



San Bernardino LAFCO Fiscal Indicators

1

City of Highland

Report Created:2/5/2020

The City of Highland has chosen to contract with other entities for much of its service provision (fire/emergency response – CalFire, law enforcement – San Bernardino County Sheriff). Retail water service and wastewater collection is provided by the independent East Valley Water District. The City operates with governmental funds and reports no major business-type funds. The City does not identify any debt related to governmental or business-type activities. The agency retirement plan is administered by CalPERS. Additional information on the City can be accessed via the link below.

[Agency Information \(map, contact information, fiscal indicators, SCAG profile\)](#)



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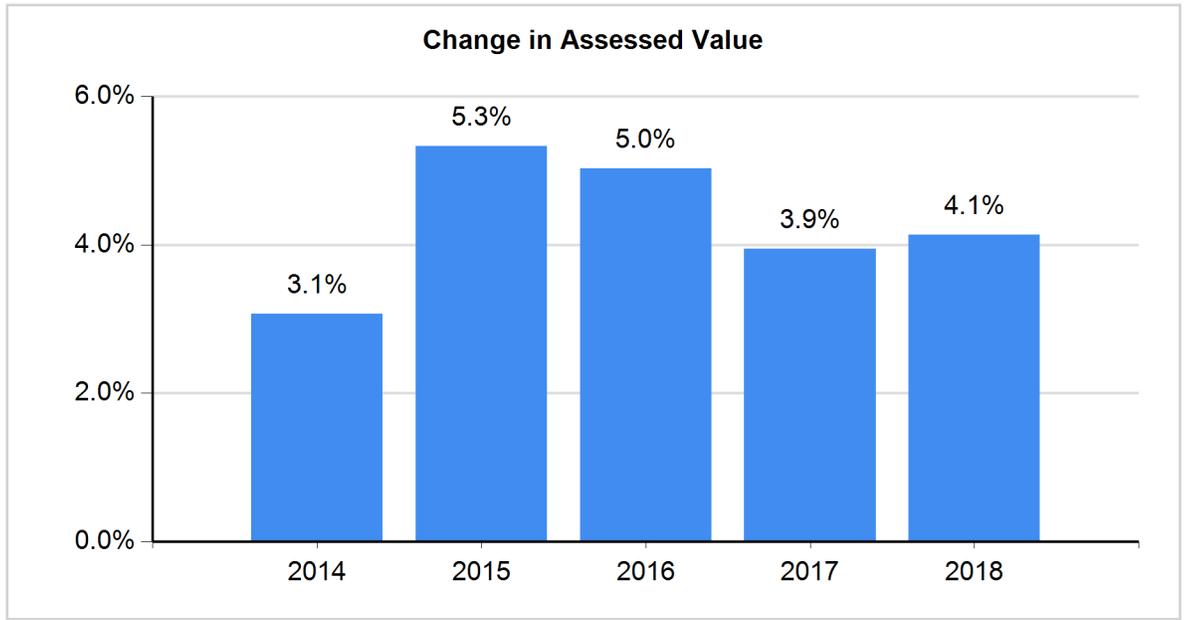
Change in Assessed Value

Description

There is a correlation between assessed property value and the receipt of the general property tax levy.

Formula:
change in tax roll
value/beginning tax
roll value

Source:
County Auditor -
Agency Net
Valuations



	2014	2015	2016	2017	2018
	\$62,321,149	\$114,219,668	\$113,525,671	\$92,576,962	\$101,311,911
	\$2,028,366,857	\$2,142,586,525	\$2,256,112,196	\$2,348,689,158	\$2,450,001,069
	3.1%	5.3%	5.0%	3.9%	4.1%

