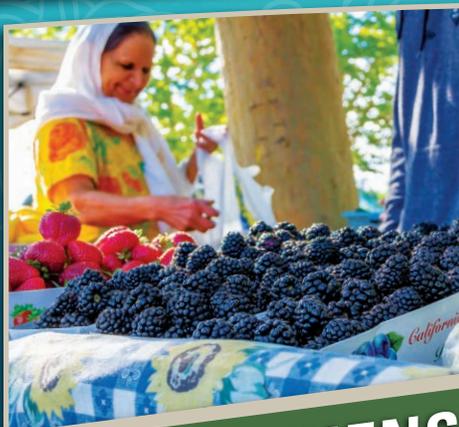
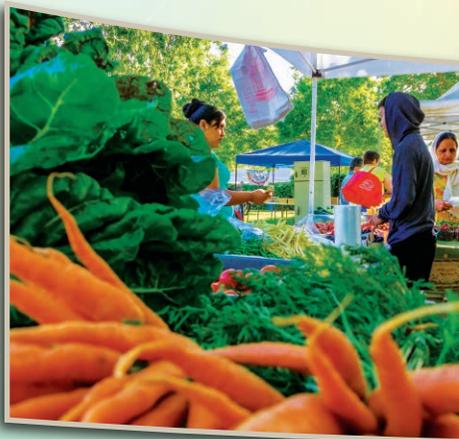


City of

YUBA CITY

California



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING JUNE 30, 2016

**CITY OF YUBA CITY
CALIFORNIA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2016**

**CITY OF YUBA CITY
Finance Department**

Robin Bertagna, CPA
Finance Director

Promoting a Healthy and Active Lifestyle in Yuba City

Yuba City's economy is driven by agriculture and we relish the open space and connection to nature, the land, and our food supply. The City hosts multiple Farmer's Markets throughout the year which provide easily accessible local fruits, vegetables, flowers, and more to our citizens and the surrounding areas. It is no secret that our region is a fun place to live, work and play in, as well. The Yuba City climate and landscape provides unparalleled outdoor recreational opportunities. The Sutter Buttes, for instance, have the largest physical presence of all of our recreational areas with around 45 miles of roads for sightseeing, motoring, and cycling. Participants from near and far gather annually at the base of the Buttes for the well-known Bike Around the Buttes charity ride. This event began in 1984, and now consists of a 17.5 mile course, a 40 mile course, and a 100 mile course. Add that to world class hunting and fishing and it is easy to see why Yuba City is an outdoor destination.

Yuba City's Community Services division also provides structured programs, events, activities and facilities to enhance the quality of life for our youth, adults and seniors in our community. With over 1,000 classes held in 2014-15 for over 51,000 participants, and 188 acres of city parks, the options are abundant. Come visit the wonderful City of Yuba City and check out all we have to offer!

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November 28, 2016

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, 2016. 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, the related U.S. Office of Management and Budget's Circular A-133, and OMB Uniform Guidance (2014). 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 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, 2016, the City implemented the requirements of GASB Statement No. 72, *Fair Value Measurement and Applications*. Implementation of Statement No. 72 had an impact on these financial statements, see Note 2 of the Notes to the Basic 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 68,052 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 13 of the past 14 quarters, the average quarterly results increased by 3.925% per quarter in FY 2015-16 when compared to the same quarter a year earlier. When compared to FY 2005-06, the total increase is equal to 19.1 percent, or an average increase of 1.91 percent over the ten year period. 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 three years, an increase of 19 percent in FY 2013-14, 7.7 percent in FY 2014-15, and 5.8 percent in FY 2015-16. New home construction in Yuba City remains slow following years of significant residential development from 2001 through 2006. As of the end of October, 2016, the City issued 40 new single family dwelling building permits, an increase of 11 percent from the 36 issued through October, 2015. 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 sales 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 four years of data: Up two percent in FY 2013-14, slightly over six percent in FY 2014-15, up about 6.3 percent in FY 2015-16, and just over four percent in FY 2016-17. The increase in FY 2016-17 includes increasing values related to Proposition 8 recapture of \$42.7 million in single family residential properties and \$12.8 million in non-residential properties caused by increasing real estate values. Values increased by \$44.8 million due to the CPI increase of 1.525%. There was also a large increase related to commercial properties, with a total increase in value of \$31.1 million. An additional 3,363 parcels remain under Proposition 8 status, with a total potential recapture of assessed value of \$230 million as long as they do not sell for a lesser value prior to the recapture.

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 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 just sufficient to cover the annual debt service payments on outstanding bonds and loan commitments. The City, as Successor Agency, refunded all of the outstanding tax allocation bonds, including the 2004 Series A and B and the 2007 Series in December, 2015. 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. The CalPERS Board is discussing the potential of lowering the discount rate from 7.5 percent to about 6.1 percent over time. This would cause the City's retirement costs to escalate disproportionately at a higher rate than revenues or other expenditures.

The City Council's Fiscal Policy 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 policy also states that "one-time funds shall not be budgeted or used to pay ongoing operating expenses for the City". The City met this requirement as of June 30, 2016.

In previous fiscal years the City maintained an Economic Stabilization Reserve fund (ESR) to provide funding to cover budget deficits. The City's long range fiscal model contained budget deficits until FY 2017-18 when the City's pension obligation bonds would be paid off, thereby reducing general fund expenditures by \$1.2 million per year going forward. Due to a large number of vacant positions throughout the City, the general fund has ended the fiscal year with a surplus on an actual basis for the past three fiscal years. This is expected to continue during FY 2016-17. The City recognized that the ESR was no longer necessary to cover budget deficits. As part of the budget adoption process for FY 2016-17, the City Council authorized closing out the ESR through the following actions: 1) Transfer \$2,541,557 back to the Vehicle Replacement Fund (VRF) (\$2.7 million was transferred from the VRP into the ESR originally); and 2) Transfer \$2,000,000 to establish a pension stabilization trust fund.

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 2015-16. Included are: Dedicated the necessary funding to improve the recruitment and retention of public safety personnel; advanced the 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; 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; ensured adequate revenues in the Water and Wastewater Enterprise Funds for operations and maintenance, debt service coverage, and capital improvement projects through a Rate Study and Proposition 218 Protest Process; advanced local transportation issues by holding two special workshops for discussion on various bills being considered by the State Legislature and their potential impacts on Yuba City, Highway 20 and 99 improvements, pavement condition assessment and update of citywide traffic model and other current road projects; developed a pavement management system and determined the pavement condition index for the City's roadways; conducted water conservation outreach and enforcement in an effort to achieve the State's mandated conservation requirements; completed an energy conservation project which included the installation of solar panels at the water treatment plant and Gauche Aquatic Park, solar hot water heating at Gauche Aquatic Park and replacement of lighting at City facilities and parks; and updated the sign ordinance to better reflect contemporary City planning and business practices.

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 enhancing 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 balanced 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, thus 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 5th 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; continue to develop funding options for placement of new park in the Tierra Buena area; complete the upgrade of the City Pavement Management System and forward a long-range infrastructure strategic plan; advance the Highway 20 design study, primarily funded by a SACOG grant, to revitalize the older and underutilized commercial corridor that serves as the prominent gateway into Yuba City; assure Yuba City’s continued supply of quality surface water; advance the City’s water conservation plan to address the continued drought conditions, continue to achieve 15% reduction in water use as mandated by the State, and meet the City’s 2020 target per the Water Conservation Bill of 2009; continue the implementation of the City’s Bike Master Plan; create and implement new programs that promote infill development projects; continue to coordinate, standardize, and streamline the City’s development approval process through the implementation of new procedures and policies, and new technology; provide training to staff to ensure technical expertise and enhanced customer service; advance the Bridge Street Reconstruction Project between Cooper Avenue and Gray Avenue; work with Caltrans to prepare a study to evaluate alternatives for a SR 20/SR 99 Interchange; coordinate with Caltrans to enhance the medians on State Route 20 through improved landscaping and maintenance; advance implementation of a night club ordinance and an adult business ordinance; and advance efforts in the South Yuba City annexation process.

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, 2016, the City’s uncommitted general fund reserve met the

increased percentage policy requirement. 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, 2015. This was the 16th 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 FY 2015-16. 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, 2016

CITY COUNCIL

John Buckland, Mayor

Stanley Cleveland Jr., Vice Mayor

Kash Gill, Council Member

Preet Didbal, Council Member

John M. Dukes, Council Member

ELECTED OFFICIALS

Terrel Locke, City Clerk

Spencer Morrison, City Treasurer

APPOINTED OFFICIALS

Steven C. Kroeger, City Manager

Timothy Hayes, City Attorney

EXECUTIVE TEAM

Robin Bertagna, Finance Director

Arnoldo Rodriguez, Development Services Director

Pete Daley, Fire Chief

Darin Gale, Economic Development Manager

Robert Landon, Police Chief

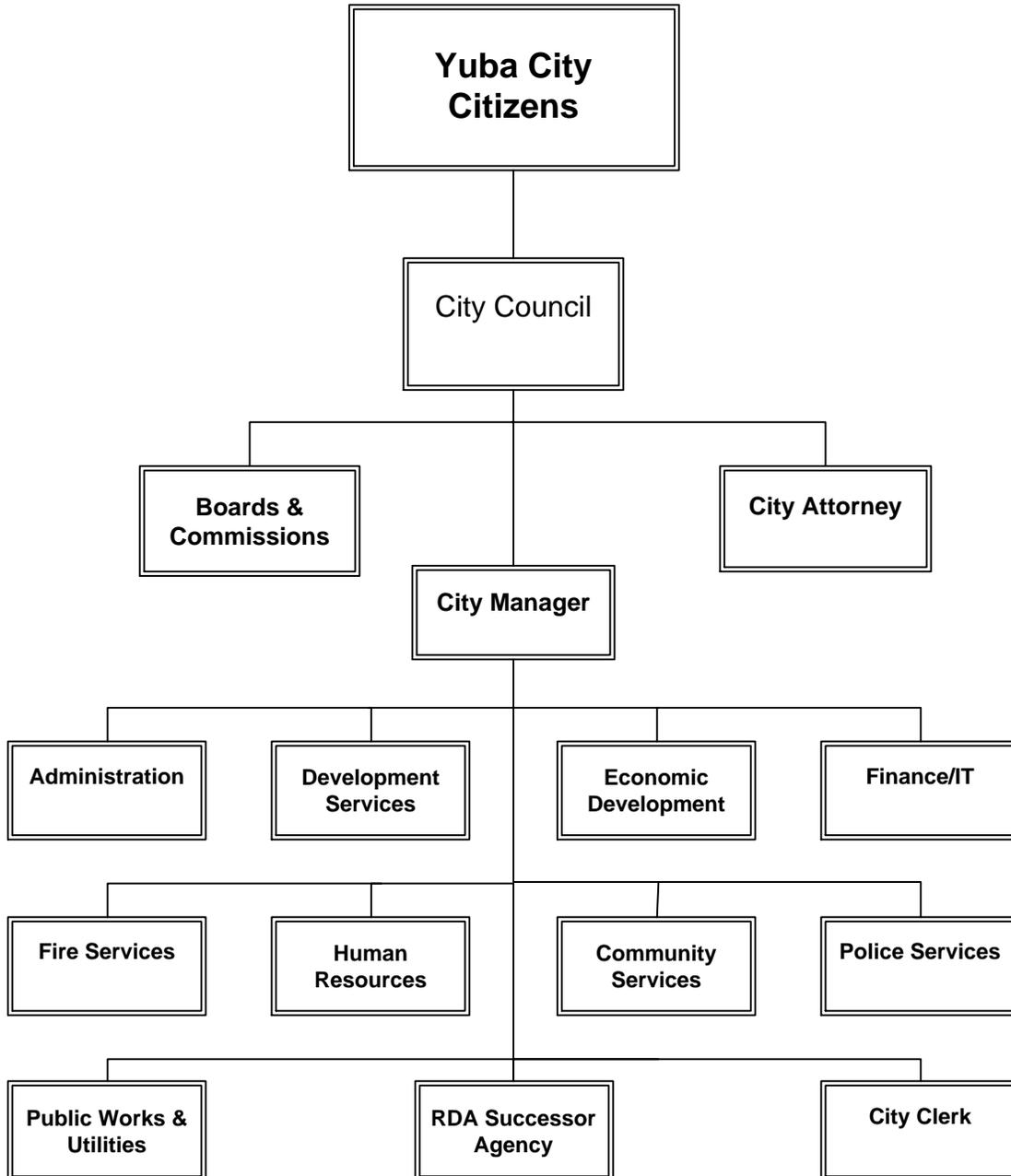
Diana Langley, Public Works Director

Terrel Locke, Assistant to the City Manager

Brad McIntire, Community Services Director

Natalie Springer, Human Resources Director

City Organization Chart





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, 2015

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

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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, 2016, 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, 2016, 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, 2015, the City of Yuba City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Applications*. Our opinion is not modified with respect to this matter.

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 28, 2016, 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 28, 2016

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, 2016. 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 \$572.9 million. Of this amount, \$8.5 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$4.0 million. This included a decrease in governmental net activities of \$6.0 million and an increase in business-type activities of \$2.0 million. The decline in governmental net position is attributable to many things, but the most significant is an increase of \$5.3 million in net pension liability in the governmental activities.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$35.8 million, a decrease of \$5.1 million from the prior fiscal year. The largest component of the reduction was in the general fund, \$4.2 million, which relates to zeroing out the Committed reserve of \$4.5 million (the former Economic Stabilization Reserve [ESR] fund). This is described in more detail on page 11.
- The General Fund reported expenditures (and other financing uses) in excess of revenues (and other financing sources) of \$2.2 million before a special item.

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, 2016, totaled \$572.9 million, a decrease of \$4.0 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)

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2016	2015	2016	2015	2016	2015	
Assets:							
Current and Other Assets	\$ 75.7	\$ 78.2	\$ 33.9	\$ 31.4	\$109.5	\$109.7	-0.1%
Capital Assets	411.1	416.7	208.4	212.8	619.5	629.6	-1.6%
Total Assets	486.8	495.0	242.2	244.3	729.0	739.2	-1.4%
Deferred Outflows of Resources:							
Deferred outflow-pension	4.6	4.3	0.6	0.6	5.2	4.9	6.6%
Deferred loss on refunding	-	-	1.0	1.1	1.0	1.1	-6.6%
Total Deferred Outflows of Resources	4.6	4.3	1.6	1.7	6.2	6.0	4.1%
Liabilities:							
Current and Other Liabilities	18.0	17.9	5.0	5.9	23.0	23.8	-3.2%
Long-term Liabilities	62.7	59.0	70.6	72.9	133.3	131.9	1.1%
Total Liabilities	80.7	76.8	75.6	78.8	156.3	155.7	0.4%
Deferred Inflows of Resources:							
Deferred inflow-pension	5.2	11.0	0.7	1.6	5.9	12.7	-53.4%
Total Deferred Inflows of Resources	5.2	11.0	0.7	1.6	5.9	12.7	-53.4%
Net Position:							
Net Investment in Capital Assets	396.5	402.1	144.4	146.1	540.9	548.2	-1.3%
Restricted	18.3	19.0	5.1	1.5	23.4	20.5	14.6%
Unrestricted	(9.5)	(9.6)	18.0	17.9	8.5	8.3	3.2%
Total Net Position	\$405.4	\$411.4	\$167.5	\$165.5	\$572.9	\$576.9	-0.7%

At June 30, 2016, a significant portion of net position (94 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 \$7.3 million. The decrease is comprised of a decrease of \$5.6 million in governmental invested in capital assets and a decrease of \$1.7 million in business-type invested in capital assets.

Governmental net investment in capital assets increased by \$7.6 million due to the City's investment in new capital assets, and decreased by \$13.2 million due to depreciation. There was no increase/decrease in long-term debt associated with capital assets, as the effect of issuing new debt and debt service was neutral. The largest investments in governmental type assets were the Energy and Infrastructure Improvements Project \$1.4 million, the 5th Street Bridge Replacement Project \$2.2 million, and the Bridge Street Reconstruction from Plumas to Cooper Project \$1.2 million.

Business-type net investment in capital assets increased by \$4.5 million due to an increase in the investment in new assets, increased by \$2.8 million due to a reduction in long-term debt associated with capital assets, and decreased by \$9.0 million due to depreciation. Increases in business type assets include the ARRA Low Lift Pump Station Improvement Project \$0.6 million, the Energy and Infrastructure Improvements Project \$1.2 million, and the Bridge Street Reconstruction Project \$0.4 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.

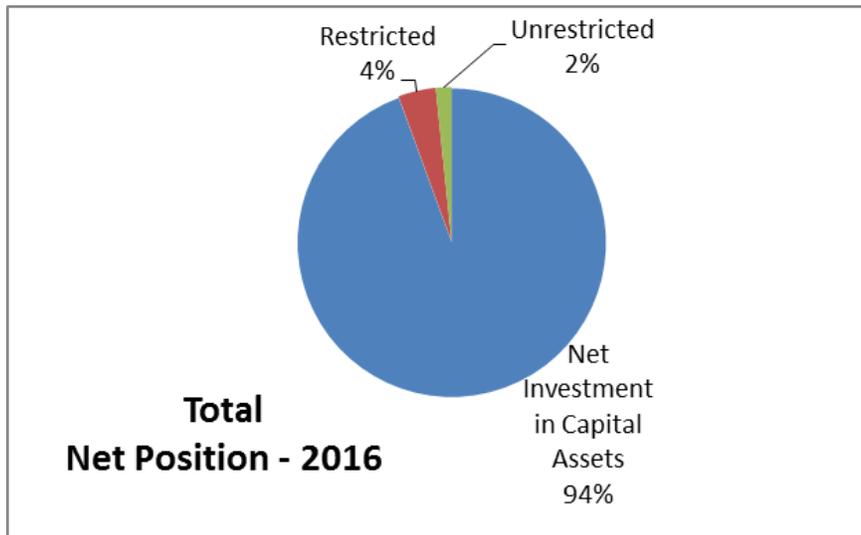
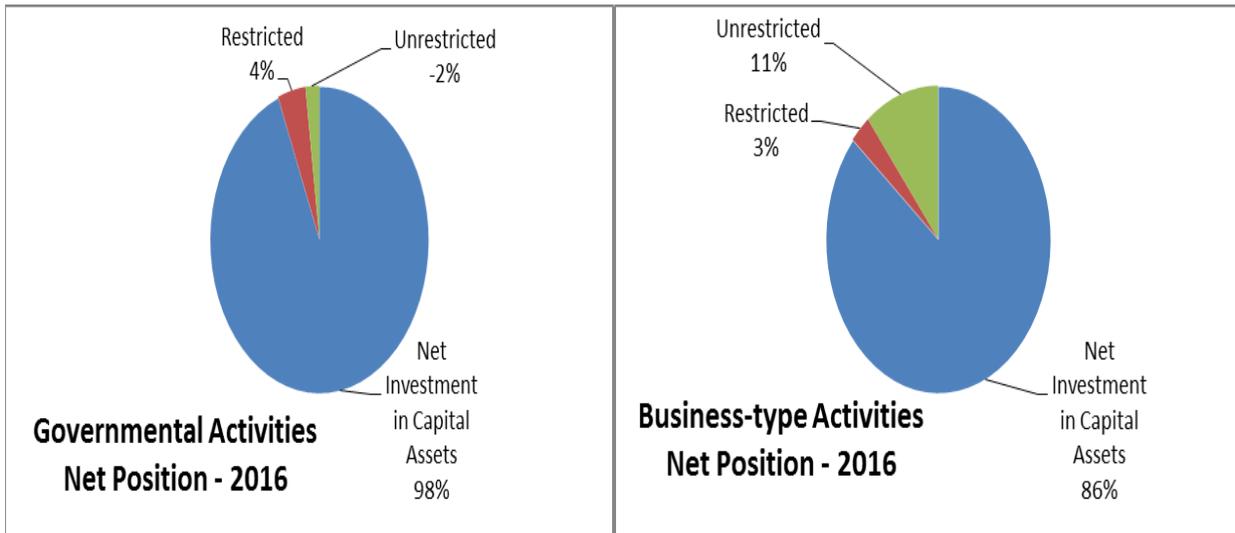
Restricted net position of \$23.4 million (4 percent of total net position) represent resources subject to external restrictions as to how they may be used. Of the \$2.9 million increase in restricted net position, \$.7 million was decreased within governmental activities and \$3.6 was increased in business activities. The \$.7 million decrease in governmental activities included a decrease of \$0.9 million restricted for the landscape and lighting districts, a decrease of \$0.8 million restricted for debt service, an increase of \$.9 million for capital projects, and an increase of \$0.2 million restricted for streets & roads project (see page 47 for the detailed listing). The increase in business-type activities was due to an increase of \$3.6 million restricted for debt service.

Unrestricted Net Position of \$8.5 million (2 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 increased \$.2 million from the prior fiscal year. Of this increase, \$.1 million increased in the governmental activities and \$0.1 million increased in business-type activities.

The decrease in Current and Other Assets of \$0.2 million included a decrease of \$2.6 million in governmental activities and an increase of \$2.4 million in business-type activities. The decrease in governmental activities was related to a decrease in cash and investments of \$2.8 million and a decrease in cash with fiscal agent of \$0.8 million which were offset by an increase in taxes and assessments receivable of \$1.1 million. The increase in business-type activities was mainly due to increases in cash and investments of \$4.8 million, an increase in cash with fiscal agent of \$3.7 million, and an increase in prepaid expenses of \$0.2 million, reduced by a decrease in accounts receivable of \$6.3 million.

The decrease in Current and Other Liabilities of \$0.8 million is related to an increase of \$0.1 million in governmental activities offset by a decrease of \$0.9 million in the business-type activities. The increase in governmental activities was mostly attributable to an increase of \$0.1 million in accounts payable, a decrease in accrued liabilities of \$0.9 million, an increase in unearned revenue of \$0.8 million, and an increase in noncurrent liabilities due within one year of \$0.1 million. The decrease in business-type activities was almost entirely due to a \$0.9 decrease in accounts payable.

Long-term Liabilities increased by \$1.4 million including an increase of \$3.7 million in governmental activities and a decrease of \$2.3 million in business activities. Governmental activities decreased due to normal debt service retirement of \$2.1 million, offset by an increase of \$1.4 million for the new energy service lease payable, and an increase of \$5.3 million for the current fiscal year net pension liability combined with savings from the refunding of Gauche Aquatic Park debt and a reduction in compensated absences. The decrease in business activities was due to an increase for the new energy lease payable of \$1.4 million, a decrease of \$4.2 for normal debt service payments, and an increase for the current fiscal year net pension liability.



City of Yuba City
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

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

Statement of Activities

(Amounts in Millions)

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>		<u>Total % Change</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
Revenues:							
Program Revenues:							
Charges for services	\$ 5.8	\$ 5.6	\$24.9	\$23.5	\$30.7	\$29.1	5.5%
Operating Grants and Contributions	2.4	3.5	-	-	2.4	3.5	-32.4%
Capital Grants and Contributions	4.5	4.6	3.7	8.1	8.2	12.7	-35.6%
General Revenues:							
Property Taxes	11.4	11.0	-	-	11.4	11.0	3.6%
Sales and Other Taxes	16.3	16.0	-	-	16.3	16.0	1.6%
Investment Income	0.9	0.7	0.3	0.2	1.2	0.8	39.6%
Other	0.7	1.1	-	-	0.7	1.1	-39.5%
Total Revenues	41.9	42.6	28.9	31.8	70.8	74.3	-4.7%
Expenses:							
General Government	6.6	4.4	-	-	6.6	4.4	52.0%
Public Safety	24.8	24.9	-	-	24.8	24.9	-0.5%
Parks and Recreation	2.5	2.2	-	-	2.5	2.2	11.4%
Public Works and Facilities	14.9	14.9	-	-	14.9	14.9	0.3%
Community Development	1.3	5.4	-	-	1.3	5.4	-76.0%
Interest on Long-term Debt	1.0	0.8	-	-	1.0	0.8	32.0%
Water	-	-	12.6	11.5	12.6	11.5	9.5%
Wastewater	-	-	11.1	9.8	11.1	9.8	13.5%
Total Expenses	51.1	52.6	23.7	21.3	74.9	73.9	1.3%
Transfers	3.2	3.4	(3.2)	(3.4)	-	-	N/A
Change in Net Position	(6.0)	(6.6)	2.0	7.1	(4.0)	0.5	-965.5%
Net Position - Beginning	411.4	464.1	165.5	167.3	576.9	631.4	-8.6%
Prior Period Adjustment	-	(46.1)	-	(8.9)	-	(55.0)	N/A
Net Position - Beginning, Restated	411.4	418.0	165.5	158.4	576.9	576.4	0.1%
Net Position - Ending	405.4	411.4	167.5	165.5	572.9	576.9	-0.7%

Governmental Activities

The City's governmental activities decreased the City's net position by \$6.0 million. Revenues decreased by \$0.7 million, while total expenses decreased by 3.0 percent (\$1.5 million), and transfers in decreased by \$.2 million. Revenue Highlights include the following:

- Charges for services increased by \$0.2 million.
- Operating grants and contributions decreased by \$1.1 million mainly due a reduction in community development operating grants (the NSP Grant was mostly received in the previous fiscal years).

