126		26,619,342		27,627,518		21,512,890		18,966,851
	17,490,649		25,320,209		33,828,556		29,839,895		34,160,188		(9,635,998)
\$	452,918,724	\$	451,061,243	\$	479,608,323	\$	470,477,005	\$	464,104,699	\$	411,400,041
\$	155,334,486	\$	151,195,721	\$	135,862,972	\$	138,177,551	\$	146,164,051	\$	146,107,792
	3,206,069		2,371,293		1,596,243		250,270		1,346,340		1,483,073
	14,013,290		15,566,305		27,262,871		25,612,341		19,758,356		17,895,992
\$	172,553,845	\$	169,133,319	\$	164,722,086	\$	164,040,162	\$	167,268,747	\$	165,486,857
\$	557,347,122	\$	548,177,629	\$	555,023,397	\$	551,187,143	\$	554,595,672	\$	548,176,980
	36,621,508		31,130,419		28,215,585		27,877,788		22,859,230		20,449,924
	31,503,939		40,886,514		61,091,427		55,452,236		53,918,544		8,259,994
\$	625,472,569	\$	620,194,562	\$	644,330,409	\$	634,517,167	\$	631,373,446	\$	576,886,898

**CITY OF YUBA CITY**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

	Fiscal Year			
	2006	2007	2008	2009
<b>Expenses</b>				
<b>Governmental Activities</b>				
General government	\$ 4,961,963	\$ 5,196,149	\$ 5,363,212	\$ 5,176,267
Public safety	17,342,884	20,685,388	23,282,357	24,688,420
Parks and recreation	3,287,171	3,825,886	4,113,957	4,054,318
Public works and facilities	4,450,059	9,832,488	10,417,186	11,203,066
Community development	3,930,166	5,228,659	3,900,994	3,612,257
Interest on long-term debt	3,007,720	3,979,112	5,337,470	5,644,530
<b>Total Governmental Activities Expenses</b>	<b>36,979,963</b>	<b>48,747,682</b>	<b>52,415,176</b>	<b>54,378,858</b>
<b>Business-Type Activities</b>				
Water	6,620,198	8,618,468	9,706,835	9,938,304
Wastewater	9,045,282	9,585,377	9,749,245	9,797,636
<b>Total Business-Type Activities Expenses</b>	<b>15,665,480</b>	<b>18,203,845</b>	<b>19,456,080</b>	<b>19,735,940</b>
<b>Total Primary Government Net Expenses</b>	<b>\$ 52,645,443</b>	<b>\$ 66,951,527</b>	<b>\$ 71,871,256</b>	<b>\$ 74,114,798</b>
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
<b>Charges for Services</b>				
General government	\$ 710,437	\$ 736,964	\$ 993,453	\$ 27,482
Public safety	1,299,653	1,850,442	1,891,045	2,710,690
Parks and recreation	1,253,188	1,391,504	1,142,165	1,446,139
Public works and facilities	1,677,018	7,636,006	587,212	475,349
Community development	1,665,665	1,100,788	1,723,654	1,304,404
Operating Contributions and Grants	2,801,619	4,279,532	3,800,202	3,488,022
Capital Contributions and Grants	1,089,792	1,598,196	18,809,192	6,728,478
<b>Total Governmental Activities Program Revenues</b>	<b>10,497,372</b>	<b>18,593,432</b>	<b>28,946,923</b>	<b>16,180,564</b>
<b>Business-Type Activities</b>				
<b>Charges for Services</b>				
Water	12,530,784	10,334,839	9,237,474	8,629,300
Wastewater	10,986,322	9,515,078	9,695,363	9,054,820
Operating Contributions and Grants		166,030		51,196
Capital Contributions and Grants		166,030	773,751	448,415
<b>Total Business-Type Activities Program Revenues</b>	<b>23,517,106</b>	<b>20,181,977</b>	<b>19,706,588</b>	<b>18,183,731</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 34,014,478</b>	<b>\$ 38,775,409</b>	<b>\$ 48,653,511</b>	<b>\$ 34,364,295</b>

Source: Comprehensive Annual Financial Reports - City of Yuba, California

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 4,779,423	\$ 4,320,708	\$ 4,016,418	\$ 4,141,515	\$ 4,393,129	\$ 4,374,344
23,727,230	23,298,449	24,602,053	23,803,495	24,980,039	24,894,058
3,619,636	2,039,732	2,352,919	2,327,384	3,536,186	2,244,504
12,561,736	13,746,466	14,378,965	14,679,065	15,409,666	14,888,082
4,876,451	3,466,209	1,837,460	2,681,441	1,292,742	5,438,612
5,832,196	3,186,505	2,963,697	918,815	843,038	753,437
55,396,672	50,058,069	50,151,512	48,551,715	50,454,800	52,593,037
9,758,320	9,819,001	10,785,207	10,931,144	10,726,296	11,512,906
9,746,836	9,865,739	10,051,516	9,912,472	10,061,207	9,777,819
19,505,156	19,684,740	20,836,723	20,843,616	20,787,503	21,290,725
\$ 74,901,828	\$ 69,742,809	\$ 70,988,235	\$ 69,395,331	\$ 71,242,303	\$ 73,883,762
\$ 24,097	\$ 18,203	\$ 74,070	\$ 30,072	\$ 53,769	\$ 75,309
2,355,913	2,502,798	2,376,915	2,576,302	2,556,336	2,626,869
1,237,924	1,223,333	1,202,537	1,153,643	1,134,791	975,052
497,209	396,971	419,187	473,896	418,210	424,353
940,205	920,703	932,856	983,285	1,520,681	1,458,308
3,814,256	3,354,619	3,582,211	3,995,600	5,231,043	3,546,059
9,550,250	8,344,346	4,514,869	6,583,249	5,955,999	4,623,083
18,419,854	16,760,973	13,102,645	15,796,047	16,870,829	13,729,033
8,653,769	8,824,154	9,592,893	11,177,162	11,794,764	11,021,165
9,353,229	9,523,380	9,745,996	10,869,354	11,863,241	12,505,064
3,810,219	499,259	68,186	1,447,342		
523,868				3,862,488	8,098,514
22,341,085	18,846,793	19,407,075	23,493,858	27,520,493	31,624,743
\$ 40,760,939	\$ 35,607,766	\$ 32,509,720	\$ 39,289,905	\$ 44,391,322	\$ 45,353,776

