

CITY of YORBA LINDA, CALIFORNIA

Annual Comprehensive Financial Report



For the Fiscal Year Ended June 30, 2023



CITY OF YORBA LINDA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE
FISCAL YEAR ENDED JUNE 30, 2023



City Council

Tara Campbell
Mayor

Dr. Beth Haney
Mayor Pro Tem

Janice Lim
Council Member

Carlos Rodriguez
Council Member

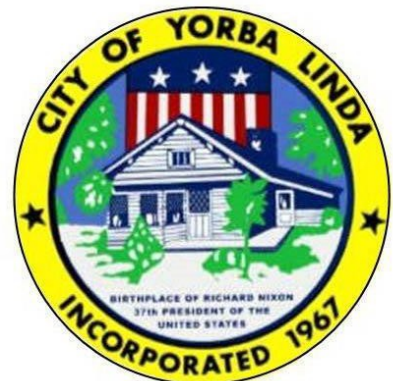
Peggy Huang
Council Member

Prepared by the Finance Department
Dianna Honeywell, Finance Director / City Treasurer
Sophia Leung, Financial Services Manager

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Yorba Linda, CA 92886
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INTRODUCTORY SECTION



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City of Yorba Linda

Annual Comprehensive Financial Report For the Year Ended June 30, 2023

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City of Yorba Linda

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CITY of YORBA LINDA

FINANCE DEPARTMENT

February 28, 2024

HONORABLE MAYOR AND MEMBER OF THE CITY COUNCIL

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Yorba Linda (the City) for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP). Because the costs of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

The City's financial statements have been audited by Rogers, Anderson, Malody & Scott, LLP, a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's basic financial statements for the fiscal year ended June 30, 2023. The independent auditor's report is presented as the first component of the financial section of this report.

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

City of Yorba Linda Profile

The City which has a population of 69,000 and is 20.0 square miles, is located in the northeast section of Orange County. The City is strategically located in Southern California, 37 miles from downtown Los Angeles and 13 miles from downtown Santa Ana. Neighboring communities include Anaheim, Brea, Placentia, and Corona. Amongst the attractions located in the City is the Richard Nixon Presidential Library.

The City is a General Law City and was incorporated in 1967. Since its incorporation, the City has committed itself to providing the highest quality public services at the lowest possible cost. This has been accomplished using contract service providers combined with the development of a skilled, customer service-oriented City workforce. The City has a Council-Manager form of government, with a City Council comprised of five members elected bi-annually to four-year alternating terms. City Council members are elected at-large, on a non-partisan basis, with the City Council annually selecting a Mayor from its members. The City Council appoints the City Manager and City Attorney. The City Manager is responsible for implementing the policy direction of the City Council and directing the day-to-day administration and management of City business within all City departments.

The City provides a wide range of municipal services to its residents either directly or by contract with private vendors or other government agencies. These services include construction and maintenance of streets and other infrastructure, planning and zoning, recreational activities, golf course, library services, and general administrative and support services provided through a staff of approximately 114 full-time

employees. The City contracts with the Orange County Sheriff's Department to provide Police Services, and Fire Protection Services are provided by the Orange County Fire Authority. In addition to general City activities, the City Council is financially accountable for the Yorba Linda Municipal Financing Authority and the Yorba Linda Housing Authority. These entities are therefore included as an integral part of the City's financial statements. Additional information regarding these legally separate entities can be found in Note 1 in the notes to the basic financial statements.

The annual budget serves as the foundation for the City's financial planning and control. The City Council holds a public hearing and adopts an annual budget for all funds. The City Council may modify appropriations with majority approval. The budgets are adopted and presented on a basis consistent with US GAAP. The legal level of expenditures is controlled at the department level within each fund, with budget transfers between departments or funds requiring approval by the City Council. Supplemental budget appropriations of an amount greater than \$25,000 require approval by the City Council, while smaller changes to the budget may be approved by the City Manager and are reported quarterly to the City Council. Appropriations lapse at the end of each fiscal year unless they are encumbered for purchases in process, related to capital projects, or specifically approved by the City Council for re-appropriation in the following fiscal year. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Local Economic Outlook

The California economy endured unprecedented, record high inflation during fiscal year 2022/23. The City relies heavily on taxes, its primary source of revenue, comprising approximately 78% of all General Fund revenues. The majority of the tax revenues are collected from property taxes and sales taxes. Fortunately for the City, property tax revenues have continued to grow during inflationary times. During FY 2022/23, interest rates skyrocketed so the number of single-family homes sold was lower by 275 over the previous fiscal year. The median home price decreased by \$24,250 or 1.8% during FY 2022/23. The City's sales tax revenue forecast was adjusted at mid-year upward of \$1.0 million but finished lower than final projections by \$234,000. This is a result of a slowing economy, the closure of several big box retail stores and the fluctuation in gasoline prices. The City's property tax revenues are expected to continue to show positive, but modest, growth based on an increase in assessed valuation and continued residential development in the City. Sales tax revenues are forecasted to be lower due to concerns about an economic slowdown. The City continues to be cautious with the City's financial resources and is committed to maintaining a balanced operating budget and one of the strongest General Fund budget reserves in Orange County.

Long-Term Financial Policies and Planning

A portion of fund balance reserves in the General Fund is set aside and committed for future emergencies, economic contingencies, and known long-term needs pursuant to a City Council-approved Budget Reserves Policy (the Policy). The Policy requires operating reserves to be maintained at a level of at least 50% of budgeted General Fund expenditures (excluding transfers) and other reserves for long-term needs to be established and funded in a prudent manner. As of June 30, 2023, the City's General Fund had budget reserves of approximately \$44.4 million. Of this amount, \$22.7 million is committed to operating reserves for emergencies and economic contingencies. \$3.4 million is committed to special reserves for facilities, road maintenance, self-insurance, and other long-term needs. Assigned fund balance amounts to approximately \$14.4 million which is for budget carryovers and encumbrances. Nonspendable fund balance of approximately \$87,000 is dedicated to prepaid costs. The remainder of fund balance reserves, amounting to approximately \$3.8 million, is unassigned and available for any purpose at the direction of the

City Council. This level of General Fund reserves is 58.4% of budgeted General Fund expenditures and well within the Council Policy.

Major Initiatives

Annually, the City updates a seven-year Capital Improvement Program (CIP). Planned capital expenditures during fiscal year 2023/24 are budgeted at approximately \$36.6 million. Funding comes from multiple sources, including existing funds, user fees, impact fees, and regional, state, and federal funds. The CIP consists primarily of transportation-related projects, landscaping improvements, and parks & recreation facilities.

Acknowledgements

The preparation and publication of this report would not have been possible without the dedication, professionalism, and teamwork of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted in its preparation. This financial report is a clear indication that the City's financial position is solid. We would like to thank the Mayor and the City Council for their continued support in maintaining the highest standards of professionalism and conservatism in the management of the City's finances. Without the energy, ideas, and hours put forth by the City Council, Commissioners, staff, and the citizens of Yorba Linda, this community would not live up to its motto of "Land of Gracious Living."

Respectfully submitted,



Mark Pulone
City Manager



Dianna L. Honeywell
Finance Director / City Treasurer

City of Yorba Linda

City Officials and Organizational Chart

LEGISLATIVE OFFICIALS

Tara Campbell Mayor
 Dr. Beth Haney Mayor Pro Tem
 Carlos Rodriguez Council Member
 Janice Lim Council Member
 Peggy Huang Council Member

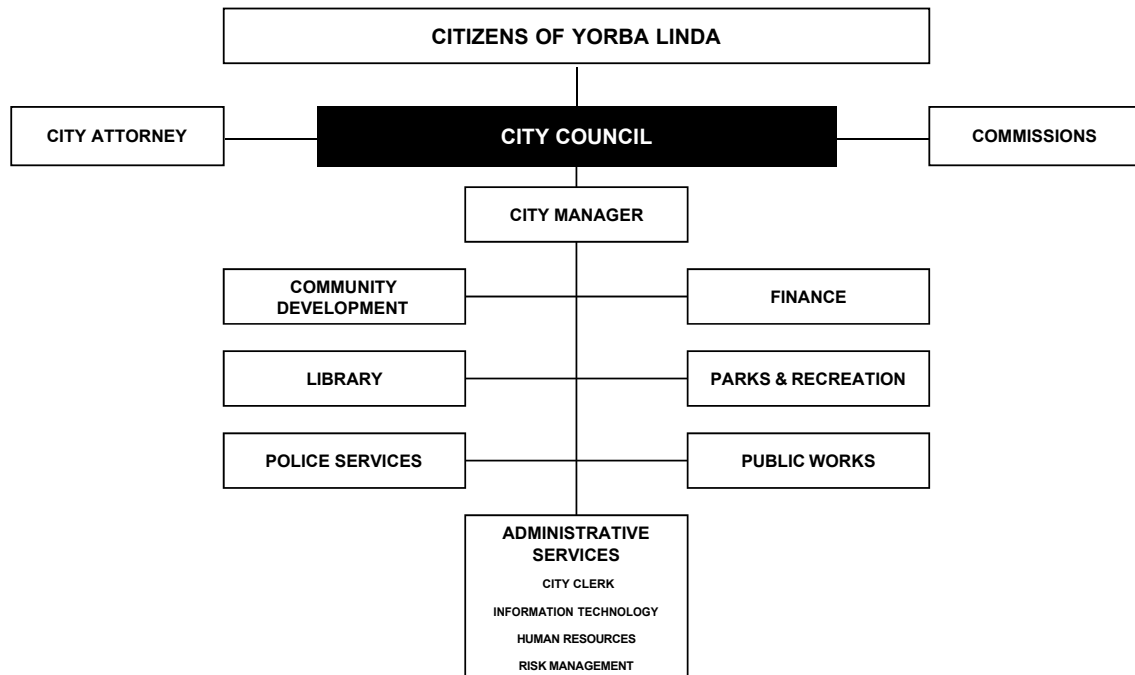
APPOINTED CITY OFFICIALS

Mark Pulone City Manager
 Todd Litfin City Attorney

CITY OFFICIALS

David Christian Assistant City Manager
 David Brantley Community Development Director
 Dianna Honeywell Finance Director / City Treasurer
 Mike Kudron Parks & Recreation Director
 Jamie Lai Public Works Director / City Engineer
 Carrie Lixey Library Director
 De Anne Wigginton Chief of Police Services

ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Yorba Linda
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

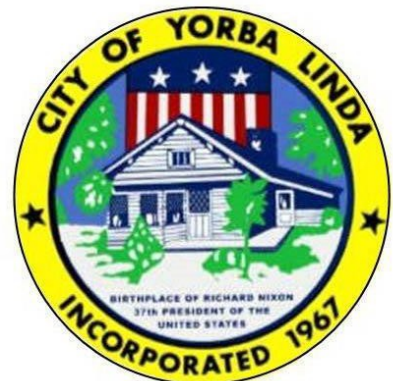
June 30, 2022

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION



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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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Independent Auditor's Report

The Honorable City Council
City of Yorba Linda, California

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Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
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Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

MANAGERS / STAFF

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Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants



Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Yorba Linda (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's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 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 (GAS)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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

As discussed in Note 1 to the financial statements, in the year ended June 30, 2023, the City adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 91, Conduit Debt Obligation and 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

The City's 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'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.

Auditor's 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 auditor's 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 GAS 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 GAS, 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'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'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, and schedules as listed in the table of contents 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 auditing standards generally accepted in the

United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, and the budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the budgetary comparison schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying 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 financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
February 28, 2024

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City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited)

For the Fiscal Year Ended June 30, 2023

As management of the City of Yorba Linda ("City"), we offer readers 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 our letter of transmittal.

Financial Highlights

- The total revenues and other financing sources from all sources totaled \$86,377,913.
- The total cost of all City programs totaled \$77,990,263.
- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$555,402,090 (net position).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$129,446,470, an increase of \$1,699,049 in comparison with the prior year. Approximately \$2.3 million of the \$129.4 million is available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3.8 million or 8.9% of the amount of General Fund expenditures. The General Fund unassigned balance of \$3.8 million is in addition to \$22.7 million operating reserve as established by City Council resolution.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all the City's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited)

For the Fiscal Year Ended June 30, 2023

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, community development, parks and recreation, library and public works. The business-type activities of the City include the Black Gold Golf Course.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also two blended component units, the Yorba Linda Municipal Financing Authority (MFA) and the Yorba Linda Housing Authority. Although legally separate, these entities function for all practical purposes as departments of the City and therefore have been blended as part of the primary government. The Successor Agency to the Yorba Linda Redevelopment Agency (Successor Agency) is also included as a private-purpose trust fund since it would be misleading to exclude the Successor Agency due to the nature and significance of the relationship between the City and the Successor Agency. The activity of the Successor Agency is reported with the City's fiduciary funds, which are not included in the government-wide statements, since the resources of those funds are not available to support the City's own programs.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impacts of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited)

For the Fiscal Year Ended June 30, 2023

The City maintains twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, the Affordable Housing Fund, the Miscellaneous Grants Fund, the Public Library Fund, the Landscape Maintenance Assessment District Fund and the Capital Improvements Fund, which are considered to be major funds. Data from the other sixteen governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Yorba Linda adopts an annual appropriated budget for its General Fund, major Special Revenue Funds and Capital Project Funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

Proprietary Funds. The City maintains one Enterprise Fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for the Black Gold Golf Course. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Required Supplementary Information. The Required Supplementary Information provides additional information that is useful to users of the financial statements, including budgetary comparison schedules for the Governmental Funds, information regarding reporting of infrastructure asset values, and certain additional information regarding the City's pension and other post-employment benefits liabilities.

Combining statements. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes.

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited)

For the Fiscal Year Ended June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. The City of Yorba Linda's assets and deferred outflows exceeded liabilities and deferred outflows by \$555,402,090 at the close of 2023.

CITY OF YORBA LINDA
Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 141,740,050	\$ 137,664,633	\$ 479,564	\$ (29,111)	\$ 142,219,614	\$ 137,635,522
Capital assets, net	455,299,531	452,103,089	23,255,857	22,802,450	478,555,388	474,905,539
Total assets	<u>597,039,581</u>	<u>589,767,722</u>	<u>23,735,421</u>	<u>22,773,339</u>	<u>620,775,002</u>	<u>612,541,061</u>
Deferred outflows of resources	11,964,709	4,147,291	-	-	11,964,709	4,147,291
Current liabilities	8,667,129	7,710,621	1,950,935	1,141,379	10,618,064	8,852,000
Noncurrent liabilities						
Long-term liabilities	2,327,384	2,564,226	881,416	1,125,938	3,208,800	3,690,164
Lease Revenue Financings	13,838,567	14,119,588	-	-	13,838,567	14,119,588
Net OPEB liability	18,033,269	15,396,297	-	-	18,033,269	15,396,297
Net pension liability	25,065,294	13,482,230	-	-	25,065,294	13,482,230
Total liabilities	<u>67,931,643</u>	<u>53,272,962</u>	<u>2,832,351</u>	<u>2,267,317</u>	<u>70,763,994</u>	<u>55,540,279</u>
Deferred inflows of resources	6,573,627	14,133,633	-	-	6,573,627	14,133,633
Net position:						
Net investment in capital assets	441,460,964	437,983,501	22,430,867	21,676,512	463,891,831	459,660,013
Restricted	86,500,311	85,472,395	-	-	86,500,311	85,472,395
Unrestricted	6,537,745	3,052,522	(1,527,797)	(1,170,490)	5,009,948	1,882,032
Total net position	<u>\$ 534,499,020</u>	<u>\$ 526,508,418</u>	<u>\$ 20,903,070</u>	<u>\$ 20,506,022</u>	<u>\$ 555,402,090</u>	<u>\$ 547,014,440</u>

The largest portion of the City's net position (83.5%) is its investment in capital assets (e.g., land, buildings, infrastructure, machinery, equipment, and construction in progress) less the related outstanding debt used to acquire those assets. The City uses these capital assets to provide service to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The portion of net position invested in capital assets increased by \$4.2 million versus the prior year, which was primarily due to the completion of various street projects.

An additional portion of the City's net position, \$86,500,311 represents resources that are subject to external restrictions on how they may be used. As of the end of the fiscal year, the City's unrestricted net position was \$5,009,948.

The City's net position increased by \$8.4 million from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited)

For the Fiscal Year Ended June 30, 2023

Governmental Activities. Governmental activities increased the City's net position by \$8.0 million (1.5%). Key elements of this year's governmental activity are as follows:

Revenues – In the Statement of Activities, the City's total governmental revenues were \$76.8 million which is a decrease of \$1.2 million (1.5%). The following are highlights of some of the major differences:

- Property Tax/Special Assessment revenue was up by \$2.2 million due to continued growth in assessed valuation and residential development in the City.
- Sales tax revenue decreased slightly by \$171,000 over last year. Consumer spending was down due to record high inflation and the slowing economy.
- Investment income was higher by \$3.4 million. This includes a \$2.7 million market value adjustment which reflects the unrealized loss on the investment portfolio. The rate of return on the City's portfolio at June 30, 2023, was 2.13% versus 1.13% at June 30, 2022.
- The gain on the sale of property decreased by \$9.9 million and is related to the sale of the West Bastanchury property in FY 2021/22.

