

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF REDLANDS

Notes to Required Supplementary Information

Year ended June 30, 2006

(1) Budgetary Control and Accounting

The City adheres to the following general procedures in establishing its annual budget, which is reflected in the accompanying basic financial statements:

- The annual budget adopted by the City Council provides for the general operations of the City. It includes proposed expenditures and the means of financing them. Budgeted appropriations lapse at the end of the year.
- The City Council approves total budgeted appropriations and amendments to appropriations throughout the year. The City Council must approve budget appropriation transfers between departments within a fund. The departments of the General Fund are considered to be departments for purposes of this requirement. Each fund other than the General Fund is considered to be departments. Actual expenditures may not legally exceed budgeted appropriations at the departmental level.
- Annual budgets are adopted for all Governmental Funds Types on a basis substantially consistent with Generally Accepted Accounting Principles (GAAP).
- The budgetary information shown for revenues and expenditures represents the original adopted budget adjusted for any changes made by the City Council. For the year ended June 30, 2006, supplemental appropriations in the amount of \$13,341,798 were made.
- Formal budgetary information is employed as a management control device. Commitments for materials and services, such as purchase orders and contracts are recorded during the year as encumbrances to assist in controlling expenditures. Appropriations which are encumbered at year end lapse, and then are added to the following year's budgeted appropriations. However, encumbrances at year-end are reported as reservations of fund balance.

CITY OF REDLANDS
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 Year ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 30,524,318	33,372,340	33,899,732	527,392
Licenses, permits and fines	5,634,457	9,993,322	10,131,124	137,802
Intergovernmental	-	852,104	832,339	(19,765)
Charges for services	5,777,843	1,137,628	1,272,239	134,611
Investment income	937,152	962,476	1,647,201	684,725
Other	-	358,464	359,901	1,437
Total revenues	<u>42,873,770</u>	<u>46,676,334</u>	<u>48,142,536</u>	<u>1,466,202</u>
Expenditures:				
General government:				
City council	157,485	171,580	176,827	(5,247)
City clerk	373,902	445,897	443,373	2,524
City manager	383,840	413,033	399,870	13,163
Finance	1,083,350	1,232,680	1,094,492	138,188
City treasurer	581,513	604,310	596,553	7,757
City attorney	450,941	471,980	498,256	(26,276)
Community development	1,688,922	1,774,491	1,794,868	(20,377)
Administrative services	2,597,567	2,559,893	2,735,683	(175,790)
Management information systems	576,550	575,573	537,855	37,718
Total general government	<u>7,894,070</u>	<u>8,249,437</u>	<u>8,277,777</u>	<u>(28,340)</u>
Public safety:				
Police	20,029,835	21,182,523	21,237,674	(55,151)
Fire	8,952,800	10,233,389	10,189,297	44,092
Total public safety	<u>28,982,635</u>	<u>31,415,912</u>	<u>31,426,971</u>	<u>(11,059)</u>
Highway and streets	<u>3,505,982</u>	<u>4,328,143</u>	<u>3,744,630</u>	<u>583,513</u>
Culture and recreation:				
Community services	1,597,137	1,576,910	1,562,781	14,129
Parks	1,743,159	1,915,600	1,781,996	133,604
Total culture and recreation	<u>3,340,296</u>	<u>3,492,510</u>	<u>3,344,777</u>	<u>147,733</u>
Library	<u>1,906,895</u>	<u>1,867,247</u>	<u>1,856,592</u>	<u>10,655</u>
Capital outlay	<u>1,007,800</u>	<u>2,012,652</u>	<u>2,649,682</u>	<u>(637,030)</u>

(Continued)

CITY OF REDLANDS
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 (Continued)

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt service:				
Principal	545,352	449,385	393,739	55,646
Interest	20,632	18,599	24,728	(6,129)
Total debt service	<u>565,984</u>	<u>467,984</u>	<u>418,467</u>	<u>49,517</u>
Total expenditures	<u>47,203,662</u>	<u>51,833,885</u>	<u>51,718,896</u>	<u>114,989</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,329,892)</u>	<u>(5,157,551)</u>	<u>(3,576,360)</u>	<u>1,581,191</u>
Other financing sources (uses):				
Proceeds of capital lease	-	-	1,250,448	1,250,448
Transfers in	1,540,978	1,540,978	1,716,445	175,467
Transfers out	(3,173,191)	(3,173,191)	(3,199,531)	(26,340)
Total other financing sources (uses)	<u>(1,632,213)</u>	<u>(1,632,213)</u>	<u>(232,638)</u>	<u>1,399,575</u>
Net change in fund balance	(5,962,105)	(6,789,764)	(3,808,998)	2,980,766
Fund balance at beginning of year	<u>15,617,958</u>	<u>15,617,958</u>	<u>15,617,958</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,655,853</u>	<u>8,828,194</u>	<u>11,808,960</u>	<u>2,980,766</u>

CITY OF REDLANDS
Special Revenue Fund

Public Facilities Development

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Licenses, permits and fines	\$ 1,681,160	2,444,400	1,804,022	(640,378)
Total revenues	1,681,160	2,444,400	1,804,022	(640,378)
Expenditures:				
Current:				
General government	-	130,962	4,836	126,126
Capital outlay	-	18,712	18,712	-
Total expenditures	-	149,674	23,548	126,126
Excess of revenues over expenditures	1,681,160	2,294,726	1,780,474	(514,252)
Other financing uses:				
Transfers out	(325,621)	(325,621)	(324,347)	1,274
Net change in fund balance	1,355,539	1,969,105	1,456,127	(512,978)
Fund balance (deficit) at beginning of year	(4,644,623)	(4,644,623)	(4,644,623)	-
Fund balance (deficit) at end of year	\$ (3,289,084)	(2,675,518)	(3,188,496)	(512,978)

SUPPLEMENTARY SCHEDULES

CITY OF REDLANDS
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2006

	Special Revenue	Debt Service	Capital Projects	Permanent Fund Cemetery Endowment	Totals
Assets:					
Cash and investments	\$ 25,583,511	7,845,005	9,813,911	1,519,207	44,761,634
Receivables:					
Accounts	8,874	-	-	1,366	10,240
Taxes	318,245	218,133	-	-	536,378
Interest	137,462	64,778	128,538	-	330,778
Notes	-	-	32,286	-	32,286
Due from other governments	<u>6,860,436</u>	-	-	-	<u>6,860,436</u>
Total assets	<u>\$ 32,908,528</u>	<u>8,127,916</u>	<u>9,974,735</u>	<u>1,520,573</u>	<u>52,531,752</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 1,598,436	-	8,752	-	1,607,188
Accrued payroll	117,918	-	7,315	-	125,233
Advances payable	-	1,334,084	-	-	1,334,084
Deferred revenue	7,147,946	-	-	-	7,147,946
Due to other funds	4,021,928	-	-	-	4,021,928
Deposits	<u>3,685</u>	-	-	-	<u>3,685</u>
Total liabilities	<u>12,889,913</u>	<u>1,334,084</u>	<u>16,067</u>	-	<u>14,240,064</u>
Fund balances:					
Reserved for:					
Notes receivable	-	-	32,286	-	32,286
Encumbrances	293,433	-	93,433	-	386,866
Endowment	-	-	-	1,520,573	1,520,573
Unreserved	<u>19,725,182</u>	<u>6,793,832</u>	<u>9,832,949</u>	-	<u>36,351,963</u>
Total fund balances	<u>20,018,615</u>	<u>6,793,832</u>	<u>9,958,668</u>	<u>1,520,573</u>	<u>38,291,688</u>
Total liabilities and fund balances	<u>\$ 32,908,528</u>	<u>8,127,916</u>	<u>9,974,735</u>	<u>1,520,573</u>	<u>52,531,752</u>

CITY OF REDLANDS
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Year ended June 30, 2006

	Special Revenue	Debt Service	Capital Projects	Permanent Fund Cemetery Endowment	Totals
Revenues:					
Taxes	\$ 1,131,963	6,611,125	-	-	7,743,088
Licenses, permits and fines	1,679,596	-	456,803	-	2,136,399
Intergovernmental	10,664,696	-	-	-	10,664,696
Charges for services	305,790	-	-	-	305,790
Investment income	927,609	193,429	376,536	-	1,497,574
Other	1,727,886	-	500	50,325	1,778,711
Total revenues	16,437,540	6,804,554	833,839	50,325	24,126,258
Expenditures:					
Current:					
General government	2,645,890	-	549,682	-	3,195,572
Public safety	3,923,766	-	-	-	3,923,766
Highway and streets	1,324,949	-	6,933	-	1,331,882
Capital outlay	13,335,795	-	-	-	13,335,795
Debt service:					
Principal	-	2,010,000	-	-	2,010,000
Interest	-	3,250,524	-	-	3,250,524
Fiscal charges	-	447,327	-	-	447,327
Total expenditures	21,230,400	5,707,851	556,615	-	27,494,866
Excess (deficiency) of revenues over (under) expenditures	(4,792,860)	1,096,703	277,224	50,325	(3,368,608)
Other financing sources (uses):					
Transfers in	3,823,082	1,313,709	2,802,175	-	7,938,966
Transfers out	(3,300,837)	(4,008,935)	(159,806)	-	(7,469,578)
Total other financing sources (uses)	522,245	(2,695,226)	2,642,369	-	469,388
Net change in fund balances	(4,270,615)	(1,598,523)	2,919,593	50,325	(2,899,220)
Fund balances at beginning of year	24,289,230	8,392,355	7,039,075	1,470,248	41,190,908
Fund balances at end of year	\$ 20,018,615	6,793,832	9,958,668	1,520,573	38,291,688

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NONMAJOR SPECIAL REVENUE FUNDS

The City maintains the following special revenue funds for the purposes indicated:

State Gas Tax– To account for the receipt and subsequent expenditure of the City’s share of the State levied tax on gasoline and other vehicle fuels.