- Secured and unsecured property tax revenues increased by \$0.4 million
- Sales and other taxes increased by \$0.3 million due to increases in sales tax revenues of \$0.1 million and \$0.2 million in franchise fees.
- Investment income increased by \$0.2 million due to increased investment yields on the City's investment portfolio.
- Miscellaneous other revenues decreased by \$0.4.
- Total expenses for governmental activities were \$51.1 million, which is a \$1.5 million decrease from the prior fiscal year. General Government increased \$2.2 million primarily due to the contribution of \$2.0 million to the Pension Stability Agency Fund. Public Safety decreased \$0.1 million, Parks and Recreation increased \$0.3 million, Community Development decreased \$4.1 million, Interest on Long-term Debt increased \$0.2 million, and Public Works and Facilities remained the same.

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	
	2016	2015	2016	2015
General Government	6.6	\$ 4.4	\$ (6.5)	\$ (4.3)
Public Safety	24.8	24.9	(21.6)	(21.6)
Parks and Recreation	2.5	2.2	(1.4)	(1.3)
Public Works and Facilities	14.9	14.9	(8.5)	(8.0)
Community Development	1.3	5.4	0.5	(2.9)
Interest on Long-term Debt	1.0	0.8	(1.0)	(0.8)
Total Net Cost	\$ 51.1	\$ 52.6	\$ (38.5)	\$ (38.8)

As shown in the Statement of Activities, the amount that taxpayers ultimately financed for governmental activities was \$38.5 million because some of the cost was paid by those who directly benefited from the programs (\$5.8 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$2.4 million), and capital grants and contributions (\$4.5 million). Overall, these governmental program revenues totaled \$12.7 million. The City paid for the remaining "public benefit" portion of the governmental activities with \$29.2 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 \$3.2 million transferred in from business-type activities. Ultimately, the expenses exceeded revenues by \$6.0 million for governmental activities for the fiscal year.

Business-type Activities

The City's business-type activities increased the City's net position by \$2.0 million. Total revenues decreased by 9.1 percent (\$2.9 million), while total expenses increased 11.3 percent (\$2.4 million), and transfers out decreased by \$.2 million.

The net revenue decrease includes the combination of an increase in service fees (\$1.4 million), a decrease in capital grants and contributions (\$4.4 million), and an increase in investment income (\$0.1 million). The water enterprise had an increase in service revenues (\$1.0 million) due to an increase connection fees related to the Prop 84 waterline project. An increase in the wastewater enterprise revenue service fee (\$0.4 million) was due to increases in charges for services. Capital contributions and

grants decreased in both the water (\$3.0 million) and wastewater (\$1.4 million) funds mostly due to Prop 84 grant revenues received in the previous fiscal year.

Operating costs for the water enterprise increased \$1.1 million and operating costs for the wastewater enterprise increased \$1.3 million. The water fund experienced a decrease in salary and benefits costs (\$0.2 million), an increase in professional services (\$0.2 million), an increase in maintenance and operation (\$0.3 million), a decrease in power and utilities (\$0.3 million), an increase in water purchase costs (\$0.1 million), an increase in interest expense (\$0.1 million) and an increase in depreciation (\$0.8 million). The wastewater fund experienced an increase in salary and benefits cost (\$0.4 million), an increase in professional services (\$0.3 million), an increase in maintenance and operating (\$0.2 million), an increase in depreciation (\$0.1 million), and an increase in interest expense (\$0.2 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, 2016, the total fund balance of the General Fund was \$17.8 million (of which 62.9 percent is attributable to a long-term receivable from the City's Successor Agency). The unassigned fund balance of \$5.9 million is equal to 15.8 percent of total General Fund expenditures. Total fund balance decreased by \$4.2 million over the previous fiscal year. The decrease in fund balance is attributable to zeroing out the City's Economic Stabilization Reserve (ESR) fund. The ESR was originally established in FY 2008-09 to provide funding to cover revenue shortfalls during the economic downturn. The economic downturn turned into a recession so the City added additional funds to the ESR in FY 2010-11. The ESR provided funding to cover budget deficits during the recession. With the adoption of the budget in FY 2016-17, the last year a budget deficit is projected, the City zeroed out the ESR as of June 30, 2016. Funds were transferred back to the Vehicle Replacement fund (\$2.5 million) and a Pension Stabilization Trust fund was established (\$2.0 million) to begin addressing the City's unfunded pension liability with CalPERS.

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. The City's fiscal policy in use prior to the recession, calculated the required reserve at the end of a fiscal year (previously 10 percent, now 15 percent) and transferred anything in excess of the required reserve to the general unallocated capital improvement program (CIP) fund to be used for future year general fund CIP projects. The City transitioned back to this practice as of June 30, 2016. The amount in excess of the required reserve of 15 percent which was transferred into the general CIP fund as of June 30, 2016, was \$1,276,029.

At June 30, 2016, the HOME Grant Special Revenue Fund balance increased by \$0.1 million due to repayments received on the portfolio of notes receivable on home loans made under program guidelines to low and moderate income persons. The loan receivable balances are 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 \$5.2 million as of June 30, 2016.

The Streets and Roads Special Revenue fund balance increased by \$0.5 million. Revenues increased by \$0.6 million compared to the previous fiscal year due to an increase in RSTP grant revenues received.

The General Capital Improvement Projects fund balance decreased by \$0.8 million due to transferring restricted funds of \$0.8 million from this fund to the Streets & Roads Capital Improvement Project fund (a non-major fund). Revenues declined by \$0.5 million largely related to the receipt of revenue from the sale of surplus land sold in the prior fiscal year. Expenditures increased by \$0.6 million mostly related to the energy and infrastructure improvements project.

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 \$9.5 million, an increase of \$0.3 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 fiscal year ended June 30, 2016, 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 \$2.5 million, which was attributable to: 1) Additional appropriations for carryover expenditures from the previous fiscal year for existing contractual obligations that totaled \$0.4 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 \$0.1 million strike team expenditures which were reimbursed by the State; and 4) supplemental appropriations of \$0.9 million for employee negotiations contract modifications. Actual expenditures were \$0.1 million less than the adopted budget and \$2.6 million less than the final budget.

The net increase in budgeted revenues from the original budget to the final budget was \$1.3 million. This was attributable to increasing revenue budgets to account for the receipt of grant funds. Actual revenues were \$2.2 million more than the adopted budget and \$1.0 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, 2016, net capital assets of the governmental activities totaled \$411.1 million and the net capital assets of business type activities totaled \$208.4 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)

Governmental Activities:	
Land	\$ 125,998
Buildings and Improvements	50,374
Equipment, Vehicles, Machinery	23,198
Construction in Progress	10,387
Infrastructure	<u>364,983</u>
Total Governmental Capital Assets	574,941
Less: Depreciation	<u>(163,845)</u>
Total Net Governmental Activities:	<u>\$ 411,096</u>
 Business Type Activities	
Land	\$ 1,675
Buildings and Improvements	99,932
Equipment, Vehicles, Machinery	27,177
Construction in Progress	12,802
Infrastructure	<u>173,410</u>
Total Business-Type Capital Assets	314,996
Less: Depreciation	<u>(106,623)</u>
Total Net Business Type Activities:	<u>\$ 208,373</u>

This fiscal year's major capital asset additions were:

- Energy and Infrastructure Improvements Project \$2.7 million (general, water and wastewater)
- 5th Street Bridge Replacement Project \$2.2 million
- Bridge Street Reconstruction Project from Plumas to Cooper \$1.6 million (TDA & water)
- ARRA Low Lift Pump Station Improvement Project \$0.6 million
- Second Groundwater Well Project \$0.2 million

Long-Term Debt – as of June 30, 2016, 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 Standard & Poor's Rating Agency as follows:

- 1) Standard and Poor's affirmed an A rating with a positive outlook related to the 2015 Gauche Park Aquatic Complex lease revenue bonds in their rating in October, 2015.
- 2) Standard and Poor's affirmed an A rating with a positive outlook related to the 2015 Gauche Park Aquatic Complex lease revenue in their rating review in October, 2016.
- 3) Standard and Poor's assigned a BBB+ rating with a stable outlook related to the Successor Agency to the Yuba City Redevelopment Agency's series 2015 tax allocation refunding bonds (TARBs) in their rating in November, 2015.

City of Yuba City
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Summary of Long Term Indebtedness
(not including other post-employment benefits, compensated absences, or net pension liability)
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Loans Payable	\$ 231	\$ 254	\$ 29,478	\$ 32,036	\$ 29,709	\$ 32,291
Capital Lease Payable	4,867	4,329	2,410	1,118	7,277	5,447
Certificates of Participation	-	10,345	-	-	-	10,345
Lease Revenue Bonds	9,460	-	-	-	9,460	-
Pension Obligation Bonds	1,130	2,165	-	-	1,130	2,165
Water Revenue Refunding Bonds	-	-	19,315	20,125	19,315	20,125
Wastewater Revenue Refunding Bonds	-	-	14,270	15,031	14,270	15,031
Total Indebtedness	<u>\$ 15,688</u>	<u>\$17,094</u>	<u>\$ 65,473</u>	<u>\$ 68,310</u>	<u>\$ 81,161</u>	<u>\$ 85,403</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 No. 72, Fair Value Measurement and Applications and is detailed in Note 2 to the Basic Financial Statements on page 55.

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 7, 2016, the Council adopted the FY 2016-17 Operating Budget with total appropriations of \$80.6 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 2016-17 adopted general fund budget includes revenues of \$39.9 million and appropriations of \$40.1 million, a deficit budget of \$0.2 million wherein excess expenditures will be funded from anticipated budget savings from vacant positions. This City's five year financial forecast has shown that this is the final year of a general fund budget deficit. In FY 2017-18, general fund expenditures will be reduced by \$1.2 million as the City's pension obligation bonds will be paid off and the City's structural deficit is expected to be eliminated.

The adopted budget includes the full cost for all authorized and budgeted positions. The City does not include any reduction for a vacancy factor or estimated position vacancies. The full cost of each position includes all contracted costs for each bargaining unit. In August, 2015, the City evaluated its fiscal position and determined that it would have a 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. The City now has agreements with all bargaining units which will expire on June 30, 2017.

Revenues are projected to increase by \$2.61 million compared to the previous year's adopted budget. The largest increases in revenue are property tax and sales tax (\$0.9 million), representing 36 percent of

the total increase. The second largest increase relates to SAFER grant revenues (\$0.8 million) which are also included in Fire department expenditures for staffing costs. Expenditures are projected to grow by \$2.63 million. The largest expenditure increases, approximately 86 percent, are related to employee costs and include:

- Elimination of remaining employee furloughs;
- A two percent flat rate salary increase for all employees;
- Retirement cost increases due to CalPERS rate increases;
- Employee healthcare cost increases;
- Fire department personnel hired utilizing SAFER grant funds; and
- The addition of three new positions in the general fund.

Personnel expenditures for salaries and benefits continue to be the largest portion of the budget, representing 79.1 percent of the general fund.

The general fund surplus for fiscal year ended June 30, 2016, was \$1.75 million. This is difficult to see on page 26 of the financial statements because of the transfers out totaling \$3.9 million but is summarized as follows:

Summary of General Fund Operations

Total Revenues	\$ 33,061,726
Total Expenditures	(37,299,172)
Transfers in	5,989,170
 Net Surplus from Operating Activities	 <u>\$ 1,751,724</u>

The transfers out of \$3.9 million were authorized to replenish reserves outside of the general fund. They were not general fund expenditures. Transfers out during FY 2015-16 were made for the following purposes:

General Fund Transfers Out

Transfer to Vehicle Replacement-Zero out ESR	\$ 2,541,557
Chamber of Commerce Tourism Funding	123,500
Unallocated General CIP-Future Projects-Excess Reserves	1,276,028
 Total Transfers Out FY 2015-16	 <u>\$ 3,941,085</u>

The savings from vacant positions during FY 2015-16 was \$1.8 million. Without this vacancy savings, there would not have been a surplus from operating activities. During FY 2014-15 the City began monitoring and tracking vacant positions on a quarterly basis. For example, in April 2016 there were 21 vacant positions in the general fund which represents 9.2 percent of the 228 authorized full-time equivalent positions. The total amount budgeted for these vacant positions was \$2.2 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 2016-17 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 4.04%. The City therefore anticipates property tax revenues for the year to be on track with budget projections. The six largest components of the change in assessed values are as follows:

- Properties were adjusted by a CPI factor of 1.525% between 2015-16 and 2016-17, an increase of \$44.8 million in assessed valuations.
- Unsecured values declined \$2.9 million.
- Prior year transfer of ownerships increased values by \$49.0 million.
- Non-residential new construction increased assessed values by \$15.7 million
- Single family residential increased by \$42.7 million in value due to Proposition 8 recaptures.
- Non-single family residential increased by \$12.8 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 4.21% (\$136.5 million in assessed valuations).
- Industrial values increased by 3.04% (\$6.0 million in assessed valuations).
- Vacant values decreased by 4.36% (\$3.5 million in assessed valuations).
- Commercial values increased by 3.75% (\$31.1 million in assessed valuations).
- Unsecured decreased by 3.17% (\$2.9 million in assessed valuations).

The housing market continues to improve with sales of homes increasing year over year in most areas of the State. In some areas, the current median has surpassed the median at the height of the real estate bubble. Sale volume is down slightly throughout the state when compared to 2015. The majority of sales now seem to be primarily non-distressed properties where the buyer plans to live in the home. This is a departure from the large number of short sales and investor buying experienced over the past several years. The median sale price of a single family home in Yuba City from January through August 2016 was \$238,000. This represents a \$13,000 (5.8%) increase in median sale price from 2015.

As it relates to sales tax, consumer confidence has returned as the City has had increases in retail sales tax revenues in thirteen out of the past fourteen quarters. Revenue projections included in the FY 2016-17 budget include a projected 3.75% increase for sales tax revenues. On a cash basis the most recent quarterly sales tax results were up 4.5% (April - June, 2016), on an adjusted basis they were up 5.3%. The two prior quarter receipts were up 1.6% on a cash basis and 4.1% on an adjusted basis (January – March, 2016) and up 4.9% on both a cash basis and an adjusted basis (October – December, 2015). Averaging the quarterly results for the FY 2015-16 results in an average increase on a cash basis of 3.925 per quarter and a 5.0% increase on an adjusted basis. Even with the large increases which occurred during FY 2015-16, the City still believes it will realize a modest 3.75% increase for FY 2016-17.

In July, 2012, the State adopted AB 1484 implementing the elimination of Redevelopment agencies throughout California. The City, as the Successor Agency, continued 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 had fallen in recent years to a level such that the tax increment revenues generated in a given fiscal year did 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 eliminated the on-going deficit cash flow within the

Successor Agency so that now tax increment revenues are sufficient to cover the required annual debt service payments.

Current unemployment rate data approximates the annualized unemployment rate around 7.8 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	8.3%
FY 2015-16	7.8%

The current 7.8 percent rate still seems high when compared to a statewide average of 5.3 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 2015-16, the City achieved City Council's priority of increasing the general fund unassigned reserve to \$5,882,502, or 14.7% of FY 2016-17 appropriations. This does not include the portion of fund balance shown as Committed, \$715,680, which when included achieves the 15 percent requirement.

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.

The City's water and wastewater enterprises were not exempt from the negative economic conditions. City staff 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. On April 5, 2016, the City Council adopted a Water and Wastewater Rate Study which proposed adjustments to the City's water and wastewater rates over the next 5 years to fund ongoing expenses, provide adequate debt-service coverage, and fund priority capital projects. In accordance with Proposition 218, a protest public hearing took place on June 8, 2016. On June 21, 2016, the City Council adopted the Water and Wastewater Ordinances which included rate structures approved through the Proposition 218 process, which are the maximum amounts that the rates can be raised. The Ordinances have provisions requiring that the City Council review the rates on an annual basis as part of the fiscal year budget review process, prior to the July 1 implementation of the increases for each year. Council retains the authority to set by resolution the actual rates, provided they do not exceed the rates approved through the Proposition 218 process.

At the July 19, 2016 Council meeting City Council was presented with options for consideration and ultimately adopted and approved Option No. 1 presented for the water fund. The new rates were effective August 1, 2016. Due to the timing of the billing cycle, the water meters were read September 1, 2016, and billed at the end of September for the first month billings utilizing the new rate structure. The increase adopted for FY 2016-17 included a 29 percent increase in the base monthly charge for a single family residential water service (from \$21.59 to \$27.85 per month) with no increase in the volumetric cost in the first year. The increase adopted for wastewater for a single family residential service went from \$40.53 per month to \$44.58 per month, a 10 percent increase.

With the drought being the worst in California's recent history, the City 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 2016 as an example, the City had a 30 percent reduction in water usage by citizens with a related decrease of 5.5 percent in water revenues. The average for FY 2015-16 compared to three years prior (the measurement date used by the State of California for conservation purposes) resulted in a decrease in water consumed of 27.3 percent and a decline in revenues of 10.1 percent. With the reduction in the conservation mandate to 15 percent, it is anticipated that water consumption will increase, which will also increase water revenues.

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.

CITY OF YUBA CITY
STATEMENT OF NET POSITION

June 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 45,162,182	\$ 25,632,286	\$ 70,794,468
Cash and investments with fiscal agents	205	4,313,733	4,313,938
Restricted cash and investments		1,117,282	1,117,282
Interest receivable	218,418	8	218,426
Accounts receivable	3,495,715	4,698,008	8,193,723
Taxes and assessments receivable	5,013,114		5,013,114
Internal balances	2,105,964	(2,105,964)	
Receivable due from Successor Agency trust fund	11,145,336		11,145,336
Prepaid expenses	922,302	205,617	1,127,919
Inventory	9,324		9,324
Deposits receivable	15,000		15,000
Notes receivable	7,586,761		7,586,761
Capital assets:			
Nondepreciable:			
Land	125,998,465	1,674,698	127,673,163
Construction in progress	10,387,037	12,802,350	23,189,387
Depreciable:			
Buildings	38,657,525	25,417,272	64,074,797
Improvements	11,716,546	74,514,761	86,231,307
Machinery and equipment	23,198,468	27,177,408	50,375,876
Infrastructure	364,982,510	173,409,924	538,392,434
Accumulated depreciation	(163,844,594)	(106,623,082)	(270,467,676)
Total assets	<u>486,770,278</u>	<u>242,234,301</u>	<u>729,004,579</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	4,556,546	555,415	5,111,961
Deferred loss on refunding		1,037,476	1,037,476
Total deferred outflows of resources	<u>4,556,546</u>	<u>1,592,891</u>	<u>6,149,437</u>
LIABILITIES			
Accounts payable	2,941,230	942,073	3,883,303
Accrued liabilities	598,843	103,275	702,118
Accrued interest payable	63,751	330,917	394,668
Deposits payable	748,285	70,255	818,540
Unearned revenue	11,314,549	74,217	11,388,766
Compensated absences, due within one year	12,745	404,712	417,457
Noncurrent liabilities, due within one year	2,321,272	3,099,691	5,420,963
Noncurrent liabilities:			
Other post-employment benefits obligation	1,226,872		1,226,872
Compensated absences, due in more than one year	3,087,750	60,374	3,148,124
Other, due in more than one year	58,417,957	70,527,764	128,945,721
Total liabilities	<u>80,733,254</u>	<u>75,613,278</u>	<u>156,346,532</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	5,199,852	741,718	5,941,570
Total deferred inflows of resources	<u>5,199,852</u>	<u>741,718</u>	<u>5,941,570</u>
NET POSITION			
Net investment in capital assets	396,528,329	144,380,529	540,908,858
Restricted (Note 1L)	18,331,920	5,100,098	23,432,018
Unrestricted	(9,466,531)	17,991,569	8,525,038
Total net position	<u>\$ 405,393,718</u>	<u>\$ 167,472,196</u>	<u>\$ 572,865,914</u>

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, 2016

<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	\$ 6,649,977	\$ 101,139	\$ 60,664	\$ -
Public safety	24,767,950	2,705,427	506,317	
Public works and facilities	14,927,232	443,365	1,473,212	4,531,637
Community development	1,307,882	1,448,510	357,682	
Parks and recreation	2,500,042	1,063,289		
Interest on long term debt	994,519			
Total governmental activities	51,147,602	5,761,730	2,397,875	4,531,637
Business-type activities:				
Water	12,612,023	12,035,874		1,537,175
Wastewater	11,094,136	12,899,797		2,120,899
Total business-type activities	23,706,159	24,935,671		3,658,074
Total government	\$ 74,853,761	\$ 30,697,401	\$ 2,397,875	\$ 8,189,711

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

Transfers

Total general revenues and transfers

Change in net position

Net Position, July 1, 2015

Net Position, June 30, 2016

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

Net (Expense) Revenue and Change in Net Position

Net Governmental Activities	Net Business-type Activities	Total
\$ (6,488,174)	\$ -	\$ (6,488,174)
(21,556,206)		(21,556,206)
(8,479,018)		(8,479,018)
498,310		498,310
(1,436,753)		(1,436,753)
(994,519)		(994,519)
<u>(38,456,360)</u>		<u>(38,456,360)</u>
	961,026	961,026
	<u>3,926,560</u>	<u>3,926,560</u>
	4,887,586	4,887,586
<u>(38,456,360)</u>	<u>4,887,586</u>	<u>(33,568,774)</u>
11,401,648		11,401,648
12,004,221		12,004,221
852,227		852,227
2,009,323		2,009,323
1,410,211		1,410,211
26,776		26,776
860,543	310,138	1,170,681
672,703		672,703
<u>3,212,385</u>	<u>(3,212,385)</u>	
<u>32,450,037</u>	<u>(2,902,247)</u>	<u>29,547,790</u>
(6,006,323)	1,985,339	(4,020,984)
<u>411,400,041</u>	<u>165,486,857</u>	<u>576,886,898</u>
<u>\$ 405,393,718</u>	<u>\$ 167,472,196</u>	<u>\$ 572,865,914</u>

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

CITY OF YUBA CITY
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2016

	General Fund	HOME Grant Special Revenue Fund	Streets and Roads Special Revenue Fund
ASSETS			
Cash and investments	\$ 643,958	\$ 208,101	\$ -
Cash and investments with fiscal agent			
Interest receivable	218,418		
Accounts receivable	1,114,497		1,499,337
Taxes and assessments receivable	4,710,095		
Prepaid expenditures	50,351		
Due from other funds	2,036,580		
Deposits receivable	15,000		
Notes receivable		5,188,609	
Receivable due from Successor Agency trust fund	11,145,336		
Total assets	\$ 19,934,235	\$ 5,396,710	\$ 1,499,337
LIABILITIES			
Accounts payable	\$ 570,714	\$ -	\$ -
Accrued liabilities	559,965		
Deposits payable	500		
Unearned revenue	1,009,187		
Due to other funds			1,499,337
Total liabilities	2,140,366		1,499,337
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - notes receivable		5,188,609	
Total deferred inflows of resources		5,188,609	
FUND BALANCES			
Nonspendable	11,195,687		
Restricted		208,101	
Committed	715,680		
Unassigned	5,882,502		
Total fund balances	17,793,869	208,101	
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,934,235	\$ 5,396,710	\$ 1,499,337

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

General CIP Capital Projects Fund	Impact Fees CIP Capital Projects Fund	Other Governmental Funds	Total
\$ 6,240,121	\$ 15,551,042	\$ 8,755,610	\$ 31,398,832
		205	205
			218,418
103,181	386,447	348,696	3,452,158
		303,019	5,013,114
			50,351
87,690			2,124,270
			15,000
	424,022	1,974,130	7,586,761
			11,145,336
<u>\$ 6,430,992</u>	<u>\$ 16,361,511</u>	<u>\$ 11,381,660</u>	<u>\$ 61,004,445</u>
\$ 42,802	\$ 1,248,534	\$ 1,011,251	\$ 2,873,301
			559,965
	44,801	702,984	748,285
7,109	9,498,724	799,465	11,314,485
	485,776	139,157	2,124,270
<u>49,911</u>	<u>11,277,835</u>	<u>2,652,857</u>	<u>17,620,306</u>
	424,022	1,974,130	7,586,761
	424,022	1,974,130	7,586,761
			11,195,687
	4,659,654	5,941,155	10,808,910
6,381,081		813,518	7,910,279
			5,882,502
<u>6,381,081</u>	<u>4,659,654</u>	<u>6,754,673</u>	<u>35,797,378</u>
<u>\$ 6,430,992</u>	<u>\$ 16,361,511</u>	<u>\$ 11,381,660</u>	<u>\$ 61,004,445</u>

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CITY OF YUBA CITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2016

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 35,797,378

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	\$	561,650,573	
Accumulated depreciation		(153,346,056)	
Net			408,304,517

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. (63,751)

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 7,586,761

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		3,735,348	
Change in employer's proportion - safety plan		555,529	
Changes of assumptions		(2,448,153)	
Differences between the employer's contributions and the employer's proportionate share of contributions - safety plan		(544,454)	
Differences between expected and actual experiences		(655,839)	
Differences between projected and actual earnings on pension plan investments		(1,274,547)	

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	\$	(1,226,872)	
Refunding lease revenue bonds		(9,460,000)	
Premium on refunding lease revenue bonds		(240,629)	
Pension obligation bonds		(1,130,000)	
Capital leases payable		(4,866,999)	
Sutter County loan payable		(231,000)	
Net Pension liability		(44,294,254)	
Compensated absences		(3,071,966)	
Net			(64,521,720)

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.

