

**CITY OF VICTORVILLE  
VICTORVILLE, CALIFORNIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2023**



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## **INTRODUCTORY SECTION**

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June 10, 2024

The Honorable Mayor, Members of the City Council  
and the Citizens of the City of Victorville, California

In accordance with California state law, please accept submission of the Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2023. Responsibility for the accuracy of the data, completeness, and fairness of the presentation, including all disclosures, rests with the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls it has established for this purpose. We believe the data included is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position and operational achievements of the City, as measured by the financial activity of its various funds. In addition, all disclosures necessary to enable the reader to gain maximum understanding of the City's financial activities have been included.

The City requires an annual audit of the City's financial statements by an independent Certified Public Accountant. Accordingly, this year's audit was completed by Clifton Larson Allen LLP in conformance with generally accepted auditing standards (GAAS). The ACFR was prepared in conformance with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). An independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditor's unmodified opinion on the basic financial statement is included in the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the City's basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

#### City of Victorville Profile

The City of Victorville is in the High Desert along Interstate 15, about 40 miles north of the City of San Bernardino, and serves an area of 74.09 square miles with a population of approximately 136,854. The City of Victorville was incorporated as a general law city on September 21, 1962. On July 26, 2008, the City of Victorville became a charter city that operates under a Council-Manager form of government. The City Manager is responsible for the efficient implementation of Council policy and the effective administration of all City government affairs. There are five elected council members. On September 27, 2021, the Victorville City Council declared its intention to transition from at-large to district-based elections. After gathering community input through three community meetings and six public hearings, the City Council adopted Ordinance 2422, which includes the final district election map and corresponding sequencing. Additional information on terms can be found on the Council page or on the city website.

Victorville's economic community is a vital mix of retail, shopping, restaurants, service businesses, hotels, public services, and industry. The City provides a full range of services including highways and streets, sanitation, park and recreation, library, aviation, municipal utilities, public improvements, planning and zoning, community development, code enforcement, animal control, fire, and general administrative services. The City contracts with the County of San Bernardino for police services. In addition to general government activities, the City Council also serves as the Board of Directors of Southern California Logistics Airport Authority (SCLAA) and Victorville Water District. Therefore, these activities have been included as part of the City of Victorville's financial report. Additional information on these entities can be found in Note 1 in the notes to the financial statements.

The City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Council. Activities of the general fund and special revenue funds are included in the annual appropriated budget. Project-length budgets are prepared for the capital project funds. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is at the departmental level within each fund. The government also maintains an encumbrance accounting system as one method of maintaining budgetary control. Ongoing capital budgets and grants roll forward to the following year. Other encumbered amounts lapse at year-end. However, outstanding operating encumbrances generally are reappropriated as part of the following year's budget.

#### City Accomplishments

The City of Victorville continues to be in strong fiscal health thanks to conservative fiscal management and the cultivation of new revenue streams including federal dollars, Measure P, and grant monies. Despite the recent market slowdown, the City has been able to increase services for the benefit of our growing community. Last year, the City added just under \$9.6 million to its General Fund Reserves. Reserves now stand at 61 %, far exceeding the City's General Fund Reserve Target of 17 %. With the approval of its Measure P Oversight Committee, the City also established a similar reserve target for its Measure P fund to protect the sustainability of this fund for the long-term.

In 2023, the City secured just over \$56 million in grant funding to assist community members and address strategic priorities. The revitalization of Old Town Victorville is another key priority. When the state stopped funding local redevelopment with the dissolution of the California Redevelopment Act of 1945 in 2012, the City struggled to find a way to invest in Old Town. In 2023, the City continued its effort to establish a Community Revitalization Investment Authority (CRIA) for Old Town Victorville. The CRIA is an economic and affordable housing tool authorized by Assembly Bill 2 in 2015. Increased revenue is not generated from a new tax. Instead, the revenue comes from increased property values as developers and businesses improve and build on properties in the investment area. The increased revenue can be used by the CRIA to improve infrastructure, develop affordable housing, rehabilitate property, and assist businesses. To further incentivize new development, the City Council authorized the waiver of development impact fees within the Old Town CRIA Area. The Old Town CRIA Board comprised of three Council Members and two community members has been established and its draft plan is available for community input. When the plan is adopted in 2023, Victorville's CRIA will be the first in California.

The City continues to expand public safety services due to new funding sources including Measure P. The City has added police personnel, code compliance officers, and expanded fire and medical services. With these new additions, our public safety personnel can be more proactive to prevent issues throughout the community. With the addition of personnel, the Victorville Police Department was able to conduct more traffic enforcement on city streets. The

Police Department continues to use automatic license plate readers (A.L.P.R.'s) as a cost-effective crime prevention tool. In 2023, the A.L.P.R.'s resulted in arrests for a variety of crimes including auto theft, carjacking, assault, domestic violence, and robbery. In FY 2023, another 16 ALPRs were installed in Victorville bringing the total number to 123.

The City also further expanded fire and medical service. With nearly 24,000 calls for service each year, Victorville Fire is the busiest, non-contract fire department in San Bernardino County and one of the busiest departments in the nation. Approximately 85 percent of Victorville Fire's calls are for medical purposes. The large call volume is straining the staff and equipment relied upon to respond to community needs, so the City is actively considering ways to further expand fire and medical services to effectively manage growing call volume. The City is committed to further expanding public safety services for our growing community.

Staff have launched plans for a new police station to accommodate a larger police force. The current Victorville Police Station is at capacity. Further additions to the police force require more space for personnel and vehicles. The City is in the design phase for a new police station. Preliminary plans call for a 50,000 square foot building, which would increase space available for personnel by 60 percent while accommodating 50 additional police vehicles.

Victorville economy continues to thrive. In the first few weeks of 2023, the City received applications from more than 10 commercial businesses expected to open within the next 12 months. Among the new businesses currently under construction are large retailers like CarMax, Dollar General, and Superior Grocers; Sprouts Farmers Market,; a multi-tenant development at the corner of Palmdale Road and Highway 395 which will include Chipotle and Jersey Mike's; as well as a Holiday Inn Express and Avid Hotel.

The City is also experiencing tremendous growth at Southern California Logistics Airport. In FY 2023, a one-million-square-foot Amazon Fulfillment Center became operational and a recordkeeping and storage facility for Iron Mountain. Over 1,000 jobs were estimated to be generated from just these two additions to the Southern California Logistics Airport.

The City of Victorville's most anticipated infrastructure project is the Green Tree Extension was completed and had its ribbon cutting ceremony on May 20, 2023. The City extended Green Tree Boulevard 1.5 miles from Hesperia Road to Ridgecrest/Yates Road. Improvements to the intersection of Green Tree Boulevard and Hesperia Road were made including a new traffic signal.

With new Measure P revenue, the City is making much-needed improvements to aging City facilities. These upgrades are enabling us to expand recreational programming and offer the amenities our residents demand. Building strong community connections is one of the City's greatest priorities, so we were pleased to return to a full year of recreational programming and special events.

The City also moved forward with its plan for a new Victorville City Library. The library will be moved to the former Clubhouse at the Green Tree Golf Course. Repurposing the existing clubhouse offers the City an affordable way to modernize and expand the library as outlined in the Library Master Plan. Up to 5,000 feet of increased space will be added and the new design allows for an expanded children's area. The Green Tree Library is supported by funding provided by the State of California and administered by the California State Library. The Victorville City Library is at the heart of our community. We look forward to constructing a larger, modern facility that enables us to expand programming for the benefit of our Victorville residents.

The cornerstone of Victorville's strategy to reduce homelessness is our Wellness Center. Last year, we made significant progress on this facility that will help homeless individuals stabilize their lives. We expect the Wellness Center to be complete in winter 2023. The City of Victorville's Wellness Center was envisioned with the help of its Homelessness Solutions Task Force. The center will increase access to shelter, health care, and supportive services to break the cycle of homelessness. The center will offer 110 separate modular units with a minimum 170-bed capacity increasing the number of shelter beds in Victorville 56%. The Wellness Center is currently under construction on City-owned land at 16902 First Street. Construction is being funded primarily through a \$28 million Homekey Grant from the California Department of Housing and Community Development. It will be the first facility of its kind in the state to combine a low-barrier emergency shelter, recuperative care, medical clinic, interim housing, and wraparound support services.

Until the Wellness Center comes online, the City established and is funding a 92-bed, interim shelter at Westwinds Sports Center. This 24/7 interim shelter operation provides supportive services, including helping many connect to permanent housing. The City also staffs a Homeless Engagement Team who outreaches to Victorville's homeless and connects them with shelter and supportive services. Homelessness is one of the most complex issues we face as a City. We are balancing the needs of the most vulnerable with the needs of our businesses and residents to reduce the negative impacts homelessness can have. The City's Code Compliance Division works with local businesses and property owners to establish anti-trespass agreements. When in place, these agreements allow for proactive trespass enforcement even when owners are not present.

#### Long-term Financial Planning

Annually, the City of Victorville updates its five-year Capital Improvement Project (CIP) plan. Infrastructure improvements are considered capital improvement projects when the expected life is more than five years and expenditures are at least \$50,000. In contrast, scheduled purchases of vehicles, computer hardware and equipment are capitalized when the individual cost is \$5,000 or more, with an estimated useful life of at least five years. These routine purchases are generally accounted for out of special funds or enterprise funds.

Additional Water rights valued at \$616,992 were purchased to ensure available water for future years. Various other Street, Sewer, Storm Drain and Water improvements were completed by the city or through developer projects of \$25.9 million, occurred throughout the City. There were 108 vehicle, equipment and computer capital purchases budgeted for 2023, totaling \$24.5 million of which \$5.6 were completed and the rest were carried forward into FY 2024.

Pension costs are expected to continue to rise annually because of reductions to the expected rate of return assumption change approved by the CalPERS board. This adjustment will affect pension costs for all employees and the remaining unfunded liability that exists for the former Victorville fire employees. Other Post-Employment Benefits (OPEB) also continue to grow as a liability, mostly resulting from increasing medical insurance costs. Despite the economic challenges the City has faced, the City of Victorville continues to maintain the following goals and objectives in alignment with the city council's three-year strategic plan from October 2020: provide and uphold fiscal accountability and sustainability; dedicate necessary resources for public safety; assist the local economy's growth and progression; excel in maintaining, enhancing, and improving the City's public facilities and infrastructure; and the promoting of conservative thinking.

#### Cash Management Policies and Practices

Cash, which is temporarily idle during the year, was invested in the Local Agency Investment Fund. The City's investment policy is to minimize credit and market risks while maintaining a

competitive yield on its portfolio. Nearly all investments held by the City as of June 30, 2023, are classified in the category of lowest custodial credit risk as defined by the Government Accounting Standards Board. This Investment Policy is reviewed annually to ensure its consistency with respect to the overall objectives of safety, liquidity and yield, and its relevance to current laws and financial trends. There are no amendments being proposed to the policy for FY 2024. Proposed amendments to the Policy are prepared by Finance staff and reviewed and approved by the City Manager and the City Council.

#### Risk Management

The City participates in the Public Entity Risk Management Authority (PERMA), a joint powers insurance authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. PERMA provides \$50 million of general liability coverage per occurrence and is responsible for paying claims in excess of the City's \$50,000 deductible. The City also participates in PERMA's worker's compensation coverage program. In addition, various risk control techniques, including a safety committee, have been implemented to minimize losses.

#### Acknowledgements

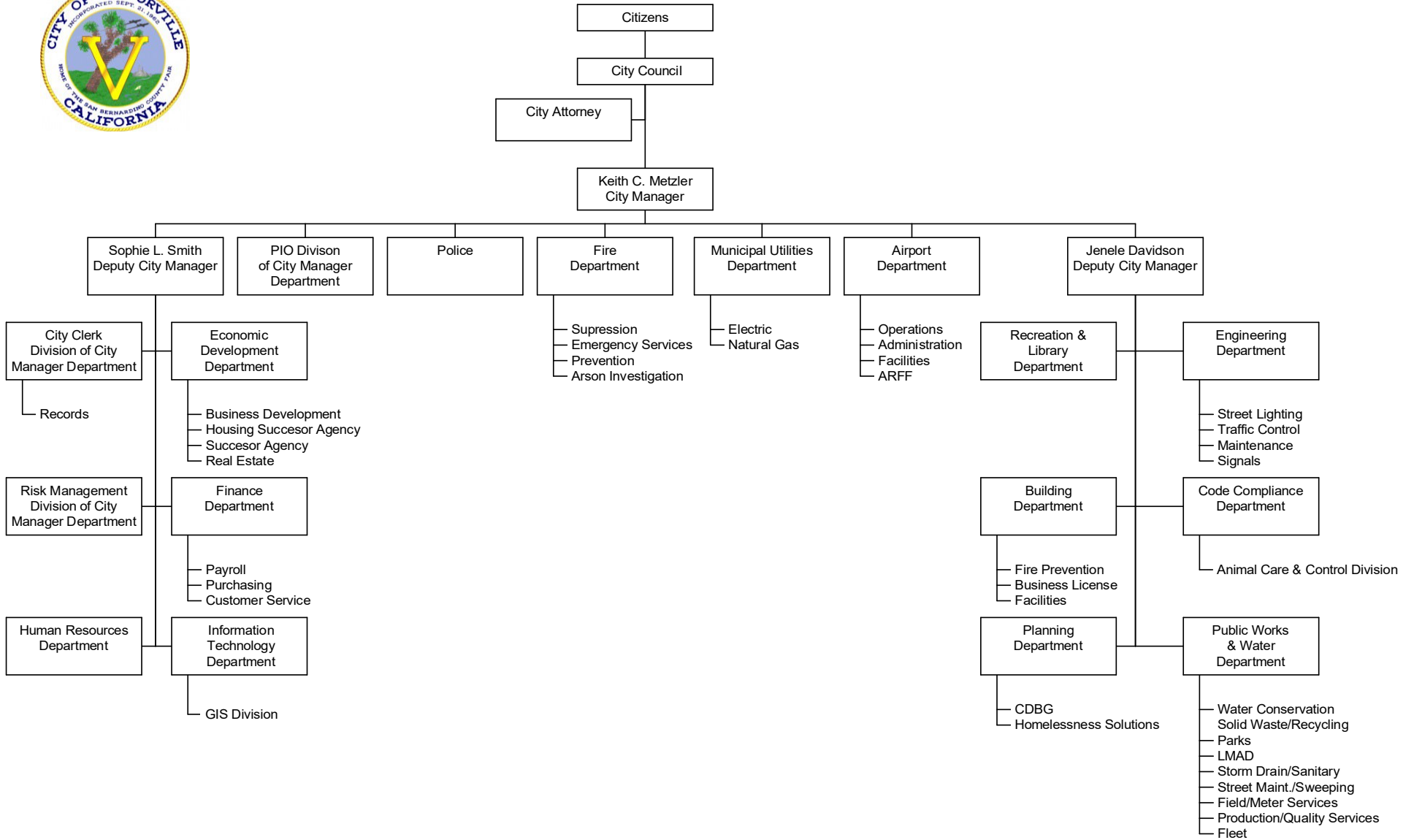
I would like to express my appreciation to all the dedicated employees of the City of Victorville who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor, City Council members, and the City Manager for their support in maintaining the highest standards of professionalism in the management of the City of Victorville's finances.

Respectfully submitted,

*Carmen Cun*

Carmen Cun  
Director of Finance / City Treasurer

# CITY OF VICTORVILLE ORGANIZATIONAL CHART JUNE 30, 2023



**CITY OF VICTORVILLE  
ELECTED AND APPOINTED OFFICIALS  
JUNE 30, 2023**

Debra Jones  
Mayor  
Elected 2022 to 4-Year Term



Elizabeth Becerra  
Mayor Pro Tem  
Elected 2020 to 4-Year Term



Blanca Gomez  
Councilmember  
Elected 2020 to 4-Year Term



Robert Harriman  
Councilmember  
Elected 2022 to 4-Year Term



Leslie Irving  
Councilmember  
Elected 2020 to 4-Year Term



**Executive Team**

City Manager ..... Keith C. Metzler  
Deputy City Manager ..... Sophie L. Smith  
Deputy City Manager ..... Jenele Davidson

**Legal Counsel**

City Attorney ..... Andre de Bortnowsky

**CITY OF VICTORVILLE  
ELECTED AND APPOINTED OFFICIALS (CONTINUED)  
JUNE 30, 2023**

**Appointed Officials Team**

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<b>Planning Commission</b>	<b>Appointed By</b>	<b>Term Expires</b>
Kenneth Cook Askins, JR.	Leslie Irving	December 2024
Robert Kurth	Elizabeth Becerra	December 2024
Bill Thomas	Blanca Gomez	December 2024
Kimberly Mesen	Debra Jones	December 2026
Paul March	Bob Harriman	December 2026

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<b>Community Services Advisory committee</b>	<b>Appointed By</b>	<b>Term Expires</b>
Terrance Stone	Leslie Irving	December 2024
Brandon Dixon	Elizabeth Becerra	December 2024
Adrian Belcher	Blanca Gomez	December 2024
Lina Amaral	Bob Harriman	December 2026
Michael Smith	Debra Jones	December 2027

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<b>Measure P Oversight Committee</b>	<b>Category</b>	<b>Date Appointed</b>
Mark Creffield	Chamber of Commerce	April 2021
Michael Krause	Education	April 2021
Margaret Cooker	Senior Community	April 2021
Jeremy Taylor	Youth / Recreation	May 2022



**CITY OF VICTORVILLE  
LEADERSHIP TEAM  
JUNE 30, 2023**

**Leadership Team**

Fire Chief .....	David Foster
Police Captain (Sheriff) .....	John Wickum
City Clerk .....	Jennifer Thompson
Public Information Officer (PIO) .....	Sue Jones
Director of Public Works/Water .....	Doug Mathews
City Engineer .....	Brian Gengler
Airport Director .....	Eric Ray
City Planner .....	Scott Webb
Building Official .....	Joseph Slegers
Code Enforcement Official .....	Jorge Duran
Technology Officer .....	Mazharul Islam
Human Resources Officer .....	Josie Trevino
Director of Finance .....	John Mendiola
VMUS Utility Director .....	Brenda Hampton

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Honorable City Council  
City of Victorville  
Victorville, California

### Report on the Audit of the Financial Statements

#### ***Opinions***

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 Victorville, California (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Victorville's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Victorville as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### **Emphasis of Matter**

##### ***Changes in Accounting Principle***

During the fiscal year ended June 30, 2023, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

##### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Victorville's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, General Fund Budgetary Comparison Schedule, Major Special Revenue Funds Budgetary Comparison Schedules, Agent Plan Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Plan Contributions, Cost Sharing Plan Schedule of the Proportionate Share of the Net Pension Liability and Schedule of Plan Contributions, and Schedule of Changes in the Total OPEB Liability and Related Ratios, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Victorville's basic financial statements. The General Fund combining statements, the Capital Impact Facilities Fund budgetary comparison, the nonmajor fund combining statements, and the individual fund budgetary comparison schedules (supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

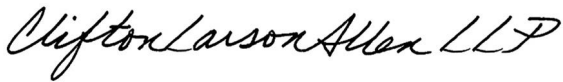
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable City Council  
City of Victorville

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2024, on our consideration of the City of Victorville’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Victorville’s 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 of Victorville’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
June 10, 2024



**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

As management of the City of Victorville, we offer readers of Victorville's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the transmittal letter along with the accompanying table of contents.

*Using the Accompanying Financial Statements*

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and supplementary information that presents *combining statements* for non-major governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

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

- The *governmental funds* statements tell how *general government* services like public safety were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-term* and *long-term* financial information about the activities the government operates like businesses: such as airport, water, and sanitation activities.
- *Fiduciary fund* statements provide information about the fiduciary relationships – like the agency funds of the City – in which the City acts solely as *agent* or *trustee* for the benefit of others, to whom the resources in question belong.

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

**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

The figure below summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain.

	<i>Government-wide Statements</i>	<i>Fund Statements</i>		
		<i>Governmental Funds</i>	<i>Proprietary Funds</i>	<i>Fiduciary Funds</i>
<i>Scope</i>	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses	Instances in which the City is the trustee or agent for someone else's resources
<i>Required financial statements</i>	Statement of Net Position, Statement of Activities	Balance sheet; Reconciliation of the balance sheet to the statement of net position; Statement of revenues, expenditures and changes in fund balances; Reconciliation of the statement of revenues, expenditures and changes in fund balance to the statement of activities	Statement of Net Position, Statement of Revenues, expenses, and changes in net position, Statement of cash flows	Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset, deferred outflows, liability, and deferred inflows information</i>	All assets, liabilities, and deferred outflows and inflows of resources, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets, liabilities, and deferred outflows and inflows of resources, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the City's fiduciary funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

*Reporting the City as a Whole*

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

These two statements report the City's net position and changes within. You can think of the City's net position – the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources – as one way to measure the City's financial health, or *financial position*. Over time, *increases and decreases* in the City's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, in order to assess the *overall health* of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

Governmental activities – Most of the City's basic services are reported here. Sales taxes, property taxes, state subventions, and other revenues finance most of these activities.

Business-type activities – The City charges a fee to customers to help it cover all, or most, of the cost of the services accounted for in these funds.

Component units – The City includes two separate legal entities in its report: Southern California Logistics Airport Authority and Victorville Water District. Although legally separate, these "blended component units" are important because they are part of the City's operations and so data from these units are reported with the interfund data of the primary government.

*Reporting the City's Major Funds*

The **fund financial statements** provide detailed information about the City's most significant funds – not the City as a whole. Some funds are required to be established by State law, or by bond covenants. However, City Council establishes many other funds to help it control and manage money for particular purposes, or to show that it is meeting administrative responsibilities for using certain taxes, grants, or other money (like grants received). The City's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

**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 as well as the balances that are left at year end which are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *current financial* assets that can be readily 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. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near

**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

future to finance the City's programs. We describe the relationship or differences between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and *governmental funds* in a reconciliation at the bottom of the fund financial statements.

***Proprietary funds*** – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. The internal service funds (the other component of proprietary funds) report activities that provide supplies and services for the City's other programs and activities.

***Reporting the City's Fiduciary Responsibilities***

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

**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

A summary of the government-wide statement of net position follows:

**City of Victorville's Net Position (table 1)  
(In Thousands)**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Cash and Investments	\$ 185,587	\$ 149,476	\$ 194,356	\$ 164,609	\$ 379,943	\$ 314,086
Other Assets	71,138	73,666	108,232	103,168	179,371	176,835
Interfund Balances	2,916	3,865	(2,916)	(3,865)	-	-
Capital Assets	519,427	479,808	351,758	357,752	871,185	837,560
<b>Total assets</b>	<b>779,069</b>	<b>706,816</b>	<b>651,430</b>	<b>621,665</b>	<b>1,430,499</b>	<b>1,328,481</b>
Deferred outflows - pension	20,402	8,488	11,022	4,964	31,424	13,452
Deferred outflows - OPEB refunding	3,861	4,414	3,448	2,951	7,309	7,365
	-	-	1,398	1,532	1,398	1,532
<b>Total deferred outflows of resources</b>	<b>24,264</b>	<b>12,902</b>	<b>15,868</b>	<b>9,447</b>	<b>40,131</b>	<b>22,350</b>
Short-Term Liabilities	45,667	50,905	16,882	19,019	62,549	69,924
Total OPEB Liability	18,671	24,496	16,598	18,528	35,269	43,024
Net Pension Liability	54,247	28,667	28,017	14,967	82,264	43,633
Other Long-Term Liabilities	8,571	7,524	348,351	357,170	356,922	364,694
<b>Total Liabilities</b>	<b>127,156</b>	<b>111,591</b>	<b>409,847</b>	<b>409,684</b>	<b>537,004</b>	<b>521,275</b>
Deferred inflows - pension	840	14,309	1,652	7,968	2,492	22,277
Deferred inflows - OPEB	11,930	5,827	6,434	3,759	18,364	9,585
Deferred inflows - Leases	6,011	6,239	90,264	85,636	96,275	91,874
<b>Total deferred inflows of resources</b>	<b>18,781</b>	<b>26,375</b>	<b>98,350</b>	<b>97,362</b>	<b>117,131</b>	<b>123,737</b>
Net Position:						
Invested in Capital Assets, Net of Related Debt	510,418	471,522	46,897	47,471	557,316	518,993
Restricted	100,773	90,462	-	-	100,773	90,462
Unrestricted	46,204	19,767	112,206	76,595	158,410	96,362
<b>Total Net Position</b>	<b>657,395</b>	<b>581,752</b>	<b>159,103</b>	<b>124,066</b>	<b>816,499</b>	<b>705,818</b>

**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

Net Position serves as a useful indicator of a government's financial position. In the case of the City of Victorville, the total net position increased by \$110.7 million primarily due to the increase in cash and investments. Cash and investments increased by \$65.9 million and capital assets increased by \$33.6 million; moreover, it was further improved by the decreases in short-term liabilities and the OPEB liabilities. The restricted portion of the net position represents resources that are subject to external restrictions on how they may be used. Brief explanations for the other changes shown in Table 1 are as follows:

**Total Assets:**

- Total Governmental assets increased by \$72.3 million primarily due to an increase in cash and investments of \$36.1 million and an increase in capital and other assets totaling \$37 million.
- Interfund loan balance decrease of \$1 million was for the annual repayment by Victorville Municipal Utilities.

**Total Liabilities:**

- Governmental total liabilities increased by \$15.6 million primarily due to an increase in net pension liability of \$25.6 million and was offset by a reduction in accounts payable, unearned revenue, and OPEB liability totaling \$10 million.
- Business-type total liabilities increased by \$163 thousand due to the increase in pension liabilities of \$13.0 million and a reduction of bonds payable resulting from the annual principal debt service payments. Principal debt service payments totaled \$7.7 million for the Business-type (Enterprise) Funds. The increase in these liabilities was offset primarily by the decrease in OPEB liabilities of \$1.9 million, a \$1.0 million decrease in accounts payable, and a decrease of \$962 thousand in unearned revenue. The remaining increases were spread across the remaining liabilities.

**GOVERNMENTAL ACTIVITIES**

During the year ended June 30, 2023, the City's governmental activities had an increase of \$75.6 million in the total net position as compared to fiscal year 2022. Significant changes in the revenue and expenses within the City's governmental activities presented are as follows:

- Total revenue increased by \$36.2 million for governmental activities. Charges for services increased by \$197 thousand from the prior year and capital grants and contributions revenue increased by \$10.6 million over the prior year, in large due to a \$10.8 million grant received for the Wellness Center. This was offset by the reduction of funds from other projects that were finalized in the year; additionally, operating grants and contributions revenue increased by \$16.9 million from the prior year. This can be primarily attributed to an increase in Measure I, CDBG, and ARPA funding.
- Property tax revenue increased by \$3.7 million from the prior year in large due to an increase in assessed value of taxable property and new construction of approximately an additional 430 single family homes; and sales and transaction tax revenue increased by \$190 thousand. There was not a significant change in franchise tax, with an increase of only \$322 thousand.
- Investment income reflected an increase of \$4 million compared to fiscal year 2022 due to the increase in interest rates.
- Total governmental expenses increased by \$25.3 million as compared to fiscal year 2022. The increase is primarily due to the increases in Public Safety of \$10.5 million, General Government of \$6.3 million, and Public Works \$5.7 million in addition to increased costs due to inflation across all categories. In 2023 an additional 16 police patrol units were added bringing the new total to 86 patrol units; Public Works drastically increased the number of pothole repairs by over 6,000 among other street repairs and removed graffiti to over 3,800 locations compared to 2,793 locations the year prior.

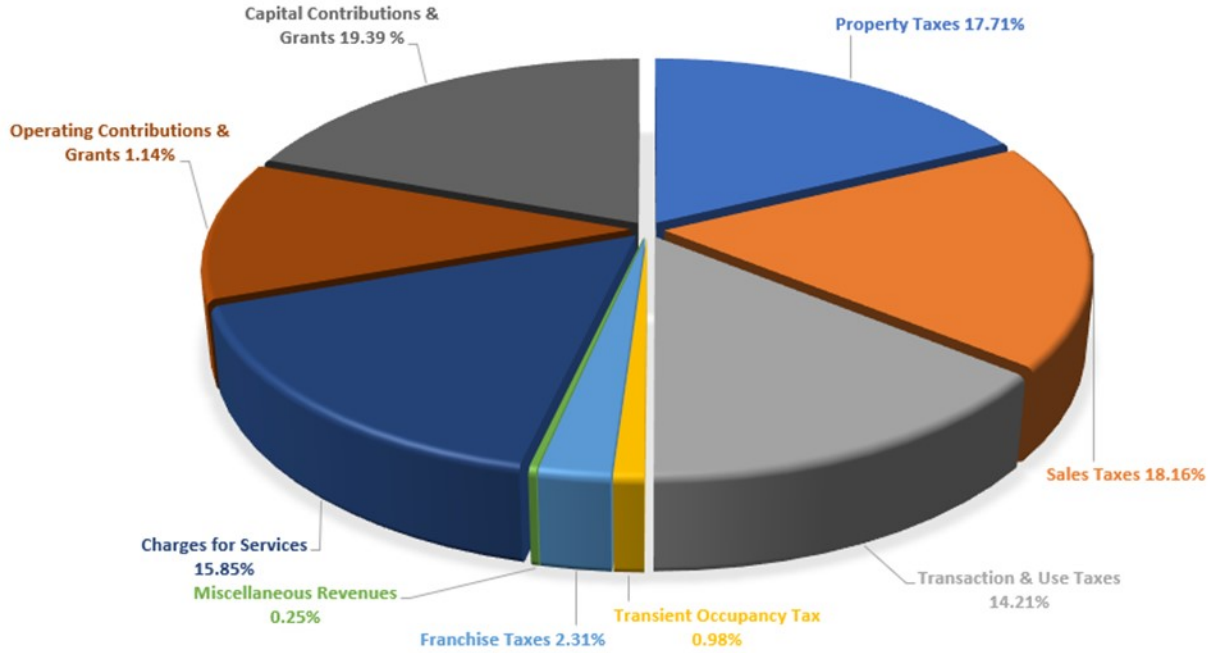
**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**City of Victorville's Change in Net Position (table 2)  
(In Thousands)**

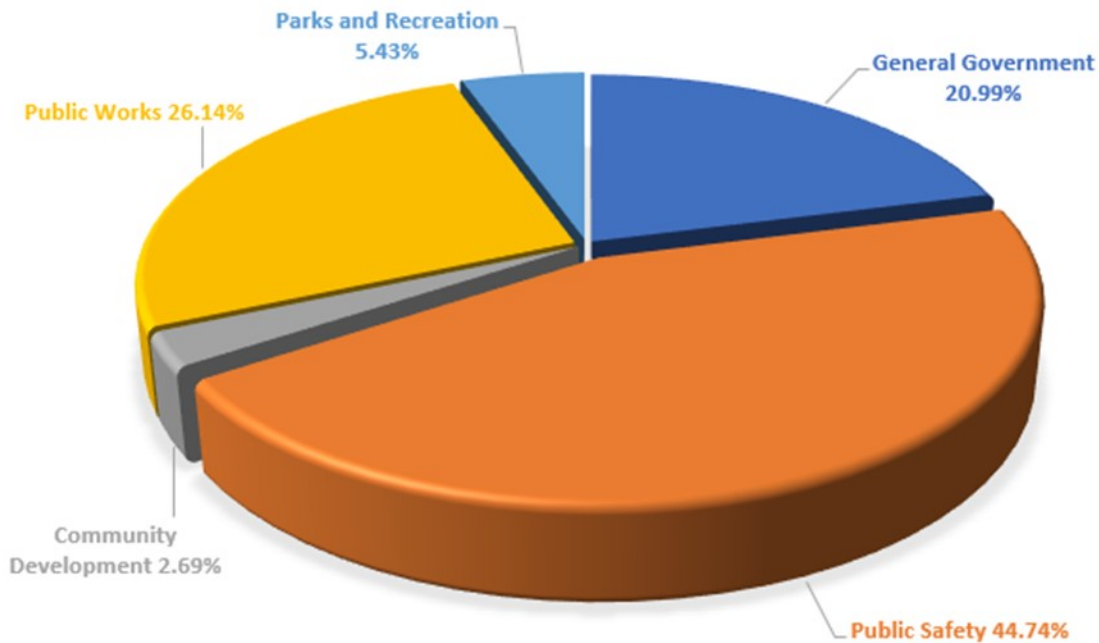
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$32,638	\$ 32,441	\$ 126,086	\$ 121,697	\$ 158,724	\$ 154,138
Operating Contributions and Grants	22,926	6,050	-	1,273	22,926	7,323
Capital Contributions and Grants	39,917	29,326	8,446	9,731	48,363	39,056
General Revenues:						
Property Taxes	36,458	32,795	23,408	22,862	59,866	55,657
Sales Taxes	66,642	66,452	-	-	66,642	66,452
Transient Occupancy Tax	2,013	2,026	-	-	2,013	2,026
Franchise Taxes	4,764	4,442	-	-	4,764	4,442
Investment Income	2,787	(1,274)	6,775	1,266	9,562	(8)
Miscellaneous Revenues	519	230	14,576	884	15,095	1,114
<b>Total Revenues</b>	<b><u>208,664</u></b>	<b><u>172,487</u></b>	<b><u>179,290</u></b>	<b><u>157,713</u></b>	<b><u>387,954</u></b>	<b><u>330,200</u></b>
<b>Expenses:</b>						
General Government	\$27,941	21,653	-	-	27,941	21,653
Public Safety	59,556	49,006	-	-	59,556	49,006
Community Development	3,586	2,477	-	-	3,586	2,477
Public Works	34,794	29,054	-	-	34,794	29,054
Park and Recreation	7,226	5,562	-	-	7,226	5,562
Sanitary	-	-	20,207	17,630	20,207	17,630
Airport	-	-	37,391	36,659	37,391	36,659
Solid Waste Management	-	-	21,969	19,640	21,969	19,640
Water	-	-	44,649	44,121	44,649	44,121
Municipal Utility - Gas	-	-	4,378	2,844	4,378	2,844
Municipal Utility - Electric	-	-	15,567	15,801	15,567	15,801
Interest on Long-Term Debt	14	33	-	-	14	33
<b>Total Expenses</b>	<b><u>133,116</u></b>	<b><u>107,784</u></b>	<b><u>144,160</u></b>	<b><u>136,695</u></b>	<b><u>277,276</u></b>	<b><u>244,480</u></b>
Change in Net Assets before Transfers	75,548	15,244	35,130	12,735	110,678	27,979
Transfers	95	82	(95)	(82)	-	-
<b>Change in net position</b>	<b>75,644</b>	<b>15,326</b>	<b>35,034</b>	<b>12,653</b>	<b>110,678</b>	<b>27,979</b>
Net Position	<b><u>581,752</u></b>	<b><u>516,967</u></b>	<b><u>124,066</u></b>	<b><u>103,130</u></b>	<b><u>705,818</u></b>	<b><u>620,097</u></b>
<b>Net Position - End of Year</b>	<b><u>657,395</u></b>	<b><u>532,293</u></b>	<b><u>159,100</u></b>	<b><u>115,784</u></b>	<b><u>816,496</u></b>	<b><u>648,077</u></b>

**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

Revenues by Source - Governmental Activities



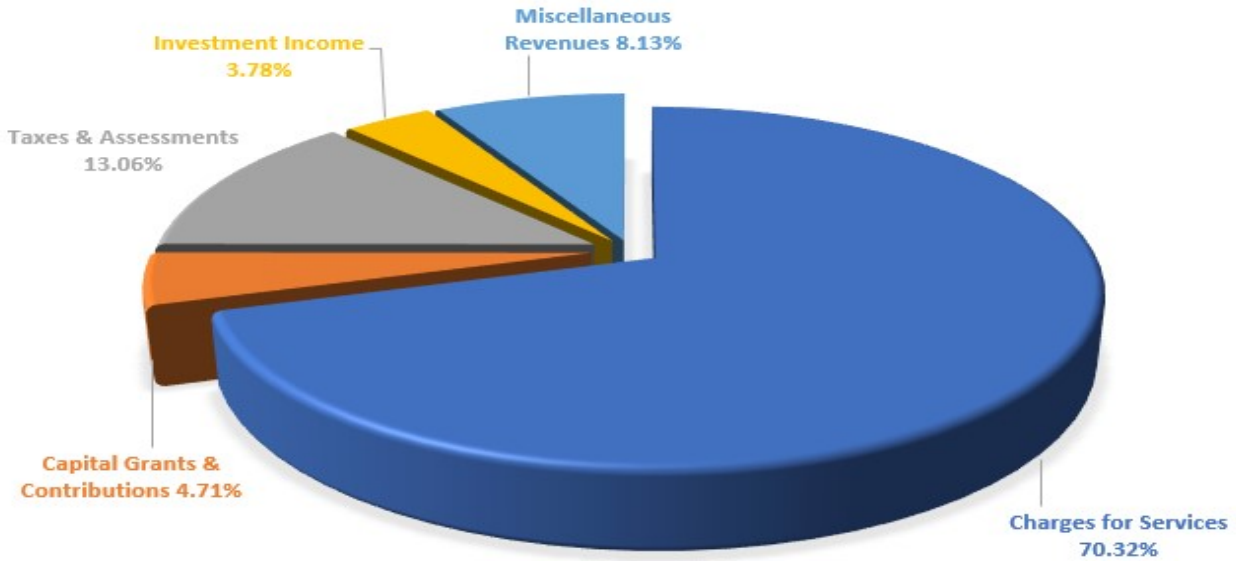
Expenses by Function - Governmental Activities



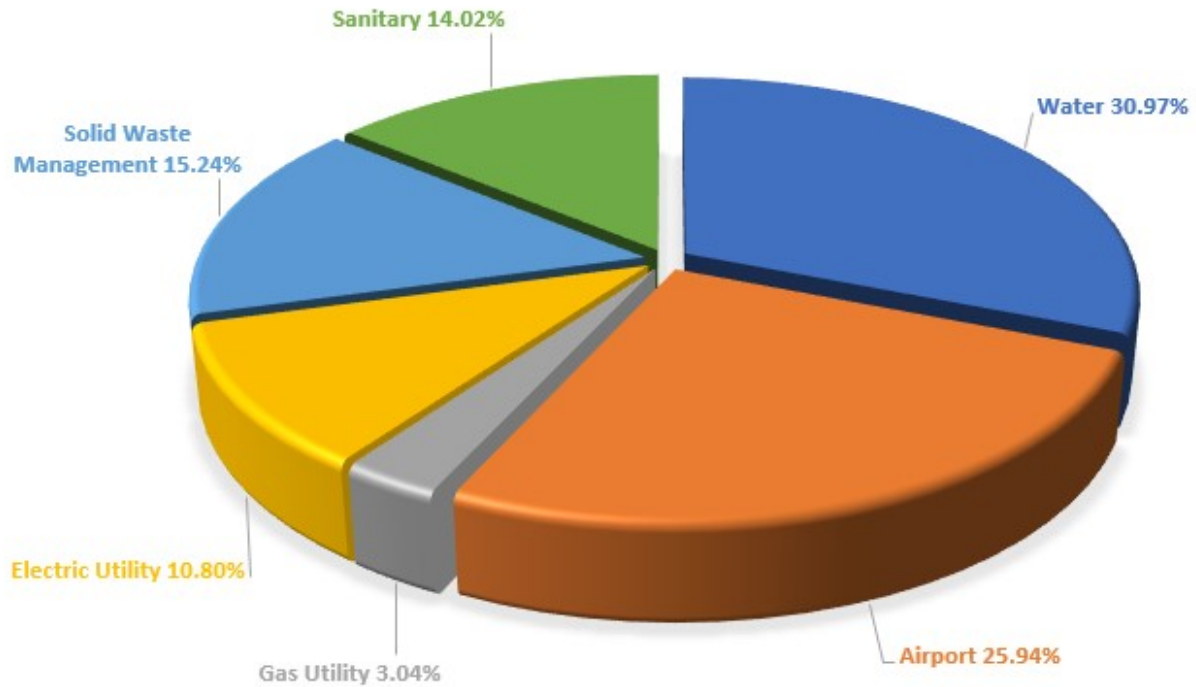


**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

Revenue by Source - Business-Type Activities



Expenses by Function – Business-Type Activities



**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**BUSINESS TYPE ACTIVITIES**

During the year ended June 30, 2023, the City's business-type activities had an increase of \$35 million in the total net position as compared to fiscal year 2022.

Significant changes in the revenue and expenses within the business-type activities are as follows:

- Overall revenues improved by \$21.6 million from the prior year.
- Charges for services increased by \$8.4 million in all of the proprietary funds, except Water. This increase is due to increased rates per their respective rate study plans and an increase in connections; but was offset by Water's decrease of \$4 million for an overall charges for services increase of \$4.4 million. This decrease is primarily due to a new R-cubed connection that eliminated the need for the City of Adelanto to purchased water from the the Victorville Water District and their water conservation efforts.
- Property taxes grew \$0.5 million due to the increase in tax increment revenue receipts for SCLAA and Water District.
- Capital contributions and grants decreased by \$1.3 million as a result of completion of several FAA grants.
- Overall expenditures for business-type activities increased by \$7.5 million. All business-type activities increased with the exception of the Municipal Utilities - Electric which had a decrease in expenditures in the amount of \$234 thousand. Much of this increase was due to an increase personnel and the increase costs of water production along with operations and maintenance for all proprietary funds due to inflation.