Agency Response



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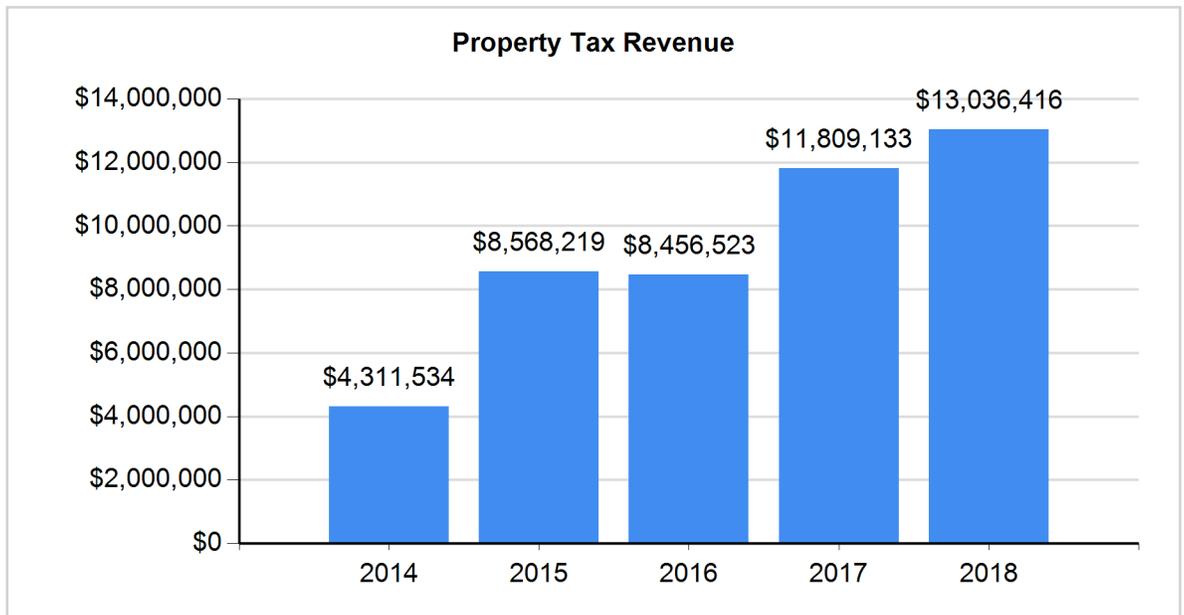
Property Tax Revenue

Description

This indicator will have more importance for those agencies heavily reliant upon property tax revenues. As this revenue source is relatively stable and lags about two years behind changes in market conditions, this indicator can potentially depict the level of stability of an agency's revenue base.

Formula:
property tax revenue

Source:
Statement of
Activities; Statement
of Revenues,
Expenditures and
Changes in Fund
Balance/Net Position



Agency Response

The audits include special assessments (landscaping, street-lights, parks, etc) under Property Taxes in the fund financial statement section, but not in the Statement of Activities section.



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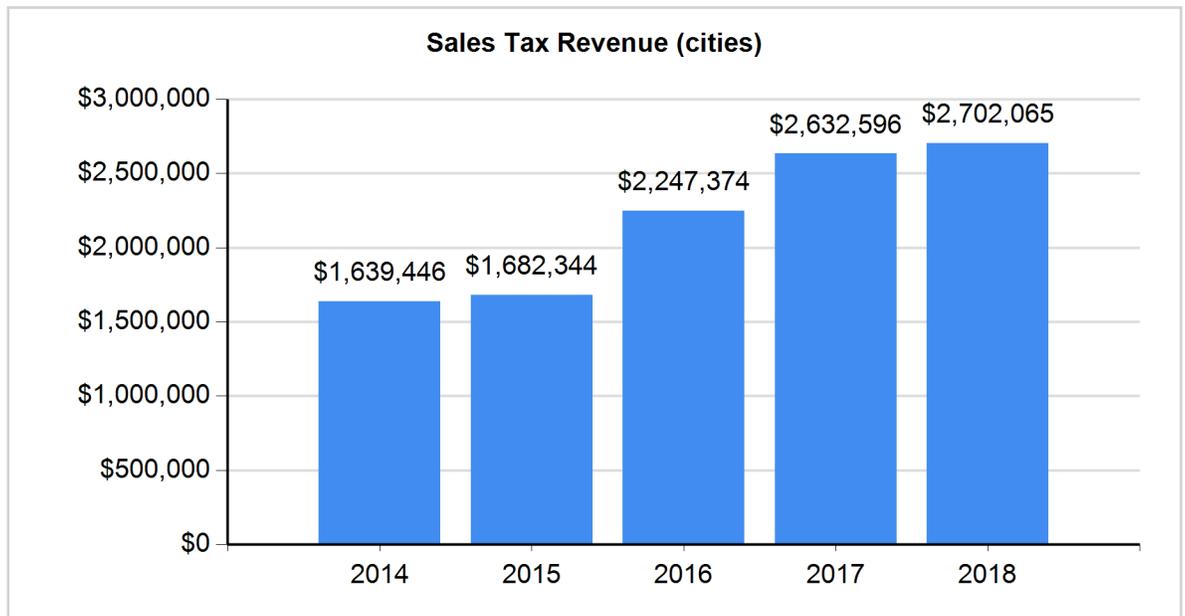
Sales Tax Revenue (cities)