18,922,649

TOTAL NET POSITION, GOVERNMENTAL ACTIVITIES \$ 405,393,718

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, 2016

	General Fund	HOME Grant Special Revenue Fund	Streets and Roads Special Revenue Fund
Revenues:			
Taxes and assessments	\$ 28,200,653	\$ -	\$ 1,727,308
Use of money and property	148,914	4,481	30,137
Intergovernmental revenues	733,115		2,042,554
Charges for services	2,461,515		
Licenses, permits, and fees	1,011,781		
Fines and forfeitures	11,185		
Program income		76,324	
Other revenues	494,563		21,219
Total revenues	33,061,726	80,805	3,821,218
Expenditures:			
Current:			
General government	4,213,412		
Public safety	25,144,760		
Parks and recreation	1,772,221		
Public works and facilities	4,568,449		
Community development	921,809	1,188	
Capital outlay	74,473		
Debt service:			
Cost of debt issuance			
Principal	317,714		
Interest and other charges	286,334		
Total expenditures	37,299,172	1,188	
Excess of revenues over (under) expenditures	(4,237,446)	79,617	3,821,218
Other Financing Sources (Uses):			
Proceeds from issuance of long-term debt			
Payment to escrow for refunding			
Transfers in	5,989,170		687,455
Transfers out	(3,941,085)		(3,999,900)
Total other financing sources (uses)	2,048,085		(3,312,445)
Net changes in fund balances before Special Item	(2,189,361)	79,617	508,773
Special Item			
Contribution to Pension Stability Agency Fund	(2,000,000)		
Net changes in fund balances	(4,189,361)	79,617	508,773
Fund balances - July 1, 2015	21,983,230	128,484	(508,773)
Fund balances - June 30, 2016	\$ 17,793,869	\$ 208,101	\$ -

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

General CIP Capital Projects Fund	Impact Fees CIP Capital Projects Fund	Other Governmental Funds	Totals
\$ -	\$ -	\$ 2,313,061	\$ 32,241,022
6,592	238,294	146,795	575,213
	32,342	383,639	3,191,650
1,403	897,460	1,152,346	4,512,724
		1,448	1,013,229
		297,474	308,659
	52,461	49,107	177,892
5,650		91,297	612,729
<u>13,645</u>	<u>1,220,557</u>	<u>4,435,167</u>	<u>42,633,118</u>
		4,804	4,218,216
			25,144,760
		372,999	2,145,220
		198,672	4,767,121
	2,387	315,681	1,241,065
2,305,231	310,113	3,848,220	6,538,037
		178,867	178,867
	146,550	1,685,070	2,149,334
	199,740	188,157	674,231
<u>2,305,231</u>	<u>658,790</u>	<u>6,792,470</u>	<u>47,056,851</u>
<u>(2,291,586)</u>	<u>561,767</u>	<u>(2,357,303)</u>	<u>(4,423,733)</u>
1,358,749		9,982,660	11,341,409
		(10,673,922)	(10,673,922)
1,399,925	2,824	3,965,319	12,044,693
<u>(1,233,896)</u>	<u>(464,212)</u>	<u>(1,734,772)</u>	<u>(11,373,865)</u>
<u>1,524,778</u>	<u>(461,388)</u>	<u>1,539,285</u>	<u>1,338,315</u>
(766,808)	100,379	(818,018)	(3,085,418)
			(2,000,000)
(766,808)	100,379	(818,018)	(5,085,418)
7,147,889	4,559,275	7,572,691	40,882,796
<u>\$ 6,381,081</u>	<u>\$ 4,659,654</u>	<u>\$ 6,754,673</u>	<u>\$ 35,797,378</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, 2016

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 \$ (5,085,418)

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	6,537,215
Depreciation expense not reported in governmental funds	(12,281,585)
Capital outlay expenditures reported as salary expenditures in governmental funds	624,881
Contributed capital not reported in governmental funds	

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 (52,501)

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	(11,341,409)
Repayment of debt principal is added back to fund balances	12,494,334
Amortization of premium not reported in governmental funds	12,031
Amortization of premium and deferred loss on refunding not reported in governmental funds	

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	(3,397)
Compensated absences	371,233

Certain revenues are offset by deferred 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 deferred revenue exceeded current year. (1,003,045)

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. (165,788)

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: 663,635

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. 3,223,491

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (6,006,323)

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, 2016

	Business-type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
ASSETS	Water	Wastewater	Totals	
Current Assets:				
Cash and investments	\$ 8,624,526	\$ 17,007,760	\$ 25,632,286	\$ 13,763,350
Cash and investments with fiscal agents	4,313,716	17	4,313,733	
Restricted cash and investments		1,117,282	1,117,282	
Accounts receivable - net	3,183,171	1,514,837	4,698,008	43,557
Interest receivable	8		8	
Inventory				9,324
Prepaid expenses	199,493	6,124	205,617	871,951
Total Current Assets	<u>16,320,914</u>	<u>19,646,020</u>	<u>35,966,934</u>	<u>14,688,182</u>
Capital Assets:				
Nondepreciable				
Land	974,698	700,000	1,674,698	
Construction in progress	6,500,189	6,302,161	12,802,350	
Total Nondepreciable Capital Assets	<u>7,474,887</u>	<u>7,002,161</u>	<u>14,477,048</u>	
Depreciable				
Buildings	9,124,700	16,292,572	25,417,272	306,372
Improvements	41,326,875	33,187,886	74,514,761	
Infrastructure	116,903,962	56,505,962	173,409,924	
Machinery and equipment	9,850,237	17,327,171	27,177,408	12,983,606
Total Depreciable Capital Assets	177,205,774	123,313,591	300,519,365	13,289,978
Less Accumulated Depreciation	<u>(58,569,611)</u>	<u>(48,053,471)</u>	<u>(106,623,082)</u>	<u>(10,498,538)</u>
Net Depreciable Capital Assets	<u>118,636,163</u>	<u>75,260,120</u>	<u>193,896,283</u>	<u>2,791,440</u>
Net Capital Assets	<u>126,111,050</u>	<u>82,262,281</u>	<u>208,373,331</u>	<u>2,791,440</u>
Advances to other funds				2,105,964
Total Noncurrent Assets	<u>126,111,050</u>	<u>82,262,281</u>	<u>208,373,331</u>	<u>4,897,404</u>
Total Assets	<u>142,431,964</u>	<u>101,908,301</u>	<u>244,340,265</u>	<u>19,585,586</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - pension	211,269	344,146	555,415	93,751
Deferred loss on refunding	622,771	414,705	1,037,476	
Total Deferred Outflows of Resources	<u>834,040</u>	<u>758,851</u>	<u>1,592,891</u>	<u>93,751</u>
Total Assets and Deferred Outflows of Resources	<u>143,266,004</u>	<u>102,667,152</u>	<u>245,933,156</u>	<u>19,679,337</u>

(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, 2016

	Business-type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Water	Wastewater	Totals	
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 352,180	\$ 589,893	\$ 942,073	\$ 67,929
Accrued interest payable	98,509	232,408	330,917	
Accrued wages	44,765	58,510	103,275	38,878
Unearned revenue	69,697	4,520	74,217	64
Deposits payable		70,255	70,255	
Compensated absences	187,942	216,770	404,712	12,745
Loans payable	1,060,138	404,175	1,464,313	
Bonds payable	798,681	766,617	1,565,298	
Capital lease payable	61,860	8,220	70,080	
Total Current Liabilities	<u>2,673,772</u>	<u>2,351,368</u>	<u>5,025,140</u>	<u>119,616</u>
Noncurrent Liabilities:				
Compensated absences	8,738	51,636	60,374	15,784
Loans payable	19,246,553	8,766,794	28,013,347	
Bonds payable	18,207,623	13,369,740	31,577,363	
Advances from other funds		2,105,964	2,105,964	
Capital lease payable	2,065,418	274,459	2,339,877	
Net pension liability	3,270,198	5,326,979	8,597,177	516,347
Total Noncurrent Liabilities	<u>42,798,530</u>	<u>29,895,572</u>	<u>72,694,102</u>	<u>532,131</u>
Total Liabilities	<u>45,472,302</u>	<u>32,246,940</u>	<u>77,719,242</u>	<u>651,747</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	282,135	459,583	741,718	104,941
Total Deferred Inflows of Resources	<u>282,135</u>	<u>459,583</u>	<u>741,718</u>	<u>104,941</u>
Total Liabilities and Deferred Inflows of Resources	<u>45,754,437</u>	<u>32,706,523</u>	<u>78,460,960</u>	<u>756,688</u>
NET POSITION				
Net investment in capital assets	85,293,548	59,086,981	144,380,529	2,791,440
Restricted for:				
Debt service	4,215,207	884,891	5,100,098	
Unrestricted	8,002,812	9,988,757	17,991,569	16,131,209
Total Net Position	<u>\$ 97,511,567</u>	<u>\$ 69,960,629</u>	<u>\$ 167,472,196</u>	<u>\$ 18,922,649</u>

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, 2016

	Business-type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Water	Wastewater	Totals	
Operating Revenues:				
Sales and charges for services	\$ 9,895,414	\$ 12,338,696	\$ 22,234,110	\$ 7,970,152
Connection fees	2,071,125	396,821	2,467,946	
Other revenues	69,335	164,280	233,615	100,756
Total Operating Revenues	<u>12,035,874</u>	<u>12,899,797</u>	<u>24,935,671</u>	<u>8,070,908</u>
Operating Expenses:				
Salaries and benefits	2,062,213	3,201,628	5,263,841	150,598
Professional services	421,957	752,371	1,174,328	92,690
Supplies	30,903	49,661	80,564	6,785
Benefits, claims, and insurance	76,245	104,822	181,067	5,691,391
Maintenance and operation	906,273	1,125,517	2,031,790	629,552
Tools and equipment	312,268	932,677	1,244,945	66,533
Rents and leases	106	48	154	
Power and utilities	676,706	848,306	1,525,012	34,700
Training	36,029	18,420	54,449	7,816
Water purchases	1,011,489		1,011,489	
Depreciation	5,836,058	3,166,793	9,002,851	924,709
Total Operating Expenses	<u>11,370,247</u>	<u>10,200,243</u>	<u>21,570,490</u>	<u>7,604,774</u>
Operating Income (Loss)	<u>665,627</u>	<u>2,699,554</u>	<u>3,365,181</u>	<u>466,134</u>
Non-Operating Revenues (Expenses):				
Interest income	61,945	248,193	310,138	215,800
Interest expense	(1,192,535)	(844,114)	(2,036,649)	
Amortization expense	(49,241)	(49,779)	(99,020)	
Total Non-Operating Revenue (Expenses)	<u>(1,179,831)</u>	<u>(645,700)</u>	<u>(1,825,531)</u>	<u>215,800</u>
Income (Loss) Before Transfers	(514,204)	2,053,854	1,539,650	681,934
Transfers:				
Transfers in	200	206,191	206,391	2,541,557
Transfers out	(1,812,630)	(1,606,146)	(3,418,776)	
Total Change in Net Position Before Capital Contributions	<u>(2,326,634)</u>	<u>653,899</u>	<u>(1,672,735)</u>	<u>3,223,491</u>
Capital contributions	<u>1,537,175</u>	<u>2,120,899</u>	<u>3,658,074</u>	
Change in Net Position	(789,459)	2,774,798	1,985,339	3,223,491
Net Position, July 1, 2015	<u>98,301,026</u>	<u>67,185,831</u>	<u>165,486,857</u>	<u>15,699,158</u>
Net Position, June 30, 2016	<u>\$ 97,511,567</u>	<u>\$ 69,960,629</u>	<u>\$ 167,472,196</u>	<u>\$ 18,922,649</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, 2016

	Business-type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Water	Wastewater	Totals	
Cash Flows from Operating Activities:				
Receipts from customers	\$ 18,015,184	\$ 13,197,637	\$ 31,212,821	\$ 8,093,631
Amounts (paid)/from interfund receivable		(85,450)	(85,450)	85,450
Payments to suppliers and users	(4,697,921)	(3,719,496)	(8,417,417)	(6,803,950)
Payments to employees	(2,459,780)	(3,179,757)	(5,639,537)	(448,551)
Net Cash Provided (Used) by Operating Activities	<u>10,857,483</u>	<u>6,212,934</u>	<u>17,070,417</u>	<u>926,580</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers in	200	206,191	206,391	2,541,557
Transfers out	(1,812,630)	(1,606,146)	(3,418,776)	
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(1,812,430)</u>	<u>(1,399,955)</u>	<u>(3,212,385)</u>	<u>2,541,557</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(2,810,749)	(1,726,878)	(4,537,627)	(448,983)
Proceeds from issuance of debt	1,220,625	160,308	1,380,933	
Capital contributions	1,537,175	1,012,170	2,549,345	
Principal paid on debt	(1,923,963)	(1,185,222)	(3,109,185)	
Interest paid on debt	(1,174,003)	(816,841)	(1,990,844)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,150,915)</u>	<u>(2,556,463)</u>	<u>(5,707,378)</u>	<u>(448,983)</u>
Cash Flows from Investing Activities:				
Interest received	61,944	248,193	310,137	215,800
Net Cash Provided (Used) by Investing Activities	<u>61,944</u>	<u>248,193</u>	<u>310,137</u>	<u>215,800</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,956,082	2,504,709	8,460,791	3,234,954
Cash and Cash Equivalents, July 1, 2015	<u>6,982,160</u>	<u>15,620,350</u>	<u>22,602,510</u>	<u>10,528,396</u>
Cash and Cash Equivalents, June 30, 2016	<u>\$ 12,938,242</u>	<u>\$ 18,125,059</u>	<u>\$ 31,063,301</u>	<u>\$ 13,763,350</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position				
Cash and investments	\$ 8,624,526	\$ 17,007,760	\$ 25,632,286	\$ 13,763,350
Cash and investments with fiscal agents	4,313,716	17	4,313,733	
Restricted cash and investments		1,117,282	1,117,282	
Total Cash and Investments	<u>\$ 12,938,242</u>	<u>\$ 18,125,059</u>	<u>\$ 31,063,301</u>	<u>\$ 13,763,350</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, 2016

	Business-type Activities			Governmental
	Enterprise Funds			
	Water	Wastewater	Totals	Activities - Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 665,627	\$ 2,699,554	\$ 3,365,181	\$ 466,134
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	5,836,058	3,166,793	9,002,851	924,709
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:				
Accounts receivable	5,995,804	297,082	6,292,886	30,789
Inventory				4,693
Advances to other funds				85,450
Prepaid expenses	(178,886)	(5,589)	(184,475)	(249,355)
Deferred outflow-pension	22,691	1,489	24,180	(48,618)
Increase (Decrease) in Operating Liabilities and Deferred Inflows of Resources:				
Accounts payable	(1,047,059)	117,915	(929,144)	(79,248)
Accrued wages	(66,447)	(79,911)	(146,358)	(63,537)
Compensated absences	(52,219)	7,244	(44,975)	(14,198)
Advances from other funds		(85,450)	(85,450)	
Deferred inflow-pension	(375,213)	(511,536)	(886,749)	(21,868)
Net pension liability	73,621	604,585	678,206	(100,305)
Unearned revenue	(16,494)	758	(15,736)	(8,066)
Net Cash Provided (Used) by Operating Activities	\$ 10,857,483	\$ 6,212,934	\$ 17,070,417	\$ 926,580
Noncash capital and related financing activities:				
Noncash reduction in loans payable	\$ -	\$ 1,108,729	\$ 1,108,729	\$ -

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, 2016

	Private-Purpose Trust Funds	Agency Funds
ASSETS		
Cash and investments	\$ 2,650,404	\$ 14,963,796
Cash and investments with fiscal agent	808,062	219,396
Interest receivable	149	302
Accounts receivable		9,767,860
Taxes and assessments receivable	68,818	
Prepaid expenses		15,753
Deposits receivable	9,800	
Property held for resale	93,852	
Notes receivable	3,361,981	
Capital assets, nondepreciable	3,807,098	
Capital assets, depreciable, net of accumulated depreciation	1,409,354	
Total Assets	12,209,518	\$ 24,967,107
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	475,692	
Total Deferred Outflows of Resources	475,692	
LIABILITIES		
Accounts payable	810	\$ 16,472,018
Accrued liabilities		27,413
Interest payable	392,416	
Deposits payable		8,467,676
Long-term debt, due within one year	730,995	
Long-term debt, due in more than one year	43,945,131	
Total Liabilities	45,069,352	\$ 24,967,107
NET POSITION		
Restricted for debt service	415,646	
Unrestricted	(32,799,788)	
Total Net Position (Deficit)	\$ (32,384,142)	

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, 2016

	Private-Purpose Trust Funds
Additions:	
Investment revenue	\$ 194,953
Taxes and assessments	2,891,449
Contribution from agency fund	48,198
Other revenue	608,416
Total additions	3,743,016
Deductions:	
Administration	85,489
Community development	682,198
Debt issue costs	1,037,477
Interest expense	2,609,051
Loss on sale of capital assets	67,509
Depreciation and amortization	111,909
Total deductions	4,593,633
Change in net position	(850,617)
Net Position (Deficit) - July 1, 2015	(31,533,525)
Net Position (Deficit) - June 30, 2016	\$ (32,384,142)

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

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

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, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Blended Component Units (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, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Government-wide Financial Statements (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, 2016

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, 2016

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, pension stability, 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, 2016

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, 2016, 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, 2016

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, 2016

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, 2016

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, 2016

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, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Net Position/Fund Balances (Continued)

At June 30, 2016, 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	\$ 7,468,264	\$ -
Streets and roads	3,616,163	
Landscape districts	525,468	
Lighting districts	464,873	
Mitigation purposes	2,722	
Specific plans	173,538	
Energy conservation	102,724	
Rate stabilization	15,403	
Capital projects	5,910,304	
Debt service	52,461	5,100,098
Total Restricted	\$ 18,331,920	\$ 5,100,098

Included in total restricted net position at June 30, 2016 is net position restricted by enabling legislation of \$990,341.

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, 2016

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, 2016 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
Nonspendable:							
Prepays	\$ 50,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,351
Receivable from Successor Agency	11,145,336						11,145,336
Total Nonspendable	11,195,687						11,195,687
Restricted for:							
Community Development		208,101				97,424	305,525
Streets and Roads						3,616,163	3,616,163
Landscaping						525,468	525,468
Lighting						1,291,501	1,291,501
Mitigation Fees						2,722	2,722
Specific Plans						173,538	173,538
Rate Stabilization						15,403	15,403
Energy Conservation						102,724	102,724
Debt Service						116,212	116,212
Capital Projects					4,659,654		4,659,654
Total Restricted		208,101			4,659,654	5,941,155	10,808,910
Committed for:							
One-Time Expenditures & Facilities	715,680						715,680
Traffic Safety						272,837	272,837
Law Enforcement						195,577	195,577
Capital Projects				6,381,081		345,104	6,726,185
Total Committed	715,680			6,381,081		813,518	7,910,279
Unassigned	5,882,502						5,882,502
Total Fund Balances (Deficits)	\$ 17,793,869	\$ 208,101	\$ -	\$ 6,381,081	\$ 4,659,654	\$ 6,754,673	\$ 35,797,378

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

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	\$ 498,008	\$ -	\$ -	\$ 175,487	\$ 612,553	\$ 1,486,350	\$ 2,772,398

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.

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.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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) Statement No. 72 during the fiscal year ended June 30, 2016.

Governmental Accounting Standards Board Statement No. 72

For the fiscal year ended June 30, 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Applications*. This Statement is effective for periods beginning after June 15, 2015. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. Implementation of GASB Statement No. 72 did have an impact on the City's financial statements for the fiscal year ended June 30, 2016, see Note 2.