**CITY OF YUBA CITY**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

	Fiscal Year			
	2006	2007	2008	2009
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (26,482,591)	\$ (30,154,250)	\$ (23,468,253)	\$ (38,198,294)
Business-Type Activities	7,851,626	1,978,132	250,508	(1,552,209)
<b>Total Primary Government Net Expense</b>	<b>(18,630,965)</b>	<b>(28,176,118)</b>	<b>(23,217,745)</b>	<b>(39,750,503)</b>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes				
Secured and unsecured property taxes	15,379,341	17,976,967	18,211,784	17,946,109
Sales and use taxes	9,133,964	7,700,082	7,593,904	6,759,997
Transient lodging taxes	584,771	664,856	744,133	648,209
Franchise taxes	1,264,092	1,377,674	1,374,274	1,431,844
Other and public service taxes	367,687	238,980	1,008,694	960,949
Grants and Contributions - Unrestricted	395,439	369,722	313,876	238,821
Interest and Investment Earnings	4,260,089	5,531,403	6,666,935	5,006,289
Miscellaneous	409,790	728,673	506,607	7,062
Sale of capital assets			100,535	25,815
Transfers	2,229,069	3,639,983	1,733,485	2,727,978
<b>Total Governmental Activities</b>	<b>34,024,242</b>	<b>38,228,340</b>	<b>38,254,227</b>	<b>35,753,073</b>
Business-Type Activities				
Interest and Investment Earnings	1,718,768	1,560,862	1,774,540	1,309,171
Sale of capital assets			(912)	
Transfers	(2,229,069)	(3,639,983)	(1,733,485)	(2,727,978)
<b>Total Business-Type Activities</b>	<b>(510,301)</b>	<b>(2,079,121)</b>	<b>40,143</b>	<b>(1,418,807)</b>
<b>Total Primary Government</b>	<b>33,513,941</b>	<b>36,149,219</b>	<b>38,294,370</b>	<b>34,334,266</b>
<b>Change in Net Position</b>				
Governmental Activities	7,541,651	8,074,090	14,785,974	(2,445,221)
Business-Type Activities	7,341,325	(267,019)	290,651	(2,971,016)
<b>Total Primary Government</b>	<b>\$ 14,882,976</b>	<b>\$ 7,807,071</b>	<b>\$ 15,076,625</b>	<b>\$ (5,416,237)</b>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002/03.

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ (36,976,818)	\$ (33,297,096)	\$ (37,048,867)	\$ (32,755,668)	\$ (33,583,971)	\$ (38,864,004)
2,835,929	(837,947)	(1,429,648)	2,650,242	6,732,990	10,334,018
(34,140,889)	(34,135,043)	(38,478,515)	(30,105,426)	(26,850,981)	(28,529,986)
17,216,421	16,616,162	14,258,572	13,035,024	13,203,137	11,003,670
7,009,127	7,261,010	7,797,443	8,077,442	8,304,105	11,864,667
530,582	651,970	637,662	626,485	696,092	816,356
1,357,607	1,351,524	1,454,956	1,513,729	1,581,936	1,764,820
864,948	926,680	904,052	919,624	997,047	1,567,630
209,236	295,509	32,438	33,612	27,933	26,982
4,193,845	928,351	757,501	191,015	734,621	668,306
244,794	516,964	1,038,920	81,433	741,795	1,022,209
				96,458	89,804
3,035,849	2,891,445	3,286,481	3,822,793	3,400,139	3,422,409
34,662,409	31,439,615	30,168,025	28,301,157	29,783,263	32,246,853
429,220	308,866	304,896	490,627	248,809	170,129
(3,035,849)	(2,891,445)	(3,286,481)	(3,822,793)	(3,400,139)	(3,422,409)
(2,606,629)	(2,582,579)	(2,981,585)	(3,332,166)	(3,151,330)	(3,252,280)
32,055,780	28,857,036	27,186,440	24,968,991	26,631,933	28,994,573
(2,314,409)	(1,857,481)	(6,880,842)	(4,454,511)	(3,800,708)	(6,617,151)
229,300	(3,420,526)	(4,411,233)	(681,924)	3,581,660	7,081,738
\$ (2,085,109)	\$ (5,278,007)	\$ (11,292,075)	\$ (5,136,435)	\$ (219,048)	\$ 464,587

**CITY OF YUBA CITY**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 20,508,445	\$ 22,364,092	\$ 24,558,967	\$ 26,888,182	\$ 29,609,352
Unreserved	3,833,519	4,033,423	3,881,024	5,465,445	4,958,082
<b>Total General Fund</b>	<b>\$24,341,964</b>	<b>\$26,397,515</b>	<b>\$28,439,991</b>	<b>\$32,353,627</b>	<b>\$34,567,434</b>
All Other Governmental Funds					
Reserved	\$ 7,779,152	\$ 28,249,617	\$ 29,430,138	\$ 13,583,533	\$ 13,439,946
Unreserved, Reported In:					
Special Revenue Funds	6,174,368	23,093,007	13,359,772	5,783,782	4,902,184
Debt Service Funds	(19,953,937)	(20,904,593)	(24,144,263)	(26,558,689)	(29,214,558)
Capital Projects Funds	20,992,418	8,536,048	9,231,060	17,534,282	13,109,881
<b>Total All Other Governmental Funds</b>	<b>14,992,001</b>	<b>38,974,079</b>	<b>27,876,707</b>	<b>10,342,908</b>	<b>2,237,453</b>
<b>Total Governmental Funds</b>	<b>\$39,333,965</b>	<b>\$65,371,594</b>	<b>\$56,316,698</b>	<b>\$42,696,535</b>	<b>\$36,804,887</b>