Community Development Block Grant – To account for expenditures and related reimbursements of various grants from the San Bernardino County Office of Economic and Community Development.

Downtown Redlands Business Association – To account for collection and subsequent expenditure of a fee, collected with the business license fee, for attracting business to the downtown area.

Parking Authority – To account for a city-wide authority formed to control parking.

Low and Moderate Income Housing – To account for annual monies which, by law, must be set aside from Redevelopment tax increment revenues for the purpose of funding a program for development and improvement of housing for low and moderate income families.

Emergency Services – To account for the collection of a special property tax to be spent on paramedic services.

Street Construction – To account for the collection and related expenditure of development impact fees designated for new street construction projects.

Traffic Safety – To account for the receipt and subsequent expenditure of traffic fines for moving violations within the City limits.

Open Space – To account for receipt and subsequent expenditure of fees collected to provide for open space land in and around the City.

Disaster Recovery – To account for all expenditures and revenues relating to natural disasters for the purpose of consolidating such information for federal and state reimbursements and enhancing Single Audit reporting requirements.

Park Development – To account for the collection and subsequent expenditure of developer fees levied for the purpose of acquiring land for parks.

Local Transportation – To account for the receipt and subsequent expenditure of street and road construction and maintenance projects financed by a share of the quarter of one percent State sales tax pursuant to the Transportation Development Act.

Community Facilities District – To account for developer deposits and bond proceeds related to Community Facilities Districts established for the purpose of constructing infrastructure.

Street Lighting District #1 – To account for the maintenance, operation and service of street lighting facilities financed by assessments collected from landowners within the district.

NONMAJOR SPECIAL REVENUE FUNDS, (CONTINUED)

Air Quality Improvement – To account for the collection and subsequent expenditure of AB2766 (District Fees to Implement the California Clean Air Act) monies to be used for pollution reduction.

Measure I – To account for revenues resulting from a voter approved half cent retail transaction and use tax, to be used for transportation improvements and traffic management programs.

General Capital Improvement – To account for the receipt and expenditure of grant revenue received by the City, other than Community Development Block Grant revenues.

Designated Receipts – To account for deposits and donations designated for specific purposes.

Traffic Signals – To account for the collection and related expenditure of development impact fees designated for new traffic signal construction projects.

Landscape Maintenance District – To account for assessments collected from landowners to maintain landscaping in parkways and common areas within the District.

Household Hazardous Waste – To account for revenue collected and expenditures made to properly dispose of household hazardous waste.

Supplemental Law Enforcement – To account for receipt and subsequent expenditure of AB3229 monies which pursuant to the Citizens' Option for Public Safety (COPS) Program must be spent for supplemental law enforcement services.

Neighborhood Initiative Program – To account for expenditures and related reimbursements of grant monies received from the County of San Bernardino to preserve and revitalize neighborhoods.

Drug Confiscation – To account for receipt and subsequent expenditure of various asset seizure monies.

Police Grants – To account for receipt and expenditure of grant monies received from various agencies for public safety programs.

CFD 2004 – 1 Assessment – To account for the maintenance of landscaping in public right-of-way and easements surrounding tract no. 16408.

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CITY OF REDLANDS
Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2006

	<u>State Gas Tax</u>	<u>Community Development Block Grant</u>	<u>Downtown Redlands Business Association</u>	<u>Parking Authority</u>	<u>Low and Moderate Income Housing</u>
Assets:					
Cash and investments	\$ -	-	443,841	139,461	10,861,971
Receivables:					
Accounts	-	-	-	-	-
Taxes	121,110	-	-	-	-
Interest	-	-	-	-	137,462
Due from other governments	-	49,704	-	-	-
	<u>-</u>	<u>49,704</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 121,110</u>	<u>49,704</u>	<u>443,841</u>	<u>139,461</u>	<u>10,999,433</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	6,764	61,576	1,765	2,328
Accrued payroll	-	-	6,009	-	8,820
Deferred revenue	-	45,758	-	-	-
Due to other funds	-	43,179	-	-	-
Deposits	-	-	-	3,685	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,685</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>95,701</u>	<u>67,585</u>	<u>5,450</u>	<u>11,148</u>
Fund balances (deficits):					
Reserved	-	-	2,323	-	25,833
Unreserved	121,110	(45,997)	373,933	134,011	10,962,452
	<u>121,110</u>	<u>(45,997)</u>	<u>373,933</u>	<u>134,011</u>	<u>10,962,452</u>
Total fund balances (deficit)	<u>121,110</u>	<u>(45,997)</u>	<u>376,256</u>	<u>134,011</u>	<u>10,988,285</u>
Total liabilities and fund balances	<u>\$ 121,110</u>	<u>49,704</u>	<u>443,841</u>	<u>139,461</u>	<u>10,999,433</u>

<u>Emergency Services</u>	<u>Street Construction</u>	<u>Traffic Safety</u>	<u>Open Space</u>	<u>Disaster Recovery</u>	<u>Park Development</u>	<u>Local Transportation</u>	<u>Community Facility District</u>
165,755	-	-	1,542,575	-	1,969,848	2,845,428	50
-	-	-	-	-	-	-	-
17,679	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,191	-	76,324	-	2,303,167	-
<u>183,434</u>	<u>-</u>	<u>3,191</u>	<u>1,542,575</u>	<u>76,324</u>	<u>1,969,848</u>	<u>5,148,595</u>	<u>50</u>
104,668	-	-	-	43	-	818,886	-
78,766	-	-	-	504	-	7,066	-
-	-	-	-	76,324	-	1,889,707	-
-	-	-	-	75,945	-	-	-
-	-	-	-	-	-	-	-
<u>183,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,816</u>	<u>-</u>	<u>2,715,659</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	3,191	1,542,575	(76,492)	1,969,848	2,432,936	50
-	-	3,191	1,542,575	(76,492)	1,969,848	2,432,936	50
<u>183,434</u>	<u>-</u>	<u>3,191</u>	<u>1,542,575</u>	<u>76,324</u>	<u>1,969,848</u>	<u>5,148,595</u>	<u>50</u>

(Continued)

CITY OF REDLANDS
Nonmajor Special Revenue Funds

Combining Balance Sheet

(Continued)

	Street Lighting District #1	Air Quality Improvement	Measure I	General Capital Improvement	Designated Receipts	Traffic Signals
Assets:						
Cash and investments	140	147,973	3,755,119	-	1,470,269	-
Receivables:						
Accounts	-	-	-	779	-	-
Taxes	288	-	175,427	-	-	-
Interest	-	-	-	-	-	-
Due from other governments	-	21,992	-	3,327,192	-	-
Total assets	428	169,965	3,930,546	3,327,971	1,470,269	-
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	-	-	204,611	214,425	101,029	-
Accrued payroll	428	-	1,559	1,193	-	-
Deferred revenue	-	-	-	3,370,729	-	-
Due to other funds	-	-	-	2,999,771	-	-
Deposits	-	-	-	-	-	-
Total liabilities	428	-	206,170	6,586,118	101,029	-
Fund balances (deficits):						
Reserved	-	-	263,602	-	-	-
Unreserved	-	169,965	3,460,774	(3,258,147)	1,369,240	-
Total fund balances (deficit)	-	169,965	3,724,376	(3,258,147)	1,369,240	-
Total liabilities and fund balances	428	169,965	3,930,546	3,327,971	1,470,269	-

<u>Landscape Maintenance District</u>	<u>Household Hazardous Waste</u>	<u>Supplemental Law Enforcement</u>	<u>Neighborhood Initiative Program</u>	<u>Drug Confiscation</u>	<u>Police Grants</u>	<u>CFD 2004-1 Assessment</u>	<u>Totals</u>
2,249	384,394	64,060	1,440,880	199,360	-	150,138	25,583,511
-	8,095	-	-	-	-	-	8,874
493	-	-	-	-	-	3,248	318,245
-	-	-	-	-	-	-	137,462
-	-	-	-	8,262	1,070,604	-	6,860,436
<u>2,742</u>	<u>392,489</u>	<u>64,060</u>	<u>1,440,880</u>	<u>207,622</u>	<u>1,070,604</u>	<u>153,386</u>	<u>32,908,528</u>
2,314	261	1,231	6,250	132	72,108	45	1,598,436
428	-	-	-	-	13,145	-	117,918
-	-	19,817	1,400,000	-	345,611	-	7,147,946
-	-	-	-	-	903,033	-	4,021,928
-	-	-	-	-	-	-	3,685
<u>2,742</u>	<u>261</u>	<u>21,048</u>	<u>1,406,250</u>	<u>132</u>	<u>1,333,897</u>	<u>45</u>	<u>12,889,913</u>
-	-	-	-	1,675	-	-	293,433
-	392,228	43,012	34,630	205,815	(263,293)	153,341	19,725,182
-	392,228	43,012	34,630	207,490	(263,293)	153,341	20,018,615
<u>2,742</u>	<u>392,489</u>	<u>64,060</u>	<u>1,440,880</u>	<u>207,622</u>	<u>1,070,604</u>	<u>153,386</u>	<u>32,908,528</u>

CITY OF REDLANDS
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 Year ended June 30, 2006