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, 2016

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	\$ 70,794,468
Cash and investments with fiscal agents	4,313,938
Restricted cash and investments	1,117,282
Statement of Fiduciary Net Position:	
Cash and investments	17,614,200
Cash and investments with fiscal agents	<u>1,027,458</u>
Total	<u>\$ 94,867,346</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	\$ 6,550
Deposits with financial institutions	4,077,821
Investments	<u>90,782,975</u>
Total	<u>\$ 94,867,346</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.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments Authorized by the California Government Code and the City's Investment Policy (Continued)

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

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

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 2 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk

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

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	\$ 32,918,590	\$ 32,918,590	\$ -	\$ -	\$ -	\$ -	\$ -
California Asset Management							
Program (CAMP)	102,938	102,938					
Money market funds	5,096,344	5,096,344					
Special assessment district bonds	1,264,280	110,058	108,525	109,135	113,619	102,570	720,373
Certificates of deposit	5,358,892	2,501,134	2,857,758				
Commercial paper	1,423,501	1,423,501					
Asset backed obligations	963,208		45,558	411,198	310,428	196,024	
Yuba City RDA obligations	1,266,576						1,266,576
State of CA obligations	509,737		509,737				
U.S. treasury obligations	10,209,235	1,502,206	1,504,922	2,473,247	1,688,124	3,040,736	
U.S. government agency issues	18,112,122	6,362,647	7,058,611	2,924,590	1,766,274		
Corporate bonds	11,716,155	4,331,975	3,654,769	1,334,418	1,629,729	765,264	
Held by bond trustees:							
Money market funds	1,841,397	1,841,397					
	<u>\$ 90,782,975</u>	<u>\$ 56,190,790</u>	<u>\$ 15,739,880</u>	<u>\$ 7,252,588</u>	<u>\$ 5,508,174</u>	<u>\$ 4,104,594</u>	<u>\$ 1,986,949</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.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 2 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
State investment pool	\$ 32,918,590	None	\$ -	\$ -	\$ -	\$ -	\$ 32,918,590
California Asset Management Program (CAMP)	102,938	None					102,938
Money market funds	5,096,344	None		566,946			4,529,398
Special assessment district bonds	1,264,280	None					1,264,280
Certificates of deposit	5,358,892	None			1,428,913	3,929,979	
Commercial paper	1,423,501	A				1,423,501	
Asset backed obligations	963,208	None		528,436			434,772
Yuba City RDA obligations	1,266,576	None					1,266,576
State of CA obligations	509,737	None			378,699		131,038
U.S. treasury obligations	10,209,235	N/A	10,209,235				
U.S. government agency issues	18,112,122	None			18,112,122		
Corporate bonds	11,716,155	None		140,558	6,538,652	2,789,637	2,247,308
Held by bond trustees:							
Money market funds	1,841,397	None		1,841,397			
Total	\$ 90,782,975		\$ 10,209,235	\$ 3,077,337	\$ 26,458,386	\$ 8,143,117	\$ 42,894,900

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There is one investment that represents more than 5% of total City investments other than U.S. treasury obligations, external investment pools, and money market funds (Federal National Mortgage - \$7,075,145 with various interest rates and maturity dates of .55% to 1.898% and 11/14/16 to 4/1/20, 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, 2016, \$5,830,580 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 2 - CASH AND INVESTMENTS (Continued)

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 1.000621222 was used to calculate the fair value of the investments in LAIF.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. These principles recognize a three-tiered fair value hierarchy, as follows

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The City has the following recurring fair value measurements as of June 30, 2016:

Investments by fair value	Fair Value Measurement Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 5,096,344	\$ 5,096,344	\$ -	\$ -
Special assessment district bonds	1,264,280	1,264,280		
Commercial paper	1,423,501		1,423,501	
Asset backed obligations	963,208		963,208	
Yuba City RDA obligations	1,266,576	1,266,576		
State of CA obligations	509,737	509,737		
U.S. treasury obligations	10,209,235	10,209,235		
U.S. government agency issues	18,112,122	18,112,122		
Corporate bonds	11,716,155		11,716,155	
Held by bond trustees:				
Money Market Funds	1,841,397	1,841,397		
	<u>\$ 52,402,555</u>	<u>\$ 38,299,691</u>	<u>\$ 14,102,864</u>	<u>\$ -</u>

The State Investment Pool, CAMP, and certificates of deposit are exempt from the classifications above.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 3 - CAPITAL ASSETS

At June 30, 2016, 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	10,387,037	12,802,350	23,189,387
Total nondepreciable assets	136,385,502	14,477,048	150,862,550
Depreciable Assets:			
Buildings	38,657,525	25,417,272	64,074,797
Improvements	11,716,546	74,514,761	86,231,307
Machinery and equipment	23,198,468	27,177,408	50,375,876
Infrastructure	364,982,510	173,409,924	538,392,434
Total depreciable assets	438,555,049	300,519,365	739,074,414
Less accumulated depreciation	(163,844,594)	(106,623,082)	(270,467,676)
Total depreciable assets, net	274,710,455	193,896,283	468,606,738
Total capital assets, net	\$ 411,095,957	\$ 208,373,331	\$ 619,469,288

The following is a summary of capital asset activity for governmental activities for the fiscal year ended June 30, 2016:

	Balance July 1, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Governmental Activities					
Nondepreciable capital assets:					
Land	\$ 125,998,465	\$ -	\$ -	\$ -	\$ 125,998,465
Construction in progress	6,556,604	7,079,657		(3,249,224)	10,387,037
Total nondepreciable capital assets	132,555,069	7,079,657		(3,249,224)	136,385,502
Depreciable capital assets:					
Buildings	38,462,281			195,244	38,657,525
Improvements	11,688,497		(52,501)	80,550	11,716,546
Machinery and equipment	20,545,940	531,422	(402,859)	2,523,965	23,198,468
Infrastructure	364,533,045			449,465	364,982,510
Total depreciable capital assets	435,229,763	531,422	(455,360)	3,249,224	438,555,049
Accumulated depreciation:					
Buildings	(15,628,740)	(1,610,594)			(17,239,334)
Improvements	(5,233,595)	(577,090)			(5,810,685)
Machinery and equipment	(14,751,005)	(1,403,837)	402,859		(15,751,983)
Infrastructure	(115,427,819)	(9,614,773)			(125,042,592)
Total accumulated depreciation	(151,041,159)	(13,206,294)	402,859		(163,844,594)
Net depreciable capital assets	284,188,604	(12,674,872)	(52,501)	3,249,224	274,710,455
Net capital assets	\$ 416,743,673	\$ (5,595,215)	\$ (52,501)	\$ -	\$ 411,095,957

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

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	\$ 467,290
Public safety	1,319,454
Public works	11,072,848
Parks and recreation	341,709
Community development	<u>4,993</u>
Total Governmental Activities	<u>\$ 13,206,294</u>

Depreciation on capital assets held by the City's internal service funds of \$924,709 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, 2016:

	Balance July 1, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Business-type Activities					
Water					
Nondepreciable capital assets:					
Land	\$ 974,698	\$ -	\$ -	\$ -	\$ 974,698
Construction in progress	10,918,095	2,782,063		(7,199,969)	6,500,189
Total nondepreciable capital assets	<u>11,892,793</u>	<u>2,782,063</u>		<u>(7,199,969)</u>	<u>7,474,887</u>
Depreciable capital assets:					
Buildings	9,124,700				9,124,700
Improvements	41,326,875				41,326,875
Machinery and equipment	9,912,477	28,686	(90,926)		9,850,237
Infrastructure	109,703,993			7,199,969	116,903,962
Total depreciable capital assets	<u>170,068,045</u>	<u>28,686</u>	<u>(90,926)</u>	<u>7,199,969</u>	<u>177,205,774</u>
Accumulated depreciation:					
Buildings	(5,950,155)	(363,479)			(6,313,634)
Improvements	(21,031,391)	(1,457,916)			(22,489,307)
Machinery and equipment	(5,107,401)	(468,034)	90,926		(5,484,509)
Infrastructure	(20,735,532)	(3,546,629)			(24,282,161)
Total accumulated depreciation	<u>(52,824,479)</u>	<u>(5,836,058)</u>	<u>90,926</u>		<u>(58,569,611)</u>
Net depreciable capital assets	<u>117,243,566</u>	<u>(5,807,372)</u>		<u>7,199,969</u>	<u>118,636,163</u>
Net capital assets	<u>\$ 129,136,359</u>	<u>\$ (3,025,309)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,111,050</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

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, 2016: (Continued)

	Balance July 1, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Business-type Activities					
Wastewater					
Nondepreciable capital assets:					
Land	\$ 700,000	\$ -	\$ -	\$ -	\$ 700,000
Construction in progress	5,543,809	1,338,385		(580,033)	6,302,161
Total nondepreciable capital assets	<u>6,243,809</u>	<u>1,338,385</u>		<u>(580,033)</u>	<u>7,002,161</u>
Depreciable capital assets:					
Buildings	16,292,572				16,292,572
Improvements	33,187,886				33,187,886
Machinery and equipment	16,967,528	388,493	(28,850)		17,327,171
Infrastructure	55,925,929			580,033	56,505,962
Total depreciable capital assets	<u>122,373,915</u>	<u>388,493</u>	<u>(28,850)</u>	<u>580,033</u>	<u>123,313,591</u>
Accumulated depreciation:					
Buildings	(9,031,482)	(427,879)			(9,459,361)
Improvements	(19,290,586)	(872,052)			(20,162,638)
Machinery and equipment	(9,632,541)	(698,660)	28,850		(10,302,351)
Infrastructure	(6,960,919)	(1,168,202)			(8,129,121)
Total accumulated depreciation	<u>(44,915,528)</u>	<u>(3,166,793)</u>	<u>28,850</u>		<u>(48,053,471)</u>
Net depreciable capital assets	<u>77,458,387</u>	<u>(2,778,300)</u>		<u>580,033</u>	<u>75,260,120</u>
Net capital assets	<u>\$ 83,702,196</u>	<u>\$ (1,439,915)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,262,281</u>

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:

Business-Type Activities:	
Water	\$ 5,836,058
Wastewater	<u>3,166,793</u>
Depreciation Expense-Business-type Activities	<u>\$ 9,002,851</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 4 – UNEARNED AND DEFERRED REVENUE

At June 30, 2016, 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	\$ 425,050	\$ -
Senior fund raising revenue received but not earned	68,914	
Impact fees collected but not earned	9,498,724	
Franchise fees received but not earned	793,377	
Employee benefit contributions received but not earned	64	
Grant revenues received but not earned	528,420	
Water revenues collected but not earned		69,697
Wastewater revenues collected but not earned		<u>4,520</u>
Total unearned revenue	<u>\$ 11,314,549</u>	<u>\$ 74,217</u>

At June 30, 2016, components of unearned revenue reported in the fund financial statements were as follows:

General Fund:	
Business license and miscellaneous revenue received but not earned	\$ 425,050
Senior fund raising revenue received but not earned	68,914
Grant revenue received but not earned	515,223
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	9,498,724
Recology Rate Stabilization Special Revenue Fund:	
Franchise fees received but not yet earned	793,377
DOE Energy Conservation Special Revenue Fund:	
Grant revenue received but not earned	6,088
Water Fund:	
Water revenues collected but not earned	69,697
Wastewater Fund:	
Wastewater revenues collected but not earned	4,520
Employee Benefits Fund:	
Employee benefit contributions received but not earned	<u>64</u>
Total unearned revenue	<u>\$ 11,388,766</u>

At June 30, 2016, components of deferred inflows of resources - deferred revenue reported in the fund financial statements were as follows:

HOME Grant Special Revenue Fund:	
Notes receivable (balance may be forgiven)	\$ 5,188,609
Impact Fees CIP Capital Projects Fund:	
Notes receivable	424,022
CDBG Program Income Special Revenue Fund:	
Notes receivable (balance may be forgiven)	1,511,378
CAL-HOME Grant Special Revenue Fund:	
Notes receivable (balance may be forgiven)	<u>462,752</u>
Total deferred revenue	<u>\$ 7,586,761</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

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, 2016:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due within one year
Governmental Activities					
Certificates of Participation	\$ 10,345,000	\$ -	\$ (10,345,000)	\$ -	\$ -
Refunding Lease Revenue Bonds		9,730,000	(270,000)	9,460,000	325,000
Premium on Refunding Lease Revenue Bonds		252,660	(12,031)	240,629	12,031
Pension Obligation Bonds	2,165,000		(1,035,000)	1,130,000	1,130,000
Other post-employment benefits	1,061,084	210,443	(44,655)	1,226,872	
Energy Service Lease Payable	1,111,615	1,358,749	(87,495)	2,382,869	69,244
Fire Station #4 Lease Payable	2,027,815		(650,070)	1,377,745	675,604
Sutter County Loan	254,100		(23,100)	231,000	23,100
Net Pension Liability	39,545,106	9,048,602	(3,783,107)	44,810,601	
Compensated Absences	3,485,926	1,164,816	(1,550,247)	3,100,495	12,745
Street Light Conversion Lease Payable	1,190,054		(83,669)	1,106,385	86,293
Total Governmental Activities	\$ 61,185,700	\$ 21,765,270	\$ (17,884,374)	\$ 65,066,596	\$ 2,334,017
Business-type Activities					
Water Revenue Refunding Bonds	\$ 20,125,000	\$ -	\$ (810,000)	\$ 19,315,000	\$ 815,000
Wastewater Revenue Refunding Bonds	15,030,575		(760,568)	14,270,007	775,527
Less Deferred Amounts:					
Bond Discount	(467,575)		25,229	(442,346)	(25,229)
Bonds, net	34,688,000		(1,545,339)	33,142,661	1,565,298
Energy Service Lease Payable	1,117,576	1,380,933	(88,552)	2,409,957	70,080
Loans Payable	32,036,454		(2,558,794)	29,477,660	1,464,313
Net Pension Liability	7,918,971	1,257,801	(579,595)	8,597,177	
Compensated Absences	510,061	187,568	(232,543)	465,086	404,712
Total Business-type Activities	\$ 76,271,062	\$ 2,826,302	\$ (5,004,823)	\$ 74,092,541	\$ 3,504,403

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

2015 Refunding Lease Revenue Bonds

On October 22, 2015, the Yuba City Public Financing Authority (PFA) issued \$9,730,000 of Refunding Lease Revenue Bonds (Bonds) bearing interest rates of 2.0 to 5.0% and payable semi-annually on December 1 and June 1, maturing on June 1, 2036. The proceeds of the Bonds will be used to (i) refinance outstanding 2006 lease obligations of the City and the related certificates of participation (COP); and (ii) pay the costs of issuing the Bonds. The outstanding principal balance of the 2015 Lease Revenue Bonds at June 30, 2016 was \$9,460,000.

\$10,673,922 from the 2015 Refunding Lease Revenue Bonds (including \$768,626 of the reserve fund from the 2006 COP) was placed in an irrevocable trust that is to be used to service the future debt requirements of the 2006 COP. 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 \$909,723. The aggregate difference in debt service between the old and new debt is \$1,008,230.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 5 - LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

2015 Refunding Lease Revenue Bonds (Continued)

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2017	\$ 325,000	\$ 314,782	\$ 639,782
2018	340,000	299,782	639,782
2019	355,000	282,407	637,407
2020	375,000	264,157	639,157
2021	395,000	244,907	639,907
2022-2026	2,210,000	999,128	3,209,128
2027-2031	2,525,000	678,965	3,203,965
2032-2036	2,935,000	253,817	3,188,817
Totals	<u>\$ 9,460,000</u>	<u>\$ 3,337,945</u>	<u>\$ 12,797,945</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, 2016 was \$1,130,000.

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2017	\$ 1,130,000	\$ 60,681	\$ 1,190,681
Totals	<u>\$ 1,130,000</u>	<u>\$ 60,681</u>	<u>\$ 1,190,681</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 was \$4,967,214. Lease payments commenced 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, 2016

NOTE 5 - LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Capital Leases (Continued)

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2017	\$ 69,244	\$ 68,071	\$ 137,315
2018	77,495	65,981	143,476
2019	86,249	63,647	149,896
2020	95,531	61,055	156,586
2021	118,850	58,042	176,892
2022-2026	778,289	229,854	1,008,143
2027-2031	1,157,211	92,716	1,249,927
Totals	<u>\$ 2,382,869</u>	<u>\$ 639,366</u>	<u>\$ 3,022,235</u>

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%.

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

Fiscal Year Ended June 30,	Total
2017	\$ 722,691
2018	722,691
Total requirements	1,445,382
Less: interest	(67,637)
Present value of remaining payments	<u>\$ 1,377,745</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, 2016 are as follows:

Fiscal Year Ended June 30,	Total
2017	\$ 118,844
2018	118,844
2019	118,844
2020	118,844
2021	118,844
2022-2026	594,220
2027	118,848
Total requirements	1,307,288
Less: interest	(200,903)
Present value of remaining payments	<u>\$ 1,106,385</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 5 - LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

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, 2016, the balance of the loan was \$231,000.

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

Fiscal Year Ended June 30,	Total
2017	\$ 23,100
2018	23,100
2019	23,100
2020	23,100
2021	23,100
2022-2026	115,500
Balance of principal payments	<u>\$ 231,000</u>

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, 2016 was \$8,815,000.

\$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.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 5 - LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

Wastewater Revenue Refunding Bonds – 2011 (Continued)

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
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	165,000	335,594	500,594
2022-2026	1,635,000	1,589,885	3,224,885
2027-2031	5,215,000	932,880	6,147,880
2032	1,175,000	51,113	1,226,113
Totals	<u>\$ 8,815,000</u>	<u>\$ 4,297,418</u>	<u>\$ 13,112,418</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, 2016 was \$5,455,007.

\$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.

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
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	689,118	70,056	759,174
2022-2024	2,170,319	107,202	2,277,521
Totals	<u>\$ 5,455,007</u>	<u>\$ 618,386</u>	<u>\$ 6,073,393</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 5 - LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

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, 2016 was \$19,315,000.

\$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, 2016 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
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	865,000	525,820	1,390,820
2022-2026	4,635,000	2,304,584	6,939,584
2027-2031	5,415,000	1,531,430	6,946,430
2032-2035	5,075,000	484,736	5,559,736
Totals	<u>\$ 19,315,000</u>	<u>\$ 7,084,072</u>	<u>\$ 26,399,072</u>

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 \$1,150,024 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, 2016 was \$15,341,014.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 5 - LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

Loans Payable (Continued)

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
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	880,730	269,294	1,150,024
2022-2026	4,716,510	1,033,607	5,750,117
2027-2031	5,283,572	466,545	5,750,117
2032	1,130,622	19,400	1,150,022
Totals	<u>\$ 15,341,014</u>	<u>\$ 3,059,362</u>	<u>\$ 18,400,376</u>

The outstanding principal balance of the Safe Drinking Water State Revolving Fund – Region 1 loan at June 30, 2016 was \$4,965,677.

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2017	\$ 255,876	\$ 122,636	\$ 378,512
2018	262,317	116,195	378,512
2019	268,921	109,591	378,512
2020	275,691	102,822	378,513
2020	282,631	95,881	378,512
2021-2025	1,523,525	369,036	1,892,561
2026-2030	1,725,188	167,372	1,892,560
2031-2032	371,528	6,985	378,513
Totals	<u>\$ 4,965,677</u>	<u>\$ 1,090,518</u>	<u>\$ 6,056,195</u>

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, 2016 was \$3,007,807.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 5 - LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

Loans Payable (Continued)

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2017	\$ 129,228	\$ 77,290	\$ 206,518
2018	132,071	74,172	206,243
2019	134,977	70,985	205,962
2020	137,946	67,728	205,674
2021	140,981	64,400	205,381
2022-2026	752,818	269,452	1,022,270
2027-2031	839,352	174,542	1,013,894
2032-2035	740,434	68,725	809,159
Totals	<u>\$ 3,007,807</u>	<u>\$ 867,294</u>	<u>\$ 3,875,101</u>

The outstanding principal balance of the \$10,193,965 loan at June 30, 2016 was \$6,163,162.

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2017	\$ 274,947	\$ 112,556	\$ 387,503
2018	274,947	110,936	385,883
2019	279,896	105,988	385,884
2020	284,934	100,950	385,884
2021	290,063	95,820	385,883
2022-2026	1,558,086	371,332	1,929,418
2027-2031	1,703,454	225,966	1,929,420
2032-2035	1,496,835	67,038	1,563,873
Totals	<u>\$ 6,163,162</u>	<u>\$ 1,190,586</u>	<u>\$ 7,353,748</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 was \$4,967,214. Lease payments commence September 13, 2015 and end June 13, 2031 and have an interest rate of 2.89%. The outstanding balance of the capital lease at June 30, 2016 was \$2,409,957.

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2017	\$ 70,080	\$ 68,893	\$ 138,973
2018	78,431	66,778	145,209
2019	87,290	64,415	151,705
2020	96,684	61,792	158,476
2021	120,285	58,743	179,028
2022-2026	787,685	232,628	1,020,313
2027-2031	1,169,502	93,835	1,263,337
Totals	<u>\$ 2,409,957</u>	<u>\$ 647,084</u>	<u>\$ 3,057,041</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 5 - LONG-TERM DEBT (Continued)

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, 2016, the principal amount of special assessment debt outstanding for which the City is not obligated was \$5,607,812.

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, 2016 was \$1,037,476 on the Statement of Net Position for business-type activities. \$292,810 was related to the 2014 Wastewater Refunding Revenue Bonds, \$121,895 was related to the 2011 Wastewater Revenue Refunding Bonds, and \$622,771 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, 2016, the City had the following long-term advances:

Major Governmental Fund:	Trust Fund:	
General Fund	Redevelopment Agency Successor Agency Fund	\$ 11,145,336
Trust Fund:		
Redevelopment Agency Low/Mod Successor Agency Fund	Redevelopment Agency Successor Agency Fund	1,626,817
Internal Service Fund:	Major Enterprise Fund:	
Vehicle Replacement Fund	Wastewater Fund	2,105,964

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

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, 2016 were as follows:

Receivable Fund	Payable Fund	Amount
Major Governmental Funds:	Major Governmental Funds:	
General Fund	Streets and Roads Special Revenue Fund	\$ 1,499,337
	Impact Fees CIP Capital Projects Fund	398,086
	Nonmajor Governmental Funds:	
	CDBG Grant Special Revenue Fund	48,916
	Neighborhood Stabilization Program Grant Special Revenue Fund	90,241
General CIP Capital Projects Fund	Major Governmental Fund:	
	Impact Fees CIP Capital Projects Fund	87,690
	Totals	\$ 2,124,270

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 7 - INTERFUND AND SUCCESSOR AGENCY TRANSACTIONS (Continued)

C. Transfers

Transfers for the fiscal year ended June 30, 2016 were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose of transfer</u>
<u>Major Governmental Funds:</u>			
General Fund	\$ 5,989,170	\$ 3,941,085	Transfer in-for labor charges. Transfer out-\$1,276,028 is for projects, \$2,541,557 is for vehicle replacement, and \$123,500 is for tourism funding.
Streets and Roads Special Revenue Fund	687,455	3,999,900	Transfer in-reimbursement for project costs. Transfer out-\$1,511,400 is for labor charges and \$2,488,500 is for projects.
General CIP Capital Projects Fund	1,399,925	1,233,896	Transfer in-\$123,896 is for projects and \$1,276,029 is for reserves. Transfer out-\$302,808 is for debt service, \$104,460 is for labor charges, and \$826,628 is for projects.
Impact Fees CIP Capital Projects Fund	2,824	464,212	Transfer in-debt service. Transfer out-\$419,884 is for debt service and \$44,328 is for labor charges.
<u>Major Enterprise Funds:</u>			
Water Fund	200	1,812,630	Transfer in-correction of revenue that was originally recorded in the Wastewater Fund. Transfer out-\$1,806,119 is for labor charges and \$6,511 is for vehicle replacement
Wastewater Fund	206,191	1,606,146	Transfer in-\$200,000 is for reimbursement for lab services and \$6,191 is for vehicle replacement. Transfer out-\$1,605,550 is for labor charges and \$596 is for projects.
<u>Nonmajor Governmental Funds:</u>			
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		71,215	Transfer out-for labor charges.
CDBG Grant Special Revenue Fund		52,026	Transfer out-for labor charges.
Miscellaneous Lighting Districts Special Revenue Fund		196,266	Transfer out-for labor charges.
TDA/LTF Special Revenue Fund		155,939	Transfer out-for labor charges.
CAL-HOME Grant Special Revenue Fund		5,583	Transfer out-for labor charges.
Gauche Park COP Debt Service Fund		5,647	Transfer out-debt service.
Fire Station #4 Lease Debt Service Fund	722,691		Transfer in-debt service.
Streets & Roads CIP Capital Projects Fund	3,242,628	1,023,096	Transfer in-reimbursement for project costs. Transfer out-\$687,445 is for reimbursement of project costs and \$335,641 is for labor charges.
<u>Internal Service Fund:</u>			
Vehicle Replacement Fund	2,541,557		Transfer in-for vehicle replacement.
Totals	\$ 14,792,641	\$ 14,792,641	

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

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.

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, 2016, are summarized as follows:

	City Miscellaneous Plan			
	Tier I	Tier II		Tier III
	Prior to July 1, 2012	On or after July 1, 2012	July	On or after January 1, 2013
Hire date				
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%		24.815%
	City Safety Plan			
	Tier I	Tier II		Tier III
	Prior to July 1, 2012	On or after July 1, 2012	July	On or after January 1, 2013
Hire date				
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, 2016

NOTE 8 - EMPLOYEE RETIREMENT PLANS (Continued)

A. General Information about the Pension Plan (Continued)

Employees Covered – At June 30, 2016, the following employees were covered by the benefit terms for the Miscellaneous Plan:

	<u>Miscellaneous*</u>
Inactive employees or beneficiaries currently receiving benefits	228
Inactive employees entitled to but not yet receiving benefits	97
Active employees	163
Total	488

* 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, 2015, using an annual actuarial valuation as of June 30, 2014 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, 2014 and June 30, 2015 was as follows:

	<u>Public Safety Plans</u>
Proportion - June 30, 2014	0.56283%
Proportion - June 30, 2015	0.59998%
Change - Increase (Decrease)	0.03716%

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

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, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	Varies (1)
Investment Rate of Return	7.65% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds (3)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Protection Allowance Floor on Purchasing Power applies, 2.75 thereafter

- (1) Depending on age, service, and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality, and retirement rates. The experience study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions - GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% 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 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 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.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 8 - EMPLOYEE RETIREMENT PLANS (Continued)

B. Net Pension Liability (Continued)

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.