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

**MAJOR GOVERNMENTAL FUNDS**

**General Fund**

The General Fund (GF) is the chief operating fund of the City of Victorville. For the purposes of the financial statements, the General Fund is comprised of General Fund, Measure P Fund, Technology Fund Fueling Stations Fund, Victor Valley Transportation Center, and Street Lighting Assessments. Details on revenues and expenditures in each of these funds is found in the supplemental information section of these financial reports. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$103.8 million, while the total fund balance was \$107.1 million. This is an increase of \$27.5 million in total fund balance from fiscal year 2022. As a measure of the General Fund's liquidity, the unassigned fund balance represents 104.4% of the total General Fund expenditures and the total fund balance represents 107.8% of the General Fund expenditures. The General Fund reserve policy requires that the unassigned fund balance represents 17% of the total GF expenditures.

General Fund revenue increased by \$11.3 million during this fiscal year over the last fiscal year, mainly due to the \$1.3 million increase in property tax, \$2 million in interest income, \$4 million in police reimbursements for personnel credits, and \$1.3 million in increased cost allocation.

**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

General Fund expenditures increased by \$20.6 million as compared to last fiscal year. Major changes were General Government with a \$3.0 million increase in expenditures, Public safety had an increase in expenditures in the amount of \$10.8 million, and Public Works had a \$2.5 million expenditure increase. As previously mentioned, in 2023 an additional 16 police patrol units were added; Public Works drastically increased the number of pothole repairs among other street repairs, removed graffiti to over 3,800 locations, and an increase to overall costs due to inflation.

**Measure P**

Measure P is a 1% Transactions and Use Tax adopted by the voters of Victorville in November 2020. The tax went into effect April 1, 2021. Revenue received for this transactions tax in Fiscal Year 2023 was \$31.3 million. Per the Public Safety Plan presented to council in May 2020 and the committee formed to review and comment on revenue and expenditures in this fund, expenditures for the year included public safety staffing of additional police, code enforcement, animal control, and fire departments as well as several parks' improvements.

**Budget vs. Actual** – The General Fund revenue original budget was \$118.6 million, and the final budget was adjusted throughout the year to \$116.3 million. Actual revenue at the end of the year totaled \$125.8 million, which was \$9.4 million over the revised budgeted amount. This variance was primarily related to the Investment Income and Measure P Transactions and Use Tax revenue realized amounts which came in better than expected.

The General Fund's expenditures original budget was \$122.1 million and was adjusted throughout the year to \$127.4 million. This increase was primarily for public safety and capital outlay expenditures. Actual expenditures were only \$99.4 million with most of the cost savings realized in public safety, public works, and general government. Capital expenditure actuals were \$3.4 million with the balance rolled forward to the Fiscal Year 2023-24 budget for projects that were not completed in the current fiscal year.

**City as Housing Asset Successor**

The City Housing Asset Successor (CHAS) fund is a special revenue fund relating to the housing aspect of the dissolved Redevelopment Agency of the City. The assets of this fund primarily consist of properties allocated to it in the Dissolution Housing Asset Transfer (HAT) and the Mortgage Assistance Program loans that were outstanding and were previously accounted for in the low and moderate housing redevelopment agency fund. At the end of the current fiscal year, fund balance increased from \$29.39 million to \$29.76 million. This was primarily due to investment income as interest rates rose in 2023.

**Other State / Local Grants**

This fund accounts for moneys received from various sources including Job Housing Incentive Grant, Homeland Security Grant, California Integrate Waste Management, Office of Traffic Safety Grant, and other agencies. Although Fiscal Year 2022-2023 expenditures were \$20 million, revenues received were \$21.6 million, the \$1.5 million in excess revenue was sufficient to cover Fiscal Year 2021-2022 deficit of \$1.3 million and allow for a positive fund balance of \$244 thousand.

**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**Coronavirus Relief Funding**

The City was allocated \$33.5 million of federal assistance through the Federal American Rescue Plan Act (ARPA). In FY 2023, \$11.9 million were spent for various projects including \$8.9 million for the Wellness Center Project, \$2 million for design and required land studies of the new police station, and various other non-profit assistance. Additional programs continue to be implemented in support of continuing to provide excellent service to the community.

**Capital Impact Fees**

This fund accounts for the acquisition or construction of major capital facilities related to public improvements needed as population increases. Fund balance increase of just over \$2.6 million resulted from charges for services revenue of \$9.1 million proceeds from sale of assets in the amount of \$575 thousand. The Capital Impact Facilities has a fund balance of \$25.0 million.

**MAJOR ENTERPRISE FUNDS**

The major enterprise funds of the City of Victorville are the Victorville Water District (VWD), Southern California Logistic Airport Authority (SCLAA), Municipal Electric Utility, Solid Waste Management, and Sanitary. The Municipal Gas Utility is reported as a nonmajor enterprise fund. All enterprise funds reported an increase in net position for fiscal year 2023. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

The Victorville Water District fund is primarily supported by user charges and other fees. In FY 2023, revenues dropped \$4 million when compared to the prior year. The main reason for this drop is due to the District's conservation efforts along with the completion of the R-cubed project between the Mojave Water Agency and the City of Adelanto. Due to the completion of this project, Adelanto was no longer required to purchase R-cubed water from the VWD. Expenses had a slight increase of \$325 thousand from the prior year. While the cost of maintenance and operations rose in large part due to inflation, this was offset by the decrease in production costs.

The Southern California Logistics Airport remained fairly flat in both its revenues and expenditures in FY 2023 as compared to the prior year. Revenues rose by just under \$650 thousand and expenditures also increased by \$744 thousand. The major increase in expenditure was due to personnel as a 3% cost of living adjustment was given in addition to increased benefits.

The Victorville Municipal Utility Services (VMUS) electric fund experienced a \$2.8 million increase in revenues in FY 2023 as compared to FY 2022. This is primarily due to a revision to their rate schedules that took effect 07/01/2022 in addition to updated hours for their time of use. The expenses for this fund decreased \$2.1 million from the prior year. The decrease is most noticeable in their operations and maintenance. This is due to a \$575 thousand reduction in contract services, \$158 thousand reduction in cost allocation to the general fund, \$117 thousand cost savings in the commodity purchase, and the refinancing of their 2007 bond which reduced their fees and interest by \$906 thousand. The other cost savings were located in various other operations and maintenance accounts.

**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

The City's Solid Waste fund saw a slight increase in revenues of \$1.4 million from the prior fiscal year. This increase is due to the rate schedule and implementing higher rates for FY 2023, generating an approximate increase of 5%. Late fees went up accordingly. Expenses increased \$2.2 million primarily due to higher personnel costs as a result of a 3% cost of living adjustment, increased benefits, and additional positions added to the table of organization.

Fiscal Year 2023 was the last year of the current rate schedule for the Sanitary fund. A new master plan and rate study will have to be completed for FY 2024. The fund saw an increase in revenues in the amount of \$2.2 million. This is attributed to the higher rates from the prior year and a new industrial customer located at SCLA. The increase in revenue was offset by increase expenditures in the amount of \$2.6 million. This increase, like with the aforementioned funds, can be attributed to an increase in personnel costs due to the cost-of-living adjustment, increased benefits, and a rise in operations and maintenance costs that is primarily the result of high inflation.

**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**City of Victorville's Capital Assets  
(Net of depreciation)  
(In Thousands)**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$56,274	\$55,951	\$25,211	\$27,048	\$81,485	\$83,000
Land Right of Way	180,002	180,002	-	-	180,002	180,002
Buildings and Improvements	41,911	42,871	85,424	89,740	127,334	132,610
Furniture and Equipment	4,617	2,824	8,651	9,691	13,269	12,514
Computers and Communication:	2,824	489	78	28	2,901	517
Vehicles	3,148	3,207	2,561	2,591	5,709	5,798
Infrastructure	179,866	143,447	186,982	191,314	366,848	334,761
Land Improvement	2,956	4,296	536	536	3,493	4,832
Water Rights	-	-	18,785	18,163	18,785	18,163
SBITAs	1,014	469	32	-	1,046	469
Intangible Assets	-	36	3,955	3,955	3,955	3,991
Idle Assets	-	-	3,018	3,018	3,018	3,018
Construction in Progress	<u>46,815</u>	<u>46,687</u>	<u>16,526</u>	<u>11,667</u>	<u>63,341</u>	<u>58,354</u>
Total	<u>519,427</u>	<u>480,277</u>	<u>351,758</u>	<u>357,752</u>	<u>871,185</u>	<u>838,029</u>

**Capital assets:** The City of Victorville's investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounted to \$871.2 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and improvements, furniture and equipment, computers and communications, vehicles, roads, streets, storm drain, sewer, water and gas lines, intangible assets, SBITAs, and construction in progress. The total increase in the City of Victorville's investment in capital assets for the current fiscal year is \$33.2 million (a \$39.2 million increase for governmental activities and a \$5.9 million decrease for business-type activities).

Additional information on the City of Victorville's capital assets can be found in Note 4 of the Notes to the Basic Financial Statements.

**CITY OF VICTORVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**City of Victorville's Outstanding Debt  
(In Thousands)**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Land	\$56,274	\$55,951	\$25,211	\$27,048	\$81,485	\$83,000
Land Right of Way	180,002	180,002	-	-	180,002	180,002
Buildings and Improvements	41,911	42,871	85,424	89,740	127,334	132,610
Furniture and Equipment	4,617	2,824	8,651	9,691	13,269	12,514
Computers and Communication:	2,824	489	78	28	2,901	517
Vehicles	3,148	3,207	2,561	2,591	5,709	5,798
Infrastructure	179,866	143,447	186,982	191,314	366,848	334,761
Land Improvement	2,956	4,296	536	536	3,493	4,832
Water Rights	-	-	18,785	18,163	18,785	18,163
SBITAs	1,014	469	32	-	1,046	469
Intangible Assets	-	36	3,955	3,955	3,955	3,991
Idle Assets	-	-	3,018	3,018	3,018	3,018
Construction in Progress	<u>46,815</u>	<u>46,687</u>	<u>16,526</u>	<u>11,667</u>	<u>63,341</u>	<u>58,354</u>
Total	<u>519,427</u>	<u>480,277</u>	<u>351,758</u>	<u>357,752</u>	<u>871,185</u>	<u>838,029</u>

**Long-term debt:** At the end of the current fiscal year, the City of Victorville had a total outstanding debt of \$463.2 million, an increase of \$24.4 million as compared to the prior fiscal year. This increase is primarily due to the increase in the City's Net Pension liability and offset by OPEB liability and tax bond allocations.

Additional information on the City of Victorville's long-term debt can be found in Notes 7 and 8 of the Notes to the Basic Financial Statements.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

These Basic Financial Statements are intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this report should be directed to the Finance Department, at 14343 Civic Drive, Victorville, CA 92392.

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## **BASIC FINANCIAL STATEMENTS**

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**CITY OF VICTORVILLE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 185,587,349	\$ 164,208,796	\$ 349,796,145
Cash with Fiscal Agent	-	30,146,896	30,146,896
Receivables:			
Accounts, Net	6,066,550	12,378,554	18,445,104
Interest	1,719,128	385,098	2,104,226
Due from Other Governments	23,072,911	246,591	23,319,502
Due from Successor Agency	13,180,909	-	13,180,909
Leases Receivable, Current	6,284,854	7,770,582	14,055,436
Deposits and Prepaid Items	4,439,678	197,382	4,637,060
Inventory and Other Assets	179,895	880,812	1,060,707
Interfund Balances	2,916,480	(2,916,480)	-
Investment in Joint Venture	-	340,230	340,230
Land Held for Resale	1,549,837	-	1,549,837
Leases Receivable, Noncurrent	-	86,033,169	86,033,169
Capital Assets, Net:			
Nondepreciable	283,090,548	68,030,837	351,121,385
Depreciable or Amortizable, Net	236,336,639	283,727,345	520,063,984
Long-Term Notes Receivable	14,644,342	-	14,644,342
Total Assets	779,069,120	651,429,812	1,430,498,932
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows - OPEB Related	3,861,459	3,447,654	7,309,113
Deferred Outflows - Pension Related	20,402,301	11,022,183	31,424,484
Deferred Charge on Refunding	-	1,397,897	1,397,897
Total Deferred Outflows of Resources	24,263,760	15,867,734	40,131,494

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**JUNE 30, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 11,568,229	\$ 10,334,018	\$ 21,902,247
Accrued Liabilities	1,295,967	-	1,295,967
Interest Payable	-	1,746,093	1,746,093
Deposits Payable	3,306,020	2,607,793	5,913,813
Prepaid Water Connection Fees	-	217,489	217,489
Unearned Revenue	29,496,791	1,976,225	31,473,016
Total Current Liabilities	45,667,007	16,881,618	62,548,625
<b>NONCURRENT LIABILITIES</b>			
Advances from Other Governments	-	11,267,089	11,267,089
Total OPEB Liability:			
Due Within One Year	278,650	347,204	625,854
Due in More Than One Year	18,392,691	16,250,918	34,643,609
Net Pension Liability	54,247,121	28,016,544	82,263,665
Long-Term Liabilities:			
Due Within One Year	3,434,712	9,930,538	13,365,250
Due in More Than One Year	5,136,105	327,153,456	332,289,561
Total Noncurrent Liabilities	81,489,279	392,965,749	474,455,028
Total Liabilities	127,156,286	409,847,367	537,003,653
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - OPEB Related	11,929,972	6,434,214	18,364,186
Deferred Inflows - Pension Related	840,089	1,651,507	2,491,596
Deferred Inflows - Leases	6,011,072	90,264,124	96,275,196
Total Deferred Inflows of Resources	18,781,133	98,349,845	117,130,978
<b>NET POSITION</b>			
Net Investment in Capital Assets	510,418,445	46,894,350	557,312,795
Restricted for:			
Public Safety	57,035	-	57,035
Community Development	31,987,337	-	31,987,337
Public Works	68,728,646	-	68,728,646
Unrestricted	46,203,998	112,205,984	158,409,982
Total Net Position	\$ 657,395,461	\$ 159,100,334	\$ 816,495,795

See accompanying Notes to Basic Financial Statements.

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**CITY OF VICTORVILLE  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities:</b>				
General Government	\$ 27,940,933	\$ 11,800,230	\$ 12,040,121	\$ -
Public Safety	59,555,714	5,586,852	1,133,144	-
Community Development	3,585,835	6,802,219	6,002,158	17,433,075
Public Works	34,793,540	7,557,148	3,668,074	22,484,035
Parks and Recreation	7,226,297	891,611	82,570	-
Interest Expense	13,743	-	-	-
Total Governmental Activities	<u>133,116,062</u>	<u>32,638,060</u>	<u>22,926,067</u>	<u>39,917,110</u>
<b>Business-Type Activities:</b>				
Water	44,649,302	42,295,468	-	4,875,008
Airport	37,390,598	13,676,278	-	369,259
Gas Utility	4,378,219	4,571,742	-	33,884
Electric Utility	15,566,962	20,223,493	-	2,135,794
Solid Waste Management	21,968,758	23,365,593	-	-
Sanitary	20,206,571	21,953,054	-	1,031,572
Total Business-Type Activities	<u>144,160,410</u>	<u>126,085,628</u>	<u>-</u>	<u>8,445,517</u>
Total Primary Government	<u>\$ 277,276,472</u>	<u>\$ 158,723,688</u>	<u>\$ 22,926,067</u>	<u>\$ 48,362,627</u>
<b>GENERAL REVENUES</b>				
Taxes:				
Property Taxes				
Sales Taxes				
Transactions and Use Tax				
Transient Occupancy Tax				
Franchise Taxes				
Investment Income				
Miscellaneous Revenues				
Gain on Disposal of Assets				
Transfers				
Total General Revenues and Transfers				
<b>CHANGE IN NET POSITION</b>				
Net Position - Beginning of Year				
<b>NET POSITION - END OF YEAR</b>				

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (4,100,582)	\$ -	\$ (4,100,582)
(52,835,718)	-	(52,835,718)
26,651,617	-	26,651,617
(1,084,283)	-	(1,084,283)
(6,252,116)	-	(6,252,116)
(13,743)	-	(13,743)
(37,634,825)	-	(37,634,825)
-	2,521,174	2,521,174
-	(23,345,061)	(23,345,061)
-	227,407	227,407
-	6,792,325	6,792,325
-	1,396,835	1,396,835
-	2,778,055	2,778,055
-	(9,629,265)	(9,629,265)
(37,634,825)	(9,629,265)	(47,264,090)
36,458,252	23,407,703	59,865,955
37,381,932	-	37,381,932
29,260,255	-	29,260,255
2,012,578	-	2,012,578
4,764,153	-	4,764,153
2,786,944	6,774,827	9,561,771
519,102	-	519,102
-	14,576,289	14,576,289
95,124	(95,124)	-
113,278,340	44,663,695	157,942,035
75,643,515	35,034,430	110,677,945
581,751,946	124,065,904	705,817,850
\$ 657,395,461	\$ 159,100,334	\$ 816,495,795

See accompanying Notes to Basic Financial Statements.

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## **MAJOR GOVERNMENTAL FUNDS**

### **General Fund**

The chief operating fund of a local government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

### **Housing Asset Successor Special Revenue Fund**

This fund accounts for the housing activities of the City that were previously accounted for in the low and moderate housing redevelopment agency fund. Funding sources consists primarily of loan repayments and corresponding interest that are used to increase, improve, and preserve the community's supply of low- and moderate-income housing.

### **Other State / Local Grants**

This fund accounts for moneys received from the California Law Enforcement Equipment Program, AB 3229 Grant, Office of Traffic Safety Grant, California Integrated Waste Management, Job-Housing Incentive Grant, Homeland Security Grant, and Alcoholic Beverage Control Grant.

### **COVID-19 Funds**

This fund accounts for the revenues and expenditures received from federal, state, and county funds for COVID-19 relief and response. The grants are primarily used for public safety, telecommuting, homelessness and outreach, and social distancing communications.

### **Capital Impact Facilities Fund**

This capital projects fund accounts for the acquisition or construction of major capital facilities related to public improvements needed as population increases.

**CITY OF VICTORVILLE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General	Special Revenue	Special Revenue	Special Revenue
		Housing Asset Successor	Other State / Local Grants	COVID-19 Funds
<b>ASSETS</b>				
Cash and Investments	\$ 88,222,150	\$ 2,067,867	\$ 11,160,717	\$ 18,163,602
Accounts Receivable	1,596,631	26,775	52,489	-
Interest Receivable	1,719,128	-	-	-
Notes Receivable	-	13,074,151	-	-
Due from Other Funds	5,647,588	-	-	-
Advances to Other Funds	2,916,480	-	-	-
Due from Other Governments	10,617,204	-	1,638,623	152,292
Leases Receivable	6,284,854	-	-	-
Due from the Successor Agency	123,171	13,057,738	-	-
Inventories	179,895	-	-	-
Prepaid Items	190,221	-	28,362	4,214,889
Land Held for Resale	-	1,549,837	-	-
	<u>\$ 117,497,322</u>	<u>\$ 29,776,368</u>	<u>\$ 12,880,191</u>	<u>\$ 22,530,783</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,494,605	\$ 12,009	\$ 1,692,915	\$ 2,727,056
Accrued Liabilities	1,295,967	-	-	-
Deposits Payable	538,203	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	1,207	-	9,603,088	19,803,727
Total Liabilities	<u>4,329,982</u>	<u>12,009</u>	<u>11,296,003</u>	<u>22,530,783</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	1,339,316	152,292
Leases	6,011,072	-	-	-
Total Deferred Inflows of Resources	<u>6,011,072</u>	<u>-</u>	<u>1,339,316</u>	<u>152,292</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Advances to Other Funds	2,916,480	-	-	-
Prepaid Items	190,221	-	28,362	4,214,889
Inventories	179,895	-	-	-
Restricted:				
Public Safety	-	-	-	-
Highways and Street Projects	-	-	216,510	-
Community Development	-	29,764,359	-	-
Unassigned	103,869,672	-	-	(4,367,181)
Total Fund Balances	<u>107,156,268</u>	<u>29,764,359</u>	<u>244,872</u>	<u>(152,292)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 117,497,322</u>	<u>\$ 29,776,368</u>	<u>\$ 12,880,191</u>	<u>\$ 22,530,783</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023**

	Capital Projects <u>Capital Impact Facilities</u>	Nonmajor Governmental <u>Funds</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and Investments	\$ 23,689,606	\$ 42,283,407	\$ 185,587,349
Accounts Receivable	2,500,000	1,890,655	6,066,550
Interest Receivable	-	-	1,719,128
Notes Receivable	-	1,570,191	14,644,342
Due from Other Funds	-	-	5,647,588
Advances to Other Funds	-	-	2,916,480
Due from Other Governments	-	10,664,792	23,072,911
Leases Receivable	-	-	6,284,854
Due from the Successor Agency	-	-	13,180,909
Inventories	-	-	179,895
Prepaid Items	-	6,206	4,439,678
Land Held for Resale	-	-	1,549,837
	<u>\$ 26,189,606</u>	<u>\$ 56,415,251</u>	<u>\$ 265,289,521</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,144,599	\$ 3,497,045	\$ 11,568,229
Accrued Liabilities	-	-	1,295,967
Deposits Payable	-	2,767,817	3,306,020
Due to Other Funds	-	5,647,588	5,647,588
Unearned Revenue	-	88,769	29,496,791
Total Liabilities	<u>1,144,599</u>	<u>12,001,219</u>	<u>51,314,595</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	9,872,415	11,364,023
Leases	-	-	6,011,072
Total Deferred Inflows of Resources	<u>-</u>	<u>9,872,415</u>	<u>17,375,095</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Advances to Other Funds	-	-	2,916,480
Prepaid Items	-	6,206	4,439,678
Inventories	-	-	179,895
Restricted:			
Public Safety	-	57,035	57,035
Highways and Street Projects	25,045,007	41,206,294	66,467,811
Community Development	-	1,651,687	31,416,046
Unassigned	-	(8,379,605)	91,122,886
Total Fund Balances	<u>25,045,007</u>	<u>34,541,617</u>	<u>196,599,831</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,189,606</u>	<u>\$ 56,415,251</u>	<u>\$ 265,289,521</u>

See accompanying Notes to Basic Financial Statements.

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**CITY OF VICTORVILLE  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

**Fund Balances - Governmental Funds** \$ 196,599,831

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

Capital assets, net of depreciation and amortization, used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.

Capital Assets	1,018,683,631
Accumulated Depreciation	(499,256,444)

Claims payable did not require current financial resources. Therefore, claims payable were not reported as a liability in the governmental funds. (1,926,713)

Long-term liabilities applicable to the City governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

SBITAs	(946,701)
Compensated Absences	(5,146,709)
Pollution Remediation	(550,694)

Pension and OPEB related debt applicable to the City governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pension and OPEB are only reported in the statement of net position as the changes in these amounts effect only the government-wide statements for governmental activities:

Deferred Outflows - OPEB Related	3,861,459
Deferred Inflows - OPEB Related	(11,929,972)
Total OPEB Liability	(18,671,341)
Deferred Outflows - Pension Related	20,402,301
Deferred Inflows - Pension Related	(840,089)
Net Pension Liability	(54,247,121)

Certain revenues in the governmental funds are unavailable because they are not collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis in the government-wide statements. 11,364,023

**Net Position of Governmental Activities** \$ 657,395,461

**CITY OF VICTORVILLE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	General	Special Revenue	Special Revenue	Special Revenue
		Housing Asset Successor	Other State / Local Grants	COVID-19 Funds
<b>REVENUES</b>				
Taxes and Assessments	\$ 98,302,831	\$ -	\$ -	\$ -
Licenses and Permits	4,036,465	-	-	-
Intergovernmental	141,144	250,000	21,295,865	13,935,259
Charges for Services	18,701,444	-	-	-
Fines and Forfeitures	801,755	-	-	-
Investment Income	2,846,097	648,595	283,585	-
Other	943,353	26,775	-	-
Total Revenues	125,773,089	925,370	21,579,450	13,935,259
<b>EXPENDITURES</b>				
Current:				
General Government	19,598,588	39,560	-	270,385
Public Safety	58,240,319	-	226,144	-
Community Development	19,168	511,590	1,254,691	-
Public Works	11,585,105	-	477,331	-
Parks and Recreation	5,538,665	-	-	-
Capital Outlay	3,388,060	-	18,114,413	11,629,757
Debt Service:				
Principal	724,561	-	-	-
Interest and Loan Fees	36,346	-	-	-
Principal - SBITA	318,810	-	-	-
Interest - SBITA	281	-	-	-
Total Expenditures	99,449,903	551,150	20,072,579	11,900,142
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	26,323,186	374,220	1,506,871	2,035,117
<b>OTHER FINANCING SOURCES (USES)</b>				
SBITA Financing	794,266	-	-	-
Proceeds from Sale of Assets	325,234	-	-	-
Transfers In	54,900	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	1,174,400	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	27,497,586	374,220	1,506,871	2,035,117
Fund Balances (Deficit) - Beginning of Year	79,658,682	29,390,139	(1,261,999)	(2,187,409)
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 107,156,268</u>	<u>\$ 29,764,359</u>	<u>\$ 244,872</u>	<u>\$ (152,292)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Capital Projects <u>Capital Impact Facilities</u>	Nonmajor Governmental <u>Funds</u>	<u>Totals</u>
<b>REVENUES</b>			
Taxes and Assessments	\$ -	\$ 14,739,853	\$ 113,042,684
Licenses and Permits	-	-	4,036,465
Intergovernmental	-	18,949,015	54,571,283
Charges for Services	9,155,653	1,704,035	29,561,132
Fines and Forfeitures	-	78,125	879,880
Investment Income	598,030	1,043,585	5,419,892
Other	-	103,707	1,073,835
Total Revenues	<u>9,753,683</u>	<u>36,618,320</u>	<u>208,585,171</u>
<b>EXPENDITURES</b>			
Current:			
General Government	554	-	19,909,087
Public Safety	506	91,670	58,558,639
Community Development	-	1,479,844	3,265,293
Public Works	63,430	12,371,625	24,497,491
Parks and Recreation	18,288	50,000	5,606,953
Capital Outlay	7,634,362	18,600,650	59,367,242
Debt Service:			
Principal	-	-	724,561
Interest and Loan Fees	-	-	36,346
Principal - SBITA	-	1,387	320,197
Interest - SBITA	-	-	281
Total Expenditures	<u>7,717,140</u>	<u>32,595,176</u>	<u>172,286,090</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>2,036,543</b>	<b>4,023,144</b>	<b>36,299,081</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
SBITA Financing	-	4,056	798,322
Proceeds from Sale of Assets	575,000	-	900,234
Transfers In	-	-	54,900
Transfers Out	-	(54,900)	(54,900)
Total Other Financing Sources (Uses)	<u>575,000</u>	<u>(50,844)</u>	<u>1,698,556</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,611,543</b>	<b>3,972,300</b>	<b>37,997,637</b>
Fund Balances (Deficit) - Beginning of Year	<u>22,433,464</u>	<u>30,569,317</u>	<u>158,602,194</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<b><u>\$ 25,045,007</u></b>	<b><u>\$ 34,541,617</u></b>	<b><u>\$ 196,599,831</u></b>

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

**Net Change in Fund Balances - Total Governmental Funds** \$ 37,997,637

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation or amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Capital Outlay	60,766,749
Depreciation and Amortization Expense	(19,936,142)
Disposal of Capital Assets	(1,680,126)

Certain revenues in the governmental funds are unavailable if they are not collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis in the government-wide statements.

79,282

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Issuance of loans and SBITAs is an other financing source and repayment of loan and SBITA principal is an expenditure in the governmental funds, but issuance increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net position.

Repayment of Principal on Loans	724,561
Repayment of Principal on SBITAs	320,197
Issuance of SBITAs	(798,322)

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

Change in Accrued Interest on Long-Term Debt	22,884
Change in Compensated Absences	(736,857)
Change in Claims Payable	(279,780)
Change in Pollution Remediation Payable	191,630

OPEB expense reported in the governmental funds includes the insurance premiums paid. In the statement of activities, OPEB expense includes the change in the OPEB liability, and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.

(831,160)

Pension expense reported in the governmental funds includes the annual required contributions. In the statement of activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.

(197,038)

**Change in Net Position of Governmental Activities** **\$ 75,643,515**



## PROPRIETARY FUNDS

### **Major Proprietary Funds**

#### **Victorville Water District Fund**

The Victorville Water District is a subsidiary district of the City of Victorville that was created by LAFCO to account for the consolidated operation and maintenance of the City's Water Department, Baldy Mesa Water District, and Victor Valley Water District. This fund is supported by user charges and other fees. The City includes the Industrial Wastewater Treatment Plant asset within the scope of the Victorville Water District Fund because of its importance in providing reclaimed and recycled water for public and private uses. The Victorville Water District has imposed connection fees to finance the acquisition and replacement costs of this plant.

#### **Southern California Logistics Airport Authority Fund (SCLAA)**

Accounts for both operation and capital acquisition of the activities surrounding the airport. The former George Air Force Base now known as Southern California Logistics Airport Authority is a joint powers authority formed by the City of Victorville and the Victorville Redevelopment Agency. In 2012, the Victorville Water District was added as a member of the JPA, shortly thereafter, the Victorville Redevelopment Agency was removed as a result of the dissolution of all Redevelopment Agencies. The authority was created to effectuate the redevelopment of the former base and certain properties within an eight-mile radius of the boundaries of the airport. The airport funding sources comprised of federal grants, charges for services, and tax increment revenues passed through from the Victor Valley Economic Development Authority (VVEDA).

#### **Electric Utility Fund**

Accounts for the operation, maintenance, and capital assets of the City's electric utility, which is funded by user charges, other fees, and loans.

#### **Solid Waste Management Fund**

Accounts for activities in the following programs: Solid Waste Management, Source Reduction and Recycling, Landfill Mitigation, Household Hazardous Waste, and the California Department of Conservation Grants.

#### **Sanitary Fund**

The City has defined the Sanitary Fund to account for the collection of sewage from the point of origin to be conveyed to the point of treatment or disposal. This fund includes infrastructure of pipes, pumps, and channels to collect and convey sewage to treatment or disposal. The fund provides for collection of revenues from customers and provides payment for maintenance of infrastructure and payment of contractors for disposal. Revenue received is comprised of sewer user fees and connection fees.

### **Nonmajor Proprietary Fund**

#### **Gas Utility Fund**

Accounts for the operation and maintenance, and capital assets of the City's gas utility, which is funded by user charges, other fees, and loans.

**CITY OF VICTORVILLE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2023**

	Victorville Water District	Southern California Logistics Airport Authority	Electric Utility Fund	Solid Waste Management
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ 78,986,581	\$ 37,577,125	\$ 18,090,907	\$ 10,167,261
Cash with Fiscal Agent	836,639	24,761,205	4,549,052	-
Accounts Receivable, Net	5,176,781	390,776	1,687,762	2,469,354
Interest Receivable	248,870	136,228	-	-
Due from Other Governments	19,946	152,472	-	74,173
Leases Receivable	-	7,770,582	-	-
Inventory and Other Assets	866,934	13,878	-	-
Total Current Assets	<u>86,135,751</u>	<u>70,802,266</u>	<u>24,327,721</u>	<u>12,710,788</u>
<b>NONCURRENT ASSETS</b>				
Prepaid Deposits	28,306	55,594	109,770	809
Advances to Other Funds	-	2,000,000	-	-
Leases Receivable	-	83,207,311	-	2,825,858
Investment in Joint Venture	-	-	-	340,230
Capital Assets:				
Not Being Depreciated	40,643,195	13,981,248	4,842,254	348,278
Being Depreciated or Amortized, Net	119,672,824	109,697,569	9,649,414	960,243
Total Noncurrent Assets	<u>160,344,325</u>	<u>208,941,722</u>	<u>14,601,438</u>	<u>4,475,418</u>
Total Assets	246,480,076	279,743,988	38,929,159	17,186,206
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows - OPEB Related	2,707,614	267,603	79,426	121,880
Deferred Outflows - Pension Related	6,095,478	1,709,212	589,831	828,818
Deferred Charges on Refunding	-	1,397,897	-	-
Total Deferred Outflows of Resources	<u>8,803,092</u>	<u>3,374,712</u>	<u>669,257</u>	<u>950,698</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023**

	Sanitary Fund	Nonmajor Gas Utility Fund	Totals
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
	\$ 14,517,078	\$ 4,869,844	\$ 164,208,796
Cash and Investments	-	-	30,146,896
Cash with Fiscal Agent	2,457,888	195,993	12,378,554
Accounts Receivable, Net	-	-	385,098
Interest Receivable	-	-	246,591
Due from Other Governments	-	-	7,770,582
Leases Receivable	-	-	880,812
Inventory and Other Assets	16,974,966	5,065,837	216,017,329
Total Current Assets			
<b>NONCURRENT ASSETS</b>			
	2,903	-	197,382
Prepaid Deposits	-	-	2,000,000
Advances to Other Funds	-	-	86,033,169
Leases Receivable	-	-	340,230
Investment in Joint Venture			
Capital Assets:	7,269,769	946,093	68,030,837
Not Being Depreciated	42,260,043	1,487,252	283,727,345
Being Depreciated or Amortized, Net	49,532,715	2,433,345	440,328,963
Total Noncurrent Assets			
	66,507,681	7,499,182	656,346,292
Total Assets			
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
	255,996	15,135	3,447,654
Deferred Outflows - OPEB Related	1,692,917	105,927	11,022,183
Deferred Outflows - Pension Related	-	-	1,397,897
Deferred Charges on Refunding	1,948,913	121,062	15,867,734
Total Deferred Outflows of Resources			

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE  
STATEMENT OF NET POSITION (CONTINUED)  
PROPRIETARY FUNDS  
JUNE 30, 2023**

	Victorville Water District	Southern California Logistics Airport Authority	Electric Utility Fund	Solid Waste Management
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 4,376,617	\$ 445,642	\$ 1,586,574	\$ 1,799,480
Interest Payable	161,029	1,228,041	357,023	-
Prepaid Water Connection Fees	217,489	-	-	-
Deposits Payable	1,700,469	720,696	162,840	10,166
Unearned Revenue	-	1,063,573	912,652	-
Total OPEB Liability - Due Within One Year	273,537	30,446	7,762	12,738
Long-Term Debt - Due Within One Year	962,094	7,002,127	1,525,000	-
Total Current Liabilities	<u>7,691,235</u>	<u>10,490,525</u>	<u>4,551,851</u>	<u>1,822,384</u>
<b>NONCURRENT LIABILITIES</b>				
Advances from Other Funds	-	-	2,916,480	-
Advances from Other Governments	-	11,267,089	-	-
Total OPEB Liability	11,388,426	2,009,638	512,357	840,803
Net Pension Liability	16,156,738	4,503,688	1,357,646	2,040,750
Long-Term Debt - Due Beyond One Year	7,935,676	273,345,970	44,680,459	-
Total Noncurrent Liabilities	<u>35,480,840</u>	<u>291,126,385</u>	<u>49,466,942</u>	<u>2,881,553</u>
Total Liabilities	43,172,075	301,616,910	54,018,793	4,703,937
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows - OPEB Related	3,985,338	854,840	284,211	392,771
Deferred Inflows - Pension Related	1,029,801	234,104	73,859	102,523
Deferred Inflows - Leases	-	87,570,873	-	2,693,251
Total Deferred Inflows of Resources	<u>5,015,139</u>	<u>88,659,817</u>	<u>358,070</u>	<u>3,188,545</u>
<b>NET POSITION (DEFICIT)</b>				
Net Investment in Capital Assets	151,942,967	(130,315,399)	(27,330,594)	1,308,521
Unrestricted	55,152,987	23,157,372	12,552,147	8,935,901
Total Net Position	<u>\$ 207,095,954</u>	<u>\$ (107,158,027)</u>	<u>\$ (14,778,447)</u>	<u>\$ 10,244,422</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023**

	Sanitary Fund	Nonmajor Gas Utility Fund	Totals
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 1,896,376	\$ 229,329	\$ 10,334,018
Interest Payable	-	-	1,746,093
Prepaid Water Connection Fees	-	-	217,489
Deposits Payable	12,498	1,124	2,607,793
Unearned Revenue	-	-	1,976,225
Total OPEB Liability - Due Within One Year	21,221	1,500	347,204
Long-Term Debt - Due Within One Year	441,317	-	9,930,538
Total Current Liabilities	<u>2,371,412</u>	<u>231,953</u>	<u>27,159,360</u>
<b>NONCURRENT LIABILITIES</b>			
Advances from Other Funds	-	2,000,000	4,916,480
Advances from Other Governments	-	-	11,267,089
Total OPEB Liability	1,400,699	98,995	16,250,918
Net Pension Liability	3,813,849	143,873	28,016,544
Long-Term Debt - Due Beyond One Year	1,191,351	-	327,153,456
Total Noncurrent Liabilities	<u>6,405,899</u>	<u>2,242,868</u>	<u>387,604,487</u>
Total Liabilities	8,777,311	2,474,821	414,763,847
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - OPEB Related	866,433	50,621	6,434,214
Deferred Inflows - Pension Related	200,789	10,431	1,651,507
Deferred Inflows - Leases	-	-	90,264,124
Total Deferred Inflows of Resources	<u>1,067,222</u>	<u>61,052</u>	<u>98,349,845</u>
<b>NET POSITION (DEFICIT)</b>			
Net Investment in Capital Assets	48,855,510	2,433,345	46,894,350
Unrestricted	9,756,551	2,651,026	112,205,984
Total Net Position	<u>\$ 58,612,061</u>	<u>\$ 5,084,371</u>	<u>\$ 159,100,334</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Victorville Water District	Southern California Logistics Airport Authority	Electric Utility Fund	Solid Waste Management
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 40,356,202	\$ 13,209,066	\$ 20,223,493	\$ 22,678,778
Pass-Thru Charges for Services	1,211,013	-	-	-
Fines and Forfeitures	485,824	28,873	-	411,683
Other	242,429	438,339	-	275,132
Total Operating Revenues	<u>42,295,468</u>	<u>13,676,278</u>	<u>20,223,493</u>	<u>23,365,593</u>
<b>OPERATING EXPENSES</b>				
Personnel Services	11,648,542	3,329,516	1,253,459	1,548,831
Maintenance and Operations	19,228,008	7,432,535	1,337,492	20,171,043
Production Costs	5,434,263	-	9,506,758	-
Pass-Thru Production Costs	1,211,013	-	-	-
Depreciation and Amortization	6,524,962	9,744,648	1,399,881	102,151
Total Operating Expenses	<u>44,046,788</u>	<u>20,506,699</u>	<u>13,497,590</u>	<u>21,822,025</u>
<b>OPERATING INCOME (LOSS)</b>	(1,751,320)	(6,830,421)	6,725,903	1,543,568
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Change in Investment in Joint Ventures	-	-	-	(146,733)
Property Taxes	1,335,019	22,072,684	-	-
Investment Income	1,898,079	3,494,189	623,091	311,404
Interest Expense	(381,764)	(16,864,762)	(2,069,372)	-
Gain on Disposal of Assets	338,923	14,236,886	480	-
Other Nonoperating Expenses	(220,750)	(19,137)	-	-
Proceeds from Capital Asset Sold to City	-	1,929,341	-	-
Capital Asset Sold to City	-	(1,895,090)	-	-
Total Nonoperating Revenues (Expenses)	<u>2,969,507</u>	<u>22,954,111</u>	<u>(1,445,801)</u>	<u>164,671</u>
<b>INCOME BEFORE TRANSFERS AND CONTRIBUTIONS</b>	1,218,187	16,123,690	5,280,102	1,708,239
<b>CAPITAL CONTRIBUTIONS</b>				
Connection Fees	3,749,915	-	-	-
Alternate Water Source Fees	528,412	-	-	-
Capital Restricted Use Fees	586,681	-	-	-
Capital Contributions	10,000	183,723	800,531	-
Capital Contributions to the City	(73,125)	-	-	-
Capital Grants	-	183,722	1,335,263	-
Capital Contribution from Tenant	-	1,814	-	-
Total Capital Contributions	<u>4,801,883</u>	<u>369,259</u>	<u>2,135,794</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	6,020,070	16,492,949	7,415,896	1,708,239
Net Position (Deficit) - Beginning of Year	<u>201,075,884</u>	<u>(123,650,976)</u>	<u>(22,194,343)</u>	<u>8,536,183</u>
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<u>\$ 207,095,954</u>	<u>\$ (107,158,027)</u>	<u>\$ (14,778,447)</u>	<u>\$ 10,244,422</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Sanitary Fund	Nonmajor Gas Utility Fund	Totals
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 21,483,084	\$ 4,571,742	\$ 122,522,365
Pass-Thru Charges for Services	-	-	1,211,013
Fines and Forfeitures	452,124	-	1,378,504
Other	17,846	-	973,746
Total Operating Revenues	<u>21,953,054</u>	<u>4,571,742</u>	<u>126,085,628</u>
<b>OPERATING EXPENSES</b>			
Personnel Services	3,717,095	332,863	21,830,306
Maintenance and Operations	15,062,995	384,642	63,616,715
Production Costs	-	3,534,533	18,475,554
Pass-Thru Production Costs	-	-	1,211,013
Depreciation and Amortization	1,426,481	126,181	19,324,304
Total Operating Expenses	<u>20,206,571</u>	<u>4,378,219</u>	<u>124,457,892</u>
<b>OPERATING INCOME (LOSS)</b>	1,746,483	193,523	1,627,736
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Change in Investment in Joint Ventures	-	-	(146,733)
Property Taxes	-	-	23,407,703
Investment Income	356,880	91,184	6,774,827
Interest Expense	-	-	(19,315,898)
Gain on Disposal of Assets	-	-	14,576,289
Other Nonoperating Expenses	-	-	(239,887)
Proceeds from Capital Asset Sold to City	-	-	1,929,341
Capital Asset Sold to City	-	-	(1,895,090)
Total Nonoperating Revenues (Expenses)	<u>356,880</u>	<u>91,184</u>	<u>25,090,552</u>
<b>INCOME BEFORE TRANSFERS AND CONTRIBUTIONS</b>	2,103,363	284,707	26,718,288
<b>CAPITAL CONTRIBUTIONS</b>			
Connection Fees	1,031,572	-	4,781,487
Alternate Water Source Fees	-	-	528,412
Capital Restricted Use Fees	-	-	586,681
Capital Contributions	-	-	994,254
Capital Contributions to the City	(56,250)	-	(129,375)
Capital Grants	-	33,884	1,552,869
Capital Contribution from Tenant	-	-	1,814
Total Capital Contributions	<u>975,322</u>	<u>33,884</u>	<u>8,316,142</u>
<b>CHANGE IN NET POSITION</b>	3,078,685	318,591	35,034,430
Net Position (Deficit) - Beginning of Year	<u>55,533,376</u>	<u>4,765,780</u>	<u>124,065,904</u>
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<u>\$ 58,612,061</u>	<u>\$ 5,084,371</u>	<u>\$ 159,100,334</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	Victorville Water District	Southern California Logistics Airport Authority	Electric Utility Fund	Solid Waste Management
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 41,565,129	\$ 1,918,566	\$ 18,331,490	\$ 23,312,496
Cash Payments to Employees for Services	(11,108,779)	(3,200,698)	(1,188,687)	(1,462,199)
Cash Payments to Suppliers for Goods and Services	(19,431,426)	(8,359,154)	(10,802,229)	(19,902,086)
Net Cash Provided (Used) by Operating Activities	11,024,924	(9,641,286)	6,340,574	1,948,211
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash Received from Other Governments	1,335,019	22,500,969	-	-
Cash Received from Other Funds for Advances	-	-	-	-
Cash Paid to Other Funds for Advances	-	(2,000,000)	-	-
Cash Paid to Other Funds	-	(233,072)	(948,486)	-
Net Cash Provided (Used) by Noncapital Financing Activities	1,335,019	20,267,897	(948,486)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Cash Received from Sale of Capital Assets	614,109	14,408,189	480	-
Capital Grants	-	183,722	1,335,263	-
Cash Received from Leases and Rent	-	9,129,103	-	37,521
Cash Received from Other Funds for Purchase of Capital Assets	-	1,929,341	-	-
Cash Payments to Other Funds for Acquisition of Capital Assets	(73,125)	-	-	-
Cash Payments to Acquire Capital and Other Assets	(8,983,075)	(782,127)	(2,676,134)	(92,467)
SBITA Principal Payments	(9,888)	-	-	-
Principal Paid on Capital-Related Debt	(410,000)	(6,550,000)	(1,715,000)	-
Interest Paid on Capital-Related Debt	(395,388)	(14,906,576)	(2,101,503)	-
Interest Paid on Interfund Advance	-	-	(66,337)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(9,257,367)	3,411,652	(5,223,231)	(54,946)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received on Investments	1,705,536	3,457,131	623,091	253,626
Net Cash Provided by Investing Activities	1,705,536	3,457,131	623,091	253,626
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	4,808,112	17,495,394	791,948	2,146,891
Cash and Cash Equivalents - Beginning of Year	74,178,469	44,842,936	21,848,011	8,020,370
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 78,986,581</u>	<u>\$ 62,338,330</u>	<u>\$ 22,639,959</u>	<u>\$ 10,167,261</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION</b>				
Cash and Investments	\$ 78,986,581	\$ 37,577,125	\$ 18,090,907	\$ 10,167,261
Cash with Fiscal Agent	-	24,761,205	4,549,052	-
Cash and Cash Equivalents	<u>\$ 78,986,581</u>	<u>\$ 62,338,330</u>	<u>\$ 22,639,959</u>	<u>\$ 10,167,261</u>

See accompanying Notes to Basic Financial Statements.