	<u>State Gas Tax</u>	<u>Community Development Block Grant</u>	<u>Downtown Redlands Business Association</u>	<u>Parking Authority</u>	<u>Low and Moderate Income Housing</u>
Revenues:					
Taxes	\$ -	-	-	-	-
Licenses, permits and fines	-	-	73,253	27,520	-
Intergovernmental	1,286,980	449,565	-	-	-
Charges for services	-	-	294,299	-	-
Investment income	-	-	11,182	5,165	363,810
Other	-	-	13,863	-	146,566
	<u>1,286,980</u>	<u>449,565</u>	<u>392,597</u>	<u>32,685</u>	<u>510,376</u>
Expenditures:					
Current:					
General government	-	36,350	371,875	20,059	364,789
Public safety	-	-	-	-	-
Highway and streets	-	59,146	-	-	-
Capital outlay	-	206,838	59,400	-	-
	<u>-</u>	<u>302,334</u>	<u>431,275</u>	<u>20,059</u>	<u>364,789</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,286,980</u>	<u>147,231</u>	<u>(38,678)</u>	<u>12,626</u>	<u>145,587</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	1,200,541
Transfers out	<u>(1,284,832)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(665,017)</u>
Total other financing sources (uses)	<u>(1,284,832)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>535,524</u>
Net change in fund balances	2,148	147,231	(38,678)	12,626	681,111
Fund balances (deficit) at beginning of year	<u>118,962</u>	<u>(193,228)</u>	<u>414,934</u>	<u>121,385</u>	<u>10,307,174</u>
Fund balances (deficit) at end of year	<u>\$ 121,110</u>	<u>(45,997)</u>	<u>376,256</u>	<u>134,011</u>	<u>10,988,285</u>

<u>Emergency Services</u>	<u>Street Construction</u>	<u>Traffic Safety</u>	<u>Open Space</u>	<u>Disaster Recovery</u>	<u>Park Development</u>	<u>Local Transportation</u>	<u>Community Facilities District</u>
999,272	-	-	-	-	-	-	-
-	465,791	151,476	210,154	-	629,164	-	-
-	-	-	-	63,491	-	4,189,287	-
8,049	-	-	-	-	-	-	-
23,528	-	-	34,366	-	52,709	98,676	6,124
-	-	-	28,894	-	-	-	-
<u>1,030,849</u>	<u>465,791</u>	<u>151,476</u>	<u>273,414</u>	<u>63,491</u>	<u>681,873</u>	<u>4,287,963</u>	<u>6,124</u>
-	-	-	-	16,414	-	-	263,686
2,409,848	-	-	-	-	-	-	-
-	-	-	-	-	-	1,012,867	-
<u>23,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,069</u>	<u>-</u>	<u>5,184,956</u>	<u>-</u>
<u>2,433,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,483</u>	<u>-</u>	<u>6,197,823</u>	<u>263,686</u>
<u>(1,402,535)</u>	<u>465,791</u>	<u>151,476</u>	<u>273,414</u>	<u>(28,992)</u>	<u>681,873</u>	<u>(1,909,860)</u>	<u>(257,562)</u>
1,402,535	-	-	-	-	-	588,029	-
-	(465,791)	(152,797)	-	(13,998)	(585,294)	-	-
<u>1,402,535</u>	<u>(465,791)</u>	<u>(152,797)</u>	<u>-</u>	<u>(13,998)</u>	<u>(585,294)</u>	<u>588,029</u>	<u>-</u>
-	-	(1,321)	273,414	(42,990)	96,579	(1,321,831)	(257,562)
-	-	4,512	1,269,161	(33,502)	1,873,269	3,754,767	257,612
-	-	3,191	1,542,575	(76,492)	1,969,848	2,432,936	50

(Continued)

CITY OF REDLANDS
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 (Continued)

	Street Lighting District #1	Air Quality Improvement	Measure I	General Capital Improvement	Designated Receipts
Revenues:					
Taxes	24,312	-	-	-	-
Licenses, permits and fines	-	-	-	-	-
Intergovernmental	-	83,651	1,233,850	1,027,746	-
Charges for services	-	-	-	3,442	-
Investment income	-	2,016	146,666	19,463	-
Other	-	-	-	-	1,489,264
Total revenues	<u>24,312</u>	<u>85,667</u>	<u>1,380,516</u>	<u>1,050,651</u>	<u>1,489,264</u>
Expenditures:					
Current:					
General government	-	37	-	322,779	1,101,438
Public safety	-	-	-	-	-
Highway and streets	14,631	-	238,305	-	-
Capital outlay	-	-	2,743,633	4,223,279	-
Total expenditures	<u>14,631</u>	<u>37</u>	<u>2,981,938</u>	<u>4,546,058</u>	<u>1,101,438</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,681</u>	<u>85,630</u>	<u>(1,601,422)</u>	<u>(3,495,407)</u>	<u>387,826</u>
Other financing sources (uses):					
Transfers in	-	-	-	585,295	-
Transfers out	(10,870)	-	-	-	-
Total other financing sources (uses)	<u>(10,870)</u>	<u>-</u>	<u>-</u>	<u>585,295</u>	<u>-</u>
Net change in fund balances	(1,189)	85,630	(1,601,422)	(2,910,112)	387,826
Fund balances (deficit) at beginning of year	<u>1,189</u>	<u>84,335</u>	<u>5,325,798</u>	<u>(348,035)</u>	<u>981,414</u>
Fund balances (deficit) at end of year	<u>-</u>	<u>169,965</u>	<u>3,724,376</u>	<u>(3,258,147)</u>	<u>1,369,240</u>

<u>Traffic Signals</u>	<u>Landscape Maintenance District</u>	<u>Household Hazardous Waste</u>	<u>Supplemental Law Enforcement</u>	<u>Neighborhood Initiative Program</u>	<u>Drug Confiscation</u>	<u>Police Grants</u>	<u>CFD 2004-1 Assessment</u>	<u>Totals</u>
-	26,558	-	-	-	-	-	81,821	1,131,963
122,238	-	-	-	-	-	-	-	1,679,596
-	-	11,751	96,488	22,644	-	2,199,243	-	10,664,696
-	-	-	-	-	-	-	-	305,790
-	-	126,388	1,796	33,573	-	-	2,147	927,609
-	-	-	-	-	49,299	-	-	1,727,886
<u>122,238</u>	<u>26,558</u>	<u>138,139</u>	<u>98,284</u>	<u>56,217</u>	<u>49,299</u>	<u>2,199,243</u>	<u>83,968</u>	<u>16,437,540</u>
-	73,240	65,341	-	-	-	-	9,882	2,645,890
-	-	-	48,425	-	40,059	1,425,434	-	3,923,766
-	-	-	-	-	-	-	-	1,324,949
-	-	93,397	48,063	-	-	676,624	-	13,335,795
-	<u>73,240</u>	<u>158,738</u>	<u>96,488</u>	-	<u>40,059</u>	<u>2,102,058</u>	<u>9,882</u>	<u>21,230,400</u>
<u>122,238</u>	<u>(46,682)</u>	<u>(20,599)</u>	<u>1,796</u>	<u>56,217</u>	<u>9,240</u>	<u>97,185</u>	<u>74,086</u>	<u>(4,792,860)</u>
-	46,682	-	-	-	-	-	-	3,823,082
<u>(122,238)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,300,837)</u>
<u>(122,238)</u>	<u>46,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>522,245</u>
-	-	(20,599)	1,796	56,217	9,240	97,185	74,086	(4,270,615)
-	-	412,827	41,216	(21,587)	198,250	(360,478)	79,255	24,289,230
-	-	392,228	43,012	34,630	207,490	(263,293)	153,341	20,018,615

CITY OF REDLANDS
State Gas Tax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,145,500	1,286,980	141,480
Excess of revenues over expenditures	1,145,500	1,286,980	141,480
Other financing uses:			
Transfers out	<u>(1,207,500)</u>	<u>(1,284,832)</u>	<u>(77,332)</u>
Net change in fund balance	(62,000)	2,148	64,148
Fund balance at beginning of year	<u>118,962</u>	<u>118,962</u>	<u>-</u>
Fund balance at end of year	<u>\$ 56,962</u>	<u>121,110</u>	<u>64,148</u>

CITY OF REDLANDS
Community Development Block Grant Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 390,000	449,565	59,565
Expenditures:			
Current:			
General government	71,382	36,350	35,032
Highways and streets	135,072	59,146	75,926
Capital outlay	<u>579,565</u>	<u>206,838</u>	<u>372,727</u>
Total expenditures	<u>786,019</u>	<u>302,334</u>	<u>483,685</u>
Net change in fund balance	(396,019)	147,231	543,250
Fund balance (deficit) at beginning of year	<u>(193,228)</u>	<u>(193,228)</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (589,247)</u>	<u>(45,997)</u>	<u>543,250</u>

CITY OF REDLANDS
Downtown Redlands Business Association Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses, permits and fines	\$ 70,000	73,253	3,253
Charges for services	278,348	294,299	15,951
Investment income	8,343	11,182	2,839
Other	<u>13,540</u>	<u>13,863</u>	<u>323</u>
Total revenues	<u>370,231</u>	<u>392,597</u>	<u>22,366</u>
Expenditures:			
Current:			
General government	373,700	371,875	1,825
Capital outlay	<u>66,000</u>	<u>59,400</u>	<u>6,600</u>
Total expenditures	<u>439,700</u>	<u>431,275</u>	<u>8,425</u>
Net change in fund balance	(69,469)	(38,678)	30,791
Fund balance at beginning of year	<u>414,934</u>	<u>414,934</u>	<u>-</u>
Fund balance at end of year	<u>\$ 345,465</u>	<u>376,256</u>	<u>30,791</u>