Expenses – This year's total governmental expenses for the City totaled \$68.8 million which is approximately \$10.7 million, or 18.5% higher than the previous fiscal year. The changes in the various categories are as follows:

- There was an increase in General Government expenses of approximately \$1.2 million this year.
- There was an increase in Public Safety expenses of approximately \$543,000 this year.
- There was an increase in Parks & Recreation expenses of \$6.1 million due mainly to the construction and completion of Adventure Playground.
- There was an increase in Public Works of \$1.9 million.

Business-Type Activities. Business-type activities increased the City's net position by \$397,000 (1.9%). Key elements of this year's activity are as follows:

Revenues – Revenues increased by \$442,000, primarily due to the continuing popularity of golf which spiked during the COVID-19 pandemic.

Expenses – Expenses decreased by \$113,000.

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited)

For the Fiscal Year Ended June 30, 2023

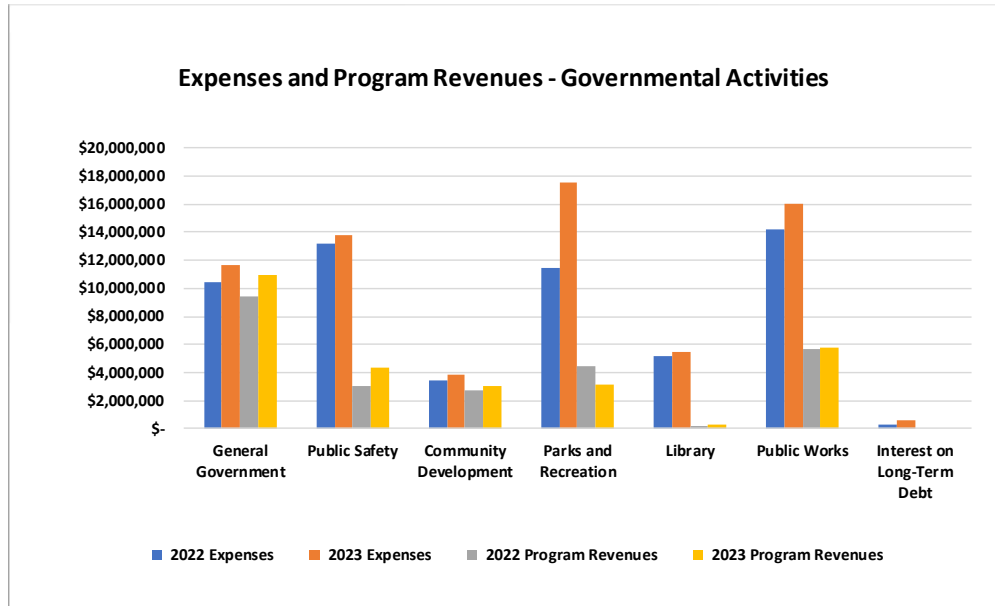
A condensed summary of activities for the period ended June 30, 2023, and the prior fiscal year is illustrated in the table below.

CITY OF YORBA LINDA Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 13,983,009	\$ 13,317,283	\$ 9,512,853	\$ 9,138,075	\$ 23,495,862	\$ 22,455,358
Operating contributions and grants	7,655,338	5,361,712	-	-	7,655,338	5,361,712
Capital contributions and grants	5,775,097	6,921,650	-	-	5,775,097	6,921,650
General revenues:						
Taxes:						
Property taxes	32,870,894	30,699,489	-	-	32,870,894	30,699,489
Sales taxes	8,765,991	8,936,655	-	-	8,765,991	8,936,655
Franchise taxes	2,517,208	2,265,614	-	-	2,517,208	2,265,614
Transient occupancy taxes	541,747	497,046	-	-	541,747	497,046
Business license taxes	426,601	385,104	-	-	426,601	385,104
Other taxes	546,726	950,139	-	-	546,726	950,139
Motor vehicle in lieu - unrestricted	77,281	81,515	-	-	77,281	81,515
Investment income	1,780,988	(1,594,916)	11,732	(32,806)	1,792,720	(1,627,722)
Gain on sale of property	14,595	9,950,427	22,320	-	36,915	9,950,427
Other	1,875,533	225,159	-	-	1,875,533	225,159
Total revenues	76,831,008	77,996,877	9,546,905	9,105,269	86,377,913	87,102,146
Expenses						
General government	11,631,484	10,455,564	-	-	11,631,484	10,455,564
Public safety	13,731,482	13,188,544	-	-	13,731,482	13,188,544
Community development	3,847,863	3,412,017	-	-	3,847,863	3,412,017
Parks and recreation	17,569,992	11,422,317	-	-	17,569,992	11,422,317
Library	5,433,637	5,169,332	-	-	5,433,637	5,169,332
Public works	16,052,471	14,175,743	-	-	16,052,471	14,175,743
Interest on long-term debt	573,477	277,954	-	-	573,477	277,954
Golf	-	-	9,149,857	9,262,348	9,149,857	9,262,348
Total expenses	68,840,406	58,101,471	9,149,857	9,262,348	77,990,263	67,363,819
Change in net position	7,990,602	19,895,406	397,048	(157,079)	8,387,650	19,738,327
Net position, beginning	526,508,418	506,613,012	20,506,022	20,663,101	547,014,440	527,276,113
Net position, ending	<u>\$ 534,499,020</u>	<u>\$ 526,508,418</u>	<u>\$ 20,903,070</u>	<u>\$ 20,506,022</u>	<u>\$ 555,402,090</u>	<u>\$ 547,014,440</u>

City of Yorba Linda

Management’s Discussion and Analysis (Required Supplementary Information- Unaudited) For the Fiscal Year Ended June 30, 2023

The chart on the following page presents the cost of each of the City’s six governmental fund functions (along with interest on long term debt), as well as their respective program revenues.



FINANCIAL ANALYSIS OF THE CITY’S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City’s net resources available for spending at the end of the fiscal year.

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited) For the Fiscal Year Ended June 30, 2023

The balance sheet for the City's General Fund and Other Governmental Funds in the aggregate for the period ended June 30, 2023, and the prior fiscal year is illustrated in the table below.

	General Fund		Other Governmental Funds		Total	
	2023	2022	2023	2022	2023	2022
Total assets	\$ 48,615,309	\$ 46,655,085	\$ 95,094,727	\$ 91,521,177	\$ 143,710,036	\$ 138,176,262
Total liabilities	\$ 2,862,045	\$ 2,846,488	\$ 7,681,736	\$ 5,283,613	\$ 10,543,781	\$ 8,130,101
Deferred inflows of resources	1,324,530	1,202,946	2,395,255	1,095,794	3,719,785	2,298,740
Fund balances:						
Nonspendable	86,578	33,115	-	-	86,578	33,115
Restricted	-	-	86,500,311	85,472,395	86,500,311	85,472,395
Committed:						
Operating revenues	22,722,636	21,087,733	-	-	22,722,636	21,087,733
Special reserves	3,386,662	10,761,876	-	-	3,386,662	10,761,876
Assigned	14,407,135	2,024,793	-	-	14,407,135	2,024,793
Unassigned	3,825,723	8,698,134	(1,482,575)	(330,625)	2,343,148	8,367,509
Total fund balance	44,428,734	42,605,651	85,017,736	85,141,770	129,446,470	127,747,421
Total liabilities, deferred inflows and fund balances	\$ 48,615,309	\$ 46,655,085	\$ 95,094,727	\$ 91,521,177	\$ 143,710,036	\$ 138,176,262

At June 30, 2023, the City's governmental funds reported combined fund balances of \$129,446,470 an increase of \$1,699,049 compared to the prior year. Of this amount, \$2,343,148 or 1.8% constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed* or *assigned* to indicate that it is (1) not in spendable form, \$86,578; (2) restricted for particular purposes, \$86,500,311; (3) committed for particular purposes, \$26,109,298; or (4) assigned for particular purposes, \$14,407,135.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance in the General Fund was \$44,428,734 which is an increase of \$1,823,083 or 4.3% over last year. General Fund revenue was higher by \$5.2 million due to higher tax revenue due to the strong housing market and retail sales in the region. Additionally, investment income was higher due to historic interest rates. Expenditures were lower by \$1.6 million primarily due to the prior year's payoff of the Cultural Arts Center loan. Other financing sources were higher due to higher transfers out to the Capital Improvement Projects fund. Unassigned fund balance of the General Fund was \$3,825,723. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 8.9% of total General Fund expenditures.

Other governmental funds realized a decrease in fund balance of \$124,034 (0.1%). The increase in the Affordable Housing Fund is due to investment income earned during the fiscal year. The reduction in the Miscellaneous Grant Fund is due to expenditures being recorded with grant reimbursements not received by the end of the fiscal year. The Public Library Fund is higher due to higher property tax revenue and a large donation received during the year. While variances between years exist for the various other governmental funds, the net decrease was primarily attributable to the expenditures for the construction of capital projects.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail.

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited)

For the Fiscal Year Ended June 30, 2023

Unrestricted net position of the Black Gold Golf Course Fund as of June 30, 2023, totaled negative \$1,527,797, an increase in the negative unrestricted net position in the amount of \$357,307. This negative net position is primarily due to an advance due to the Master Plan of Drainage Fund which is to be paid back over a period of ten years. More information may be found in Note 7 to the basic financial statements.

Black Gold Golf Course Fund saw an increase in operating revenue of \$374,778 which was due to the continued popularity of golf. Expenses decreased \$112,491 from the previous year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The table below provides a comparison of the original adopted budget for the City's General Fund versus the final budget and actual amounts expended during fiscal year 2023.

	Original Budget	Final Budget	Actual Amounts	Variance w/ Final Budget
Revenues				
Taxes	\$ 35,020,341	\$ 36,610,675	\$ 36,662,832	\$ 52,157
Other revenues	7,087,564	8,570,585	10,119,126	1,548,541
Total revenues	<u>42,107,905</u>	<u>45,181,260</u>	<u>46,781,958</u>	<u>1,600,698</u>
Expenditures				
Administration	7,544,975	9,016,034	7,930,299	1,085,735
City Attorney	650,000	650,000	593,668	56,332
Finance	1,213,406	1,353,761	1,315,510	38,251
Public safety	13,526,197	14,115,922	13,664,873	451,049
Community development	3,498,914	3,998,808	3,587,102	411,706
Parks and recreation	7,810,411	9,026,437	8,527,887	498,550
Public works	5,665,361	6,499,523	5,996,038	503,485
Capital outlay	392,974	1,120,931	1,310,291	(189,360)
Debt service:				
Principal retirement	179,620	-	128,195	(128,195)
Interest	-	-	654	(654)
Total expenditures	<u>40,481,858</u>	<u>45,781,416</u>	<u>43,054,517</u>	<u>2,726,899</u>
Excess of revenues over expenditures	<u>1,626,047</u>	<u>(600,156)</u>	<u>3,727,441</u>	<u>4,327,597</u>
Other financing sources				
Transfers in	303,250	963,896	776,117	(187,779)
Transfers out	(2,013,085)	(16,034,127)	(3,176,506)	12,857,621
Proceeds on sale of assets and land	10,000	10,000	14,595	4,595
Subscription acquisition	-	-	481,436	481,436
Total other financing sources	<u>(1,699,835)</u>	<u>(15,060,231)</u>	<u>(1,904,358)</u>	<u>13,155,873</u>
Net change in fund balances	(73,788)	(15,660,387)	1,823,083	17,483,470
Fund balance at beginning of fiscal year	<u>42,605,651</u>	<u>42,605,651</u>	<u>42,605,651</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 42,531,863</u>	<u>\$ 26,945,264</u>	<u>\$ 44,428,734</u>	<u>\$ 17,483,470</u>

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited)

For the Fiscal Year Ended June 30, 2023

Original revenue budget projections were increased by \$3,073,355 during the year. The actual revenue came in higher than anticipated at \$46,781,958. Original expenditure budget projections were increased by \$5,299,558 during the year. The actual expenditures came in lower than the final budget by \$2,726,889. The final budget differed from the original budget for the following reasons:

- The budget for Taxes was increased due to higher-than-expected sales, property transfer, and transient occupancy tax revenue as compared to original projections.
- Other revenues were adjusted upward due to higher than anticipated revenue from building permit revenue, grant revenue, recreation revenue and miscellaneous reimbursements.
- The increase in the budget for Administration was primarily related to an additional payment sent to CalPERS to reduce the City's unfunded pension liability and a deposit into the City's OPEB trust with CalPERS.
- The increase in the budget for Community Development was primarily the result of the additional consultant costs related to the Housing Element as well as plan check services.
- The increase in the budget for Parks & Recreation was primarily due to the opening of Adventure Playground.
- The increase in the budget for Public Works is related to payment to the Orange County Transportation Authority which was offset by a transfer in from the Library Fund.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$463,891,831 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, machinery, equipment, vehicles, infrastructure and construction in progress. The total increase in capital assets for the current fiscal year was \$3,649,849. This increase was primarily due to the construction in progress costs related to Adventure Playground as well as routine smaller capital projects such as street projects and park improvements offset by depreciation expense.

The table below summarizes the current capital assets held by the City as of June 30, 2023, as compared to the prior fiscal year.

City of Yorba Linda's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 34,543,302	\$ 34,543,302	\$ 12,721,948	\$ 12,721,948	\$ 47,265,250	\$ 47,265,250
Street pavement infrastructure	200,637,525	200,603,744	-	-	200,637,525	200,603,744
Construction in progress	12,798,039	10,069,477	-	-	12,798,039	10,069,477
Buildings and improvements	87,817,457	90,796,441	8,762,480	9,202,141	96,579,937	99,998,582
Machinery and equipment	2,796,749	2,523,961	1,771,429	878,361	4,568,178	3,402,322
Motor vehicles	1,021,150	352,736	-	-	1,021,150	352,736
Other infrastructure	115,282,356	113,213,428	-	-	115,282,356	113,213,428
Right-to-use subscriptions	402,953	-	-	-	402,953	-
Totals	<u>\$ 455,299,531</u>	<u>\$ 452,103,089</u>	<u>\$ 23,255,857</u>	<u>\$ 22,802,450</u>	<u>\$ 478,555,388</u>	<u>\$ 474,905,539</u>

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited)

For the Fiscal Year Ended June 30, 2023

The City of Yorba Linda elected to use the modified approach in reporting their streets and roads network. Under the modified approach, infrastructure assets that are part of a network or subsystem of a network are not required to be depreciated if certain requirements are met, which are disclosed in the accompanying *Basic Financial Statements* and *Required Supplementary Information*. The City Management, in consultation with the Public Works Department, has established the Orange County Transportation Authority's (OCTA) standard for receiving competitive grant funding of a PCI of 75 as the condition level against which the City's current PCI should be measured.

	<u>Actual Assessed Condition Level</u>	<u>Minimum Condition Level</u>
Overall Pavement Network	82	75

Under the modified approach, GASB Statement No. 34 requires that condition assessments be performed every three years. Last completed in June 2022, the City traditionally performs an assessment every two years. Additional information on the City's capital assets can be found in note 5 to the basic financial statements.

Long-term Liabilities. At the end of the current fiscal year, the City's total long-term debt totaled \$60,145,930. The following table summarizes the current long-term liabilities of the City as of June 30, 2023, as compared to the prior fiscal year.

City of Yorba Linda's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net pension liability	\$ 25,065,294	\$ 13,482,230	\$ -	\$ -	\$ 25,065,294	\$ 13,482,230
Other post-employment benefits	18,033,269	15,396,297	-	-	18,033,269	15,396,297
Lease Revenue Financings ¹	13,485,326	14,119,588	-	-	13,485,326	14,119,588
Subscription liability	353,241	-	-	-	353,241	-
Leases	-	-	881,416	1,125,938	881,416	1,125,938
Claims and judgments	749,342	980,871	-	-	749,342	980,871
Compensated absences	1,578,042	1,583,355	-	-	1,578,042	1,583,355
Total Long-Term Liabilities	<u>\$ 59,264,514</u>	<u>\$ 45,562,341</u>	<u>\$ 881,416</u>	<u>\$ 1,125,938</u>	<u>\$ 60,145,930</u>	<u>\$ 46,688,279</u>

¹Amount includes an unamortized bond premium

At the end of fiscal year 2023, the City's long-term liabilities were primarily comprised of a net pension liability of \$25,065,294 and a net OPEB obligation related to medical insurance provided to retirees of \$18,033,269. The pension liability increased dramatically due to record investment losses during the measurement period. In the case of the net OPEB liability, the increase was the result of lower investment earnings as well as changes in actuarial assumptions, offset by increased deposits in the City's OPEB trust. A second tier of OPEB benefits and the deposits to the OPEB trust were implemented by the City Council in 2017 to reduce the City's future exposure to OPEB costs and begin to prefund the net OPEB obligation through trust fund contributions.

The current CalPERS rates charged to the City generally amortize the City's net pension liability over a period of 30 years, while in 2017 the City Council approved a policy to make additional elective contributions to CalPERS to mirror a 20-year amortization in years when the funds are available.