**CITY OF VICTORVILLE  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	Sanitary Fund	Nonmajor Gas Utility Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 21,991,455	\$ 4,556,710	\$ 111,675,846
Cash Payments to Employees for Services	(3,527,665)	(320,688)	(20,808,716)
Cash Payments to Suppliers for Goods and Services	(14,577,843)	(3,935,101)	(77,007,839)
Net Cash Provided (Used) by Operating Activities	3,885,947	300,921	13,859,291
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Received from Other Governments	-	-	23,835,988
Cash Received from Other Funds for Advances	-	2,000,000	2,000,000
Cash Paid to Other Funds for Advances	-	-	(2,000,000)
Cash Paid to Other Funds	-	-	(1,181,558)
Net Cash Provided (Used) by Noncapital Financing Activities	-	2,000,000	22,654,430
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash Received from Sale of Capital Assets	-	-	15,022,778
Capital Grants	-	33,884	1,552,869
Cash Received from Leases and Rent	-	-	9,166,624
Cash Received from Other Funds for Purchase of Capital Assets	-	-	1,929,341
Cash Payments to Other Funds for Acquisition of Capital Assets	(56,250)	-	(129,375)
Cash Payments to Acquire Capital and Other Assets	(1,852,301)	(255,050)	(14,641,154)
SBITA Principal Payments	(1,388)	-	(11,276)
Principal Paid on Capital-Related Debt	-	-	(8,675,000)
Interest Paid on Capital-Related Debt	-	-	(17,403,467)
Interest Paid on Interfund Advance	-	-	(66,337)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,909,939)	(221,166)	(13,254,997)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received on Investments	356,880	91,184	6,487,448
Net Cash Provided by Investing Activities	356,880	91,184	6,487,448
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
	2,332,888	2,170,939	29,746,172
Cash and Cash Equivalents - Beginning of Year	12,184,190	2,698,905	163,772,881
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 14,517,078</b>	<b>\$ 4,869,844</b>	<b>\$ 193,519,053</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION</b>			
Cash and Investments	\$ 14,517,078	\$ 4,869,844	\$ 164,208,796
Cash with Fiscal Agent	-	-	29,310,257
Cash and Cash Equivalents	<u>\$ 14,517,078</u>	<u>\$ 4,869,844</u>	<u>\$ 193,519,053</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	Victorville Water District	Southern California Logistics Airport Authority	Electric Utility Fund	Solid Waste Management
<b>RECONCILIATION OF OPERATING INCOME</b>				
<b>(LOSS) TO NET CASH PROVIDED BY</b>				
<b>OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (1,751,320)	\$ (6,830,421)	\$ 6,725,903	\$ 1,543,568
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	6,524,962	9,744,648	1,399,881	102,151
Operating Rental and Lease Revenue	-	(10,907,800)	-	(44,201)
Nonoperating Miscellaneous Revenue (Expense) and Capital Contributions	4,644,258	(19,137)	-	-
(Increase) Decrease in Assets:				
Accounts Receivable, Net	1,163,723	231,545	(265,043)	(15,842)
Due from Other Governments	14,706	-	-	5,960
Inventory and Other Assets	81,339	16,027	-	-
Prepaid Deposits	(6,783)	(1,839)	(5,970)	120
Deferred Outflows - OPEB	(600,946)	33,753	13,343	16,911
Deferred Outflows - Pension	(3,218,593)	(879,487)	(394,923)	(470,992)
Increase (Decrease) in Liabilities:				
Accounts Payable	(216,222)	(940,807)	47,991	268,837
Deposits Payable	30,498	(824,798)	(1,692,638)	986
Unearned Revenue	-	(237,522)	65,678	-
Compensated Absences	122,244	(24,661)	-	-
Claims Payable	-	-	-	-
Total OPEB Liability	(866,269)	(323,701)	(134,047)	(164,722)
Net Pension Liability	6,893,711	1,904,161	852,391	1,025,352
Deferred Inflows - OPEB	1,565,151	335,660	139,734	171,115
Deferred Inflows - Pension	(3,355,535)	(916,907)	(411,726)	(491,032)
Total Adjustments	<u>12,776,244</u>	<u>(2,810,865)</u>	<u>(385,329)</u>	<u>404,643</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 11,024,924</u>	<u>\$ (9,641,286)</u>	<u>\$ 6,340,574</u>	<u>\$ 1,948,211</u>
<b>NONCASH CAPITAL, FINANCING, AND</b>				
<b>INVESTING ACTIVITIES</b>				
Developer/Tenant Contributed Capital Assets	\$ 10,000	\$ 185,537	\$ 800,531	\$ -
Interest Accretion Expenses	-	1,527,079	-	-
Amortization of Bond Discounts	-	91,868	-	-
SBITA Acquisition	30,652	-	-	-
Total	<u>\$ 40,652</u>	<u>\$ 1,804,484</u>	<u>\$ 800,531</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	Sanitary Fund	Nonmajor Gas Utility Fund	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 1,746,483	\$ 193,523	\$ 1,627,736
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	1,426,481	126,181	19,324,304
Operating Rental and Lease Revenue	-	-	(10,952,001)
Nonoperating Miscellaneous Revenue (Expense) and Capital Contributions	1,031,572	-	5,656,693
(Increase) Decrease in Assets:			
Accounts Receivable, Net	57,157	18,795	1,190,335
Due from Other Governments	-	-	20,666
Inventory and Other Assets	-	-	97,366
Prepaid Deposits	(910)	-	(15,382)
Deferred Outflows - OPEB	38,646	2,028	(496,265)
Deferred Outflows - Pension	(1,031,419)	(63,199)	(6,058,613)
Increase (Decrease) in Liabilities:			
Accounts Payable	(136,764)	(15,926)	(992,891)
Deposits Payable	12,498	(33,827)	(2,507,281)
Unearned Revenue	-	-	(171,844)
Compensated Absences	-	-	97,583
Claims Payable	(440,000)	-	(440,000)
Total OPEB Liability	(420,236)	(21,235)	(1,930,210)
Net Pension Liability	2,235,993	138,234	13,049,842
Deferred Inflows - OPEB	441,750	22,235	2,675,645
Deferred Inflows - Pension	(1,075,304)	(65,888)	(6,316,392)
Total Adjustments	<u>2,139,464</u>	<u>107,398</u>	<u>12,231,555</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,885,947</u>	<u>\$ 300,921</u>	<u>\$ 13,859,291</u>
<b>NONCASH CAPITAL, FINANCING, AND INVESTING ACTIVITIES</b>			
Developer/Tenant Contributed Capital Assets	\$ -	\$ -	\$ 996,068
Interest Accretion Expenses	-	-	1,527,079
Amortization of Bond Discounts	-	-	91,868
SBITA Acquisition	4,056	-	34,708
Total	<u>\$ 4,056</u>	<u>\$ -</u>	<u>\$ 2,649,723</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023**

	Custodial Funds	Successor Agency to the Victorville RDA
<b>ASSETS</b>		
Cash and Investments	\$ 565,629	\$ 2,524,290
Restricted Assets:		
Cash and Investments with Fiscal Agent	603,666	1,931,403
Accounts Receivable, Net	1,694	-
Land Held for Resale	-	1,379,917
Total Assets	1,170,989	5,835,610
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	552	126,374
Interest Payable	-	126,751
Due to The City	-	13,180,909
Current Portion of Long-Term Liabilities:		
Bonds Payable	-	1,660,000
Total Current Liabilities	552	15,094,034
<b>LONG-TERM LIABILITIES</b>		
Bonds Payable	-	26,150,000
Total Liabilities	552	41,244,034
<b>NET POSITION (DEFICIT)</b>		
Restricted for:		
Individuals, Organizations, and Other Governments	1,170,437	(35,408,424)
Total Net Position	\$ 1,170,437	\$ (35,408,424)

See accompanying Notes to Basic Financial Statements.

**CITY OF VICTORVILLE  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	Custodial Funds	Successor Agency to the Victorville RDA
<b>ADDITIONS</b>		
RPTTF Distributions	\$ -	\$ 3,502,542
Property Assessments Collected	469,374	-
Investment Income	41,082	337,402
Total Additions	510,456	3,839,944
<b>DEDUCTIONS</b>		
Community Development	24,303	419,844
Loss on Sale of Land Held for Resale	-	1,650,000
Payments on Special Assessment Debt	435,315	-
Contribution to the City	-	250,000
Interest	-	1,882,323
Total Deductions	459,618	4,202,167
<b>CHANGE IN NET POSITION</b>	50,838	(362,223)
Net Position (Deficit) - Beginning of Year	1,119,599	(35,046,201)
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	\$ 1,170,437	\$ (35,408,424)

See accompanying Notes to Basic Financial Statements.

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**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Victorville, California (the City), have been prepared in accordance with generally accepted accounting principles (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

The City of Victorville is situated approximately 97 miles northeast of Los Angeles in Southern California's Mojave Desert. The City was incorporated in 1962 and had an estimated population on June 30, 2023 of 134,810.

On July 26, 2008, the City became a charter City that operates under the Council-Manager form of government, with five elected Council members served by a full-time City Manager and staff. At June 30, 2023, the City's staff comprised of 432 full- and 72 part-time employees who were responsible for the City-provided services.

The accounting policies of the City conform to U.S. GAAP as applicable to governments.

These financial statements present the City of Victorville and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

Based upon the above criteria, the component units of the City include the Southern California Logistics Airport Authority (SCLAA) and the Victorville Water District.

Since City Council serves as the governing board for the SCLAA and Victorville Water District, the component units are considered to be blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the interfund data of the primary government. The SCLAA and the Victorville Water District issue separate component unit financial statements. Upon completion, the financial statements of these component units can be obtained at the City of Victorville, located at 14343 Civic Drive, Victorville, CA 92392.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

A brief description of the component units follows:

**Southern California Logistics Airport Authority (SCLAA)**

The SCLAA is a joint powers authority (JPA) formed in 1997 between the City of Victorville and the former Redevelopment Agency of Victorville to provide for the coordination of long-range planning of the territory of George Air Force Base. In 2012, the Victorville Water District was added as a member of the JPA, shortly thereafter, the Victorville Redevelopment Agency was removed as a result of the dissolution of all Redevelopment Agencies. SCLAA has a financial benefit/burden relationship with the City and the financial data and transactions are included as an enterprise fund of the City. SCLAA prepares a budget in sufficient detail to constitute an operating outline for the source and amount of funds available to SCLAA and expenditures to be made during the ensuing fiscal year. SCLAA revenues consist primarily of grants and loans received by SCLAA and from profits, income, sales proceeds, interest earnings from leases and land sales, and tax increment revenues passed through from the Victor Valley Economic Development Authority (VVEDA).

**Victorville Water District**

On August 15, 2007, the Victor Valley Water District and the Baldy Mesa Water District were approved to be consolidated into a subsidiary district of the City of Victorville (the City), known as the Victorville Water District (District, per Resolution No. 2977 of the Executive Officer of the Local Agency formation Commission (LAFCO) of San Bernardino County), which adopted a change of organization without election. All of the liabilities including debt obligations of the Victor Valley Water District and the Baldy Mesa Water District were assumed by this subsidiary district and the City effective July 1, 2007 upon consolidation.

Upon consolidation July 1, 2007 of the two districts the City consolidated the operations and activities of its Water Department and Water Funds into the district to serve all of the water customers of the City of Victorville under this District. The basic operations of the District are financed by user charges plus capital contributions to finance growth of the water delivery system. The District is governed by a five-member Board of Directors (the City Council), each holding staggered four-year terms.

On December 21, 2011, Local Agency Formation Commission approved Resolution No. 3154 that ordered the change of organization for the Victorville Water District. The Commission approved the activation of sewer function and services within the boundaries of the Victorville Water District and determined, pursuant to Government Code Section 56824.14 that the service will be repaid for its costs in operating the SCLA Industrial Wastewater Treatment Plant and that the mechanism for repayment of the funds expended in the construction and development of the facility will be returned to the District. Victorville Water District has a financial benefit/burden relationship with the City and the financial data and transactions are included as an enterprise fund of the City.



**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation**

The basic financial statements of the City are composed of the following:

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. In the government-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds.

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources' measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability takes place, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenue from property taxes is recognized in the fiscal year in which the taxes are levied. Grants and similar items are recognized as revenue as soon as the eligibility requirements imposed by the provider have been satisfied. Unbilled receivables are recorded as revenues when the services are provided.

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. The City has no discretely presented component units. Eliminations have been made in the statement of activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Government-Wide Financial Statements (Continued)**

The statement of activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The types of transactions reported as program revenues of the City are reported in three categories:

- Charges for services,
- Operating grants and contributions, and
- Capital grants and contributions.

Charges for services include revenues from the reporting government's citizenry who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt, acquisitions of leases and SBITAs are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method for bonds issued through 2021 and the effective interest method for bonds issued thereafter. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

**Fund Financial Statements**

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures, or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Fund Financial Statements (Continued)**

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for the City's fiduciary activities. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

**Governmental Funds**

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses a 60-day availability period. The City accrues the following revenue types: taxes, licenses, intergovernmental revenues, fines and forfeitures, and other miscellaneous revenues. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed nonexchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary nonexchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt and acquisitions under leases and SBITAs are recorded as an other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

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

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Governmental Funds (Continued)**

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect fund balance, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. Noncurrent portions of long-term receivables are reported on their balance sheets in spite of their spending measurement focus.

**Governmental Fund Balances**

Fund balances are reported in the fund statements in the following classifications:

**Nonspendable Fund Balance**

This includes amounts that cannot be spent because they are either not physically held in spendable form (such as prepaid items and inventory for all governmental funds, and advances to other funds for the general fund only) or are legally or contractually required to be maintained intact (such as endowments).

**Spendable Fund Balance**

*Restricted Fund Balance* – This includes amounts that can be spent only for specific purposes stipulated by legal requirements imposed by other governments, external resource providers, or creditors. City Council imposed restrictions do not create restricted fund balance unless the legal document that initially authorized the revenue (associated with that portion of fund balance) also included language that specified the limited use for which the authorized revenues were to be expended.

*Committed Fund Balance* – This includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (for example, resolution, ordinance, minutes action, etc.) that it employed to previously commit those amounts. If the Council action that limits the use of the funds was separate from the action that initially created the revenues that form the basis for the fund balance, then the resultant fund balance is considered to be committed, not restricted. The City considers a resolution to constitute a formal action of the City Council for the purposes of establishing committed fund balance. The City has no committed fund balance.

*Assigned Fund Balance* – This includes amounts that are intended to be used for specific purposes as indicated either by the Council or by persons to whom has delegated the authority to assign amounts for specific purposes. The City Council has not delegated such authority as of the date of this report. The City has no assigned fund balance.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Governmental Fund Balances (Continued)**

**Spendable Fund Balance (Continued)**

*Unassigned Fund Balance* – This includes the remaining spendable amounts which are not included in one of the other classifications. In other 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. Only the General Fund shows a positive unassigned fund balance.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the City Council.

**Proprietary and Fiduciary Funds**

The City's enterprise funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, pass-thru charges for services, and fines and forfeitures, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as property taxes and investment income result from nonexchange transactions or ancillary activities. Operating expenses for enterprise funds include the cost of sales and services, such as personnel services, maintenance and operations, production costs, pass-thru production costs, and depreciation on capital assets.

All expenses not meeting this definition, such as interest expense, are reported as nonoperating expenses. Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements, rather than reported as an expense. Proceeds of long-term debt and acquisitions under leases and SBITAs are recorded as a liability in the proprietary fund financial statements, rather than as other financing source. Amounts paid to reduce long-term indebtedness of the proprietary funds are reported as a reduction of the related liability, rather than as expenditure. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Proprietary and Fiduciary Funds (Continued)**

Custodial funds and the private-purpose trust fund are reported using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds do not involve the recording of City revenue and expenses and, therefore, are not included in the government-wide financial statements.

**C. Major Funds and Fiduciary Fund Types**

The City reports the following major governmental funds:

**General Fund**

The chief operating fund of a local government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

**Housing Asset Successor Special Revenue Fund**

This special revenue fund accounts for the housing activities of the City that were previously accounted for in the low and moderate housing redevelopment agency fund. Funding sources consists primarily of loan repayments and corresponding interest that are used to increase, improve, and preserve the community's supply of low- and moderate-income housing.

**Other State / Local Grants**

This special revenue fund accounts for moneys received from the California Law Enforcement Equipment Program, AB 3229 Grant, Office of Traffic Safety Grant, California Integrated Waste Management, Job-Housing Incentive Grant, Homeland Security Grant, and Alcoholic Beverage Control Grant.

**COVID-19 Funds Special Revenue Fund**

This special revenue fund accounts for the revenues and expenditures received from federal, state, and county funds for COVID-19 relief and response. The grants are primarily used for public safety, telecommuting, homelessness and outreach, and social distancing communications.

**Capital Impact Facilities Fund**

This capital projects fund accounts for the acquisition or construction of major capital facilities related to public improvements needed as population increases.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Major Funds and Fiduciary Fund Types (Continued)**

The City reports the following major proprietary funds:

Victorville Water District

The Victorville Water District is a subsidiary district of the City of Victorville that was created by LAFCO to account for the consolidated operation and maintenance of the City's Water Department, Baldy Mesa Water District, and Victor Valley Water District. This fund is supported by user charges and other fees. The City includes the Industrial Wastewater Treatment Plant asset within the scope of the Victorville Water District Fund because of its importance in providing reclaimed and recycled water for public and private uses. The Victorville Water District has imposed connection fees to finance the acquisition and replacement costs of this plant.

Southern California Logistics Airport Authority Fund (SCLAA)

Accounts for both operation and capital acquisition of the activities surrounding the airport. The former George Air Force Base now known as Southern California Logistics Airport Authority is a joint powers authority formed by the City of Victorville and the Victorville Redevelopment Agency. In 2012, the Victorville Water District was added as a member of the JPA, shortly thereafter, the Victorville Redevelopment Agency was removed as a result of the dissolution of all Redevelopment Agencies.

The authority was created to effectuate the redevelopment of the former base and certain properties within an eight-mile radius of the boundaries of the airport. The airport funding sources are comprised of federal grants, charges for services, and tax increment revenues passed through from the Victor Valley Economic Development Authority (VVEDA).

Electric Utility Fund

Accounts for the operation, maintenance, and capital assets of the City's electric utility, which is funded by user charges, other fees, and loans.

Solid Waste Management

Accounts for activities in the following programs: Solid Waste Management, Source Reduction and Recycling, Landfill Mitigation, Household Hazardous Waste, and the California Department of Conservation Grants.

Sanitary Fund

The City has defined the Sanitary Fund to account for the collection of sewage from the point of origin to be conveyed to the point of treatment or disposal. This fund includes infrastructure of pipes, pumps, and channels to collect and convey sewage to treatment or disposal. The fund provides for collection of revenues from customers and provides payment for maintenance of infrastructure and payment of contractors for disposal. Revenue received is comprised of sewer user fees and connection fees.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Major Funds and Fiduciary Fund Types (Continued)**

Additionally, the City reports the following fiduciary fund types:

Custodial Fiduciary Funds

Fiduciary fund used to account for assets held by the City as in a custodial capacity for individuals, private organizations, other governments, and/or other funds.

Private-Purpose Trust Fiduciary Funds

Used to account for the activities of the Redevelopment Obligation Retirement Funds, and other Successor Agency funds, which accumulates resources for obligations previously incurred by the former Victorville Redevelopment Agency.

The City reports the following nonmajor fund types:

Special Revenue Funds

Nonmajor special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Enterprise Fund

The nonmajor enterprise fund is used to account for the operation, maintenance, and capital assets of the City's gas utility, which is funded by user charges and other fees.

**D. Adoption of New Accounting Standards**

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City adopted the requirements of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in the Government reporting a SBITA asset and a SBITA liability as disclosed in Note 4 and Note 7.



**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Cash and Investments**

Cash includes demand deposits. The California Government Code and the City of Victorville's investment policy permit the City of Victorville to invest in various instruments and pools.

Investments are reported in the accompanying balance sheet at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, any gains or losses realized upon the liquidation or sale of investments, and rental income.

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

**F. Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents represent the proprietary funds' share in the cash and investment pool of the City of Victorville, and the cash recorded in the proprietary funds held by a fiscal agent that meet the definition noted above.

**G. Loans Receivable**

The accompanying financial statements reflect the recording of certain loans receivable that represent loans made to private developers and other parties. In certain cases, the amount of collection is dependent upon future residual receipts to be generated by the property or contingent upon the ability of the owner to sell the property at an amount sufficient to pay all liens against the property, including the obligation to the City. An estimate of the loss (if any) associated with nonrepayment cannot be reasonably estimated at this time.

**H. Due from Other Governments**

The amounts recorded as a receivable due from other governments include sales taxes, state gas taxes, motor vehicle in-lieu taxes, property taxes, and grant revenues collected or provided by Federal, State, County, and City Governments and unremitted to the City as of June 30, 2023.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Leases**

When the City is a lessee, a lease liability and a lease asset is recognized at the commencement of the lease term, unless the lease is a short-term lease, or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

When the City is a lessor, a lease receivable and a deferred inflow of resources is recognized at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

**J. Deposits and Prepaid Items**

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide, fund and proprietary financial statements utilizing the purchases method.

**K. Inventory and Other Assets**

The City uses the consumption method of accounting for inventories. General Fund inventory consists of office supplies, hardware supplies, fuel, and oil, which are valued at cost. Inventory in the proprietary funds consist primarily of water meters, pipe and pipe fittings for construction and repair. Materials and supplies items in the proprietary funds are valued at cost using the weighted average method.

**L. Land Held for Resale**

Land held for resale consists of property intended to be sold or contributed to other parties. Land held for resale is valued at the lower of cost or realizable value.

**M. Capital Assets**

Capital assets (including infrastructure) are reported in the applicable governmental or business-type activities column in the government-wide financial statements and the fund financial statements of proprietary funds.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Capital Assets (Continued)**

Capital assets include public domain (infrastructure) capital assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and intangible assets such as subscription-based information technology arrangements (SBITAs). Tangible capital assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated tangible capital assets are valued at acquisition value on the date of donation. SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets (including infrastructure) are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year.

City construction of tangible capital assets that are to be owned by other parties are accounted for as construction in progress during the construction phase of asset acquisition. Upon completion of the construction of the asset, the City records a contribution of the asset to the party identified as the owner of the asset at that time.

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements and in the fund financial statements of the proprietary funds for tangible capital assets.

A summary of the estimated useful lives of capital assets is as follows:

Buildings and Improvement	10 to 50 Years
Furniture and Equipment	5 to 10 Years
Computer and Communications	5 Years
Vehicles	5 to 10 Years
Infrastructure	20 to 80 Years
Water Rights	10 to 25 Years
Intangibles	5 to 25 Years
Land Improvements	10 to 50 Years

**N. Compensated Absences**

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Compensated Absences (Continued)**

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payments, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness), which is outside the control of the City and the employee.

Compensated absences (unpaid vacation and sick leave) are recorded as expenditures in the year they are paid. The balance of unpaid vacation and vested sick leave at year-end is recorded as a long-term liability in the government-wide financial statements and proprietary fund financial statements, as these amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees.

**O. Claims and Judgments**

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired, or a liability has been incurred prior to year-end and the probable amount of loss can be reasonably estimated. Accordingly, such claims are recorded as liabilities in the government-wide financial statements and proprietary fund financial statements.

**P. Deposits Payable**

Deposits payable in the governmental funds primarily consist of engineering deposits that are refunded once compliance work from the depositor has been performed. Deposits payable in the enterprise funds primarily consist of security deposits for utility accounts that are refunded to the customer when the account is closed or applied to past-due bills in certain cases of delinquency.

**Q. Unearned Revenue**

Unearned revenue is recorded when the City receives funds for which the goods or services have not yet been provided and, therefore, revenue has not yet been earned. Unearned revenue in the governmental funds primarily consists of funds received in advance from the American Rescue Plan Act (ARPA) federal program and other grants that have not yet been spent for allowable expenditures. Unearned revenue in enterprise funds primarily consists of funds received in advance from tenants in which the City serves as the lessor, amounts received in advance for services not yet provided, and amounts received in advance from the California Air Resources Board that have not yet been spent for allowable expenses.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Property Taxes**

Property taxes attach as an enforceable lien on property as of March 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of San Bernardino, California bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when levied to the extent that they result in current receivables within 60 days.

The County is permitted by State law (Proposition 13) to levy taxes at 1% of full market rate (at time of purchase) and can increase the property tax rate no more than 2% per year. As the City of Victorville did not receive property taxes during the period of 1976-1978, the City negotiated its relative 1% share of taxes.

**S. Net Position**

Net position is classified in the following categories:

*Net Investment in Capital Assets* – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt (including premiums and discounts) and other capital related payables that attributed to the acquisition, construction, or improvement of the assets.

*Restricted Net Position* – This amount is restricted by enabling legislation (such as external creditors, grantors, contributors, or laws or regulations of other governments).

*Unrestricted Net Position* – This amount is the remaining net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s practice to consider restricted net position to have been depleted before unrestricted net position is applied, unless otherwise directed by the Council.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

In addition to assets, the government-wide and proprietary funds statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The category of deferred outflow of resources reported in the government-wide statement of net position and the proprietary funds financial statements and is related to a loss on refunding, pension, and other postemployment benefits. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows on pension and other postemployment benefits are more fully discussed in Notes 12 and 14, respectively.

In addition to liabilities, the government-wide and proprietary funds statements of net position and the governmental funds balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The City's deferred inflows of resources reported on the government-wide statement of net position and the proprietary funds financial statements relate to leases, pension and other postemployment benefits. Amounts for leases are for amounts not yet received that are deferred and recognized as an inflow of resources in the period that the amounts are available or earned. Pension and other postemployment benefits deferred inflows of resources are more fully discussed in Notes 12 and 14, respectively.

**U. Pensions**

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

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**V. Estimates**

The presentation of basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 2 CASH AND INVESTMENTS**

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 349,796,145
Cash with Fiscal Agents	30,146,896
Fiduciary Funds:	
Cash and Investments	3,089,919
Cash with Fiscal Agents	<u>2,535,069</u>
Total Cash and Investments	<u><u>\$ 385,568,029</u></u>

Cash and investments as of June 30, 2023 consist of the following:

Cash on Hand	\$ 11,664
Deposits with Financial Institutions	232,336,402
Investments	<u>153,219,963</u>
Total Cash and Investments	<u><u>\$ 385,568,029</u></u>

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**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 and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if 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 trustees 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.

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
Local Agency Bonds	Yes	5 Years	70%	None
U.S. Treasury Obligations	Yes	5 Years	70%	None
U.S. Agency Securities	Yes	5 Years	75%**	None
Banker's Acceptances	No	180 Days	40%	30%
Commercial Paper - Non-Pooled Funds	No	270 Days	25%	10%
Commercial Paper - Pooled Funds	No	270 Days	40%	10%
Negotiable Certificates of Deposit	Yes	2 Years	30%	None
Repurchase Agreements	No	1 Year	None	None
Reverse Repurchase Agreements	No	92 Days	20% of Base Value	None
Medium-Term Notes	No	5 Years	30%	None
Mutual Funds***	No	5 Years	20%*	10%*
Money Market Mutual Funds***	Yes	5 Years	20%*	None
Mortgage Pass-Through Securities	No	5 Years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	\$75M
JPA Pools (Other Investment Pools)	No	N/A	None	None

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

\*\* Ginnie Mae is not to exceed 20% of the total portfolio.

\*\*\* Fund must be an AAA rated Government or US Treasury money fund.



**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustee 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 Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	360 Days	None	None
Commercial Paper	270 Days	None	None
Money Market Mutual Funds	None	None	None
Repurchase Agreements	None	None	None
Investment Contracts	None	None	None
Federal Housing Admin Debentures	None	None	None
Certificates of Deposits	None	None	None
State Obligations	None	None	None
Local Agency Investment Fund (LAIF)	None	None	None
Pre-refunded Municipal Obligations	None	None	None

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

Investment Type	Total	Remaining Maturities (in Months)			
		Within 12	13 to 24	25 to 60	60+
LAIF	\$ 120,537,998	\$ 120,537,998	\$ -	\$ -	\$ -
Held by Bond Trustee:					
Guaranteed Investment					
Contract (GIC)*	816,500	-	-	-	816,500
Money Market Mutual Funds	31,865,465	31,865,465	-	-	-
Total	<u>\$ 153,219,963</u>	<u>\$ 152,403,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 816,500</u>

\*The City's GIC is with Financial Security Assurance (FSA). The contract required FSA to deposit cash, governmental securities, or governmental bonds as collateral with Bank of New York, at a value of at least 100%, 104%, or 105%, respectively, of the investment balance. The termination of the investment contract and release of collateral would occur in the event of default by FSA. As of June 30, 2023, FSA was not in default and the value of the collateral met the requirements.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Disclosures Relating to Credit Risk**

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

Investment Type	Total	Minimum Legal Rating	Ratings as of Year End	
			AAA	Not Rated
LAIF	\$ 120,537,998	N/A	\$ -	\$ 120,537,998
Held by Bond Trustee:				
Guaranteed Investment Contract (GIC)	816,500	N/A	-	816,500
Money Market Mutual Funds	31,865,465	Multiple*	31,865,465	-
Total	<u>\$ 153,219,963</u>		<u>\$ 31,865,465</u>	<u>\$ 121,354,498</u>

\*Must receive highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered by the SEC or exempt from registration and who has not less than five years of experience investing in money market instruments with assets under management in excess of \$500 million.

**Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City has no investments in any one issuer (other than LAIF and money market mutual funds) that represent 5% or more of the City's investments.

**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).

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk (Continued)**

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2023, the City's deposits (bank balances) were insured by the federal depository insurance limits or collateralized as required under California Law.

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

**Investment in State Investment Pool**

The 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.

**Fair Value Measurements**

The City categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

*Level 2* – Inputs other than quoted prices included within the Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation of other items.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Fair Value Measurements (Continued)**

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurements. These unobservable inputs reflect the City’s own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the City’s own data.

The City’s investments in LAIF and money market mutual funds (held by bond trustee) are not subject to the fair value measurement hierarchy. The City’s investment in the GIC is included in Level 3 since they are not actively traded. To value the GIC, the City verified the collateral required was held at a minimum of 100% of the value reported above and recorded the investment at that amount.

**NOTE 3 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2023 is as follows:

Due To/From Other Funds		
Fund Reporting Receivable	Fund Reporting Payable	Amount
General Fund	Nonmajor Other Federal Grants Special Revenue Fund	\$ 5,647,588 a)
Advances To/From Other Funds		
Fund Reporting Receivable	Fund Reporting Payable	Amount
General Fund	Electric Utility Enterprise Fund	\$ 2,916,480 b)
Southern California Logistics Airport Authority Enterprise Fund	Nonmajor Gas Utility Enterprise Fund	2,000,000 c)
	Total	\$ 4,916,480

Generally, the above balances result from:

- a) This balance represents a short term borrowing to cover a negative cash balance due to grant funds that must be paid out before the reimbursement is received. It is anticipated these funds will come in from reimbursements received in FY 23-24.
- b) A loan agreement was signed on July 1, 2018 by the City Council for a reimbursement of funds previously advanced from fiscal year 2003-2004 through 2007-2008 from the General Fund to the Municipal Utility Enterprise Fund for working capital, startup costs, and operation funding shortfalls in the amount of \$17,850,143. This loan agreement was recorded in fiscal year 2018-2019 through transfers in and out of the respective funds. The loan has an interest rate equal to the annualized LAIF rate of return. The advance will be repaid over a term of eight years with \$11,000,000 paid on July 1, 2018 and annual installments of \$1,000,000 over the following six years with \$850,143 due for the last year with each installment due on July 1 of each year. The outstanding balance of the advance as of June 30, 2023 is \$2,916,480.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

c) A loan agreement was signed on April 18, 2023 by the City Council that authorizes the SCLAA enterprise fund to loan \$2,000,000 to the nonmajor gas utility enterprise fund for the construction of new gas infrastructure that will allow for the purchase of lower priced natural gas and future growth at SCLAA. The loan principal shall be repaid in five equal installments of \$400,000 to commence in the year ending June 30, 2024 and conclude in the year ending June 30, 2028. Interest shall begin to accrue on the total principal amount commencing on July 1, 2023, and shall thereafter be calculated annually on the balance of the outstanding principal and shall be payable each year on June 30 at the annualized (averaged) LAIF rate of return. The outstanding balance of the advance as of June 30, 2023 is \$2,000,000.

Transfers in/out:

Transfer In	Transfer Out	Amount
General Fund	Nonmajor Governmental Funds	\$ 54,900

The transfer of \$54,900 from the Nonmajor Governmental Funds to the General Fund to support the engineering function of traffic safety.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 4 CAPITAL ASSETS**

**Governmental Activities**

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance at July 1, 2022* as Restated	Additions	Deletions	Transfers	Balance at June 30, 2023
<b>Nondepreciable Assets:</b>					
Land	\$ 55,951,074	\$ 1,965,090	\$ (1,642,350)	\$ -	\$ 56,273,814
Right of Way	180,001,603	-	-	-	180,001,603
Construction in Progress	46,686,815	56,740,426	(56,612,110)	-	46,815,131
Total Nondepreciable Assets	<u>282,639,492</u>	<u>58,705,516</u>	<u>(58,254,460)</u>	<u>-</u>	<u>283,090,548</u>
<b>Depreciable Assets:</b>					
Buildings and Improvements	87,629,099	1,398,590	(34,181)	-	88,993,508
Furniture and Equipment	15,410,650	2,567,398	-	-	17,978,048
Computer and Communications	3,102,533	2,548,942	-	-	5,651,475
Land Improvements	14,775,383	138,084	-	-	14,913,467
Vehicles	7,134,784	450,872	(63,538)	-	7,522,118
Infrastructure	548,496,434	50,706,200	-	-	599,202,634
<b>Intangible Assets:</b>					
Computer Software	2,672,167	-	(2,672,167)	-	-
Right-of-Way Easements	10,000	-	(10,000)	-	-
Total Depreciable Assets	<u>679,231,050</u>	<u>57,810,086</u>	<u>(2,779,886)</u>	<u>-</u>	<u>734,261,250</u>
<b>Less Accumulated Depreciation:</b>					
Buildings and Improvements	(44,758,491)	(2,357,147)	32,863	-	(47,082,775)
Furniture and Equipment	(12,587,087)	(773,593)	-	-	(13,360,680)
Computer and Communications	(2,613,865)	(213,923)	-	-	(2,827,788)
Land Improvements	(10,479,456)	(1,477,538)	-	-	(11,956,994)
Vehicles	(3,928,104)	(509,618)	63,538	-	(4,374,184)
Infrastructure	(405,049,700)	(14,286,967)	-	-	(419,336,667)
<b>Intangible Assets:</b>					
Computer Software	(2,635,709)	-	2,635,709	-	-
Right-of-Way Easements	(10,000)	-	10,000	-	-
Total Accumulated Depreciation	<u>(482,062,412)</u>	<u>(19,618,786)</u>	<u>2,742,110</u>	<u>-</u>	<u>(498,939,088)</u>
Total Depreciable Assets, Net	<u>197,168,638</u>	<u>38,191,300</u>	<u>(37,776)</u>	<u>-</u>	<u>235,322,162</u>
<b>Subscription Based Information Technology Arrangement (SBITA)</b>					
<b>Assets Being Amortized:</b>					
SBITA Assets*	468,576	863,257	-	-	1,331,833
Accumulated Amortization*	-	(317,356)	-	-	(317,356)
Total SBITA Assets, Being Amortized, Net	<u>468,576</u>	<u>545,901</u>	<u>-</u>	<u>-</u>	<u>1,014,477</u>
<b>Capital Assets, Net</b>	<u><b>\$ 480,276,706</b></u>	<u><b>\$ 97,442,717</b></u>	<u><b>\$ (58,292,236)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 519,427,187</b></u>

\*SBITAs were restated from \$-0- as of July 1, 2022 to \$468,576. This restatement was offset by the restatement in long-term liabilities for \$468,576 (See Note 7). This restatement was due to the implementation of GASB 96, Subscription-Based Information Technology Arrangements (SBITAs).

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

**Governmental Activities (Continued)**

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

General Government	\$ 7,415,952
Public Safety	938,951
Community Development	5,697
Public Works	10,188,536
Parks and Recreation	<u>1,387,006</u>
Total	<u><u>\$ 19,936,142</u></u>

The ARPA special revenue fund purchased land from the SCLAA enterprise fund at a price of \$1,929,341 (the book value of \$1,895,090 was appropriately recorded as a disposition of enterprise fund capital assets and an addition to governmental activities capital assets). In the fund financial statements, the ARPA special revenue fund includes the cost of the land as capital outlay.