CITY OF REDLANDS
Parking Authority Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses, permits, and fines	\$ -	27,520	27,520
Investment income	<u>6,000</u>	<u>5,165</u>	<u>(835)</u>
Total revenues	<u>6,000</u>	<u>32,685</u>	<u>26,685</u>
Expenditures:			
Current:			
General government	<u>22,640</u>	<u>20,059</u>	<u>2,581</u>
Total expenditures	<u>22,640</u>	<u>20,059</u>	<u>2,581</u>
Net change in fund balance	(16,640)	12,626	29,266
Fund balance at beginning of year	<u>121,385</u>	<u>121,385</u>	<u>-</u>
Fund balance at end of year	<u>\$ 104,745</u>	<u>134,011</u>	<u>29,266</u>

CITY OF REDLANDS
Low and Moderate Income Housing Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income	\$ 400,000	363,810	(36,190)
Other	<u>150,000</u>	<u>146,566</u>	<u>(3,434)</u>
Total revenues	<u>550,000</u>	<u>510,376</u>	<u>(39,624)</u>
Expenditures:			
Current:			
General government	<u>493,850</u>	<u>364,789</u>	<u>129,061</u>
Total expenditures	<u>493,850</u>	<u>364,789</u>	<u>129,061</u>
Excess of revenues over expenditures	<u>56,150</u>	<u>145,587</u>	<u>89,437</u>
Other financing sources (uses):			
Transfers in	857,800	1,200,541	342,741
Transfers out	<u>(768,068)</u>	<u>(665,017)</u>	<u>103,051</u>
Total other financing sources (uses)	<u>89,732</u>	<u>535,524</u>	<u>445,792</u>
Net change in fund balance	145,882	681,111	535,229
Fund balance at beginning of year	<u>10,307,174</u>	<u>10,307,174</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,453,056</u>	<u>10,988,285</u>	<u>535,229</u>

CITY OF REDLANDS
Emergency Services Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 1,000,000	999,272	(728)
Charges for services	10,000	8,049	(1,951)
Investment income	-	23,528	23,528
	<u>\$ 1,010,000</u>	<u>1,030,849</u>	<u>20,849</u>
Total revenues			
Expenditures:			
Current:			
Public safety	2,447,040	2,409,848	37,192
Capital outlay	23,536	23,536	-
	<u>2,470,576</u>	<u>2,433,384</u>	<u>37,192</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(1,460,576)	(1,402,535)	58,041
Other financing sources:			
Transfers in	1,661,115	1,402,535	(258,580)
Net change in fund balance	200,539	-	(200,539)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 200,539</u>	<u>-</u>	<u>(200,539)</u>

CITY OF REDLANDS
Street Construction Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses, permits and fines	\$ 837,000	465,791	(371,209)
Excess of revenues over expenditures	837,000	465,791	(371,209)
Other financing uses:			
Transfers out	<u>(861,705)</u>	<u>(465,791)</u>	<u>395,914</u>
Net change in fund balance	(24,705)	-	24,705
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (24,705)</u>	<u>-</u>	<u>24,705</u>

CITY OF REDLANDS
Traffic Safety Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses, permits and fines	\$ 160,000	151,476	(8,524)
Excess of revenues over expenditures	160,000	151,476	(8,524)
Other financing uses:			
Transfers out	(170,000)	(152,797)	17,203
Net change in fund balance	(10,000)	(1,321)	8,679
Fund balance at beginning of year	<u>4,512</u>	<u>4,512</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (5,488)</u>	<u>3,191</u>	<u>8,679</u>

CITY OF REDLANDS
Open Space Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses, permits and fees	\$ 207,000	210,154	3,154
Investment income	24,000	34,366	10,366
Other	<u>28,900</u>	<u>28,894</u>	<u>(6)</u>
Total revenues	<u>259,900</u>	<u>273,414</u>	<u>13,514</u>
Net change in fund balance	259,900	273,414	13,514
Fund balance at beginning of year	<u>1,269,161</u>	<u>1,269,161</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,529,061</u>	<u>1,542,575</u>	<u>13,514</u>

CITY OF REDLANDS
Disaster Recovery Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 63,500	63,491	(9)
Total revenues	<u>63,500</u>	<u>63,491</u>	<u>(9)</u>
Expenditures:			
Current:			
General government	359,287	16,414	342,873
Capital outlay	<u>132,481</u>	<u>76,069</u>	<u>56,412</u>
Total expenditures	<u>491,768</u>	<u>92,483</u>	<u>399,285</u>
Excess (deficiency) of revenues over (under) expenditures	(428,268)	(28,992)	399,276
Other financing uses:			
Transfers out	<u>-</u>	<u>(13,998)</u>	<u>(13,998)</u>
Net change in fund balance	(428,268)	(42,990)	385,278
Fund balance (deficit) at beginning of year	<u>(33,502)</u>	<u>(33,502)</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (461,770)</u>	<u>(76,492)</u>	<u>385,278</u>

CITY OF REDLANDS
Park Development Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses, permits and fines	\$ 635,000	629,164	(5,836)
Investment income	<u>24,000</u>	<u>52,709</u>	<u>28,709</u>
Total revenues	<u>659,000</u>	<u>681,873</u>	<u>22,873</u>
Excess of revenues over expenditures	659,000	681,873	22,873
Other financing uses:			
Transfers out	<u>(366,000)</u>	<u>(585,294)</u>	<u>(219,294)</u>
Net change in fund balance	293,000	96,579	(196,421)
Fund balance at beginning of year	<u>1,873,269</u>	<u>1,873,269</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,166,269</u>	<u>1,969,848</u>	<u>(196,421)</u>

CITY OF REDLANDS
Local Transportation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 5,536,758	4,189,287	(1,347,471)
Investment income	<u>66,100</u>	<u>98,676</u>	<u>32,576</u>
Total revenues	<u>5,602,858</u>	<u>4,287,963</u>	<u>(1,314,895)</u>
Expenditures:			
Current:			
Highway and streets	2,324,414	1,012,867	1,311,547
Capital outlay	<u>9,655,176</u>	<u>5,184,956</u>	<u>4,470,220</u>
Total expenditures	<u>11,979,590</u>	<u>6,197,823</u>	<u>5,781,767</u>
Excess (deficiency) of revenues over (under) expenditures	(6,376,732)	(1,909,860)	4,466,872
Other financing sources:			
Transfers in	<u>1,011,705</u>	<u>588,029</u>	<u>(423,676)</u>
Net change in fund balance	(5,365,027)	(1,321,831)	4,043,196
Fund balance at beginning of year	<u>3,754,767</u>	<u>3,754,767</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (1,610,260)</u>	<u>2,432,936</u>	<u>4,043,196</u>

CITY OF REDLANDS
Community Facilities District

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income	\$ 5,000	6,124	1,124
Total revenues	<u>5,000</u>	<u>6,124</u>	<u>1,124</u>
Expenditures:			
Current:			
General government	<u>-</u>	<u>263,686</u>	<u>(263,686)</u>
Net change in fund balance	5,000	(257,562)	(262,562)
Fund balance at beginning of year	<u>257,612</u>	<u>257,612</u>	<u>-</u>
Fund balance at end of year	<u>\$ 262,612</u>	<u>50</u>	<u>(262,562)</u>

CITY OF REDLANDS
Street Lighting District #1 Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 21,200	24,312	3,112
Expenditures:			
Current:			
Highway and streets	27,302	14,631	12,671
Excess (deficiency) of revenue over (under) expenditures	(6,102)	9,681	15,783
Other financing uses:			
Transfer out	-	(10,870)	(10,870)
Net change in fund balance	(6,102)	(1,189)	4,913
Fund balance at beginning of year	1,189	1,189	-
Fund balance (deficit) at end of year	<u>\$ (4,913)</u>	<u>-</u>	<u>4,913</u>

CITY OF REDLANDS
Air Quality Improvement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 82,700	83,651	951
Investment income	<u>1,500</u>	<u>2,016</u>	<u>516</u>
Total revenues	<u>84,200</u>	<u>85,667</u>	<u>1,467</u>
Expenditures:			
Current:			
General government	<u>-</u>	<u>37</u>	<u>(37)</u>
Net change in fund balance	84,200	85,630	1,430
Fund balance at beginning of year	<u>84,335</u>	<u>84,335</u>	<u>-</u>
Fund balance at end of year	<u>\$ 168,535</u>	<u>169,965</u>	<u>1,430</u>

CITY OF REDLANDS
Measure I Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,013,000	1,233,850	220,850
Investment income	<u>100,000</u>	<u>146,666</u>	<u>46,666</u>
Total revenues	<u>1,113,000</u>	<u>1,380,516</u>	<u>267,516</u>
Expenditures:			
Current:			
Highway and streets	618,259	238,305	379,954
Capital outlay	<u>2,820,391</u>	<u>2,743,633</u>	<u>76,758</u>
Total expenditures	<u>3,438,650</u>	<u>2,981,938</u>	<u>456,712</u>
Net change in fund balance	(2,325,650)	(1,601,422)	724,228
Fund balance at beginning of year	<u>5,325,798</u>	<u>5,325,798</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 3,000,148</u></u>	<u><u>3,724,376</u></u>	<u><u>724,228</u></u>