Description

This indicator can help agencies determine the levels of sales tax revenue that are more sensitive to changes in the economic conditions, possibly impacting their abilities to fund and provide services.

Formula:
sales tax revenue

Source:
Statement of
Activities



Agency Response

2016 saw the end of the Triple Flip that was started in 2004. The triple flip shifted .25% of the 1% of sales tax revenue that used to be remitted by the State to be paid through property taxes. Since 2004, sales tax dollars were remitted to cities in two ways, .25% through property taxes (County) and .75% remitted by the State. Only the amounts remitted by the State are reflected in this graph. Starting in January 2016, the .25% remitted through property taxes is now remitted by the State as it used to prior to the implemented of the triple flip. The elimination of the triple flip is the reason this graph appears to have a significant increase.



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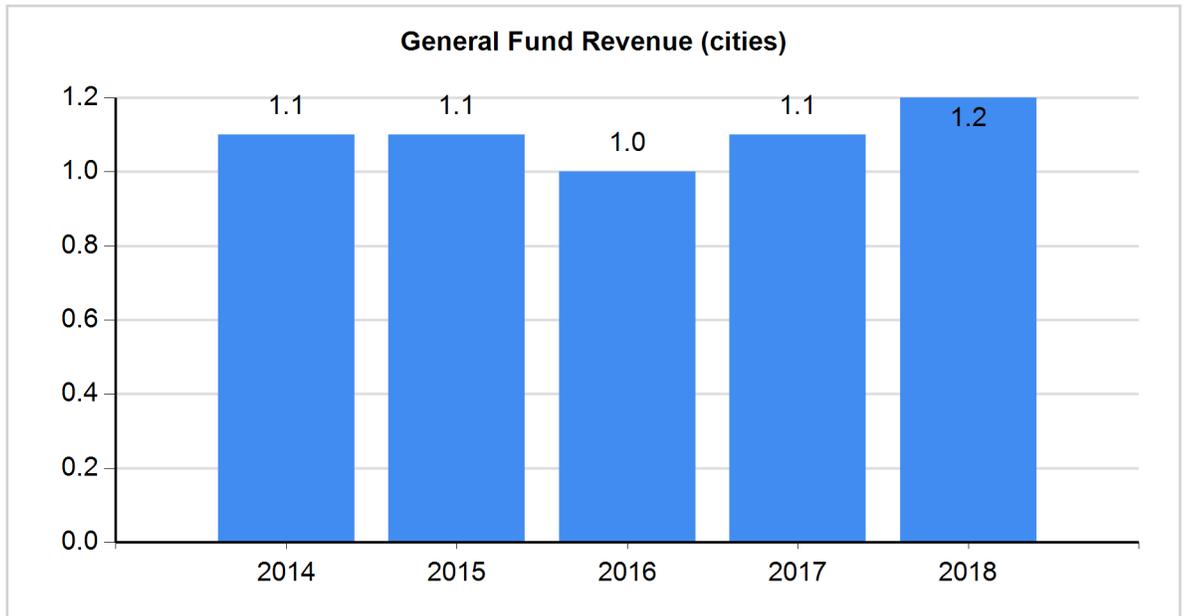
General Fund Revenue (cities)

Description

In most cases, as the percentage of general revenues decreases, a local government loses its ability to respond to changing conditions and to citizens' needs and demands. Decreases in general revenue may also indicate over-dependence on external revenues which are often restricted in nature and could signal future difficulty in maintaining service levels. A ratio of one or higher indicates that the service is self-supporting.