**Business-Type Activities**

The water enterprise fund purchased land from the SCLAA enterprise fund at a price of \$700,000 (the book value of \$7,876 was appropriately recorded as a disposition of enterprise fund capital assets and an addition to enterprise fund capital assets). In the fund financial statements, the SCLAA enterprise fund has a gain on sale of \$692,124 from this transaction that is included with other gains on sales of capital assets.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

**Business-Type Activities (Continued)**

The following is a summary of capital assets for enterprise funds at June 30, 2023:

	Balance at July 1, 2022	Additions	Deletions	Transfers	Balance at June 30, 2023
<b>Nondepreciable Assets:</b>					
Land and Easements	\$ 27,048,482	\$ 228,602	\$ (2,066,393)	\$ -	\$ 25,210,691
Intangibles - Service Credit	3,954,891	-	-	-	3,954,891
Water Rights	18,162,980	646,966	(24,974)	-	18,784,972
Idle Assets	3,017,958	-	-	-	3,017,958
Land Improvements	536,342	-	-	-	536,342
Construction in Progress	11,667,302	12,569,524	(7,710,843)	-	16,525,983
Total Nondepreciable Assets	<u>64,387,955</u>	<u>13,445,092</u>	<u>(9,802,210)</u>	<u>-</u>	<u>68,030,837</u>
<b>Depreciable Assets:</b>					
Buildings and Improvements	221,798,318	1,359,262	(734,495)	-	222,423,085
Furniture and Equipment	50,515,727	195,401	-	88,598	50,799,726
Computer and Communication	972,541	67,337	-	-	1,039,878
Vehicles	6,905,247	471,399	(142,237)	(88,598)	7,145,811
Infrastructure	392,494,452	7,809,574	-	-	400,304,026
Intangibles	1,589,862	-	-	-	1,589,862
Land Improvements	128,489	-	-	-	128,489
Total Depreciable Assets	<u>674,404,636</u>	<u>9,902,973</u>	<u>(876,732)</u>	<u>-</u>	<u>683,430,877</u>
<b>Less Accumulated Depreciation:</b>					
Buildings and Improvements	(132,058,560)	(5,425,244)	484,283	-	(136,999,521)
Furniture and Equipment	(40,825,086)	(1,323,241)	-	-	(42,148,327)
Computer and Communication	(944,542)	(17,660)	-	-	(962,202)
Vehicles	(4,313,883)	(413,024)	142,237	-	(4,584,670)
Infrastructure	(201,180,036)	(12,142,172)	-	-	(213,322,208)
Intangibles	(1,589,860)	-	-	-	(1,589,860)
Land Improvements	(128,489)	-	-	-	(128,489)
Total Accumulated Depreciation	<u>(381,040,456)</u>	<u>(19,321,341)</u>	<u>626,520</u>	<u>-</u>	<u>(399,735,277)</u>
Total Depreciable Assets, Net	<u>293,364,180</u>	<u>(9,418,368)</u>	<u>(250,212)</u>	<u>-</u>	<u>283,695,600</u>
<b>Subscription Based Information</b>					
<b>Technology Arrangement (SBITA)</b>					
<b>Assets Being Amortized:</b>					
SBITA Assets	-	34,708	-	-	34,708
Accumulated Amortization	-	(2,963)	-	-	(2,963)
Total SBITA Assets, Being Amortized, Net	<u>-</u>	<u>31,745</u>	<u>-</u>	<u>-</u>	<u>31,745</u>
Total Capital Assets Being Depreciated or Amortized, Net	<u>293,364,180</u>	<u>(9,386,623)</u>	<u>(250,212)</u>	<u>-</u>	<u>283,727,345</u>
<b>Capital Assets, Net</b>	<u><u>\$ 357,752,135</u></u>	<u><u>\$ 4,058,469</u></u>	<u><u>\$ (10,052,422)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 351,758,182</u></u>



**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

**Business-Type Activities (Continued)**

Depreciation expense was charged in the following programs of the primary government:

Water	\$ 6,524,962
Airport	9,744,648
Electric Utility	1,399,881
Solid Waste Management	102,151
Sanitary	1,426,481
Nonmajor Gas Utility	126,181
Total	<u>\$ 19,324,304</u>

**NOTE 5 LAND HELD FOR RESALE**

As of June 30, 2023, the Successor Agency to the Victorville Redevelopment Agency (RDA) and the City Housing Asset Successor Agency had acquired and developed parcels of land in the Bear Valley and Old Town/Midtown project areas. These parcels were purchased for the purpose of providing incentives to developers in order to construct future commercial projects on the property and are recorded as land held for resale at the net realizable values of \$1,379,917 and \$1,549,837, respectively.

**NOTE 6 LONG-TERM NOTES RECEIVABLE**

**Affordable Housing Loans Receivable**

The City has entered into agreements with developers to establish various affordable housing project loans, the significant loans are described below:

**Pacific West Communities**

In February 2010, the former RDA entered into an affordable housing loan agreement with Pacific West Communities to develop a housing project. The note accrues interest at 3% annually and repayments are based on earning of the housing facility. The expected payoff date is February 17, 2050. At June 30, 2023, the City Housing Asset Successor Special Revenue Fund has recorded outstanding loan receivable balance of \$5,343,760.

**Southern California Housing Development Corporation**

In December 2001, the former RDA entered into an affordable housing loan agreement with Southern California Housing Development Corporation to develop the Impressions at Valley Center housing project. The note accrues interest at 3% annually and repayments are based on earning of the housing facility. The expected payoff date is December 20, 2041. At June 30, 2023, the City Housing Asset Successor Special Revenue Fund has recorded outstanding loan receivable balance of \$1,051,869.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 6 LONG-TERM NOTES RECEIVABLE (CONTINUED)**

**Affordable Housing Loans Receivable (Continued)**

Southern California Housing Development Corporation (Continued)

In December 2005, the former RDA entered into an affordable housing loan agreement with Southern California Housing Development Corporation to develop the Northgate Apartments housing project. The note accrues interest at 3% annually and repayments are based on earning of the housing facility. The expected payoff date is December 15, 2045. At June 30, 2023, the City Housing Asset Successor Special Revenue Fund has recorded outstanding loan receivable balance of \$6,575,177.

Housing Assistance Grants

In conjunction with the City's Mortgage Assistance Program, the City provides loans up to \$55,000 to low-income first-time homebuyers. The loans act as down payment assistance and are deferred for up to 30 years as long as the eligible buyer occupies the property as its principal residence and is not in default under the affordability covenants and resale restrictions. The loans accrue simple interest at 3% per year. At June 30, 2023, the City Housing Asset Successor Special Revenue Fund has recorded outstanding loan receivable balance of \$103,345.

Desert Haven

In November 2019, the City entered into an affordable housing loan agreement in a total amount of \$1,509,505 with Desert Haven Victorville, LP, to repay the \$1,500,000 borrowed from the Housing Authority of the County of San Bernardino to purchase the property known as Desert Haven and \$9,505 for closing costs with the property acquisition. The note accrues simple interest at 1% annually and repayments are based on the earnings of the housing facility. The note is secured by a deed of trust against the property in the first priority position. The term of the note is 55 years and is expected to be paid off by October 1, 2074. At June 30, 2023, the City HUD Grants Special Revenue Fund has recorded an outstanding loan balance of \$1,556,049.

Other Loans

These loans are secured by a deed of trust. Also, at June 30, 2023, the Nonmajor Governmental Funds report residential curb appeal loans, which are 100% forgiven at the time they are issued. The allowance of \$580,991 offsets the receivable resulting in net \$-0- in the balance sheet. Other various loans reported in the Nonmajor Governmental Funds total \$14,142.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 GOVERNMENTAL LONG-TERM LIABILITIES**

**Changes in Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Balance at July 1, 2022, as Restated*	Additions	Retirements	Balance at Balance at June 30, 2023	Due Within Due Within One Year
Other Long-Term Liabilities:					
Financed Purchase	\$ 724,561	\$ -	\$ (724,561)	\$ -	\$ -
Compensated Absences	4,409,852	3,517,753	(2,780,896)	5,146,709	2,499,470
Claims Payable	1,646,933	1,193,497	(913,717)	1,926,713	300,000
Pollution Remediation Obligation	742,324	-	(191,630)	550,694	388,725
SBITAs	468,576	798,322	(320,197)	946,701	246,517
Total	<u>\$ 7,992,246</u>	<u>\$ 5,509,572</u>	<u>\$ (4,931,001)</u>	<u>\$ 8,570,817</u>	<u>\$ 3,434,712</u>

\*SBITAs were restated from \$-0- as of July 1, 2022 to \$468,576. This restatement was offset by the restatement in capital assets for \$468,576 (See Note 4). This restatement was due to the implementation of GASB 96, Subscription-Based Information Technology Arrangements (SBITAs).

**Financed Purchase**

On September 6, 2018, the City entered into a financing agreement with Rev Financial Services, LLC to purchase two pumper trucks for the fire department in the amount of \$1,201,450. The financing agreement bore interest at 3.79% and installment payments of \$198,623 were due each September 6 over the next seven years with a final maturity date of September 6, 2025. The trucks are included in capital assets with a cost and accumulated depreciation of \$1,390,358 and \$(498,211), respectively, as of June 30, 2023. The outstanding balance on this lease was liquidated by the General Fund. The debt was paid off early with no penalty as of June 30, 2023.

**Compensated Absences**

The City's policies relating to compensated absences are described in Note 1. This liability, amounting to \$5,146,709 at June 30, 2023, will be paid in future years from future resources, generally liquidated by the General Fund.

**Pollution Remediation**

In February 2007, the City acquired a property that was previously used as a dry-cleaning facility. In May 2010, the United States Environmental Protection Agency (U.S. EPA) issued the Unilateral Administrative Order for the performance of a removal action to City and the prior owner, due to the presence of tetrachloroethylene (PCE aka dry-cleaning solvent) contamination on site.

The UAO ordered the City to conduct the necessary environmental investigation related to the presence of PCE on the property and, thereafter, conduct the remediation necessary to remediate the soil and groundwater contamination found. The United States EPA has taken action against the City and the prior owner pursuant to its authority under CERCLA section 104, and in response to the UAO, the City has undertaken the damages that the EPA has the right to assess for failure to comply an EPA order.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 GOVERNMENTAL LONG-TERM LIABILITIES (CONTINUED)**

**Pollution Remediation (Continued)**

The investigation was conducted under the supervision and guidance of the U.S. EPA. In June 2011, the U.S. EPA issued a “Notice of Completion” letter related to soil contamination at the Site.

The City has drafted a Project Execution Plan (PEP) for the remedial efforts of groundwater contamination. Based upon ground water monitoring reports, the PEP estimates that the total project costs associated with the groundwater contamination remediation to be \$1,457,598, and the duration of the efforts to be three years, which has since been extended to at least five years. This cost is anticipated to be covered with grant from the State Water Board in the amount of \$1,457,598. The City applied in 2023 for another grant for \$700,000 from the State Water Board for the upcoming three years to continue monitoring and remediation efforts as needed.

The pollution remediation obligation is an estimate and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations. As of June 30, 2023, the City is in the third year of the PEP and has spent a total of \$906,904 with a remaining Pollution Remediation liability of \$550,694.

**SBITAs**

The City has entered into subscription-based information technology arrangements (SBITAs) for various software licenses. The SBITA arrangements expire at various dates through 2027 and do not provide for renewal options. The interest rates vary from 1.7% to 3.3% and there are no variable payments.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 246,517	\$ 25,793	\$ 272,310
2025	251,482	19,267	270,749
2026	261,646	12,509	274,155
2027	187,056	5,449	192,505
Total	<u>\$ 946,701</u>	<u>\$ 63,018</u>	<u>\$ 1,009,719</u>

Right-to-use assets acquired through SBITAs, net of accumulated amortization, are reported in Note 4, Capital Assets.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 BUSINESS-TYPE LONG-TERM LIABILITIES**

**Changes in Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Due Within One Year
Other Long-Term Liabilities:					
Compensated Absences	\$ 791,150	\$ 691,679	\$ (594,096)	\$ 888,733	\$ 644,793
Claims Payable	2,070,000	-	(440,000)	1,630,000	440,000
SBITAs	-	33,028	(11,276)	21,752	10,745
Other Debt:					
Tax Allocation Bonds:					
2005 Tax Allocation Bonds	13,040,000	-	(1,210,000)	11,830,000	1,265,000
2006 Tax Allocation Bonds (Non-Housing)	46,635,000	-	(1,265,000)	45,370,000	1,315,000
2006 Tax Allocation Bonds (Housing)	12,525,000	-	(340,000)	12,185,000	355,000
2006 Tax Allocation Parity Bonds	41,375,000	-	(160,000)	41,215,000	180,000
2006 Tax Allocation Revenue Parity Bonds	29,045,000	-	(650,000)	28,395,000	690,000
2006 Tax Allocation Revenue Bonds	52,605,000	-	(1,205,000)	51,400,000	1,280,000
2007 Tax Allocation Bonds (Housing)	32,575,000	-	(800,000)	31,775,000	840,000
2007 Tax Allocation Bonds (Non-Housing)	34,060,000	-	(805,000)	33,255,000	850,000
2008A Tax Allocation Bonds	25,295,795	1,527,079	(115,000)	26,707,874	110,000
Unamortized Discounts/Premiums	(2,092,196)	-	91,868	(2,000,328)	-
Tax Allocation Bonds Subtotal	285,063,599	1,527,079	(6,458,132)	280,132,546	6,885,000
Revenue Refunding Bonds:					
Electric Revenue Bonds 2022A	35,980,000	-	-	35,980,000	-
Electric Revenue Bonds 2022B	10,070,000	-	(1,715,000)	8,355,000	1,525,000
Unamortized Discounts/Premiums	1,994,133	-	(123,674)	1,870,459	-
Certificates of Participation (COP):					
2006 COPs	8,535,000	-	(410,000)	8,125,000	425,000
Unamortized Discounts/Premiums	86,697	-	(6,193)	80,504	-
Total	<u>\$ 344,590,579</u>	<u>\$ 2,251,786</u>	<u>\$ (9,758,371)</u>	<u>\$ 337,083,994</u>	<u>\$ 9,930,538</u>

See Note 10 for pledged revenue information.

**Compensated Absences**

The City's policies relating to compensated absences are described in Note 1. This liability, amounting to \$888,733 at June 30, 2023, will be paid in future years from future resources, generally liquidated by the Victorville Water District, Victorville Municipal Utility, and the SCLAA Enterprise Funds.

**SBITAs**

The City has entered into subscription-based information technology arrangements (SBITAs) for various software licenses. The SBITA arrangements expire at various dates through 2027 and do not provide for renewal options. The interest rates vary from 2.4% to 2.7% and there are no variable payments.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 BUSINESS-TYPE LONG-TERM LIABILITIES (CONTINUED)**

**SBITAs (Continued)**

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 10,745	\$ 530	\$ 11,275
2025	11,007	268	11,275
Total	<u>\$ 21,752</u>	<u>\$ 798</u>	<u>\$ 22,550</u>

Right-to-use assets acquired through SBITAs, net of accumulated amortization, are reported in Note 4, Capital Assets.

**Tax Allocation Bonds**

**Tax Allocation Parity Bonds, Series 2005A**

In June 2005, the SCLAA issued \$42,185,000 principal amount of Tax Allocation Parity Bonds, Series 2005A. This debt was issued to finance certain public capital improvements benefiting the SCLAA.

On February 8, 2006, \$1.8 million of bond proceeds was invested in land for the construction of a new City library. Prior to this purchase (on November 3, 2005), the Board of Directors of the SCLAA adopted a resolution with the intent of entering into a loan agreement between the SCLAA and the City with respect to this land purchase. On September 21, 2010, City Council approved this loan agreement. Legal counsel for the City has indicated that approval by the bond insurer is not required for the investment of proceeds not held by the bond trustee.

Bonds maturing on December 1, 2010, December 1, 2016, December 1, 2020, December 1, 2025, December 1, 2030, and December 1, 2035 in the amounts of \$2,765,000, \$3,365,000, \$5,140,000, \$6,335,000, \$7,870,000, and \$15,335,000, respectively, are term bonds. The outstanding bonds bear interest at 3.50% to 5.00% due June 1 and December 1 of each year.

The bonds are subject to redemption prior to maturity as described in the bond covenants. The bonds maturing on or after June 1, 2016 are subject to optional redemption in whole or in part by lot, without premium.

The bonds maturing on December 1, 2010, December 1, 2016, December 1, 2020, December 1, 2025, December 1, 2030, and December 1, 2035 are subject to mandatory redemption in part by lot, without premium, commencing December 1, 2007, December 1, 2012, December 1, 2016, December 1, 2021, December 1, 2026, and December 1, 2031, respectively, from sinking fund payments made by SCLAA.

In the fiscal year ended June 30, 2006, these bonds were partially defeased by the issuance of the Tax Allocation Revenue Parity Bonds, Refunding Series 2005 (Non-Housing). As of June 30, 2023, required reserve for the Bonds was met with fiscal agent cash. The Bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2023 is \$11,830,000.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 BUSINESS-TYPE LONG-TERM LIABILITIES (CONTINUED)**

**Tax Allocation Bonds (Continued)**

**Tax Allocation Revenue Parity Bonds, Refunding Series 2006 (Non-Housing)**

In June 2006, the SCLAA issued \$62,780,000 principal amount of Tax Allocation Revenue Parity Bonds, Refunding Series 2006. The proceeds were used to refund the 2001 Tax Allocation Bonds, the 2003 Tax Allocation Bonds, and a portion of 2005 Tax Allocation Bonds. As a result, the 2001 and 2003 Tax Allocation Bonds are considered to be defeased, and the 2005 Tax Allocation Bonds are considered to be partially defeased. The respective liabilities have been removed from the statement of net position.

Bonds maturing on December 1, 2026, December 1, 2031, December 1, 2036, and December 1, 2043 in the amounts of \$6,895,000, \$8,595,000, \$10,810,000, and \$20,335,000, respectively, are term bonds. The outstanding bonds bear interest at 4.50% to 5.00% due June 1 and December 1 of each year.

The bonds are subject to redemption prior to maturity as described in the bond covenants. The bonds maturing on or after June 1, 2016 are subject to optional redemption in whole or in part by lot without premium.

The bonds maturing on December 1, 2026, December 1, 2031, December 1, 2036, and December 1, 2043 are subject to mandatory redemption in part by lot, without premium, commencing December 1, 2022, December 1, 2027, December 1, 2032, and December 1, 2037, respectively, from sinking fund payments made by SCLAA.

As of June 30, 2023, required reserve for the Bonds was met with fiscal agent cash. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2023 is \$45,370,000.

**Tax Allocation Revenue Parity Bonds, Refunding Series 2006 (Housing Set-Aside)**

In June 2006, the SCLAA issued \$16,855,000 principal amount of Housing Set-Aside Revenue Bonds, Refunding Series 2006. The proceeds were used to refund all of the 2003 Tax Allocation Bonds and a portion of the 2005 Tax Allocation Parity Bonds. As a result, the 2003 Tax Allocation Bond is considered to be defeased and the liability has been removed from the statement of net position.

Bonds maturing on December 1, 2026, December 1, 2031, December 1, 2036, and December 1, 2043 in the amounts of \$1,855,000, \$2,305,000, \$2,905,000, and \$5,460,000, respectively, are term bonds. The outstanding bonds bear interest at 4.50% to 5.00% due June 1 and December 1 of each year.

The bonds are subject to redemption prior to maturity as described in the bond covenants. The bonds maturing on or after June 1, 2016 are subject to optional redemption in whole or in part by lot without premium.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 BUSINESS-TYPE LONG-TERM LIABILITIES (CONTINUED)**

**Tax Allocation Bonds (Continued)**

**Tax Allocation Revenue Parity Bonds, Refunding Series 2006 (Housing Set-Aside)**  
**(Continued)**

The bonds maturing on December 1, 2026, December 1, 2031, December 1, 2036, and December 1, 2043 are subject to mandatory redemption in part by lot, without premium, commencing December 1, 2022, December 1, 2027, December 1, 2032, and December 1, 2037, respectively, from sinking fund payments made by SCLAA.

As of June 30, 2023, required reserve for the Bonds was met with fiscal agent cash. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2023 is \$12,185,000.

**Tax Allocation Revenue Parity Bonds, Taxable Series 2006**

In June 2006, the SCLAA issued \$45,020,000 principal amount of Tax Allocation Revenue Parity Bonds, Taxable Series 2006. The proceeds were used to finance certain redevelopment activities benefiting the SCLAA.

Bonds maturing on December 1, 2036 and December 1, 2043 in the amounts of \$20,080,000 and \$24,940,000, respectively, are term bonds. The outstanding bonds bear interest at 6.10% due June 1 and December 1 of each year.

The bonds are subject to redemption prior to maturity as described in the bond covenants. The bonds are subject to optional redemption in whole or in part by lot, subject to a premium.

The bonds maturing on December 1, 2036 and December 1, 2043 are subject to mandatory redemption in part by pro-rata, without premium, commencing December 1, 2006 and December 1, 2037, respectively, from sinking fund payments made by SCLAA.

As of June 30, 2023, required reserve for the Bonds was met with fiscal agent cash. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2023 is \$41,215,000.

**Taxable Tax Allocation Revenue Parity Bonds, Forward Series 2006**

In November 2006, SCLAA issued \$34,980,000 principal amount of Taxable Tax Allocation Revenue Parity Bonds, Forward Series 2006. The proceeds were used to finance and refinance certain redevelopment activities benefiting the SCLAA.

The bonds mature from December 1, 2007 to December 1, 2043 in varying amounts. Principal is payable in annual installments ranging from \$50,000 to \$2,320,000, commencing December 1, 2007. The bonds accrue interest at rates between 6.25% and 6.30%. Interest on the bonds is payable semi-annually on each June 1 and December 1, commencing June 1, 2007. The bonds are subject to optional and mandatory redemption prior to maturity.



**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 BUSINESS-TYPE LONG-TERM LIABILITIES (CONTINUED)**

**Tax Allocation Bonds (Continued)**

Taxable Tax Allocation Revenue Parity Bonds, Forward Series 2006 (Continued)

The bonds are secured by pledged tax revenues - see Note 10. As of June 30, 2023, required reserve for the Bonds was met with fiscal agent cash. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2023 is \$28,395,000.

Taxable Subordinate Tax Allocation Revenue Bonds, Series 2006

In November 2006, the SCLAA issued \$64,165,000 principal amount of Taxable Subordinate Tax Allocation Revenue Bonds, Series 2006. The proceeds were used to finance certain redevelopment activities benefiting the SCLAA.

The bonds mature from December 1, 2007 to December 1, 2043 in varying amounts. Principal is payable in annual installments ranging from \$395,000 to \$4,135,000, commencing December 1, 2007. The bonds accrue interest at 6.05%. Interest on the bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2007. The bonds are subject to optional and mandatory redemption prior to maturity.

The bonds are secured by pledged tax revenues - see Note 10. As of June 30, 2023, required reserve for the Bonds was met with fiscal agent cash. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2023 is \$51,400,000.

Taxable Housing Set-Aside Revenue Parity Bonds, Series 2007

In March 2007, the SCLAA issued \$41,460,000 principal amount of Taxable Housing Set-Aside Revenue Parity Bonds, Series 2007. The proceeds were used to finance certain low- and moderate-income housing programs of the Authority. On July 7, 2009, \$20,000,000 of bond proceeds were invested in a loan to the Victorville Water District. Legal counsel for the City has indicated that approval by the bond insurer is not required for the investment of proceeds not held by the bond trustee. In February 2013 this loan was repaid in full with interest.

Bonds maturing on December 1, 2012, December 1, 2017, December 1, 2022, December 1, 2027, and December 1, 2043 in the amounts of \$3,265,000, \$2,800,000, \$3,620,000, \$4,685,000, and \$27,090,000, respectively, are term bonds. The outstanding bonds bear interest at 5.00%, 5.20%, 5.25%, 5.40%, and 5.55% due June 1 and December 1 of each year.

The bonds are subject to optional redemption in whole or in part by lot, without premium.

As of June 30, 2023, required reserve for the Bonds was met with fiscal agent cash and an insurance policy. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2023 is \$31,775,000.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 BUSINESS-TYPE LONG-TERM LIABILITIES (CONTINUED)**

**Tax Allocation Bonds (Continued)**

**Subordinate Tax Allocation Revenue Bonds, Series 2007 (Non-Housing)**

In December 2007, the SCLAA issued \$42,000,000 principal amount Subordinate Tax Allocation Revenue Bonds, Series 2007. The proceeds were used to finance certain redevelopment activities benefiting the SCLAA.

Bonds maturing on December 1, 2008, December 1, 2009, December 1, 2012, December 1, 2017, December 1, 2022, December 1, 2027, December 1, 2032, December 1, 2032, December 1, 2037, December 1, 2037, December 1, 2037, December 1, 2043, and December 1, 2043 in the amounts of \$480,000, \$425,000, \$1,395,000, \$2,805,000, \$3,640,000, \$4,745,000, \$3,000,000, \$3,275,000, \$3,325,000, \$3,800,000, \$1,250,000, \$9,210,000, and \$4,650,000, respectively, are term bonds. The outstanding bonds bear interest at 4.000%, 4.200%, 4.375%, 5.250%, 5.375%, 5.600%, 5.900%, 6.000%, 5.900%, 6.000%, 6.100%, 5.900%, and 6.150% due June 1 and December 1 of each year.

The bonds are subject to redemption prior to maturity at the option of the Authority, on or after December 1, 2017, in whole or in part by lot, without premium.

The bonds maturing on the dates described above are subject to mandatory redemption in part by lot, without premium, commencing December 1, 2010, December 1, 2013, December 1, 2018, December 1, 2023, December 1, 2028, December 1, 2028, December 1, 2033, December 1, 2033, December 1, 2033, December 1, 2038, and December 1, 2038, respectively, from sinking fund payments made by SCLAA.

As of June 30, 2023, required reserve for the Bonds was met with fiscal agent cash. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2023 is \$33,255,000.

**Subordinate Tax Allocation Revenue Bonds, Series 2008A**

In May 2008, the SCLAA issued \$13,334,925 principal amount of Subordinate Tax Allocation Revenue Bonds, Series 2008A. The proceeds were used to finance certain redevelopment activities benefiting the SCLAA and to partially refund the \$35,000,000 principal amount of Subordinate Tax Allocation Revenue Notes, Series 2008.

Bonds maturing on December 1, 2010, December 1, 2013, December 1, 2018, December 1, 2023, December 1, 2033, December 1, 2038, and December 1, 2043 in the amounts of \$130,000, \$215,000, \$340,000, \$530,000, \$1,675,000, \$1,285,000, and \$1,720,000, respectively, are Current Interest Bonds. The outstanding bonds bear interest at 4.25%, 4.50%, 5.00%, 5.25%, 6.00%, 6.00%, and 6.00% due June 1 and December 1 of each year.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 BUSINESS-TYPE LONG-TERM LIABILITIES (CONTINUED)**

**Tax Allocation Bonds (Continued)**

**Subordinate Tax Allocation Revenue Bonds, Series 2008A (Continued)**

Bonds maturing on December 1 of each year beginning 2044 through 2050 in the initial principal amounts of \$1,316,266, \$1,216,397, \$1,123,621, \$1,037,536, \$957,600, \$883,633, and \$814,910 are Capital Appreciation Bonds. The outstanding bonds bear yields to maturity of 7.300%, 7.320%, 7.340%, 7.360%, 7.380%, 7.400%, and 7.420%. All of the bonds have a future maturity value of \$131,805,000 at June 30, 2023.

The current interest bonds are subject to redemption prior to maturity at the option of the Authority, on or after December 1, 2018, in whole or in part by lot, without premium. The Capital Appreciation Bonds are subject to optional redemption in whole or in part by lot, without premium.

As of June 30, 2023, required reserve for the Bonds was met with fiscal agent cash. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2023 is \$26,707,874, which includes an accretion balance of \$14,567,949.

**2006 Certificates of Participation**

On March 1, 2006, the City of Victorville's Baldy Mesa Water District issued 2006 Certificates of Participation. The proceeds were used to finance public improvements within the Baldy Mesa Water District service area.

The Certificates of Participation had a stated interest rates ranging from 3.20% to 5.00%. The annual debt service is a special limited obligation of the District payable from and secured by a pledge of and lien on the net revenues of the District - see Note 10. Principal and interest payments are due each August 1 and interest only payments are due each February 1. The required reserve for the Bonds is \$816,500. As of June 30, 2023, the reserve amount was \$836,333. The amount of Certificates of Participation outstanding at June 30, 2023 is \$8,125,000.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 BUSINESS-TYPE LONG-TERM LIABILITIES (CONTINUED)**

**2022A&B Electric Revenue Bonds**

On May 19, 2022, the City of Victorville issued \$35,980,000 and \$10,070,000 for a total of \$46,050,000 principal of 2022A and 2022B Electric Revenue Bonds, respectively. The bonds were issued to refund the 2007A Variable Rate Lease Revenue Bonds and pay for costs of issuance (\$41,050,000) and to finance the design, acquisition, construction, and equipping of certain distribution system and interconnection facility upgrades for the benefit of the Electric System (\$5,000,000).

The refunding resulted in an estimated cash flow difference of \$3,555,286 and an estimated economic loss (difference between the present values of the old debt and new debt service payments) of (\$1,404,538). The estimated cash flow and economic loss figures are calculated based upon an assumed interest rate of 2% for the 2007A Bonds beginning in June 2022 through May 2040, plus cost estimates for an irrevocable letter of credit and remarketing agent.

The Electric Revenue Bonds have stated interest rates ranging from 4.08% to 5.00%. The annual debt service is payable from and secured by a pledge of and lien on the net revenues of the District - see Note 10. Principal and interest payments are due each May 1 and interest only payments are due each November 1. As of June 30, 2023, required reserve for the Bonds was met with fiscal agent cash. The amount of Electric Revenue Bonds outstanding at June 30, 2023 is \$44,335,000.

**Rate Covenants**

The 2006 Certificate of Participation require that the Baldy Mesa Water District to generate sufficient net revenues which are at least equal to 110% of the amount of the installment payments and Parity Obligation coming due and payable in each fiscal year. The 2006 Certificate of Participations were issued before Baldy Mesa and Victor Valley Water District were consolidated into Victorville Water District. The City performed the calculation that demonstrated compliance with rate covenant for the fiscal year ended June 30, 2023. The calculation was prepared using revenues and the proportionate expenses applicable to the Baldy Mesa Water District and is included in Note 10.

The 2022A&B Electric Revenue Bonds require that the City generate sufficient net revenues which are at least equal to 115% of the debt service on all outstanding bonds and outstanding parity obligations coming due and payable in each fiscal year. The City performed the calculation that demonstrated compliance with rate covenant for the fiscal year ended June 30, 2023. The calculation was prepared using revenues and the proportionate expenses applicable to the Electric Enterprise Fund and is included in Note 10.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 BUSINESS-TYPE LONG-TERM LIABILITIES (CONTINUED)**

**Debt Service Requirements to Maturity**

The annual requirements to amortize outstanding proprietary funds debt of the City as of June 30, 2023, are as follows for each fiscal year ending June 30:

Year Ending June 30.	Tax Allocation Bonds	Tax Allocation Bonds	Certificate of Participation	Certificate of Participation	Revenue Refunding Bonds	Revenue Refunding Bonds
	Principal *	Interest	Principal	Interest	Principal	Interest
2024	\$ 6,885,000	\$ 14,555,859	\$ 425,000	\$ 377,226	\$ 1,525,000	\$ 2,142,137
2025	7,245,000	14,184,559	445,000	358,304	1,595,000	2,076,867
2026	7,630,000	13,792,810	465,000	338,511	1,665,000	2,005,411
2027	8,035,000	13,379,169	485,000	317,849	1,740,000	1,927,489
2028	8,455,000	12,942,639	505,000	295,938	1,945,000	1,841,272
2029-33	49,610,000	57,879,636	2,910,000	1,094,263	11,300,000	7,635,250
2034-38	65,345,000	40,602,179	2,890,000	297,750	14,415,000	4,514,000
2039-43	86,570,000	18,591,969	-	-	3,330,000	1,615,750
2044-48	58,771,157	76,802,744	-	-	-	1,449,250
2049-2051	88,263,843	43,035,156	-	-	6,820,000	1,159,400
Subtotal	386,810,000	305,766,720	8,125,000	3,079,840	44,335,000	26,366,826
Discounts/Premiums	(2,000,328)	-	80,504	-	1,870,459	-
Total	<u>\$ 384,809,672</u>	<u>\$ 305,766,720</u>	<u>\$ 8,205,504</u>	<u>\$ 3,079,840</u>	<u>\$ 46,205,459</u>	<u>\$ 26,366,826</u>

\* This total includes capital appreciation of \$104,677,126 for tax allocation bonds that will be accrued in the future years.

**NOTE 9 SUCCESSOR AGENCY LONG-TERM LIABILITIES**

**Changes in Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Due Within One Year
Redevelopment Agency Debt:					
Other Debt:					
Tax Allocation Bonds:					
2002A Tax Allocation Bonds	\$ 4,955,000	\$ -	\$ (395,000)	\$ 4,560,000	\$ 410,000
2003A Tax Allocation Bonds	5,240,000	-	(415,000)	4,825,000	440,000
2003B Tax Allocation Bonds	2,575,000	-	(205,000)	2,370,000	215,000
2006A Tax Allocation Bonds	16,615,000	-	(560,000)	16,055,000	595,000
Total	<u>\$ 29,385,000</u>	<u>\$ -</u>	<u>\$ (1,575,000)</u>	<u>\$ 27,810,000</u>	<u>\$ 1,660,000</u>

**Tax Allocation Bonds**

**2002 Tax Allocation Bonds, Series A**

In August 2002, the Redevelopment Agency issued \$9,710,000 principal amount of Tax Allocation Bonds, Series A. The proceeds were used to finance certain redevelopment activities within and of the benefit to the project area.

Bonds maturing in the years 2003 to 2021 are serial bonds payable December 1 in annual installments of \$80,000 to \$290,000. Bonds maturing on December 1, 2014, December 1, 2031, and December 1, 2031 in the amounts of \$455,000, \$1,545,000, and \$3,890,000 are term bonds. The outstanding bonds (serial and term) bear interest at 3.00% to 5.14% due December 1 of each year.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 SUCCESSOR AGENCY LONG-TERM LIABILITIES (CONTINUED)**

**Tax Allocation Bonds (Continued)**

**2002 Tax Allocation Bonds, Series A (Continued)**

The bonds are subject to redemption prior to maturity as described in the bond covenants. The serial bonds maturing on December 1, 2013, are subject to optional redemption in whole or in part by lot, with premium of 2%, 1%, and 0% for periods December 1, 2012 to November 30, 2013, December 1, 2013 to November 30, 2014, and December 1, 2014 and thereafter, respectively.

The term bonds maturing on December 1, 2014, December 1, 2031, and December 1, 2031, are subject to mandatory redemption in part by lot, without premium commencing December 1, 2005, December 1, 2015, and December 1, 2022, respectively, from sinking fund payments made by the Agency.

As of June 30, 2023, the required reserve for the was met with fiscal agent cash and an insurance policy. The bonds are payable solely from the tax revenues allocated and paid to the Victorville Redevelopment Agency with respect to the Redevelopment Project Area - see Note 10. The amount of bonds outstanding at June 30, 2023 is \$4,560,000.

**2003 Tax Allocation Bonds, Series A**

In September 2003, the Redevelopment Agency issued \$10,195,000 principal amount of Tax Allocation Bonds, Series A. The proceeds were used to refund the 1994 Tax Allocation Bonds, Series A, as well as finance certain redevelopment activities within and of the benefit to the project area.

Bonds maturing in the years 2004 to 2020 are serial bonds payable December 1 in annual installments of \$95,000 to \$380,000. Bonds maturing on December 1, 2023, December 1, 2027, and December 1, 2031 in the amounts of \$1,250,000, \$1,975,000, and \$2,410,000, respectively, are term bonds. The outstanding bonds (serial and term) bear interest at 3.00% to 5.09% due December 1 of each year.

The term bonds maturing on December 1, 2023, December 1, 2027, and December 1, 2031, are subject to mandatory redemption in part by lot, without premium commencing December 1, 2021, December 1, 2024, and December 1, 2028, respectively, from sinking fund payments made by the Agency.

As of June 30, 2023, the required reserve for the Bonds was met with fiscal agent cash and an insurance policy. The bonds are payable solely from the tax revenues allocated and paid to the Victorville Redevelopment Agency with respect to the Redevelopment Project Area - see Note 10. The amount of bonds outstanding at June 30, 2023 is \$4,825,000.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 SUCCESSOR AGENCY LONG-TERM LIABILITIES (CONTINUED)**

**Tax Allocation Bonds (Continued)**

**2003 Tax Allocation Bonds, Series B**

In September 2003, the Redevelopment Agency issued \$5,025,000 principal amount of Tax Allocation Bonds, Series B. The proceeds were used to refund the 1994 Tax Allocation Bonds, Series C, as well as finance certain redevelopment activities within and of the benefit to the project area.

Bonds maturing in the years 2004 to 2022 are serial bonds payable December 1 in annual installments of \$60,000 to \$205,000. Bonds maturing on December 1, 2027 and December 1, 2031 in the amounts of \$1,185,000 and \$1,185,000, respectively, are term bonds. The outstanding bonds (serial and term) bear interest at 3.00% to 5.09% due December 1 of each year.

The term bonds maturing on December 1, 2027 and December 1, 2031 are subject to mandatory redemption in part by lot, without premium commencing December 1, 2023 and December 1, 2028 respectively, from sinking fund payments made by the Agency.

As of June 30, 2023, the required reserve for the Bonds was met with fiscal agent cash and an insurance policy. The bonds are payable solely from the tax revenues allocated and paid to the Victorville Redevelopment Agency with respect to the Redevelopment Project Area - see Note 10. The amount of bonds outstanding at June 30, 2023 is \$2,370,000.

**2006 Taxable Tax Allocation Parity Bonds, Series A**

In May 2006, the Redevelopment Agency issued \$22,975,000 principal amount of Taxable Tax Allocation Parity Bonds, Series A. The proceeds were used to finance certain redevelopment activities benefiting the project area.

Bonds maturing on December 1, 2011, December 1, 2021, and December 1, 2036 in the amounts of \$2,185,000, \$4,175,000, and \$16,615,000, respectively, are term bonds. The outstanding bonds bear interest at 5.375% to 6.000% due June 1 and December 1 of each year. The bonds are subject to redemption prior to maturity as described in the bond covenants.

The bonds maturing on December 1, 2011, December 1, 2021, and December 1, 2036 are subject to mandatory redemption in part by pro rata, without premium commencing December 1, 2006, December 1, 2012, and December 1, 2022 respectively, from sinking fund payments made by the Agency.

As of June 30, 2023, the required reserve for the Bonds was met with fiscal agent cash and an insurance policy. The bonds are payable solely from the tax revenues allocated and paid to the Victorville Redevelopment Agency with respect to the Redevelopment Project Area - see Note 10. The amount of bonds outstanding at June 30, 2023 is \$16,055,000.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 SUCCESSOR AGENCY LONG-TERM LIABILITIES (CONTINUED)**

**Debt Service Requirements to Maturity**

The annual requirements to amortize outstanding general long-term liabilities of the City as of June 30, 2023, are as follows for each fiscal year ending June 30:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,660,000	\$ 1,521,006
2025	1,745,000	1,429,231
2026	1,840,000	1,332,556
2027	1,940,000	1,230,575
2028	2,045,000	1,123,034
2029-33	12,030,000	3,749,697
2034-37	6,550,000	485,100
Total	<u>\$ 27,810,000</u>	<u>\$ 10,871,200</u>

**Advances To/From the Former Victorville Redevelopment Agency**

The composition of advances to or from the former Victorville RDA as of June 30, 2023, is as follows:

<u>Fund Reporting Receivable</u>	<u>Fund Reporting Payable</u>	<u>Amount</u>
Housing Asset Successor		
Special Revenue Fund	RDA Successor Agency	\$ 13,057,738 a)
General Fund	RDA Successor Agency	123,171 b)
RDA Successor Agency	SCLAA Enterprise Fund	11,267,089 c)
	Total	<u>\$ 24,447,998</u>

a) The former Victorville Redevelopment Agency (RDA) entered into three agreements in which the Low- and Moderate-Income Fund (Low/Mod) advanced money to other funds within the RDA to fund the cost of redevelopment activity and capital improvements. In association with the RDA dissolution and Housing Asset Transfer process the Department of Finance approved the transfer of these advances to the City's Housing Asset Successor. The outstanding balance of these three advances as of June 30, 2023 is \$13,057,738, and the terms of each are described below:

- i) Per a loan agreement approved March 16, 2010 by the Board of the Victorville RDA, a \$3,750,000 was made from the Low/Mod Fund to the Victor Valley Project Area Non-Housing Fund. The advance is to be used to cover necessary redevelopment activities of the Victor Valley Project Area. The advance bears interest at 3% using the simple interest method in accordance with SB-107. The outstanding balance of the advance as of June 30, 2023, is \$5,605,402.
- ii) Per a loan agreement approved on May 20, 2010, a \$300,000 advance was made from the Bear Valley Road Low/Mod fund to the Old Town/Midtown Project Area. The advance is to be used to fund redevelopment activities within the Old Town/Midtown Project Area. The advance bears interest at 3% using the simple interest method in accordance with SB-107. The outstanding balance of the advance as of June 30, 2023, is \$516,000.



**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 SUCCESSOR AGENCY LONG-TERM LIABILITIES (CONTINUED)**

**Advances To/From the Former Victorville Redevelopment Agency (Continued)**

- iii) Per a loan agreement approved on May 4, 2010, a \$5,000,000 advance was made from the Low/Mod Fund to the Victor Valley Project Area Non-Housing Fund. The advance is to be used to partially fund the Supplemental Educational Revenue Augmentation Fund (SERAF) payment. The advance bears interest at 3% using the simple interest method in accordance with SB-107. The outstanding balance of the advance as of June 30, 2023, is \$6,936,336.
  
- b) The General Fund provided funds for the former Victorville RDA of \$123,171 for fiscal year 2022-2023 administrative costs for which RPTTF was unavailable. No interest is charged on this loan and it will be repaid from future RPTTF once it is placed on a future ROPS for repayment.
  