General Fund  
Nonspendable  
Committed  
Unassigned

Total General Fund

All Other Governmental Funds  
Nonspendable  
Restricted  
Committed  
Assigned  
Unassigned

Total All Other Governmental Funds

Total Governmental Funds

\* GASB 54 implemented in fiscal year 10/11

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

Fiscal Year

2011*	2012	2013	2014	2015
\$ 18,577,928	\$ 11,036,331	\$ 11,087,802	\$ 11,097,202	\$ 11,137,155
4,675,251	4,252,629	3,905,424	4,541,557	4,541,557
3,629,782	3,967,340	4,252,782	4,530,069	6,304,518
26,882,961	19,256,300	19,246,008	20,168,828	21,983,230
272		2,933,989	3,032,704	
14,430,465	9,324,531	9,141,002	10,865,600	11,261,234
13,968,017	12,167,982	11,468,379	8,234,627	8,168,404
161,996				
(18,873,149)	(263,157)	(447)	(1,917)	(530,072)
9,687,601	21,229,356	23,542,923	22,131,014	18,899,566
\$ 36,570,562	\$ 40,485,656	\$ 42,788,931	\$ 42,299,842	\$ 40,882,796

**CITY OF YUBA CITY**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2006	2007	2008	2009
<b>Revenues</b>				
Taxes and Assessments	\$ 28,383,087	\$ 30,457,191	\$ 30,845,525	\$ 30,417,648
Licenses, Permits and Fees	1,921,772	1,181,053	1,353,822	764,696
Fines and Forfeitures	455,367	639,271	815,815	677,402
Use of Money and Property	3,946,664	5,181,876	6,106,793	4,552,206
Intergovernmental Revenues	3,320,112	3,817,490	5,329,618	3,433,937
Charges for Services	2,760,809	9,295,190	5,294,303	6,803,599
Other Revenue	409,790	868,266	529,093	590,307
<b>Total Revenues</b>	<b>41,197,601</b>	<b>51,440,337</b>	<b>50,274,969</b>	<b>47,239,795</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	4,620,359	5,014,327	5,152,199	4,858,367
Public Safety	16,828,712	20,023,229	22,847,118	23,674,889
Parks and Recreation	3,148,167	3,659,681	3,955,688	3,878,488
Public works and facilities	3,875,836	3,793,741	3,382,147	3,173,448
Community Development	3,908,345	5,236,196	3,673,956	3,806,050
Pension expenditures		7,498,612		
<b>Debt Service</b>				
Principal Retirement	333,908	384,874	1,059,894	1,811,502
Interest and Fiscal Charges	3,010,277	3,669,126	5,011,466	5,582,117
Bond Issue Cost		1,270,865		
Capital Outlay	7,319,763	16,128,372	22,118,800	16,803,075
<b>Total Expenditures</b>	<b>43,045,367</b>	<b>66,679,023</b>	<b>67,201,268</b>	<b>63,587,936</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,847,766)</b>	<b>(15,238,686)</b>	<b>(16,926,299)</b>	<b>(16,348,141)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	11,514,364	24,040,452	49,398,274	22,406,863
Transfers Out	(9,553,285)	(20,707,525)	(47,850,239)	(19,678,885)
Issuance of debt			6,323,368	
Payments to Refunding Agents		7,685,000		
Loan Proceeds		1,522,332		
Certificates of Participation Issued		12,500,000		
Tax Allocation Bond Issued		16,000,000		
Premium on Tax Allocation Bond		236,056		
<b>Total Other Financing Sources (Uses)</b>	<b>1,961,079</b>	<b>41,276,315</b>	<b>7,871,403</b>	<b>2,727,978</b>
<b>Extraordinary Item</b>				
<b>Net Change In Fund Balances</b>	<b>\$113,313</b>	<b>\$26,037,629</b>	<b>(\$9,054,896)</b>	<b>(\$13,620,163)</b>
<b>Debt Service as a percentage</b>				
of non-capital expenditures <sup>1</sup>	9.4%	12.4%	13.5%	15.8%

<sup>1</sup>For 2008, 2009, 2010, 2011, 2012, and 2013 the debt service as a percentage of noncapital expenditures was calculated by excluding the capital outlay expenditure amount from the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.  
Source: Comprehensive Annual Financial Reports - City of Yuba City, California

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 28,563,525	\$ 31,388,057	\$ 28,723,364	\$ 27,711,200	\$ 29,087,598	\$ 30,455,874
761,033	724,090	573,925	669,358	1,133,736	1,110,842
490,881	483,956	421,957	334,341	276,227	306,313
3,801,345	658,589	540,838	161,313	510,789	389,897
8,043,366	4,173,926	2,481,818	5,007,541	5,024,014	3,677,430
5,620,730	6,633,906	4,881,860	5,455,241	6,105,051	4,031,027
1,207,407	809,902	3,417,534	2,594,920	931,392	1,480,987
48,488,287	44,872,426	41,041,296	41,933,914	43,068,807	41,452,370
4,354,742	3,403,128	3,534,513	3,692,914	3,863,559	3,848,744
23,163,001	22,857,469	22,848,034	23,408,117	24,164,207	23,832,458
3,628,957	1,989,822	2,047,812	2,037,572	3,283,707	1,942,989
3,681,891	5,265,598	4,612,500	4,625,359	4,551,124	4,621,709
5,578,721	4,218,060	2,216,260	2,371,335	1,281,553	5,598,687
1,931,391	2,037,244	2,154,096	1,776,320	1,920,032	1,986,833
5,746,734	3,107,770	2,928,812	885,016	852,225	766,055
9,330,347	7,858,187	5,505,424	5,624,286	5,201,065	4,612,112
57,415,784	50,737,278	45,847,451	44,420,919	45,117,472	47,209,587
(8,927,497)	(5,864,852)	(4,806,155)	(2,487,005)	(2,048,665)	(5,757,217)
24,505,212	24,888,036	13,915,016	10,854,900	9,901,040	9,529,509
(21,469,363)	(19,257,509)	(10,628,535)	(7,410,107)	(6,500,901)	(6,107,100)
			1,345,487		1,111,615
3,035,849	5,630,527	3,286,481	4,790,280	3,400,139	4,534,024
		5,434,768			
(\$5,891,648)	(\$234,325)	\$3,915,094	\$2,303,275	\$1,351,474	(\$1,223,193)
15.9%	12.0%	12.6%	6.9%	6.9%	6.5%