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited)

For the Fiscal Year Ended June 30, 2023

Contributions have been made in each of the prior six fiscal years. It is anticipated that the City will make another additional contribution during the current fiscal year. While this change is expected to decrease the City's net pension liability substantially over time, changes to the CalPERS actuarial assumptions that have, among other recent changes, lowered the projection of future investment earnings, have mitigated the degree to which this impact has been realized to date.

Historically, the City has had no outstanding General Fund bonds or other external debt. In 2019, the City issued revenue bonds to fund a portion of the construction costs for the City's new Public Library facility. However, the bonds will be repaid from the restricted property tax revenues of the Public Library Fund and not the General Fund. The Successor Agency to the City's former Redevelopment Agency also has tax allocation bonds outstanding, but these debts are not reported in the City's government-wide financial statements because they are contained in a private purpose trust fund.

In November 2021 Black Gold Golf Course entered into a lease financing agreement with Zions Bancorporation for the purchase of groundskeeping equipment, mowing vehicles and equipment and a clubhouse transportation vehicle. The balance of this lease at June 30, 2023 was \$881,416.

The City's compensated absences liability relates to accrued but as yet unutilized vacation and sick leave balances of employees, and the claims and judgments liability relates to incurred but as yet unpaid liability and workers' compensation claims. The decrease of \$5,313 in the compensated absences liability is the result of routine changes to accrued leave balances. The claims and judgments liability is down \$231,529 due to both lower litigation claims and worker's compensation reserve levels. The majority of this liability is for anticipated future pay-as-you-go payments to the City of Brea for workers compensation claims expenses from claims incurred the period during which the City of Brea provided Police Services to the City, which ended in 2012 when the City contracted with the County of Orange for these services.

More detail on the City's long-term liabilities can be found in Notes 8, 10, and 11 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City has experienced strong growth in property tax and sales tax revenues in recent years. The growth in these revenue sources is expected to continue in the year ahead, albeit at a slower pace than was seen during the post-COVID recovery. Consistent with past practice, the City will continue to budget conservatively and utilize any new revenues prudently to address long-term liabilities, unfunded needs, and targeted increases in service levels and program-related spending. The budget for fiscal year 2023/24 remains balanced, with General Fund expenditures and transfers out totaling \$48.8 million with a \$739,000 budget surplus projected.

While the City is currently in sound financial shape, long-term liabilities and unfunded needs continue to be a focus of the City Council. During the prior Ten-Year Budget process the City Council endorsed a strategy to begin to address the City's unfunded pension and OPEB

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited) For the Fiscal Year Ended June 30, 2023

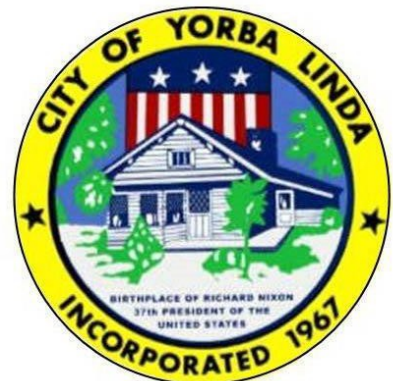
liabilities as well as other unfunded needs such as full funding for the rehabilitation of existing city infrastructure and facilities. The City is now making contributions to special reserves to fund required rehabilitation of existing city infrastructure and facilities, mirroring a 20-year amortization of its unfunded pension liability in lieu of the default CalPERS 30-year amortization through elective contributions to CalPERS, and making contributions to an OPEB trust with CalPERS to offset its unfunded OPEB liability. With these enhancements to the City's already conservative and sound financial management, the City will remain in good financial condition throughout the fiscal year and in the future, with limited General Fund debt and one of the strongest General Fund budget reserves in Orange County.

REQUESTING ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the City of Yorba Linda's citizens, customers, and creditors with a general overview of the City's finances and to illustrate the City's accountability for the money that it receives. If you have questions about this report or need additional financial information, please contact the City's Finance Department at 4845 Casa Loma Avenue, Yorba Linda, California 92886 or at (714) 961- 7100.

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BASIC FINANCIAL STATEMENTS



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City of Yorba Linda

Statement of Net Position June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled cash and investments	\$ 82,044,590	\$ 1,531,291	\$ 83,575,881
Receivables:			
Accounts	1,397,112	-	1,397,112
Taxes	449,496	-	449,496
Notes and loans	47,542,328	-	47,542,328
Accrued interest	321,069	-	321,069
Leases	898,584	-	898,584
Internal balances	1,300,000	(1,300,000)	-
Prepaid costs	95,220	-	95,220
Due from other governments	5,087,258	-	5,087,258
Inventories	-	248,273	248,273
Land held for resale	2,600,000	-	2,600,000
Restricted Asset:			
Cash and investments with fiscal agents	4,393	-	4,393
Capital assets, not being depreciated	247,978,866	12,721,948	260,700,814
Capital assets, net of accumulated depreciation	207,320,665	10,533,909	217,854,574
Total assets	597,039,581	23,735,421	620,775,002
Deferred outflows of resources:			
Pension related	8,422,605	-	8,422,605
OPEB related	3,542,104	-	3,542,104
Total deferred outflows of resources	11,964,709	-	11,964,709
Total assets and deferred outflows of resources	609,004,290	23,735,421	632,739,711
Liabilities:			
Accounts payable	8,136,687	2,439	8,139,126
Accrued liabilities	437,108	1,620,710	2,057,818
Accrued interest payable	93,334	-	93,334
Unearned revenue	-	317,786	317,786
Deposits payable	-	10,000	10,000
Noncurrent liabilities:			
Due within one year			
Long term liabilities	727,915	247,737	975,652
Claims and judgements	204,034	-	204,034
Compensated absences	855,025	-	855,025
Due in more than one year			
Long term liabilities	13,110,652	633,679	13,744,331
Claims and judgements	545,308	-	545,308
Compensated absences	723,017	-	723,017
Net pension liability	25,065,294	-	25,065,294
Net OPEB liability	18,033,269	-	18,033,269
Total liabilities	67,931,643	2,832,351	70,763,994
Deferred inflows of resources:			
Leases	854,170	-	854,170
Pension related	389,700	-	389,700
OPEB related	5,329,757	-	5,329,757
Total deferred inflows of resources	6,573,627	-	6,573,627
Total liabilities and deferred inflows of resources	74,505,270	2,832,351	77,337,621
Net position:			
Net investment in capital assets	441,460,964	22,430,867	463,891,831
Restricted for:			
General government	323,302	-	323,302
Parks and recreation	1,085,209	-	1,085,209
Public works	26,881,404	-	26,881,404
Library	6,040,079	-	6,040,079
Low and moderate housing	52,170,317	-	52,170,317
Unrestricted (deficit)	6,537,745	(1,527,797)	5,009,948
Total net position	\$ 534,499,020	\$ 20,903,070	\$ 555,402,090

The accompanying notes are an integral part of these financial statements.

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City of Yorba Linda

Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 11,631,484	\$ 8,063,303	\$ 2,839,406	\$ -	\$ (728,775)	\$ -	\$ (728,775)
Public safety	13,731,482	98,679	4,222,228	-	(9,410,575)	-	(9,410,575)
Community development	3,847,863	2,571,587	469,945	-	(806,331)	-	(806,331)
Parks and recreation	17,569,992	2,643,357	103,737	398,568	(14,424,330)	-	(14,424,330)
Library	5,433,637	247,887	20,022	-	(5,165,728)	-	(5,165,728)
Public works	16,052,471	358,196	-	5,376,529	(10,317,746)	-	(10,317,746)
Interest on long-term debt	573,477	-	-	-	(573,477)	-	(573,477)
Total governmental activities	68,840,406	13,983,009	7,655,338	5,775,097	(41,426,962)	-	(41,426,962)
Business-type activities:							
Black Gold Golf Course	9,149,857	9,512,853	-	-	-	362,996	362,996
Total business-type activities	9,149,857	9,512,853	-	-	-	362,996	362,996
Total	\$ 77,990,263	\$ 23,495,862	\$ 7,655,338	\$ 5,775,097	(41,426,962)	362,996	(41,063,966)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					32,870,894	-	32,870,894
Sales taxes					8,765,991	-	8,765,991
Franchise taxes					2,517,208	-	2,517,208
Transient occupancy taxes					541,747	-	541,747
Business licenses taxes					426,601	-	426,601
Other taxes					546,726	-	546,726
Motor vehicle in lieu - unrestricted					77,281	-	77,281
Investment income					1,780,988	11,732	1,792,720
Gain on sale of capital assets					14,595	22,320	36,915
Other					1,875,533	-	1,875,533
Total general revenues					49,417,564	34,052	49,451,616
Change in net position					7,990,602	397,048	8,387,650
Net position at beginning of fiscal year					526,508,418	20,506,022	547,014,440
Net position at end of fiscal year					\$ 534,499,020	\$ 20,903,070	\$ 555,402,090

The accompanying notes are an integral part of these financial statements.

City of Yorba Linda

Balance Sheet Governmental Funds June 30, 2023

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Affordable Housing</u>	<u>Miscellaneous Grants</u>
Assets:			
Pooled cash and investments	\$ 42,691,831	\$ 1,857,936	\$ -
Receivables:			
Accounts	1,035,908	78,443	-
Taxes	228,860	-	-
Notes and loans	-	47,542,328	-
Accrued interest	146,124	9,442	-
Leases	898,584	-	-
Prepaid costs	86,578	-	-
Due from other governments	1,674,126	-	2,393,266
Due from other funds	1,853,298	-	-
Advances to other funds	-	-	-
Land held for resale	-	2,600,000	-
Restricted Assets:			
Cash and investments with fiscal agents	-	-	-
Total assets	<u>\$ 48,615,309</u>	<u>\$ 52,088,149</u>	<u>\$ 2,393,266</u>
Liabilities, deferred inflows of resources, and fund balances:			
Liabilities:			
Accounts payable	\$ 2,480,136	\$ -	\$ -
Accrued liabilities	381,909	-	-
Due to other funds	-	-	1,480,586
Total liabilities	<u>2,862,045</u>	<u>-</u>	<u>1,480,586</u>
Deferred inflows of resources:			
Unavailable revenues	470,360	-	2,245,255
Leases	854,170	-	-
Total deferred inflows of resources	<u>1,324,530</u>	<u>-</u>	<u>2,245,255</u>
Fund balances:			
Nonspendable:			
Prepaid costs	86,578	-	-
Restricted for:			
General government	-	-	-
Parks and recreation	-	-	-
Public works	-	-	-
Library	-	-	-
Low and moderate housing	-	52,088,149	-
Committed:			
Operating reserves	22,722,636	-	-
Special reserves	3,386,662	-	-
Assigned to:			
Budget carryovers	13,804,374	-	-
Parks and recreation	602,761	-	-
Unassigned (deficit)	<u>3,825,723</u>	<u>-</u>	<u>(1,332,575)</u>
Total fund balances (deficit)	<u>44,428,734</u>	<u>52,088,149</u>	<u>(1,332,575)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,615,309</u>	<u>\$ 52,088,149</u>	<u>\$ 2,393,266</u>

The accompanying notes are an integral part of these financial statements.

City of Yorba Linda

**Balance Sheet
Governmental Funds
June 30, 2023**

<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>		
<u>Public Library</u>	<u>Landscape Maintenance Assessment District</u>	<u>Capital Improvements</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,993,835	\$ 8,966,503	\$ 3,656,637	\$ 18,877,848	\$ 82,044,590
1,599	14,943	232,500	33,719	1,397,112
109,224	111,412	-	-	449,496
-	-	-	-	47,542,328
63,617	27,858	-	74,028	321,069
-	-	-	-	898,584
8,642	-	-	-	95,220
-	-	-	1,019,866	5,087,258
-	-	116,688	-	1,969,986
-	-	-	1,300,000	1,300,000
-	-	-	-	2,600,000
4,393	-	-	-	4,393
<u>\$ 6,181,310</u>	<u>\$ 9,120,716</u>	<u>\$ 4,005,825</u>	<u>\$ 21,305,461</u>	<u>\$ 143,710,036</u>
\$ 100,314	\$ 1,010,913	\$ 4,005,825	\$ 539,499	\$ 8,136,687
40,917	14,282	-	-	437,108
-	-	-	489,400	1,969,986
<u>141,231</u>	<u>1,025,195</u>	<u>4,005,825</u>	<u>1,028,899</u>	<u>10,543,781</u>
-	-	-	150,000	2,865,615
-	-	-	-	854,170
<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>3,719,785</u>
-	-	-	-	86,578
-	-	-	323,302	323,302
-	-	-	1,085,209	1,085,209
-	8,095,521	-	18,785,883	26,881,404
6,040,079	-	-	-	6,040,079
-	-	-	82,168	52,170,317
-	-	-	-	22,722,636
-	-	-	-	3,386,662
-	-	-	-	13,804,374
-	-	-	-	602,761
-	-	-	(150,000)	2,343,148
<u>6,040,079</u>	<u>8,095,521</u>	<u>-</u>	<u>20,126,562</u>	<u>129,446,470</u>
<u>\$ 6,181,310</u>	<u>\$ 9,120,716</u>	<u>\$ 4,005,825</u>	<u>\$ 21,305,461</u>	<u>\$ 143,710,036</u>

The accompanying notes are an integral part of these financial statements.

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City of Yorba Linda

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2023

Fund balances of governmental funds		\$ 129,446,470
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of accumulated depreciation used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		455,299,531
Noncurrent liabilities, as listed below, are not due and payable in the current period and therefore are not reported in the governmental funds:		
Claims and judgments	\$ (749,342)	
Compensated absences	(1,578,042)	
Long-term debt	(13,838,567)	
Accrued interest on long-term debt	(93,334)	
Net OPEB liability	(18,033,269)	
Net pension liability	<u>(25,065,294)</u>	
		(59,357,848)
Revenues that do not meet the "availability" criteria for revenue recognition are deferred inflows of resources in the governmental funds.		2,865,615
Deferred outflows and inflows of resources related to pension and OPEB are not reported in the government funds:		
Pension related deferred outflow of resources		8,422,605
OPEB related deferred outflows of resources		3,542,104
Pension related deferred inflows of resources		(389,700)
OPEB related deferred inflows of resources		<u>(5,329,757)</u>
Net position of governmental activities		<u>\$ 534,499,020</u>

The accompanying notes are an integral part of these financial statements.

City of Yorba Linda

**Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds
For the Fiscal Year Ended June 30, 2023**

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Affordable Housing</u>	<u>Miscellaneous Grants</u>
Revenues:			
Taxes	\$ 36,662,832	\$ -	\$ -
Licenses and permits	2,446,906	-	-
Intergovernmental	788,451	-	148,011
Charges for services	4,940,900	-	-
Investment income	631,091	749,804	-
Fines and forfeitures	43,277	-	-
Developer participation	-	-	-
Miscellaneous	1,268,501	-	-
Total revenues	<u>46,781,958</u>	<u>749,804</u>	<u>148,011</u>
Expenditures:			
Current:			
General government	9,839,477	-	-
Public safety	13,664,873	-	-
Community development	3,587,102	-	-
Parks and recreation	8,527,887	-	-
Library	-	-	-
Public works	5,996,038	-	-
Capital outlay - net current	1,310,291	-	-
Debt service:			
Principal retirement	128,195	-	-
Interest	654	-	-
Total expenditures	<u>43,054,517</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,727,441</u>	<u>749,804</u>	<u>148,011</u>
Other financing sources (uses):			
Transfers in	776,117	-	-
Transfers out	(3,176,506)	-	(1,242,847)
Proceeds from sale of assets and land	14,595	-	-
Subscription acquisition	481,436	-	-
Total other financing sources (uses)	<u>(1,904,358)</u>	<u>-</u>	<u>(1,242,847)</u>
Net change in fund balances	1,823,083	749,804	(1,094,836)
Fund balances (deficit) beginning of fiscal year	<u>42,605,651</u>	<u>51,338,345</u>	<u>(237,739)</u>
Fund balances (deficit) end of fiscal year	<u>\$ 44,428,734</u>	<u>\$ 52,088,149</u>	<u>\$ (1,332,575)</u>

The accompanying notes are an integral part of these financial statements.