- c) Southern California Logistics Airport Authority (SCLAA) entered into an agreement to borrow money from the Victorville Redevelopment Agency to fund the cost of redevelopment activity and prior years' capital improvements and redevelopment projects that were incurred by the SCLAA in prior years.

Per a loan agreement approved on September 15, 2009 by the Board of Victorville RDA, a \$10,000,000 advance was made from the Bear Valley Road Redevelopment Project Area (RDA Capital Project Fund) to the SCLAA. The advance is to be used to continue redevelopment at SCLAA and to fund prior years' capital improvements and redevelopment project expenses. The advance bears interest at 3% using the simple interest method in accordance with SB-107. The outstanding balance of the advance as of June 30, 2023, is \$11,267,089. Due to the uncertainty on when sufficient tax increment will be available to make payments on this loan, the obligation has not yet been included on the ROPS to request funding for repayment. In future fiscal years, the loan will be added to the ROPS. Considering the uncertainty of the timing of repayment and the lack of prior approval by the California Department of Finance of this obligation, as of June 30, 2023, the receivable within the Successor Agency to the Victorville RDA Fiduciary Fund has an allowance of an equal amount.

**NOTE 10 PLEDGED REVENUE**

The City and its component units have a number of debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes.

The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 PLEDGED REVENUE (CONTINUED)**

As a result of the state’s action to dissolve all redevelopment agencies in the state of California, the Successor Agency to the dissolved Redevelopment Agency of the City no longer receives the full amount of tax increment previously pledged by the dissolved redevelopment agency to its bondholders. In its place is a new revenue stream (RPTTF distributions) provided to the Successor Agency that represents only that portion of tax increment that is necessary to pay the approved enforceable obligations that come due for that fiscal year. The aforementioned statutory limitation on tax increment distributions also applies to the VVEDA funding that represents the primary revenue of the SCLAA.

Also, as noted previously, the 2006 Certificates of Participation result in a pledge of the net revenues of the Victorville Water District Enterprise Fund and the 2022A&B Electric Revenue Bonds result in a pledge of the net revenues of the Electric Utility Enterprise Fund.

For the current year, pledged gross revenue (net of certain expenses where so required by the debt agreement) as a percentage of debt service payments are indicated in the table below:

Description of Pledged Revenue	Annual Amount of Pledged Revenue (Net of Expenses, Where Required)	Annual Debt Service Payment (of All Debt Secured by This Revenue)	Debt Service as a Percentage of Pledged Revenue	Coverage
Property Tax Increment pledged by the Successor Agency of the Victorville Redevelopment Agency	\$ 3,305,842	\$ 3,183,159	96%	104%
Property Tax Increment and Other Revenue Pledged by the Southern California Logistics Airport Authority	22,582,823	21,456,577	95%	105%
Net Revenues Pledged by the Victorville Water District for the 2006 Certificates of Participation	1,570,863	805,388	51%	195%
Net Revenues Pledged by the City of Victorville for the 2022 Electric Revenue Bonds	8,748,878	3,845,634	44%	228%

It should be noted that the coverage ratios identified above are calculated based on Pledged Revenues, which represent the potential funds that VVEDA may be able to access for debt service, if needed. These financial statements report the coverage ratio based on revenue received. Because Dissolution Law restricts Successor Agencies from receiving more revenue than is needed for enforceable obligations, these financial statements will generally show coverage ratios of approximately 1.00, and potentially less than 1.00, if revenues from prior years are retained.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 FUND DISCLOSURES**

The following funds had deficit fund balances/net position as of June 30, 2023:

	<u>Deficit Fund Balance</u>
Major Special Revenue Funds:	
COVID-19 Funds	\$ (4,367,181) (a)
Nonmajor Special Revenue Funds:	
Other Federal Grants Fund	(8,379,605) (a)
Enterprise Funds:	
SCLAA	(107,158,027) (b)
Electric Utility Fund	(14,778,447) (c)

- (a) The deficit fund balance in this fund is the result of grant expenditures being incurred during the fiscal year while the related reimbursements were collected outside the City's availability period.
- (b) See Note 20 for further information regarding the deficit balance in the SCLAA fund.
- (c) The deficit fund balance in the Electric Utility Fund is primarily the result of an impairment on capital assets that was recognized in prior years and a transfer out of \$17,850,143 to the General Fund in fiscal year 2018-2019 for reimbursement of historical start-up costs paid from the General Fund. The City has refinanced the old debt and a cost-of-service study was completed to ensure sufficient revenues will be collected to cover the long-term liabilities.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 PENSION PLANS**

**General Information about the Pension Plans**

**Plan Descriptions**

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, agent multiple-employer defined benefit pension plan, or the City's Safety plan, a cost-sharing multiple-employer defined benefit pension plan, both administered by California Public Employees' Retirement System (CalPERS). For the Miscellaneous Plan, CalPERS acts as a common investment and administrative agent for its participating member employers and the Plan is included within the Public Employees' Retirement Fund A (PERF A). The CalPERS Safety Plan consists of safety pools (referred to as "risk pools"), which are comprised of individual employer safety rate plans. The risk pools are included within the Public Employees' Retirement Fund C (PERF C). The CalPERS Safety Plan was closed to new entrants until the measurement period ended June 30, 2022, which is the time period in which the City ceased outsourcing the safety function of the City. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**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 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least five years of services. PEPRM miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for nonduty disability benefits after five 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. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 PENSION PLANS (CONTINUED)**

**General Information about the Pension Plans (Continued)**

Benefits Provided (Continued)

The Plan's provisions and benefits in effect as of the measurement period ended June 30, 2022, are summarized as follows:

	<u>Miscellaneous</u>	
	<u>Prior to January 1, 2013</u>	<u>on or after January 1, 2013</u>
Hire Date		
Benefit Formula	2.5%@55	2.0%@62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 to 55	52 to 67
Required Employee Contribution Rates	8.00%	6.75%
Required Employer Contribution Rates:		
Normal Cost Rate	10.34%	10.25%
Payment of Unfunded Liability	\$4,900,766	N/A

	<u>Safety</u>	
	<u>Prior to January 1, 2013</u>	<u>on or after January 1, 2013</u>
Hire Date		
Benefit Formula	2.0%@50	2.7%@57
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 to 55	52 to 57
Required Employee Contribution Rates	9.00%	13.75%
Required Employer Contribution Rates:		
Normal Cost Rate	20.97%	13.66%
Payment of Unfunded Liability	\$1,139,072	\$3,154

Employees Covered

As of the June 30, 2022 measurement date, the following employees were covered by the benefit terms for the Miscellaneous Plan:

	<u>Miscellaneous</u>
Active Employees	340
Inactive Employees or Beneficiaries Currently Receiving Benefits	404
Inactive Employees Entitled to, But Not Yet Receiving Benefits	313
Total	<u>1,057</u>

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 PENSION PLANS (CONTINUED)**

**General Information about the Pension Plans (Continued)**

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. For the fiscal year ended June 30, 2023, the City contributed \$8,144,580 and \$2,154,542 to the miscellaneous and safety plans, respectively, which results in total contributions of \$10,299,122.

**Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Relation to Pensions**

Actuarial Assumptions

The total pension liability for both the Miscellaneous and Safety Plans for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The total pension liability for both the Miscellaneous and Safety Plans was based on the following assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

(3) The lesser of contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 PENSION PLANS (CONTINUED)**

**Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources  
Relation to Pensions (Continued)**

**Long-Term Expected Rate of Return**

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return (a) (b)</u>
Global Equity - Cap-weighted	30.00 %	4.54 %
Global Equity - Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	<u>100.00 %</u>	

(a) An expected inflation of 2.30% used for this period

(b) Figures are based on the 2021 Asset Liability Management study.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 PENSION PLANS (CONTINUED)**

**Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources  
Relation to Pensions (Continued)**

**Changes in Net Pension Liability – Miscellaneous Agent Multiple-Employer Plan**

The changes in the net pension liability for the Miscellaneous Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at June 30, 2021 (MD)	\$ 227,174,475	\$ 190,947,409	\$ 36,227,066
Changes Recognized for the Measurement Period:			
Service Cost	4,702,701	-	4,702,701
Interest on Total Pension Liability	15,892,288	-	15,892,288
Change in Assumptions	8,923,031	-	8,923,031
Differences between Expected and Actual Experience	(3,062,363)	-	(3,062,363)
Contributions from the Employer	-	6,751,004	(6,751,004)
Contributions from the Employees	-	2,011,858	(2,011,858)
Net Investment Income	-	(14,410,875)	14,410,875
Benefit Payments, including Refunds of Employee Contributions	(10,126,951)	(10,126,951)	-
Administrative Expenses	-	(118,949)	118,949
Balance at June 30, 2022 (MD)	<u>\$ 243,503,181</u>	<u>\$ 175,053,496</u>	<u>\$ 68,449,685</u>

**Proportionate Share of Net Pension Liability – Safety Cost-Sharing Plan**

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the collective net pension liability of the Safety Plan as follows:

	Proportionate Share of Net Pension Liability
Safety	<u>\$ 13,813,980</u>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The City's proportionate share of the net pension liability 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.



**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 PENSION PLANS (CONTINUED)**

**Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources  
Relation to Pensions (Continued)**

Proportionate Share of Net Pension Liability – Safety Cost-Sharing Plan (Continued)

The City's proportionate share of the net pension liability for each Plan as of the measurement date ended June 30, 2021 and 2022, was as follows:

	<u>Safety</u>
Proportion - June 30, 2021	0.21104%
Proportion - June 30, 2022	0.20103%
Change - Increase (Decrease)	-0.01001%

**Pension Expense and Deferred Outflows and Inflows of Resources**

Miscellaneous Agent Multiple-Employer Plan

For the year ended June 30, 2023, the City recognized pension expense of \$10,175,938 for the Miscellaneous agent multiple-employer Plan. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the Miscellaneous Plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to the Measurement Date	\$ 8,144,580	\$ -
Changes in Assumptions	6,444,411	-
Differences Between Expected and Actual Experience	1,646,592	(2,211,707)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>8,823,095</u>	<u>-</u>
Total	<u>\$ 25,058,678</u>	<u>\$ (2,211,707)</u>

\$8,144,580 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 year ending June 30, 2024. Differences between projected and actual investment earnings are amortized on a five-year straight-line basis and all other amounts are amortized over the expected average remaining service lives of all members that are provided with benefits. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period <u>Ending June 30,</u>	<u>Deferred Inflows of Resources</u>
2024	\$ 4,185,953
2025	3,407,656
2026	1,606,094
2027	5,502,688
2028	-
Thereafter	-

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 PENSION PLANS (CONTINUED)**

**Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Relation to Pensions (Continued)**

**Pension Expense and Deferred Outflows and Inflows of Resources (Continued)**

**Safety Cost-Sharing Plan**

For the year ended June 30, 2023, the City recognized pension expense of \$997,551 for the Safety cost-sharing Plan. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the Safety Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to the Measurement Date	\$ 2,154,542	\$ -
Differences Between Expected and Actual Experiences	571,711	(150,009)
Changes in Assumptions	1,392,867	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,181,421	-
Changes in Proportion and Differences Between Employer Contributions and Employer's Proportionate Share of Contributions	65,265	(129,880)
Total	\$ 6,365,806	\$ (279,889)

\$2,154,542 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 year ending June 30, 2024. Differences between projected and actual investment earnings are amortized on a five-year straight-line basis and all other amounts are amortized over the expected average remaining service lives of all members that are provided with benefits. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period <u>Ended June 30,</u>	Deferred Inflows of Resources
2024	\$ 1,152,361
2025	914,344
2026	533,974
2027	1,330,696
2028	-
Thereafter	-

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 PENSION PLANS (CONTINUED)**

**Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources  
Relation to Pensions (Continued)**

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

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Discount Rate		
	1% Decrease (5.90%)	Current Rate (6.90%)	1% Increase (7.90%)
Miscellaneous Agent Multiple-Employer Plan	\$ 103,684,058	\$ 68,449,685	\$ 39,636,212
Safety Cost-Sharing Plan	20,575,925	13,813,980	8,287,617

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separate issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2023, the City had no outstanding amount of contributions to the Miscellaneous Agent Multiple-Employer or Safety Cost-Sharing pension plans required for the year ended June 30, 2023.

Summary of Plan Amounts for Government-Wide Financial Statements

The following is a summary of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the Miscellaneous Agent Multiple-Employer Plan and the Safety Cost-Sharing Plan for the government-wide financial statements:

	Net Pension Liability	Deferred Outflows	Deferred Inflows
Miscellaneous Agent Multiple-Employer Plan	\$ (68,449,685)	\$ 25,058,678	\$ (2,211,707)
Safety Cost-Sharing Plan	(13,813,980)	6,365,806	(279,889)
Total	<u>\$ (82,263,665)</u>	<u>\$ 31,424,484</u>	<u>\$ (2,491,596)</u>

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 13 DEFERRED COMPENSATION**

As of January 1, 2021, employees shall be eligible to transfer up to \$20,500 of annual salary per year into a City-approved Deferred Compensation Plan; employees 50 years of age and above are allowed a catch-up provision of \$6,500. An additional standard provision is available to employees who are planning on retiring within three years. Under this provision, funds not utilized may be contributed the year prior to retirement. Deferred Compensation funds may be accessed through a loan program. A 401(a) Defined Contribution Plan is available for new full-time employees who may elect an employee contribution, under Section 401(a) of the IRC. The plan document allows a 60-day period for the individuals to make an election from the initial date of hire. Pursuant to Federal Regulations, effective December 31, 2009, existing full-time employees may not enroll or modify an existing 401(a) plan. The City makes no contribution to the plan on behalf of the members and the City has no liability for losses under the plan.

The City has established a deferred compensation plan through Great-West Life and Annuity Insurance Company in accordance with IRC Section 457(b), whereby the City employees may elect to defer portions of their compensation in a self-directed investment plan for retirement. The City makes no contribution to the plan on behalf of the members except for those specific positions as noted below. Plan assets are invested in each individual's name with several deferred compensation plan providers. Distributions are made upon the participant's termination, retirement, death, or total disability, and in a manner in accordance with the election made by the participant. The City has no liability for losses under the plan.

The following Victorville Fire Department positions will receive employer contributions per month: Fire Chief \$800, Division Chief \$750, Battalion Chief \$750, Fire Marshal \$750, Fire Training Captain Officer \$600, Fire Captain \$600, Fire Engineer \$250, and Firefighter Paramedic \$150. In accordance with the Memorandum of Understanding adopted May 17, 2022, "...the existing deferred compensation structure for all represented classifications will be phased out and will not apply to recruitments started after July 1, 2022. Those represented employees as of July 1, 2022, will be "grandfathered" into the existing deferred compensation structure." For the fiscal year ended June 30, 2023, the City contributed \$226,425 for covered payroll totaling \$8,735,716.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 14 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS**

The City of Victorville contributes to two single employer defined benefit healthcare plans: City Retiree Healthcare Plan (City Plan) and Water District Retiree Healthcare Plan (District Plan). The plan description and other related information for each plan are included below.

**Other Postemployment Benefits Plan – City Plan**

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

**Plan Descriptions**

The City Plan provides medical benefits to eligible retired City employees and beneficiaries in accordance with various labor agreements. The plan covers employees who retire directly from the City with eight years of service. The City provides a contribution up to a certain amount (a portion of the Health Net HMO single premium). The percentage varies based on years of City service.

**Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by City Council. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). The City has not established a trust that is administered by the City for the purpose of holding assets accumulated for plan benefits.

**Employees Covered**

As of the June 30, 2022 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Active Employees	329
Inactive Employees or Beneficiaries Currently Receiving Benefits	64
Inactive Employees Entitled to, But Not Yet Receiving Benefits	159
Total	<u><u>552</u></u>

**Contributions**

The City Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units.

The annual contribution is based on the year’s retiree medical premiums (pay-as-you-go basis). For the fiscal year ended June 30, 2023, the City’s cash contributions were \$326,948 for current premiums, administrative costs of \$1,935, and the estimated implied subsidy was \$166,000 resulting in total payments of \$494,883.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 14 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)**

**Other Postemployment Benefits Plan – City Plan (Continued)**

Total OPEB Liability

The City's Total OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022.

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	3.54%
Inflation	2.50%
Salary Increases	2.75% per annum, in aggregate
Investment Rate of Return	N/A
Mortality, Retirement, Disability, and Termination	2000-2019 Experience Study
Mortality Improvement	Postretirement mortality projected fully generational with Scale MP-2021
Healthcare Trend Rate	Non-Medicare: 8.5% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.5% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. The discount rate is determined based on the Bond Buyer 20-bond index since the City has not established a trust.

Changes in Actuarial Assumptions

The following actuarial assumption changes occurred from the measurement periods ended June 30, 2021 to 2022:

- The discount rate changed from 2.16% to 3.54% based on changes in the index.
- Inflation was lowered from 2.75% to 2.50%.
- The healthcare trend rate was updated as follows: Non-Medicare increased from 7.0% to 8.5%; Medicare (Non-Kaiser) increased from 6.1% to 7.5%; and Medicare (Kaiser) increased from 7.0% to 6.25%.
- Demographic assumptions were updated from the CalPERS 1997-2015 Experience Study to the CalPERS 2000-2019 Experience Study.
- Mortality improvement was updated from Scale MP-2020 to Scale MP-2021.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 14 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)**

**Other Postemployment Benefits Plan – City Plan (Continued)**

Changes in the Total OPEB Liability

The changes in the total OPEB liability for the City Plan are as follows:

	Total OPEB Liability
Total OPEB Liability at June 30, 2021 (MD)	\$ 30,495,802
Service Cost	2,334,220
Interest	704,405
Differences Between Expected and Actual Experience	(3,673,118)
Changes of Assumptions	(5,816,473)
Benefit Payments	(437,336)
Net Changes	(6,888,302)
Total OPEB Liability at June 30, 2022 (MD)	\$ 23,607,500

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

The following presents the total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Discount Rate		
	1% Decrease (2.54%)	Current Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 27,940,679	\$ 23,607,500	\$ 20,152,933

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

The following presents the total OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower (Non-Medicare: 7.5% for 2024 decreasing to 2.45% in 2076; Medicare (Non-Kaiser): 6.5% for 2024, decreasing to an ultimate rate of 2.45% in 2076; Medicare (Kaiser): 5.25% for 2024, decreasing to an ultimate rate of 2.45% in 2076) or one percentage point higher (Non-Medicare: 9.5% for 2024 decreasing to 4.45% in 2076; Medicare (Non-Kaiser): 8.5% for 2024, decreasing to an ultimate rate of 4.45% in 2076; Medicare (Kaiser): 7.25% for 2024, decreasing to an ultimate rate of 4.45% in 2076) than the current rate:

	Healthcare Trend Rate		
	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$ 19,465,512	\$ 23,607,500	\$ 29,055,712

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in the total OPEB liability are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are recognized in future OPEB expense.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 14 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)**

**Other Postemployment Benefits Plan – City Plan (Continued)**

Recognition of Deferred Outflows and Deferred Inflows of Resources (Continued)

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

Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	5 Years
All Other Amounts	Expected average remaining service lifetime (EARSL) (9.8 Years at June 30, 2022 measurement date)

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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$1,477,277. As of the fiscal year ended June 30, 2023, the City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions Subsequent to the Measurement Date	\$ 494,883	\$ -
Differences Between Expected and Actual Experience	-	(7,431,258)
Changes of Assumptions	4,106,616	(6,947,590)
Total	\$ 4,601,499	\$ (14,378,848)

\$494,883 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as expense as follow:

Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources
2024	\$ (1,562,708)
2025	(1,562,708)
2026	(1,562,704)
2027	(1,173,488)
2028	(815,704)
Thereafter	(3,594,920)

Payable to the OPEB Plan

At June 30, 2023, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2023.



**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 14 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)**

**Other Postemployment Benefits Plan – Water District Plan**

Plan Descriptions

The District Plan provides medical benefits to eligible retired Water District employees and beneficiaries in accordance with various labor agreements. The plan covers employees who retire directly from the District with five years of service. The District Plan also provides Dental and Vision benefits to eligible former Water District employees with 15 years of service. The District also pays life insurance premium for eight Water District retirees and no benefit is available for future retirees. The District provides a contribution up to a certain amount (a portion of the Health Net HMO single premium). The percentage varies based on years of service.

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by City Council. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). The District has not established a trust for the purpose of holding assets accumulated for plan benefits.

Employees Covered

As of the June 30, 2022 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Active Employees	85
Inactive Employees or Beneficiaries Currently Receiving Benefits	38
Inactive Employees Entitled to, But Not Yet Receiving Benefits	6
Total	129

Contributions

The District Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the District and the bargaining units.

The annual contribution is based on the year’s retiree medical premiums (pay-as-you-go basis). For the fiscal year ended June 30, 2023, the District’s cash contributions were \$247,663 for current premiums, administrative costs of \$965, and the estimated implied subsidy was \$66,000 resulting in total payments of \$314,628.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 14 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)**

**Other Postemployment Benefits Plan – Water District Plan (Continued)**

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022.

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	3.54%
Inflation	2.50%
Salary Increases	2.75% per annum, in aggregate
Investment Rate of Return	N/A
Mortality, Retirement, Disability, and Termination	2000-2019 Experience Study
Mortality Improvement	Postretirement mortality projected fully generational with Scale MP-2021
Healthcare Trend Rate	Non-Medicare: 8.5% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.5% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. The discount rate is determined based on the Bond Buyer 20-bond index since the District has not established a trust.

Changes in Actuarial Assumptions

The following actuarial assumption changes occurred from the measurement periods ended June 30, 2021 to 2022:

- The discount rate changed from 2.16% to 3.54% based on changes in the index.
- Inflation was lowered from 2.75% to 2.50%.
- The healthcare trend rate was updated as follows: Non-Medicare increased from 7.0% to 8.5%; Medicare (Non-Kaiser) increased from 6.1% to 7.5%; and Medicare (Kaiser) increased from 7.0% to 6.25%.
- Demographic assumptions were updated from the CalPERS 1997-2015 Experience Study to the CalPERS 2000-2019 Experience Study.
- Mortality improvement was updated from Scale MP-2020 to Scale MP-2021.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 14 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)**

**Other Postemployment Benefits Plan – Water District Plan (Continued)**

Changes in the Total OPEB Liability

The changes in the total OPEB liability for the District Plan are as follows:

	Total OPEB Liability
Total OPEB Liability at June 30, 2021 (MD)	\$ 12,528,232
Service Cost	626,941
Interest	281,198
Differences Between Expected and Actual Experience	987,796
Changes of Assumptions	(2,488,667)
Benefit Payments	(273,537)
Net Changes	(866,269)
Total OPEB Liability at June 30, 2022 (MD)	\$ 11,661,963

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

The following presents the total OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Discount Rate		
	1% Decrease (2.54%)	Current Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 13,625,698	\$ 11,661,963	\$ 10,082,917

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

The following presents the total OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower (Non-Medicare: 7.5% for 2024 decreasing to 2.45% in 2076; Medicare (Non-Kaiser): 6.5% for 2024, decreasing to an ultimate rate of 2.45% in 2076; Medicare (Kaiser): 5.25% for 2024, decreasing to an ultimate rate of 2.45% in 2076) or one percentage point higher (Non-Medicare: 9.5% for 2024 decreasing to 4.45% in 2076; Medicare (Non-Kaiser): 8.5% for 2024, decreasing to an ultimate rate of 4.45% in 2076; Medicare (Kaiser): 7.25% for 2024, decreasing to an ultimate rate of 4.45% in 2076) than the current rate:

	Healthcare Trend Rate		
	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$ 9,896,799	\$ 11,661,963	\$ 13,927,124

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in the total OPEB liability are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are recognized in future OPEB expense.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 14 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)**

**Other Postemployment Benefits Plan – Water District Plan (Continued)**

**Recognition of Deferred Outflows and Deferred Inflows of Resources (Continued)**

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

Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	5 Years
All Other Amounts	Expected average remaining service lifetime (EARSL) (8.1 Years at June 30, 2022 measurement date)

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$412,564. As of the fiscal year ended June 30, 2023, the District reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions Subsequent to the Measurement Date	\$ 314,628	\$ -
Differences Between Expected and Actual Experience	865,846	(1,285,944)
Changes of Assumptions	1,527,140	(2,699,394)
Total	<u>\$ 2,707,614</u>	<u>\$ (3,985,338)</u>

The \$314,628 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2024	\$ (496,247)
2025	(458,997)
2026	(246,056)
2027	9,782
2028	(48,948)
Thereafter	(351,886)

**Payable to the OPEB Plan**

At June 30, 2023, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2023.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 14 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)**

**Summary of OPEB Amounts for Government-Wide Financial Statements**

	Total OPEB Liability	Deferred Outflows	Deferred Inflows
City OPEB Plan	\$ (23,607,500)	\$ 4,601,499	\$ (14,378,848)
Water District OPEB Plan	(11,661,963)	2,707,614	(3,985,338)
Total	<u>\$ (35,269,463)</u>	<u>\$ 7,309,113</u>	<u>\$ (18,364,186)</u>

**NOTE 15 JOINTLY GOVERNED ORGANIZATIONS**

The City participates in certain jointly governed organizations that have been formally organized as separate entities under the Joint Exercise of Powers Act of the state of California. As separate legal entities, these entities exercise all of the powers within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts, and the right to sue and be sued. Each jointly governed organization is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective jointly governed organizations, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. The City of Victorville does not control appointments to a majority of the governing boards for any of these organizations. A summary of the City's jointly governed organizations are included below:

**Mojave Desert and Mountain Integrated Waste Management Authority**

Mojave Desert and Mountain Integrated Waste Management Authority (the Authority) was formed in September of 1991 by the cities of Victorville, Barstow, Big Bear Lake, Needles, Twentynine Palms, the Towns of Apple Valley and Yucca Valley, and the County of San Bernardino to fund the annual operating costs of a recycling processing center known as the Victor Valley Materials Recovery Facility (the facility). The Governing body of the Authority is made up of representatives from each significant participant in the Authority. Budgeting and financing are the responsibility of the Authority. Contribution rates from member agencies are based on each member's current population as a percentage of the total population of the Authority. The Authority does not own the facility that is used in the recycling operation. Rather, the facility is owned by the City and the Town of Apple Valley, each of which has a 50% interest in the facility. The City's investment in the Authority has been recorded using the equity method of accounting and is reflected as an investment in joint venture in the Solid Waste Fund of the accompanying financial statements.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 15 JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)**

**Mojave Desert and Mountain Integrated Waste Management Authority (Continued)**

The following schedule summarizes the City's investment in the Authority as of June 30, 2023 and the gain (loss) on the investment recognized in the statement of revenues, expenses, and changes in fund net position for the year ended June 30, 2023:

Percentage Ownership	Total Joint Venture Equity	City's Equity Interest	City's Share of Joint Venture Net Income (Loss)
50%	\$ 680,460	\$ 340,230	\$ (146,733)

Financial statements may be obtained by mailing a request to the Town of Apple Valley, 14955 Dale Evans Parkway, Apple Valley, California 92307.

**Victor Valley Economic Development Authority**

The Victor Valley Economic Development Authority (VVEDA) was formed in 1992 by the Cities of Victorville and Hesperia, the Town of Apple Valley, and the County of San Bernardino to provide the mechanism and funding to manage development of the property formerly known as the George Air Force Base, facilitate the successful reuse of the property, and promote economic development within the area surrounding the Air Base. In 2000, the City of Adelanto was added as a member of the Authority. In December 2011 Assembly Bill 1X 26 (the bill) dissolved VVEDA, and as such all assets of the former VVEDA have been transferred to the VVEDA Successor Agency and are subject to the distribution's provisions of the bill. The SCLAA contains a portion of the VVEDA Successor Agency with the Town of Apple Valley and City of Adelanto comprising the rest of the VVEDA Successor Agency. The RPTTF (tax increment distributions) from VVEDA represent the primary revenue of the SCLAA. Financial statements may be obtained by sending a written request to Victor Valley Economic Development Authority, 18374 Phantom Street, Victorville, CA 92394.

**Victor Valley Transit Authority**

The Victor Valley Transit Authority (VVTA) was formed in 1993 by the Cities of Victorville, Adelanto, and Hesperia, the Town of Apple Valley, and the County of San Bernardino. VVTA is the regional transit entity that was created to provide a public transit system for the entire region associated with the Victor Valley. The governing body of VVTA is made up of representatives from each significant participant in VVTA. Budgeting and financing are the responsibility of VVTA. The City of Victorville has agreed to sell monthly bus passes issued by VVTA and to remit between the first and tenth day of each month the previous month's sales receipts and proceeds. There is no resulting equity applicable to the City from this arrangement. Financial statements may be obtained by sending a written request to Victor Valley Transit Authority, 17150 Smoke Tree Street, Hesperia, CA 92345.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 15 JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)**

**Victor Valley Wastewater Reclamation Authority**

The Victor Valley Wastewater Reclamation Authority (VWVRA) was formed in 1999 between the Cities of Victorville, Adelanto, and Hesperia, the Town of Apple Valley, and the County of San Bernardino for the purpose of construction, operation, and maintenance of sewer collection, transmission, and treatment facilities within the high desert region. The governing body of VWVRA is made up of representatives of each significant participant in VWVRA. Budgeting and financing are the responsibility of the VWVRA. The City makes monthly payments to VWVRA for sewer treatment and connection fee services. The City made payments totaling \$12,864,849 to VWVRA for the year ended June 30, 2023. The members have no measurable equity interest in the net position of the Authority. Section 61 of the Joint Powers Authority Agreement provides for no distribution of assets to the members upon dissolution of the Authority or upon otherwise exiting the Authority. Rather than an equity interest, Section 12.2(b) of the Joint Powers Authority Agreement provides each member with Purchased Capacity in return for its capital investment in the plant. Financial statements may be obtained by sending a written request to Victor Valley Wastewater Reclamation Authority, 20111 Shay Road, Victorville, CA 92394.

**Consolidated Fire Agencies JPA (CONFIRE)**

In 2022, the City joined Consolidated Fire Agencies (CONFIRE), a Joint Powers Authority (JPA), located in San Bernardino County established to provide communications, dispatch, computer information systems support, and geographic information systems to CONFIRE members and contract agencies.

The CONFIRE Communications Center's (Comm Center) primary function is to provide 24-hour/365-day direct fire, EMS, and rescue dispatch services to CONFIRE's member and contract agencies. Beyond the direct fire dispatch role, Comm Center also functions as the San Bernardino County Operational Area dispatch, which provides large incident coordination for fire, local government, and emergency medical resources on a countywide basis. Comm Center also provides after-hours dispatch services for local government, i.e. County Public Health and Road Departments, and the City of Loma Linda.

Each member agency has one elected official that is appointed to the CONFIRE Board of Directors by the legislative body of each party. The Board of Directors is responsible for adopting the CONFIRE budget, for establishing assessments to member agencies, and for establishing overall fiscal policy. The Board also establishes the overall policy direction of CONFIRE and its operation and assures that the well-being and interests of each of the agencies or entities are maintained. Each Board member has one vote.

CONFIRE bills each member agency quarterly for the required fiscal contributions determined by the Board. In the fiscal year ended June 30, 2023, the City contributed \$1,324,313.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 15 JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)**

**Consolidated Fire Agencies JPA (CONFIRE) (Continued)**

In fiscal year 2022-2023, CONFIRE joined the San Bernardino County Employees' Retirement Association (SBCERA). Each member agency is jointly and severably liable for the entire retirement obligation and liability to SBCERA (San Bernardino County Employees' Retirement Association). With regard to other CONFIRE liabilities, each party is responsible for its pro-rata share of any obligation which was incurred at a time when that entity was a party.

In the case of a member withdrawal, notice of intent to withdraw must be presented in writing to the Chairperson of the Board of Directors of CONFIRE with proof of certified mail. No party may withdraw until they have either paid in full their pro-rata share of all outstanding debts and obligations that were incurred while they were a Party. This includes long-term debt, pension obligations and multi-fiscal-year debt. Or executed a contract with CONFIRE to pay for all outstanding debts and obligations incurred while they were a party.

CONFIRE can be dissolved and terminated by a Board vote of not less than 90% of the total parties at that time. No assets may be distributed until all outstanding debts and obligations have been resolved. Resolved means that each Party has (a) either paid their pro-rata share of all outstanding debts and obligations that were incurred while they were a Party; or (b) executed a contract with CONFIRE to pay for all outstanding debts and obligations incurred while they were a Party; and (c) all assets of CONFIRE will be distributed in proportion to the contributions of the Parties during the fiscal year of distribution.

**NOTE 16 PARTICIPATION IN RISK POOL**

The City is a member of the Public Entity Risk Management Authority (PERMA), a joint powers authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. PERMA is comprised of 31 participating member agencies, 21 cities with populations ranging from 2,300 to 198,000, 3 transit agencies, and 6 special districts. The City participates in the liability, workers' compensation, and employment practices liability programs of PERMA.

The liability program provides coverage up to \$50 million per occurrence for personal injury, bodily injury, property damage, and public officials' errors and omissions. The City has selected a self-insured retention of \$50,000 and participates in risk sharing pools for losses up to \$1 million followed by PERMA's membership in the CSAC Excess Insurance Authority for excess coverage to the limits.

The workers' compensation program provides statutory limits per accident for workers' compensation and \$5 million each accident for employers' liability. The City self-insures up to a level of \$250,000 per accident or employee and participates in a risk sharing pool for losses up to \$500,000 followed by PERMA's membership in the Local Agency Worker's Compensation Excess Joint Powers Authority (LAWCX) and the CSAC Excess Insurance Authority for excess coverage to the limits.



**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 16 PARTICIPATION IN RISK POOL (CONTINUED)**

The employment practices liability program provides up to \$50 million coverage for employment related lawsuits such as wrongful termination and discrimination. The City self-insures up to \$25,000 per occurrence and participates in the Employment Risk Management Authority (ERMA) for losses up to \$1 million. Coverage above \$1 million and up to \$50 million is available through PERMA's membership in the CSAC Excess Insurance Authority for excess liability coverage.

Claim payments represent disbursements from deposits held by PERMA on behalf of the City. None of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage for the past three years.

Changes in the amount of claims payable for the past two fiscal years are as follows:

Year	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance	Due Within One Year
2021-22	\$ 5,461,890	\$ 427,311	\$ (2,172,268)	\$ 3,716,933	\$ 1,490,000
2022-23	3,716,933	1,193,497	(1,353,717)	3,556,713	740,000

**NOTE 17 DEBT WITHOUT GOVERNMENT COMMITMENT**

**Special Tax Bonds**

The City is the collection and paying agent for the Community Facilities District No. 01-01 of the City of Victorville Special Tax Bonds, 2002 Series A and 2005 Series A. The special tax bonds are secured by valid assessment liens upon certain lands within the special assessment district and are not direct liabilities of the City and, accordingly, are not included in the accompanying general purpose financial statements. The City has no obligation beyond the balances in the designated custodial funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from bond proceeds, the City has no duty to pay the delinquency out of any available funds of the City. Neither the faith, credit, nor taxing power of the City is pledged to the payment of the bonds. The City acts solely as an agent for those paying assessments and for the bondholders. The outstanding balance at June 30, 2023, for the 2002 Series A and 2005 Series A was \$510,000 and \$1,950,000, respectively.

The City is the collection and paying agent for the Community Facilities District No. 07-01 of the City of Victorville Special Tax Bonds, 2012. The special tax bonds are secured by valid assessment liens upon certain lands within the special assessment district and are not direct liabilities of the City and, accordingly, are not included in the accompanying general purpose financial statements. The City has no obligation beyond the balances in the designated custodial funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from bond proceeds, the City has no duty to pay the delinquency out of any available funds of the City. Neither the faith, credit, or taxing power of the City is pledged to the payment of the bonds. The City acts solely as an agent for those paying assessments and for the bondholders. The outstanding balance at June 30, 2023 was \$2,525,000.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 18 COMMITMENTS AND CONTINGENCIES**

**A. Litigation**

The City is a defendant in certain legal actions arising in the normal course of operations. The accompanying basic financial statements reflect a liability for the probable amounts of loss associated with these claims. In the normal course of municipal operations, the City has recorded a liability for claims and judgments based upon management's best estimate of the probable amount of loss associated with those claims. Additional amounts of potential loss have not been accrued because management has not determined those additional amounts to be probable of payment.

**B. Commitments for the Purchase of Electricity**

Victorville Municipal Utility Services (VMUS, an enterprise fund of the City of Victorville) executed agreements for the purchase of electricity with Shell Energy North America (US), L.P. in March 2016. A commitment was executed on November 1, 2021 for the purchase of future electricity with Shell between January 1, 2023 through December 31, 2024. A long-term power purchase agreement for the Boulder Canyon Project was executed between VMUS, the Western Area Power Administration, and the Bureau of Reclamation, effective October 1, 2016. The annual energy allocation from the Boulder Canyon Project represents approximately 4% of current VMUS customer requirements, and the term of the agreement runs from October 1, 2017, through September 30, 2067. In November 2019, VMUS entered into an agreement with ZGlobal to contract for scheduling coordination and other settlement services through December 31, 2023.

On June 4, 2020, VMUS entered into a Power Purchase Agreement (PPA) with AM Wind Repower LLC (AM Wind) for the acquisition of renewable energy from the Alta Mesa RP27 Wind Energy Center located in Riverside County. The scheduled projected "Commercial Operation Date" is May 2024, which serves as the commencement date for the 25-year purchase obligation period in the total amount of \$41,380,000. The annual obligation is forecasted to be \$1,655,200 over the 25-year period. This power purchase agreement will supply 11 MW of renewable power to VMUS from the Alta Mesa RP27 Wind Energy Center for a fee of \$40 per megawatt-hour. This is in response to the California Renewable Portfolio Standard Regulations (RPS) that requires load serving entities (LSE) to procure eligible renewable energy resources (ERRs) so that the amount of electricity generated from ERRs equals or exceeds a specified percentage of the total electricity sold to retail customers in California. Beginning in 2021, at least 65% of the LSE's RPC compliance requirements must be procured from generation-owned resources or power purchase agreements that are least 10 years in duration.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 18 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**B. Commitments for the Purchase of Electricity (Continued)**

The City also entered into a Renewable Power Purchase and Sale Agreement with Gaskell West 2 LLC (Gaskell West 2), effective October 27, 2021 (the Gaskell West 2 PPA), for the purchase of renewable energy and battery storage from a 29 MW solar photovoltaic electric generating facility combined with a 20 MW/80 MWh lithium-ion battery storage facility, to be located in Kern County, California. The Gaskell West 2 solar project is under development by Recurrent Energy. Pursuant to the Gaskell West 2 PPA, the City has agreed to purchase a 10 MW share of the output of the project (as delivered), including all energy, environmental attributes and capacity attributes associated therewith, and an 8 MW interest in the battery energy storage system. The term of the Gaskell West 2 PPA is for 25 years from the commercial operation date for the power purchase and 20 years for the battery storage product.

**C. Southern California Logistics Airport Authority and Stirling Enterprise LLC**

In the early 1990s the U.S. Air Force closed George Air Force Base (former Base). In response the local communities formed the Victor Valley Economic Development Authority (VVEDA). VVEDA and the Air Force entered into agreements to lease and ultimately transfer title to the former Base to VVEDA. The subject land is designated as either Public Benefit Transfer (PBT) Parcels or Economic Development Conveyance (EDC) Parcels. The PBT Parcels are made up of approximately 2,200 acres previously used by the U.S. Air Force and are restricted to use as an airport. These parcels were transferred to SCLAA at no cost.

The EDC Parcels are made up of approximately 1,800 acres of adjacent property which may be developed for use as commercial property. SCLAA paid \$1,636,489 and is required to pay additional \$37,176 for these EDC Parcels. In 1993 a Redevelopment Plan was adopted by VVEDA establishing a redevelopment project area encompassing the former Base as well as approximately 55,000 additional acres. VVEDA delegated its decision-making authority relative to the former Base, now known as Southern California Logistics Airport or SCLA, to the Southern California Logistics Airport Authority (SCLAA). SCLAA is a component unit entity of the City of Victorville. It is also a Joint Power Authority comprised of the City of Victorville and the Victorville Water District.

SCLAA adopted a Specific Plan in conformity with the Redevelopment Plan and adopted a Master Development Plan establishing its goal to develop the area as a cargo and aircraft maintenance facility and a business/industrial center thereby creating jobs and improving economic conditions in the Victor Valley.

In July 1998 SCLAA and Stirling Enterprises, LLC and its related entities (Stirling) entered into the first of several agreements for the marketing, acquisition, operation and development of SCLAA. The Fourth Amended and Restated Master Agreement (Stirling Agreement) is the current agreement superseding all previous versions.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 18 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**D. Revenues from Sales of Land**

In August 2016, three agreements with Stirling were approved by the SCLAA Board of Directors that were intended to serve as a framework that encourages development before the expiration of the Master Agreement (MA). The three agreements are a Satisfaction and Termination Agreement, a Disposition, Exchange and Development Agreement (#2) and an Option and Development Agreement.

The Disposition, Exchange and Development Agreement allows for the removal of approximately 280 acres of Airport-owned property from the definition of EDC Parcels and the title transfer in fee to Stirling, of approximately 280 acres. The Airport-owned property will become available for the Airport for revenue-producing purposes and the Airport will have the flexibility to develop the subject property on a ground-lease basis with aviation and nonaviation (Section 2.01 of the Development and Exchange Agreement). Revenue sharing will only exist relating to these parcels if the respective transaction is procured by Stirling and be split 80/20 with the larger share to benefit SCLAA.