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	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	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.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 8 - EMPLOYEE RETIREMENT PLANS (Continued)

C. Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2014	\$ 105,347,561	\$ 78,994,911	\$ 26,352,650
Changes in the year:			
Services Cost	1,911,173		1,911,173
Interest on the Total Pension Liability	7,750,612		7,750,612
Differences Between Expected and Actual Experience	(708,337)		(708,337)
Changes of Assumptions	(1,986,626)		(1,986,626)
Contribution from the Employer		2,183,090	(2,183,090)
Contribution from the Employees		770,559	(770,559)
Net investment income		1,768,847	(1,768,847)
Administration Fees		(88,966)	88,966
Benefit Payments	(4,585,998)	(4,585,998)	
Net Changes	<u>2,380,824</u>	<u>47,532</u>	<u>2,333,292</u>
Balance at June 30, 2015	<u>\$ 107,728,385</u>	<u>\$ 79,042,443</u>	<u>\$ 28,685,942</u>

As of June 30, 2016, 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
<u>\$ 24,721,836</u>

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	6.65%	6.65%
Net Pension Liability	\$ 43,855,855	\$ 40,898,195
Current Discount Rate	7.65%	7.65%
Net Pension Liability	\$ 28,685,942	\$ 24,721,836
1% Increase	8.65%	8.65%
Net Pension Liability	\$ 16,245,033	\$ 11,457,519

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, 2016, the City recognized pension income of \$1,018,787 (\$535,498 for the Miscellaneous Plan and \$483,289 for the Public Safety Plans). At June 30, 2016, the City of Yuba City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 8 - EMPLOYEE RETIREMENT PLANS (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,853,236	\$ -
Changes of assumptions		(1,301,583)
Differences between expected and actual experiences		(464,083)
Net differences between projected and actual earnings on plan investments	3,355,193	(4,064,392)
Total	\$ 5,208,429	\$ (5,830,058)

Public Safety Plans:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,470,885	\$ -
Changes of assumptions		(1,560,083)
Differences between expected and actual experiences		(339,195)
Net differences between projected and actual earnings on plan investments		(790,660)
Change in employer's proportion	787,840	(232,311)
Differences between the employer's contributions and the employer's proportionate share of contributions		(544,456)
Total	\$ 3,258,725	\$ (3,466,705)

\$4,324,121 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,		
2017	\$	(2,752,831)
2018		(2,634,090)
2019		(1,576,193)
2020		1,809,384

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.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 8 - EMPLOYEE RETIREMENT PLANS (Continued)

457 Plan (Continued)

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.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS

Plan Description

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 2015-2016, the City contributed \$44,655 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	\$ 260,000
Interest on net OPEB obligation	42,443
Net OPEB obligation adjustment	<u>(92,000)</u>
Annual OPEB cost (expense)	210,443
Contributions made	<u>(44,655)</u>
Increase in net OPEB obligation	165,788
Net OPEB obligation - beginning of fiscal year	<u>1,061,084</u>
Net OPEB obligation - end of fiscal year	<u><u>\$ 1,226,872</u></u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Annual OPEB and Net OPEB Obligation (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015-2016 and the two preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation (Asset)
6/30/2013	\$ 187,636	26.8%	\$ 903,217
6/30/2015	198,129	20.3%	1,061,084
6/30/2016	210,443	21.2%	1,226,872

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.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

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.

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, 2016, 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 \$364,710 is recorded in the General Liability Program Internal Service fund as prepaid insurance. The City's investment of \$206,194 is recorded in the Workers' Compensation Program Internal Service fund as prepaid insurance. 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, 2016

NOTE 10 - RISK MANAGEMENT (Continued)

The NCCSIF's June 30, 2016 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, 2016:

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>
Total assets	\$ 41,702,626	\$ 12,377,002
Total liabilities	<u>29,936,767</u>	<u>10,143,304</u>
Net members equity	<u>\$ 11,765,859</u>	<u>\$ 2,233,698</u>
Operating revenue	\$ 9,945,275	\$ 5,896,045
Operating expenses	<u>7,220,619</u>	<u>5,567,418</u>
Operating income (loss)	2,724,656	328,627
Investment income	<u>1,176,672</u>	<u>389,480</u>
Net income (loss)	3,901,328	718,107
Beginning members equity	<u>7,864,531</u>	<u>1,515,591</u>
Ending members equity	<u>\$ 11,765,859</u>	<u>\$ 2,233,698</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, 2016 was \$13,249,119. 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, 2016

NOTE 12 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balances

As of June 30, 2016 the following funds had a deficit fund balance/net position:

Internal Service Fund:	
Vehicle Maintenance Fund	\$ 219,451

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 Expenditures</u>
Nonmajor Special Revenue Funds:	
Landscape Districts Fund	\$ 94,355
CDBG Program Income Fund	3,741

NOTE 13 – SPECIAL ITEM

The City reported a special item equal to \$2,000,000 on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds, for a contribution to the Pension Stability Agency Fund.

NOTE 14 - 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, 2016

NOTE 14 - 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 15 – SUCCESSOR AGENCY

A. Notes Receivable of the Successor Agency as of June 30, 2016 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, 2016 was \$934,375. 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, 2016 was \$350,484. 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, 2016 was \$2,027,122. 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, 2016 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, 2016 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, 2016, 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, 2016

NOTE 15 – SUCCESSOR AGENCY (Continued)

B. Capital assets of the Successor Agency as of June 30, 2016 consisted of the following:

	July 1, 2015 Balance	Additions	Deletions	June 30, 2016 Balance
Capital assets, not being depreciated:				
Land	\$ 3,907,713	\$ -	\$(100,615)	\$ 3,807,098
Total capital assets, not being depreciated	<u>3,907,713</u>		<u>(100,615)</u>	<u>3,807,098</u>
Capital assets, being depreciated:				
Buildings	2,050,070			2,050,070
Improvements other than buildings	80,379			80,379
Total capital assets, being depreciated	<u>2,130,449</u>			<u>2,130,449</u>
Less accumulated depreciation for:				
Buildings	(585,883)	(99,000)		(684,883)
Improvements other than buildings	<u>(33,312)</u>	<u>(2,900)</u>		<u>(36,212)</u>
Total accumulated depreciation, net	<u>(619,195)</u>	<u>(101,900)</u>		<u>(721,095)</u>
Total capital assets, being depreciated, net	<u>1,511,254</u>	<u>(101,900)</u>		<u>1,409,354</u>
Total capital assets, net	<u>\$ 5,418,967</u>	<u>\$ (101,900)</u>	<u>\$ (100,615)</u>	<u>\$ 5,216,452</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, 2016, consisted of the following:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due within one year
Tax Allocation Bonds	\$ 32,605,000	\$ 31,545,000	\$(32,605,000)	\$ 31,545,000	\$ 650,000
Plus: Bond Premium	300,042	579,005	(312,104)	566,943	24,125
Bonds, net	<u>32,905,042</u>	<u>32,124,005</u>	<u>(32,917,104)</u>	<u>32,111,943</u>	<u>674,125</u>
Advances from City of Yuba City	11,098,170	47,166		11,145,336	
Loan payable	<u>1,474,098</u>		<u>(55,251)</u>	<u>1,418,847</u>	<u>56,870</u>
Totals	<u>\$ 45,477,310</u>	<u>\$ 32,171,171</u>	<u>\$ (32,972,355)</u>	<u>\$ 44,676,126</u>	<u>\$ 730,995</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 15 – SUCCESSOR AGENCY (Continued)

D. Long-term debt of the Successor Agency as of June 30, 2016, consisted of the following (Continued):

2015 Tax Allocation Refunding Bonds

On December 23, 2015, the Agency issued \$31,545,000 of Tax Allocation Refunding Bonds bearing interest of 2.0% to 5.0% and payable semi-annually on September 1 and March 1, maturing on September 1, 2039. The proceeds of the Bonds will be used to (i) prepay the 2004 Series A, 2004 Series B, and 2007 Tax Allocation Bonds; (ii) pay the costs of issuing the Bonds, and (iii) fund a reserve account. The outstanding principal balance of the 2015 Tax Allocation Refunding Bonds at June 30, 2016 was \$31,545,000.

\$33,683,651 from the 2015 Tax Allocation Refunding Bonds was placed in an irrevocable trust that is to be used to service the future debt requirements of the 2004 Series A, 2004 Series B, and 2007 Tax Allocation Bonds. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts) of \$4,813,684. The aggregate difference in debt service between the old and new debt is \$7,826,966.

The City defeased the 2004 Series A, 2004 Series B, and 2007 Tax Allocation Bonds by placing the proceeds of the 2015 Tax Allocation Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the 2004 Series A, 2004 Series B, and 2007 Tax Allocation Bonds. Accordingly, the trust account assets and the liability for the defeased Tax Allocation Bonds are not included in the City's financial statements.

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2017	\$ 650,000	\$ 1,095,994	\$ 1,745,994
2018	905,000	1,075,919	1,980,919
2019	935,000	1,048,319	1,983,319
2020	960,000	1,015,094	1,975,094
2021	1,000,000	975,894	1,975,894
2022-2026	5,470,000	4,381,705	9,851,705
2027-2031	6,610,000	3,255,512	9,865,512
2032-2036	7,755,000	2,093,569	9,848,569
2037-2039	7,260,000	575,651	7,835,651
Totals	<u>\$ 31,545,000</u>	<u>\$ 15,517,657</u>	<u>\$ 47,062,657</u>

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, 2016, the interest rate was .425%. At June 30, 2016, the balance was \$11,145,336.

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.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2016

NOTE 15 – SUCCESSOR AGENCY (Continued)

D. Long-term debt of the Successor Agency as of June 30, 2016, consisted of the following (Continued):

Loan Payable (Continued)

The loan was used to finance redevelopment activities. The outstanding principal balance of the loan at June 30, 2016 was \$1,418,847.

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
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	63,834	33,673	97,507
2022-2026	348,346	138,763	487,109
2027-2031	402,459	83,860	486,319
2032-2035	366,532	21,868	388,400
Totals	\$ 1,418,847	\$ 430,776	\$ 1,849,623

NOTE 16 – FUTURE ACCOUNTING PRONOUNCEMENTS

The following GASB Statements will be implemented in future financial statements:

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, is effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 77, *Tax Abatement Disclosures*, is effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, is effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, is effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26, and 40, which are effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, is effect for periods beginning after June 15, 2016.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, is effective for periods beginning after December 15, 2016.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, is effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF YUBA CITY
Required Supplementary Information
June 30, 2016

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, 2016

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>2016</u>	<u>Miscellaneous Plan</u> <u>2015</u>
Measurement Period	2014-15	2013-14
Total Pension Liability		
Services Cost	\$ 1,911,173	\$ 1,996,804
Interest on the Total Pension Liability	7,750,612	7,426,882
Changes of Assumptions	(1,986,626)	
Differences between Expected and Actual Experience	(708,337)	
Benefit Payments, including Refunds of Employee Contributions	(4,585,998)	(4,205,602)
Net Change in Total Pension Liability	2,380,824	5,218,084
Total Pension Liability - Beginning	105,347,561	100,129,477
Total Pension Liability - Ending (a)	<u>\$ 107,728,385</u>	<u>\$ 105,347,561</u>
Plan Fiduciary Net Position		
Contribution from the Employer	\$ 2,183,090	\$ 2,178,855
Contribution from the Employees	770,559	722,828
Net investment income	1,768,847	11,844,477 ¹
Administrative Expense	(88,966)	
Benefit Payments	(4,585,998)	(4,205,602)
Net Change in Plan Fiduciary Net Position	47,532	10,540,558
Plan Fiduciary Net Position - Beginning	78,994,911	68,454,353
Plan Fiduciary Net Position - Ending (b)	<u>\$ 79,042,443</u>	<u>\$ 78,994,911</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 28,685,942</u>	<u>\$ 26,352,650</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.37%	74.99%
Covered - Employee Payroll	\$ 10,349,684	\$ 10,002,524
Net Pension Liability as Percentage of Covered-Employee Payroll	277.17%	263.46%

¹ 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: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

CITY OF YUBA CITY
Required Supplementary Information
June 30, 2016

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

Schedule of Contributions¹

	Miscellaneous Plan	Miscellaneous Plan
	Fiscal Year 2014-15	Fiscal Year 2013-14
Actuarially Determined Contribution ²	\$ 2,183,090	\$ 2,178,855
Contributions in Relation to the Actuarially Determined Contribution ²	(2,183,090)	(2,178,855)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll ^{3,4}	\$ 10,349,684	\$ 10,002,524
Contributions as a Percentage of Covered-Employee Payroll ³	21.09%	21.78%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² 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.

³ 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.

⁴ Payroll from prior year \$10,048,237 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 two years are shown.

CITY OF YUBA CITY
Required Supplementary Information
June 30, 2016

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*

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Proportion of the net pension liability	0.36017%	0.33927%
Proportionate share of the net pension liability	\$ 24,721,836	\$ 21,111,427
Covered-employee payroll	\$ 8,075,871	\$ 9,815,408
Proportionate Share of the net pension liability as a percentage of covered-employee payroll	306.12%	215.08%
Plan's fiduciary net position	\$ 14,011,269,803	\$ 13,968,041,341
Plan's total pension liability	\$ 18,131,714,318	\$ 17,719,018,179
Plan fiduciary net position as a percentage of total pension liability	77.27%	78.83%

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: The discount rate was changed from 7.50 percent (net of administrative expense) to 7.65 percent.

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

CITY OF YUBA CITY
Required Supplementary Information
June 30, 2016

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, 2016	June 30, 2015
Contractual required contribution (actuarially determined)	\$ 3,172,836	\$ 2,618,919
Contributions in relation to the actuarially determined contributions	(2,470,885)	(2,433,934)
Contribution deficiency (excess)	\$ 701,951	\$ 184,985
Covered-employee payroll	8,075,871	9,815,408
Contributions as a percentage of covered-employee payroll	39.29%	26.68%

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 two years are shown.

CITY OF YUBA CITY
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2016

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, Harter Specific Plan, or Neighborhood Stabilization Program Grant Special Revenue Funds for the fiscal year ended June 30, 2016. 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, 2016

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Taxes and assessments	\$ 27,515,560	\$ 27,515,560	\$ 28,200,653	\$ 685,093
Intergovernmental revenues	90,000	1,272,843	733,115	(539,728)
Licenses, permits, and fees	655,000	655,000	1,011,781	356,781
Fines and forfeitures			11,185	11,185
Use of money and property	75,300	75,300	148,914	73,614
Charges for services	2,257,700	2,257,700	2,461,515	203,815
Other revenues	282,330	282,330	494,563	212,233
	<u>30,875,890</u>	<u>32,058,733</u>	<u>33,061,726</u>	<u>1,002,993</u>
Expenditures:				
Current:				
General government:				
City council	143,122	159,622	148,373	11,249
City manager	555,542	564,879	555,968	8,911
City attorney	185,500	185,500	251,287	(65,787)
Finance	1,571,677	1,634,983	1,586,658	48,325
City treasurer	7,211	7,211	1,077	6,134
Information technology	768,973	792,362	696,625	95,737
City clerk	29,244	39,244	18,835	20,409
Human resources	618,151	681,578	647,972	33,606
Non departmental	254,831	273,906	270,911	2,995
Contingency	197,600	102,239	35,706	66,533
	<u>4,331,851</u>	<u>4,441,524</u>	<u>4,213,412</u>	<u>228,112</u>
Public safety:				
Animal control	687,506	652,505	670,749	(18,244)
Police-traffic	956,862	982,062	627,534	354,528
Police-administration	1,545,113	1,550,300	1,544,073	6,227
Police-investigation	2,403,331	2,453,794	1,896,354	557,440
Police-field operations	7,601,595	7,786,059	8,036,055	(249,996)
Police-community outreach	10,368	10,368	13,512	(3,144)
Police-technology research	97,145	100,248	91,001	9,247
Police-information and analysis	26,675	26,675	28,532	(1,857)
Police-communications	1,186,616	1,222,078	1,235,871	(13,793)
Law Enforcement-grants		515,072	263,323	251,749
Fire-administration	1,045,939	1,128,689	1,164,761	(36,072)
Fire-operations	8,490,597	8,821,623	9,320,580	(498,957)
Fire-grants		328,642	252,415	76,227
	<u>24,051,747</u>	<u>25,578,115</u>	<u>25,144,760</u>	<u>433,355</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, 2016

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Expenditures: (Continued)				
Current:				
Parks and recreation:				
Administration	\$ 455,703	\$ 472,066	\$ 380,011	\$ 92,055
Supervision	277,238	282,237	236,488	45,749
Programs	758,709	760,718	673,014	87,704
Swimming pool	326,810	322,043	352,817	(30,774)
Senior center	106,236	105,888	129,891	(24,003)
Total parks and recreation	<u>1,924,696</u>	<u>1,942,952</u>	<u>1,772,221</u>	<u>170,731</u>
Public works and facilities:				
Administration	206,547	213,484	201,662	11,822
Streets	1,263,607	1,322,130	1,127,559	194,571
Parks Maintenance	1,246,629	1,301,407	1,137,569	163,838
Facilities maintenance	670,121	670,097	542,168	127,929
Electrical maintenance	425,381	430,054	398,012	32,042
Engineering	1,470,167	1,536,259	1,161,479	374,780
Total public works and facilities	<u>5,282,452</u>	<u>5,473,431</u>	<u>4,568,449</u>	<u>904,982</u>
Community development:				
Planning	487,434	561,337	339,435	221,902
Building	507,875	529,918	318,158	211,760
Economic development	242,680	266,002	264,216	1,786
Total community development	<u>1,237,989</u>	<u>1,357,257</u>	<u>921,809</u>	<u>435,448</u>
Debt Service:				
Principal	281,306	363,665	317,714	45,951
Interest and other charges	312,179	372,981	286,334	86,647
Total debt service	<u>593,485</u>	<u>736,646</u>	<u>604,048</u>	<u>132,598</u>
Capital Outlay:				
General government				
Public safety		349,087	66,512	282,575
Parks and recreation		7,961	7,961	
Total capital outlay		<u>357,048</u>	<u>74,473</u>	<u>282,575</u>
Total expenditures	<u>37,422,220</u>	<u>39,886,973</u>	<u>37,299,172</u>	<u>2,587,801</u>
Excess of revenues over (under) expenditures	<u>(6,546,330)</u>	<u>(7,828,240)</u>	<u>(4,237,446)</u>	<u>3,590,794</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, 2016

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget
				Positive
				(Negative)
Other Financing Sources (Uses):				
Transfers in	\$ 6,370,110	\$ 6,468,664	\$ 5,989,170	\$ (479,494)
Transfers out		(3,941,085)	(3,941,085)	
	<u>6,370,110</u>	<u>2,527,579</u>	<u>2,048,085</u>	<u>(479,494)</u>
Total other financing sources (uses)	<u>6,370,110</u>	<u>2,527,579</u>	<u>2,048,085</u>	<u>(479,494)</u>
Net changes in fund balance before Special Item	(176,220)	(5,300,661)	(2,189,361)	3,111,300
Special Item				
Contribution to Pension Stability Agency Fund		(2,000,000)	(2,000,000)	
Net changes in fund balance	(176,220)	(7,300,661)	(4,189,361)	3,111,300
Fund balance - July 1, 2015	<u>21,983,230</u>	<u>21,983,230</u>	<u>21,983,230</u>	
Fund balance - June 30, 2016	<u>\$ 21,807,010</u>	<u>\$ 14,682,569</u>	<u>\$ 17,793,869</u>	<u>\$ 3,111,300</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ 740	\$ 4,481	\$ 3,741
Program income	5,000	5,000	76,324	71,324
Total revenues	5,000	5,740	80,805	75,065
Expenditures:				
Current:				
Community development	5,000	15,841	1,188	14,653
Total expenditures	5,000	15,841	1,188	14,653
Net changes in fund balance		(10,101)	79,617	89,718
Fund balance - July 1, 2015	128,484	128,484	128,484	
Fund balance - June 30, 2016	\$ 128,484	\$ 118,383	\$ 208,101	\$ 89,718

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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes and assessments	\$ 1,591,500	\$ 1,591,500	\$ 1,727,308	\$ 135,808
Use of money and property	10,850	10,850	30,137	19,287
Intergovernmental revenues		3,348,939	2,042,554	(1,306,385)
Other revenue			21,219	21,219
	<u>1,602,350</u>	<u>4,951,289</u>	<u>3,821,218</u>	<u>(1,130,071)</u>
Other Financing Sources (Uses):				
Transfers in		687,455	687,455	
Transfers out	(2,072,900)	(4,508,673)	(3,999,900)	508,773
	<u>(2,072,900)</u>	<u>(3,821,218)</u>	<u>(3,312,445)</u>	<u>508,773</u>
Total other financing sources (uses)				
	<u>(2,072,900)</u>	<u>(3,821,218)</u>	<u>(3,312,445)</u>	<u>508,773</u>
Net change in fund balance	(470,550)	1,130,071	508,773	(621,298)
Fund balance - July 1, 2015	(508,773)	(508,773)	(508,773)	
Fund balance (deficit) - June 30, 2016	<u>\$ (979,323)</u>	<u>\$ 621,298</u>	<u>\$ -</u>	<u>\$ (621,298)</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 2015 Refunding Lease Revenue Bonds.

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, 2016

Special Revenue Funds

	Traffic Safety Fund	Law Enforcement Services Fund	Landscape Districts Fund	Recology Rate Stabilization Fund
Assets				
Cash and investments	\$ 259,609	\$ 193,609	\$ 618,921	\$ 784,079
Cash and investments with fiscal agent				
Accounts receivable	13,650	1,968		24,701
Taxes and assessments receivable			3,490	
Notes receivable				
Total assets	\$ 273,259	\$ 195,577	\$ 622,411	\$ 808,780
Liabilities				
Accounts payable	\$ 422	\$ -	\$ 96,943	\$ -
Deposits payable				
Unearned revenue				793,377
Due to other funds				
Total liabilities	422		96,943	793,377
Deferred inflows of resources				
Deferred revenue - notes receivable				
Total deferred inflows of resources				
Fund Balances				
Restricted			525,468	15,403
Committed	272,837	195,577		
Total fund balances (deficits)	272,837	195,577	525,468	15,403
Total liabilities, deferred inflows of of resources and fund balances	\$ 273,259	\$ 195,577	\$ 622,411	\$ 808,780

Special Revenue Funds

CDBG Grant Fund	CDBG Program Income Fund	Miscellaneous Lighting Districts Fund	TDA/LTF Fund	CAL-HOME Grant Fund
\$ -	\$ 23,656	\$ 470,140	\$ 3,967,563	\$ 13,535
117,595		4,533	294,996	62,541
	1,511,378			462,752
<u>\$ 117,595</u>	<u>\$ 1,535,034</u>	<u>\$ 474,673</u>	<u>\$ 4,262,559</u>	<u>\$ 538,828</u>
\$ 31,582	\$ -	\$ 9,800	\$ 646,396	\$ 39,405
48,916				
80,498		9,800	646,396	39,405
	1,511,378			462,752
	1,511,378			462,752
37,097	23,656	464,873	3,616,163	36,671
37,097	23,656	464,873	3,616,163	36,671
<u>\$ 117,595</u>	<u>\$ 1,535,034</u>	<u>\$ 474,673</u>	<u>\$ 4,262,559</u>	<u>\$ 538,828</u>

(Continued)

CITY OF YUBA CITY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Continued)
June 30, 2016

Special Revenue Funds

	Fire Mitigation Fees Fund	Harter Specific Plan Fund	Neighborhood Stabilization Program Grant Fund	DOE Energy Conservation Grant Fund
Assets				
Cash and investments	\$ 2,722	\$ 876,522	\$ -	\$ 128,810
Cash and investments with fiscal agent				
Accounts receivable			90,241	
Taxes and assessments receivable				
Notes receivable				
Total assets	\$ 2,722	\$ 876,522	\$ 90,241	\$ 128,810
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 19,998
Deposits payable		702,984		
Unearned revenue				6,088
Due to other funds			90,241	
Total liabilities		702,984	90,241	26,086
Deferred inflows of resources				
Deferred revenue - notes receivable				
Total deferred inflows of resources				
Fund Balances				
Restricted	2,722	173,538		102,724
Committed				
Total fund balances (deficits)	2,722	173,538		102,724
Total liabilities, deferred inflows of of resources and fund balances	\$ 2,722	\$ 876,522	\$ 90,241	\$ 128,810

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	
\$ 23,022	\$ 92,985	\$ -	\$ 1,300,437	\$ 8,755,610	
24	181			205	
			38,000	348,696	
				303,019	
				1,974,130	
<u>\$ 23,046</u>	<u>\$ 93,166</u>	<u>\$ -</u>	<u>\$ 1,338,437</u>	<u>\$ 11,381,660</u>	
\$ -	\$ -	\$ -	\$ 166,705	\$ 1,011,251	
				702,984	
				799,465	
				139,157	
			166,705	2,652,857	
				1,974,130	
				1,974,130	
23,046	93,166		826,628	5,941,155	
			345,104	813,518	
23,046	93,166		1,171,732	6,754,673	
<u>\$ 23,046</u>	<u>\$ 93,166</u>	<u>\$ -</u>	<u>\$ 1,338,437</u>	<u>\$ 11,381,660</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, 2016