City of Yorba Linda

**Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds
For the Fiscal Year Ended June 30, 2023**

Special Revenue Funds		Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Public Library	Landscape Maintenance Assessment District	Capital Improvements		
\$ 7,830,776	\$ 9,100,047	\$ -	\$ 138,814	\$ 53,732,469
-	-	-	-	2,446,906
20,022	-	-	8,287,148	9,243,632
204,899	-	-	-	5,145,799
35,574	75,165	-	289,353	1,780,987
42,988	-	-	55,401	141,666
-	-	-	879,360	879,360
617,681	58,866	-	-	1,945,048
<u>8,751,940</u>	<u>9,234,078</u>	<u>-</u>	<u>9,650,076</u>	<u>75,315,867</u>
-	-	-	149,571	9,989,048
-	-	-	-	13,664,873
-	-	-	391,900	3,979,002
-	-	-	-	8,527,887
5,611,607	-	-	-	5,611,607
-	8,935,834	-	-	14,931,872
103,253	-	14,203,311	521,218	16,138,073
570,000	-	-	-	698,195
571,638	-	-	-	572,292
<u>6,856,498</u>	<u>8,935,834</u>	<u>14,203,311</u>	<u>1,062,689</u>	<u>74,112,849</u>
<u>1,895,442</u>	<u>298,244</u>	<u>(14,203,311)</u>	<u>8,587,387</u>	<u>1,203,018</u>
-	976,618	14,203,311	101,605	16,057,651
(541,533)	(554,046)	-	(10,542,719)	(16,057,651)
-	-	-	-	14,595
-	-	-	-	481,436
<u>(541,533)</u>	<u>422,572</u>	<u>14,203,311</u>	<u>(10,441,114)</u>	<u>496,031</u>
1,353,909	720,816	-	(1,853,727)	1,699,049
<u>4,686,170</u>	<u>7,374,705</u>	<u>-</u>	<u>21,980,289</u>	<u>127,747,421</u>
<u>\$ 6,040,079</u>	<u>\$ 8,095,521</u>	<u>\$ -</u>	<u>\$ 20,126,562</u>	<u>\$ 129,446,470</u>

The accompanying notes are an integral part of these financial statements.

City of Yorba Linda

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2023

Net changes in fund balances - total governmental funds \$ 1,699,049

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 costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay	\$ 9,894,522	
Depreciation	<u>(6,698,080)</u>	3,196,442

Some expenses reported in the statement of activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds. The following adjustments combine the net change of these liabilities:

Changes in accrued interest on long-term debt	(1,185)	
Changes in claims and judgments obligation	231,529	
Changes in bond premium	64,262	
Changes in compensated absence benefits, net	<u>5,313</u>	299,919

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The issuance of long-term liabilities provides current financial resources to the governmental funds, but the issuance increases long-term liabilities in the statement of net position.

Principal repayments	698,195	
Subscription acquisition	<u>(481,436)</u>	216,759

Revenues reported as unavailable revenue in the governmental funds. Amounts are not recorded as revenue under the modified accrual basis of accounting. This is the net change in unavailable revenue from the prior fiscal year. 1,500,546

Governmental funds recognize pension costs when employer contributions are made; however, in the statement of activities, pension costs are recognized on the accrual basis. This is the difference between accrual-basis pension costs and actual employer contributions. 174,426

Governmental funds recognize OPEB costs when employer contributions are made; however, in the statement of activities, OPEB costs are recognized on the accrual basis. This is the difference between accrual-basis OPEB costs and actual employer contributions. 903,461

Change in net position of governmental activities \$ 7,990,602

The accompanying notes are an integral part of these financial statements.

City of Yorba Linda

**Statement of Net Position
Proprietary Funds
June 30, 2023**

	Business-Type Activities - Enterprise Fund Black Gold Golf Course
Assets:	
Current:	
Pooled cash and investments	\$ 1,531,291
Inventories	248,273
Total current assets	<u>1,779,564</u>
Noncurrent:	
Capital assets not being depreciated	12,721,948
Capital assets - net of accumulated depreciation	10,533,909
Total capital assets, net	<u>23,255,857</u>
Total noncurrent assets	<u>23,255,857</u>
Total assets	<u>25,035,421</u>
Liabilities:	
Current:	
Accounts payable	2,439
Accrued liabilities	1,620,710
Unearned revenues	317,786
Deposits payable	10,000
Advances from other funds	1,300,000
Loan payable	247,737
Total current liabilities	<u>3,498,672</u>
Noncurrent:	
Loan payable	633,679
Total noncurrent liabilities	<u>633,679</u>
Total liabilities	<u>4,132,351</u>
Net position:	
Net investment in capital assets	22,430,867
Unrestricted	(1,527,797)
Total net position	<u>\$ 20,903,070</u>

The accompanying notes are an integral part of these financial statements.

City of Yorba Linda

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2023**

	Business-Type Activities - Enterprise Fund Black Gold Golf Course
Operating revenues	
Charges for services	\$ 9,512,853
Total operating revenues	<u>9,512,853</u>
Operating expenses:	
Administration and general	7,175,221
Cost of sales and services	1,127,163
Depreciation expense	847,473
Total operating expenses	<u>9,149,857</u>
Operating income	<u>362,996</u>
Nonoperating revenue:	
Investment income	11,732
Gain on sale of capital assets	22,320
Total non-operating revenue	<u>34,052</u>
Change in net position	397,048
Net position at beginning of fiscal year	<u>20,506,022</u>
Net position at end of fiscal year	<u><u>\$ 20,903,070</u></u>

The accompanying notes are an integral part of these financial statements.

City of Yorba Linda

Statement of Cash Flows Proprietary Funds For the Fiscal Year Ended June 30, 2023

	Business-Type Activities - Enterprise Fund Black Gold Golf Course
Cash flows from operating activities:	
Cash received from customers and users	\$ 9,454,120
Cash paid to suppliers for goods and services	(1,238,924)
Cash paid to employees for services	(6,227,915)
Net cash provided by operating activities	<u>1,987,281</u>
Cash flows from noncapital activities:	
Cash paid to other funds for advances	(540,000)
Net cash used by noncapital activities	<u>(540,000)</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(1,304,487)
Proceeds from sales of assets	25,927
Loan payment	(244,522)
Interest received on investments	11,732
Net cash used by capital and related financing activities	<u>(1,511,350)</u>
Net decrease in cash and cash equivalents	(64,069)
Cash and cash equivalents at beginning of fiscal year	<u>1,595,360</u>
Cash and cash equivalents at end of fiscal year	<u><u>\$ 1,531,291</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 362,996
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	847,473
Decrease (increase) in receivables	1,840
Decrease (increase) in inventories	(34,584)
Increase (decrease) in accounts payable	(77,177)
Increase (decrease) in accrued liabilities	947,306
Increase (decrease) in unearned revenues	(60,573)
Total adjustments	<u>1,624,285</u>
Net cash provided by operating activities	<u><u>\$ 1,987,281</u></u>

The accompanying notes are an integral part of these financial statements.

City of Yorba Linda

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023**

	Custodial Fund	Private- Purpose Trust Fund
	Special Deposits Funds	Successor Agency of the Former RDA
Assets:		
Pooled cash and investments	\$ 1,111,632	\$ 2,592,791
Receivables:		
Accounts receivable	1,235	3,391
Accrued interest	-	9,544
Restricted assets:		
Cash and investments with fiscal agents	-	3,428,261
Total assets	<u>1,112,867</u>	<u>6,033,987</u>
Liabilities:		
Account payable	47,103	-
Accrued liabilities	-	211,255
Deposits payable	1,065,764	-
Long-term liabilities:		
Due in one year	-	4,048,405
Due in more than one year	-	33,559,225
Total liabilities	<u>1,112,867</u>	<u>37,818,885</u>
Net position (deficit):		
Held for Successor Agency	-	(31,784,898)
Total net position (deficit)	<u>\$ -</u>	<u>\$ (31,784,898)</u>

The accompanying notes are an integral part of these financial statements.

City of Yorba Linda

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2023**

	Custodial Fund	Private- Purpose Trust Fund
	Special Deposits Funds	Successor Agency of the Former RDA
Additions:		
Taxes	\$ -	\$ 4,294,996
Interest and change in fair value of investments	-	45,087
Total additions	-	4,340,083
Deductions:		
Administrative expenses	-	8,824
Bond interest	-	1,130,088
Total deductions	-	1,138,912
Change in net position	-	3,201,171
Net position (deficit) at beginning of fiscal year	-	(34,986,069)
Net position (deficit) at end of fiscal year	\$ -	\$ (31,784,898)

The accompanying notes are an integral part of these financial statements.

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1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of Entity

The City of Yorba Linda (City) was incorporated in November 1967 under the general laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: public works, public safety, community development, parks and recreation, library, and general administrative services.

As required by accounting principles generally accepted in the United States of America (U.S. GAAP), these financial statements present the City of Yorba Linda (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These entities are legally separate from the City. However, the City of Yorba Linda's elected officials have a continuing full or partial accountability for fiscal matters of the other entities. The financial reporting entity consists of 1) the City, 2) organizations for which the City is financially accountable, and 3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City.

Blended Component Units

Yorba Linda Housing Authority

The Yorba Linda Housing Authority (the Housing Authority) was established on March 1, 2011, through the adoption of Resolution No. 2011-5039, and its governing body is the City Council of the City. The Housing Authority did not have any financial activity during the year ended June 30, 2023. The Housing Authority does not have separately issued financial statements.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A) Description of Entity (continued)

Yorba Linda Municipal Financing Authority

The Yorba Linda Municipal Financing Authority (the MFA) was established on April 17, 2018, pursuant to a joint exercise of powers agreement between the City and the Yorba Linda Housing Authority, and its governing body is the City Council of the City. The purpose of the MFA is to enable the City and the Authority to finance public capital improvements. Debt service for debt issued by the MFA is to be repaid entirely with resources of the City. The MFA's transactions are included in the Public Library Fund. The MFA does not have separately issued financial statements.

Fiduciary Component Unit

Successor Agency to the Yorba Linda Redevelopment Agency (Successor Agency)

The Successor Agency is a separate legal entity, which was formed to hold the assets and liabilities of the former Redevelopment Agency pursuant to City Council actions taken on January 3, 2012. The activity of the Successor Agency is overseen by Successor Agency Board comprised of individuals appointed by the City Council as Successor Agency of the former Redevelopment Agency. The nature and significance of the relationship between the City and the Successor Agency is such that it would be misleading to exclude the Successor Agency from the City's financial statements. The Successor Agency is presented herein in the City's fiduciary funds as a private-purpose trust fund. The Successor Agency does not have separately issued financial statements.

B) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities that rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B) Government-Wide and Fund Financial Statements (continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, pension costs, OPEB costs, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City's fiduciary fund financial statements report one custodial fund and one private purpose trust fund. The City's fiduciary funds are custodial in nature. The City's custodial fund is accounted for on an accrual basis of accounting. Private purpose trust fund funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Property taxes, franchise taxes, transient occupancy taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)**

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.
- The Affordable Housing Fund accounts for the assets and liabilities of the City's affordable housing programs, including those of the former Yorba Linda Redevelopment Agency low and moderate income housing fund.
- The Miscellaneous Grants Fund accounts for miscellaneous grants and developer contributions related to capital improvement projects being constructed by the City.
- The Public Library Fund accounts for the property taxes restricted by enabling legislation and other revenues and expenditures relating to the operations of the public library. On September 4, 1984, the Yorba Linda City Council voted to approve the merger of the Yorba Linda Library District into the City of Yorba Linda. At that time, the City Council agreed to earmark all future revenues received and funds transferred from the Library District for Library purposes, consistent with the enabling legislation that established the Library District.
- The Landscape Maintenance Assessment District Fund accounts for the revenues and expenditures associated with the maintenance of City-owned streetlights and traffic signals, as well as landscaped areas within the City's various arterial and local landscaping districts. Benefiting property owners are assessed their proportionate share of the costs in excess of ad valorem property tax revenues received by certain of the districts.
- The Capital Improvements Fund accounts for expenditures for construction of various capital improvements projects throughout the City.

The City reports the following major proprietary funds:

- The Black Gold Golf Course Enterprise Fund accounts for all activities related to the operations of the Black Gold Golf Club.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Additionally, the City reports the following fiduciary fund types:

- One custodial fund used to report resources held by the City in a purely custodial capacity that involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.
- One private-purpose trust fund used to account for the assets and liabilities of the former Yorba Linda Redevelopment Agency and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former Redevelopment Agency are paid in full and assets have been liquidated.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services.

Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

Deposits and Investments

The City values its cash and investments in accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and GASB Statement No. 72, *Fair Value Measurement and Application*, which requires governmental entities to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach or the income approach. Cash accounts of all funds are pooled for investment purposes to enhance safety and liquidity while maximizing interest earnings. Investments are stated at fair value. All highly liquid investments (including restricted assets) with a maturity of 90 days or less when purchased are considered cash equivalents. Cash and investments held on behalf of proprietary funds by the City Treasurer are considered highly liquid and are classified as cash equivalents for the purpose of presentation in the statement of cash flows.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then due or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

Inventories, Prepaid Items, and Land Held for Resale

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventory costs are recorded as an expense when used. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Land purchased for resale is valued at acquisition costs or net realizable value, if lower.

Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by enabling legislation.

Capital Assets

Capital assets that include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$2,000, dependent on asset class type and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be recorded at estimated acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

Capital Assets (continued)

U.S. GAAP requires the inclusion of infrastructure capital assets in local governments' basic financial statements. Infrastructure assets are defined as "...long lived capital assets that are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets..." Infrastructure assets are normally stationary in nature and are of value only to the government entity. They are basic physical assets that allow the government entity to function. Examples include streets, bridges and storm drains. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into concrete and asphalt pavements, concrete curb and gutters, sidewalks, medians, etc. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems.

The City has elected the Modified Approach for reporting of the Pavement Subsystem infrastructure assets and as a result, no depreciation is recorded for that system under the following requirements:

- The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory, (2) performing condition assessments and summarizing the results using a measurement scale, and (3) estimating the annual amount to maintain and preserve at an established and disclosed condition level.
- The City documents that eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition level.

For all other capital assets, the City has elected to depreciate these assets using the straight-line method over the following estimated useful lives:

Assets	Years
Building and building improvements	7-50
Improvements other than building	7-50
Machinery and equipment	5-7
Furniture, fixtures computers, and software	1-10
Vehicles (including motorcycles)	3-10
Infrastructure	5-100

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City has two types of items that qualify for reporting in these categories. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from sources such as: property taxes, grant revenue, and long-term loan receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item, deferred outflows and deferred inflows of resources related to pension and OPEB, is reported only in the statement of net position. See Notes 10 and 11 to the basic financial statements for more information on deferred outflows and deferred inflows of resources related to pension and OPEB, respectively, on the statement of net position.

Net Position Flow Assumption

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 in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. City employees have an option to convert 100% of their unused sick leave benefits to California Public Employee's Retirement System (CalPERS) service credit upon retirement. Additionally, employees hired prior to 2001 have the option to convert a portion of their sick leave to cash compensation upon retirement based on years of service. This benefit is not available to employees hired since 2001. All city employees other than executive management receive from 10 to 20 days of vacation leave each year depending on the employee's length of service. As of October 1, 2018, executive management employees receive management leave of between 22.5 and 27.5 days each year in lieu of receiving separate vacation and sick leave. All vacation, sick, and management leave is accrued when incurred at the current pay-rate of the employee in the government-wide, proprietary, and fiduciary fund financial statements.

Long-Term Obligations

In the government-wide financial statements, and the proprietary fund and fiduciary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, proprietary fund type or fiduciary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Reported results pertain to assets, deferred outflows of resources, liabilities, and deferred inflows of resources information within the following defined time frames:

Valuation Date (VD) – June 30, 2021
Measurement Date (MD) – June 30, 2022
Measurement Period (MP) – July 1, 2021 to June 30, 2022

OPEB

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Reported results pertain to assets, deferred outflows of resources, liabilities, and deferred inflows of resources information within the following defined time frames:

Valuation Date (VD) – January 1, 2022
Measurement Date (MD) – June 30, 2022
Measurement Period (MP) – July 1, 2021 to June 30, 2022

Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on a complex formula. Accordingly, the City recognizes revenue only as those taxes which are received within 60 days after year end. The property tax calendar is as follows:

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

Lien Date:	January 1
Levy Date:	July 1
Due Date:	First installment – November 1 Second installment – February 1
Delinquent Date:	First installment – December 10 Second installment – April 10

Functional Classifications

Expenditures of the Governmental Funds are classified by function. Functional classifications are defined as follows:

- General Government includes legislative activities that have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities which provide management or support services across more than one functional area.
- Public Safety includes those activities that involve the protection of people and property.
- Community Development includes those activities that involve the enhancing of the general quality of life.
- Parks and Recreation includes those activities that involve community park maintenance and recreational activities within the community.
- Library includes those activities related to the Yorba Linda Public Library's activities within the community.
- Public Works includes those activities that involve the maintenance and improvement of City streets and roads.

Fund Balance

On June 21, 2011, the Yorba Linda City Council adopted City Council Policy No. F-3 - Fund Balance. This Policy establishes the City Council's policy regarding the classification of fund equity. In the fund financial statements, governmental funds report the following fund balance classifications:

Nonspendable includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

Fund Balance (continued)

Restricted includes amounts that are constrained on the use of resources by either external creditors, grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, the City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a minute action of the City Council.

On October 4, 2016, the City Council adopted an updated City Council Policy F-3 – Budget Reserves, which establishes the framework through which funds are to be committed. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

For the General Fund, committed fund balance equal to 50% of budgeted expenditures, excluding transfers, shall be committed to operating reserves. 40% is for the purpose of an emergency reserve and 10% is for the purpose of an economic contingency reserve, as more fully described in the Budget Reserves Policy. Use of the emergency reserve requires the City Council to declare an emergency and use of the economic contingency reserve requires approval by the City Council. In both cases, staff must present a plan for replenishment of the reserve.