**CITY OF YUBA CITY**  
**ASSESSED VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Real Property	Personal Property	Less: Tax-Exempt Real Property	Total Taxable Assessed Value <sup>1</sup>	Total Direct Tax Rate
2006	\$ 3,291,827,504	\$ 344,080,281	\$ 134,077,257	\$ 3,501,830,528	1.06380%
2007	3,976,368,405	393,419,411	135,691,517	4,234,096,299	1.06840%
2008	4,362,825,195	398,556,414	148,818,949	4,612,562,660	1.07670%
2009	4,620,231,165	383,764,855	268,912,438	4,735,083,582	1.07503%
2010	4,476,330,929	395,589,268	289,743,659	4,582,176,538	1.11124%
2011	4,385,775,665	373,906,661	314,536,993	4,445,145,333	1.09676%
2012	4,260,834,085	354,476,862	336,512,532	4,278,798,415	1.10541%
2013	4,122,453,319	366,518,780	288,135,271	4,200,836,828	1.11033%
2014	4,196,228,276	343,103,021	305,053,071	4,234,278,226	1.11574%
2015	4,429,291,191	346,898,386	311,355,267	4,464,834,310	1.11381%

<sup>1</sup> Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value as it appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased to reflect:

- a) annual inflation up to 2 percent
- b) current market value at time of ownership change;
- c) market value for new construction

Note: Estimated actual value of taxable property cannot easily be determined as the property in the City is not reassessed annually. Reassessment normally occurs when ownership changes.

Source: Sutter County Tax Collector/Treasurer

**CITY OF YUBA CITY**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES<sup>1</sup>**  
**LAST TEN FISCAL YEARS**

Fiscal Year	County Direct Rate <sup>2</sup>	Yuba City Unified and Community College Bond	Field Bond	Total Rate
2006	1.00000	0.06380	-	1.06380
2007	1.00000	0.06840	-	1.06840
2008	1.00000	0.07670	-	1.07670
2009	1.00000	0.07503	-	1.07503
2010	1.00000	0.11124	-	1.11124
2011	1.00000	0.09676	-	1.09676
2012	1.00000	0.10541	-	1.10541
2013	1.00000	0.11033	-	1.11033
2014	1.00000	0.11574	-	1.11574
2015	1.00000	0.11381	-	1.11381

<sup>1</sup> On June 6, 1978, California voters approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, that limits the taxing power of California public agencies. Legislation to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that notwithstanding any other law, local agencies may not levy property taxes except to pay debt service on indebtedness approved by voters prior to July 1, 1978 or on bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the voting public.

<sup>2</sup> Proposition 13 allows each county to levy a maximum of \$1 per \$100 of full cash value. Full cash value is equivalent to assessed value pursuant to Statutes of 1978, Senate Bill 1656.

Source: Sutter County Auditor-Controller

**CITY OF YUBA CITY  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>Fiscal Year 2015</u>			<u>Fiscal Year 2006</u>		
	<u>Taxable Assessed Value<sup>1</sup></u>	<u>Percent Of Total Assessed Valuation</u>	<u>Rank</u>	<u>Taxable Assessed Value<sup>1</sup></u>	<u>Percent Of Total Assessed Valuation</u>	<u>Rank</u>
Sunsweet Growers Inc.	\$ 79,047,032	1.77%	1	N/A	N/A	N/A
Wal Mart Stores Inc./Sam's West	42,549,104	0.95%	2	N/A	N/A	N/A
Miravista LLC	33,600,000	0.75%	3	N/A	N/A	N/A
Sutter Medical Foundation	31,678,782	0.71%	4	N/A	N/A	N/A
Yuba City Company - Generation LP	30,270,000	0.68%	5	N/A	N/A	N/A
CSFB	27,035,227	0.61%	6	N/A	N/A	N/A
Greenleaf Unit Two Associates	24,366,818	0.55%	7	N/A	N/A	N/A
Comcast	24,166,081	0.54%	8	N/A	N/A	N/A
Feather River Energy Center LLC	19,799,140	0.44%	9	N/A	N/A	N/A
Kats River Oaks	19,316,462	0.43%	10	N/A	N/A	N/A
	<u>\$ 331,828,646</u>	<u>7.43%</u>		<u>\$ -</u>		

<sup>1</sup> Taxable assessed value includes tax assessments on real and personal properties.

Source: Sutter County Assessor

N/A - data not available

**CITY OF YUBA CITY**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year			Collections within the Fiscal Year of the Levy	
	City	RDA/Successor Agency	Total <sup>1</sup>	Amount	Percent of Levy
2006	\$ 5,108,389	\$ 3,031,149	\$ 8,139,538	\$ 8,139,538	100.00%
2007	6,529,780	3,533,990	10,063,770	10,063,770	100.00%
2008	7,148,318	3,338,218	10,486,536	10,486,536	100.00%
2009	7,091,491	3,712,359	10,803,850	10,803,850	100.00%
2010	6,812,588	3,512,956	10,325,544	10,325,544	100.00%
2011	6,398,070	3,476,567	9,874,637	9,874,637	100.00%
2012	6,013,572	3,121,923	9,135,495	9,135,495	100.00%
2013	6,203,157	3,149,668	9,352,825	9,352,825	100.00%
2014	6,276,524	2,790,734	9,067,258	9,067,258	100.00%
2015	6,645,580	2,772,586	9,418,166	9,418,166	100.00%

<sup>1</sup> Schedule excludes unitary tax.