Formula:
general fund
revenue/general fund
expenditures

Source:
Statement of
Revenues,
Expenditures and
Changes in Fund
Balance



	2014	2015	2016	2017	2018
Revenue	\$14,029,270	\$15,034,764	\$15,444,271	\$18,945,852	\$20,586,134
Expenditures	\$13,165,877	\$13,337,618	\$15,660,138	\$17,603,608	\$17,805,055
Ratio	1.1	1.1	1.0	1.1	1.2

Agency Response



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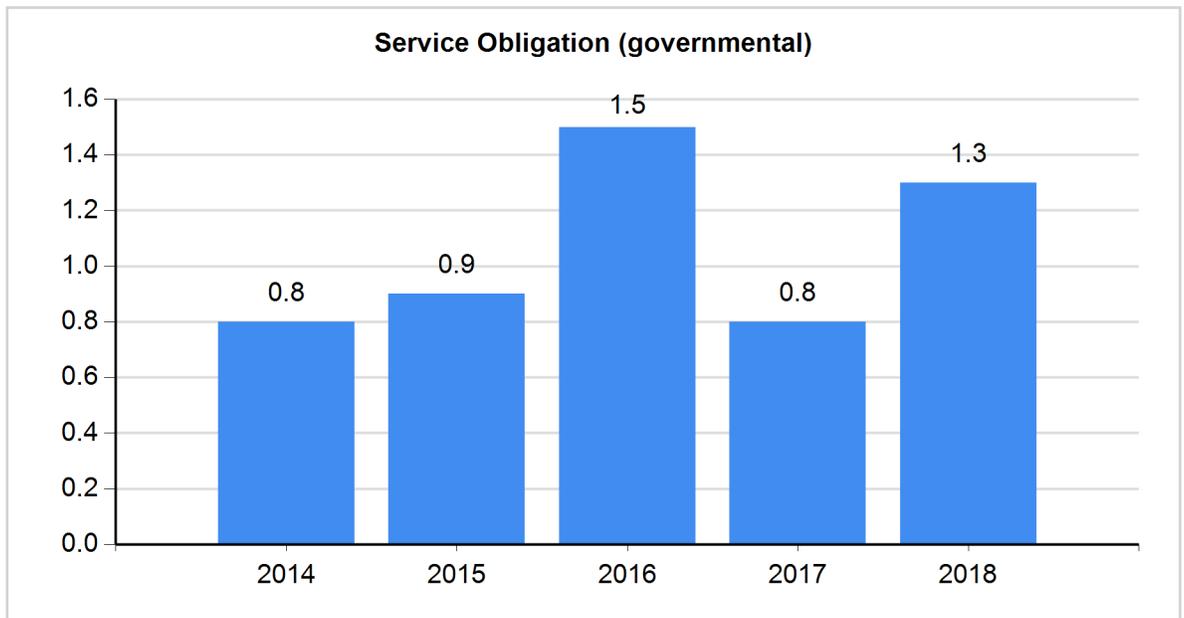
Service Obligation (governmental)

Description

Measures whether or not a government's annual revenues were sufficient to pay for annual operations. A ratio of one or higher indicates that a government lived within its annual revenues.

Formula:
operating
revenue/operating
expenditures

Source:
Statement of
Revenues,
Expenditures and
Changes in Fund
Balance



	2014	2015	2016	2017	2018
Operating Revenue	\$28,629,105	\$26,851,166	\$38,971,374	\$28,027,576	\$36,200,679
Operating Expenditures	\$35,256,280	\$29,779,821	\$25,953,123	\$33,126,979	\$28,090,863
Ratio	0.8	0.9	1.5	0.8	1.3