Additionally, the Policy establishes what are termed special reserves for the General Fund, which are set aside for risk management, employee leave liabilities, and infrastructure, facilities, vehicles, and equipment replacement. The Policy requires amounts to be committed to special reserves sufficient to address anticipated requirements over a projected period of 30 years, subject to the availability of funds and prioritization of funding between the categories of special reserves by the City Council. Use of special reserves requires approval by the City Council.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

Fund Balance (continued)

Assigned includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The City Manager and Finance Director are authorized to assign amounts to a specific purpose pursuant to City Council Policy No. F-8 – Fund Balance. Other than funds assigned for capital projects and encumbrances, the City Council also annually approves a list of budget carryovers, which are unencumbered operating funds not related to capital projects. These funds relate to specific projects, programs, or purchases that have not yet occurred, but for which funding will still be required in the following fiscal year.

Unassigned includes the residual amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. The unassigned fund balance classification is also where to report negative amounts for all governmental funds, other than the General Fund.

E) New Accounting Pronouncement

The City implemented GASB Statement No. 91, *Conduit Debt Obligation*. The primary objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Under this Statement, a lessee is required to recognize a SBITA liability and an intangible right-to-use asset. For additional information, refer to the disclosures for capital assets and long-term liabilities.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F) Future Accounting Pronouncements

GASB Statements listed below may have an effect when implemented in the future financial statements.

GASB Statement No. 100	<i>Accounting Changes and Error Corrections</i>	The provisions of this Statement are effective for fiscal year ending June 30, 2024
GASB Statement No. 101	<i>Compensated Absences</i>	The provisions of this Statement are effective for fiscal year ending June 30, 2024
GASB Statement No. 102	<i>Certain Risk Disclosures</i>	The provisions of this Statement are effective for fiscal year ending June 30, 2025

2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balance / Net Position

The Miscellaneous Grants Fund had a deficit fund balance of \$1,332,575, as of June 30, 2023. Any deficit fund balance in this fund is typically offset by grant-related revenues that are reflected as a deferred inflow of resources due to revenues not meeting the “availability” criteria for revenue recognition. Any remaining deficit in excess of these resources will be funded through future receipt of grants or developer contributions toward projects.

The CDBG Fund had deficit fund balance of \$150,000, as of June 30, 2023, as a result of grant-related revenues that are reflected as a deferred inflow of resources due to revenues not meeting the “availability” criteria for revenue recognition.

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

3) CASH AND INVESTMENTS

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

Statement of net position:	
Pooled cash and investments	\$ 83,575,881
Cash and investments with fiscal agents	4,393
Statement of fiduciary net position:	
Pooled cash and investments	3,704,423
Cash and Investments with Fiscal Agents	3,428,261
Total Cash and Investments	<u>\$ 90,712,958</u>

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

Petty cash	\$ 12,170
Sum of deposits with financial institutions	11,924,062
Investments	78,776,726
Total	<u>\$ 90,712,958</u>

The City maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on its Balance Sheet and Statement of Net Position as pooled cash and investments. The City has adopted an investment policy that authorizes it to invest in various investments.

Deposits

The California Government Code (CGC) requires California banks to secure the City's deposits by pledging government securities with a value of 110% of a City's deposits and by pledging first trust deed mortgage notes having a fair value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California, as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

3) CASH AND INVESTMENTS (continued)

Investments Authorized by the CGC and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the CGC (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the CGC (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of bond indentures of the City, rather than the general provisions of the CGC or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One User
United States (U.S.) Treasury Issues	5 years	N/A	N/A
U.S. Government Agency Securities	5 years	N/A	N/A
Certificates of Deposit	5 years	30%	5%
Commercial Paper	270 days	30%	5%
Medium Term Corporate Notes	5 years	30%	5%
Negotiable Certificates of Deposit	5 years	30%	N/A
Money Market Funds	None	20%	N/A
Municipal Debt	5 years	30%	5%
Supranational Obligations	5 years	30%	5%
Asset-Backed Securities	5 years	20%	5%
Local Agency Investment Fund (LAIF)	N/A	N/A	\$75m
California Asset Management Program (CAMP)	N/A	N/A	N/A

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

3) CASH AND INVESTMENTS (continued)

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements rather than the general provisions of the CGC or the City's investment policy. The table below identifies the investment types that are authorized for investments held by a bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One User
U.S. Treasury Obligations	N/A	N/A	N/A
U.S. Agency Securities	N/A	N/A	N/A
Banker's Acceptances	360 days	N/A	N/A
Commercial Paper	270 days	N/A	N/A
Money Market Mutual Funds	N/A	N/A	N/A
Investment Agreements	N/A	N/A	N/A
Local Agency Bonds	N/A	N/A	N/A
Medium Term Notes	N/A	N/A	N/A
Negotiable Certificates of Deposit	N/A	N/A	N/A
Local Agency Investment Fund (LAIF)	N/A	N/A	N/A

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. The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2023, the City had the following investments and original maturities:

	Remaining Investment Maturities			Total
	12 Months or Less	1 to 2 Years	3 to 5 Years	
Medium Term Corporate Notes	\$ 852,941	\$ 7,310,613	\$ 4,490,914	\$ 12,654,468
Negotiable Certificates of Deposit	-	449,696	-	449,696
Asset-Backed Securities	45,396	931,048	1,644,779	2,621,223
U.S Treasury Issues	-	9,377,751	11,587,430	20,965,181
U.S Government Agency Securities:				
Federal Home Loan Mortgage Corp.	-	775,734	814,364	1,590,098
Federal National Mortgage Assn.	183,862	3,374,420	1,271,107	4,829,389
Municipal Bond	216,218	2,568,292	136,335	2,920,845
Supra-National Agency Bond / Note	-	452,354	-	452,354
Local Agency Investment Fund (LAIF)	10,505,796	-	-	10,505,796
California Asset Management Program (CAMP)	21,787,676	-	-	21,787,676
	\$ 33,591,889	\$ 25,239,908	\$ 19,944,929	\$ 78,776,726

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

3) CASH AND INVESTMENTS (continued)

Fair Value Measurements

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

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

Investments in money market mutual funds, LAIF, and local government investment pools are priced using amortized cost which approximates fair value, with a net asset value of \$1.00 (in absolute dollar amounts) per share, and not subject to the fair value hierarchy.

The City's Level 2 investments are valued based on the closing bid prices as of the last business day of the month as supplied by Refinitiv or Bloomberg. For certain short-term investments or where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated.

The City had the following recurring fair value measurements as of June 30, 2023:

Investment Type	Total	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities:				
Medium Term Corporate Notes	\$ 12,654,468	\$ -	\$ 12,654,468	\$ -
Negotiable Certificates of Deposit	449,696	-	449,696	-
Asset-Backed Securities	2,621,223	-	2,621,223	-
U.S. Treasury Issues	20,965,181	-	20,965,181	-
U.S. Government Collateralized Mortgage	1,590,098	-	1,590,098	-
U.S. Government Agency Securities	4,829,389	-	4,829,389	-
Municipal Bond	2,920,845	-	2,920,845	-
Supra-National Agency Bond / Note	452,354	-	452,354	-
Total Investments at Fair Value	46,483,254	\$ -	\$ 46,483,254	\$ -
Investments not subject to fair value hierarchy:				
Local Agency Investment Fund (LAIF)	10,505,796			
California Asset Management Program (CAMP)	21,787,676			
Total Investments	\$ 78,776,726			

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

3) CASH AND INVESTMENTS (continued)

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 (NRSRO). The City's investment policy does not limit investments in Federal Agency Securities to ratings issued by nationally recognized statistical rating organizations. Presented below is the minimum rating required by (where applicable) the CGC, the City's investment policy, or debt agreements, and the actual rating, by Standard and Poor's, as of fiscal year end for each investment type. For the Medium-Term Corporate Notes shown with a rating below the minimum level required of A-, a NRSRO other than Standard and Poor's currently maintains an A or better rating on these securities. Additionally, six Asset-Backed Securities held in the City's portfolio were not rated by Standard and Poor's but were rated Aaa, by Moody's. The Asset-Backed Securities are then grouped in the AAA column from the table below.

Investment Type	Amount	Minimum Legal Rating	Rating as of Fiscal Year End				
			AAA	AA+/-	A+/-	BBB	Not Rated
Medium Term Corporate Notes	\$ 12,654,468	A-	\$ -	\$ 3,406,907	\$ 8,177,358	\$ 1,070,203	\$ -
Negotiable Certificates of Deposit	449,696	A-	-	-	449,696	-	-
Asset-backed Securities	2,621,223	A-	2,231,491	-	-	-	389,732
U.S. Treasury Issues	20,965,181	N/A	-	20,965,181	-	-	-
U.S. Government Agency Securities:							
Federal Home Loan Mortgage Corp.	1,590,098	N/A	-	1,590,098	-	-	-
Federal National Mortgage Assn.	4,829,389	N/A	-	4,829,389	-	-	-
Municipal Bond	2,920,845	N/A	1,148,528	1,407,474	-	-	364,843
Supra-National Agency Bond / Note	452,354	N/A	452,354	-	-	-	-
Local Agency Investment Funds (LAIF)	10,505,796	N/A	-	-	-	-	10,505,796
California Asset Management Program (CAMP)	21,787,676	N/A	-	-	-	-	21,787,676
Total	\$ 78,776,726		\$ 3,832,373	\$ 32,199,049	\$ 8,627,054	\$ 1,070,203	\$ 33,048,047

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

3) CASH AND INVESTMENTS (continued)

Concentration of Credit Risk

The City is in compliance with restrictions imposed by its investment policy, which limits certain types of investments. There were no investments in any one issuer (other than U.S. Treasury and agency securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

The 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 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 to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2023, none of the City's deposits or investments were exposed to custodial credit risk.

External Investment Pools

Local Agency Investment Pool – The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Currently, LAIF does not have an investment rating. LAIF has a minimum \$5,000 transaction amount in increments of \$1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of \$10 million or more.

The total amount invested by the City in LAIF as of June 30, 2023, was \$10,505,796. LAIF is part of the California Pooled Money Investment Account (PMIA), which as of June 30, 2023, had a balance of \$176,442,053,163. LAIF is unrated as to credit quality.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

3) CASH AND INVESTMENTS (continued)

External Investment Pools (continued)

California Asset Management Program – The City is a voluntary participant in the California Asset Management Program (CAMP), a California Joint Powers Authority (JPA) established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under CGC Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced finance directors and treasurers of California public agencies that are members of the JPA. CAMP determines fair value on its investment portfolio based on amortized cost. The City measures the value of its CAMP investment at the fair value amount provided by CAMP. On June 30, 2023, CAMP had a total portfolio of approximately \$17 billion of which all was invested in non-derivative financial products. The average maturity of CAMP investments was 60 days as of June 30, 2023.

4) LEASE RECEIVABLE

On July 1, 2021, the City entered into various leases ranging from 19 - 163 months as a Lessor. An initial lease receivable was recorded in the amount of \$1,161,756. As of June 30, 2023, the value of the lease receivable is \$898,584. The lessee is required to make monthly fixed payments ranging from \$400 - \$3,042. The leases have interest rates ranging from 0.3160% - 1.9134%. The value of the deferred inflow of resources as of June 30, 2023, was \$854,170, and the City recognized lease revenue of \$79,500 during the fiscal year. The lessees have 1 – 3 extension option(s), each for 60 months.

The remaining expected to maturity principal and interest payments related to leases for the following fiscal years:

Fiscal Year Ending June 30,	Principal	Interest	Total Payments
2024	\$ 183,351	\$ 10,423	\$ 193,774
2025	155,598	9,027	164,625
2026	131,626	7,719	139,345
2027	82,358	6,733	89,091
2028	56,015	5,925	61,940
2029 - 2033	208,500	18,326	226,826
2034 - 2036	81,136	1,297	82,433
Total	<u>\$ 898,584</u>	<u>\$ 59,450</u>	<u>\$ 958,034</u>

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

5) CAPITAL ASSETS

The City elected to use the Modified Approach for infrastructure reporting for its Pavement Subsystem. As a result, no accumulated depreciation or depreciation expense has been recorded for this system. A more detailed discussion of the Modified Approach is presented in the Required Supplementary Information section of this report. All other capital assets including other infrastructure systems are depreciated.

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Increases	Decreases	Transfers	Balance June 30, 2023
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 34,543,302	\$ -	\$ -	\$ -	\$ 34,543,302
Street pavement infrastructure	200,603,744	33,781	-	-	200,637,525
Construction In Progress	10,069,477	5,377,035	(903,341)	(1,745,132)	12,798,039
Total Capital Assets Not Being Depreciated	245,216,523	5,410,816	(903,341)	(1,745,132)	247,978,866
Capital Assets, Being Depreciated:					
Buildings and improvements	125,503,096	5,832	-	-	125,508,928
Machinery and equipment	15,206,493	954,176	-	-	16,160,669
Motor vehicles	1,601,363	749,525	(53,160)	-	2,297,728
Other Infrastructure	156,477,301	3,135,803	-	1,745,132	161,358,236
Right-to-use subscriptions	-	541,711	-	-	541,711
Total Capital Assets Being Depreciated	298,788,253	5,387,047	(53,160)	1,745,132	305,867,272
Less Accumulated Depreciation:					
Buildings and improvements	(34,706,655)	(2,984,816)	-	-	(37,691,471)
Machinery and equipment	(12,682,532)	(681,388)	-	-	(13,363,920)
Motor vehicles	(1,248,627)	(81,111)	53,160	-	(1,276,578)
Other Infrastructure	(43,263,873)	(2,812,007)	-	-	(46,075,880)
Right-to-use subscriptions	-	(138,758)	-	-	(138,758)
Total Accumulated Depreciation	(91,901,687)	(6,698,080)	53,160	-	(98,546,607)
Total Capital Assets Being Depreciated, Net	206,886,566	(1,311,033)	-	1,745,132	207,320,665
Capital Assets, Net	\$ 452,103,089	\$ 4,099,783	\$ (903,341)	\$ -	\$ 455,299,531

Depreciation/amortization expense was charged to the following functions in the Statement of Activities:

Governmental Activities:	
General government	\$ 2,212,060
Public safety	66,609
Community development	35,457
Parks and recreation	3,039,241
Public works	1,344,713
Total	<u>\$ 6,698,080</u>

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

5) CAPITAL ASSETS (continued)

	Balance July 1, 2022	Increases	Decreases	Transfers	Balance June 30, 2023
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 12,721,948	\$ -	\$ -	\$ -	\$ 12,721,948
Total Capital Assets Not Being Depreciated	12,721,948	-	-	-	12,721,948
Capital Assets, Being Depreciated:					
Structures and improvements	21,759,949	178,767	(239,006)	-	21,699,710
Machinery and equipment	3,552,286	1,125,720	(1,259,548)	-	3,418,458
Total Capital Assets Being Depreciated	25,312,235	1,304,487	(1,498,554)	-	25,118,168
Less Accumulated Depreciation:					
Structures and improvements	(12,557,808)	(614,821)	235,399	-	(12,937,230)
Machinery and equipment	(2,673,925)	(232,652)	1,259,548	-	(1,647,029)
Total Accumulated Depreciation	(15,231,733)	(847,473)	1,494,947	-	(14,584,259)
Total Capital Assets Being Depreciated, Net	10,080,502	457,014	(3,607)	-	10,533,909
Capital Assets, Net	<u>\$ 22,802,450</u>	<u>\$ 457,014</u>	<u>\$ (3,607)</u>	<u>\$ -</u>	<u>\$ 23,255,857</u>

Depreciation expense was charged to the following function in the Statement of Revenues, Expenses and Changes in Fund Net Position:

Business-Type Activities:	
Golf Course	<u>\$ 847,473</u>
Total	<u>\$ 847,473</u>

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

6) LONG-TERM RECEIVABLES

Loans Receivable (Net)

Loans and notes receivable as of June 30, 2023, totaled \$47,542,328 and were recorded as follows in the Affordable Housing Fund:

Owner Participation Agreements

Yorba Linda Housing Partners, L.P.

In May 2006, the former Redevelopment Agency (the Agency) entered into an OPA with Yorba Linda Housing Partners, L.P. for the purchase and rehabilitation of a multi-family apartment complex now known as "Villa Plumosa Apartments." The Project consists of substantially rehabilitating and developing the Property in order to create a 76-unit multi-family affordable rental housing comprised of a new community center, 52 two-bedroom units and 24 three-bedroom units subject to affordable housing restrictions. The Agency provided the developer with financial assistance by providing: (1) a loan of \$7,400,000 to assist in financing the acquisition of the property, and (2) a loan not to exceed \$5,376,000 to assist in financing the development of the project. In June 2008, the developer was granted an additional \$200,000 in loan proceeds from the Agency to comply with additional requirements placed upon the project by the Agency relating to ADA accessibility requirements. This brought the total maximum loan to \$12,976,000. The loan bears simple interest at 3% per annum and will be repaid over the 55-year covenant period. The Agreement also provides that payments toward principal and interest shall not commence until the operation of the project has generated residual receipts calculated annually. The outstanding balance as of June 30, 2023, was \$18,423,088.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

6) LONG-TERM RECEIVABLES (continued)

Loans Receivable (Net) (continued)

Affordable Housing Agreements

Evergreen Villas, L.P.