CITY OF REDLANDS
General Capital Improvement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 3,635,000	1,027,746	(2,607,254)
Charges for services	-	3,442	3,442
Investment income	<u>71,923</u>	<u>19,463</u>	<u>(52,460)</u>
Total revenues	<u>3,706,923</u>	<u>1,050,651</u>	<u>(2,656,272)</u>
Expenditures:			
Current:			
General government	503,346	322,779	180,567
Capital outlay	<u>7,068,925</u>	<u>4,223,279</u>	<u>2,845,646</u>
Total expenditures	<u>7,572,271</u>	<u>4,546,058</u>	<u>3,026,213</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,865,348)</u>	<u>(3,495,407)</u>	<u>369,941</u>
Other financing sources:			
Transfers in	<u>366,000</u>	<u>585,295</u>	<u>219,295</u>
Net change in fund balance	(3,499,348)	(2,910,112)	589,236
Fund balance (deficit) at beginning of year	<u>(348,035)</u>	<u>(348,035)</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (3,847,383)</u>	<u>(3,258,147)</u>	<u>589,236</u>

CITY OF REDLANDS
Designated Receipts Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ -	1,489,264	1,489,264
Total revenues	<u>-</u>	<u>1,489,264</u>	<u>1,489,264</u>
Expenditures:			
Current:			
General government	<u>-</u>	<u>1,101,438</u>	<u>(1,101,438)</u>
Net change in fund balance	-	387,826	387,826
Fund balance at beginning of year	<u>981,414</u>	<u>981,414</u>	<u>-</u>
Fund balance at end of year	<u>\$ 981,414</u>	<u>1,369,240</u>	<u>387,826</u>

CITY OF REDLANDS
Traffic Signals Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses, permits and fees	\$ 102,400	122,238	19,838
Excess of revenues over expenditures	<u>102,400</u>	<u>122,238</u>	<u>19,838</u>
Other financing uses:			
Transfers out	<u>(150,000)</u>	<u>(122,238)</u>	<u>27,762</u>
Net change in fund balance	(47,600)	-	47,600
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (47,600)</u>	<u>-</u>	<u>47,600</u>

CITY OF REDLANDS
Landscape Maintenance District Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 25,400	26,558	1,158
Expenditures:			
Current:			
General government	84,188	73,240	10,948
Excess (deficiency) of revenues over (under) expenditures	(58,788)	(46,682)	12,106
Other financing sources:			
Transfers in	33,385	46,682	13,297
Net change in fund balance	(25,403)	-	25,403
Fund balance at beginning of year	-	-	-
Fund balance (deficit) at end of year	<u>\$ (25,403)</u>	<u>-</u>	<u>25,403</u>

CITY OF REDLANDS
Household Hazardous Waste Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 8,800	11,751	2,951
Investment income	<u>120,000</u>	<u>126,388</u>	<u>6,388</u>
Total Revenue	<u>\$ 128,800</u>	<u>138,139</u>	<u>9,339</u>
Expenditures:			
Current:			
General government	68,023	65,341	2,682
Capital outlay	<u>93,397</u>	<u>93,397</u>	<u>-</u>
Total expenditures	<u>161,420</u>	<u>158,738</u>	<u>2,682</u>
Net change in fund balance	(32,620)	(20,599)	12,021
Fund balance at beginning of year	<u>412,827</u>	<u>412,827</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 380,207</u></u>	<u><u>392,228</u></u>	<u><u>12,021</u></u>

CITY OF REDLANDS
Supplemental Law Enforcement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 102,241	96,488	(5,753)
Investment income	<u>593</u>	<u>1,796</u>	<u>1,203</u>
Total revenues	<u>102,834</u>	<u>98,284</u>	<u>(4,550)</u>
Expenditures:			
Current:			
Public safety	66,219	48,425	17,794
Capital outlay	<u>48,400</u>	<u>48,063</u>	<u>337</u>
Total expenditures	<u>114,619</u>	<u>96,488</u>	<u>18,131</u>
Net change in fund balance	(11,785)	1,796	13,581
Fund balance at beginning of year	<u>41,216</u>	<u>41,216</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 29,431</u></u>	<u><u>43,012</u></u>	<u><u>13,581</u></u>

CITY OF REDLANDS
 Neighborhood Initiative Program Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 22,643	22,644	1
Investment Income	<u>50,000</u>	<u>33,573</u>	<u>(16,427)</u>
Total revenues	<u>72,643</u>	<u>56,217</u>	<u>(16,426)</u>
Net change in fund balance	72,643	56,217	(16,426)
Fund balance (deficit) at beginning of year	<u>(21,587)</u>	<u>(21,587)</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 51,056</u></u>	<u><u>34,630</u></u>	<u><u>(16,426)</u></u>

CITY OF REDLANDS
Drug Confiscation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 42,100	49,299	7,199
Expenditures:			
Current:			
Public safety	68,449	40,059	28,390
Net change in fund balance	(26,349)	9,240	35,589
Fund balance at beginning of year	<u>198,250</u>	<u>198,250</u>	<u>-</u>
Fund balance at end of year	<u>\$ 171,901</u>	<u>207,490</u>	<u>35,589</u>

CITY OF REDLANDS
Police Grants Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 780,000	2,199,243	1,419,243
Total revenues	<u>780,000</u>	<u>2,199,243</u>	<u>1,419,243</u>
Expenditures:			
Current:			
Public safety	2,346,403	1,425,434	920,969
Capital outlay	<u>2,760,686</u>	<u>676,624</u>	<u>2,084,062</u>
Total expenditures	<u>5,107,089</u>	<u>2,102,058</u>	<u>3,005,031</u>
Net change in fund balance	(4,327,089)	97,185	4,424,274
Fund balance (deficit) at beginning of year	<u>(360,478)</u>	<u>(360,478)</u>	<u>-</u>
Fund balance (deficit) at end of year	<u><u>\$ (4,687,567)</u></u>	<u><u>(263,293)</u></u>	<u><u>4,424,274</u></u>

CITY OF REDLANDS
CFD 2004-1 Assessment

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 71,200	81,821	10,621
Investment income	<u>603</u>	<u>2,147</u>	<u>1,544</u>
Total revenues	<u>71,803</u>	<u>83,968</u>	<u>12,165</u>
Expenditures:			
Current:			
General government	<u>96,580</u>	<u>9,882</u>	<u>86,698</u>
Net change in fund balance	(24,777)	74,086	98,863
Fund balance at beginning of year	<u>79,255</u>	<u>79,255</u>	<u>-</u>
Fund balance at end of year	<u>\$ 54,478</u>	<u>153,341</u>	<u>98,863</u>

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DEBT SERVICE FUNDS

The City maintains the following debt service funds for the purposes indicated:

Nonmajor Funds

City of Redlands – To account for the receipt of property taxes to be used for the retirement of the 1988 General Obligation Measure “O” Open Space Bonds and the 1994 Refunding General Obligation Bonds, and the 2003 General Obligation Refunding Bonds.

Redlands Public Improvement Corporation – To account for the retirement of the 1993 Refunding of the 1986 and 1987 Projects Certificates of Participation and the 1994 Taxable Certificates of Participation (City of Redlands/Wal-Mart Parking Facility), and the 2003 Refunding Lease Revenue Certificates of Participation.

Redevelopment Agency – To account for the receipt of tax increment and retirement of the 1987 Tax Allocation Refunding Bonds, the 1994 Subordinated Tax Allocation Refunding Bonds, the 1994 Refunding Parking Lease Revenue Bonds, and the 2003A Series Tax Allocation Bonds.

CITY OF REDLANDS
Nonmajor Debt Service Funds

Combining Balance Sheet

June 30, 2006

	<u>City of Redlands</u>	<u>Redlands Public Improvement Corporation</u>	<u>Redevelopment Agency</u>	<u>Totals</u>
Assets:				
Cash and investments	\$ 1,153,693	-	6,691,312	7,845,005
Receivables:				
Taxes	26,349	-	191,784	218,133
Interest	-	-	64,778	64,778
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,180,042</u>	<u> </u>	<u>6,947,874</u>	<u>8,127,916</u>
 Liabilities and Fund Balances:				
Liabilities:				
Advances payable	\$ -	-	1,334,084	1,334,084
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u> </u>	<u> </u>	<u>1,334,084</u>	<u>1,334,084</u>
 Fund balances:				
Unreserved	1,180,042	-	5,613,790	6,793,832
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,180,042</u>	<u> </u>	<u>5,613,790</u>	<u>6,793,832</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 1,180,042</u>	<u> </u>	<u>6,947,874</u>	<u>8,127,916</u>

CITY OF REDLANDS
Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2006

	<u>City of Redlands</u>	<u>Redlands Public Improvement Corporation</u>	<u>Redevelopment Agency</u>	<u>Totals</u>
Revenues:				
Taxes	\$ 705,932	-	5,905,193	6,611,125
Investment income	<u>-</u>	<u>-</u>	<u>193,429</u>	<u>193,429</u>
Total revenues	<u>705,932</u>	<u>-</u>	<u>6,098,622</u>	<u>6,804,554</u>
Expenditures:				
Debt service:				
Principal	435,000	-	1,575,000	2,010,000
Interest	156,725	630,641	2,463,158	3,250,524
Fiscal charges	<u>6,292</u>	<u>18,051</u>	<u>422,984</u>	<u>447,327</u>
Total expenditures	<u>598,017</u>	<u>648,692</u>	<u>4,461,142</u>	<u>5,707,851</u>
Excess (deficiency) of revenues over (under) expenditures	<u>107,915</u>	<u>(648,692)</u>	<u>1,637,480</u>	<u>1,096,703</u>
Other financing sources (uses):				
Transfers in	-	648,692	665,017	1,313,709
Transfers out	<u>(6,219)</u>	<u>-</u>	<u>(4,002,716)</u>	<u>(4,008,935)</u>
Total other financing sources (uses)	<u>(6,219)</u>	<u>648,692</u>	<u>(3,337,699)</u>	<u>(2,695,226)</u>
Net change in fund balances	101,696	-	(1,700,219)	(1,598,523)
Fund balances at beginning of year	<u>1,078,346</u>	<u>-</u>	<u>7,314,009</u>	<u>8,392,355</u>
Fund balances at end of year	<u>\$ 1,180,042</u>	<u>-</u>	<u>5,613,790</u>	<u>6,793,832</u>