Special Revenue Funds

	Traffic Safety Fund	Law Enforcement Services Fund	Landscape Districts Fund	Recology Rate Stabilization Fund
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ 430,591	\$ -
Use of money and property	2,147	1,554	5,017	5,764
Intergovernmental revenues				
Charges for services				
Licenses, permits, and fees				
Fines and forfeitures	177,574	119,900		
Program income				
Other revenues				
Total revenues	<u>179,721</u>	<u>121,454</u>	<u>435,608</u>	<u>5,764</u>
Expenditures:				
Current:				
General government				
Parks and recreation			372,999	
Public works and facilities				
Community development				
Capital outlay				
Debt Service:				
Cost of debt issuance				
Principal				
Interest and other charges				
Total expenditures			<u>372,999</u>	
Excess of revenues over (under) expenditures	<u>179,721</u>	<u>121,454</u>	<u>62,609</u>	<u>5,764</u>
Other Financing Sources (Uses):				
Proceeds from issuance of long-term debt				
Payment to escrow for refunding				
Transfers in				
Transfers out	<u>(150,000)</u>	<u>(75,000)</u>	<u>(71,215)</u>	
Total other financing sources (uses)	<u>(150,000)</u>	<u>(75,000)</u>	<u>(71,215)</u>	
Net changes in fund balances	29,721	46,454	(8,606)	5,764
Fund balances (deficits) - July 1, 2015	<u>243,116</u>	<u>149,123</u>	<u>534,074</u>	<u>9,639</u>
Fund balances - June 30, 2016	<u>\$ 272,837</u>	<u>\$ 195,577</u>	<u>\$ 525,468</u>	<u>\$ 15,403</u>

Special Revenue Funds

CDBG Grant Fund	CDBG Program Income Fund	Miscellaneous Lighting Districts Fund	TDA/LTF Fund	CAL-HOME Grant Fund
\$ -	\$ -	\$ 341,535	\$ 1,540,935	\$ -
292,571	244	3,978	5,159	65,111
	4,804			44,303
<u>292,571</u>	<u>5,048</u>	<u>345,513</u>	<u>1,546,094</u>	<u>109,414</u>
148,869	7,241	198,672		67,762
33,280			1,220,939	
<u>182,149</u>	<u>7,241</u>	<u>198,672</u>	<u>1,220,939</u>	<u>67,762</u>
<u>110,422</u>	<u>(2,193)</u>	<u>146,841</u>	<u>325,155</u>	<u>41,652</u>
<u>(52,026)</u>		<u>(196,266)</u>	<u>(155,939)</u>	<u>(5,583)</u>
<u>(52,026)</u>		<u>(196,266)</u>	<u>(155,939)</u>	<u>(5,583)</u>
58,396	(2,193)	(49,425)	169,216	36,069
<u>(21,299)</u>	<u>25,849</u>	<u>514,298</u>	<u>3,446,947</u>	<u>602</u>
<u>\$ 37,097</u>	<u>\$ 23,656</u>	<u>\$ 464,873</u>	<u>\$ 3,616,163</u>	<u>\$ 36,671</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, 2016

Special Revenue Funds

	Fire Mitigation Fees Fund	Harter Specific Plan Fund	Neighborhood Stabilization Program Grant Fund	DOE Energy Conservation Grant Fund
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	16	7,973		1,462
Intergovernmental revenues				25,957
Charges for services				
Licenses, permits, and fees	1,448			
Fines and forfeitures				
Program income				
Other revenues				
Total revenues	1,464	7,973		27,419
Expenditures:				
Current:				
General government				
Parks and recreation				
Public works and facilities				
Community development			69	91,740
Capital outlay				
Debt Service:				
Cost of debt issuance				
Principal				
Interest and other charges				
Total expenditures			69	91,740
Excess of revenues over (under) expenditures	1,464	7,973	(69)	(64,321)
Other Financing Sources (Uses):				
Proceeds from issuance of long-term debt				
Payment to escrow for refunding				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net changes in fund balances	1,464	7,973	(69)	(64,321)
Fund balances (deficits) - July 1, 2015	1,258	165,565	69	167,045
Fund balances - June 30, 2016	<u>\$ 2,722</u>	<u>\$ 173,538</u>	<u>\$ -</u>	<u>\$ 102,724</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	
\$ -	\$ -	\$ -	\$ -	\$	2,313,061
113,388	93				146,795
					383,639
	1,152,346				1,152,346
					1,448
					297,474
					49,107
			91,297		91,297
113,388	1,152,439		91,297		4,435,167
					4,804
	4,804				372,999
					198,672
					315,681
			2,594,001		3,848,220
178,867					178,867
	1,035,000	650,070			1,685,070
	115,536	72,621			188,157
178,867	1,155,340	722,691	2,594,001		6,792,470
(65,479)	(2,901)	(722,691)	(2,502,704)		(2,357,303)
9,982,660					9,982,660
(10,673,922)					(10,673,922)
		722,691	3,242,628		3,965,319
(5,647)			(1,023,096)		(1,734,772)
(696,909)		722,691	2,219,532		1,539,285
(762,388)	(2,901)		(283,172)		(818,018)
785,434	96,067		1,454,904		7,572,691
\$ 23,046	\$ 93,166	\$ -	\$ 1,171,732	\$	6,754,673

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, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 215,000	\$ 177,574	\$ (37,426)
Use of money and property	2,800	2,147	(653)
Total revenues	<u>217,800</u>	<u>179,721</u>	<u>(38,079)</u>
Excess of revenues over (under) expenditures	<u>217,800</u>	<u>179,721</u>	<u>(38,079)</u>
Other Financing Sources (Uses):			
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	67,800	29,721	(38,079)
Fund balance - beginning of fiscal year	<u>243,116</u>	<u>243,116</u>	
Fund balance - end of fiscal year	<u><u>\$ 310,916</u></u>	<u><u>\$ 272,837</u></u>	<u><u>\$ (38,079)</u></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, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 115,000	\$ 119,900	\$ 4,900
Use of money and property	1,400	1,554	154
Total revenues	<u>116,400</u>	<u>121,454</u>	<u>5,054</u>
Other Financing Sources (Uses):			
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	41,400	46,454	5,054
Fund balance - beginning of fiscal year	<u>149,123</u>	<u>149,123</u>	
Fund balance - end of fiscal year	<u><u>\$ 190,523</u></u>	<u><u>\$ 195,577</u></u>	<u><u>\$ 5,054</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, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 392,996	\$ 430,591	\$ 37,595
Use of money and property	5,486	5,017	(469)
Total revenues	<u>398,482</u>	<u>435,608</u>	<u>37,126</u>
Expenditures:			
Current:			
Parks and recreation	278,644	372,999	(94,355)
Total expenditures	<u>278,644</u>	<u>372,999</u>	<u>(94,355)</u>
Excess of revenues over (under) expenditures	<u>119,838</u>	<u>62,609</u>	<u>(57,229)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(86,552)</u>	<u>(71,215)</u>	<u>15,337</u>
Total other financing sources (uses)	<u>(86,552)</u>	<u>(71,215)</u>	<u>15,337</u>
Net change in fund balance	33,286	(8,606)	(41,892)
Fund balance - beginning of fiscal year	<u>534,074</u>	<u>534,074</u>	
Fund balance - end of fiscal year	<u><u>\$ 567,360</u></u>	<u><u>\$ 525,468</u></u>	<u><u>\$ (41,892)</u></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, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 5,000	\$ 5,764	\$ 764
Total Revenues	5,000	5,764	764
Net change in fund balance	5,000	5,764	764
Fund balance - beginning of fiscal year	9,639	9,639	
Fund balance - end of fiscal year	\$ 14,639	\$ 15,403	\$ 764

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, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 566,286	\$ 292,571	\$ (273,715)
Program income	12,000		(12,000)
Total revenues	<u>578,286</u>	<u>292,571</u>	<u>(285,715)</u>
Expenditures:			
Current:			
Community development	342,659	148,869	193,790
Capital outlay	<u>443,395</u>	<u>33,280</u>	<u>410,115</u>
Total expenditures	<u>786,054</u>	<u>182,149</u>	<u>603,905</u>
Excess of revenues over (under) expenditures	<u>(207,768)</u>	<u>110,422</u>	<u>318,190</u>
Other Financing Sources (Uses):			
Transfers out	<u>(100,000)</u>	<u>(52,026)</u>	<u>47,974</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>(52,026)</u>	<u>47,974</u>
Net change in fund balance	(307,768)	58,396	366,164
Fund balance (deficit) - beginning of fiscal year	<u>(21,299)</u>	<u>(21,299)</u>	
Fund balance (deficit) - end of fiscal year	<u><u>\$ (329,067)</u></u>	<u><u>\$ 37,097</u></u>	<u><u>\$ 366,164</u></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, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 244	\$ 244
Program income	3,500	4,804	1,304
Total revenues	<u>3,500</u>	<u>5,048</u>	<u>1,548</u>
Expenditures:			
Current:			
Community development	3,500	7,241	(3,741)
Total expenditures	<u>3,500</u>	<u>7,241</u>	<u>(3,741)</u>
Net change in fund balance		(2,193)	(2,193)
Fund balance (deficit) - beginning of fiscal year	<u>25,849</u>	<u>25,849</u>	
Fund balance (deficit) - end of fiscal year	<u><u>\$ 25,849</u></u>	<u><u>\$ 23,656</u></u>	<u><u>\$ (2,193)</u></u>

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, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 391,630	\$ 341,535	\$ (50,095)
Use of money and property	4,708	3,978	(730)
Total revenues	<u>396,338</u>	<u>345,513</u>	<u>(50,825)</u>
Expenditures:			
Current:			
Public works and facilities	241,974	198,672	43,302
Total expenditures	<u>241,974</u>	<u>198,672</u>	<u>43,302</u>
Excess of revenues over (under) expenditures	<u>154,364</u>	<u>146,841</u>	<u>(7,523)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(205,331)</u>	<u>(196,266)</u>	<u>9,065</u>
Total other financing sources (uses)	<u>(205,331)</u>	<u>(196,266)</u>	<u>9,065</u>
Net change in fund balance	(50,967)	(49,425)	1,542
Fund balance - beginning of fiscal year	<u>514,298</u>	<u>514,298</u>	
Fund balance - end of fiscal year	<u>\$ 463,331</u>	<u>\$ 464,873</u>	<u>\$ 1,542</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, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 1,541,000	\$ 1,540,935	\$ (65)
Use of money and property	12,600	5,159	(7,441)
Total revenues	1,553,600	1,546,094	(7,506)
Expenditures:			
Capital outlay	3,503,430	1,220,939	2,282,491
Total expenditures	3,503,430	1,220,939	2,282,491
Excess of revenues over (under) expenditures	(1,949,830)	325,155	2,274,985
Other Financing Sources (Uses):			
Transfers out		(155,939)	(155,939)
Total other financing sources (uses)		(155,939)	(155,939)
Net changes in fund balance	(1,949,830)	169,216	2,119,046
Fund balance - beginning of fiscal year	3,446,947	3,446,947	
Fund balance - end of fiscal year	\$ 1,497,117	\$ 3,616,163	\$ 2,119,046

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, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 105,000	\$ 65,111	\$ (39,889)
Program income	1,800	44,303	42,503
Total revenues	106,800	109,414	2,614
Expenditures:			
Current:			
Community development	124,605	67,762	56,843
Total expenditures	124,605	67,762	56,843
Excess of revenues over (under) expenditures	(17,805)	41,652	59,457
Other Financing Sources (Uses):			
Transfers out		(5,583)	(5,583)
Total other financing sources (uses)		(5,583)	(5,583)
Net change in fund balance	(17,805)	36,069	53,874
Fund balance - beginning of fiscal year	602	602	
Fund balance (deficit) - end of fiscal year	\$ (17,203)	\$ 36,671	\$ 53,874

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, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 13	\$ 16	\$ 3
Licenses, permits, and fees		1,448	1,448
Total revenues	13	1,464	1,451
Net change in fund balance	13	1,464	1,451
Fund balance - beginning of fiscal year	1,258	1,258	
Fund balance - end of fiscal year	\$ 1,271	\$ 2,722	\$ 1,451

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, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 7,973	\$ 7,973
Total revenues		7,973	7,973
Net change in fund balance		7,973	7,973
Fund balance - beginning of fiscal year	165,565	165,565	
Fund balance - end of fiscal year	\$ 165,565	\$ 173,538	\$ 7,973

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, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 230,325	\$ 25,957	\$ (204,368)
Use of money and property	900	1,462	562
Total revenues	<u>231,225</u>	<u>27,419</u>	<u>(203,806)</u>
Expenditures:			
Current:			
Community development	<u>230,325</u>	<u>91,740</u>	<u>138,585</u>
Total Expenditures	<u>230,325</u>	<u>91,740</u>	<u>138,585</u>
Net change in fund balance	900	(64,321)	(65,221)
Fund balance - beginning of fiscal year	<u>167,045</u>	<u>167,045</u>	
Fund balance - end of fiscal year	<u><u>\$ 167,945</u></u>	<u><u>\$ 102,724</u></u>	<u><u>\$ (65,221)</u></u>

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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, 2016

	<u>Vehicle Replacement Fund</u>	<u>Vehicle Maintenance Fund</u>	<u>Technology Replacement Fund</u>
ASSETS			
Current Assets:			
Cash and investments	\$ 8,777,578	\$ 267,480	\$ 2,684,076
Accounts receivable	11,696		
Inventory		9,324	
Prepaid expenses		420	
Total current assets	<u>8,789,274</u>	<u>277,224</u>	<u>2,684,076</u>
Capital Assets:			
Depreciable			
Buildings		306,372	
Machinery and equipment	10,547,295	92,029	2,344,282
Total depreciable capital assets	10,547,295	398,401	2,344,282
Less accumulated depreciation	<u>(8,272,157)</u>	<u>(308,973)</u>	<u>(1,917,408)</u>
Net depreciable capital assets	<u>2,275,138</u>	<u>89,428</u>	<u>426,874</u>
Net capital assets	<u>2,275,138</u>	<u>89,428</u>	<u>426,874</u>
Advances to other funds	<u>2,105,964</u>		
Total noncurrent assets	<u>4,381,102</u>	<u>89,428</u>	<u>426,874</u>
Total assets	<u>13,170,376</u>	<u>366,652</u>	<u>3,110,950</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension		93,751	
Total deferred outflows of resources		<u>93,751</u>	
Total assets and deferred outflows of resources	<u>13,170,376</u>	<u>460,403</u>	<u>3,110,950</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	1,502	24,655	4,625
Accrued wages		5,382	
Compensated absences		12,745	
Unearned revenue			
Total current liabilities	<u>1,502</u>	<u>42,782</u>	<u>4,625</u>
Noncurrent Liabilities:			
Compensated absences		15,784	
Net pension liability		516,347	
Total noncurrent liabilities		<u>532,131</u>	
Total liabilities	1,502	574,913	4,625
DEFERRED INFLOWS OF RESOURCES			
Pension		104,941	
Total liabilities and deferred inflows of resources	<u>1,502</u>	<u>679,854</u>	<u>4,625</u>
NET POSITION			
Net investment in capital assets	2,275,138	89,428	426,874
Unrestricted	<u>10,893,736</u>	<u>(308,879)</u>	<u>2,679,451</u>
Total net position (deficit)	<u>\$ 13,168,874</u>	<u>\$ (219,451)</u>	<u>\$ 3,106,325</u>

Employee Benefits Fund	Vision/ Dental Fund	Disability Program Fund	Workers' Compensation Program Fund	General Liability Program Fund	Totals
\$ 221,762	\$ 199,142	\$ 35,369	\$ 1,258,717	\$ 319,226	\$ 13,763,350
31,848	13				43,557
					9,324
300,627			206,194	364,710	871,951
554,237	199,155	35,369	1,464,911	683,936	14,688,182
					306,372
					12,983,606
					13,289,978
					(10,498,538)
					2,791,440
					2,791,440
					2,105,964
					4,897,404
554,237	199,155	35,369	1,464,911	683,936	19,585,586
					93,751
					93,751
554,237	199,155	35,369	1,464,911	683,936	19,679,337
					67,929
7,509	29,259	379			38,878
33,496					12,745
					64
64					64
41,069	29,259	379			119,616
					15,784
					516,347
					532,131
41,069	29,259	379			651,747
					104,941
41,069	29,259	379			756,688
					2,791,440
513,168	169,896	34,990	1,464,911	683,936	16,131,209
\$ 513,168	\$ 169,896	\$ 34,990	\$ 1,464,911	\$ 683,936	\$ 18,922,649

CITY OF YUBA CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
For the Fiscal Year Ended June 30, 2016

	Vehicle Replacement Fund	Vehicle Maintenance Fund	Technology Replacement Fund
Revenues:			
Charges for services	\$ 913,754	\$ 766,468	\$ 485,901
Other revenues	31,776		25,977
Total revenues	<u>945,530</u>	<u>766,468</u>	<u>511,878</u>
Expenses:			
Salaries and benefits		150,598	
Professional services		4,967	65,471
Supplies	6,051	734	
Benefits, claims, and insurance		3,207	
Maintenance and operation		410,827	218,725
Tools and equipment		9,555	56,978
Power and utilities		8,662	26,038
Training		2,645	36
Depreciation	740,354	10,827	173,528
Total expenses	<u>746,405</u>	<u>602,022</u>	<u>540,776</u>
Operating Income (Loss)	<u>199,125</u>	<u>164,446</u>	<u>(28,898)</u>
Non-Operating Revenues (Expenses):			
Interest income	165,531	2,456	24,165
Total non-operating revenues (expenses)	<u>165,531</u>	<u>2,456</u>	<u>24,165</u>
Income (Loss) before transfers	364,656	166,902	(4,733)
Transfers:			
Transfers in	2,541,557		
Change in net position	2,906,213	166,902	(4,733)
Net Position, July 1, 2015	<u>10,262,661</u>	<u>(386,353)</u>	<u>3,111,058</u>
Net Position (Deficit), June 30, 2016	<u>\$ 13,168,874</u>	<u>\$ (219,451)</u>	<u>\$ 3,106,325</u>

Employee Benefits Fund	Vision/ Dental Fund	Disability Program Fund	Workers' Compensation Program Fund	General Liability Program Fund	Totals
\$ 3,519,714	\$ 413,891	\$ 35,463	\$ 1,144,461	\$ 690,500	\$ 7,970,152
30,928			12,075		100,756
<u>3,550,642</u>	<u>413,891</u>	<u>35,463</u>	<u>1,156,536</u>	<u>690,500</u>	<u>8,070,908</u>
					150,598
22,252					92,690
					6,785
3,365,138	498,340	46,272	1,023,757	754,677	5,691,391
					629,552
					66,533
					34,700
5,135					7,816
					924,709
<u>3,392,525</u>	<u>498,340</u>	<u>46,272</u>	<u>1,023,757</u>	<u>754,677</u>	<u>7,604,774</u>
<u>158,117</u>	<u>(84,449)</u>	<u>(10,809)</u>	<u>132,779</u>	<u>(64,177)</u>	<u>466,134</u>
<u>10,383</u>	<u>2,436</u>	<u>295</u>	<u>10,389</u>	<u>145</u>	<u>215,800</u>
<u>10,383</u>	<u>2,436</u>	<u>295</u>	<u>10,389</u>	<u>145</u>	<u>215,800</u>
168,500	(82,013)	(10,514)	143,168	(64,032)	681,934
					2,541,557
168,500	(82,013)	(10,514)	143,168	(64,032)	3,223,491
<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>
<u>\$ 513,168</u>	<u>\$ 169,896</u>	<u>\$ 34,990</u>	<u>\$ 1,464,911</u>	<u>\$ 683,936</u>	<u>\$ 18,922,649</u>

CITY OF YUBA CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2016

	<u>Vehicle Replacement Fund</u>	<u>Vehicle Maintenance Fund</u>	<u>Technology Replacement Fund</u>
Cash Flows from Operating Activities:			
Receipts from customers	\$ 933,834	\$ 766,468	\$ 539,503
Amounts (paid)/from interfund receivable	85,450		
Payment to suppliers and users	(9,011)	(437,799)	(366,238)
Payment to employees		(348,841)	
Net Cash Provided (Used) by Operating Activities	<u>1,010,273</u>	<u>(20,172)</u>	<u>173,265</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	<u>(339,975)</u>	<u>(8,405)</u>	<u>(100,603)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(339,975)</u>	<u>(8,405)</u>	<u>(100,603)</u>
Cash Flows from Investing Activities:			
Interest received	<u>165,531</u>	<u>2,456</u>	<u>24,165</u>
Net Cash Provided (Used) by Investing Activities	<u>165,531</u>	<u>2,456</u>	<u>24,165</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,377,386	(26,121)	96,827
Cash and Cash Equivalents, July 1, 2015	<u>5,400,192</u>	<u>293,601</u>	<u>2,587,249</u>
Cash and Cash Equivalents, June 30, 2016	<u>\$ 8,777,578</u>	<u>\$ 267,480</u>	<u>\$ 2,684,076</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 199,125	\$ 164,446	\$ (28,898)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	740,354	10,827	173,528
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:			
Accounts receivable	(11,696)		27,625
Inventory		4,693	
Prepaid expenses		(420)	
Deferred outflow - pension		(48,618)	
Advances to other funds	85,450		
Increase (Decrease) in Operating Liabilities and Deferred Inflows of Resources:			
Accounts payable	(2,960)	(1,475)	1,010
Accrued wages		(13,254)	
Unearned revenue			
Deferred inflow - pension		(21,868)	
Net pension liability		(100,305)	
Compensated absences		(14,198)	
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,010,273</u>	<u>\$ (20,172)</u>	<u>\$ 173,265</u>

Employee Benefits Fund	Vision/ Dental Fund	Disability Program Fund	Workers' Compensation Program Fund	General Liability Program Fund	Totals
\$ 3,556,876	\$ 413,878	\$ 35,463	\$ 1,157,109	\$ 690,500	\$ 8,093,631
(3,429,873)	(504,951)		(1,275,656)	(780,422)	(6,803,950)
(50,283)		(49,427)			(448,551)
<u>76,720</u>	<u>(91,073)</u>	<u>(13,964)</u>	<u>(118,547)</u>	<u>(89,922)</u>	<u>926,580</u>
					(448,983)
					(448,983)
<u>10,383</u>	<u>2,436</u>	<u>295</u>	<u>10,389</u>	<u>145</u>	<u>215,800</u>
<u>10,383</u>	<u>2,436</u>	<u>295</u>	<u>10,389</u>	<u>145</u>	<u>215,800</u>
87,103	(88,637)	(13,669)	(108,158)	(89,777)	3,234,954
<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>
<u>\$ 221,762</u>	<u>\$ 199,142</u>	<u>\$ 35,369</u>	<u>\$ 1,258,717</u>	<u>\$ 319,226</u>	<u>\$ 13,763,350</u>
\$ 158,117	\$ (84,449)	\$ (10,809)	\$ 132,779	\$ (64,177)	\$ 466,134
					924,709
14,300	(13)		573		30,789
(16,996)			(206,194)	(25,745)	4,693
					(249,355)
					(48,618)
					85,450
(20,352)	(6,611)	(3,155)	(45,705)		(79,248)
(50,283)					(63,537)
(8,066)					(8,066)
					(21,868)
					(100,305)
					(14,198)
<u>\$ 76,720</u>	<u>\$ (91,073)</u>	<u>\$ (13,964)</u>	<u>\$ (118,547)</u>	<u>\$ (89,922)</u>	<u>\$ 926,580</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.

Pension Stability Fund – This fund is used to account for the temporary holding of cash prior to the City remitting the funds to a trust fund for pension liabilities.