<sup>2</sup> Yuba City is part of Sutter County which adopted the Teeter Plan in the 1993/94 fiscal year.

Source: Sutter County Tax Collector/Treasurer

**CITY OF YUBA CITY**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Governmental Activities							
Fiscal Year	Tax Allocation Revenue Bonds	Loans Payable	Certificates of Participation	Pension Obligation Bonds	Net Pension Liability	Capital Lease Payable	Total <sup>2</sup>
2006	\$ 20,500,000	\$ -	\$ -	\$ -	\$ -	\$ 828,262	\$ 21,328,262
2007	36,255,000	1,479,727	12,500,000	7,685,000	-	730,993	58,650,720
2008	36,005,000	1,819,241	12,265,000	7,255,000	-	6,569,953	63,914,194
2009	35,615,000	1,774,102	12,020,000	6,725,000	-	5,968,590	62,102,692
2010	35,200,000	1,727,641	11,765,000	6,135,000	-	5,343,660	60,171,301
2011	34,775,000	1,679,818	11,500,000	5,485,000	-	4,694,239	58,134,057
2012	-	-	11,230,000	4,770,000	-	4,019,367	20,019,367
2013	-	-	10,945,000	3,980,000	-	4,663,534	19,588,534
2014	-	279,125	10,650,000	3,115,000	-	3,924,677	17,968,802
2015	-	254,100	10,345,000	2,165,000	39,545,106	4,329,484	56,638,690

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

<sup>1</sup> See Demographic and Economic Indicators schedule for personal income and population data.

<sup>2</sup> Totals do not include other post-employment benefits payable or compensated absences.

n/a: not available

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

Business-Type Activities

Revenue Bonds Payable	Certificates of Participation	Loans Payable	Net Pension Liability	Capital Lease Payable	Total <sup>2</sup>	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
\$ -	\$ 50,410,000	\$ -	\$ -	\$ -	\$ 50,410,000	\$ 71,738,262	4.63%	1,186
-	49,910,769	-	-	-	49,910,769	108,561,489	6.60%	1,749
-	48,372,698	-	-	2,279,648	50,652,346	114,566,540	6.85%	1,809
-	47,317,394	-	-	-	47,317,394	109,420,086	7.63%	1,719
-	46,219,126	-	-	-	46,219,126	106,390,427	n/a	1,627
-	41,357,111	9,338,324	-	-	50,695,435	108,829,492	8.46%	1,660
9,101,310	29,897,484	24,309,381	-	-	63,308,175	83,327,542	6.44%	1,276
29,594,158	7,545,656	24,762,085	-	-	61,901,899	81,490,433	6.17%	1,238
36,218,737	-	29,284,569	-	-	65,503,306	83,472,108	6.22%	1,271
34,688,000	-	32,036,454	7,918,971	1,117,576	75,761,001	132,399,691	9.45%	1,995

**CITY OF YUBA CITY**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income <sup>1</sup>	Percentage of Total Taxable Assessed Value <sup>2</sup>	Per Capita <sup>1</sup>
	Certificates of Participation	Pension Obligation Bonds	Total			
2006	\$ -	\$ -	\$ -	0.05%	0.02%	\$ 14
2007	12,500,000	7,685,000	20,185,000	1.27%	0.49%	337
2008	12,265,000	7,255,000	19,520,000	1.17%	0.42%	308
2009	12,020,000	6,725,000	18,745,000	1.31%	0.40%	295
2010	11,765,000	6,135,000	17,900,000	n/a	0.39%	274
2011	11,500,000	5,485,000	16,985,000	1.32%	0.38%	259
2012	11,230,000	4,770,000	16,000,000	1.24%	0.37%	245
2013	10,945,000	3,980,000	14,925,000	1.13%	0.36%	227
2014	10,650,000	3,115,000	13,765,000	1.03%	0.33%	210
2015	10,345,000	2,165,000	12,510,000	0.89%	0.28%	176

<sup>1</sup> See Demographic and Economic Indicators schedule for personal income and population data.

<sup>2</sup> See Assessed Value and Actual Value of Taxable Property schedule for property value data.

n/a - not available

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

**CITY OF YUBA CITY**  
**DIRECT AND OVERLAPPING DEBT GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2015**

	Percent Applicable <sup>1</sup>	Debt June 30, 2015
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>		
Yuba Joint Community College District	16.981%	\$ 21,157,630
Sutter Union High School District	0.313%	36,425
Yuba City Unified School District School Facilities Improvement District No. 99-1	72.266%	11,770,574
Yuba City Unified School District School Facilities Improvement District No. 2004-1	73.491%	14,656,090
City of Yuba City Community Facilities District No. 2004-1	100.000%	2,695,000
City of Yuba City 1915 Act Bonds	100.000%	3,286,122
California Statewide Communities Development Authority 1915 Act Bonds	100.000%	377,309
Sutter Butte Flood Control Agency Assessment District	56.763%	<u>50,011,041</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<u><b>103,990,191</b></u>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>		
Sutter County Certificates of Participation	54.922%	648,080
Sutter County Board of Education Certificates of Participation	54.922%	2,776,307
Yuba Joint Community College District Certificates of Participation	16.981%	2,794,344
Yuba City Unified School District Certificates of Participation	79.654%	19,112,977
City of Yuba City Certificates of Participation	100.000%	<b>10,345,000</b>
City of Yuba City Capital Leases Payable	100.000%	<b>4,329,484</b>
City of Yuba City Sutter County Loan	100.000%	<b>254,100</b>
City of Yuba City Pension Obligations	100.000%	<u><b>2,165,000</b></u>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		<u><b>42,425,292</b></u>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</b>	100.000%	<u><b>32,605,000</b></u>
<b>COMBINED TOTAL DEBT</b>		<u><u><b>\$ 179,020,483</b></u></u> <sup>2</sup>
<b>TOTAL DIRECT DEBT</b>		<u><b>\$ 17,093,584</b></u>
<b>TOTAL OVERLAPPING DEBT</b>		<u><b>161,926,899</b></u>
<b>COMBINED TOTAL DEBT</b>		<u><u><b>\$ 179,020,483</b></u></u> <sup>2</sup>