CITY OF REDLANDS
City of Redlands
Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 602,500	705,932	103,432
Total revenues	<u>602,500</u>	<u>705,932</u>	<u>103,432</u>
Expenditures:			
Debt service:			
Principal	435,000	435,000	-
Interest	156,725	156,725	-
Fiscal charges	<u>6,292</u>	<u>6,292</u>	<u>-</u>
Total expenditures	<u>598,017</u>	<u>598,017</u>	<u>-</u>
Excess of revenues over expenditures	4,483	107,915	103,432
Other financing sources (uses):			
Transfers out	<u>-</u>	<u>(6,219)</u>	<u>(6,219)</u>
Net change in fund balances	4,483	101,696	97,213
Fund balance at beginning of year	<u>1,078,346</u>	<u>1,078,346</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,082,829</u>	<u>1,180,042</u>	<u>97,213</u>

CITY OF REDLANDS
Redlands Public Improvement Corporation
Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income	\$ -	-	-
Expenditures:			
Debt service:			
Interest	630,641	630,641	-
Fiscal charges	<u>18,051</u>	<u>18,051</u>	-
Total expenditures	<u>648,692</u>	<u>648,692</u>	-
Excess (deficiency) of revenues (over) under expenditures	<u>(648,692)</u>	<u>(648,692)</u>	-
Other financing sources:			
Transfers in	<u>651,242</u>	<u>648,692</u>	<u>(2,550)</u>
Net change in fund balance	2,550	-	(2,550)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,550</u>	<u>-</u>	<u>(2,550)</u>

CITY OF REDLANDS
Redevelopment Agency
Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 5,161,800	5,905,193	743,393
Investment income	<u>150,000</u>	<u>193,429</u>	<u>43,429</u>
Total revenues	<u>5,311,800</u>	<u>6,098,622</u>	<u>786,822</u>
Expenditures:			
Debt service:			
Principal	1,575,000	1,575,000	-
Interest	1,815,248	2,463,158	(647,910)
Fiscal charges	<u>432,984</u>	<u>422,984</u>	<u>10,000</u>
Total expenditures	<u>3,823,232</u>	<u>4,461,142</u>	<u>(637,910)</u>
Excess of revenues over expenditures	<u>1,488,568</u>	<u>1,637,480</u>	<u>148,912</u>
Other financing sources (uses):			
Transfers in	768,068	665,017	(103,051)
Transfers out	<u>(1,523,706)</u>	<u>(4,002,716)</u>	<u>(2,479,010)</u>
Total other financing sources (uses)	<u>(755,638)</u>	<u>(3,337,699)</u>	<u>(2,582,061)</u>
Net change in fund balance	732,930	(1,700,219)	(2,433,149)
Fund balance at beginning of year	<u>7,314,009</u>	<u>7,314,009</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,046,939</u>	<u>5,613,790</u>	<u>(2,433,149)</u>

NONMAJOR CAPITAL PROJECTS FUNDS

The City maintains the following capital project funds for the purposes indicated:

Storm Drain – To account for receipt and subsequent expenditure of developer fees assessed to provide additional storm drains as required.

General Obligation Bonds Series 1988A – To account for proceeds of a general obligation bond approved by the voters for the purchase of park lands and “open space” areas.

Redevelopment Projects – To account for monies to be used for the acquisition or construction of facilities or land, as well as other miscellaneous administrative costs.

CITY OF REDLANDS
Nonmajor Capital Projects Funds

Combining Balance Sheet

June 30, 2006

	<u>Storm Drain</u>	<u>General Obligation Bond Series 1988A</u>	<u>Redevelopment Projects</u>	<u>Totals</u>
Assets:				
Cash and investments	\$ 2,065,513	169,456	7,578,942	9,813,911
Receivables:				
Interest	-	-	128,538	128,538
Notes	-	-	32,286	32,286
Total assets	<u>\$ 2,065,513</u>	<u>169,456</u>	<u>7,739,766</u>	<u>9,974,735</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	-	8,752	8,752
Accrued payroll	226	-	7,089	7,315
Total liabilities	<u>226</u>	<u>-</u>	<u>15,841</u>	<u>16,067</u>
Fund balances:				
Reserved for notes receivable	-	-	32,286	32,286
Reserved for encumbrances	-	-	93,433	93,433
Unreserved	2,065,287	169,456	7,598,206	9,832,949
Total fund balances	<u>2,065,287</u>	<u>169,456</u>	<u>7,723,925</u>	<u>9,958,668</u>
Total liabilities and fund balances	<u>\$ 2,065,513</u>	<u>169,456</u>	<u>7,739,766</u>	<u>9,974,735</u>

CITY OF REDLANDS
Nonmajor Capital Projects Funds

Combining Statement Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2006

	<u>Storm Drain</u>	<u>General Obligation Bond, Series 1998A</u>	<u>Redevelopment Projects</u>	<u>Totals</u>
Revenues:				
Licenses, permits and fines	\$ 456,803	-	-	456,803
Investment income	42,726	4,300	329,510	376,536
Other	-	-	500	500
	<u>499,529</u>	<u>4,300</u>	<u>330,010</u>	<u>833,839</u>
Expenditures:				
Current:				
General government	-	-	549,682	549,682
Highway and streets	6,933	-	-	6,933
	<u>6,933</u>	<u>-</u>	<u>549,682</u>	<u>556,615</u>
Excess (deficiency) of revenues over (under) expenditures	<u>492,596</u>	<u>4,300</u>	<u>(219,672)</u>	<u>277,224</u>
Other financing sources (uses):				
Transfers in	-	-	2,802,175	2,802,175
Transfer out	-	-	(159,806)	(159,806)
	<u>-</u>	<u>-</u>	<u>2,642,369</u>	<u>2,642,369</u>
Net change in fund balances	492,596	4,300	2,422,697	2,919,593
Fund balances at beginning of year	<u>1,572,691</u>	<u>165,156</u>	<u>5,301,228</u>	<u>7,039,075</u>
Fund balances at end of year	<u>\$ 2,065,287</u>	<u>169,456</u>	<u>7,723,925</u>	<u>9,958,668</u>

CITY OF REDLANDS
Storm Drain Fund
Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses, permits and fines	\$ 312,069	456,803	144,734
Investment income	<u>15,130</u>	<u>42,726</u>	<u>27,596</u>
Total revenues	<u>327,199</u>	<u>499,529</u>	<u>172,330</u>
Expenditures:			
Current:			
Highway and streets	<u>6,988</u>	<u>6,933</u>	<u>55</u>
Net change in fund balances	320,211	492,596	172,385
Fund balance at beginning of year	<u>1,572,691</u>	<u>1,572,691</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,892,902</u>	<u>2,065,287</u>	<u>172,385</u>

CITY OF REDLANDS
 General Obligation Bonds, Series 1988A
 Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income	\$ 2,500	4,300	1,800
Total revenues	<u>2,500</u>	<u>4,300</u>	<u>1,800</u>
Net change in fund balances	2,500	4,300	1,800
Fund balance at beginning of year	<u>165,156</u>	<u>165,156</u>	<u>-</u>
Fund balance at end of year	<u>\$ 167,656</u>	<u>169,456</u>	<u>1,800</u>

CITY OF REDLANDS
 Redevelopment Projects Fund
 Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual

Year ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income	\$ 226,000	329,510	103,510
Other	<u> -</u>	<u> 500</u>	<u> 500</u>
Total revenues	<u>226,000</u>	<u>330,010</u>	<u>104,010</u>
Expenditures:			
Current:			
General government	<u>1,039,505</u>	<u>549,682</u>	<u>489,823</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(813,505)</u>	<u>(219,672)</u>	<u>593,833</u>
Other financing sources (uses):			
Transfers in	665,906	2,802,175	2,136,269
Transfers out	<u> -</u>	<u>(159,806)</u>	<u>(159,806)</u>
Total other financing sources (uses)	<u>665,906</u>	<u>2,642,369</u>	<u>1,976,463</u>
Net change in fund balance	(147,599)	2,422,697	2,570,296
Fund balance at beginning of year	<u>5,301,228</u>	<u>5,301,228</u>	<u> -</u>
Fund balance at end of year	<u>\$ 5,153,629</u>	<u>7,723,925</u>	<u>2,570,296</u>

NONMAJOR ENTERPRISE FUNDS

The City maintains the following enterprise funds for the purposes indicated:

Aviation – To account for the operations of the Redlands Municipal Airport.

Cemetery – To account for the operations of Hillside Memorial Park Cemetery.

Groves – To account for the farming operations of citrus groves owned by the City.