The Agreement also provides for the disposition of additional off-airport property. In addition to the Stirling Exchange Parcels, SCLAA will then transfer, in fee, 200 acres of property for the \$.0203/psf purchase price (\$176,448) and participate in revenue sharing for net proceeds in an amount equal to 30% (Section 2.03 of the Development and Exchange Agreement). Net proceeds are generally defined to be revenues generated from the eventual sale by Stirling that are residual to infrastructure costs, EIR costs and developer credits. The Agreement also transfers the public infrastructure obligations of the Authority pursuant to the MA and DDA to Stirling.

Finally, the Option Agreement, in connection with performance obligations related to the Development and Exchange Agreement, will provide Stirling the ability to acquire additional acreage currently provided for in the Master Agreement. Such an exercise of option will occur in 50-acre increments based on Stirling having developed 500,000 square feet of property owned by it. The Option Agreement is set up to run through December 2050 and can terminate sooner due to nonperformance described in Section 1.5 of the Option and Development Agreement.

**E. Management**

Stirling is allowed to lease or cause to be leased the EDC Parcels and shall participate in 20% of the Net Lease Revenue from any such leases. The Authority has retained the right to lease the PBT Parcels and retain revenues from those leases but shall allow Stirling to participate in 20% of any net lease revenues from tenants who may be procured by Stirling and approval by the Authority. Any revenues from other interim uses on the former Base such as filming will be shared on a 50%/50% basis between Stirling and the Authority.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 18 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**F. Construction Commitments**

The following material construction commitments existed at June 30, 2023:

<u>Project Title</u>	<u>Commitment</u>
CC21-102 BV Overhead Bridge at BNSF Railroad	\$ 3,025,922
CC23-020 Village Tawney Ridge Traffic Signal	360,752
CC23-024 Guard Rail (Fed fund)	10,553
CC23-033 Civic Area Pavement Rehabilitation	360,730
CC23-067 Sewer Main Lining for 2023	1,232,074
Wellness Center Phase 1	200,663

**NOTE 19 SALES TAX ABATEMENTS**

On September 7, 2012, the City Council approved a development agreement with Macerich Victor Valley LLC (Macerich), to further develop the Mall of the Victor Valley (the Mall) including the construction of a Macy’s department store. Under the Agreement the City is obligated to make assistance payments to Macerich equal to all sales tax revenue in excess of \$1,000,000 generated from the new retail operations directly resulting from the development efforts. Payments are to be made in June of each year following calculation of each calendar year’s sales tax revenue.

The agreement term is 28 years and includes a maximum assistance allowance of \$18,886,644. For the year ended June 30, 2023 the City did remit payments totaling \$408,960 to Macerich for sales tax revenue earned from January 2022 to December 2022. Additional payments are contingent upon the occurrence of uncertain future events, including the generation of sales tax revenue in excess of \$1,000,000 per year.

**NOTE 20 SCLAA’S FINANCIAL CONDITION, SIGNIFICANT FINANCIAL OBLIGATIONS, AND MANAGEMENT PLANS**

**Southern California Logistics Airport Authority (SCLAA)**

In fiscal year 08/09, the assessed value for the Victor Valley Redevelopment Project Area was approximately \$9.49 billion. Beginning in fiscal year 09/10, there were significant decreases in assessed value for the Victor Valley Redevelopment Project Area. Assessed values for the Project Area reached a low point of \$6.6 billion in fiscal year 12/13.

The decrease was largely the result of the Great Recession. Since fiscal year 12/13, assessed values have increased steadily. For fiscal year 20/21, the assessed value for the Project Area was approximately \$9.99 billion. In 2018, Moody’s issued an upgraded rating on the Successor Agency to the Victor Valley Economic Development Authority (VVEDA) Housing Set-Aside Tax Allocation Bonds and the Non-Housing Tax Allocation Bonds to “stable” outlook as a result of resolving the outstanding defaults, and the prospective analysis on increasing assessed values in the project area.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 20 SCLAA’S FINANCIAL CONDITION, SIGNIFICANT FINANCIAL OBLIGATIONS, AND MANAGEMENT PLANS (CONTINUED)**

During fiscal year 19/20 and 20/21, SCLAA had results that were not as favorable as fiscal year 18/19 with a net loss of \$3.5 million and \$2.5 million, respectively. However, in fiscal years 21/22 and 22/23, SCLAA had a positive net income of \$782,286 and \$15,894,051, respectively. A summary of the financial condition of the SCLAA enterprise fund is as follows:

	SCLAA Deficit Balance
Beginning Net Position	\$(123,650,976)
Net Income (Loss)	16,492,949
Ending Net Position	\$(107,158,027)

**Management’s Plans with Respect to its Financial Condition**

Management plans to ensure that annual expenditures do not exceed annual revenues and to build the reserves that are necessary to provide for economic uncertainties.

The City has continued to maintain a balance budget since 2007-2008 and all revenues are projected to cover current liabilities.

Regarding the SCLAA’s financial condition, an Interfund loan agreement was signed July 1, 2016, by the Board of SCLAA, and a \$10,000,000 advance was made available from the 2007 SCLA Housing bond fund to the Airport Operations Fund and has been used to subsidize operations. The advance has a term repayment of five years, with an annualized Wall Street Journal Prime Rate as the interest rate. In October 2022, the outstanding balance of the loan was repaid.

**NOTE 21 SUCCESSOR AGENCY TRUST FOR ASSETS OF THE 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 Victorville that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit. 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.

The Bill provided that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 17, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 12-005.

**CITY OF VICTORVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 21 SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

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

**NOTE 22 LEASES**

**General Fund**

The General Fund, acting as lessor, leases buildings and land under long-term, noncancelable lease agreements. The leases expire at various dates through 2123 and provide for renewal options ranging from 1 year to 55 years. Certain leases provide for increases in future minimum annual rental payments based on a defined percent in the contract or increases in the Consumer Price Index, subject to certain minimum increases.

During the year ended June 30, 2023, the General Fund recognized \$143,464 and \$80,142 in lease revenue and interest revenue, respectively, pursuant to these contracts.

**SCLAA Enterprise Fund**

The SCLAA, acting as lessor, leases buildings and land under long-term, non-cancelable lease agreements. The leases expire at various dates through 2056 and provide for renewal options ranging from 1 year to 55 years. During the year ended June 30, 2023, the SCLAA recognized \$8,159,454 and \$1,624,219 in lease revenue and interest revenue, respectively, pursuant to these contracts.

**CITY OF VICTORVILLE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 22 LEASES (CONTINUED)**

Certain leases provide for increases in future minimum annual rental payments based on a defined percent in the contract or increases in the Consumer Price Index, subject to certain minimum increases. Lease revenue comprises a majority of the SCLAA's operating revenues, therefore, this activity is considered to be the principal operation of the SCLAA. Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,770,582	\$ 1,784,891	\$ 9,555,473
2025	7,020,478	1,700,945	8,721,423
2026	6,996,082	1,644,500	8,640,582
2027	7,201,850	1,521,580	8,723,430
2028	7,553,445	1,312,066	8,865,511
2029-2033	30,788,077	4,412,609	35,200,686
2034 -2038	11,193,728	1,722,627	12,916,355
2039-2043	3,962,741	1,079,111	5,041,852
2044-2048	4,144,818	638,687	4,783,505
2049-2053	3,279,898	254,237	3,534,135
2054-2056	1,066,194	27,697	1,093,891
Total	<u>\$ 90,977,893</u>	<u>\$ 16,098,950</u>	<u>\$ 107,076,843</u>

**Sanitary Enterprise Fund**

The Sanitary Enterprise Fund, acting as lessor, leases a land under a long-term, noncancelable lease agreement. The lease expires in 2069 and provides for increases in future minimum annual rental payments based on increases in the Consumer Price Index, subject to certain minimum increases. During the year ended June 30, 2023, the Sanitary Enterprise Fund recognized \$-0- and \$51,447 in lease revenue and interest revenue, respectively, pursuant to this contract.



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF VICTORVILLE**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**DURING THE MEASUREMENT PERIOD (AGENT PLAN)**  
**LAST TEN FISCAL YEARS\***

Reporting Fiscal Year (Measurement Date)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
<b>Total Pension Liability:</b>					
Service Cost	\$ 4,702,701	\$ 4,361,938	\$ 3,917,361	\$ 3,878,156	\$ 3,925,313
Interest	15,892,288	15,327,363	14,388,003	13,664,664	12,780,111
Changes of Assumptions	8,923,031	-	-	-	(1,453,429)
Difference Between Expected and Actual Experience	(3,062,363)	3,594,527	901,693	3,533,778	1,426,643
Benefit Payments, Including Refunds of Employee Contributions	(10,126,951)	(9,405,164)	(8,563,342)	(8,131,659)	(7,556,833)
<b>Net Change in Total Pension Liability</b>	<b>16,328,706</b>	<b>13,878,664</b>	<b>10,643,715</b>	<b>12,944,939</b>	<b>9,121,805</b>
Total Pension Liability – Beginning	227,174,475	213,295,811	202,652,096	189,707,157	180,585,352
Total Pension Liability – Ending (a)	243,503,181	227,174,475	213,295,811	202,652,096	189,707,157
<b>Plan Fiduciary Net Position:</b>					
Plan to Plan Resource Movement	-	-	-	-	(332)
Contributions – Employer	6,751,004	5,963,725	5,479,864	4,590,346	4,017,440
Contributions – Employee	2,011,858	1,889,577	1,928,672	1,749,709	1,942,720
Net Investment Income	(14,410,875)	35,514,329	7,528,774	9,361,466	11,287,052
Benefit Payments, Including Refunds of Employee Contributions	(10,126,951)	(9,405,164)	(8,563,342)	(8,131,659)	(7,556,833)
Administrative Expense	(118,949)	(156,975)	(212,846)	(102,414)	(209,479)
Other Miscellaneous Inc (Exp)	-	-	-	332	(397,805)
<b>Net Change in Fiduciary Net Position</b>	<b>(15,893,913)</b>	<b>33,805,492</b>	<b>6,161,122</b>	<b>7,467,780</b>	<b>9,082,763</b>
Plan Fiduciary Net Position – Beginning	190,947,409	157,141,917	150,980,795	143,513,015	134,430,252
Plan Fiduciary Net Position – Ending (b)	\$ 175,053,496	\$ 190,947,409	\$ 157,141,917	\$ 150,980,795	\$ 143,513,015
Plan Net Pension Liability – Ending (a) - (b)	\$ 68,449,685	\$ 36,227,066	\$ 56,153,894	\$ 51,671,301	\$ 46,194,142
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>71.89%</b>	<b>84.05%</b>	<b>73.67%</b>	<b>74.50%</b>	<b>75.65%</b>
Covered Payroll	\$ 26,035,500	\$ 24,525,949	\$ 24,562,823	\$ 22,226,999	22,506,989
Plan Net Pension Liability as a Percentage of Covered Payroll	262.91%	147.71%	228.61%	232.47%	205.24%

**Notes to Schedule:**

**Benefit Changes:**

There were no changes in benefits.

**Changes in Assumptions:**

From fiscal year June 30, 2015 to June 30, 2016:

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% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

\*Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

See accompanying Note to Required Supplementary Information.

**CITY OF VICTORVILLE**  
**SCHEDULE OF IN NET PENSION LIABILITY AND RELATED RATIOS**  
**DURING THE MEASUREMENT PERIOD (AGENT PLAN) (CONTINUED)**  
**LAST TEN FISCAL YEARS\***

Reporting Fiscal Year (Measurement Date)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total Pension Liability:				
Service Cost	\$ 3,913,955	\$ 3,391,116	\$ 3,399,557	\$ 3,479,263
Interest	12,143,449	11,593,629	10,950,745	10,425,889
Changes of Assumptions	10,784,766	-	(2,900,838)	-
Difference Between Expected and Actual Experience	(1,294,528)	(114,587)	(1,452,436)	-
Benefit Payments, Including Refunds of Employee Contributions	(6,707,043)	(6,190,255)	(5,465,312)	(5,288,466)
Net Change in Total Pension Liability	18,840,599	8,679,903	4,531,716	8,616,686
Total Pension Liability – Beginning	161,744,753	153,064,850	148,533,134	139,916,448
Total Pension Liability – Ending (a)	180,585,352	161,744,753	153,064,850	148,533,134
Plan Fiduciary Net Position:				
Plan to Plan Resource Movement	-	-	29,796	-
Contributions – Employer	3,945,743	3,406,692	3,132,116	2,729,427
Contributions – Employee	1,762,125	1,615,618	1,655,311	1,675,275
Net Investment Income	13,554,180	663,966	2,712,238	18,040,044
Benefit Payments, Including Refunds of Employee Contributions	(6,707,043)	(6,190,255)	(5,465,312)	(5,288,466)
Administrative Expense	(180,207)	(74,739)	(138,171)	(138,890)
Other Miscellaneous Inc (Exp)	-	-	-	-
Net Change in Fiduciary Net Position	12,374,798	(578,718)	1,925,978	17,017,390
Plan Fiduciary Net Position – Beginning	122,055,454	122,634,172	120,708,194	103,690,804
Plan Fiduciary Net Position – Ending (b)	\$ 134,430,252	\$ 122,055,454	\$ 122,634,172	\$ 120,708,194
Plan Net Pension Liability – Ending (a) - (b)	\$ 46,155,100	\$ 39,689,299	\$ 30,430,678	\$ 27,824,940
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.44%	75.46%	80.12%	81.27%
Covered Payroll	22,354,507	19,918,813	19,872,318	19,389,560
Plan Net Pension Liability as a Percentage of Covered Payroll	206.47%	199.26%	153.13%	143.50%

See accompanying Note to Required Supplementary Information.

**CITY OF VICTORVILLE  
SCHEDULE OF PLAN CONTRIBUTIONS (AGENT PLAN)  
LAST TEN FISCAL YEARS\***

Fiscal Year	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>2018-2019</u>
Contractually Required Contribution (Actuarially Determined)	\$ 8,144,580	\$ 6,748,512	\$ 5,961,400	\$ 5,477,574	\$ 4,622,469
Contributions in Relation to the Actuarially Determined Contributions	<u>(8,144,580)</u>	<u>(6,748,512)</u>	<u>(5,961,400)</u>	<u>(5,477,574)</u>	<u>(4,622,469)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 31,453,365	\$ 26,035,500	\$ 24,525,949	\$ 24,562,823	\$ 22,226,999
Contributions as a Percentage of Covered Payroll	25.89%	25.92%	24.31%	22.30%	20.80%
<b>Notes to Schedule:</b>					
Valuation Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.300%	2.50%	2.50%	2.63%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) 50 - 55 for 2.5%@55; 52 - 67 for 2.0%@62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\*Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

See accompanying Note to Required Supplementary Information.

**CITY OF VICTORVILLE**  
**SCHEDULE OF PLAN CONTRIBUTIONS (AGENT PLAN) (CONTINUED)**  
**LAST TEN FISCAL YEARS\***

Fiscal Year	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 4,014,719	\$ 3,787,877	\$ 3,504,788	\$ 3,132,116
Contributions in Relation to the Actuarially Determined Contributions	<u>(4,014,719)</u>	<u>(3,787,877)</u>	<u>(3,504,788)</u>	<u>(2,923,805)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,311</u>
Covered Payroll	\$ 22,506,989	\$ 22,354,507	\$ 19,918,813	\$ 19,872,318
Contributions as a Percentage of Covered Payroll	17.84%	16.94%	17.60%	15.76%
<b>Notes to Schedule:</b>				
Valuation Date	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	15-Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

See accompanying Note to Required Supplementary Information.

**CITY OF VICTORVILLE  
SCHEDULE OF PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
(COST SHARING PLAN)  
LAST TEN FISCAL YEARS\***

Reporting Fiscal Year (Measurement Date)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
Plan's Proportion of the Net Pension Liability	20.10300%	0.21104%	0.18786%	0.19301%	0.19843%
Plan's Proportionate Share of the Net Pension Liability	\$ 13,813,980	\$ 7,406,301	\$ 12,515,992	\$ 12,048,837	\$ 11,643,274
Plan's Covered Payroll**	\$ 5,534,300	\$ 5,123,885	\$ 4,931,300	\$ 2,530,529	N/A
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll**	249.61%	144.54%	253.81%	476.14%	N/A
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	0.12520%	0.14623%	0.12039%	0.12227%	0.12558%

**Notes to Schedule:**

**Benefit Changes:**

There were no changes in benefits.

**Changes in Assumptions:**

From fiscal year June 30, 2015 to June 30, 2016:

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% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

\*Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

\*\*The plan has no active members until fiscal year ended June 30, 2019 and, therefore, no covered payroll.

See accompanying Note to Required Supplementary Information.

**CITY OF VICTORVILLE**  
**SCHEDULE OF PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**(COST SHARING PLAN) (CONTINUED)**  
**LAST TEN FISCAL YEARS\***

Reporting Fiscal Year (Measurement Date)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Plan's Proportion of the Net Pension Liability	0.19780%	0.20676%	0.21750%	0.20657%
Plan's Proportionate Share of the Net Pension Liability	\$ 11,818,679	\$ 10,708,540	\$ 8,961,994	\$ 7,748,626
Plan's Covered Payroll**	N/A	N/A	N/A	N/A
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll**	N/A	N/A	N/A	N/A
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	0.12223%	0.13033%	0.14547%	0.14547%

*See accompanying Note to Required Supplementary Information.*

**CITY OF VICTORVILLE  
SCHEDULE OF PLAN CONTRIBUTIONS  
(COST SHARING PLAN)  
LAST TEN FISCAL YEARS\***

Fiscal Year	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Contractually Required Contribution (Actuarially Determined)	\$ 2,154,542	\$ 1,910,223	\$ 1,820,085	\$ 1,737,805	\$ 1,406,021
Contributions in Relation to the Actuarially Determined Contribution	<u>(2,154,542)</u>	<u>(1,910,223)</u>	<u>(1,820,085)</u>	<u>(1,737,805)</u>	<u>(1,406,021)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll **	6,864,378	5,534,300	5,123,885	4,931,300	2,530,529
Contributions as a Percentage of Covered Payroll **	31.39%	34.52%	35.52%	35.24%	55.56%
<b>Notes to Schedule:</b>					
Valuation Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.300%	2.50%	2.50%	2.63%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)
Mortality	(4)	(4)	(4)	(4)	(4)

(1) Level percentage of payroll, closed

(2) Depending on Age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\*Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

\*\*The plan has no active members through June 30, 2018 and, therefore, no covered payroll.

See accompanying Note to Required Supplementary Information.



**CITY OF VICTORVILLE  
SCHEDULE OF PLAN CONTRIBUTIONS  
(COST SHARING PLAN) (CONTINUED)  
LAST TEN FISCAL YEARS\***

Fiscal Year	2017-2018	2016-2017	2015-2016	2014-2015
Contractually Required Contribution (Actuarially Determined)	\$ 862,264	\$ 700,198	\$ 650,960	\$ 585,811
Contributions in Relation to the Actuarially Determined Contribution	<u>(862,264)</u>	<u>(700,198)</u>	<u>(650,960)</u>	<u>(585,811)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll **	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll **	N/A	N/A	N/A	N/A
<b>Notes to Schedule:</b>				
Valuation Date	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	15-Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Mortality	(4)	(4)	(4)	(4)

See accompanying Note to Required Supplementary Information.

**CITY OF VICTORVILLE**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS\***

Reporting Fiscal Year (Measurement Date)	June 30, 2023 (June 30, 2022)		June 30, 2022 (June 30, 2021)	
	City	Water	City	Water
	<b>Total OPEB Liability:</b>			
Service Cost	\$ 2,334,220	\$ 626,941	\$ 2,235,761	\$ 600,360
Interest on the Total OPEB Liability	704,405	281,198	657,508	271,338
Changes of Assumptions	(5,816,473)	(2,488,667)	278,410	105,768
Differences Between Expected and Actual Experience	(3,673,118)	987,796	-	-
Changes of Benefit Terms	-	-	-	-
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(437,336)	(273,537)	(383,313)	(253,227)
<b>Net Change in Total OPEB Liability</b>	<b>(6,888,302)</b>	<b>(866,269)</b>	<b>2,788,366</b>	<b>724,239</b>
Total OPEB Liability - Beginning	30,495,802	12,528,232	27,707,436	11,803,993
<b>Total OPEB Liability - Ending</b>	<b>\$ 23,607,500</b>	<b>\$ 11,661,963</b>	<b>\$ 30,495,802</b>	<b>\$ 12,528,232</b>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 32,718,185	\$ 7,778,497	\$ 30,916,888	\$ 7,710,052
Total OPEB Liability as a Percentage of Covered-Employee Payroll	72.15%	149.93%	98.64%	162.49%

**Notes to Schedule:**

Changes in assumptions:

Discount rate	3.54%	3.54%	2.16%	2.16%
Mortality improvement rates	Scale MP-2021	Scale MP-2021	Scale MP-2020	Scale MP-2020

The mortality, retirement, disability, and termination rates for the measurement periods ended June 30, 2017 and 2018 were based on the CalPERS 1997-2011 Experience Study and CalPERS 1997-2015 Experience Study, respectively.

In the June 30, 2018 measurement period, the pre-65 waived retiree re-election was updated to be 10% after age 65.

In the June 30, 2020 measurement period, the medical trend rate for Kaiser Senior Advantage plans decreased from 6.5% to 5.0%.

In the June 30, 2022 measurement period, the following medical trend rates changed: Non-Medicare increased from 7.0% to 8.5%; Medicare increased from 6.1% to 7.5%; and Kaiser increased from 7.0% to 6.25%.

\*Fiscal year 2018 was the first year of implementation, therefore, only six years are shown.

See accompanying Note to Required Supplementary Information.

**CITY OF VICTORVILLE**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (CONTINUED)**  
**LAST TEN FISCAL YEARS\***

Reporting Fiscal Year (Measurement Date)	June 30, 2021 (June 30, 2020)		June 30, 2020 (June 30, 2019)	
	City	Water	City	Water
	<b>Total OPEB Liability:</b>			
Service Cost	\$ 1,486,270	\$ 474,890	\$ 1,301,917	\$ 417,399
Interest on the Total OPEB Liability	940,317	372,802	896,741	364,950
Changes of Assumptions	4,480,447	1,795,864	1,650,512	601,978
Differences Between Expected and Actual Experience	(4,403,383)	(904,000)	-	-
Changes of Benefit Terms				
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(352,317)	(224,298)	(325,520)	(216,889)
<b>Net Change in Total OPEB Liability</b>	<b>2,151,334</b>	<b>1,515,258</b>	<b>3,523,650</b>	<b>1,167,438</b>
Total OPEB Liability - Beginning	25,556,102	10,288,735	22,032,452	9,121,297
<b>Total OPEB Liability - Ending</b>	<b>\$ 27,707,436</b>	<b>\$ 11,803,993</b>	<b>\$ 25,556,102</b>	<b>\$ 10,288,735</b>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 29,376,376	\$ 7,618,996	\$ 24,330,808	\$ 7,078,295
Total OPEB Liability as a Percentage of Covered-Employee Payroll	94.32%	154.93%	105.04%	145.36%
<b>Notes to Schedule:</b>				
Changes in assumptions:				
Discount rate	2.21%	2.21%	3.50%	3.50%
Mortality improvement rates	Scale MP-2020	Scale MP-2020	Scale MP-2018	Scale MP-2018

See accompanying Note to Required Supplementary Information.

**CITY OF VICTORVILLE**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (CONTINUED)**  
**LAST TEN FISCAL YEARS\***

Reporting Fiscal Year (Measurement Date)	June 30, 2019 (June 30, 2018)		June 30, 2018 (June 30, 2017)	
	City	Water	City	Water
	<b>Total OPEB Liability:</b>			
Service Cost	\$ 1,467,025	\$ 494,095	\$ 1,740,815	\$ 583,831
Interest on the Total OPEB Liability	902,150	404,923	763,058	345,325
Changes of Assumptions	(1,253,215)	(509,085)	(3,502,958)	(1,452,630)
Differences Between Expected and Actual Experience	(2,657,769)	(1,985,311)	-	-
Changes of Benefit Terms	-	-	-	-
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(316,872)	(199,802)	(285,893)	(185,817)
<b>Net Change in Total OPEB Liability</b>	<b>(1,858,681)</b>	<b>(1,795,180)</b>	<b>(1,284,978)</b>	<b>(709,291)</b>
Total OPEB Liability - Beginning	23,891,133	10,916,477	25,176,111	11,625,768
<b>Total OPEB Liability - Ending</b>	<b>\$ 22,032,452</b>	<b>\$ 9,121,297</b>	<b>\$ 23,891,133</b>	<b>\$ 10,916,477</b>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 20,246,960	\$ 6,818,328	\$ 17,722,441	\$ 4,577,527
Total OPEB Liability as a Percentage of Covered-Employee Payroll	108.82%	133.78%	134.81%	238.48%
<b>Notes to Schedule:</b>				
Changes in assumptions:				
Discount rate	3.87%	3.87%	3.58%	3.58%
Mortality improvement rates	Scale MP-2018	Scale MP-2018	Scale MP-2016	Scale MP-2016

See accompanying Note to Required Supplementary Information.

**CITY OF VICTORVILLE  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes and Assessments	\$ 93,316,416	\$ 94,948,730	\$ 98,302,831	\$ 3,354,101
Licenses and Permits	6,246,500	3,222,000	4,036,465	814,465
Intergovernmental	100,000	100,000	141,144	41,144
Charges for Services	17,903,305	16,744,854	18,701,444	1,956,590
Fines and Forfeitures	602,177	717,177	801,755	84,578
Investment Income	12,000	12,000	2,846,097	2,834,097
Other	446,520	581,520	943,353	361,833
Total Revenues	<u>118,626,918</u>	<u>116,326,281</u>	<u>125,773,089</u>	<u>9,446,808</u>
<b>EXPENDITURES</b>				
Current:				
General Government	23,879,114	24,154,495	19,598,588	4,555,907
Public Safety	62,881,515	65,828,203	58,240,319	7,587,884
Community Development	510,813	510,813	19,168	491,645
Public Works	19,825,189	20,134,006	11,585,105	8,548,901
Parks and Recreation	7,824,281	7,789,412	5,538,665	2,250,747
Capital Outlay	6,384,481	8,240,415	3,388,060	4,852,355
Debt Service:				
Principal	724,561	724,561	724,561	-
Interest on Advances	27,461	36,346	36,346	-
Principal - SBITA	-	-	318,810	(318,810)
Interest - SBITA	-	-	281	(281)
Total Expenditures	<u>122,057,415</u>	<u>127,418,251</u>	<u>99,449,903</u>	<u>27,968,348</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,430,497)	(11,091,970)	26,323,186	37,415,156
<b>OTHER FINANCING SOURCES</b>				
SBITA Financing	-	-	794,266	794,266
Proceeds from Sale of Assets	-	-	325,234	325,234
Transfers In	14,000	14,000	54,900	40,900
Total Other Financing Sources	<u>14,000</u>	<u>14,000</u>	<u>1,174,400</u>	<u>1,160,400</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,416,497)	(11,077,970)	27,497,586	38,575,556
Fund Balances - Beginning of Year	<u>79,658,682</u>	<u>79,658,682</u>	<u>79,658,682</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 76,242,185</u>	<u>\$ 68,580,712</u>	<u>\$ 107,156,268</u>	<u>\$ 38,575,556</u>

See accompanying Note to Required Supplementary Information.

**CITY OF VICTORVILLE  
BUDGETARY COMPARISON SCHEDULE  
CITY HOUSING ASSET SUCCESSOR SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 250,000	\$ 250,000
Gain (Loss) on Sale of Property Held for Resale	-	-	-	-
Investment Income	322,500	322,500	648,595	326,095
Other	-	-	26,775	26,775
Total Revenues	<u>322,500</u>	<u>322,500</u>	<u>925,370</u>	<u>602,870</u>
<b>EXPENDITURES</b>				
Current:				
General Government	10,000	40,000	39,560	440
Community Development	<u>38,949</u>	<u>109,949</u>	<u>511,590</u>	<u>(401,641)</u>
Total Expenditures	<u>48,949</u>	<u>149,949</u>	<u>551,150</u>	<u>(401,201)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	273,551	172,551	374,220	201,669
Fund Balances - Beginning of Year	<u>29,390,139</u>	<u>29,390,139</u>	<u>29,390,139</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 29,663,690</u></u>	<u><u>\$ 29,562,690</u></u>	<u><u>\$ 29,764,359</u></u>	<u><u>\$ 201,669</u></u>

See accompanying Note to Required Supplementary Information.

**CITY OF VICTORVILLE  
BUDGETARY COMPARISON SCHEDULE  
OTHER STATE / LOCAL GRANTS SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 25,625,416	\$ 58,391,979	\$ 21,295,865	\$ (37,096,114)
Investment Income	-	-	283,585	283,585
<b>Total Revenues</b>	<u>25,625,416</u>	<u>58,391,979</u>	<u>21,579,450</u>	<u>(36,812,529)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	797,365	1,791,235	226,144	1,565,091
Community Development	3,071,468	3,379,350	1,254,691	2,124,659
Public Works	11,468,362	11,931,117	477,331	11,453,786
Capital Outlay	16,187,802	43,031,866	18,114,413	24,917,453
<b>Total Expenditures</b>	<u>31,524,997</u>	<u>60,133,568</u>	<u>20,072,579</u>	<u>40,060,989</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(5,899,581)	(1,741,589)	1,506,871	3,248,460
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Sale of Assets	61,253	61,253	-	(61,253)
<b>NET CHANGE IN FUND BALANCE</b>	(5,838,328)	(1,680,336)	1,506,871	3,187,207
Fund Balance (Deficit) - Beginning of Year	<u>(1,261,999)</u>	<u>(1,261,999)</u>	<u>(1,261,999)</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u><u>\$ (7,100,327)</u></u>	<u><u>\$ (2,942,335)</u></u>	<u><u>\$ 244,872</u></u>	<u><u>\$ 3,187,207</u></u>

See accompanying Note to Required Supplementary Information.

**CITY OF VICTORVILLE  
BUDGETARY COMPARISON SCHEDULE  
COVID-19 FUNDS SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 35,066,369	\$ 35,056,463	\$ 13,935,259	\$ (21,121,204)
<b>EXPENDITURES</b>				
Current:				
General Government	16,174,177	10,053,232	270,385	9,782,847
Public Safety	227,912	100,108	-	100,108
Community Development	-	1,470,000	-	1,470,000
Capital Outlay	29,600,246	23,309,386	11,629,757	11,679,629
Total Expenditures	46,002,335	34,932,726	11,900,142	23,032,584
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(10,935,966)	123,737	2,035,117	1,911,380
Fund Balance (Deficit) - Beginning of Year	(2,187,409)	(2,187,409)	(2,187,409)	-
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ (13,123,375)</u>	<u>\$ (2,063,672)</u>	<u>\$ (152,292)</u>	<u>\$ 1,911,380</u>

See accompanying Note to Required Supplementary Information.



**CITY OF VICTORVILLE**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2023**

**NOTE 1 BUDGETARY DATA**

The City follows these procedures in establishing the budgetary data in the financial statements.

- a. The City Manager submits to the City Council a proposed operating budget. The operating budget includes the proposed expenditures and source of financing;
- b. Public hearings are conducted to obtain taxpayer comments;
- c. A budget is legally enacted through passage of a resolution;
- d. The City Manager is authorized to transfer budgeted amounts within individual funds; however, any revisions that alter total appropriations of a fund must be approved by City Council. The legal level of budgetary control has been established at the fund level;
- e. Budgeted amounts are as originally adopted and as further amended by the City Council;
- f. Formal budgetary integration is employed as a management control device during the year for all funds, other than debt service funds and capital project funds. Budgets are adopted on a basis consistent with U.S. GAAP. Capital project funds are budgeted on a project length basis. Effective budgetary control is achieved for debt service funds through the contractual requirements of bond indenture provisions. The Engineering Security Special Revenue Fund does not have a legally adopted budget.
- g. The City Housing Asset Successor Major Special Revenue Fund had total appropriations of \$149,949 and actual expenditures of \$551,150, which resulted in excess expenditures over appropriations of \$401,201 for the year ended June 30, 2023.

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## **SUPPLEMENTARY INFORMATION**

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**CITY OF VICTORVILLE  
DESCRIPTION OF GENERAL FUNDS  
YEAR ENDED JUNE 30, 2023**

**General Fund**

This fund accounts for all general activity not within the funds mentioned below.

**Measure P**

This fund accounts for the 1% transactions and use tax approved by the voters in November 2020. This is a general tax that the City Council and Measure P committee are involved in reviewing the expenditures budget and making recommendations and comments.

**Technology**

This fund accounts for fees charged to ensure the support of the permitting system by the users of the system.

**Fueling Stations**

This fund accounts for fees charged to upgrade the fueling stations as needed and their continued maintenance.

**Victor Valley Transportation Center**

This fund accounts for rental income and corresponding lease and maintenance expenditures for leasing the Victor Valley Transportation Center to the Victor Valley Transit Authority.

**Sidewalk Assessment District**

This fund accounts for assessment collected on the property tax and is to be used on the maintenance and installation of sidewalks in the City.

**CITY OF VICTORVILLE  
COMBINING BALANCE SHEET  
GENERAL FUND  
JUNE 30, 2023**

<b>ASSETS</b>	<u>General</u>	<u>Measure P</u>	<u>Technology</u>	<u>Fueling Stations</u>
Cash and Investments	\$ 45,258,325	\$ 39,800,812	\$ 533,085	\$ 2,436,294
Accounts Receivable	1,488,767	36	-	107,828
Interest Receivable	1,718,546	-	-	-
Due from Other Funds	5,647,588	-	-	-
Advances to Other Funds	2,916,480	-	-	-
Due from Other Governments	5,619,874	4,997,330	-	-
Due from the Successor Agency	123,171	-	-	-
Leases Receivable	5,961,695	-	-	-
Inventories	179,895	-	-	-
Prepaid Items	94,853	95,368	-	-
<b>Total Assets</b>	<u>\$ 69,009,194</u>	<u>\$ 44,893,546</u>	<u>\$ 533,085</u>	<u>\$ 2,544,122</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,278,671	\$ 121,361	\$ 297	\$ 92,635
Accrued Liabilities	1,295,967	-	-	-
Deposits Payable	538,203	-	-	-
Unearned Revenue	1,207	-	-	-
<b>Total Liabilities</b>	<u>4,114,048</u>	<u>121,361</u>	<u>297</u>	<u>92,635</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases	5,701,086	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>5,701,086</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Advances to Other Funds	2,916,480	-	-	-
Prepaid Items	94,853	95,368	-	-
Inventories	179,895	-	-	-
Unassigned	56,002,832	44,676,817	532,788	2,451,487
<b>Total Fund Balances</b>	<u>59,194,060</u>	<u>44,772,185</u>	<u>532,788</u>	<u>2,451,487</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 69,009,194</u>	<u>\$ 44,893,546</u>	<u>\$ 533,085</u>	<u>\$ 2,544,122</u>

**CITY OF VICTORVILLE  
COMBINING BALANCE SHEET  
GENERAL FUND (CONTINUED)  
JUNE 30, 2023**

	Victor Valley Transportation Center	Sidewalk Assessment District	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 38,931	\$ 154,703	\$ 88,222,150
Accounts Receivable	-	-	1,596,631
Interest Receivable	582	-	1,719,128
Due from Other Funds	-	-	5,647,588
Advances to Other Funds	-	-	2,916,480
Due from Other Governments	-	-	10,617,204
Due from the Successor Agency	-	-	123,171
Leases Receivable	323,159	-	6,284,854
Inventories	-	-	179,895
Prepaid Items	-	-	190,221
	<u>362,672</u>	<u>154,703</u>	<u>117,497,322</u>
Total Assets	<u>\$ 362,672</u>	<u>\$ 154,703</u>	<u>\$ 117,497,322</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,641	\$ -	\$ 2,494,605
Accrued Liabilities	-	-	1,295,967
Deposits Payable	-	-	538,203
Unearned Revenue	-	-	1,207
Total Liabilities	<u>1,641</u>	<u>-</u>	<u>4,329,982</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	309,986	-	6,011,072
Total Deferred Inflows of Resources	<u>309,986</u>	<u>-</u>	<u>6,011,072</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Advances to Other Funds	-	-	2,916,480
Prepaid Items	-	-	190,221
Inventories	-	-	179,895
Unassigned	51,045	154,703	103,869,672
Total Fund Balances	<u>51,045</u>	<u>154,703</u>	<u>107,156,268</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 362,672</u>	<u>\$ 154,703</u>	<u>\$ 117,497,322</u>

**CITY OF VICTORVILLE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2023**

	General	Measure P	Technology	Fueling Stations
<b>REVENUES</b>				
Taxes and Assessments	\$ 69,042,576	\$ 29,260,255	\$ -	\$ -
Licenses and Permits	4,036,465	-	-	-
Intergovernmental	141,144	-	-	-
Charges for Services	15,886,232	1,090,289	272,730	1,456,687
Fines and Forfeitures	801,755	-	-	-
Investment Income	1,859,863	974,147	-	-
Other	904,225	-	-	-
Total Revenues	<u>92,672,260</u>	<u>31,324,691</u>	<u>272,730</u>	<u>1,456,687</u>
<b>EXPENDITURES</b>				
Current:				
General Government	18,609,075	699,338	290,175	-
Public Safety	53,105,401	5,134,918	-	-
Community Development	-	19,168	-	-
Public Works	7,800,485	2,503,746	-	1,265,506
Parks and Recreation	5,502,549	36,116	-	-
Capital Outlay	2,176,934	1,126,313	84,813	-
Debt Service:				
Principal	-	724,561	-	-
Interest and Loan Fees	-	36,346	-	-
Principal - SBITA	318,810	-	-	-
Interest - SBITA	281	-	-	-
Total Expenditures	<u>87,513,535</u>	<u>10,280,506</u>	<u>374,988</u>	<u>1,265,506</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	5,158,725	21,044,185	(102,258)	191,181
<b>OTHER FINANCING SOURCES (USES)</b>				
SBITA Financing	794,266	-	-	-
Proceeds from Sale of Assets	325,234	-	-	-
Transfers In	4,892,289	-	-	-
Transfers Out	-	(4,837,389)	-	-
Total Other Financing Sources (Uses)	<u>6,011,789</u>	<u>(4,837,389)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	11,170,514	16,206,796	(102,258)	191,181
Fund Balances - Beginning of Year	<u>48,023,546</u>	<u>28,565,389</u>	<u>635,046</u>	<u>2,260,306</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 59,194,060</u>	<u>\$ 44,772,185</u>	<u>\$ 532,788</u>	<u>\$ 2,451,487</u>



**CITY OF VICTORVILLE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Victor Valley Transportation Center	Sidewalk Assessment District	Eliminations	Totals
<b>REVENUES</b>				
Taxes and Assessments	\$ -	\$ -	\$ -	\$ 98,302,831
Licenses and Permits	-	-	-	4,036,465
Intergovernmental	-	-	-	141,144
Charges for Services	(4,494)	-	-	18,701,444
Fines and Forfeitures	-	-	-	801,755
Investment Income	8,157	3,930	-	2,846,097
Other	39,128	-	-	943,353
Total Revenues	<u>42,791</u>	<u>3,930</u>	<u>-</u>	<u>125,773,089</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	19,598,588
Public Safety	-	-	-	58,240,319
Community Development	-	-	-	19,168
Public Works	15,368	-	-	11,585,105
Parks and Recreation	-	-	-	5,538,665
Capital Outlay	-	-	-	3,388,060
Debt Service:				
Principal	-	-	-	724,561
Interest and Loan Fees	-	-	-	36,346
Principal - SBITA	-	-	-	318,810
Interest - SBITA	-	-	-	281
Total Expenditures	<u>15,368</u>	<u>-</u>	<u>-</u>	<u>99,449,903</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	27,423	3,930	-	26,323,186
<b>OTHER FINANCING SOURCES (USES)</b>				
SBITA Financing	-	-	-	794,266
Proceeds from Sale of Assets	-	-	-	325,234
Transfers In	-	-	(4,837,389)	54,900
Transfers Out	-	-	4,837,389	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,174,400</u>
<b>NET CHANGE IN FUND BALANCES</b>	27,423	3,930	-	27,497,586
Fund Balances - Beginning of Year	<u>23,622</u>	<u>150,773</u>	<u>-</u>	<u>79,658,682</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 51,045</u>	<u>\$ 154,703</u>	<u>\$ -</u>	<u>\$ 107,156,268</u>

**CITY OF VICTORVILLE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPACT FACILITIES – MAJOR FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 13,472,445	\$ 13,472,445	\$ 9,155,653	\$ (4,316,792)
Investment Income	24,250	24,250	598,030	573,780
Other	1,500	1,500	-	(1,500)
Total Revenues	<u>13,498,195</u>	<u>13,498,195</u>	<u>9,753,683</u>	<u>(3,744,512)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	554	554	554	-
Public Safety	506	506	506	-
Public Works	71,877	71,877	63,430	8,447
Parks and Recreation	18,288	18,288	18,288	-
Capital Outlay	12,429,278	15,319,489	7,634,362	7,685,127
Debt Service:				
Interest on Advances	25,750	25,750	-	25,750
Total Expenditures	<u>12,546,253</u>	<u>15,436,464</u>	<u>7,717,140</u>	<u>7,719,324</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	951,942	(1,938,269)	2,036,543	3,974,812
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Sale of Assets	-	-	575,000	575,000
<b>NET CHANGE IN FUND BALANCES</b>	951,942	(1,938,269)	2,611,543	4,549,812
Fund Balance - Beginning of Year	<u>22,433,464</u>	<u>22,433,464</u>	<u>22,433,464</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 23,385,406</u>	<u>\$ 20,495,195</u>	<u>\$ 25,045,007</u>	<u>\$ 4,549,812</u>

## **NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for revenue derived from specific taxes or other revenue sources that are restricted by law or administrative action to expenditure for specified purposes.