<sup>1</sup> The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of overlapping district's assessed value that is within the boundaries of the City, divided by the District's total taxable assessed value.

<sup>2</sup> Excludes business-type activities debt.

**RATIOS TO 2013-14 ASSESSED VALUATION:**

Total Overlapping Tax and Assessment Debt	1.81%
Combined Direct Debt (\$13,765,000)	0.33%
Combined Total Debt	3.54%

**RATIOS TO REDEVELOPMENT INCREMENTAL VALUATION (\$342,393,875):**

Total Overlapping Tax Increment Debt	9.70%
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Source: California Municipal Statistics

**CITY OF YUBA CITY**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

	Fiscal year			
	2006	2007	2008	2009
Total assessed value of all real and personal property	\$ 3,501,830,528	\$ 4,234,096,299	\$ 4,612,562,660	\$ 4,735,083,582
Debt limit percentage	3.75%	3.75%	3.75%	3.75%
Total debt limit	131,318,645	158,778,611	172,971,100	177,565,634
Amount application to debt limit	828,262	20,915,993	26,089,953	24,713,590
Legal debt margin	<u>\$ 524,446,317</u>	<u>\$ 614,198,452</u>	<u>\$ 146,881,147</u>	<u>\$ 152,852,044</u>
Total net debt applicable to the limit as a percentage of debt limit	0.63%	13.17%	15.08%	13.92%

Note: California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. Thus the limit shown is 3.75% (1/4 of 15%).

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

Fiscal year					
2010	2011	2012	2013	2014	2015
\$4,582,176,538	\$4,445,145,333	\$ 4,278,798,415	\$ 4,200,836,828	\$ 4,234,278,226	\$ 4,464,834,310
3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
171,831,620	166,692,950	160,454,941	157,531,381	158,785,433	167,431,287
23,243,660	21,679,239	20,019,367	21,914,591	13,765,000	17,093,584
<u>\$ 148,587,960</u>	<u>\$ 145,013,711</u>	<u>\$ 140,435,574</u>	<u>\$ 135,616,790</u>	<u>\$ 145,020,433</u>	<u>\$ 150,337,703</u>
13.53%	13.01%	12.48%	13.91%	8.67%	10.21%

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**CITY OF YUBA CITY**  
**PLEDGED REVENUE COVERAGE**  
**GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

Tax Allocation Revenue Bonds

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Fiscal Year	Property Tax Increment	Principal	Interest	Coverage
2006	\$ 3,078,442	\$ 190,000	\$ 1,160,656	2.28
2007	3,584,401	287,605	1,232,577	2.36
2008	3,338,218	250,000	1,708,563	1.70
2009	3,712,359	390,000	1,966,559	1.58
2010	3,512,956	415,000	1,950,034	1.49
2011	3,476,567	425,000	1,932,096	1.47
2012	3,121,923	445,000	1,906,208	1.33
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-

Loans Payable

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Fiscal Year	Principal	Interest
2006	\$ -	\$ -
2007	-	410,276
2008	43,854	53,946
2009	45,139	52,642
2010	46,461	51,301
2011	47,823	49,919
2012	49,224	48,023
2013	-	-
2014	21,175	1,289
2015	25,025	3,098

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. Operating expenses do not include interest, depreciation or amortization.

Note: As of June 30, 2013, pledged revenue for governmental fund debt was zero, due to transfer of liabilities to Successor Agency.

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

**CITY OF YUBA CITY**  
**PLEDGED REVENUE COVERAGE**  
**PROPRIETARY FUNDS**  
**LAST TEN FISCAL YEARS**

Water Revenue Bonds

Fiscal Year	Operating Revenue	Adjusted Operating Expenses	Other Allowed Sources (Uses)	Net Available Revenue	Principal	Interest	Coverage
2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2007	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-

Sewer Revenue Bonds

Fiscal Year	Operating Revenue	Adjusted Operating Expenses	Other Allowed Sources (Uses)	Net Available Revenue	Principal	Interest	Coverage
2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2007	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-

Note: Does not include 2000 Wastewater Certificates of Participation debt defeased of \$9,670,000.

Note: 2002 Wastewater Certificates of Participation were defeased in fiscal year 11/12.

Note: 2005 Water Certificates of Participation were defeased in fiscal year 12/13.

Note: 2007 Wastewater Certificates of Participation were defeased in fiscal year 13/14.

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. Operating expenses do not include interest, depreciation or amortization.