CITY OF REDLANDS
 Nonmajor Enterprise Funds
 Combining Statement of Net Assets
 June 30, 2006

	Business-type Enterprise Funds			Totals
	Aviation	Cemetery	Groves	
Assets:				
Current assets:				
Cash and investments	\$ -	569,215	294,962	864,177
Accounts receivable	-	92,968	-	92,968
Total current assets	<u>-</u>	<u>662,183</u>	<u>294,962</u>	<u>957,145</u>
Noncurrent assets:				
Interest receivable	-	31,625	-	31,625
Capital assets:				
Land and water rights	1,165,281	630,631	13,255,463	15,051,375
Buildings	2,726,995	57,319	-	2,784,314
Machinery and equipment	70,650	396,041	-	466,691
Less accumulated depreciation	<u>(114,908)</u>	<u>(443,516)</u>	<u>-</u>	<u>(558,424)</u>
Total capital assets	<u>3,848,018</u>	<u>640,475</u>	<u>13,255,463</u>	<u>17,743,956</u>
Total assets	<u>3,848,018</u>	<u>1,334,283</u>	<u>13,550,425</u>	<u>18,732,726</u>
Liabilities:				
Current liabilities:				
Accounts payable	15,216	16,744	31,987	63,947
Accrued payroll	922	8,523	768	10,213
Deposits	1,431	557,828	25,000	584,259
Compensated absences - current	-	2,799	-	2,799
Total current liabilities	<u>17,569</u>	<u>585,894</u>	<u>57,755</u>	<u>661,218</u>
Long-term liabilities:				
Compensated absences - noncurrent	-	2,799	-	2,799
Advances payable	<u>1,795,184</u>	<u>1,507,169</u>	<u>-</u>	<u>3,302,353</u>
Total long-term liabilities	<u>1,795,184</u>	<u>1,509,968</u>	<u>-</u>	<u>3,305,152</u>
Total liabilities	<u>1,812,753</u>	<u>2,095,862</u>	<u>57,755</u>	<u>3,966,370</u>
Net assets:				
Invested in capital assets, net of related debts	3,848,018	640,475	13,255,463	17,743,956
Unrestricted	<u>(1,812,753)</u>	<u>(1,402,054)</u>	<u>237,207</u>	<u>(2,977,600)</u>
Total net assets (deficit)	<u>\$ 2,035,265</u>	<u>(761,579)</u>	<u>13,492,670</u>	<u>14,766,356</u>

CITY OF REDLANDS
Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Net Assets

Year ended June 30, 2006

	<u>Business-type Enterprise Funds</u>			<u>Totals</u>
	<u>Aviation</u>	<u>Cemetery</u>	<u>Groves</u>	
Operating revenues:				
Charges for services	\$ -	393,298	609,712	1,003,010
Other	<u>154,907</u>	<u>-</u>	<u>104,223</u>	<u>259,130</u>
Total operating revenues	<u>154,907</u>	<u>393,298</u>	<u>713,935</u>	<u>1,262,140</u>
Operating expenses:				
Personal services	28,339	287,533	11,051	326,923
Repairs and maintenance	1,640	66,673	-	68,313
Administrative and general	109,432	184,220	743,123	1,036,775
Depreciation	<u>54,456</u>	<u>12,680</u>	<u>-</u>	<u>67,136</u>
Total operating expenses	<u>193,867</u>	<u>551,106</u>	<u>754,174</u>	<u>1,499,147</u>
Operating income (loss)	<u>(38,960)</u>	<u>(157,808)</u>	<u>(40,239)</u>	<u>(237,007)</u>
Nonoperating revenues (expenses):				
Property taxes	35,616	-	-	35,616
Investment income	-	95,894	7,048	102,942
Interest expense	(25,915)	(44,229)	-	(70,144)
Miscellaneous income	<u>-</u>	<u>168,322</u>	<u>-</u>	<u>168,322</u>
Total non-operating revenues (expenses)	<u>9,701</u>	<u>219,987</u>	<u>7,048</u>	<u>236,736</u>
Grants	<u>343,030</u>	<u>-</u>	<u>-</u>	<u>343,030</u>
Change in net assets	313,771	62,179	(33,191)	342,759
Net assets (deficit) at beginning of year	<u>1,721,494</u>	<u>(823,758)</u>	<u>13,525,861</u>	<u>14,423,597</u>
Net assets (deficit) at end of year	<u>\$ 2,035,265</u>	<u>(761,579)</u>	<u>13,492,670</u>	<u>14,766,356</u>

CITY OF REDLANDS
Nonmajor Enterprise Funds

Combining Statement of Cash Flows

Year ended June 30, 2006

	<u>Business-type Enterprise Funds</u>			<u>Totals</u>
	<u>Aviation</u>	<u>Cemetery</u>	<u>Groves</u>	
Cash flows from primary activities:				
Cash received from customers	\$ 176,503	450,385	721,349	1,348,237
Cash payments to suppliers for goods and services	(100,444)	(246,859)	(743,399)	(1,090,702)
Cash payments for employees for services	(28,054)	(298,726)	(10,983)	(337,763)
Net cash provided by (used for) operating activities	<u>48,005</u>	<u>(95,200)</u>	<u>(33,033)</u>	<u>(80,228)</u>
Cash flows from noncapital financing activities:				
Cash paid to other funds	(28,380)	(121,000)	-	(149,380)
Cash received for other activities	35,616	168,322	-	203,938
Net cash provided by noncapital financing activities	<u>7,236</u>	<u>47,322</u>	<u>-</u>	<u>54,558</u>
Cash flows from capital and related financing activities:				
Cash paid for acquisition of capital assets	(398,271)	-	-	(398,271)
Grants received	343,030	-	-	343,030
Net cash provided by (used for) capital and related financing activities	<u>(55,241)</u>	<u>-</u>	<u>-</u>	<u>(55,241)</u>
Cash flows from investing activities:				
Interest received	-	95,894	7,048	102,942
Net cash provided by investing activities	<u>-</u>	<u>95,894</u>	<u>7,048</u>	<u>102,942</u>
Net increase (decrease) in cash and cash equivalents	-	48,016	(25,985)	22,031
Cash and cash equivalents at beginning of year	-	521,199	320,947	842,146
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>569,215</u>	<u>294,962</u>	<u>864,177</u>

CITY OF REDLANDS
Nonmajor Enterprise Funds

Combining Statement of Cash Flows

(Continued)

	Business-type Enterprise Funds			Totals
	Aviation	Cemetery	Groves	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	(38,960)	(157,808)	(40,239)	(237,007)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	54,456	12,680	-	67,136
(Increase) decrease in accounts receivable	3	35,577	7,414	42,994
(Increase) decrease in due from other governments	21,593	-	-	21,593
(Increase) decrease in interest receivable	-	(22,524)	-	(22,524)
Increase (decrease) in accounts payable	10,628	4,034	(276)	14,386
Increase (decrease) in accrued payroll	285	27	68	380
Increase (decrease) in deposits	-	44,034	-	44,034
Increase (decrease) in compensated absences	-	(11,220)	-	(11,220)
Total adjustments	86,965	62,608	7,206	156,779
Net cash provided by (used for) operating activities	\$ 48,005	(95,200)	(33,033)	(80,228)

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INTERNAL SERVICE FUNDS

The City maintains the following internal service funds for the purposes indicated:

Workers' Compensation Self-Insurance – To account for the City's self-insured Workers' Compensation program which is provided to all City departments and funds.

Liability Self-Insurance – To account for the City's self-insured general and automobile liability programs which are provided to all City departments and funds.

Payroll Clearing –To account for the City's activity relative to all taxes, health, and Public Employee Retirement System contributions.

Utility Billing – To account for billing services costs provided for water, sewer and solid waste.

Vehicle Pool and Maintenance – To provide replacement and maintenance of all City vehicles and major equipment and to account for vehicle rental services to all City departments.

CITY OF REDLANDS
Internal Service Funds

Combining Statement of Net Assets

June 30, 2006

	<u>Workers' Compensation Self-Insurance</u>	<u>Liability Self-Insurance</u>	<u>Payroll Clearing</u>	<u>Utility Billing</u>	<u>Vehicle Pool and Maintenance</u>	<u>Totals</u>
Assets:						
Current assets:						
Cash and investments	\$ 3,293,685	1,669,832	-	5,090	426,850	5,395,457
Accounts receivable	-	4,954	-	3,020	9,098	17,072
Inventory	-	-	-	-	129,766	129,766
	<u>3,293,685</u>	<u>1,674,786</u>	<u>-</u>	<u>8,110</u>	<u>565,714</u>	<u>5,542,295</u>
Total current assets						
Capital assets:						
Machinery and equipment	-	-	-	-	163,854	163,854
Less accumulated depreciation	-	-	-	-	(37,695)	(37,695)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,159</u>	<u>126,159</u>
Total capital assets						
Total assets	<u>3,293,685</u>	<u>1,674,786</u>	<u>-</u>	<u>8,110</u>	<u>691,873</u>	<u>5,668,454</u>
Liabilities:						
Current liabilities:						
Accounts payable	32,698	23,772	-	7,444	200,054	263,968
Accrued payroll	7,248	2,576	-	24,971	31,365	66,160
Claims payable	1,746,866	574,219	-	-	-	2,321,085
Compensated absences	2,593	-	-	62,064	167,092	231,749
	<u>1,789,405</u>	<u>600,567</u>	<u>-</u>	<u>94,479</u>	<u>398,511</u>	<u>2,882,962</u>
Total liabilities						
Net assets:						
Invested in capital assets, net of related debt	-	-	-	-	126,159	126,159
Unrestricted	1,504,280	1,074,219	-	(86,369)	167,203	2,659,333
	<u>1,504,280</u>	<u>1,074,219</u>	<u>-</u>	<u>(86,369)</u>	<u>293,362</u>	<u>2,785,492</u>
Total net assets (deficit)	<u>\$ 1,504,280</u>	<u>1,074,219</u>	<u>-</u>	<u>(86,369)</u>	<u>293,362</u>	<u>2,785,492</u>