### **Measure I**

This fund accounts for the portion of sales tax revenue received from the County. The funds are legally restricted expenditures for the local street networks that have significant inter-jurisdictional or regional traffic.

### **Landscape Maintenance and Drainage Facilities Assessment District**

This fund accounts for the revenue and expenditures of Assessment Districts which provided benefits to the property owner served. These improvements include items such as enhanced landscape, blocked walls, irrigation, and drainage system. Since the maintenance of these enhanced facilities directly benefit the individual parcels within the district rather than the City as a whole, the maintenance costs are assessed to the property owners with the Maintenance Assessment District boundaries.

### **Street Lighting**

This fund accounts for revenue received from assessments levied within the District and disbursed funds are for street lighting maintenance activities.

### **Traffic Safety**

This fund accounts for revenue received from fines and forfeitures under Section 1463 of the Penal Code and disbursed funds are related to the maintenance and improvement of traffic control devices, as well as the compensation of school crossing guards who are not regular full-time members of the police department of the City.

### **Asset Seizure**

This fund accounts for a portion of revenues received from sales of assets seized during drug-related arrests and disbursed for authorized public safety activities.

### **Storm Drain Utility**

This fund accounts for revenue received from storm drain user fees and expensed funds are related to storm drains.

**NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS (CONTINUED)**

**Gas Tax**

This fund accounts for revenue received from the state of California under Street and Highways Code Section 2105, 2106, and 2107. The allocations should be spent for street and highway maintenance and improvements.

**Transportation Tax**

This fund accounts for revenue received for public transportation projects through the Local Transportation Fund, which derived from a ¼ cent of the General Sales Tax. Eligible expenses include projects related to maintenance and repair of streets and roads.

**Other Federal Grants**

This fund accounts for federal moneys received for the following grants: COPS Fast Grant, Federal Demonstration, Transportation Enhancement Act, Congestion Mitigation Air Quality Grant, Police Hiring Supplement Grant, Federal Asset Seizure, and EPA Water Reuse Grant.

**HUD Grants**

This fund accounts for the revenues and expenditures under the guidelines of the Federal Community Development Block Grant and HOME Grant programs of the U.S. Department of Housing and Urban Development. The grants are primarily used for the development of viable urban communities by providing decent housing, suitable living environments, and expanding economic opportunities for persons of low and moderate incomes.

**Engineering Security**

This fund accounts for various deposits that the City receives as deposits. These deposits are held by the City and returned to the depositor upon completion of projects or fulfillment of purpose and cannot be utilized for any other purpose.

**Foxborough Rail**

This fund accounts for the revenue and expenditures related to rail activities in the Foxborough area. The activities include lead track usage fees collected and reserved for maintenance and repair of the rail and related expenditures including contract services as related to rail maintenance and repair.

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**CITY OF VICTORVILLE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

<b>ASSETS</b>	Measure I	Landscape Maintenance	Street Lighting	Traffic Safety	Asset Seizure
Cash and Investments	\$ 15,597,051	\$ 11,109,728	\$ 2,410,417	\$ -	\$ 57,035
Accounts Receivable	1,870,507	7,950	984	7,038	-
Notes Receivable	10,753	-	-	-	-
Due from Other Governments	-	16,629	35,452	-	-
Prepaid Items	1,133	1,198	719	-	-
<b>Total Assets</b>	<b>\$ 17,479,444</b>	<b>\$ 11,135,505</b>	<b>\$ 2,447,572</b>	<b>\$ 7,038</b>	<b>\$ 57,035</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 136,704	\$ 136,077	\$ 239,871	\$ -	\$ -
Deposits Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
<b>Total Liabilities</b>	<b>136,704</b>	<b>136,077</b>	<b>239,871</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	613,144	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>613,144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable:					
Prepaid Items	1,133	1,198	719	-	-
Spendable:					
Restricted:					
Public Safety	-	-	-	-	57,035
Highways and Street Projects	16,728,463	10,998,230	2,206,982	7,038	-
Community Development	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>16,729,596</b>	<b>10,999,428</b>	<b>2,207,701</b>	<b>7,038</b>	<b>57,035</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 17,479,444</b>	<b>\$ 11,135,505</b>	<b>\$ 2,447,572</b>	<b>\$ 7,038</b>	<b>\$ 57,035</b>

**CITY OF VICTORVILLE  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

<b>ASSETS</b>	Storm Drain Utility	Gas Tax	Transportation Tax	Other Federal Grants	HUD Grants
Cash and Investments	\$ 4,140,250	\$ 4,979,724	\$ 599,074	\$ -	\$ 52,793
Accounts Receivable	1,463	1,713	1,000	-	-
Notes Receivable	-	-	3,389	-	1,556,049
Due from Other Governments	-	1,157,270	244,000	8,443,979	767,462
Prepaid Items	1,049	2,107	-	-	-
<b>Total Assets</b>	<b><u>\$ 4,142,762</u></b>	<b><u>\$ 6,140,814</u></b>	<b><u>\$ 847,463</u></b>	<b><u>\$ 8,443,979</u></b>	<b><u>\$ 2,376,304</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 61,280	\$ 19,551	\$ 29,640	\$ 2,643,248	\$ 153,325
Deposits Payable	-	105	7,529	-	-
Due to Other Funds	-	-	-	5,647,588	-
Unearned Revenue	-	-	-	88,769	-
<b>Total Liabilities</b>	<b><u>61,280</u></b>	<b><u>19,656</u></b>	<b><u>37,169</u></b>	<b><u>8,379,605</u></b>	<b><u>153,325</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	244,000	8,443,979	571,292
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>244,000</u></b>	<b><u>8,443,979</u></b>	<b><u>571,292</u></b>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable:					
Prepaid Items	1,049	2,107	-	-	-
Spendable:					
Restricted:					
Public Safety	-	-	-	-	-
Highways and Street Projects	4,080,433	6,119,051	566,294	-	-
Community Development	-	-	-	-	1,651,687
Unassigned	-	-	-	(8,379,605)	-
<b>Total Fund Balances (Deficit)</b>	<b><u>4,081,482</u></b>	<b><u>6,121,158</u></b>	<b><u>566,294</u></b>	<b><u>(8,379,605)</u></b>	<b><u>1,651,687</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 4,142,762</u></b>	<b><u>\$ 6,140,814</u></b>	<b><u>\$ 847,463</u></b>	<b><u>\$ 8,443,979</u></b>	<b><u>\$ 2,376,304</u></b>

**CITY OF VICTORVILLE  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Engineering Security	Foxborough Rail	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 2,821,576	\$ 515,759	\$ 42,283,407
Accounts Receivable	-	-	1,890,655
Notes Receivable	-	-	1,570,191
Due from Other Governments	-	-	10,664,792
Prepaid Items	-	-	6,206
	<u>2,821,576</u>	<u>515,759</u>	<u>42,283,407</u>
Total Assets	<u>\$ 2,821,576</u>	<u>\$ 515,759</u>	<u>\$ 56,415,251</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 61,275	\$ 16,074	\$ 3,497,045
Deposits Payable	2,760,183	-	2,767,817
Due to Other Funds	-	-	5,647,588
Unearned Revenue	-	-	88,769
Total Liabilities	<u>2,821,458</u>	<u>16,074</u>	<u>12,001,219</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	-	9,872,415
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>9,872,415</u>
<b>FUND BALANCES (DEFICIT)</b>			
Nonspendable:			
Prepaid Items	-	-	6,206
Spendable:			
Restricted:			
Public Safety	-	-	57,035
Highways and Street Projects	118	499,685	41,206,294
Community Development	-	-	1,651,687
Unassigned	-	-	(8,379,605)
Total Fund Balances (Deficit)	<u>118</u>	<u>499,685</u>	<u>34,541,617</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,821,576</u>	<u>\$ 515,759</u>	<u>\$ 56,415,251</u>



**CITY OF VICTORVILLE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023**

	Measure I	Landscape Maintenance	Street Lighting	Traffic Safety	Asset Seizure
<b>REVENUES</b>					
Taxes and Assessments	\$ 7,145,011	\$ 2,515,987	\$ 1,913,341	\$ -	\$ -
Intergovernmental	-	-	918,707	-	12,088
Charges for Services	46,545	-	-	-	-
Fines and Forfeitures	-	-	-	49,373	-
Investment Income	394,377	275,916	59,536	-	1,457
Other	-	7,952	-	-	-
Total Revenues	<u>7,585,933</u>	<u>2,799,855</u>	<u>2,891,584</u>	<u>49,373</u>	<u>13,545</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	-	-	-	-	7,336
Community Development	-	-	-	-	-
Public Works	2,359,980	2,225,152	2,503,722	-	-
Parks and Recreation	-	-	-	-	-
Capital Outlay	1,788,839	25,057	395,702	-	-
Debt Service:					
Principal - SBITA	-	-	-	-	-
Total Expenditures	<u>4,148,819</u>	<u>2,250,209</u>	<u>2,899,424</u>	<u>-</u>	<u>7,336</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	3,437,114	549,646	(7,840)	49,373	6,209
<b>OTHER FINANCING SOURCES (USES)</b>					
SBITA Financing	-	-	-	-	-
Transfers Out	-	-	-	(54,900)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,900)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,437,114	549,646	(7,840)	(5,527)	6,209
Fund Balances (Deficit) - Beginning of Year, as Restated	<u>13,292,482</u>	<u>10,449,782</u>	<u>2,215,541</u>	<u>12,565</u>	<u>50,826</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 16,729,596</u>	<u>\$ 10,999,428</u>	<u>\$ 2,207,701</u>	<u>\$ 7,038</u>	<u>\$ 57,035</u>

**CITY OF VICTORVILLE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Storm Drain Utility	Gas Tax	Transportation Tax	Other Federal Grants	HUD Grants
<b>REVENUES</b>					
Taxes and Assessments	\$ -	\$ 3,047,702	\$ -	\$ -	\$ -
Intergovernmental	-	3,462,402	1,384,702	11,590,644	1,580,472
Charges for Services	1,640,383	6,905	-	-	-
Fines and Forfeitures	28,752	-	-	-	-
Investment Income	102,063	109,563	37,631	173	50,646
Other	3,692	3,682	88,381	-	-
Total Revenues	<u>1,774,890</u>	<u>6,630,254</u>	<u>1,510,714</u>	<u>11,590,817</u>	<u>1,631,118</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	-	-	-	84,334	-
Community Development	-	-	-	-	1,479,844
Public Works	1,017,039	3,055,784	669,022	-	483,694
Parks and Recreation	-	-	-	-	50,000
Capital Outlay	-	1,344,402	244,000	14,784,570	18,080
Debt Service:					
Principal - SBITA	-	1,387	-	-	-
Total Expenditures	<u>1,017,039</u>	<u>4,401,573</u>	<u>913,022</u>	<u>14,868,904</u>	<u>2,031,618</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	757,851	2,228,681	597,692	(3,278,087)	(400,500)
<b>OTHER FINANCING SOURCES (USES)</b>					
SBITA Financing	-	4,056	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>4,056</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	757,851	2,232,737	597,692	(3,278,087)	(400,500)
Fund Balances (Deficit) - Beginning of Year, as Restated	<u>3,323,631</u>	<u>3,888,421</u>	<u>(31,398)</u>	<u>(5,101,518)</u>	<u>2,052,187</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 4,081,482</u>	<u>\$ 6,121,158</u>	<u>\$ 566,294</u>	<u>\$ (8,379,605)</u>	<u>\$ 1,651,687</u>

**CITY OF VICTORVILLE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023**

	Engineering Security	Foxborough Rail	Totals
<b>REVENUES</b>			
Taxes and Assessments	\$ -	\$ 117,812	\$ 14,739,853
Intergovernmental	-	-	18,949,015
Charges for Services	-	10,202	1,704,035
Fines and Forfeitures	-	-	78,125
Investment Income	-	12,223	1,043,585
Other	-	-	103,707
Total Revenues	<u>-</u>	<u>140,237</u>	<u>36,618,320</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	-	-	91,670
Community Development	-	-	1,479,844
Public Works	-	57,232	12,371,625
Parks and Recreation	-	-	50,000
Capital Outlay	-	-	18,600,650
Debt Service:			
Principal - SBITA	-	-	1,387
Total Expenditures	<u>-</u>	<u>57,232</u>	<u>32,595,176</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	83,005	4,023,144
<b>OTHER FINANCING SOURCES (USES)</b>			
SBITA Financing	-	-	4,056
Transfers Out	-	-	(54,900)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(50,844)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	83,005	3,972,300
Fund Balances (Deficit) - Beginning of Year, as Restated	<u>118</u>	<u>416,680</u>	<u>30,569,317</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 118</u>	<u>\$ 499,685</u>	<u>\$ 34,541,617</u>

**CITY OF VICTORVILLE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**MEASURE I FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes and Assessments	\$ 6,794,032	\$ 6,794,032	\$ 7,145,011	\$ 350,979
Charges for Services	57,500	57,500	46,545	(10,955)
Investment Income	-	-	394,377	394,377
Total Revenues	<u>6,851,532</u>	<u>6,851,532</u>	<u>7,585,933</u>	<u>734,401</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	2,651,559	2,651,559	2,359,980	291,579
Capital Outlay	1,560,400	7,942,785	1,788,839	6,153,946
Total Expenditures	<u>4,211,959</u>	<u>10,594,344</u>	<u>4,148,819</u>	<u>6,445,525</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,639,573</u>	<u>(3,742,812)</u>	<u>3,437,114</u>	<u>7,179,926</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,639,573	(3,742,812)	3,437,114	7,179,926
Fund Balance - Beginning of Year, as Restated	<u>13,292,482</u>	<u>13,292,482</u>	<u>13,292,482</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 15,932,055</u></u>	<u><u>\$ 9,549,670</u></u>	<u><u>\$ 16,729,596</u></u>	<u><u>\$ 7,179,926</u></u>

**CITY OF VICTORVILLE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**LANDSCAPE MAINTENANCE AND DRAINAGE FACILITIES ASSESMENT DISTRICT FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes and Assessments	\$ 2,449,086	\$ 2,449,086	\$ 2,515,987	\$ 66,901
Investment Income	-	-	275,916	275,916
Other	-	-	7,952	7,952
Total Revenues	<u>2,449,086</u>	<u>2,449,086</u>	<u>2,799,855</u>	<u>350,769</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	2,875,168	2,924,228	2,225,152	699,076
Capital Outlay	181,700	433,511	25,057	408,454
Total Expenditures	<u>3,056,868</u>	<u>3,357,739</u>	<u>2,250,209</u>	<u>1,107,530</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(607,782)</u>	<u>(908,653)</u>	<u>549,646</u>	<u>1,458,299</u>
<b>NET CHANGE IN FUND BALANCE</b>	(607,782)	(908,653)	549,646	1,458,299
Fund Balance - Beginning of Year	<u>10,449,782</u>	<u>10,449,782</u>	<u>10,449,782</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 9,842,000</u>	<u>\$ 9,541,129</u>	<u>\$ 10,999,428</u>	<u>\$ 1,458,299</u>

**CITY OF VICTORVILLE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**STREET LIGHTING FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes and Assessments	\$ 1,735,000	\$ 1,735,000	\$ 1,913,341	\$ 178,341
Intergovernmental	745,000	745,000	918,707	173,707
Investment Income	5,000	5,000	59,536	54,536
Total Revenues	<u>2,485,000</u>	<u>2,485,000</u>	<u>2,891,584</u>	<u>406,584</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	2,623,005	2,623,005	2,503,722	119,283
Capital Outlay	648,750	963,205	395,702	567,503
Total Expenditures	<u>3,271,755</u>	<u>3,586,210</u>	<u>2,899,424</u>	<u>686,786</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(786,755)</u>	<u>(1,101,210)</u>	<u>(7,840)</u>	<u>1,093,370</u>
<b>NET CHANGE IN FUND BALANCE</b>	(786,755)	(1,101,210)	(7,840)	1,093,370
Fund Balance - Beginning of Year	<u>2,215,541</u>	<u>2,215,541</u>	<u>2,215,541</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,428,786</u>	<u>\$ 1,114,331</u>	<u>\$ 2,207,701</u>	<u>\$ 1,093,370</u>

**CITY OF VICTORVILLE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**TRAFFIC SAFETY FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and Forfeitures	\$ 41,000	\$ 41,000	\$ 49,373	\$ 8,373
<b>EXPENDITURES</b>				
Current:				
Public Safety	27,000	27,000	-	27,000
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	14,000	14,000	49,373	35,373
<b>OTHER FINANCING USES</b>				
Transfers Out	(14,000)	(14,000)	(54,900)	(40,900)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(5,527)	(5,527)
Fund Balance - Beginning of Year	12,565	12,565	12,565	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 12,565</u>	<u>\$ 12,565</u>	<u>\$ 7,038</u>	<u>\$ (5,527)</u>

**CITY OF VICTORVILLE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
ASSET SEIZURE FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 12,088	\$ 12,088	\$ -
Investment Income	-	-	1,457	1,457
Total Revenues	-	12,088	13,545	1,457
<b>EXPENDITURES</b>				
Current:				
Public Safety	29,337	29,337	7,336	22,001
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(29,337)	(17,249)	6,209	23,458
<b>NET CHANGE IN FUND BALANCE</b>	(29,337)	(17,249)	6,209	23,458
Fund Balance - Beginning of Year	50,826	50,826	50,826	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 21,489</u>	<u>\$ 33,577</u>	<u>\$ 57,035</u>	<u>\$ 23,458</u>



**CITY OF VICTORVILLE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**STORM DRAIN UTILITY FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 1,687,380	\$ 1,687,380	\$ 1,640,383	\$ (46,997)
Fines and Forfeitures	22,000	22,000	28,752	6,752
Investment Income	-	-	102,063	102,063
Other	-	-	3,692	3,692
Total Revenues	<u>1,709,380</u>	<u>1,709,380</u>	<u>1,774,890</u>	<u>65,510</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	1,515,059	1,515,059	1,017,039	498,020
Capital Outlay	125,000	125,000	-	125,000
Total Expenditures	<u>1,640,059</u>	<u>1,640,059</u>	<u>1,017,039</u>	<u>623,020</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>69,321</u>	<u>69,321</u>	<u>757,851</u>	<u>688,530</u>
<b>NET CHANGE IN FUND BALANCE</b>	69,321	69,321	757,851	688,530
Fund Balance - Beginning of Year	<u>3,323,631</u>	<u>3,323,631</u>	<u>3,323,631</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,392,952</u>	<u>\$ 3,392,952</u>	<u>\$ 4,081,482</u>	<u>\$ 688,530</u>

**CITY OF VICTORVILLE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**GAS TAX FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes and Assessments	\$ 2,898,797	\$ 2,898,797	\$ 3,047,702	\$ 148,905
Intergovernmental	3,507,716	3,507,716	3,462,402	(45,314)
Charges for Services	-	6,700	6,905	205
Investment Income	-	-	109,563	109,563
Other	-	-	3,682	3,682
Total Revenues	<u>6,406,513</u>	<u>6,413,213</u>	<u>6,630,254</u>	<u>217,041</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	3,521,515	3,567,389	3,055,784	511,605
Capital Outlay	2,985,797	4,671,504	1,344,402	3,327,102
Debt Service:				
Principal - SBITA	-	-	1,387	(1,387)
Total Expenditures	<u>6,507,312</u>	<u>8,238,893</u>	<u>4,401,573</u>	<u>3,837,320</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(100,799)</u>	<u>(1,825,680)</u>	<u>2,228,681</u>	<u>4,054,361</u>
<b>OTHER FINANCING SOURCES</b>				
SBITA Financing	-	-	4,056	4,056
<b>NET CHANGE IN FUND BALANCE</b>	(100,799)	(1,825,680)	2,232,737	4,058,417
Fund Balance - Beginning of Year	<u>3,888,421</u>	<u>3,888,421</u>	<u>3,888,421</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,787,622</u>	<u>\$ 2,062,741</u>	<u>\$ 6,121,158</u>	<u>\$ 4,058,417</u>

**CITY OF VICTORVILLE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION TAX FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 493,640	\$ 1,628,742	\$ 1,384,702	\$ (244,040)
Investment Income	-	-	37,631	37,631
Other	24,995	24,995	88,381	63,386
Total Revenues	<u>518,635</u>	<u>1,653,737</u>	<u>1,510,714</u>	<u>(143,023)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	979,271	1,006,226	669,022	337,204
Capital Outlay	249,640	493,640	244,000	249,640
Total Expenditures	<u>1,228,911</u>	<u>1,499,866</u>	<u>913,022</u>	<u>586,844</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(710,276)</u>	<u>153,871</u>	<u>597,692</u>	<u>443,821</u>
<b>NET CHANGE IN FUND BALANCE</b>	(710,276)	153,871	597,692	443,821
Fund Balance - Beginning of Year, as Restated	<u>(31,398)</u>	<u>(31,398)</u>	<u>(31,398)</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u><u>\$ (741,674)</u></u>	<u><u>\$ 122,473</u></u>	<u><u>\$ 566,294</u></u>	<u><u>\$ 443,821</u></u>

**CITY OF VICTORVILLE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**OTHER FEDERAL GRANTS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 40,335,149	\$ 100,657,026	\$ 11,590,644	\$ (89,066,382)
Investment Income	-	-	173	173
<b>Total Revenues</b>	<u>40,335,149</u>	<u>100,657,026</u>	<u>11,590,817</u>	<u>(89,066,209)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	421,732	421,732	84,334	337,398
Capital Outlay	61,551,924	112,828,517	14,784,570	98,043,947
<b>Total Expenditures</b>	<u>61,973,656</u>	<u>113,250,249</u>	<u>14,868,904</u>	<u>98,381,345</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(21,638,507)	(12,593,223)	(3,278,087)	9,315,136
<b>OTHER FINANCING SOURCES</b>				
Transfers In	30,948	30,985	-	(30,985)
<b>NET CHANGE IN FUND BALANCE</b>	(21,607,559)	(12,562,238)	(3,278,087)	9,284,151
Fund Balance (Deficit) - Beginning of Year	<u>(5,101,518)</u>	<u>(5,101,518)</u>	<u>(5,101,518)</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u><u>\$ (26,709,077)</u></u>	<u><u>\$ (17,663,756)</u></u>	<u><u>\$ (8,379,605)</u></u>	<u><u>\$ 9,284,151</u></u>

**CITY OF VICTORVILLE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
HUD GRANTS FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 32,578,009	\$ 30,691,664	\$ 1,580,472	\$ (29,111,192)
Investment Income	57,595	717,094	50,646	(666,448)
<b>Total Revenues</b>	<u>32,635,604</u>	<u>31,408,758</u>	<u>1,631,118</u>	<u>(29,777,640)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	2,082,591	2,012,741	-	2,012,741
Community Development	23,821,662	25,881,417	1,479,844	24,401,573
Public Works	4,648,122	4,616,058	483,694	4,132,364
Parks and Recreation	120,000	116,580	50,000	66,580
Capital Outlay	270,944	227,907	18,080	209,827
<b>Total Expenditures</b>	<u>30,943,319</u>	<u>32,854,703</u>	<u>2,031,618</u>	<u>30,823,085</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,692,285	(1,445,945)	(400,500)	1,045,445
<b>OTHER FINANCING SOURCES</b>				
Transfers In	630,347	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	2,322,632	(1,445,945)	(400,500)	1,045,445
Fund Balance - Beginning of Year	<u>2,052,187</u>	<u>2,052,187</u>	<u>2,052,187</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,374,819</u>	<u>\$ 606,242</u>	<u>\$ 1,651,687</u>	<u>\$ 1,045,445</u>

**CITY OF VICTORVILLE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
FOXBOROUGH RAIL FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes and Assessments	\$ 117,815	\$ 117,815	\$ 117,812	\$ (3)
Charges for Services	-	-	10,202	10,202
Investment Income	-	-	12,223	12,223
Total Revenues	<u>117,815</u>	<u>117,815</u>	<u>140,237</u>	<u>22,422</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	<u>121,500</u>	<u>171,500</u>	<u>57,232</u>	<u>114,268</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,685)	(53,685)	83,005	136,690
Fund Balance - Beginning of Year	<u>416,680</u>	<u>416,680</u>	<u>416,680</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 412,995</u></u>	<u><u>\$ 362,995</u></u>	<u><u>\$ 499,685</u></u>	<u><u>\$ 136,690</u></u>

## **FIDUCIARY FUNDS CUSTODIAL FUNDS**

Custodial funds are one of four types of fiduciary funds. Custodial funds are used to report resources held by the reporting government in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

### **Community Facilities District 90-01**

This fund accounts for the Brentwood, West Creek, and Joshua Ridge assessment district in accordance with the Mello-Roos Community Facilities Act of 1982. The taxes received are for the payment made to the debt service related to this bond issuance. The debt is debt without government commitment of the City of Victorville.

### **Community Facilities District 07-01**

This fund accounts for the Senna, Solana, and Sierra Project assessment district in accordance with the Mello-Roos Community Facilities Act of 1982. The taxes received are for the payment made to the debt service related to this bond issuance. The debt is debt without government commitment of the City of Victorville.

### **Community Facilities District 01-01**

This fund accounts for the Eagle Ranch assessment district in accordance with the Mello-Roos Community Facilities Act of 1982. The taxes received are for the payment made to the debt service related to this bond issuance. The debt is debt without government commitment of the City of Victorville.

### **Community Facilities District Cahuenga**

This fund accounts for the Cahuenga assessment district in accordance with the Mello-Roos Community Facilities Act of 1982. The taxes received are for the payment made to the debt service related to this bond issuance. The debt is debt without government commitment of the City of Victorville.

**CITY OF VICTORVILLE  
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 JUNE 30, 2023**

	Community Facilities District 90-01	Community Facilities District 07-01	Community Facilities District 01-01	Community Facilities District Cahuenga	Totals
<b>ASSETS</b>					
Cash and Investments	\$ 80,088	\$ 203,126	\$ 246,152	\$ 36,263	\$ 565,629
Restricted Assets:					
Investments With Fiscal Agent	-	280,555	323,111	-	603,666
Accounts Receivable	-	432	1,262	-	1,694
Total Assets	<u>80,088</u>	<u>484,113</u>	<u>570,525</u>	<u>36,263</u>	<u>1,170,989</u>
<b>LIABILITIES</b>					
Accounts Payable	<u>-</u>	<u>93</u>	<u>459</u>	<u>-</u>	<u>552</u>
<b>NET POSITION</b>					
Restricted for:					
Individuals, Organizations, and Other Governments	<u>\$ 80,088</u>	<u>\$ 484,020</u>	<u>\$ 570,066</u>	<u>\$ 36,263</u>	<u>\$ 1,170,437</u>



**CITY OF VICTORVILLE  
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
YEAR ENDED JUNE 30, 2023**

	Community Facilities District 90-01	Community Facilities District 07-01	Community Facilities District 01-01	Community Facilities District Cahuenga	Totals
<b>ADDITIONS</b>					
Property Assessments Collected	\$ -	\$ 180,429	\$ 288,945	\$ -	\$ 469,374
Investment Income	2,035	13,656	24,469	922	41,082
Total Additions	2,035	194,085	313,414	922	510,456
<b>DEDUCTIONS</b>					
Community Development	-	7,526	16,777	-	24,303
Payments on Special Assessment Debt	-	172,285	263,030	-	435,315
Total Deductions	-	179,811	279,807	-	459,618
<b>CHANGE IN NET POSITION</b>	2,035	14,274	33,607	922	50,838
Net Position - Beginning of Year	78,053	469,746	536,459	35,341	1,119,599
<b>NET POSITION - END OF YEAR</b>	<u>\$ 80,088</u>	<u>\$ 484,020</u>	<u>\$ 570,066</u>	<u>\$ 36,263</u>	<u>\$ 1,170,437</u>

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## STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say 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 City's most significant local revenue source, property taxes.

### **Debt Capacity**

These schedules present information to help the reader assess the adorability of the City's current level of outstanding debt, and the City's ability to issue additional debt in the future.

### **Demographic and Economic Information**

This schedule presents information to help the reader understand the environment within which the City's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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**CITY OF VICTORVILLE**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(IN THOUSANDS)**

	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 462,432	\$ 484,943	\$ 479,306	\$ 473,590	\$ 462,796	\$ 480,006	\$ 466,516	\$ 453,555	\$ 471,522	\$ 510,418
Restricted	45,594	44,922	56,682	58,111	58,571	63,733	77,665	86,627	90,462	100,773
Unrestricted	<u>(11,484)</u>	<u>(46,227)</u>	<u>(47,079)</u>	<u>(47,596)</u>	<u>(50,734)</u>	<u>(43,759)</u>	<u>(44,619)</u>	<u>(23,215)</u>	<u>19,767</u>	<u>46,204</u>
Total governmental activities net position	<u>496,542</u>	<u>483,638</u>	<u>488,909</u>	<u>484,105</u>	<u>470,633</u>	<u>499,980</u>	<u>499,563</u>	<u>516,967</u>	<u>581,752</u>	<u>657,395</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	188,425	150,794	66,591	59,439	64,164	49,262	42,900	39,962	47,471	46,894
Restricted	8,604	8,911	9,600	11,981	13,937	0	0	0	0	0
Unrestricted	<u>(26,466)</u>	<u>(35,217)</u>	<u>54,098</u>	<u>48,212</u>	<u>24,147</u>	<u>33,883</u>	<u>42,640</u>	<u>56,629</u>	<u>76,595</u>	<u>112,206</u>
Total business-type activities net position	<u>170,563</u>	<u>124,488</u>	<u>130,290</u>	<u>119,632</u>	<u>102,248</u>	<u>83,145</u>	<u>85,541</u>	<u>96,591</u>	<u>124,066</u>	<u>159,100</u>
<b>Primary government</b>										
Invested in capital assets, net of related debt	650,857	635,737	545,897	533,029	526,960	529,267	509,416	493,517	518,993	557,313
Restricted	54,198	53,833	66,282	70,092	72,508	63,733	77,665	86,627	90,462	100,773
Unrestricted	<u>(37,951)</u>	<u>(81,444)</u>	<u>7,020</u>	<u>616</u>	<u>(26,587)</u>	<u>(9,876)</u>	<u>(1,978)</u>	<u>33,414</u>	<u>96,362</u>	<u>158,410</u>
Total primary government net position	<u>\$ 667,104</u>	<u>\$ 608,125</u>	<u>\$ 619,199</u>	<u>\$ 603,738</u>	<u>\$ 572,881</u>	<u>\$ 583,124</u>	<u>\$ 585,104</u>	<u>\$ 613,558</u>	<u>\$ 705,818</u>	<u>\$ 816,496</u>

**CITY OF VICTORVILLE**  
**CHANGES IN NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(IN THOUSANDS)**

	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020*</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Expenses</b>										
<i>Governmental activities:</i>										
General government	\$14,342	\$12,188	\$12,121	\$8,982	\$21,271	\$19,256	\$20,924	\$19,440	\$21,653	\$27,941
Public safety	35,679	36,066	35,624	37,719	37,294	45,498	42,413	45,868	49,006	59,556
Community Development	2,931	1,780	1,646	5,375	1,696	1,552	1,314	9,231	2,477	3,586
Public works	33,472	28,856	31,972	33,835	29,076	28,971	31,103	32,425	29,054	34,794
Park and recreation	4,395	3,188	4,911	5,245	5,113	6,090	6,826	7,035	5,562	7,226
Interest on long-term debt	61	63	102	177	44	112	104	51	33	14
<i>Total governmental activities expenses</i>	<u>90,880</u>	<u>82,141</u>	<u>86,376</u>	<u>91,332</u>	<u>94,493</u>	<u>101,481</u>	<u>102,685</u>	<u>114,051</u>	<u>107,784</u>	<u>133,116</u>
<i>Business-type activities</i>										
Sanitary Sewer	12,415	13,523	11,960	12,651	17,019	14,994	17,314	16,552	17,630	20,207
Golf course	2,231	1,716	1,566	1,507	1,544	439	-	-	-	-
Airport	32,528	35,453	31,597	32,742	37,406	32,756	34,860	40,578	36,659	37,391
Water	28,419	30,298	33,851	40,185	35,431	41,110	39,439	42,734	44,121	44,649
Rail	269	-	-	-	-	-	-	-	-	-
Solid Waste	13,011	13,144	14,197	15,467	16,614	16,516	17,850	18,616	19,640	21,969
Municipal Utilities*	10,747	11,603	11,016	10,479	12,967	13,569	-	\$ -	\$ -	\$ -
Municipal Utilities - Gas	-	-	-	-	-	-	2,353	2,064	2,844	4,378
Municipal Utilities - Electric	-	-	-	-	-	-	11,717	12,156	15,801	15,567
<i>Total business-type activities expenses</i>	<u>99,621</u>	<u>105,736</u>	<u>104,186</u>	<u>113,031</u>	<u>120,982</u>	<u>119,383</u>	<u>123,533</u>	<u>132,701</u>	<u>136,695</u>	<u>144,160</u>
Total primary government expenses	<u>190,501</u>	<u>187,877</u>	<u>190,563</u>	<u>204,363</u>	<u>215,475</u>	<u>220,864</u>	<u>226,217</u>	<u>246,752</u>	<u>244,480</u>	<u>277,276</u>
<b>Program Revenues</b>										
<i>Governmental activities:</i>										
Charges for services:										
General government	4,351	4,203	3,136	3,221	5,493	9,144	10,240	10,159	10,274	11,800
Public safety	2,451	1,570	874	720	575	571	887	1,466	1,679	5,587
Community development	3,896	960	1,950	3,163	2,874	5,163	5,800	8,066	9,804	6,802
Public works	15,236	3,519	4,142	4,745	4,560	4,591	4,905	8,310	9,938	7,557
Parks and recreation	917	935	930	956	876	856	569	834	746	892
Operating grants and contributions	5,859	5,191	15,165	10,654	3,964	6,947	4,555	11,719	6,050	22,926
Capital contributions and grants	9,251	7,745	10,626	8,076	4,702	10,312	11,916	7,992	29,326	39,917
<i>Total governmental activities program revenues</i>	<u>41,962</u>	<u>24,123</u>	<u>36,822</u>	<u>31,537</u>	<u>23,044</u>	<u>37,584</u>	<u>38,873</u>	<u>48,548</u>	<u>67,817</u>	<u>95,481</u>
<i>Business-type activities:</i>										
Charges for services:										
Sanitary Sewer	14,729	15,560	13,381	11,374	11,694	13,196	14,663	17,292	19,786	21,953
Golf course	849	395	583	432	470	-	-	-	-	-
Airport	8,184	8,110	8,027	6,949	7,531	9,315	11,198	11,056	13,028	13,676
Water	27,470	25,978	27,704	31,146	30,907	31,820	35,607	42,167	46,259	42,295
Solid Waste	12,004	12,342	12,716	13,965	14,336	17,546	18,867	19,776	21,987	23,366
Municipal Utilities*	12,464	13,638	13,899	14,483	13,885	14,882	-	-	-	-
Municipal Utilities - Gas	-	-	-	-	-	-	2,616	2,657	3,216	4,572
Municipal Utilities - Electric	-	-	-	-	-	-	13,131	15,830	17,421	20,223
Operating grants and contributions	-	-	-	-	-	-	-	-	1,273	-
Capital contributions and grants	2,657	54	6,263	2,297	5,178	12,688	6,393	13,777	9,731	8,446
<i>Total business-type activities program revenues</i>	<u>78,356</u>	<u>76,076</u>	<u>82,573</u>	<u>80,647</u>	<u>84,002</u>	<u>99,446</u>	<u>102,474</u>	<u>122,556</u>	<u>132,701</u>	<u>134,531</u>
Total primary government program revenues	<u>\$120,318</u>	<u>\$100,199</u>	<u>\$119,395</u>	<u>\$ 112,184</u>	<u>\$107,046</u>	<u>\$137,031</u>	<u>\$141,347</u>	<u>\$171,104</u>	<u>\$200,518</u>	<u>\$230,012</u>

\* Started reporting Gas and Electric utilities separately in FY2020.

**CITY OF VICTORVILLE**  
**CHANGES IN NET POSITION BY COMPONENT (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(IN THOUSANDS)**

	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net (expense) revenue										
Governmental activities	\$(48,918)	\$(58,018)	\$(49,554)	\$(59,796)	\$(71,449)	\$(63,897)	\$ (63,812)	\$(65,503)	\$(39,967)	\$(37,635)
Business-type activities	<u>(21,265)</u>	<u>(29,660)</u>	<u>(21,614)</u>	<u>(32,384)</u>	<u>(36,980)</u>	<u>(19,937)</u>	<u>(21,058)</u>	<u>(10,144)</u>	<u>(3,995)</u>	<u>(9,629)</u>
Total primary government net expens	<u>(70,183)</u>	<u>(87,678)</u>	<u>(71,168)</u>	<u>(92,180)</u>	<u>(108,429)</u>	<u>(83,834)</u>	<u>(84,870)</u>	<u>(75,648)</u>	<u>(43,962)</u>	<u>(47,264)</u>
<b>General Revenues and Other Changes in Net Position</b>										
<i>Governmental activities:</i>										
Taxes:										
Property taxes	21,522	22,138	23,752	24,097	25,662	27,202	28,211	31,980	32,795	36,458
Sales taxes	22,329	24,085	28,212	26,802	26,653	30,629	28,566	35,227	36,865	37,382
Transactions and Use Tax*	-	-	-	-	-	-	-	7,103	29,587	29,260
Transient occupancy tax	881	1,064	1,074	1,138	1,305	1,487	1,539	1,899	2,026	2,013
Other taxes	2,892	3,000	3,039	2,840	3,737	3,816	3,988	4,112	4,442	4,764
Investment income	138	68	158	478	726	1,148	574	(391)	(1,274)	2,787
Motor vehicle in lieu	-	-	-	-	-	-	-	-	-	-
Gain on sale of assets	31	55	-	-	-	-	-	-	19	-
Miscellaneous revenues	190	314	201	192	377	384	515	818	211	519
SERAF Obligation	-	-	-	-	-	-	-	-	-	-
Transfers	- 992	24,090	(779)	(554)	(521)	26,795	-	1,685	82	95
Extraordinary Gain	-	-	-	-	-	-	-	-	-	-
Legal Settlement	34	-	-	-	-	-	-	-	-	-
<i>Total governmental activities</i>	<u>47,024</u>	<u>74,815</u>	<u>55,657</u>	<u>54,992</u>	<u>57,940</u>	<u>91,461</u>	<u>63,394</u>	<u>82,432</u>	<u>104,752</u>	<u>113,278</u>
<i>Business-type activities:</i>										
Taxes	18,418	19,781	24,879	25,918	29,070	24,659	20,772	22,405	22,862	23,408
Other Taxes	-	177	-	-	-	-	-	-	-	-
Investment income	192	-	1,002	726	1,828	2,374	1,918	216	1,266	6,775
Gain on sale of assets	-	-	125	17	290	-	-	110	17	14,576
Miscellaneous revenues	1,902	2,003	1,432	1,779	1,099	190	630	149	867	-
Impairment loss on Capital assets	-	(24,090)	-	-	-	-	-	-	-	-
Legal Settlement	-	-	-	-	-	-	-	-	-	-
Transfers	992	-	779	554	521	(26,795)	-	(1,685)	(82)	(95)
<i>Total business-type activities</i>	<u>21,505</u>	<u>(2,129)</u>	<u>28,217</u>	<u>28,993</u>	<u>32,808</u>	<u>429</u>	<u>23,320</u>	<u>21,196</u>	<u>24,930</u>	<u>44,664</u>
Total primary government	<u>68,529</u>	<u>72,686</u>	<u>83,874</u>	<u>83,985</u>	<u>90,748</u>	<u>91,890</u>	<u>86,714</u>	<u>103,628</u>	<u>129,682</u>	<u>157,942</u>
<b>Change in Net Position</b>										
Governmental activities	(1,894)	16,797	6,103	(4,803)	(13,510)	27,564	(418)	16,929	64,785	75,644
Business-type activities	240	(31,789)	6,604	(3,392)	(4,171)	(19,509)	2,262	11,051	20,936	35,034
Total primary government	<u>\$ (1,654)</u>	<u>\$ (14,992)</u>	<u>\$ 12,706</u>	<u>\$ (8,195)</u>	<u>\$ (17,681)</u>	<u>\$ 8,056</u>	<u>\$ 1,844</u>	<u>\$ 27,980</u>	<u>\$ 85,721</u>	<u>\$ 110,678</u>

\* Measure P Transactions and Use Tax was approved by voters in November 2020 election and went into effect April 1, 2021.