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, 2016

	RDA Low/Mod Successor Agency Fund	RDA Successor Agency Fund	Totals
Assets:			
Cash and investments	\$ 575	\$ 2,649,829	\$ 2,650,404
Cash and investments with fiscal agents		808,062	808,062
Interest receivable		149	149
Taxes and assessments receivable		68,818	68,818
Deposit receivable	9,800		9,800
Property held for resale		93,852	93,852
Notes receivable, net	3,361,981		3,361,981
Advances to other trust funds	1,626,817		1,626,817
Capital assets, nondepreciable	3,087,127	719,971	3,807,098
Capital assets, depreciable, net of accumulated depreciation	1,326,198	83,156	1,409,354
Total assets	9,412,498	4,423,837	13,836,335
Deferred Outflows of Resources:			
Deferred loss on refunding		475,692	475,692
Total deferred outflows of resources		475,692	475,692
Liabilities:			
Accounts payable		810	810
Interest payable		392,416	392,416
Advances from other trust funds		1,626,817	1,626,817
Long-term debt, due within one year		730,995	730,995
Long-term debt, due in more than one year		43,945,131	43,945,131
Total liabilities		46,696,169	46,696,169
Net Position			
Restricted for debt service		415,646	415,646
Unrestricted	9,412,498	(42,212,286)	(32,799,788)
Total net position (deficit)	\$ 9,412,498	\$ (41,796,640)	\$ (32,384,142)

CITY OF YUBA CITY
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2016

	RDA Low/Mod Successor Agency Fund	RDA Successor Agency Fund	Totals
Additions:			
Investment revenue	\$ 51,274	\$ 143,679	\$ 194,953
Taxes and assessments		2,891,449	2,891,449
Contribution from agency fund		48,198	48,198
Other revenue		608,416	608,416
Total additions	51,274	3,691,742	3,743,016
Deductions:			
Administration		85,489	85,489
Community development	2,955	679,243	682,198
Debt issue costs		1,037,477	1,037,477
Interest expense		2,609,051	2,609,051
Loss on sale of capital assets		67,509	67,509
Depreciation and amortization	95,923	15,986	111,909
Total deductions	98,878	4,494,755	4,593,633
Change in net position	(47,604)	(803,013)	(850,617)
Net Position (Deficit) - July 1, 2015	9,460,102	(40,993,627)	(31,533,525)
Net Position (Deficit) - June 30, 2016	\$ 9,412,498	\$ (41,796,640)	\$ (32,384,142)

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
June 30, 2016

	<u>City Trust</u>	<u>Net-5 Operations</u>	<u>Pension Stability</u>	<u>Village Green - Del Wayne Assessment District 2003-2</u>
Assets:				
Cash and investments	\$ 1,042,322	\$ 320,354	\$ 2,000,000	\$ 30,234
Cash and investments with fiscal agent				
Due from agency fund	32,483			
Interest receivable				
Prepaid expenses		167		
Accounts receivable	<u>23,762</u>			
 Total assets	 <u>\$ 1,098,567</u>	 <u>\$ 320,521</u>	 <u>\$ 2,000,000</u>	 <u>\$ 30,234</u>
Liabilities:				
Due to agency fund	\$ -	\$ -	\$ -	\$ -
Accounts payable	44,035	1,930		
Accrued liabilities				
Deposits payable	<u>1,054,532</u>	<u>318,591</u>	<u>2,000,000</u>	<u>30,234</u>
 Total liabilities	 <u>\$ 1,098,567</u>	 <u>\$ 320,521</u>	 <u>\$ 2,000,000</u>	 <u>\$ 30,234</u>

East Hillcrest Assessment District	Staple/Ashley/Dennis/Cornwell Assessment District 2004-1	Butte Vista Assessment District 2000-1	Butte Vista Assessment District 2002-1
\$ 1,644	\$ 20,557	\$ 182,948	\$ 119,626
422	1,108	4,279	276
<u>\$ 2,066</u>	<u>\$ 21,665</u>	<u>\$ 187,227</u>	<u>\$ 119,902</u>
\$ -	\$ -	\$ -	\$ -
2,066	21,665	187,206	119,892
<u>\$ 2,066</u>	<u>\$ 21,665</u>	<u>\$ 187,227</u>	<u>\$ 119,902</u>

(Continued)

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
June 30, 2016
(Continued)

	Darrough Assessment District 2003	Tierra Buena Assessment District	Sunsweet Boulevard CFD	Flood Control Agency
Assets				
Cash and investments	\$ 41,144	\$ 317,556	\$ 415,131	\$ 3,542,114
Cash and investments with fiscal agent			219,396	
Due from agency fund				
Interest receivable			24	
Prepaid expenses				779
Accounts receivable	128	1,763		
Total assets	\$ 41,272	\$ 319,319	\$ 634,551	\$ 3,542,893
Liabilities:				
Due to agency fund	\$ -	\$ -	\$ -	\$ -
Accounts payable		31		233,446
Accrued liabilities				27,413
Deposits payable	41,272	319,288	634,551	3,282,034
Total liabilities	\$ 41,272	\$ 319,319	\$ 634,551	\$ 3,542,893

Animal Control Operations	SBFCA Capital	Totals
\$ -	\$ 6,930,166	\$ 14,963,796
		219,396
		32,483
	278	302
	14,807	15,753
<u>142,027</u>	<u>9,594,095</u>	<u>9,767,860</u>
<u>\$ 142,027</u>	<u>\$ 16,539,346</u>	<u>\$ 24,999,590</u>
\$ 32,483	\$ -	\$ 32,483
73,282	16,119,263	16,472,018
		27,413
<u>36,262</u>	<u>420,083</u>	<u>8,467,676</u>
<u>\$ 142,027</u>	<u>\$ 16,539,346</u>	<u>\$ 24,999,590</u>

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
CITY TRUST				
ASSETS				
Cash and investments	\$ 693,939	\$ 423,446	\$ (75,063)	\$ 1,042,322
Accounts receivable	24,877	23,762	(24,877)	23,762
Due from agency fund	70,083	32,483	(70,083)	32,483
	<u>788,899</u>	<u>479,691</u>	<u>(170,023)</u>	<u>1,098,567</u>
Total Assets	<u>\$ 788,899</u>	<u>\$ 479,691</u>	<u>\$ (170,023)</u>	<u>\$ 1,098,567</u>
LIABILITIES				
Accounts payable	\$ 42,580	\$ 44,035	\$ (42,580)	\$ 44,035
Deposits payable	746,319	435,656	(127,443)	1,054,532
	<u>788,899</u>	<u>479,691</u>	<u>(170,023)</u>	<u>1,098,567</u>
Total Liabilities	<u>\$ 788,899</u>	<u>\$ 479,691</u>	<u>\$ (170,023)</u>	<u>\$ 1,098,567</u>
NET-5 OPERATIONS				
ASSETS				
Cash and investments	\$ 418,053	\$ 205,938	\$ (303,637)	\$ 320,354
Prepaid expenses		167		167
	<u>418,053</u>	<u>206,105</u>	<u>(303,637)</u>	<u>320,521</u>
Total Assets	<u>\$ 418,053</u>	<u>\$ 206,105</u>	<u>\$ (303,637)</u>	<u>\$ 320,521</u>
LIABILITIES				
Accounts payable	\$ 3,925	\$ 1,930	\$ (3,925)	\$ 1,930
Deposits payable	414,128	204,175	(299,712)	318,591
	<u>418,053</u>	<u>206,105</u>	<u>(303,637)</u>	<u>320,521</u>
Total Liabilities	<u>\$ 418,053</u>	<u>\$ 206,105</u>	<u>\$ (303,637)</u>	<u>\$ 320,521</u>
PENSION STABILITY				
ASSETS				
Cash and investments	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000
	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
Total Assets	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>
LIABILITIES				
Deposits payable	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000
	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
VILLAGE GREEN - DEL WAYNE ASSESSMENT DISTRICT 2003-2				
ASSETS				
Cash and investments	\$ 30,923	\$ 37,702	\$ (38,391)	\$ 30,234
Total Assets	<u>\$ 30,923</u>	<u>\$ 37,702</u>	<u>\$ (38,391)</u>	<u>\$ 30,234</u>
LIABILITIES				
Deposits payable	\$ 30,923	\$ 37,702	\$ (38,391)	\$ 30,234
Total Liabilities	<u>\$ 30,923</u>	<u>\$ 37,702</u>	<u>\$ (38,391)</u>	<u>\$ 30,234</u>
EAST HILLCREST ASSESSMENT DISTRICT				
ASSETS				
Cash and investments	\$ 1,857	\$ 6,784	\$ (6,997)	\$ 1,644
Accounts receivable		422		422
Total Assets	<u>\$ 1,857</u>	<u>\$ 7,206</u>	<u>\$ (6,997)</u>	<u>\$ 2,066</u>
LIABILITIES				
Deposits payable	\$ 1,857	\$ 7,206	\$ (6,997)	\$ 2,066
Total Liabilities	<u>\$ 1,857</u>	<u>\$ 7,206</u>	<u>\$ (6,997)</u>	<u>\$ 2,066</u>
STAPLE/ASHLEY/DENNIS/CORNWELL ASSESSMENT DISTRICT 2004-1				
ASSETS				
Cash and investments	\$ 22,184	\$ 11,401	\$ (13,028)	\$ 20,557
Accounts receivable		1,108		1,108
Total Assets	<u>\$ 22,184</u>	<u>\$ 12,509</u>	<u>\$ (13,028)</u>	<u>\$ 21,665</u>
LIABILITIES				
Deposits payable	\$ 22,184	\$ 12,509	\$ (13,028)	\$ 21,665
Total Liabilities	<u>\$ 22,184</u>	<u>\$ 12,509</u>	<u>\$ (13,028)</u>	<u>\$ 21,665</u>

(Continued)

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
BUTTE VISTA ASSESSMENT DISTRICT 2000-1				
ASSETS				
Cash and investments	\$ 183,079	\$ 69,258	\$ (69,389)	\$ 182,948
Accounts receivable	1,445	4,279	(1,445)	4,279
Total Assets	<u>\$ 184,524</u>	<u>\$ 73,537</u>	<u>\$ (70,834)</u>	<u>\$ 187,227</u>
LIABILITIES				
Accounts payable	\$ -	\$ 21	\$ -	\$ 21
Deposits payable	184,524	73,516	(70,834)	187,206
Total Liabilities	<u>\$ 184,524</u>	<u>\$ 73,537</u>	<u>\$ (70,834)</u>	<u>\$ 187,227</u>
BUTTE VISTA ASSESSMENT DISTRICT 2002-1				
ASSETS				
Cash and investments	\$ 118,376	\$ 60,875	\$ (59,625)	\$ 119,626
Accounts receivable	465	276	(465)	276
Total Assets	<u>\$ 118,841</u>	<u>\$ 61,151</u>	<u>\$ (60,090)</u>	<u>\$ 119,902</u>
LIABILITIES				
Accounts payable	\$ -	\$ 10	\$ -	\$ 10
Deposits payable	118,841	61,141	(60,090)	119,892
Total Liabilities	<u>\$ 118,841</u>	<u>\$ 61,151</u>	<u>\$ (60,090)</u>	<u>\$ 119,902</u>
DARROUGH ASSESSMENT DISTRICT 2003				
ASSETS				
Cash and investments	\$ 40,740	\$ 15,014	\$ (14,610)	\$ 41,144
Accounts receivable	128	128	-	128
Total Assets	<u>\$ 40,740</u>	<u>\$ 15,142</u>	<u>\$ (14,610)</u>	<u>\$ 41,272</u>
LIABILITIES				
Deposits payable	\$ 40,740	\$ 15,142	\$ (14,610)	\$ 41,272
Total Liabilities	<u>\$ 40,740</u>	<u>\$ 15,142</u>	<u>\$ (14,610)</u>	<u>\$ 41,272</u>

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
TIERRA BUENA ASSESSMENT DISTRICT				
ASSETS				
Cash and investments	\$ 309,620	\$ 202,000	\$ (194,064)	\$ 317,556
Accounts receivable	2,119	1,763	(2,119)	1,763
Total Assets	<u>\$ 311,739</u>	<u>\$ 203,763</u>	<u>\$ (196,183)</u>	<u>\$ 319,319</u>
LIABILITIES				
Accounts payable	\$ 329	\$ 31	\$ (329)	\$ 31
Deposits payable	311,410	203,732	(195,854)	319,288
Total Liabilities	<u>\$ 311,739</u>	<u>\$ 203,763</u>	<u>\$ (196,183)</u>	<u>\$ 319,319</u>
SUNSWEEP BOULEVARD CFD				
ASSETS				
Cash and investments	\$ 193,264	\$ 280,641	\$ (58,774)	\$ 415,131
Cash and investments with fiscal agent	432,709		(213,313)	219,396
Interest receivable	154	24	(154)	24
Total Assets	<u>\$ 626,127</u>	<u>\$ 280,665</u>	<u>\$ (272,241)</u>	<u>\$ 634,551</u>
LIABILITIES				
Accounts payable	\$ 1,695	\$ -	\$ (1,695)	\$ -
Deposits payable	624,432	280,665	(270,546)	634,551
Total Liabilities	<u>\$ 626,127</u>	<u>\$ 280,665</u>	<u>\$ (272,241)</u>	<u>\$ 634,551</u>
FLOOD CONTROL AGENCY				
ASSETS				
Cash and investments	\$ 3,312,564	\$ 778,515	\$ (548,965)	\$ 3,542,114
Prepaid expenses		779		779
Total Assets	<u>\$ 3,312,564</u>	<u>\$ 779,294</u>	<u>\$ (548,965)</u>	<u>\$ 3,542,893</u>
LIABILITIES				
Accounts payable	\$ 24,820	\$ 233,446	\$ (24,820)	\$ 233,446
Accrued liabilities	30,270	27,413	(30,270)	27,413
Deposits payable	3,257,474	518,435	(493,875)	3,282,034
Total Liabilities	<u>\$ 3,312,564</u>	<u>\$ 779,294</u>	<u>\$ (548,965)</u>	<u>\$ 3,542,893</u>

(Continued)

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
ANIMAL CONTROL OPERATIONS				
ASSETS				
Cash and investments	\$ -	\$ 1,224,593	\$ (1,224,593)	\$ -
Accounts receivable	163,668	142,027	(163,668)	142,027
Total Assets	<u>\$ 163,668</u>	<u>\$ 1,366,620</u>	<u>\$ (1,388,261)</u>	<u>\$ 142,027</u>
LIABILITIES				
Due to agency fund	\$ 70,083	\$ 32,483	\$ (70,083)	\$ 32,483
Accounts payable	88,017	73,282	(88,017)	73,282
Deposits payable	5,568	1,260,855	(1,230,161)	36,262
Total Liabilities	<u>\$ 163,668</u>	<u>\$ 1,366,620</u>	<u>\$ (1,388,261)</u>	<u>\$ 142,027</u>
SBFCA CAPITAL				
ASSETS				
Cash and investments	\$ 6,823,150	\$ 53,158,839	\$ (53,051,823)	\$ 6,930,166
Prepaid expenses		14,807		14,807
Interest receivable	129	278	(129)	278
Accounts receivable	18,259,070	9,594,095	(18,259,070)	9,594,095
Total Assets	<u>\$ 25,082,349</u>	<u>\$ 62,768,019</u>	<u>\$ (71,311,022)</u>	<u>\$ 16,539,346</u>
LIABILITIES				
Accounts payable	\$ 6,778,402	\$ 16,119,263	\$ (6,778,402)	\$ 16,119,263
Deposits payable	18,303,947	46,648,756	(64,532,620)	420,083
Total Liabilities	<u>\$ 25,082,349</u>	<u>\$ 62,768,019</u>	<u>\$ (71,311,022)</u>	<u>\$ 16,539,346</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 12,147,749	\$ 58,475,006	\$ (55,658,959)	\$ 14,963,796
Cash and investments with fiscal agent	432,709		(213,313)	219,396
Due from agency fund	70,083	32,483	(70,083)	32,483
Interest receivable	283	302	(283)	302
Prepaid expenses		15,753		15,753
Accounts receivable	18,451,644	9,767,860	(18,451,644)	9,767,860
Total Assets	<u>\$ 31,102,468</u>	<u>\$ 68,291,404</u>	<u>\$ (74,394,282)</u>	<u>\$ 24,999,590</u>
LIABILITIES				
Due to agency fund	\$ 70,083	\$ 32,483	\$ (70,083)	\$ 32,483
Accounts payable	6,939,768	16,472,018	(6,939,768)	16,472,018
Accrued liabilities	30,270	27,413	(30,270)	27,413
Deposits payable	24,062,347	51,759,490	(67,354,161)	8,467,676
Total Liabilities	<u>\$ 31,102,468</u>	<u>\$ 68,291,404</u>	<u>\$ (74,394,282)</u>	<u>\$ 24,999,590</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			
	2007	2008	2009	2010
Governmental Activities				
Net Investment In Capital Assets	\$ 398,797,672	\$ 403,278,221	\$ 403,377,779	\$ 402,012,636
Restricted	26,188,402	32,249,323	29,786,112	33,415,439
Unrestricted	10,968,014	22,227,025	21,847,750	17,490,649
Total Governmental Activities Net Position	\$ 435,954,088	\$ 457,754,569	\$ 455,011,641	\$ 452,918,724
Business-Type Activities				
Net Investment In Capital Assets	\$ 141,461,866	\$ 145,579,890	\$ 144,507,456	\$ 155,334,486
Restricted	762,967	762,967	448,717	3,206,069
Unrestricted	28,969,981	28,952,704	27,368,372	14,013,290
Total Business-Type Activities Net Position	\$ 171,194,814	\$ 175,295,561	\$ 172,324,545	\$ 172,553,845
Primary Government				
Net Investment In Capital Assets	\$ 540,259,538	\$ 548,858,111	\$ 547,885,235	\$ 557,347,122
Restricted	26,951,369	33,012,290	30,234,829	36,621,508
Unrestricted	39,937,995	51,179,729	49,216,122	31,503,939
Total Primary Government Net Position	\$ 607,148,902	\$ 633,050,130	\$ 627,336,186	\$ 625,472,569

Note: The City implemented GASB Statement No. 68 in FY 2015, which required the City to record their net pension liability in the statement of net position.

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

		Fiscal Year					
		2011	2012	2013	2014	2015	2016
\$	396,981,908	\$ 419,160,425	\$413,009,592	\$408,431,621	\$402,069,188	\$396,528,329	
	28,759,126	26,619,342	27,627,518	21,512,890	18,966,851	18,331,920	
	25,320,209	33,828,556	29,839,895	34,160,188	(9,635,998)	(9,466,531)	
\$	451,061,243	\$ 479,608,323	\$470,477,005	\$464,104,699	\$411,400,041	\$405,393,718	
\$	151,195,721	\$ 135,862,972	\$ 138,177,551	\$ 146,164,051	\$ 146,107,792	\$144,380,529	
	2,371,293	1,596,243	250,270	1,346,340	1,483,073	5,100,098	
	15,566,305	27,262,871	25,612,341	19,758,356	17,895,992	17,991,569	
\$	169,133,319	\$ 164,722,086	\$ 164,040,162	\$ 167,268,747	\$ 165,486,857	\$167,472,196	
\$	548,177,629	\$ 555,023,397	\$ 551,187,143	\$ 554,595,672	\$ 548,176,980	\$540,908,858	
	31,130,419	28,215,585	27,877,788	22,859,230	20,449,924	23,432,018	
	40,886,514	61,091,427	55,452,236	53,918,544	8,259,994	8,525,038	
\$	620,194,562	\$ 644,330,409	\$ 634,517,167	\$ 631,373,446	\$ 576,886,898	\$572,865,914	

CITY OF YUBA CITY
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year			
	2007	2008	2009	2010
Expenses				
Governmental Activities				
General government	\$ 5,196,149	\$ 5,363,212	\$ 5,176,267	\$ 4,779,423
Public safety	20,685,388	23,282,357	24,688,420	23,727,230
Parks and recreation	3,825,886	4,113,957	4,054,318	3,619,636
Public works and facilities	9,832,488	10,417,186	11,203,066	12,561,736
Community development	5,228,659	3,900,994	3,612,257	4,876,451
Interest on long-term debt	3,979,112	5,337,470	5,644,530	5,832,196
Total Governmental Activities Expenses	<u>48,747,682</u>	<u>52,415,176</u>	<u>54,378,858</u>	<u>55,396,672</u>
Business-Type Activities				
Water	8,618,468	9,706,835	9,938,304	9,758,320
Wastewater	9,585,377	9,749,245	9,797,636	9,746,836
Total Business-Type Activities Expenses	<u>18,203,845</u>	<u>19,456,080</u>	<u>19,735,940</u>	<u>19,505,156</u>
Total Primary Government Net Expenses	<u>\$ 66,951,527</u>	<u>\$ 71,871,256</u>	<u>\$ 74,114,798</u>	<u>\$ 74,901,828</u>
Program Revenues				
Governmental Activities				
Charges for Services				
General government	\$ 736,964	\$ 993,453	\$ 27,482	\$ 24,097
Public safety	1,850,442	1,891,045	2,710,690	2,355,913
Parks and recreation	1,391,504	1,142,165	1,446,139	1,237,924
Public works and facilities	7,636,006	587,212	475,349	497,209
Community development	1,100,788	1,723,654	1,304,404	940,205
Operating Contributions and Grants	4,279,532	3,800,202	3,488,022	3,814,256
Capital Contributions and Grants	1,598,196	18,809,192	6,728,478	9,550,250
Total Governmental Activities Program Revenues	<u>18,593,432</u>	<u>28,946,923</u>	<u>16,180,564</u>	<u>18,419,854</u>
Business-Type Activities				
Charges for Services				
Water	10,334,839	9,237,474	8,629,300	8,653,769
Wastewater	9,515,078	9,695,363	9,054,820	9,353,229
Operating Contributions and Grants	166,030		51,196	3,810,219
Capital Contributions and Grants	166,030	773,751	448,415	523,868
Total Business-Type Activities Program Revenues	<u>20,181,977</u>	<u>19,706,588</u>	<u>18,183,731</u>	<u>22,341,085</u>
Total Primary Government Program Revenues	<u>\$ 38,775,409</u>	<u>\$ 48,653,511</u>	<u>\$ 34,364,295</u>	<u>\$ 40,760,939</u>

Source: Comprehensive Annual Financial Reports - City of Yuba, California

		Fiscal Year					
		2011	2012	2013	2014	2015	2016
\$	4,320,708	\$ 4,016,418	\$ 4,141,515	\$ 4,393,129	\$ 4,374,344	\$ 6,649,977	
	23,298,449	24,602,053	23,803,495	24,980,039	24,894,058	24,767,950	
	2,039,732	2,352,919	2,327,384	3,536,186	2,244,504	2,500,042	
	13,746,466	14,378,965	14,679,065	15,409,666	14,888,082	14,927,232	
	3,466,209	1,837,460	2,681,441	1,292,742	5,438,612	1,307,882	
	3,186,505	2,963,697	918,815	843,038	753,437	994,519	
	50,058,069	50,151,512	48,551,715	50,454,800	52,593,037	51,147,602	
	9,819,001	10,785,207	10,931,144	10,726,296	11,512,906	12,612,023	
	9,865,739	10,051,516	9,912,472	10,061,207	9,777,819	11,094,136	
	19,684,740	20,836,723	20,843,616	20,787,503	21,290,725	23,706,159	
\$	69,742,809	\$ 70,988,235	\$ 69,395,331	\$ 71,242,303	\$ 73,883,762	\$ 74,853,761	
\$	18,203	\$ 74,070	\$ 30,072	\$ 53,769	\$ 75,309	\$ 101,139	
	2,502,798	2,376,915	2,576,302	2,556,336	2,626,869	2,705,427	
	1,223,333	1,202,537	1,153,643	1,134,791	975,052	1,063,289	
	396,971	419,187	473,896	418,210	424,353	443,365	
	920,703	932,856	983,285	1,520,681	1,458,308	1,448,510	
	3,354,619	3,582,211	3,995,600	5,231,043	3,546,059	2,397,875	
	8,344,346	4,514,869	6,583,249	5,955,999	4,623,083	4,531,637	
	16,760,973	13,102,645	15,796,047	16,870,829	13,729,033	12,691,242	
	8,824,154	9,592,893	11,177,162	11,794,764	11,021,165	12,035,874	
	9,523,380	9,745,996	10,869,354	11,863,241	12,505,064	12,899,797	
	499,259	68,186	1,447,342				
				3,862,488	8,098,514	3,658,074	
	18,846,793	19,407,075	23,493,858	27,520,493	31,624,743	28,593,745	
\$	35,607,766	\$ 32,509,720	\$ 39,289,905	\$ 44,391,322	\$ 45,353,776	\$ 41,284,987	

CITY OF YUBA CITY
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year			
	2007	2008	2009	2010
Net (Expense)/Revenue				
Governmental Activities	\$ (30,154,250)	\$ (23,468,253)	\$ (38,198,294)	\$ (36,976,818)
Business-Type Activities	1,978,132	250,508	(1,552,209)	2,835,929
Total Primary Government Net Expense	(28,176,118)	(23,217,745)	(39,750,503)	(34,140,889)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Secured and unsecured property taxes	17,976,967	18,211,784	17,946,109	17,216,421
Sales and use taxes	7,700,082	7,593,904	6,759,997	7,009,127
Transient lodging taxes	664,856	744,133	648,209	530,582
Franchise taxes	1,377,674	1,374,274	1,431,844	1,357,607
Other and public service taxes	238,980	1,008,694	960,949	864,948
Grants and Contributions - Unrestricted	369,722	313,876	238,821	209,236
Interest and Investment Earnings	5,531,403	6,666,935	5,006,289	4,193,845
Miscellaneous	728,673	506,607	7,062	244,794
Sale of capital assets		100,535	25,815	
Transfers	3,639,983	1,733,485	2,727,978	3,035,849
Total Governmental Activities	38,228,340	38,254,227	35,753,073	34,662,409
Business-Type Activities				
Interest and Investment Earnings	1,560,862	1,774,540	1,309,171	429,220
Sale of capital assets		(912)		
Transfers	(3,639,983)	(1,733,485)	(2,727,978)	(3,035,849)
Total Business-Type Activities	(2,079,121)	40,143	(1,418,807)	(2,606,629)
Total Primary Government	36,149,219	38,294,370	34,334,266	32,055,780
Change in Net Position				
Governmental Activities	8,074,090	14,785,974	(2,445,221)	(2,314,409)
Business-Type Activities	(267,019)	290,651	(2,971,016)	229,300
Total Primary Government	\$ 7,807,071	\$ 15,076,625	\$ (5,416,237)	\$ (2,085,109)