In December 2009, the former Redevelopment Agency entered into an Affordable Housing Agreement with Evergreen Villas, LP for the purchase and rehabilitation of a multi-family condominium complex commonly known as “Evergreen Condominiums”. The project consists of rehabilitating all 26 condominium units and offering them at rents affordable to and to be occupied by very low-income occupants. The Agency assisted in the development of the project by providing financial assistance in the form of a subordinate financing loan in an amount not to exceed \$3,254,200. This amount consists of the agreed upon value of the property of \$3,169,500 plus an amount not to exceed \$84,700 cash for certain property acquisition and development expenses associated with the project. The loan bears no interest and will be repaid over the 55-year covenant period from the close of escrow. In June 2010, the Agency provided further financial assistance in the form of a subordinate financing loan in the amount of \$196,140 for the developer’s acquisition and rehabilitation of an additional unit. In April 2011, the Agency expanded the program citywide, committing up to an additional \$9.0 million of housing funds for the acquisition and rehabilitations in various condominium complexes citywide that were experiencing high rates of foreclosure.

Additional amounts of \$744,142, \$494,516, \$1,329,009, and \$331,569 were loaned during fiscal years 2013-2014, 2014-2015, 2016-2017, and 2017-2018, respectively. On December 18, 2018, the City Council authorized the reallocation of up to \$2,382,050 of the funds from this project to the development of a new 48-unit senior apartment complex on Altrudy Lane as discussed in more detail below under Orange Housing Development Corporation. During fiscal year 2019-2020, a total of \$1,215,813 was reallocated between the two projects. The total outstanding balance as of June 30, 2023, for Evergreen Villas was \$9,719,695.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

6) LONG-TERM RECEIVABLES (continued)

Loans Receivable (Net) (continued)

Affordable Housing Agreements (continued)

National Community Renaissance of California, L.P.

In March 2011, the former Redevelopment Agency entered into an Affordable Housing Agreement with National Community Renaissance of California, LP for the construction of 69 apartment units for extremely low, very low, and low-income residents. In June 2013, a second Affordable Housing Agreement was entered into to provide for an additional 54 units in a second phase of development. An Agency acquisition loan was made in an amount not to exceed \$5,075,250, secured by a promissory note that the developer was not obligated to pay until it has received its tax credits. At that time the entire loan amount was rolled into the balance of a development loan in an amount not to exceed \$3,257,227 towards the construction costs. An additional amount of \$480,271 was added to the loan in 2013. The developer will repay the loan over a period of 55 years from the date a certificate of occupancy is issued, with simple interest accruing at a maximum rate of 3% per annum and principal payments to be made from residual receipts generated by the project. In March 2017, the City entered into a second amendment to the agreement to add an additional \$2,000,000 to the loan balance, which was subject to funds availability when the City had sufficient housing funds on hand to make the loan. In September 2018, sufficient housing funds were available to the City and the additional loan was disbursed. The outstanding balance as of June 30, 2023, was \$12,606,319.

Orange Housing Development Corporation

In December 2018, the City entered into an Affordable Housing and Property Disposition Agreement with Orange Housing Development Corporation and C&C Development for the construction of a 48-unit senior apartment complex to be located at the corner of Lakeview Avenue and Altrudy Lane. The Project consists of affordable units for low, very low, and extremely low-income senior citizens, with a percentage of units set aside for senior veterans. Under the terms of the Agreement, the City conveyed the property on which the project is being built to the developer, the value of which was evidenced by a promissory note reflecting the appraised value of \$4,320,000.

Additionally, the developer, which is the same parent entity as for the City's Agreement with Evergreen Villas LP, was authorized to reallocate up to \$2,382,050 of the funds from that project to this project through the resale of various condominium units. During fiscal year 2019-2020, a total of \$1,215,813 was reallocated between the two projects. The total of the loan for the value of the property plus the reallocated amount(s) bears simple interest at 0.5% per annum and will be repaid over the 55-year covenant period.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

6) LONG-TERM RECEIVABLES (continued)

Loans Receivable (Net) (continued)

Affordable Housing Agreements (continued)

Orange Housing Development Corporation (continued)

The Agreement also provides that payments toward principal and interest shall not commence until the operation of the project has generated residual receipts calculated annually, anticipated to be in 2028. The outstanding balance as of June 30, 2023, was \$6,793,226.

On January 21, 2020, an additional Affordable Housing and Property Disposition Agreement was entered into for a second phase of the project that will include an additional 40 senior apartment units. Under this agreement, property immediately to the east of the original property on Altrudy Lane was purchased by the City for \$2.6 million from a private party. The City will hold title to the property until a General Plan Housing Element update is completed that will include the subject property as an affordable housing site. A successful vote of the citizens of the City required under local Measure B to change the zoning on the property from single family residential to a more intense zoning that will allow the second phase of the project to move forward is also required to trigger the transfer of the property to the Developer. As of June 30, 2023, this process has not yet been completed and the property is held by the City in its Affordable Housing Fund as land held for resale.

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

7) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

A) Due To / From Other Funds

<u>Paying Funds</u>	<u>Amount</u>	<u>Receiving Funds</u>	<u>Amount</u>
<u>Major Governmental Fund</u>		<u>Major Governmental Fund</u>	
General Fund	\$ 1,853,298	Miscellaneous Grants Fund	\$ 1,480,586
Capital Improvements Fund	116,688		
		<u>Nonmajor Governmental Funds</u>	
		Road Maintenance and Rehab Fund	156,611
		Traffic Safety Fund	6,935
		CDBG Grant Fund	325,854
		Total	<u>489,400</u>
	<u>\$ 1,969,986</u>		<u>\$ 1,969,986</u>

Interfund balances are the result of short-term borrowing to cover negative cash balances and operating shortages as of June 30, 2023. All of these balances are expected to be reimbursed within the subsequent year.

B) Advances To / From Other Funds

<u>Receiving Funds</u>	<u>Amount</u>	<u>Paying Funds</u>	<u>Amount</u>
<u>Nonmajor Governmental Funds</u>		<u>Proprietary Fund</u>	
Master Plan of Drainage Fund	\$ 1,300,000	Black Golf Course Fund	\$ 1,300,000
	<u>\$ 1,300,000</u>		<u>\$ 1,300,000</u>

On February 18, 2020, the City Council authorized the cancellation of all advances due to the General Fund from the Black Gold Golf Course Fund as well as the related accrued interest payable. These advances were made when the golf course was initially built to cover construction cost overruns and subsequently to pay off the remaining principal balance of the Golf Course's 2003 Revenue Bonds. Following a detailed long-term financial analysis of the expected cash flows for the golf course, it was determined that it was unlikely that sufficient cash would be generated from the golf course operations to repay the advances within a reasonable period of time. At that time, a new advance of \$2,300,000 was also made from the Master Plan of Drainage Fund to the Black Gold Golf Course Fund to eliminate the fund's negative cash position. The advance will be repaid over a period of ten years. Sufficient resources are expected to be on hand generated from golf course operations to make regular payments on this advance.

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

7) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

C) Interfund Transfers

Receiving Funds	Amount	Paying Funds	Amount
<u>Major Governmental Funds</u>		<u>Major Governmental Funds</u>	
General Fund	\$ 776,117	General Fund	\$ 3,176,506
Landscape Maintenance		Landscape Maintenance	
Assessment District Fund	976,618	Assessment District Fund	554,046
Capital Improvements Fund	14,203,311	Public Library Fund	541,533
		Miscellaneous Grants Fund	1,242,847
<u>Nonmajor Governmental Funds</u>		<u>Nonmajor Governmental Funds</u>	
Lighting and Signal Project Fund	101,605	CDBG Fund	78,045
		Gas Tax Fund	1,940,306
		Measure M2 Fund	1,351,395
		Road Maintenance and	
		Rehabilitation Fund	2,453,726
		Traffic Safety Fund	55,401
		Citizen Option Public Safety fund	171,682
		ARPA Fund	2,732,686
		Park in Lieu Fund	1,416,233
		Master Plan of Drainage Fund	260,593
		Traffic Mitigation fund	55,163
		Lighting and Signal Project Fund	27,489
	<u>\$16,057,651</u>		<u>\$16,057,651</u>

The transfer to the Capital Improvements Fund in the amount of \$14,203,311 consisted primarily of:

1. The transfer from the General Fund of \$2,199,885, is related to a reimbursement of funding the Capital Improvements Fund for miscellaneous projects.
2. The transfer from Landscape Maintenance Assessment District Fund (LMAD) of \$452,441, is related to funding the LMAD Median Landscape Transit project and LMAD Capital Improvement Renovation project.
3. The transfers from the Miscellaneous Grants Fund of \$1,242,847 and other nonmajor governmental funds of \$10,308,138, were primarily for funding the Capital Improvements Fund for capital expenditures.

The transfer to the Landscape Maintenance Assessment District Fund of \$976,618 from the General Fund to cover the general benefit costs associated with landscape and lighting maintenance.

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

7) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

C) Interfund Transfers (continued)

The transfers to the General Fund of \$776,117 were primarily the result of transfers from the Library Fund. The remaining amounts are from other nonmajor governmental funds of \$234,584 to fund the General Fund for public safety services performed by the Orange County Sheriff's Department under the City's Police Services contract and engineering and administrative services in support of the City's street maintenance program as authorized under California Streets and Highway Code Section 2107.5.

The transfer to the Lighting and Signal Improvement Fund of \$101,605 from the Landscape Maintenance Assessment District (LMAD) Fund is for certain revenues collected from the lighting and traffic signal zones which are segregated from operating funds for future lighting and traffic signal capital improvements.

8) LONG-TERM LIABILITIES

A) Long-Term Liabilities – Governmental Activities

The following is a summary of changes in long-term liabilities of the City's governmental activities for the fiscal year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
Lease Revenue Bonds	\$ 13,100,000	\$ -	\$ (570,000)	\$ 12,530,000	\$ 600,000
Unamortized Bond Premium	1,019,588	-	(64,262)	955,326	-
Subscription Liability	-	481,436	(128,195)	353,241	127,915
Claims and Judgements:					
Claims Liability	256,850	6,100	(106,850)	156,100	156,100
Workers Compensation	724,021	-	(130,779)	593,242	47,934
Compensated Absences	1,583,355	764,892	(770,205)	1,578,042	855,025
Net Pension Liability (Note 10)	13,482,230	11,583,064	-	25,065,294	-
Net OPEB Liability (Note 11)	15,396,297	2,636,972	-	18,033,269	-
Total	<u>\$ 45,562,341</u>	<u>\$ 15,472,464</u>	<u>\$ (1,770,291)</u>	<u>\$ 59,264,514</u>	<u>\$ 1,786,974</u>

The Net Pension Liability and Net OPEB Liability are liquidated from the General Fund, Library Fund and Landscape Maintenance Assessment District Fund.

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

8) LONG-TERM LIABILITIES (continued)

A) Long-Term Liabilities – Governmental Activities (continued)

Lease Financings

2018 Yorba Linda Public Financing Authority Lease Revenue Bonds – Series A

In December 2018, the Yorba Linda Municipal Financing Authority issued \$14,645,000 of lease revenue bonds to fund a portion of the construction costs of the new Yorba Linda Public Library facility. The bonds are payable from the lease payment revenues received by the Authority from the City as pledged under a trust indenture. The lease payments are a budgetary obligation of the Public Library Special Revenue Fund. However, the City has covenanted to appropriate sufficient funds to make the annual lease payments, which would include appropriations from the City's General Fund in the event that the Library Special Revenue Fund were to have insufficient funds on hand to make the payments. The lease payments and corresponding bond debt service payments began on May 1, 2019. The bonds are current interest serial bonds maturing between May 1, 2020, and May 1, 2038, at interest rates ranging from 3.25% to 5.00% and with annual principal payments ranging from \$0 to \$1,095,000. The interest payments are due semi-annually on May 1 and November 1. The outstanding balance as of June 30, 2023, was \$12,530,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 600,000	\$ 543,138	\$ 1,143,138
2025	630,000	513,138	1,143,138
2026	660,000	481,638	1,141,638
2027	690,000	448,638	1,138,638
2028	725,000	414,138	1,139,138
2029 - 2033	4,165,000	1,515,438	5,680,438
2034 - 2038	5,060,000	62,297	5,122,297
Total	<u>\$ 12,530,000</u>	<u>\$ 3,978,425</u>	<u>\$ 16,508,425</u>

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

8) LONG-TERM LIABILITIES (continued)

A) Long-Term Liabilities – Governmental Activities (continued)

Subscription Liability

On July 1, 2022, the City entered into various subscriptions ranging from 37 - 60 months for the use of software. An initial subscription liability was recorded in the amount of \$481,436. As of June 30, 2023, the value of the subscription liability is \$353,241. The City is required to make annual fixed payments ranging from \$8,775 to \$52,259. The subscriptions have interest rates ranging from 1.7103% - 2.3657%. The value of the right-to-use asset as of June 30, 2023, of \$541,711 with accumulated amortization of \$138,758 is included on the capital asset note. The City has extension option(s), ranging from 12 to 36 months.

The interest payments are due semi-annually on February 1 and August 1. The City fully paid the outstanding liability during fiscal year ending June 30, 2023.

The annual requirements to amortize the outstanding indebtedness as of June 30, 2023, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 127,915	\$ 6,490	\$ 134,405
2025	131,553	4,255	135,808
2026	52,409	1,934	54,343
2027	41,364	979	42,343
Total	<u>\$ 353,241</u>	<u>\$ 13,658</u>	<u>\$ 366,899</u>

Claims and Judgments

The City of Yorba Linda is a member of the California Insurance Pool Authority (CIPA). CIPA is a Joint Powers Authority with 13-member cities in Los Angeles County and Orange County, California, which was established in 1978 to pool resources, share risks, purchase excess insurance, and share costs for professional risk management and claims administration. The Governing Board consists of one member from each participating city and is responsible for the selection of management and for the budgeting and financial management of the Authority.

The rights of the City of Yorba Linda are to receive assistance from the CIPA in establishing and maintaining a risk management program compatible with the policies and programs of the Authority and to appeal decisions of the Claims Committee to the Executive Committee or the Board, subject to such restrictions as the Board may adopt by resolution or Bylaws.

8) LONG-TERM LIABILITIES (continued)

A) Long-Term Liabilities – Governmental Activities (continued)

Claims and Judgments (continued)

The City initiated self-insurance programs for general liability and workers' compensation on July 1, 1985, and July 1, 1989, respectively. Outside insurance coverage is purchased through CIPA for individual claims in excess of the City's self-insurance retention limits. Larger claims are processed by an outside insurance service that administers the programs, while smaller claims are processed in-house by the City's Risk Manager. For general liability claims, CIPA provides 1) a risk-sharing pool for claims in excess of the City's self-insured retention level of \$250,000 up to \$3,000,000 and 2) a non-risk-sharing insurance-purchasing pool for claims in excess of \$3,000,000 up to \$38,000,000 per occurrence.

For workers compensation claims, the City has obtained excess insurance coverage from an outside commercial insurance company through CIPA's non-risk-sharing insurance purchasing program. The policy provides coverage for claims in excess of the City's \$500,000 self-insured retention level up to the California statutory limits for workers compensation. If CIPA's Board of Directors determines that the funds on hand are insufficient to pay losses, a special assessment may be imposed on all participating members.

The City is also obligated to pay its proportional share of the workers compensation liability for City of Brea Police Department employees who were injured on the job during a portion of the time that the City of Brea provided police services for the City, which ended on July 7, 2012. The degree of the City's obligation for these liabilities changed several times, as further described in the former agreements with the City of Brea to provide police services in Yorba Linda. Annually, the City of Brea's risk manager provides the City with an updated actuarial analysis of the City's share of Brea's workers compensation liability, which the City reports as a liability. The City of Brea invoices the City monthly for Yorba Linda's share of actual claims payments made. The City Council has established and fully funded a Special Reserves account that offsets this liability. Funds are transferred to the General Fund from Special Reserves to make the monthly payments to the City of Brea.

The City accounts for material claims and judgments when it is probable that a claim liability has been incurred at fiscal year-end and the amount of the loss can be reasonably estimated. The City records the estimated loss, including a provision for incurred but not reported claims, net of any insurance coverage under its self-insurance program.

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

8) LONG-TERM LIABILITIES (continued)

A) Long-Term Liabilities – Governmental Activities (continued)

Claims and Judgments (continued)

On June 30, 2023, various claims have been received by the City that the City has denied, but no action has yet been filed. Litigation is still pending on cases that the City believes are adequately covered as described in the following paragraphs. Small dollar claims and judgments are recorded as expenditures when paid.

A liability as of June 30, 2023, of \$749,342 is reported in the Statement of Net Position for general liability and workers' compensation claims and judgments.