Agency Response



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Liquidity

Description

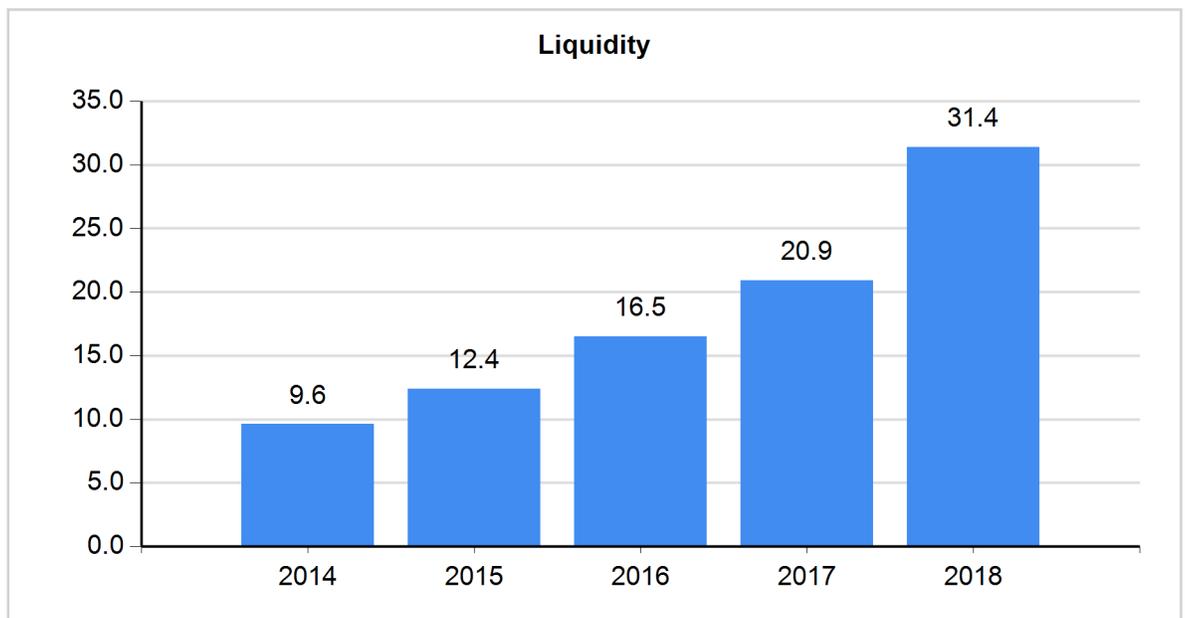
Measures a government's ability to meet its short-term obligations. A high ratio suggests a government is able to meet its short-term obligations.

Formula:

cash & investments
(does not include
fiscal agents,
restricted, or
fiduciary)/current
liabilities

Source:

Statement of Net
Position



2014	2015	2016	2017	2018
\$39,139,369	\$35,899,248	\$66,942,282	\$61,311,673	\$68,530,668
\$4,067,409	\$2,889,587	\$4,067,400	\$2,933,036	\$2,181,510
9.6	12.4	16.5	20.9	31.4

Agency Response



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Change in Cash and Cash Equivalents (business)

Description

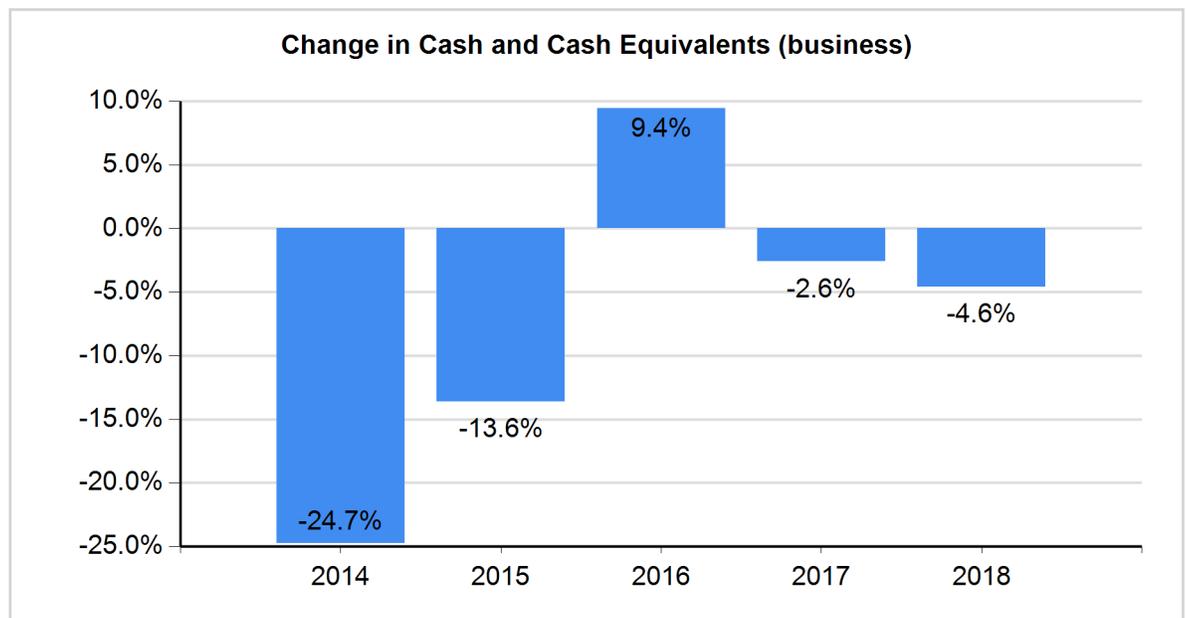
Cash and cash equivalents are the most liquid assets of an agency's assets and can be readily converted into cash. A positive percent change indicates that a government's cash position has improved.