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ (33,297,096)	\$ (37,048,867)	\$ (32,755,668)	\$ (33,583,971)	\$ (38,864,004)	\$ (38,456,360)
(837,947)	(1,429,648)	2,650,242	6,732,990	10,334,018	4,887,586
(34,135,043)	(38,478,515)	(30,105,426)	(26,850,981)	(28,529,986)	(33,568,774)
16,616,162	14,258,572	13,035,024	13,203,137	11,003,670	11,401,648
7,261,010	7,797,443	8,077,442	8,304,105	11,864,667	12,004,221
651,970	637,662	626,485	696,092	816,356	852,227
1,351,524	1,454,956	1,513,729	1,581,936	1,764,820	2,009,323
926,680	904,052	919,624	997,047	1,567,630	1,410,211
295,509	32,438	33,612	27,933	26,982	26,776
928,351	757,501	191,015	734,621	668,306	860,543
516,964	1,038,920	81,433	741,795	1,022,209	672,703
			96,458	89,804	
2,891,445	3,286,481	3,822,793	3,400,139	3,422,409	3,212,385
31,439,615	30,168,025	28,301,157	29,783,263	32,246,853	32,450,037
308,866	304,896	490,627	248,809	170,129	310,138
(2,891,445)	(3,286,481)	(3,822,793)	(3,400,139)	(3,422,409)	(3,212,385)
(2,582,579)	(2,981,585)	(3,332,166)	(3,151,330)	(3,252,280)	(2,902,247)
28,857,036	27,186,440	24,968,991	26,631,933	28,994,573	29,547,790
(1,857,481)	(6,880,842)	(4,454,511)	(3,800,708)	(6,617,151)	(6,006,323)
(3,420,526)	(4,411,233)	(681,924)	3,581,660	7,081,738	1,985,339
\$ (5,278,007)	\$ (11,292,075)	\$ (5,136,435)	\$ (219,048)	\$ 464,587	\$ (4,020,984)

CITY OF YUBA CITY
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2007	2008	2009	2010
General Fund				
Reserved	\$ 22,364,092	\$ 24,558,967	\$ 26,888,182	\$ 29,609,352
Unreserved	4,033,423	3,881,024	5,465,445	4,958,082
Total General Fund	\$26,397,515	\$28,439,991	\$32,353,627	\$34,567,434
All Other Governmental Funds				
Reserved	\$ 28,249,617	\$ 29,430,138	\$ 13,583,533	\$ 13,439,946
Unreserved, Reported In:				
Special Revenue Funds	23,093,007	13,359,772	5,783,782	4,902,184
Debt Service Funds	(20,904,593)	(24,144,263)	(26,558,689)	(29,214,558)
Capital Projects Funds	8,536,048	9,231,060	17,534,282	13,109,881
Total All Other Governmental Funds	38,974,079	27,876,707	10,342,908	2,237,453
Total Governmental Funds	\$65,371,594	\$56,316,698	\$42,696,535	\$36,804,887

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	2016
\$	18,577,928	\$ 11,036,331	\$ 11,087,802	\$ 11,097,202	\$ 11,137,155	\$ 11,195,687
	4,675,251	4,252,629	3,905,424	4,541,557	4,541,557	715,680
	3,629,782	3,967,340	4,252,782	4,530,069	6,304,518	5,882,502
	<u>26,882,961</u>	<u>19,256,300</u>	<u>19,246,008</u>	<u>20,168,828</u>	<u>21,983,230</u>	<u>17,793,869</u>
	272		2,933,989	3,032,704		
	14,430,465	9,324,531	9,141,002	10,865,600	11,261,234	10,808,910
	13,968,017	12,167,982	11,468,379	8,234,627	8,168,404	7,194,599
	161,996					
	<u>(18,873,149)</u>	<u>(263,157)</u>	<u>(447)</u>	<u>(1,917)</u>	<u>(530,072)</u>	
	<u>9,687,601</u>	<u>21,229,356</u>	<u>23,542,923</u>	<u>22,131,014</u>	<u>18,899,566</u>	<u>18,003,509</u>
\$	<u>36,570,562</u>	<u>\$ 40,485,656</u>	<u>\$ 42,788,931</u>	<u>\$ 42,299,842</u>	<u>\$ 40,882,796</u>	<u>\$ 35,797,378</u>

CITY OF YUBA CITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2007	2008	2009	2010
Revenues				
Taxes and Assessments	\$ 30,457,191	\$ 30,845,525	\$ 30,417,648	\$ 28,563,525
Licenses, Permits and Fees	1,181,053	1,353,822	764,696	761,033
Fines and Forfeitures	639,271	815,815	677,402	490,881
Use of Money and Property	5,181,876	6,106,793	4,552,206	3,801,345
Intergovernmental Revenues	3,817,490	5,329,618	3,433,937	8,043,366
Charges for Services	9,295,190	5,294,303	6,803,599	5,620,730
Other Revenue	868,266	529,093	590,307	1,207,407
Total Revenues	51,440,337	50,274,969	47,239,795	48,488,287
Expenditures				
Current				
General Government	5,014,327	5,152,199	4,858,367	4,354,742
Public Safety	20,023,229	22,847,118	23,674,889	23,163,001
Parks and Recreation	3,659,681	3,955,688	3,878,488	3,628,957
Public works and facilities	3,793,741	3,382,147	3,173,448	3,681,891
Community Development	5,236,196	3,673,956	3,806,050	5,578,721
Pension expenditures	7,498,612			
Debt Service				
Principal Retirement	384,874	1,059,894	1,811,502	1,931,391
Interest and Fiscal Charges	3,669,126	5,011,466	5,582,117	5,746,734
Bond Issue Cost	1,270,865			
Capital Outlay	16,128,372	22,118,800	16,803,075	9,330,347
Total Expenditures	66,679,023	67,201,268	63,587,936	57,415,784
Excess of Revenues Over (Under) Expenditures	(15,238,686)	(16,926,299)	(16,348,141)	(8,927,497)
Other Financing Sources (Uses)				
Transfers In	24,040,452	49,398,274	22,406,863	24,505,212
Transfers Out	(20,707,525)	(47,850,239)	(19,678,885)	(21,469,363)
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			
Total Other Financing Sources (Uses)	25,906,315	7,871,403	2,727,978	3,035,849
Extraordinary/Special Items				
Net Change In Fund Balances	\$10,667,629	(\$9,054,896)	(\$13,620,163)	(\$5,891,648)
Debt Service as a percentage				
of non-capital expenditures ¹	12.4%	13.5%	15.8%	15.9%

¹For 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					
2011	2012	2013	2014	2015	2016
\$ 31,388,057	\$ 28,723,364	\$ 27,711,200	\$ 29,087,598	\$ 30,455,874	\$ 32,241,022
724,090	573,925	669,358	1,133,736	1,110,842	1,013,229
483,956	421,957	334,341	276,227	306,313	308,659
658,589	540,838	161,313	510,789	389,897	575,213
4,173,926	2,481,818	5,007,541	5,024,014	3,677,430	3,191,650
6,633,906	4,881,860	5,455,241	6,105,051	4,031,027	4,512,724
809,902	3,417,534	2,594,920	931,392	1,480,987	790,621
44,872,426	41,041,296	41,933,914	43,068,807	41,452,370	42,633,118
3,403,128	3,534,513	3,692,914	3,863,559	3,848,744	4,218,216
22,857,469	22,848,034	23,408,117	24,164,207	23,832,458	25,144,760
1,989,822	2,047,812	2,037,572	3,283,707	1,942,989	2,145,220
5,265,598	4,612,500	4,625,359	4,551,124	4,621,709	4,767,121
4,218,060	2,216,260	2,371,335	1,281,553	5,598,687	1,241,065
2,037,244	2,154,096	1,776,320	1,920,032	1,986,833	2,149,334
3,107,770	2,928,812	885,016	852,225	766,055	674,231
					178,867
7,858,187	5,505,424	5,624,286	5,201,065	4,612,112	6,538,037
50,737,278	45,847,451	44,420,919	45,117,472	47,209,587	47,056,851
(5,864,852)	(4,806,155)	(2,487,005)	(2,048,665)	(5,757,217)	(4,423,733)
24,888,036	13,915,016	10,854,900	9,901,040	9,529,509	12,044,693
(19,257,509)	(10,628,535)	(7,410,107)	(6,500,901)	(6,107,100)	(11,373,865)
		1,345,487		1,111,615	11,341,409
					(10,673,922)
5,630,527	3,286,481	4,790,280	3,400,139	4,534,024	1,338,315
	5,434,768				(2,000,000)
(\$234,325)	\$3,915,094	\$2,303,275	\$1,351,474	(\$1,223,193)	(\$5,085,418)
12.0%	12.6%	6.9%	6.9%	6.5%	7.4%

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 ¹	Total Direct Tax Rate
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%
2016	4,695,039,095	335,903,536	317,890,657	4,713,051,974	1.10658%

¹ 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 RATES¹
LAST TEN FISCAL YEARS

Fiscal Year	County Direct Rate ²	Yuba City Unified and Community College Bond	Field Bond	Total Rate
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
2016	1.00000	0.10658	-	1.10658

¹ 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.

² 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**

Taxpayer	Fiscal Year 2016			Fiscal Year 2007		
	Taxable Assessed Value ¹	Percent Of Total Assessed Valuation	Rank	Taxable Assessed Value ¹	Percent Of Total Assessed Valuation	Rank
Sunsweet Growers Inc.	\$ 78,671,296	1.67%	1	N/A	N/A	N/A
Wal Mart Stores Inc./Sam's West	42,788,876	0.91%	2	N/A	N/A	N/A
Miravista LLC	33,600,000	0.71%	3	N/A	N/A	N/A
Sutter Medical Foundation	32,311,758	0.69%	4	N/A	N/A	N/A
Yuba City Company - Generation LP	27,872,000	0.59%	5	N/A	N/A	N/A
CSFB	24,950,514	0.53%	6	N/A	N/A	N/A
Comcast	23,094,132	0.49%	7	N/A	N/A	N/A
Greenleaf Unit Two Associates	22,342,039	0.47%	8	N/A	N/A	N/A
Feather River Energy Center LLC	22,025,285	0.47%	9	N/A	N/A	N/A
Kats River Oaks	19,701,585	0.42%	10	N/A	N/A	N/A
	<u>\$ 327,357,485</u>	<u>6.95%</u>		<u>\$ -</u>		

¹ 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 ¹	Amount	Percent of Levy
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%
2016	7,039,111	2,855,601	9,894,712	9,894,712	100.00%

¹ Schedule excludes unitary tax.

² 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	Refunding Lease Revenue Bonds	Pension Obligation Bonds	Net Pension Liability	Capital Lease Payable	Total ²
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
2016	-	231,000	-	9,700,629	1,130,000	44,810,601	4,866,999	60,739,229

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

¹ See Demographic and Economic Indicators schedule for personal income and population data.

² 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 ²	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
\$ -	\$ 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
33,142,661	-	29,477,660	8,597,177	2,409,957	73,627,455	134,366,684	9.59%	1,974

CITY OF YUBA CITY
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income ¹	Percentage of Total Taxable Assessed Value ²	Per Capita ¹	
	Certificates of Participation	Refunding Lease Revenue Bonds	Pension Obligation Bonds				Total
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
2016	-	9,700,629	1,130,000	10,830,629	0.77%	0.23%	162

¹ See Demographic and Economic Indicators schedule for personal income and population data.

² See Assessed Value and Actual Value of Taxable Property schedule for property value data.

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, 2016

	Percent Applicable ¹	Debt June 30, 2016
OVERLAPPING TAX AND ASSESSMENT DEBT:		
<hr/>		
Yuba Joint Community College District	17.058%	\$ 27,824,122
Sutter Union High School District	4.896%	1,175,039
Franklin School District	1.805%	32,544
Yuba City Unified School District School Facilities Improvement District No. 99-1	71.711%	9,980,371
Yuba City Unified School District School Facilities Improvement District No. 2004-1	73.052%	13,680,626
City of Yuba City Community Facilities District No. 2004-1	100.000%	2,620,000
City of Yuba City 1915 Act Bonds	100.000%	2,997,974
California Statewide Communities Development Authority 1915 Act Bonds	100.000%	372,936
Sutter Butte Flood Control Agency Assessment District	59.165%	<u>52,011,952</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>110,695,564</u>
 DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
<hr/>		
Sutter County Certificates of Participation	55.038%	561,388
Sutter County Board of Education Certificates of Participation	55.038%	2,765,660
Yuba Joint Community College District Certificates of Participation	17.058%	2,538,859
Yuba City Unified School District Certificates of Participation	79.226%	17,267,307
City of Yuba City Refunding Lease Revenue Bonds	100.000%	9,460,000
City of Yuba City Capital Leases Payable	100.000%	4,866,999
City of Yuba City Sutter County Loan	100.000%	231,000
City of Yuba City Pension Obligations	100.000%	<u>1,130,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		<u>38,821,213</u>
 OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	 100.000%	 <u>31,545,000</u>
COMBINED TOTAL DEBT		<u><u>\$ 181,061,777</u></u> ²
 TOTAL DIRECT DEBT		 \$ 15,687,999
TOTAL OVERLAPPING DEBT		<u>165,373,778</u>
 COMBINED TOTAL DEBT		 <u><u>\$ 181,061,777</u></u> ²

¹ 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.

² Excludes business-type activities debt.

RATIOS TO 2015-16 ASSESSED VALUATION:

Total Overlapping Tax and Assessment Debt	2.35%	
Combined Direct Debt (\$15,687,999)	0.33%	
Combined Total Debt	3.73%	

RATIOS TO REDEVELOPMENT INCREMENTAL VALUATION (\$348,102,297):

Total Overlapping Tax Increment Debt	9.06%	
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CITY OF YUBA CITY
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal year			
	2007	2008	2009	2010
Total assessed value of all real and personal property	\$ 4,234,096,299	\$ 4,612,562,660	\$ 4,735,083,582	\$ 4,582,176,538
Debt limit percentage	3.75%	3.75%	3.75%	3.75%
Total debt limit	158,778,611	172,971,100	177,565,634	171,831,620
Amount application to debt limit	20,915,993	26,089,953	24,713,590	23,243,660
Legal debt margin	<u>\$ 614,198,452</u>	<u>\$ 146,881,147</u>	<u>\$ 152,852,044</u>	<u>\$ 148,587,960</u>
Total net debt applicable to the limit as a percentage of debt limit	13.17%	15.08%	13.92%	13.53%

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					
2011	2012	2013	2014	2015	2016
\$4,445,145,333	\$ 4,278,798,415	\$ 4,200,836,828	\$ 4,234,278,226	\$ 4,464,834,310	\$ 4,713,051,974
3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
166,692,950	160,454,941	157,531,381	158,785,433	167,431,287	176,739,449
21,679,239	20,019,367	21,914,591	13,765,000	17,093,584	15,687,999
<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>	<u>\$ 161,051,450</u>
13.01%	12.48%	13.91%	8.67%	10.21%	8.88%

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CITY OF YUBA CITY
PLEDGED REVENUE COVERAGE
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Tax Allocation Revenue Bonds

Fiscal Year	Property Tax Increment	Principal	Interest	Coverage
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	-	-	-	-
2016	-	-	-	-

Loans Payable

Fiscal Year	Principal	Interest
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
2016	23,100	-

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
PLEGDED 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
2007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2008	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-

Sewer Revenue Bonds

Fiscal Year	Operating Revenue	Adjusted Operating Expenses	Other Allowed Sources (Uses)	Net Available Revenue	Principal	Interest	Coverage
2007	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-

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
\$ 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)	-	(1,343,364)	5,635,736	1,768,787	1,146,362	1.93
11,021,165	(5,349,921)	-	(1,933,671)	3,737,573	1,817,019	1,102,835	1.28
12,035,874	(5,534,189)	-	(1,750,485)	4,751,200	1,923,963	1,174,003	1.53

Wastewater Certificates of Participation, Revenue Refunding Bonds, and Capital Lease

Operating Revenue	Adjusted Operating Expenses	Use of Stabilization Reserve	Other Allowed Sources (Uses)	Net Available Revenue	Principal	Interest	Coverage
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)	-	(1,318,609)	5,175,964	833,130	612,867	3.58
12,899,797	(7,033,450)	-	(1,151,762)	4,714,585	1,185,222	684,989	2.52

CITY OF YUBA CITY
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population ¹	Personal Income ²		School Enrollment ³	Unemployment Rate ⁴	City Square Miles ⁵
		Total (in thousands)	Per Capita			
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
2016	68,052	1,400,858	20,585	12,722	9.3%	14.91

¹ Source: California Department of Finance

² Source: California Franchise Tax Board

³ Source: Yuba City Unified School District

⁴ Source: California Employment Development Department

⁵ 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 2016</u>			<u>Fiscal Year 2007</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	2,276	7.13%	1	N/A	N/A	N/A
Yuba City Unified School District	1,405	4.40%	2	N/A	N/A	N/A
County of Sutter	877	2.75%	3	N/A	N/A	N/A
Sunsweet Growers	613	1.92%	4	N/A	N/A	N/A
Wal-Mart	475	1.49%	5	N/A	N/A	N/A
Sutter North Medical	450	1.41%	6	N/A	N/A	N/A
City of Yuba City	299	0.94%	7	N/A	N/A	N/A
Target	198	0.62%	8	N/A	N/A	N/A
Sam's Club	195	0.61%	9	N/A	N/A	N/A
Bel Air/Raley's	176	0.55%	10	N/A	N/A	N/A
	<u>6,964</u>	<u>21.83%</u>				

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			
	2007	2008	2009	2010
Governmental Activities				
General Government				
City manager	2.00	2.00	2.00	4.00
Finance	16.00	16.00	16.60	13.52
General services	4.00	4.00	4.00	4.00
Human resources	6.00	6.00	5.50	4.50
Public Safety				
Police	102.50	102.50	103.50	101.50
Fire	52.10	52.10	55.10	55.10
Parks and Recreation	30.50	32.50	31.73	26.24
Public Works and facilities				
Administration	2.00	2.00	3.00	3.00
Custodial	11.75	11.75	11.75	9.75
Streets	10.30	10.30	10.23	9.23
Engineering	8.00	6.00	8.00	10.00
Electrical maintenance	4.10	4.10	4.08	1.08
Community Development				
Planning	5.00	5.00	4.00	3.00
Building inspection	12.00	10.00	10.00	6.00
Economic development	2.60	1.60	1.00	1.00
Water	29.50	27.95	28.73	29.58
Wastewater	36.10	36.65	37.73	38.88
Vehicle maintenance	5.25	5.25	5.25	5.25
SBFCA				
Total Full-Time Equivalent Employees	339.70	335.70	342.20	325.63

Source: City of Yuba City Finance Department

Fiscal Year					
2011	2012	2013	2014	2015	2016
3.75	3.50	3.50	3.50	3.00	3.00
13.52	13.00	13.00	13.00	13.00	13.00
4.00	5.00	5.00	5.00	5.00	5.00
3.50	3.00	3.00	3.00	3.00	4.00
91.50	91.50	91.50	91.50	91.50	91.50
55.10	55.00	55.00	55.00	48.00	57.00
20.23	18.23	18.23	23.98	24.10	24.10
3.75	2.00	1.30	1.30	1.30	1.30
5.00	5.00	5.00	5.00	5.00	5.00
9.23	9.23	9.23	9.23	9.24	9.24
10.00	10.00	12.00	12.00	11.00	11.00
0.88	0.88	0.88	0.88	0.88	0.88
3.00	4.00	4.00	3.00	3.00	3.00
5.00	5.00	5.00	6.00	5.00	5.00
1.00	1.00	1.00	1.00	1.00	1.00
24.58	25.43	24.13	24.13	24.19	24.69
35.08	36.23	34.13	35.13	35.19	35.69
4.25	4.00	4.10	4.10	4.10	4.10
			1.00	1.00	1.00
293.37	292.00	290.00	297.75	288.50	299.50

**CITY OF YUBA CITY
OPERATING INDICATORS
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2007	2008	2009	2010	2011
Finance					
Utility customers billed	17,896	17,570	17,628	17,806	17,997
Community Development					
Single family dwelling building permits issued	292	54	39	37	8
Land use entitlement applications	74	92	42	37	26
Police					
Citations issued	10,298	12,597	11,769	8,485	8,831
Arrests made	3,140	3,465	3,452	3,336	3,180
Requests for services	44,593	43,936	48,053	44,856	47,880
Fire					
Fire responses	6,119	6,591	7,169	7,101	7,302
Area served (sq. miles)	17.200	30.000	30.000	30.000	30.000
Parks and Recreation					
Classes held	320	500	1,182	2,762	2,484
Hours of recreation offered	6,000	5,800	8,190	17,530	17,217
Total participants	7,402	12,500	36,749	93,103	78,787
Public Works					
Encroachment permits	105	117	83	98	106
Subdivision agreements	3	3	-	-	-
Capital improvement projects	10	17	20	20	20
Park acres overseen	130.00	130.00	133.00	133.00	133.00
Street maintenance - crack seal (streets)	-	52	93	70	76
Street maintenance - traffic marking paint (gal.)	1,175	910	925	538	401
Street light repairs	588	621	468	398	414
Water					
Water introduced to system (million gallons)	6,128	6,008	6,220	6,091	4,985
Metered water deliveries (hundred cubic feet)	7,404,329	6,010,883	5,976,940	5,450,998	5,351,142
Wastewater					
Effluent (millions of gallons per day)	6.088	5.366	5.150	6.500	5.800

Source: City of Yuba City Finance Department

Fiscal Year				
2012	2013	2014	2015	2016
18,338	18,197	18,219	18,700	18,699
13	41	49	39	43
21	41	37	45	26
6,741	7,429	6,172	6,343	6,308
2,989	3,161	3,298	2,878	2,913
46,093	49,648	47,384	45,233	46,162
7,712	8,166	8,513	8,875	9,327
30.000	30.000	30.000	30.000	30.000
3,010	2,552	1,117	1,009	1,687
17,766	15,942	12,838	16,122	8,450
99,102	80,000	60,000	51,021	68,211
84	85	115	108	143
-	-	-	1	-
15	14	18	16	16
133.00	133.00	133.00	133.00	133.00
72	74	31	66	0
40	30	50	30	115
406	460	435	425	435
5,248	5,475	5,260	4,572	4,110
6,436,753	7,075,367	6,800,658	5,821,860	5,086,702
5.900	5.500	5.500	5.500	4.700

**CITY OF YUBA CITY
CAPITAL ASSET STATISTICS
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2007	2008	2009	2010	2011
Police					
Stations	1	1	1	1	1
Fire					
Stations	5	5	5	5	5
Public Works					
Streets (centerline miles)	285	237	237	237	237
Street lights	6,000	6,071	6,071	6,071	6,078
Traffic signals	32	33	34	34	37
Parks and Recreation					
Office buildings	2	2	3	3	2
Park acreage	110	110	113	113	113
Playing fields/courts	7	7	7	7	7
Swimming pools	1	1	1	1	1
Water play features	1	1	2	2	2
Water					
Water mains (miles)	229	232	260	260	274.7
Fire hydrants	2,317	2,324	2,593	2,593	2,684
Storage capacity (million gallons)	18.00	18.00	18.00	18.00	21.00
Treatment capacity (million gallons)	48.3	48.5	48.5	36.0	36.0
Wastewater					
Sewer mains (miles)	155	176.5	176.5	176.5	179
Treatment capacity (million gallons)	10.5	10.5	10.5	10.5	10.5

Source: City of Yuba City Finance Department

Fiscal Year				
2012	2013	2014	2015	2016
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	188	188	188	188
7	7	7	7	7
1	1	1	1	1
2	2	2	2	2
275	275	275	280	280
2,688	2,694	2,703	2,771	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