Changes in the claims and judgements liability balance for the fiscal years ended June 30, 2023, and 2022, including a provision for incurred but not reported claims were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Claims Payable Beginning</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Claims Payable Ending</u>
2021	\$ 939,444	\$ 649,292	\$ 621,323	\$ 967,413
2022	967,413	58,049	44,591	980,871
2023	980,871	6,100	237,629	749,342

There have been no significant changes to insurance coverage.

The City has not experienced settlements in excess of insurance coverage during the past three years.

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

8) LONG-TERM LIABILITIES (continued)

A) Long-Term Liabilities – Governmental Activities (continued)

Compensated Absences

The City’s policies relating to compensated absences are described in Note 1 to the basic financial statements. This liability will be paid in the future from the General Fund or the Public Library Fund. While small amounts of personnel costs are allocated to other funds, the General Fund covers the compensated absences obligations of these other funds. The City Council has established and fully funded a Special Reserves account that offsets the General Fund’s share of this liability. The Public Library Fund maintains operating reserves sufficient to fund its share of the liability. The outstanding balance at June 30, 2023, was \$1,578,042.

B) Long-Term Liabilities – Business-Type Activities

The following is a summary of changes in long-term liabilities of the City’s business-type activities for the fiscal year ended June 30, 2023:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Loan payable	\$ 1,125,938	\$ -	\$ (244,522)	\$ 881,416	\$ 247,737

Lease Financing

In November 2021, Black Gold Golf Course entered into a lease financing agreement with Zions Bancorporation for the purchase of groundskeeping equipment, mowing vehicles and equipment, and a clubhouse transportation vehicle. The total amount financed is \$1,246,466 over five years. The interest rate is 1.31% with semi-annual payments of \$129,237 beginning June 1, 2022. The outstanding balance at June 30, 2023 was \$881,416.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 247,737	\$ 10,738	\$ 258,475
2025	250,992	7,482	258,474
2026	254,291	4,183	258,474
2027	128,396	841	129,237
Total	<u>\$ 881,416</u>	<u>\$ 23,244</u>	<u>\$ 904,660</u>

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

9) CONDUIT DEBT

During fiscal year 2000-2001, the Agency issued, on behalf of National CORE (Southern California Housing Corporation), the Yorba Linda Redevelopment Agency Multi-Family Housing Revenue Bonds 2000, Series A, in the principal amount of \$2,754,321. These bonds are not reflected in the City's long-term liabilities because they are special obligations payable solely from and secured by specific revenue sources described in the resolution and official statement of the issue. Neither the faith and credit nor the taxing power of the City, the former Redevelopment Agency, the State of California or any political subdivision thereof, is pledged for the payment of these bonds. The balance as of June 30, 2023, is \$1,217,036.

10) CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

A) General Information about the Pension Plan

Plan Description

The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plan's June 30, 2021 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

**10) CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(continued)**

A) General Information about the Pension Plan (continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2023 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments monthly for life monthly for life	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.000% to 2.500%
Required employee contribution rates	7.00%	7.25%
Required employer contribution rates	10.83%	7.25%

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

10) CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(continued)

A) General Information about the Pension Plan (continued)

Employees Covered

On June 30, 2022 (measurement date), the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	155
Inactive employees entitled to but not yet receiving benefits	64
Former employees currently working for another CalPERS agency	57
Active employees	122
Total	<u>398</u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer 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 contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2022 were \$3,083,164.

B) CalPERS Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

10) CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(continued)

B) CalPERS Net Pension Liability (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

⁽¹⁾ 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.

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 of 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.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

**10) CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(continued)**

B) CalPERS Net Pension Liability (continued)

The expected real rates of return by asset class are as follows:

<u>Asset Class¹</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years^{1,2}</u>
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.85%
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%)

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Change of Assumptions

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

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.

**10) CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(continued)**

B) CalPERS Net Pension Liability (continued)

Discount Rate

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.

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

**10) CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(continued)**

C) Changes in the CalPERS Net Pension Liability

	Increase (Decrease)		Net Position Liability (c)=(a)-(b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
Balance, June 30, 2021 (VD)	\$ 84,615,296	\$ 71,133,066	\$ 13,482,230
Changes in Recognized for the Measurement Period:			-
Service Cost	2,107,336	-	2,107,336
Interest on the Total Pension Liability	5,919,104	-	5,919,104
Changes in Benefit Terms	-	-	-
Differences between Expected and Actual Experience	(481,420)	-	(481,420)
Changes of Assumptions	2,606,715	-	2,606,715
Contribution from the Employer	-	2,692,476	(2,692,476)
Contributions from the Employees	-	1,334,623	(1,334,623)
Net Investment Income ²	-	(5,414,116)	5,414,116
Benefit Payments, including Refunds of Employee Contributions	(4,020,261)	(4,020,261)	-
Administrative Expense	-	(44,312)	44,312
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during 2021-22	<u>6,131,474</u>	<u>(5,451,590)</u>	<u>11,583,064</u>
Balance, June 30, 2022 (MD)¹	<u>\$ 90,746,770</u>	<u>\$ 65,681,476</u>	<u>\$ 25,065,294</u>

¹The fiduciary net position includes receivables for employee's service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.

²Net of administrative expenses.

Valuation Date (VD), Measurement Date (MD).

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Plan's Net Pension Liability/(Asset)	\$ 37,584,895	\$ 25,065,294	\$ 14,804,436

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

**10) CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(continued)**

C) Changes in the CalPERS Net Pension Liability

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

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

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

D) Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2021), the City's net pension liability was \$13,482,230. For the measurement period ending June 30, 2022 (the measurement date), the City incurred pension expense of \$2,908,711.

As of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,083,164	\$ -
Changes of assumption	1,882,627	-
Differences between expected and actual experience	116,578	(389,700)
Net differences between projected and actual earnings on pension plan investments	3,340,236	-
Total	<u>\$ 8,422,605</u>	<u>\$ (389,700)</u>

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

**10) CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(continued)**

D) CalPERS Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

These amounts above are net of outflows and inflows recognized in the 2021-22 measurement period expense. Contributions subsequent to the measurement date of \$3,083,164 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows (Inflows) of Resources
2024	\$ 1,163,227
2025	1,115,584
2026	606,798
2027	2,064,132

E) Payable to the Pension Plan

At June 30, 2023, the City reported a payable of \$83,545 for the outstanding amount of contributions to the pension plan required for the year then ended.

11) OTHER POST-EMPLOYMENT BENEFITS

A) General Information about the Other Post-employment Benefits Plan

Plan Description

The City provides other post-employment benefits (OPEB) through the Public Employees' Medical and Hospital Care Act (PEMHCA), a single employer defined benefit healthcare plan administered by the California Public Employees' Retirement System (CalPERS). Separate financial statements for the PEMHCA may be obtained by writing to CalPERS at Lincoln Plaza North 400 Q Street, Sacramento, California, 95814 or by visiting the CalPERS website at www.calpers.ca.gov.

Benefits Provided

Eligible active employees are offered a choice of medical (including prescription drug coverage) plans through the CalPERS Health Program under the Public Employees' Medical and Hospital Care Act (PEMHCA). The City offers the same medical plans to eligible retirees except that once a retiree is eligible for Medicare, the retiree must join a Medicare HMO or Supplement Plan with Medicare being the primary payer. In addition, the City provides dental and vision coverage to eligible retirees. Retirees may elect coverage for their spouse and eligible dependents.

Contribution

Currently, the City contributes the minimum amount required by PEMHCA toward health insurance premiums for all retirees. For retirees hired prior to April 1, 2017, an additional contribution up to the average two-party premium of HMO Plans offered by CalPERS is provided through a health reimbursement account. Retirees hired on or after April 1, 2017, only receive the minimum contribution required by PEMHCA. In addition, retirees hired prior to April 1, 2017, are eligible to participate in the City's dental and vision insurance plans at no cost. Retirees hired on or after April 1, 2017, are not eligible for dental or vision insurance coverage in retirement. These benefits are provided per contract between the City and the employee associations. The City was required to contribute \$809,799 and the total actual contribution was \$1,235,999 for fiscal year ended June 30, 2023.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City, City Council and/or the employee associations. The City made an annual contribution to an OPEB trust with CalPERS beginning in fiscal year 2017- 2018. The City Council has established a formal funding policy relative to these contributions and intends to make them on a periodic, discretionary basis as funds permit in order to reduce the City's unfunded OPEB liability.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

11) OTHER POST-EMPLOYMENT BENEFITS (continued)

A) General Information about the Other Post-employment Benefits Plan (continued)

Employees Covered

On June 30, 2022 (measurement date), the following employees were covered by the benefit term:

Inactive employees or beneficiaries currently receiving benefits	74
Inactive employees entitled to but not yet receiving benefits	17
Active employees	131
Total	222

B) Net OPEB Liability

The net OPEB liability of the Plan was measured as of June 30, 2022, using an interim actuarial valuation as of January 1, 2022, rolled back to June 30, 2022, in accordance with the parameters of GASB Statement No. 75.

Actuarial Assumptions

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

The net OPEB liability in the June 30, 2022 (measurement date) actuarial valuation was determined using the following actuarial assumptions:

Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.50%
Payroll Growth	2.80%
Projected Salary Increase	0.40% - 8.50% ⁽¹⁾
Asset Return	6.8% ⁽²⁾
Mortality	Derived using CalPERS' Membership Data for all Funds

⁽¹⁾ Depending on age, service and type of employment.

⁽²⁾ Assuming the City invests in California Employers' Retiree Benefit Trust (CERBT) under its investment allocation strategy.

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

11) OTHER POST-EMPLOYMENT BENEFITS (continued)

B) Net OPEB Liability (continued)

Discount Rate

The discount rate used to measure the total OPEB liability as of the June 30, 2022 measurement date, was 6.00%.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	49.0%	N/A
Global Fixed Income	23.0%	N/A
Inflation Assets	5.0%	N/A
Commodities	3.0%	N/A
REITs	20.0%	N/A

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

11) OTHER POST-EMPLOYMENT BENEFITS (continued)

C) Change in the Net OPEB Liability

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

	Net OPEB Liability
Total OPEB Liability Balance, June 30, 2021 (MD)	<u>\$ 17,030,082</u>
Service Cost	511,612
Interest	1,168,575
Differences between Expected and Actual Experience	(167,601)
Changes of Assumptions	1,867,235
Benefit Payments, including Refunds of Employee Contributions	<u>(725,445)</u>
Net Changes during 2020-21	<u>2,654,376</u>
Total OPEB Liability Balance, June 30, 2022 (MD)	<u>19,684,458</u>
Plan Fiduciary Net Position	
Contribution from the Employer	995,445
Net Investment Income	(252,164)
Benefit Payments, including Refunds of Employee Contributions	(725,445)
Admin and Other Expense	<u>(432)</u>
Net Changes during 2020-21	17,404
Plan Fiduciary Net Position - Beginning	<u>1,633,785</u>
Plan Fiduciary Net Position - Ending	<u>1,651,189</u>
Net OPEB Liability Balance, June 30, 2021 (MD)	<u><u>\$ 18,033,269</u></u>

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

The following presents the net OPEB liability as of the measurement date, calculated using the discount rate of 6.00%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	Discount Rate - 1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate +1% (7.00%)
Net OPEB Liability	\$ 21,393,822	\$ 18,033,269	\$ 16,203,810

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

11) OTHER POST-EMPLOYMENT BENEFITS (continued)

C) Change in the Net OPEB Liability (continued)

Sensitivity of the Net OPEB Liability to changes in healthcare cost trend rates

The following presents the net OPEB liability as of the measurement date, as well as what net OPEB liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the current healthcare trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 15,719,984	\$ 18,033,269	\$ 22,102,250

D) 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 \$644,790. At measurement date of June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 1,235,999	\$ -
Differences between expected and actual experience in measurement of the Total OPEB Liability	-	(2,198,984)
Changes of assumption	2,128,864	(3,130,773)
Differences between projected and actual earnings on OPEB plan investments	177,241	-
Total	<u>\$ 3,542,104</u>	<u>\$ (5,329,757)</u>

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

11) OTHER POST-EMPLOYMENT BENEFITS (continued)

D) OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

The amount of \$1,235,999 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in future OPEB expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows (Inflows) of Resources
2024	\$ (917,021)
2025	(914,026)
2026	(921,910)
2027	(877,461)
2028	(35,492)
Thereafter	642,258

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

12) Net Position

As of June 30, 2023, the City reported the following net position classifications:

Net investment in capital assets:		
Governmental activities capital assets, net	\$ 455,299,531	
Lease Revenue Bonds	(12,530,000)	
Unamortized bond premium	(955,326)	
Subscription liability	<u>(353,241)</u>	
Total net investment in capital assets		\$ 441,460,964
Restricted for:		
General government		323,302
Parks and recreation		1,085,209
Public works		26,881,404
Library		6,040,079
Low and moderate housing		52,170,317
Unrestricted		<u>6,537,745</u>
Total net position - governmental activities		<u>\$ 534,499,020</u>
Net investment in capital assets:		
Business-type activities capital assets, net	\$ 23,255,857	
Loan Payable	(881,416)	
Unspent proceeds - Loan Payable	<u>56,426</u>	
Total net investment in capital assets		\$ 22,430,867
Unrestricted		<u>(1,527,797)</u>
Total net position - business-type activities		<u>\$ 20,903,070</u>

13) JOINT VENTURES

Orange County Fire Authority

In January 1995, the City entered into a joint powers agreement with the Cities of Buena Park, Cypress, Dana Point, Irvine, Laguna Hills, Laguna Niguel, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Placentia, San Clemente, San Juan Capistrano, Seal Beach, Stanton, Tustin, Villa Park, and the County of Orange to create the Orange County Fire Authority (Authority). The purpose of the Authority is to provide for mutual fire protection, prevention and suppression services, and related and incidental services including, but not limited to, emergency medical and transport services, as well as providing facilities and personnel for such services.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

13) JOINT VENTURES (continued)

Orange County Fire Authority (continued)

The effective date of formation was March 1, 1995. The Authority's governing board consists of one representative from each City and two from the County. The operations of the Authority are funded with structural fire fees collected by the County through the property tax roll for the unincorporated areas of the County and on behalf of all member Cities except for the Cities of Stanton, Tustin, San Clemente, Buena Park, Placentia and Seal Beach. The County pays all structural fire fees it collects to the Authority. The Cities of Stanton, Tustin, San Clemente, Buena Park, Placentia and Seal Beach are considered "cash contract Cities" and accordingly, make cash contributions based on the Authority's annual budget.

No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2023. Upon dissolution of the Authority, all surplus money and property of the Authority will be conveyed or distributed to each member in proportion to all funds provided to the Authority by that member or by the County on behalf of that member during its membership. Complete financial statements may be obtained from the Orange County Fire Authority, 1 Fire Authority Road, Building A, Irvine, CA 92602.

14) COMMITMENTS AND CONTINGENT LIABILITIES

- A) The City has been named as a defendant in various lawsuits and claims arising in the course of operations. These lawsuits and claims against the City are incidental to the ordinary course of operations and are largely covered by the City's self-insurance program. In the opinion of management and the City Attorney, such claims and litigation will not have a material adverse effect upon the financial position or results of the City. To the extent the outcome of such litigation or claims is determined to result in probable financial loss to the City, such loss is accrued in the accompanying basic financial statements.
- B) On July 17, 2012, the City entered into a contract with the Orange County Sheriff's Department for the provision of law enforcement services, which was most recently renewed on May 16, 2023, for a five-year term. This contract constitutes the single largest expenditure from the City's General Fund each year, representing approximately 30% of the General Fund operating expenditures. The contract is reimbursement-based, with a year-end reconciliation payment to adjust for actual costs.

14) COMMITMENTS AND CONTINGENT LIABILITIES (continued)

- C) On April 19, 2016, the City entered into a Participation Agreement with the County of Orange to fund the City's proportionate share of the construction costs for the new regional animal shelter at the former Tustin Marine Corps Air Station. Under the Agreement, the City is obligated to pay a total of \$509,899 over a ten-year period, reflecting 1.87% of the construction costs for the shelter. The County is also charging the City interest at 0.81%. These payments are funded from the General Fund operating budget and are made on a quarterly basis. The outstanding balance was \$157,219 at June 30, 2023.

15) SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

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 Yorba Linda that previously had reported a Redevelopment Agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a Redevelopment Agency, either the City or 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 3, 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 2012-5095.

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).

Successor Agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former Redevelopment Agency until all enforceable obligations of the prior Redevelopment Agency have been paid in full and all assets have been liquidated 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 legal entities as of February 1, 2012.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

**15) SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT
AGENCY (continued)**

A) Cash and Investments

The following is a summary of Successor Agency cash and investments as of June 30, 2023:

Pooled cash and investments	\$ 2,592,791
Restricted cash and investments held with fiscal agent	<u>3,428,261</u>
Total cash and investments	<u><u>\$ 6,021,052</u></u>

The Successor Agency's cash and investments are pooled with the City's cash and investment in order to generate optimum interest income. The share of the pooled cash account is separately accounted for, and investment income is allocated to all participating funds based on the relationship of their average daily cash balances to the total of the pooled cash and investments. Information regarding the authorized types of deposits and investments, the type of risks (i.e., credit, interest rate, custodial, etc.) and other disclosures associated with the City's pooled cash and investments and those restricted with fiscal agent is reported in Note 3 to the basic financial statements.