Formula:

change in cash & cash equivalents/begin cash & cash equivalents

Source:

Statement of Cash Flows



2014	2015	2016	2017	2018
(\$1,716,088)	(\$710,520)	\$425,585	(\$128,816)	(\$221,051)
\$6,936,936	\$5,220,848	\$4,510,328	\$4,935,913	\$4,807,097
-24.7%	-13.6%	9.4%	-2.6%	-4.6%

Agency Response

The decrease in cash in 2014 is primarily due to capital projects, most notably Boulder Avenue bridge and Greenspot Road bridge. Although we did receive grant funding for these projects, the grants were not 100% so we did use cash for these projects. Also of note is that Cal Trans has not been paying us back for these grants in a timely fashion. If we received the grant reimbursement in the same year of the expenditure, the numbers would appear less erratic. As shown in 2015, we continued to use cash for capital projects. 2016 shows that a \$6.8M payment from Cal Trans for the reimbursement of the Greenspot Bridge grant in 2014. It also shows the RDA transferring to the City \$13M in former RDA bond proceeds. This \$13M will be expended over the next several years. 2017 will show a \$6M payment from the IVDA as a pre-payment for joint projects.



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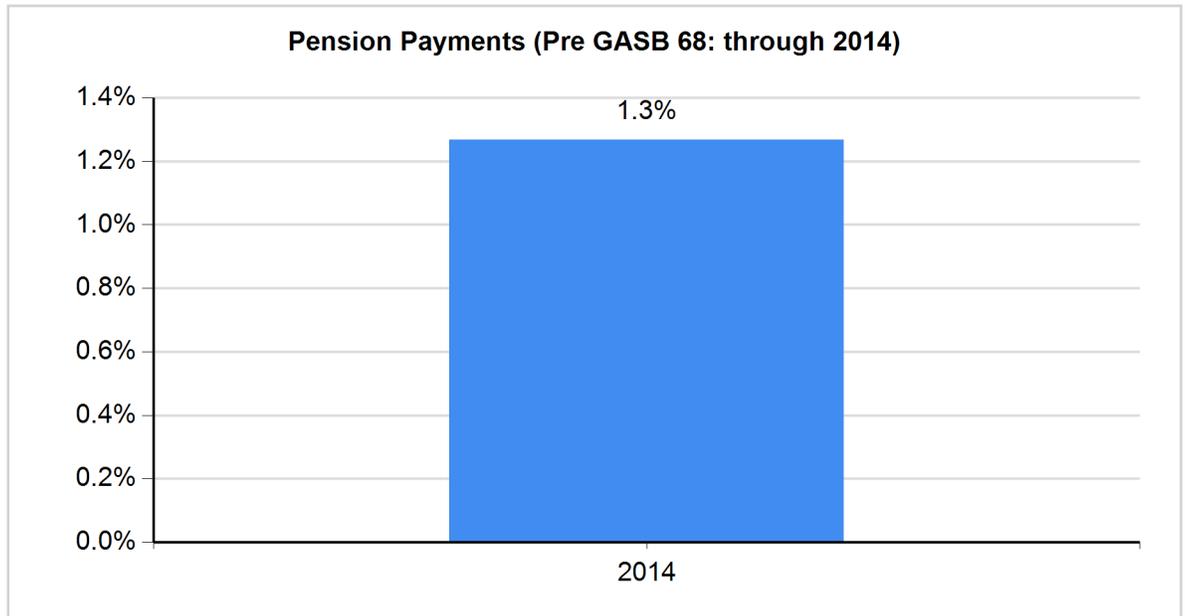
Pension Payments (Pre GASB 68: through 2014)