**CITY OF VICTORVILLE**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(IN THOUSANDS)**

	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	179	195	192	172	472	7,236	6,225	5,149	4,192	3,287
Restricted	30	-	-	-	-	-	-	-	-	-
Unassigned	<u>4,595</u>	<u>3,238</u>	<u>4,630</u>	<u>5,181</u>	<u>6,179</u>	<u>12,812</u>	<u>18,110</u>	<u>41,107</u>	<u>75,466</u>	<u>103,870</u>
Total general fund	<u>4,804</u>	<u>3,433</u>	<u>4,822</u>	<u>5,353</u>	<u>6,651</u>	<u>20,049</u>	<u>24,335</u>	<u>46,256</u>	<u>79,659</u>	<u>107,156</u>
All other governmental funds										
Reserved, reported in:										
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital project funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	180	195	194	174	474	04	11	05	4,221	4,249
Restricted	43,869	44,922	56,305	58,108	60,819	62,198	75,962	83,555	76,510	97,941
Assigned	1,911	-	-	-	-	-	-	-	-	-
Unassigned	<u>(1,543)</u>	<u>(3,111)</u>	<u>(2,587)</u>	<u>(882)</u>	<u>(2,487)</u>	<u>(7,599)</u>	<u>(4,120)</u>	<u>(2,946)</u>	<u>(1,788)</u>	<u>(12,747)</u>
Total all other governmental funds	<u>44,417</u>	<u>42,006</u>	<u>53,912</u>	<u>57,400</u>	<u>58,807</u>	<u>54,602</u>	<u>71,853</u>	<u>80,614</u>	<u>78,944</u>	<u>89,444</u>

Beginning in 2011, the City started reporting fund balance in conformity with GASB 54, which changed fund balance reclassification.

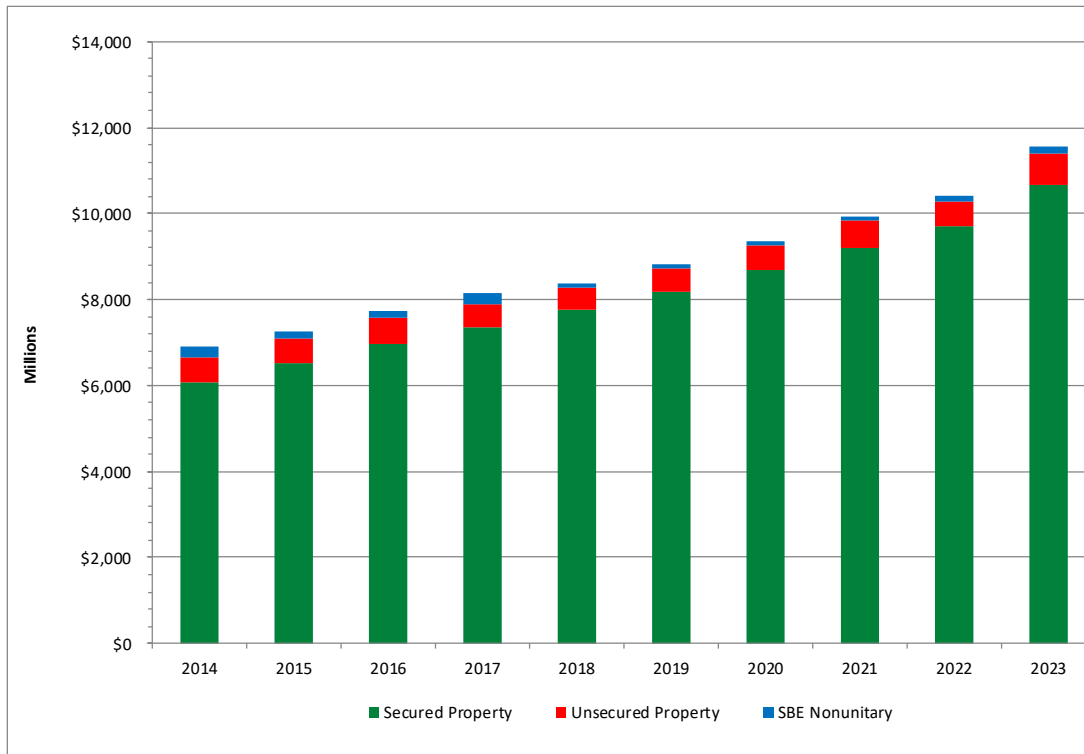


**CITY OF VICTORVILLE**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(IN THOUSANDS)**

	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Revenue</b>										
Taxes	\$47,624	\$50,287	\$ 55,966	\$54,877	\$57,357	\$ 65,402	\$ 64,092	\$ 83,170	\$108,455	\$113,043
Licenses and permits	1,230	1,533	1,387	1,463	1,863	2,633	2,786	4,244	5,393	4,036
Intergovernmental	17,249	13,833	25,947	19,293	8,404	8,920	14,651	9,150	27,339	54,571
Charges for services	10,480	9,587	11,627	13,247	15,016	17,236	23,306	23,927	24,982	29,561
Fines and forfeitures	1,142	1,308	737	793	514	473	418	704	829	880
Investment income	138	68	158	478	726	966	1,437	276	(357)	5,420
Sale of assets	-	-	-	(3,544)	-	-	-	109	-	-
Legal Settlement	34	-	-	-	-	-	-	-	-	-
Other	190	314	201	192	464	532	849	3,942	582	1,074
Total revenues	<u>\$78,086</u>	<u>\$76,930</u>	<u>\$ 96,022</u>	<u>\$86,798</u>	<u>\$84,345</u>	<u>\$ 96,164</u>	<u>\$107,539</u>	<u>\$125,523</u>	<u>\$167,222</u>	<u>\$208,585</u>
<b>Expenditures</b>										
General government	9,751	11,171	9,676	9,272	11,105	10,625	11,650	11,978	16,722	19,909
Public safety	34,272	35,674	35,875	37,855	39,185	45,004	41,731	45,039	48,066	58,559
Community development	2,788	1,769	1,438	1,899	1,629	1,118	1,128	8,734	2,476	3,265
Public works	23,697	28,349	31,956	29,412	26,185	17,781	18,926	19,299	22,660	24,497
Park and recreation	2,866	2,956	3,363	3,746	3,739	4,047	4,238	4,308	4,267	5,607
Capital Outlay*	-	-	-	-	-	21,593	8,068	7,428	43,072	59,367
Debt services:										
Principal	6,082	-	-	-	-	-	153	159	165	725
Interest & Fiscal agent charges	61	63	102	177	44	74	109	57	38	36
Principal-SBITA										320
Interest-SBITA										00
SERAF Obligation	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>\$79,516</u>	<u>\$79,982</u>	<u>\$ 82,411</u>	<u>\$82,362</u>	<u>\$81,887</u>	<u>\$100,243</u>	<u>\$ 86,003</u>	<u>\$ 97,001</u>	<u>\$137,466</u>	<u>\$172,286</u>
Excess of revenues over (under) expenditures	(1,430)	(3,052)	13,611	4,437	2,458	(4,080)	21,536	28,521	29,755	36,299
<b>Other financing sources (uses):</b>										
SBITA Financing	-	-	-	-	-	-	-	-	-	798
Capital lease proceeds	-	-	-	-	-	1,201	-	-	-	900
Transfer in	365	1,289	218	246	80	18,424	41	1,757	4,325	55
Transfer out	(1,327)	(2,200)	(997)	(800)	(601)	(6,649)	(41)	(73)	(2,348)	(55)
Gain (loss) on sale of assets	31	55	1,058	156	28	-	-	-	-	-
Total other financing sources(uses)	<u>(931)</u>	<u>(856)</u>	<u>280</u>	<u>(398)</u>	<u>(494)</u>	<u>12,977</u>	<u>\$ -</u>	<u>1,685</u>	<u>1,977</u>	<u>1,699</u>
Extraordinary gain(loss)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	<u>(2,361)</u>	<u>(3,908)</u>	<u>13,890</u>	<u>4,039</u>	<u>1,964</u>	<u>8,897</u>	<u>21,536</u>	<u>30,206</u>	<u>31,732</u>	<u>37,998</u>
Debt service as a percentage of noncapital expenditures	7.7%	0.1%	0.1%	0.2%	0.1%	0.1%	0.3%	0.2%	0.1%	0.4%

\*Starting in FY2019, Capital outlay was broken out of categorical expenditures

**CITY OF VICTORVILLE  
ASSESSED VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**



<u>Fiscal Year</u>	<u>Secured Property</u>	<u>Unsecured Property</u>	<u>SBE Nonunitary</u>	<u>Total Assessed</u>	<u>Total Direct Tax Rate</u>
2004	3,141,841,715	222,573,199	477,500,712	3,841,915,626	8.10%
2005	3,828,701,477	219,700,978	492,977,851	4,541,380,306	16.75%
2006	4,973,962,731	234,285,388	487,511,504	5,695,759,623	3.79%
2007	6,671,588,958	254,201,465	475,654,862	7,401,445,285	10.22%
2008	8,445,139,241	528,505,928	483,739,950	9,457,385,119	7.70%
2009	8,482,819,863	446,754,325	469,192,873	9,398,767,061	10.61%
2010	6,876,396,453	475,171,025	446,393,003	7,797,960,481	13.73%
2011	6,152,107,952	531,098,592	349,464,067	7,032,670,611	20.40%
2012	6,015,259,937	486,592,953	324,863,210	6,826,716,100	20.63%
2013	5,983,453,352	502,968,659	279,763,216	6,766,185,227	21.62%
2014	6,079,669,684	578,809,444	232,263,205	6,890,742,333	18.33%
2015	6,523,751,292	563,911,351	180,492,248	7,268,154,891	18.25%
2016	6,961,515,866	598,447,036	177,480,228	7,737,443,130	18.24%
2017	7,358,274,302	548,314,490	225,429,163	8,132,017,955	18.23%
2018	7,751,404,680	507,854,639	106,929,139	8,366,188,458	18.22%
2019	8,173,462,255	553,108,056	104,329,108	8,830,899,419	18.21%
2020	8,697,654,376	549,306,339	98,788,971	9,345,749,686	18.20%
2021	9,212,471,887	608,604,365	100,188,971	9,921,265,223	18.19%
2022	9,722,567,162	570,333,790	116,988,971	10,409,889,923	20.26%
2023	10,674,814,139	725,356,217	153,988,971	11,554,159,327	20.25%

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

Source: County of San Bernardino Assessor and HdL, Coren & Cone

**CITY OF VICTORVILLE  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(RATE PER \$100 OF TAXABLE VALUE)  
LAST TEN FISCAL YEARS**

	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Basic Levy*	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Adelanto Elementary Bond	0.0746	0.0810	0.0797	0.0830	0.0871	0.0970	0.0835	0.0916	0.0912	0.0000
Mojave Water Agency	0.1675	0.1675	0.1675	0.1675	0.1675	0.1675	0.1675	0.1675	0.1675	0.1675
Oro Grande Elementary Bond	0.0377	0.0379	0.0378	0.0898	(0.0102)	0.0000	0.0000	0.0000	0.0000	0.0000
Victor Elementary Bond	0.1086	0.1022	0.1124	0.1162	0.1216	0.1204	0.0406	0.0611	0.0591	0.0574
Victor High School Bond	0.0792	0.0770	0.0716	0.0986	0.0915	0.0958	0.0703	0.0445	0.0532	0.0537
Victor Valley Community College Bond	0.0264	0.0262	0.0197	0.0174	0.0198	0.0181	0.0181	0.0198	0.0218	0.0206
<b>Total Direct and Overlapping Tax Rates</b>	<b>1.4940</b>	<b>1.4918</b>	<b>1.4887</b>	<b>1.5725</b>	<b>1.4773</b>	<b>1.4988</b>	<b>1.3800</b>	<b>1.3845</b>	<b>1.3928</b>	<b>1.2992</b>
City's basic rate**	0.1605	0.1605	0.1605	0.1605	0.1605	0.1605	0.1605	0.1605	0.1605	0.1605
<b>Total Direct Rate^</b>	<b>0.1833</b>	<b>0.1825</b>	<b>0.1824</b>	<b>0.1823</b>	<b>0.1822</b>	<b>0.1821</b>	<b>0.1820</b>	<b>0.1819</b>	<b>0.2026</b>	<b>0.2025</b>

**Notes:**

\* In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

\*\* City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in the ratio figures.

^ Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: San Bernardino County Auditor/ Controller's Office and HDL, Coren & Cone

**CITY OF VICTORVILLE  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>2023</u>		<u>2014</u>	
	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>
High Desert Power Trust	\$ 153,200,000	1.33%	\$ 231,100,000	3.35%
Macerich Victor Valley	147,530,936	1.28%		
Higcov SCLC	145,377,317	1.26%		
The American Bottling Company	107,356,540	0.93%	\$ 119,782,014	1.74%
CF Frieghter Holdings	103,450,260	0.90%		
Cemex Construction Materials Pacific	96,387,183	0.83%	\$ 49,950,177	0.72%
Desert Valley Hospital Inc,	70,577,326	0.61%		
Veyron KDP 1 Partners	67,296,038	0.58%		
Walmart Stores Inc.	66,717,752	0.58%	\$ 53,246,522	0.77%
Federal Express Corporation	65,091,310	0.56%		
Nutro Products Inc			\$ 94,446,418	1.37%
Striling Capital Investments			\$ 79,051,977	1.15%
Prime Investments			\$ 69,173,184	1.00%
Church and Dwight Company			\$ 35,469,376	0.51%
Plastipak Packaging Inc			\$ 30,957,430	0.45%
General Electric Company			\$ 27,392,132	0.40%
	<u>\$ 1,022,984,662</u>	<u>8.86%</u>	<u>\$ 790,569,230</u>	<u>11.46%</u>

Data is only presented for the top ten property in each of the two years presented.

Source: HdL Coren & Cone

**CITY OF VICTORVILLE  
PROPERTY TAX LEVIES AND COLLECTIONS BY DISTRICT  
LAST TEN FISCAL YEARS**

<i>Fire District***</i>	Tax Levy	Current Tax Collections	Percent of Total Tax Collections to Tax Levy
2014	-	-	0.00%
2015	-	-	0.00%
2016	-	-	0.00%
2017	-	-	0.00%
2018	-	-	0.00%
2019	-	-	0.00%
2020	-	-	0.00%
2021	-	-	0.00%
2022	-	-	0.00%
2023	-	-	0.00%

<i>Park District***</i>	Tax Levy	Current Tax Collections	Percent of Total Tax Collections to Tax Levy
2014	-	-	0.00%
2015	-	-	0.00%
2016	-	-	0.00%
2017	-	-	0.00%
2018	-	-	0.00%
2019	-	-	0.00%
2020	-	-	0.00%
2021	-	-	0.00%
2022	-	-	0.00%
2023	-	-	100.00%

<i>Sanitary District**</i>	Tax Levy	Current Tax Collections	Percent of Total Tax Collections to Tax Levy
2014	-	-	0.00%
2015	-	-	0.00%
2016	-	-	0.00%
2017	-	-	0.00%
2018	-	-	0.00%
2019	-	-	0.00%
2020	-	-	0.00%
2021	-	-	0.00%
2022	-	-	0.00%
2023	-	-	0.00%

<i>Street Lighting District</i>	Tax Levy	Current Tax Collections	Percent of Total Tax Collections to Tax Levy
2014	718,124	713,835	99.40%
2015	751,196	737,646	98.20%
2016	814,455	764,955	93.92%
2017	725,345	723,720	99.78%
2018	706,459	704,679	99.75%
2019	735,987	734,996	99.87%
2020	756,545	754,972	99.79%
2021	765,513	764,053	99.81%
2022	804,802	803,156	99.80%
2023	788,274	786,490	99.77%

\*In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above. As the City of Victorville did not receive property taxes during the period of 1976-1978, the City negotiated its relative 1% share of taxes. Additional tax levy is based on the districts above.

\*\* In fiscal year 2010, LAFCO approved consolidation of Sanitary District to the City. This property tax revenue is currently recorded in the General Fund.

\*\*\* In fiscal year 2011, LAFCO approved consolidation of Fire and Park Districts to the City. This property tax revenue is currently recorded in the General Fund.

**CITY OF VICTORVILLE  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

**Governmental Activities**

<b>Fiscal Year</b>	<b>Certificate of Participation</b>	<b>Tax Allocation Bonds*</b>	<b>Capital Lease Agreement</b>	<b>Other**</b>	<b>Total Governmental Activities</b>
2014	\$ -	\$ -	\$ -	\$ 45,100	\$ 45,100
2015	\$ -	\$ -	\$ -	\$ 44,078	\$ 44,078
2016	\$ -	\$ -	\$ -	\$ 33,111	\$ 33,111
2017	\$ -	\$ -	\$ -	\$ 59,503	\$ 59,503
2018	\$ -	\$ -	\$ -	\$ 65,026	\$ 65,026
2019	\$ -	\$ -	\$ 1,201	\$ 62,594	\$ 63,795
2020	\$ -	\$ -	\$ -	\$ 70,349	\$ 70,349
2021	\$ -	\$ -	\$ -	\$ 76,223	\$ 76,223
2022	\$ -	\$ -	\$ -	\$ 60,686	\$ 60,686
2023	\$ -	\$ -	\$ -	\$ 81,489	\$ 81,489

^ In Fiscal Year 2007, the City reclass Solid Waste from Governmental activities to Business- the revenue bond for this fund also got reclass. \$ -

\*In 2012, the Redevelopment Agency dissolution caused the bonds to go to the Successor Agency to the Redevelopment Agency, a private purpose trust.

\*\* In Fiscal Year 2015, the City implemented GASB68, which adjusted the amount for 2014 to reflect prior Net Pension Liability. In Fiscal Year 2018, the City implemented GASB75 which adjusted the amount for 2017 to reflect prior Net OPEB Liability.

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

**CITY OF VICTORVILLE**  
**RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**

**Business-Type Activities**

<u>Fiscal Year</u>	<u>Lease Purchase Agreement</u>	<u>Tax Allocation Bonds</u>	<u>Lease Revenue Bonds</u>	<u>Revenue Bonds<sup>^</sup></u>	<u>Certificate of Participation</u>	<u>Other</u>	<u>Total Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Debt Per Capita*</u>	<u>% of Personal Income*</u>
2014	\$ 748	\$ 321,508	\$ 53,070	\$ 1,353	\$ 12,875	\$ 16,418	\$ 405,972	\$ 451,072	3,741	229.37
2015	\$ 347	\$ 318,564	\$ 53,070	\$ 1,155	\$ 12,465	\$ 13,651	\$ 399,252	\$ 443,330	3,680	228.88
2016	\$ -	\$ 314,936	\$ 53,070	\$ 945	\$ 12,035	\$ 13,866	\$ 394,851	\$ 427,962	3,465	225.42
2017	\$ -	\$ 311,741	\$ 51,925	\$ 725	\$ 10,360	\$ 21,160	\$ 395,910	\$ 455,413	3,686	238.40
2018	\$ -	\$ 308,400	\$ 50,720	\$ 495	\$ 10,025	\$ 35,661	\$ 405,301	\$ 470,327	3,806	234.98
2019	\$ -	\$ 300,964	\$ 49,450	\$ 253	\$ 9,675	\$ 20,481	\$ 380,822	\$ 444,618	3,514	208.77
2020	\$ -	\$ 294,282	\$ 48,214	\$ -	\$ 9,310	\$ 40,902	\$ 392,709	\$ 463,058	3,663	200.58
2021	\$ -	\$ 289,776	\$ 46,710	\$ -	\$ 8,930	\$ 44,403	\$ 389,819	\$ 466,042	3,665	192.45
2022	\$ -	\$ 285,064	\$ -	\$ 48,044	\$ 8,622	\$ 36,356	\$ 378,086	\$ 438,772	3,213	165.43
2023	\$ -	\$ 280,133	\$ -	\$ 46,205	\$ 8,206	\$ 47,155	\$ 381,699	\$ 463,188	3,376	151.09

<sup>^</sup> In Fiscal Year 2007, the City reclassified Solid Waste from Governmental activities to Business- type activities. Thus, the revenue bond for this fund was also reclassified.

\*\* In Fiscal Year 2015, the City implemented GASB68, which adjusted the amount for 2014 to reflect prior Net Pension Liability. In

\* This ratio is calculated using population and personal income for the prior calendar year.

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

**CITY OF VICTORVILLE  
RATIO OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Certificate of Participation</u>	<u>Revenue Bonds</u>	<u>Tax Allocation Bonds</u> <sup>□</sup>	<u>Total</u>	<u>Percentage Assessed Value</u> <sup>*</sup>
2014	-	-	-	-	0.00%
2015	-	-	-	-	0.00%
2016	-	-	-	-	0.00%
2017	-	-	-	-	0.00%
2018	-	-	-	-	0.00%
2019	-	-	-	-	0.00%
2020	-	-	-	-	0.00%
2021	-	-	-	-	0.00%
2022	-	-	-	-	0.00%
2023	-	-	-	-	0.00%

\* Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: City of Victorville Annual Comprehensive Financial Reports FY23



**CITY OF VICTORVILLE  
LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

<u>Fiscal Year</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 1,033,611	\$ 1,090,223	\$ 1,160,616	\$ 1,219,803	\$ 1,254,928	\$ 1,324,635	\$ 1,401,862	\$ 1,488,190	\$ 1,561,483	\$ 1,733,124
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>1,033,611</u>	<u>1,090,223</u>	<u>1,160,616</u>	<u>1,219,803</u>	<u>1,254,928</u>	<u>1,324,635</u>	<u>1,401,862</u>	<u>1,488,190</u>	<u>1,561,483</u>	<u>1,733,124</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

**Legal Debt Margin Calculation for Fiscal Year 2023**

Assessed value	\$ 10,409,889,923
Debt Limit (15% of total assessed value)	1,561,483
Debt applicable to limit:	
General obligation bond	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 1,561,483</u>

Note: Under state finance law, the City of Victorville's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying obligation bonds.

Source: HdL Companies

**CITY OF VICTORVILLE  
DIRECT AND OVERLAPPING DEBT**

2022-23 Assessed Valuation: \$11,444,656,207

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt <u>6/30/2023</u>	<u>% Applicable (1)</u>	City's Share of <u>Debt 6/30/23</u>
Victor Valley Joint Community College District	\$150,661,664	28.67%	\$43,190,179
Victor Valley Joint Union High School District	119,825,428	61.857	74,120,415
Victor School District	45,714,944	84.048	38,422,496
Adelanto School District Community Facilities District No. 1, I.A. A	12,440,000	100	12,440,000
Adelanto School District Community Facilities District No. 2	3,640,000	100	3,640,000
Hesperia Unified School District Community Facilities Districts	7,565,000	100	7,565,000
Snowline Joint Unified School District Community Facilities Districts	8,540,000	100	8,540,000
Victor School District Community Facilities Districts	28,625,100	100	28,625,100
Victor Valley Joint Union High School District Community Facilities Districts	4,920,000	100	4,920,000
City of Victorville Community Facilities Districts	4,985,000	100	4,985,000
California Statewide Community Development Authority Assessment District N	760,000	100	<u>760,000</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$227,208,190</b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
San Bernardino County General Fund Obligations	\$160,860,000	3.94%	\$6,336,275
San Bernardino Pension Obligation Bonds	62,960,000	3.939	2,479,994
San Bernardino County Flood Control District General Fund Obligations	41,065,000	3.939	1,617,550
Hesperia Unified School District General Fund Obligations	117,110,000	7.679	8,992,877
Snowline Joint Unified School District General Fund Obligations	59,400,000	16.719	9,931,086
Victor Valley Joint Union High School District Certificates of Participation	17,600,000	61.857	10,886,832
Adelanto School District Certificates of Participation	5,750,000	42.885	2,465,888
Oro Grande School District Certificates of Participation	28,995,000	2.218	643,109
<b>City of Victorville General Fund Obligations</b>	<b>0</b>	<b>100</b>	<b>0</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$43,353,611</b>
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	\$302,164,925	68.019 - 100. %	\$214,423,476
<b>TOTAL DIRECT DEBT</b>			<b>\$0</b>
TOTAL OVERLAPPING DEBT			\$484,985,277
COMBINED TOTAL DEBT			\$484,985,277
 <b>TOTAL DIRECT DEBT</b>			 <b>\$0</b>
TOTAL OVERLAPPING DEBT			\$491,034,788
 COMBINED TOTAL DEBT			 \$491,034,788 (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 the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.99%
<b>Total Direct Debt (\$0)</b>	<b>0.00%</b>
Combined Total Debt	4.24%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$6,796,777,187)

Total Overlapping Tax Increment Debt	3.15%
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Source: California Municipal Statistics, Inc.

**CITY OF VICTORVILLE  
PLEDGE REVENUE COVERAGE  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

**Fiduciary Trust Activities - Successor Agency Tax Allocation Bond**

<u>Fiscal Year</u>	<u>Pledged</u>	<u>Debt Service</u>		<u>Coverage</u>
	<u>Revenue</u>	<u>Principal</u>	<u>Interest</u>	
2014	4,927	2,010	2,190	117%
2015	5,600	1,060	2,139	175%
2016	5,343	1,110	2,085	167%
2017	5,689	1,165	2,029	178%
2018	3,955	1,225	1,965	124%
2019	3,569	1,285	1,907	112%
2020	2,797	1,350	1,840	88%
2021	641	1,420	1,767	20%
2022	1,850	1,495	1,690	58%
2023	3,306	1,575	1,608	104%

**Business Type Activities Debt - SCLAA Tax Allocation Bond**

<u>Fiscal Year</u>	<u>Pledged</u>	<u>Debt Service</u>		<u>Coverage</u>
	<u>Revenue</u>	<u>Principal</u>	<u>Interest</u>	
2014	17,562	4,195	17,321	82%
2015	18,554	4,410	17,150	86%
2016	25,176	4,635	16,950	117%
2017	24,649	4,865	16,746	114%
2018	28,983	4,405	17,580	132%
2019	23,801	5,365	16,208	110%
2020	20,407	5,635	15,845	95%
2021	23,021	5,920	15,551	107%
2022	22,410	6,225	15,238	104%
2023	22,583	6,550	14,907	105%

**Business Type Activities Debt - Water District Certificates of Participation**

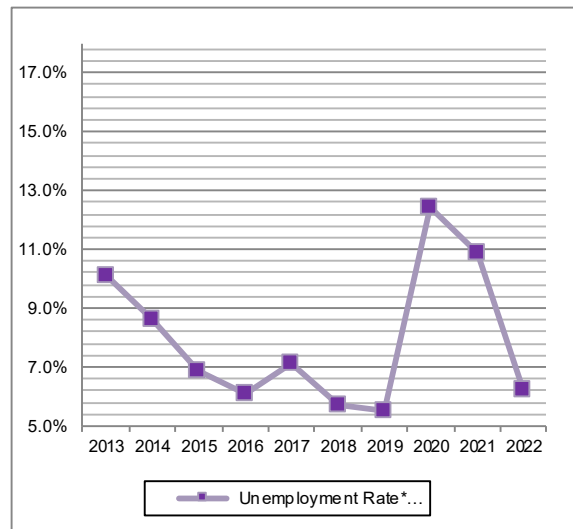
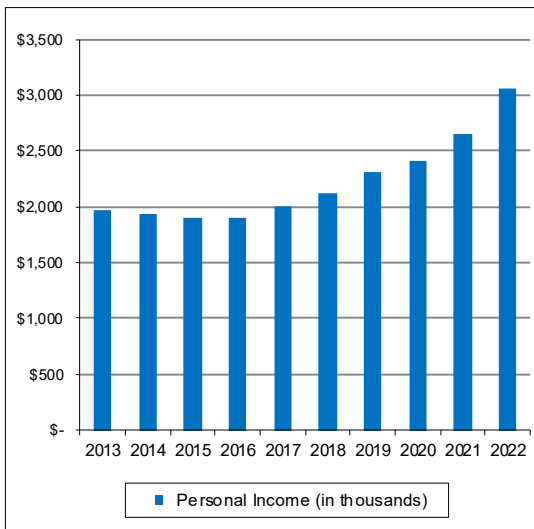
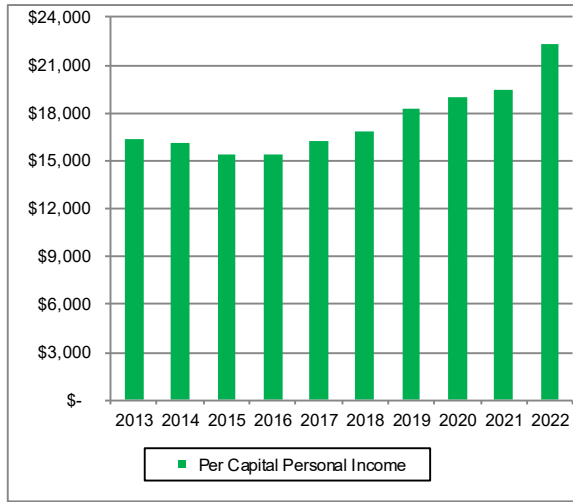
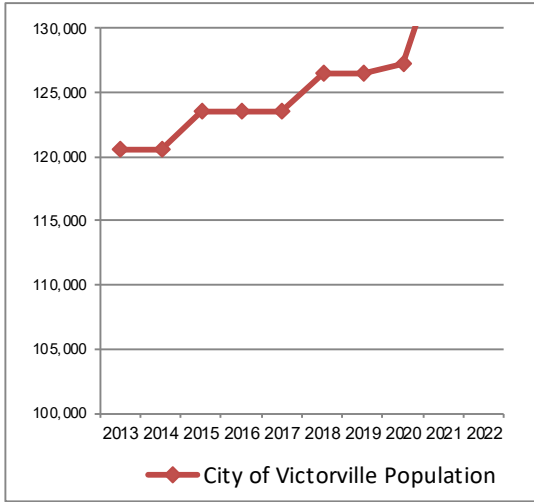
<u>Fiscal Year</u>	<u>Pledged</u>	<u>Debt Service</u>		<u>Coverage</u>
	<u>Revenue</u>	<u>Principal</u>	<u>Interest</u>	
2014	1,321	395	602	132%
2015	1,157	415	583	116%
2016	1,183	430	564	119%
2017	1,244	320	485	155%
2018	1,244	335	471	154%
2019	1,285	350	457	159%
2020	1,330	365	443	165%
2021	1,294	380	428	160%
2022	1,312	395	412	163%
2023	1,571	410	395	195%

**Business Type Activities Debt - Electric**

<u>Fiscal Year</u>	<u>Pledged</u>	<u>Debt Service</u>		<u>Coverage</u>
	<u>Revenue</u>	<u>Principal</u>	<u>Interest</u>	
2022	4,131	1,480	108	260%
2023	8,749	1,715	2,130	228%

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

**CITY OF VICTORVILLE  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**



<u>Fiscal Year</u>	<u>City of Victorville Population</u>	<u>Personal Income (in thousands)</u>	<u>Unemployment Rate*</u>	<u>Per Capital Personal Income</u>
2013	120,590	\$ 1,966,582	10.1%	\$ 16,308
2014	120,485	\$ 1,936,917	8.6%	\$ 16,076
2015	123,510	\$ 1,898,511	6.9%	\$ 15,371
2016	123,565	\$ 1,910,290	6.1%	\$ 15,459
2017	123,565	\$ 2,001,567	7.1%	\$ 16,198
2018	126,543	\$ 2,129,706	5.7%	\$ 16,829
2019	126,432	\$ 2,308,617	5.5%	\$ 18,259
2020	127,170	\$ 2,421,637	12.4%	\$ 19,042
2021	136,561	\$ 2,652,278	10.9%	\$ 19,421
2022	137,193	\$ 3,065,677	6.2%	\$ 22,345

Source: HdL Coren & Cone; Decennial Census Data, CA State Department of Finance, CA EDD

**CITY OF VICTORVILLE  
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government	72	71	72	73	77	77	75	76	86	95
Public Safety*	1	0	0	0	1	60	59	60	76	70
Public Works	114	108	110	113	116	113	118	116	138	120
Community Development	4	4	4	4	4	4	3	3	3	5
Community Services	104	112	75	75	82	78	86	85	86	79
Airport	24	26	25	26	26	26	24	24	23	27
Water	50	53	57	63	66	66	59	56	56	57
Total	369	374	343	354	372	424	424	420	468	453

\* Only includes Fire Services. In fiscal year 2018, fire staff were added for start up of new City fire department.

Source: City of Victorville Finance Department.

**CITY OF VICTORVILLE  
OPERATION INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2013</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Public Safety</b>										
Police										
Physical arrests	4,096	5,389	5,194	5,716	5,733	3,531	2,793	2,860	2,761	1531
Traffic Violations	9,404	6,759	4,070	5,561	3,635	*	*	*	*	4049
<b>Public works</b>										
Street Maintenance										
Potholes repaired (number)	3,124	3,832	4,138	5,667	7,427	7,713	11,444	8,653	9,455	15,524
Graffiti removal (locations)	14,708	5,687	4,708	2,824	3,116	2,592	2,966	3,240	2,793	3,808
Streets sweeping (tons)	1,907	1,782	1,687	1,627	1,544	1,712	1,878	1,877	1,824	
<b>Sanitation</b>										
Refuse collected (tons/day)	166	182	202	206	210	220	228	236	240	233
Recyclables collected (tons/day)	28	32	33	32	32	33	35	39	40	40
<b>Community Services</b>										
Park and Recreation										
Athletic field permits issued	6,788	5,970	5,905	6,310	5,785	5,020	162	41***	45***	105
Community center enrollments	30,915	31,384	29,958	25,343	19,518	14,503	1,973	882**	1,667	6,382
Facilities rental used	2,062	2,036	2,388	2,469	2,252	1,803	62	9**	177**	74
<b>Water</b>										
Water Consumption (in hundred cubic feet)										
Residential	6,198,485	5,991,545	5,191,845	5,505,636	5,722,934	4,961,977	5,135,298	5,522,763	5,371,857	4,888,059
Multi Residential	483,968	467,812	405,373	444,737	490,302	752,766	781,018	840,414	844,824	786,059
Commercial	1,535,667	1,484,402	1,286,280	1,357,027	1,587,468	1,325,873	1,551,122	1,628,740	1,486,743	1,179,747
Institutional	465,354	449,819	389,782	437,698	470,500	773,125	857,134	852,178	944,442	870,590
Irrigation	623,574	602,757	522,308	491,157	471,954	460,627	486,095	541,868	592,475	523,424
Fire service	22	43	50	94	148	2,963	3,919	3,112	3,844	4,250
Recycled	-	407,194	274,824	127,752	205,354	316,953	275,268	344,982	380,617	413,966
Total	9,307,070	9,403,572	8,070,462	8,364,101	8,948,660	8,594,284	9,089,854	9,734,057	9,624,802	8,666,095
Water Sold (in acre feet)	21,366	20,653	17,896	19,201	20,543	19,730	20,868	22,346	22,096	20,079
Number of Customer Connections										
Residential	32,145	32,841	32,884	32,650	32,386	32,680	33,047	33,709	34,501	34,889
Multi Residential	195	195	198	197	776	768	759	762	762	763
Commercial	1,059	1,064	1,066	1,074	1,099	1,333	1,325	1,358	1,363	1,285
Institutional	204	205	206	207	169	256	225	226	226	226
Irrigation	235	236	236	239	266	331	371	386	396	410
Fire service	554	555	555	564	580	598	608	616	625	638
Recycled	-	2	2	2	4	4	5	7	5	8
Total	34,392	35,098	35,147	34,933	35,280	35,970	36,340	37,064	37,878	38,219
Average Daily Consumption (in thousands of gallons)	19,074	19,272	16,540	17,142	16,917	17,614	18,629	19,950	19,726	17,925
Estimated Population	119,658	122,233	121,419	121,608	122,699	123,758	125,085	127,543	130,788	137,193
Per Capita Average Daily Consumption (in gallons)	159	158	136	141	138	142	149	156	151	140
Rainfall in inches	1.90	2.75	0.92	5.69	4.92	0.69	4.16	4.95	1.63	2.00

Source: City of Victorville departments

Note: Indicators are not available for the general government function.

\* Indicator information unavailable at this time. San Bernardino County changed reporting software for Police and information has not been retrievable.

\*\* Parks and Recreation facilities and classes were closed through most of the year related to COVID-19 restrictions.

\*\*\*Athletic Permits issued for six month periods instead of the previous monthly periods.

**CITY OF VICTORVILLE  
OPERATION INDICATORS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2015</u>	<u>2016*</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Consumption (per hundred cubic feet)</b>										
Standard Domestic	\$ 1.53	\$ 1.53	\$ 1.75	\$ 1.75	\$ 1.88	\$ 2.03	\$ 2.18	\$ 2.35	\$ 2.61	\$ 2.57
Construction Flow	2.47	2.47	2.77	2.77	2.94	3.12	3.32	\$ 3.51	\$ 3.56	\$ 3.67
Untreated Well	0.52	0.52	0.60	0.60	0.64	0.69	0.74	\$ 0.80	\$ 0.89	\$ 0.87
Recycled	0.92	0.92	1.05	1.05	1.13	1.22	1.31	\$ 1.41	\$ 1.57	\$ 1.54
Public Benefit	0.61	0.61	-	-	-	-	-	-	-	-
<b>Monthly Service Fee</b>										
Monthly per average daily use 0.00-0.26	\$ 17.25	\$ 17.25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly per average daily use 0.27-1.17	18.25	18.25	-	-	-	-	-	-	-	-
Monthly per average daily use 1.18-6.60	36.50	36.50	-	-	-	-	-	-	-	-
Monthly per average daily use > 6.60	130.50	130.50	-	-	-	-	-	-	-	-
3/4 inch meter	\$ -	\$ -	\$ 11.78	\$ 11.78	\$ 12.23	\$ 12.68	\$ 13.15	\$ 13.36	\$ 15.24	\$ 17.68
1 inch meter	-	-	18.59	18.59	19.30	20.02	20.75	21.09	23.31	27.04
1 1/2 inch meter	-	-	35.62	35.62	36.99	38.37	39.76	40.41	43.49	50.45
2 inch meter	-	-	56.06	56.06	58.21	60.39	62.58	63.60	67.71	78.54
3 inch meter	-	-	110.56	110.56	114.80	119.09	123.42	125.44	132.28	153.44
4 inch meter	-	-	171.88	171.88	179.47	185.14	191.87	195.01	204.93	237.71
6 inch meter	-	-	342.19	342.19	355.32	368.60	382.00	388.25	406.72	471.78
8 inch meter	-	-	955.34	955.34	991.99	1,029.07	1,066.48	1,083.92	1,133.18	1,314.45
> 8 inch meter	-	-	1,432.23	1,432.23	1,487.17	1,542.77	1,598.85	1,624.99	1,698.21	1,969.86
<b>Fire Service Fee</b>										
1 inch meter	\$ 10.00	\$ 10.00	\$ 2.69	\$ 2.69	\$ 2.82	\$ 2.96	\$ 3.10	3.20	4.14	4.67
2 inch meter	10.00	10.00	5.19	5.19	5.48	5.78	6.09	4.64	5.15	5.71
2 1/2 inch meter	10.00	10.00	5.19	5.19	5.48	10.65	6.09	6.37	6.36	6.96
3 inch meter			9.50	9.50	10.06	19.62	11.27	11.83	10.19	10.92
4 inch meter	10.00	10.00	17.45	17.45	18.50	42.68	20.80	21.90	17.26	18.20
6 inch meter	10.00	10.00	37.88	37.88	40.21	73.44	45.31	47.78	35.42	36.94
8 inch meter	10.00	10.00	65.13	65.13	69.16	114.45	77.99	82.30	59.63	61.91
> 8 inch meter	10.00	10.00	101.45	101.45	107.75	114.45	121.56	128.31	91.91	95.22

Source: Victorville Water District

\* In 2016, the Water District changed billing method from Monthly Service Fee by usage to Monthly Service Fee by meter size.

**CITY OF VICTORVILLE  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Public Safety</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	52	52	52	55	54	54	54	70	70	86
Fire Stations	6	6	5	5	5	5	5	5	5	5
<b>Public Works</b>										
Highways and streets:										
Streets (miles)	448	448	449	449	449	449	449	449	449	451
Streetlights	392	392	396	404	408	418	418	428	428	428
Traffic Signals	87	87	88	90	91	94	94	97	97	97
Sewer:										
Sanitary sewers (miles)	419	419	440	440	443	443	449	455	455	467
Storm sewers (miles)	473	473	473	473	473	473	473	473	473	474
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
Number of service connections	40,152	40,029	40,092	40,551	41,232	41,723	36,616	36,222	36,764	31,286
<b>Community Services</b>										
Parks acreage	263	263	263	180	180	180	180	180	180	182
Park	18	18	18	19	19	19	19	19	19	19
Golf Courses	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6	6
Community Centers	6	6	6	7	7	7	7	7	7	7
<b>Airport</b>										
Runway length (miles)	5	5	5	5	5	5	5	5	4*	4*
Sewer pipeline	30	30	30	30	30	30	30	30	30	30
Number of hangars	26	26	26	26	26	26	26	26	26	26
Number of buildings	52	52	52	52	52	52	52	52	52	52
<b>Water</b>										
Water Production in Acre feet	23,830	22,030	20,905	22,476	24,383	21,755	22,017	23,487	22,468	20,627
Domestic Water Tanks (Reservoirs)	26	26	26	26	26	26	26	26	26	26
Domestic Storage in Millions of Gallons	74	74	74	74	74	74	74	74	74	74
Recycled Water Tanks (Reservoirs)	1	1	1	1	1	1	1	1	1	1
Recycled Storage in Millions of Gallons	1	1	1	1	1	2	2	2	2	1.6
Wells	32	32	32	32	32	34	34	34	34	34
Pipeline - Linear Feet (in thousands)	3,666	3,666	3,666	3,666	3,666	3,666	3,666	3666	4087	4087
Pipeline - Miles	694	694	694	694	694	694	709	709	774	774
Booster Pumping Stations	4	4	4	4	4	4	4	4	4	4
Pressure Regulating Stations	24	24	24	25	25	25	25	25	25	33

\*Per request by FAA, Runway 17/35 was shortened resulting in a combined total of 4 miles.

Source: City of Victorville departments

Note: Indicators are not available for the general government function.



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