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

Water Certificates of Participation, SRF Loans, and Revenue Refunding Bonds

Operating Revenue	Adjusted Operating Expenses	Use of Stabilization Reserve	Other Allowed Sources (Uses)	Net Available Revenue	Principal	Interest	Coverage
\$ 12,530,784	\$ (4,449,497)	\$ -	\$ (370,244)	\$ 7,711,043	\$ 910,000	\$ 1,008,170	4.02
10,334,839	(4,911,422)	-	(392,296)	5,031,121	525,000	1,291,689	2.77
9,237,474	(5,457,677)	-	(324,810)	3,454,987	550,000	1,267,282	1.90
8,629,300	(5,202,852)	-	(634,882)	2,791,566	575,000	1,241,738	1.54
8,653,769	(4,816,519)	290,290	(1,949,504)	2,178,036	600,000	1,215,030	1.20
8,824,154	(4,770,068)	-	(1,709,289)	2,344,797	630,000	1,190,095	1.29
9,592,893	(4,980,680)	-	(1,762,644)	2,849,569	485,000	1,283,128	1.61
11,177,162	(4,286,748)	-	(1,555,502)	5,334,912	1,471,087	1,539,209	1.77
11,794,764	(4,815,664)	-	(1,774,750)	5,204,350	1,768,787	1,146,362	1.79
11,021,165	(5,349,921)	-	(1,502,285)	4,168,959	1,817,019	1,102,835	1.43

Wastewater Certificates of Participation and Revenue Refunding Bonds

Operating Revenue	Adjusted Operating Expenses	Use of Stabilization Reserve	Other Allowed Sources (Uses)	Net Available Revenue	Principal	Interest	Coverage
\$ 10,986,322	\$ (5,600,344)	\$ -	\$ (511,629)	\$ 4,874,349	\$ 385,000	\$ 1,110,199	3.26
9,515,078	(5,846,877)	-	(254,145)	3,414,056	405,000	1,081,644	2.30
9,695,363	(6,046,042)	-	628,595	4,277,916	469,135	976,312	2.96
9,070,420	(5,937,384)	-	(265,983)	2,867,053	501,061	953,151	1.97
9,353,229	(5,823,559)	-	(673,042)	2,856,628	519,025	931,520	1.97
9,523,380	(5,732,765)	-	(873,291)	2,917,324	542,772	911,317	2.01
9,745,996	(6,135,668)	-	(1,218,941)	2,391,387	757,341	847,575	1.49
10,869,354	(5,987,918)	-	(1,776,664)	3,104,772	642,763	724,756	2.27
11,863,241	(5,852,523)	-	(1,376,580)	4,634,138	810,373	756,338	2.96
12,505,064	(6,010,491)	-	(1,749,995)	4,744,578	750,966	612,867	3.48

**CITY OF YUBA CITY**  
**DEMOGRAPHIC STATISTICS**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Population <sup>1</sup>	Personal Income <sup>2</sup>		School Enrollment <sup>3</sup>	Unemployment Rate <sup>4</sup>	City Square Miles <sup>5</sup>
		Total (in thousands)	Per Capita			
2006	60,507	1,549,100	25,602	12,237	10.6%	13.89
2007	62,083	1,643,647	26,475	13,060	10.0%	13.94
2008	63,338	1,671,553	26,391	12,758	11.8%	14.58
2009	63,647	1,433,595	22,634	12,842	12.3%	14.58
2010	65,372	n/a	n/a	12,670	21.6%	14.65
2011	65,569	1,286,479	19,620	12,746	21.9%	14.65
2012	65,300	1,294,547	19,825	12,734	17.7%	14.65
2013	65,841	1,321,604	20,073	12,779	14.0%	14.65
2014	65,677	1,342,164	20,436	12,822	12.6%	14.91
2015	66,363	1,400,858	21,109	12,751	9.6%	14.91

<sup>1</sup> Source: California Department of Finance

<sup>2</sup> Source: California Franchise Tax Board

<sup>3</sup> Source: Yuba City Unified School District

<sup>4</sup> Source: California Employment Development Department

<sup>5</sup> Source: Yuba City Engineering Department

n/a: not available

**CITY OF YUBA CITY  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>Fiscal Year 2015</u>			<u>Fiscal Year 2006</u>		
	<u>Employees</u>	<u>Percent of Total Employment</u>	<u>Rank</u>	<u>Employees</u>	<u>Percent of Total Employment</u>	<u>Rank</u>
Fremont Rideout Medical	2,100	6.69%	1	N/A	N/A	N/A
Yuba City Unified School District	1,392	4.43%	2	N/A	N/A	N/A
County of Sutter	847	2.70%	3	N/A	N/A	N/A
Sunsweet Growers	610	1.94%	4	N/A	N/A	N/A
Wal-Mart	525	1.67%	5	N/A	N/A	N/A
Sutter North Medical	450	1.43%	6	N/A	N/A	N/A
City of Yuba City	305	0.97%	7	N/A	N/A	N/A
Target	200	0.64%	8	N/A	N/A	N/A
Sam's Club	187	0.60%	9	N/A	N/A	N/A
Bel Air/Raley's	172	0.55%	10	N/A	N/A	N/A
	6,788	21.62%				

Source: City of Yuba City Economic Development Division

N/A - Data not available

**CITY OF YUBA CITY**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES**  
**BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

	Fiscal Year			
	2006	2007	2008	2009
Governmental Activities				
General Government				
City manager	3.00	2.00	2.00	2.00
Finance	16.00	16.00	16.00	16.60
General services	4.00	4.00	4.00	4.00
Human resources	6.00	6.00	6.00	5.50
Public Safety				
Police	97.50	102.50	102.50	103.50
Fire	49.10	52.10	52.10	55.10
Parks and Recreation	28.00	30.50	32.50	31.73
Public Works and facilities				
Administration	2.00	2.00	2.00	3.00
Custodial	9.75	11.75	11.75	11.75
Streets	10.50	10.30	10.30	10.23
Engineering	8.00	8.00	6.00	8.00
Electrical maintenance	4.10	4.10	4.10	4.08
Community Development				
Planning	7.00	5.00	5.00	4.00
Building inspection	11.00	12.00	10.00	10.00
Economic development	2.60	2.60	1.60	1.00
Water	27.60	29.50	27.95	28.73
Wastewater	33.80	36.10	36.65	37.73
Vehicle maintenance	5.25	5.25	5.25	5.25
SBFCA				
Total Full-Time Equivalent Employees	325.20	339.70	335.70	342.20