Description

This indicator depicts the relationship between the pension payments as a percentage of an agency's total revenues. Due to updates to pension reporting requirements, this Pension Payments indicator shows data through 2014. GASB 68 revised and established new financial reporting for pensions effective for 2015. For pension payments for 2015 and beyond, please refer to the next fiscal indicator.

Formula:
annual pension
cost/total revenue

Source:
Notes; Statement of
Revenues,
Expenditures and
Changes in Fund
Balance



	2014	2015	2016	2017	2018
	\$363,019	-	-	-	-
	\$28,629,105	-	-	-	-
	1.3%	-	-	-	-

Agency Response



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Pension Payments (Post GASB 68: 2015 and beyond)

Description

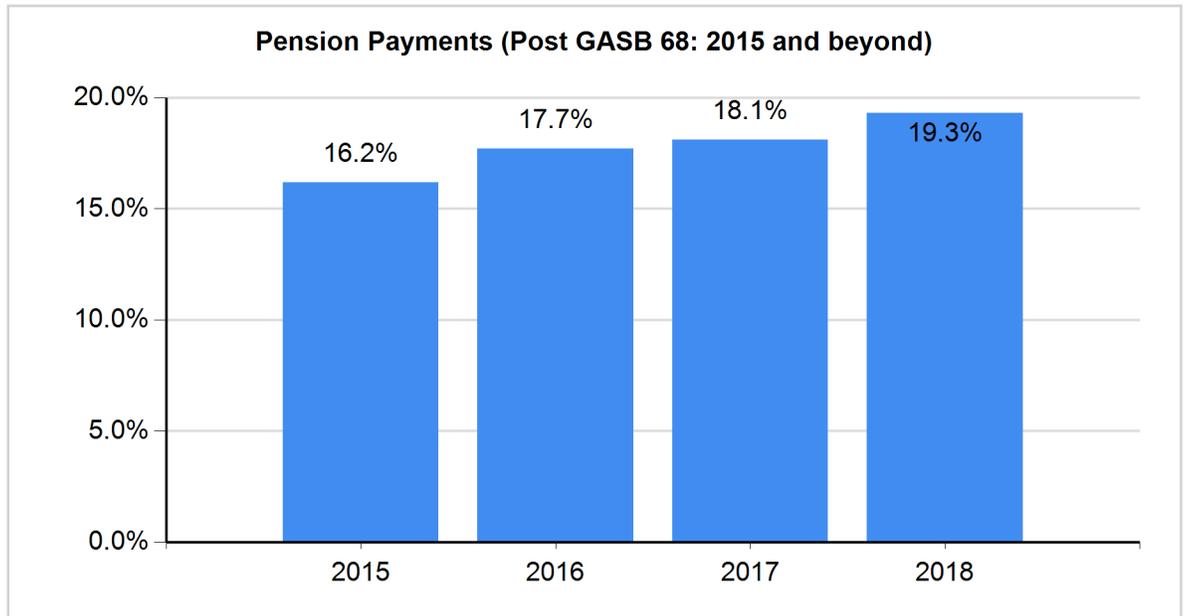
This indicator depicts the relationship between pension contributions as a percentage of covered-employee payroll. Due to updates to pension reporting requirements, this Pension Payments indicator shows data for 2015 and beyond. GASB 68 revised and established new financial reporting for pensions effective for 2015. For pension payments through 2014, please refer to the previous fiscal indicator.

Formula:

contributions in relation to the actuarially determined contribution/covered payroll

Source:

Schedule of Plan Contributions



2014	2015	2016	2017	2018
-	\$395,286	\$445,379	\$483,969	\$515,418
-	\$2,437,659	\$2,518,215	\$2,668,273	\$2,668,338
-	16.2%	17.7%	18.1%	19.3%

Agency Response