CITY OF REDLANDS
Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Year ended June 30, 2006

	Workers' Compensation Self-Insurance	Liability Self-Insurance	Payroll Clearing	Utility Billing	Vehicle Pool and Maintenance	Totals
Operating revenues:						
Charges for services	\$ 2,351,758	-	87,923	1,015,375	3,772,146	7,227,202
Other	-	10,431	-	346,817	1,145	358,393
Total operating revenues	<u>2,351,758</u>	<u>10,431</u>	<u>87,923</u>	<u>1,362,192</u>	<u>3,773,291</u>	<u>7,585,595</u>
Operating expenses:						
Personal services	397,636	88,870	-	846,935	1,189,701	2,523,142
Repairs and maintenance	-	-	-	27,711	1,934,164	1,961,875
Administration and general	1,286,579	962,690	-	465,756	439,700	3,154,725
Depreciation	-	-	-	-	17,215	17,215
Premiums paid out	272,673	357,183	-	-	-	629,856
Total operating expenses	<u>1,956,888</u>	<u>1,408,743</u>	<u>-</u>	<u>1,340,402</u>	<u>3,580,780</u>	<u>8,286,813</u>
Operating income (loss)	<u>394,870</u>	<u>(1,398,312)</u>	<u>87,923</u>	<u>21,790</u>	<u>192,511</u>	<u>(701,218)</u>
Nonoperating revenues:						
Investment income	-	-	-	3,051	-	3,051
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,051</u>	<u>-</u>	<u>3,051</u>
Income (loss) before transfers	<u>394,870</u>	<u>(1,398,312)</u>	<u>87,923</u>	<u>24,841</u>	<u>192,511</u>	<u>(698,167)</u>
Transfers:						
Transfers in	-	1,425,968	-	-	-	1,425,968
Transfers out	-	-	(87,923)	-	-	(87,923)
Total transfers	<u>-</u>	<u>1,425,968</u>	<u>(87,923)</u>	<u>-</u>	<u>-</u>	<u>1,338,045</u>
Change in net assets	394,870	27,656	-	24,841	192,511	639,878
Net assets (deficit) at beginning of year	<u>1,109,410</u>	<u>1,046,563</u>	<u>-</u>	<u>(111,210)</u>	<u>100,851</u>	<u>2,145,614</u>
Net assets (deficit) at end of year	<u>\$ 1,504,280</u>	<u>1,074,219</u>	<u>-</u>	<u>(86,369)</u>	<u>293,362</u>	<u>2,785,492</u>

CITY OF REDLANDS
Internal Service Funds

Combining Statement of Cash Flows

Year ended June 30, 2006

	<u>Workers' Compensation Self-Insurance</u>	<u>Liability Self-Insurance</u>	<u>Payroll Clearing</u>	<u>Utility Billing</u>	<u>Vehicle Pool and Maintenance</u>	<u>Totals</u>
Cash flows from operating activities:						
Cash received from user departments	\$ 2,351,758	5,477	87,923	1,301,053	3,769,209	7,515,420
Cash payments to suppliers for goods and services	(1,268,355)	(955,989)	(41,295)	(493,269)	(2,343,467)	(5,102,375)
Cash payments for claims	(136,981)	(329,528)	-	-	-	(466,509)
Cash payments to employees for services	<u>(393,428)</u>	<u>(90,098)</u>	<u>-</u>	<u>(805,745)</u>	<u>(1,163,294)</u>	<u>(2,452,565)</u>
Net cash provided by (used for) operating activities	<u>552,994</u>	<u>(1,370,138)</u>	<u>46,628</u>	<u>2,039</u>	<u>262,448</u>	<u>(506,029)</u>
Cash flows from noncapital financing activities:						
Cash received from other funds	-	1,425,968	-	-	-	1,425,968
Cash paid to other funds	<u>-</u>	<u>-</u>	<u>(87,923)</u>	<u>-</u>	<u>-</u>	<u>(87,923)</u>
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>1,425,968</u>	<u>(87,923)</u>	<u>-</u>	<u>-</u>	<u>1,338,045</u>
Cash flows from capital and related financing activities:						
Cash paid for acquisition of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,300)</u>	<u>(17,300)</u>
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,300)</u>	<u>(17,300)</u>
Cash flows from investing activities:						
Interest received	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,051</u>	<u>-</u>	<u>3,051</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,051</u>	<u>-</u>	<u>3,051</u>
Net increase (decrease) in cash and cash equivalents	552,994	55,830	(41,295)	5,090	245,148	817,767
Cash and cash equivalents at beginning of year	<u>2,740,691</u>	<u>1,614,002</u>	<u>41,295</u>	<u>-</u>	<u>181,702</u>	<u>4,577,690</u>
Cash and cash equivalents at end of year	<u>\$ 3,293,685</u>	<u>1,669,832</u>	<u>-</u>	<u>5,090</u>	<u>426,850</u>	<u>5,395,457</u>

CITY OF REDLANDS
Internal Service Funds

Combining Statement of Cash Flows
(Continued)

	<u>Workers'</u>					
	<u>Compensation</u>	<u>Liability</u>	<u>Payroll</u>	<u>Utility</u>	<u>Vehicle</u>	<u>Totals</u>
	<u>Self-Insurance</u>	<u>Self-Insurance</u>	<u>Clearing</u>	<u>Billing</u>	<u>Pool and</u>	
					<u>Maintenance</u>	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 394,870	(1,398,312)	87,923	21,790	192,511	(701,218)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	-	-	-	-	17,215	17,215
(Increase) decrease in accounts receivable	-	(4,954)	-	142	(4,082)	(8,894)
(Increase) decrease in inventory	-	-	-	-	(7,381)	(7,381)
Increase (decrease) in accounts payable	18,224	6,701	(41,295)	198	37,778	21,606
Increase (decrease) in accrued payroll	3,941	(1,228)	-	12,918	2,965	18,596
Increase (decrease) in due to other funds	-	-	-	(61,281)	-	(61,281)
Increase (decrease) in claims payable	135,692	27,655	-	-	-	163,347
Increase (decrease) in compensated absences	267	-	-	28,272	23,442	51,981
Total adjustments	<u>158,124</u>	<u>28,174</u>	<u>(41,295)</u>	<u>(19,751)</u>	<u>69,937</u>	<u>195,189</u>
Net cash provided by (used for) operating activities	<u>\$ 552,994</u>	<u>(1,370,138)</u>	<u>46,628</u>	<u>2,039</u>	<u>262,448</u>	<u>(506,029)</u>

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AGENCY FUNDS

The City maintains the following Agency Funds for the purposes indicated:

Special Deposits – To account for the collection and disposition of deposits collected by various City departments which will be retained for specific purposes or subsequently refunded.

Community Facilities District Trust – To account for fiscal agent activity related to a Community Facilities District established for the purpose of constructing infrastructure.

CITY OF REDLANDS
 Agency Funds
 Combining Statement of Changes in Assets and Liabilities
 Year ended June 30, 2006

	<u>Balance at</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2006</u>
<u>Special Deposits</u>				
Assets:				
Cash and investments	\$ 3,488,289	3,277,264	2,699,161	4,066,392
Interest receivable	<u>562,227</u>	<u>584,811</u>	<u>562,227</u>	<u>584,811</u>
Total assets	<u>\$ 4,050,516</u>	<u>3,862,075</u>	<u>3,261,388</u>	<u>4,651,203</u>
Liabilities:				
Accounts payable	\$ 19,033	460,020	465,672	13,381
Deposits	<u>4,031,483</u>	<u>3,864,372</u>	<u>3,258,033</u>	<u>4,637,822</u>
Total liabilities	<u>\$ 4,050,516</u>	<u>4,324,392</u>	<u>3,723,705</u>	<u>4,651,203</u>
<u>Community Facilities District</u>				
Assets:				
Cash and investments	\$ 2,601,993	1,019,558	1,073,215	2,548,336
Interest receivable	<u>6,062</u>	<u>6,739</u>	<u>6,062</u>	<u>6,739</u>
Total assets	<u>\$ 2,608,055</u>	<u>1,026,297</u>	<u>1,079,277</u>	<u>2,555,075</u>
Liabilities:				
Accounts payable	\$ -	3,402	3,402	-
Deposits	<u>2,608,055</u>	<u>1,314,445</u>	<u>1,367,425</u>	<u>2,555,075</u>
Total liabilities	<u>\$ 2,608,055</u>	<u>1,317,847</u>	<u>1,370,827</u>	<u>2,555,075</u>
<u>Total - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 6,090,282	4,296,822	3,772,376	6,614,728
Interest receivable	<u>568,289</u>	<u>591,550</u>	<u>568,289</u>	<u>591,550</u>
Total assets	<u>\$ 6,658,571</u>	<u>4,888,372</u>	<u>4,340,665</u>	<u>7,206,278</u>
Liabilities:				
Accounts payable	\$ 19,033	463,422	469,074	13,381
Deposits	<u>6,639,538</u>	<u>5,178,817</u>	<u>4,625,458</u>	<u>7,192,897</u>
Total liabilities	<u>\$ 6,658,571</u>	<u>5,642,239</u>	<u>5,094,532</u>	<u>7,206,278</u>