Source: City of Yuba City Finance Department

Fiscal Year					
2010	2011	2012	2013	2014	2015
4.00	3.75	3.50	3.50	3.50	3.00
13.52	13.52	13.00	13.00	13.00	13.00
4.00	4.00	5.00	5.00	5.00	5.00
4.50	3.50	3.00	3.00	3.00	3.00
101.50	91.50	91.50	91.50	91.50	91.50
55.10	55.10	55.00	55.00	55.00	48.00
26.24	20.23	18.23	18.23	23.98	24.10
3.00	3.75	2.00	1.30	1.30	1.30
9.75	5.00	5.00	5.00	5.00	5.00
9.23	9.23	9.23	9.23	9.23	9.24
10.00	10.00	10.00	12.00	12.00	11.00
1.08	0.88	0.88	0.88	0.88	0.88
3.00	3.00	4.00	4.00	3.00	3.00
6.00	5.00	5.00	5.00	6.00	5.00
1.00	1.00	1.00	1.00	1.00	1.00
29.58	24.58	25.43	24.13	24.13	24.19
38.88	35.08	36.23	34.13	35.13	35.19
5.25	4.25	4.00	4.10	4.10	4.10
				1.00	1.00
325.63	293.37	292.00	290.00	297.75	288.50

**CITY OF YUBA CITY  
OPERATING INDICATORS  
BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2006	2007	2008	2009	2010
<b>Finance</b>					
Utility customers billed	17,100	17,896	17,570	17,628	17,806
<b>Community Development</b>					
Single family dwelling building permits issued	869	292	54	39	37
Land use entitlement applications	119	74	92	42	37
<b>Police</b>					
Citations issued	8,130	10,298	12,597	11,769	8,485
Arrests made	3,126	3,140	3,465	3,452	3,336
Requests for services	58,368	44,593	43,936	48,053	44,856
<b>Fire</b>					
Fire responses	5,852	6,119	6,591	7,169	7,101
Area served (sq. miles)	17.200	17.200	30.000	30.000	30.000
<b>Parks and Recreation</b>					
Classes held	754	320	500	1,182	2,762
Hours of recreation offered	13,977	6,000	5,800	8,190	17,530
Total participants	12,220	7,402	12,500	36,749	93,103
<b>Public Works</b>					
Encroachment permits	122	105	117	83	98
Subdivision agreements	12	3	3	-	-
Capital improvement projects	9	10	17	20	20
Park acres overseen	130.00	130.00	130.00	133.00	133.00
Street maintenance - crack seal (streets)	30	-	52	93	70
Street maintenance - traffic marking paint (gal.)	650	1,175	910	925	538
Street light repairs	304	588	621	468	398
<b>Water</b>					
Water introduced to system (million gallons)	5,435	6,128	6,008	6,220	6,091
Metered water deliveries (hundred cubic feet)	5,229,748	7,404,329	6,010,883	5,976,940	5,450,998
<b>Wastewater</b>					
Effluent (millions of gallons per day)	5.281	6.088	5.366	5.150	6.500

n/a - information was not required to be reported in prior years and was not retained

Source: City of Yuba City Finance Department

Fiscal Year				
2011	2012	2013	2014	2015
17,997	18,338	18,197	18,219	18,700
8	13	41	49	39
26	21	41	37	45
8,831	6,741	7,429	6,172	6,343
3,180	2,989	3,161	3,298	2,878
47,880	46,093	49,648	47,384	45,233
7,302	7,712	8,166	8,513	8,875
30.000	30.000	30.000	30.000	30.000
2,484	3,010	2,552	1,117	1,009
17,217	17,766	15,942	12,838	16,122
78,787	99,102	80,000	60,000	51,021
106	84	85	115	108
-	-	-	-	1
20	15	14	18	16
133.00	133.00	133.00	133.00	133.00
76	72	74	31	66
401	40	30	50	30
414	406	460	435	425
4,985	5,248	5,475	5,260	4,572
5,351,142	6,436,753	7,075,367	6,800,658	5,821,860
5.800	5.900	5.500	5.500	5.500

**CITY OF YUBA CITY  
CAPITAL ASSET STATISTICS  
BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2006	2007	2008	2009	2010
Police					
Stations	1	1	1	1	1
Fire					
Stations	5	5	5	5	5
Public Works					
Streets (centerline miles)	285	285	237	237	237
Street lights	6,000	6,000	6,071	6,071	6,071
Traffic signals	32	32	33	34	34
Parks and Recreation					
Office buildings	1	2	2	3	3
Park acreage	110	110	110	113	113
Playing fields/courts	7	7	7	7	7
Swimming pools	1	1	1	1	1
Water play features	1	1	1	2	2
Water					
Water mains (miles)	233	229	232	260	260
Fire hydrants	2,324	2,317	2,324	2,593	2,593
Storage capacity (million gallons)	14.00	18.00	18.00	18.00	18.00
Treatment capacity (million gallons)	36.3	48.3	48.5	48.5	36.0
Wastewater					
Sewer mains (miles)	158	155	176.5	176.5	176.5
Treatment capacity (million gallons)	7	10.5	10.5	10.5	10.5

n/a - information was not required to be reported in prior years and was not retained

Source: City of Yuba City Finance Department

Fiscal Year				
2011	2012	2013	2014	2015
1	1	1	1	1
5	5	5	5	5
237	237	237	237	237
6,078	6,078	6,078	6,078	6,078
37	37	37	37	37
2	2	2	2	2
113	113	188	188	188
7	7	7	7	7
1	1	1	1	1
2	2	2	2	2
274.7	275	275	275	280
2,684	2,688	2,694	2,703	2,771
21.00	21.00	21.00	21.00	21.00
36.0	36.0	36.0	36.0	36.0
179	179	179	179	179
10.5	10.5	10.5	10.5	10.5