B) Long-Term Liabilities

A description of long-term liabilities outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2023, follows:

	<u>Balance June 30, 2022</u>	<u>Accreted Interest</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Tax Allocation Bonds	\$ 36,447,121	\$ 868,100	\$ 3,460,000	\$ 33,855,221	\$ 3,640,000
Unamortized Premium	1,570,523	-	154,154	1,416,369	154,154
Unamortized Gain on Defeasance	2,639,148	-	259,045	2,380,103	259,046
Unamortized Discount	(48,858)	-	(4,795)	(44,063)	(4,795)
Total	<u>\$ 40,607,934</u>	<u>\$ 868,100</u>	<u>\$ 3,868,404</u>	<u>\$ 37,607,630</u>	<u>\$ 4,048,405</u>

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

15) SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (continued)

B) Long-Term Liabilities (continued)

Tax Allocation Bonds

The former Redevelopment Agency pledged, as security for bonds issued, a portion of property tax increment revenue that it receives. The bonds issued were to provide financing for various capital projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to former redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency.

1998 Tax Allocation Parity Refunding Bonds, Series A

On June 18, 1998, the Yorba Linda Redevelopment Agency issued \$17,131,503 in 1998 Tax Allocation Parity Refunding Bonds, Series A, with interest rates ranging from 4.05% to 5.00% to advance refund the remaining \$15,890,000 of outstanding 1989 Tax Allocation Bonds with interest rates ranging from 6.750% to 7.125%. Current interest serial bonds totaling \$12,645,000 were payable in amounts ranging from \$1,030,000 to \$2,025,000 per year on September 1 of each year, commencing September 1, 2002 through September 1, 2009. Capital appreciation serial bonds with an original amount totaling \$4,486,503 are due on each September 1, commencing September 1, 2024 through 2028. The outstanding balance, including the accreted value of \$12,338,718 of the capital appreciation bonds as of June 30, 2023, was \$16,825,221.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2024	\$ -	\$ -
2025	996,572	2,978,428
2026	945,335	3,029,665
2027	896,720	3,078,280
2028	845,761	3,129,239
2029-2032	802,115	3,172,885
Total	<u>4,486,503</u>	<u>\$ 15,388,497</u>
Accretion	12,338,718	
	<u>\$ 16,825,221</u>	

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

**15) SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT
AGENCY (continued)**

B) Long-Term Liabilities (continued)

2017 Tax Allocation Refunding Bonds, Series A (Tax-Exempt) and B (Taxable)

On August 24, 2017, the Successor Agency to the Yorba Linda Redevelopment Agency issued \$15,070,000 in tax-exempt Tax Allocation Refunding Bonds, Series A, with interest rates ranging from 3.000% to 5.000%, and \$12,570,000 in taxable Tax Allocation Refunding Bonds, Series B, with interest rates ranging from 1.500% to 3.625%. These bonds were issued to refund the following obligations of the former Redevelopment Agency:

1. Partial outstanding balance of the 1993 Tax Allocation Bonds - \$14,000,000
2. The outstanding balance of the 2005 Tax Allocation Bonds - \$11,770,000
3. The outstanding balance of the 2011 Tax Allocation Bonds - \$4,206,250

Current interest serial bonds for 2017 Tax Allocation Refunding Bonds Series A totaling \$14,965,000 are payable in amounts ranging from \$15,000 to \$3,275,000 per year on September 1 of each year, commencing on September 1, 2018, through September 1, 2032. A term bond of \$105,000 is due September 1, 2028. Current interest serial bonds for 2017 Tax Allocation Refunding Bonds Series B totaling \$12,570,000 are payable in amounts ranging from \$235,000 to \$3,290,000 per year on September 1 each year, commencing on September 1, 2018, through September 1, 2032. The outstanding balance as of June 30, 2023, was \$17,030,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest, are as follows:

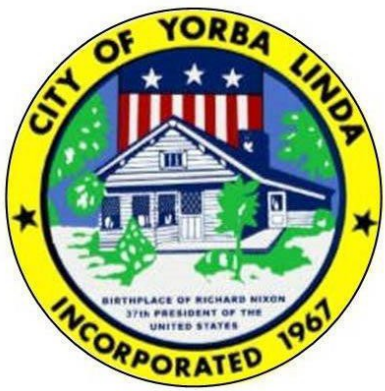
Fiscal Year	Principal	Interest
Ending June 30,		
2024	\$ 3,640,000	\$ 556,056
2025	390,000	464,281
2026	440,000	452,919
2027	450,000	440,194
2028	450,000	426,794
2029-2032	11,660,000	1,212,047
Total	<u>\$ 17,030,000</u>	<u>\$ 3,552,291</u>

C) Insurance

The Successor Agency is covered under the City of Yorba Linda's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency.

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REQUIRED SUPPLEMENTARY INFORMATION



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City of Yorba Linda

Required Supplementary Information Budgetary Comparison Schedule General Fund For the Fiscal Year Ended June 30, 2023

	Budgeted Amount		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 35,020,341	\$ 36,610,675	\$ 36,662,832	\$ 52,157
Licenses and permits	1,724,568	2,024,568	2,446,906	422,338
Intergovernmental	264,950	701,420	788,451	87,031
Charges for services	4,216,433	4,790,958	4,940,900	149,942
Investment income	237,000	150,000	631,091	481,091
Fines and forfeitures	60,000	45,000	43,277	(1,723)
Miscellaneous	584,613	858,639	1,268,501	409,862
Total revenues	<u>42,107,905</u>	<u>45,181,260</u>	<u>46,781,958</u>	<u>1,600,698</u>
Expenditures				
General government:				
Administration	7,544,975	9,016,034	7,930,299	1,085,735
City Attorney	650,000	650,000	593,668	56,332
Finance	1,213,406	1,353,761	1,315,510	38,251
Public safety	13,526,197	14,115,922	13,664,873	451,049
Community development	3,498,914	3,998,808	3,587,102	411,706
Parks and recreation	7,810,411	9,026,437	8,527,887	498,550
Public works	5,665,361	6,499,523	5,996,038	503,485
Capital outlay	392,974	1,120,931	1,310,291	(189,360)
Debt service:				
Principal retirement	179,620	-	128,195	(128,195)
Interest	-	-	654	(654)
Total expenditures	<u>40,481,858</u>	<u>45,781,416</u>	<u>43,054,517</u>	<u>2,726,899</u>
Excess of Revenues over (under) Expenditures	<u>1,626,047</u>	<u>(600,156)</u>	<u>3,727,441</u>	<u>4,327,597</u>
Other financing sources (uses):				
Transfers in	303,250	963,896	776,117	(187,779)
Transfers out	(2,013,085)	(16,034,127)	(3,176,506)	12,857,621
Proceeds on sale of assets and land	10,000	10,000	14,595	4,595
Subscription acquisition	-	-	481,436	481,436
Total other financing sources (uses)	<u>(1,699,835)</u>	<u>(15,060,231)</u>	<u>(1,904,358)</u>	<u>13,155,873</u>
Net change in fund balance	(73,788)	(15,660,387)	1,823,083	17,483,470
Fund balance at beginning of fiscal year	<u>42,605,651</u>	<u>42,605,651</u>	<u>42,605,651</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 42,531,863</u>	<u>\$ 26,945,264</u>	<u>\$ 44,428,734</u>	<u>\$ 17,483,470</u>

City of Yorba Linda

**Required Supplementary Information
Budgetary Comparison Schedule
Affordable Housing Special Revenue Fund
For the Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 56,000	\$ 10,000	\$ 749,804	\$ 739,804
Total revenues	<u>56,000</u>	<u>10,000</u>	<u>749,804</u>	<u>739,804</u>
Expenditures				
Community development	58,500	58,500	-	58,500
Total expenditures	<u>58,500</u>	<u>58,500</u>	<u>-</u>	<u>58,500</u>
Excess of Revenues over (under) Expenditures	<u>(2,500)</u>	<u>(48,500)</u>	<u>749,804</u>	<u>798,304</u>
Fund balance at beginning of fiscal year	<u>51,338,345</u>	<u>51,338,345</u>	<u>51,338,345</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 51,335,845</u>	<u>\$ 51,289,845</u>	<u>\$ 52,088,149</u>	<u>\$ 798,304</u>

City of Yorba Linda

**Required Supplementary Information
 Budgetary Comparison Schedule
 Miscellaneous Grants Special Revenue Fund
 For the Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 4,624,105	\$ 13,036,575	\$ 148,011	\$ (12,888,564)
Total revenues	<u>4,624,105</u>	<u>13,036,575</u>	<u>148,011</u>	<u>(12,888,564)</u>
Other financing sources (uses):				
Transfers out	(5,329,105)	(10,557,577)	(1,242,847)	9,314,730
Total other financing sources (uses)	<u>(5,329,105)</u>	<u>(10,557,577)</u>	<u>(1,242,847)</u>	<u>9,314,730</u>
Net change in fund balance	(705,000)	2,478,998	(1,094,836)	(3,573,834)
Fund balance (deficit) at beginning of fiscal year	(237,739)	(237,739)	(237,739)	-
Fund balance (deficit) at end of fiscal year	<u>\$ (942,739)</u>	<u>\$ 2,241,259</u>	<u>\$ (1,332,575)</u>	<u>\$ (3,573,834)</u>

City of Yorba Linda

**Required Supplementary Information
Budgetary Comparison Schedule
Public Library Special Revenue Fund
For the Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 7,293,382	\$ 7,649,830	\$ 7,830,776	\$ 180,946
Intergovernmental	-	-	20,022	20,022
Charges for services	175,000	140,000	204,899	64,899
Investment income	81,500	20,000	35,574	15,574
Fines and forfeitures	25,000	25,000	42,988	17,988
Miscellaneous	-	-	617,681	617,681
Total revenues	7,574,882	7,834,830	8,751,940	917,110
Expenditures				
Library	5,356,932	5,793,188	5,611,607	181,581
Capital outlay	32,950	114,544	103,253	11,291
Debt service:				
Principal retirement	515,000	515,000	570,000	(55,000)
Interest	624,388	624,388	571,638	52,750
Total expenditures	6,529,270	7,047,120	6,856,498	190,622
Excess of Revenues over (under) Expenditures	1,045,612	787,710	1,895,442	1,107,732
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(541,533)	(541,533)	-
Total other financing sources (uses)	-	(541,533)	(541,533)	-
Net change in fund balance	1,045,612	246,177	1,353,909	1,107,732
Fund balance at beginning of fiscal year	4,686,170	4,686,170	4,686,170	-
Fund balance at end of fiscal year	\$ 5,731,782	\$ 4,932,347	\$ 6,040,079	\$ 1,107,732

City of Yorba Linda

**Required Supplementary Information
Budgetary Comparison Schedule
Landscape Maintenance Assessment District Special Revenue Fund
For the Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 8,827,921	\$ 9,051,668	\$ 9,100,047	\$ 48,379
Investment income	52,000	40,000	75,165	35,165
Miscellaneous	-	-	58,866	58,866
Total revenues	8,879,921	9,091,668	9,234,078	142,410
Expenditures				
Public works	9,221,942	9,812,433	8,935,834	876,599
Total expenditures	9,221,942	9,812,433	8,935,834	876,599
Excess of Revenues over (under) Expenditures	<u>(342,021)</u>	<u>(720,765)</u>	<u>298,244</u>	<u>1,019,009</u>
Other financing sources (uses):				
Transfers in	890,085	943,735	976,618	32,883
Transfers out	(1,935,830)	(1,924,860)	(554,046)	1,370,814
Total other financing sources (uses)	<u>(1,045,745)</u>	<u>(981,125)</u>	<u>422,572</u>	<u>1,403,697</u>
Net change in fund balance	(1,387,766)	(1,701,890)	720,816	2,422,706
Fund balance at beginning of fiscal year	<u>7,374,705</u>	<u>7,374,705</u>	<u>7,374,705</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 5,986,939</u>	<u>\$ 5,672,815</u>	<u>\$ 8,095,521</u>	<u>\$ 2,422,706</u>

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**Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2023**

1) Infrastructure Assets Reported Using the Modified Approach

The City's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by the GASB Statement No. 34. The maintained subsystem of the City's major infrastructure network is reported under modified approach and is not subject to depreciation under GASB Statement No. 34

The Public Works Department, in conjunction with City Management, is responsible for determining the appropriate condition level at which the assets are to be maintained. The City documents that eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition level.

A physical condition assessment of the City's streets is required by the Orange County Transportation Authority (OCTA) every two years for arterial streets and every six years for residential streets. The City contracts with a consultant to assess the City's pavement condition every two years in order to comply with this requirement. The consultant's assessment rates the City's pavement condition based on a Pavement Condition Index (PCI) scale ranging from zero for a failed pavement to 100 for pavement in perfect condition. The most recent report dated June 2022, documented a PCI score of 82 for the City's pavement. The City Management, in consultation with the Public Works Department, has established the OCTA's standard for receiving competitive grant funding of a PCI of 75 as the condition level against which the City's current PCI should be measured. With a current PCI score of 82, the City's pavement is being maintained at or above this condition level.

The table below provides a five-year historical view of the City's PCI score, estimated preservation costs to maintain the then-current PCI rating, and the actual preservation costs incurred. The lower actual preservation costs as compared to the estimated preservation costs have been sufficient to maintain the City's pavement at or above the established and disclosed condition level because:

1. Major capital projects are budgeted on an irregular cycle that does not neatly fit into fiscal years;
2. Actual costs can be lower than estimates; and
3. Actual conditions differ from those assumed in the standard pavement assessment methodology.

City of Yorba Linda

**Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2023**

1) Infrastructure Assets Reported Using the Modified Approach (continued)

This is demonstrated by the stable and at times improving PCI ratings over the five-year period shown in the table.

Fiscal Year	Payment Condition Index (PCI) Rating	Estimated Preservation Costs	Actual Preservation Costs
2018-2019	80	\$ 4,800,000	\$ 2,800,000
2019-2020*	78	4,000,000	3,200,000
2020-2021	78	4,000,000	3,000,000
2021-2022*	79	8,200,000	4,137,389
2022-2023	82	8,200,000	6,650,803

*Denotes years condition assessment was performed.

City of Yorba Linda

Required Supplementary Information (Unaudited) For the Fiscal Year Ended June 30, 2023

2) Schedule of Changes in the Net Pension Liability and Related Ratios – Last 10 Years*

	Measurement Date <u>June 30, 2022</u>	Measurement Date <u>June 30, 2021</u>	Measurement Date <u>June 30, 2020</u>	Measurement Date <u>June 30, 2019</u>
Total Pension Liability				
Service cost	\$ 2,107,336	\$ 1,885,407	\$ 1,696,577	\$ 1,623,776
Interest on total pension liability	5,919,104	5,709,277	5,438,271	5,230,301
Changes in assumptions	2,606,715	-	-	-
Difference between expected and actual experience	(481,420)	272,016	(252,047)	716,490
Benefit payments, including refunds of employee contributions	(4,020,261)	(3,773,449)	(3,648,478)	(3,811,074)
Net change in total pension liability	6,131,474	4,093,251	3,234,323	3,759,493
Total pension liability - beginning	84,615,296	80,522,045	77,287,722	73,528,229
Total pension liability - ending (a)	<u>90,746,770</u>	<u>84,615,296</u>	<u>80,522,045</u>	<u>77,287,722</u>
Plan Fiduciary Net Position				
Contributions - employer	2,692,476	2,521,606	2,329,240	2,063,002
Contributions - employee	1,334,623	1,317,894	1,285,901	1,228,098
Net investment income	(5,414,116)	13,199,190	2,777,374	3,467,727
Benefit payments, including refunds of employee contributions	(4,020,261)	(3,773,449)	(3,648,478)	(3,811,074)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(44,312)	(57,864)	(77,902)	(37,357)
Other miscellaneous income/(expense)	-	-	-	122
Net change in plan fiduciary net position	(5,451,590)	13,207,377	2,666,135	2,910,518
Plan fiduciary net position - beginning	71,133,066	57,925,689	55,259,554	52,349,036
Plan fiduciary net position - ending (b)	<u>65,681,476</u>	<u>71,133,066</u>	<u>57,925,689</u>	<u>55,259,554</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 25,065,294</u>	<u>\$ 13,482,230</u>	<u>\$ 22,596,356</u>	<u>\$ 22,028,168</u>
Plan fiduciary net position as a percentage of the total pension liability	72.38%	84.07%	71.94%	71.50%
Covered payroll	\$ 10,785,880	\$ 10,892,012	\$ 9,973,996	\$ 9,336,874
Net pension liability as a percentage of covered payroll	232.39%	123.78%	226.55%	235.93%

* Fiscal year 2015 was the first year of implementation; additional information will be presented as it becomes available.

** Covered payroll is based on pensionable earnings per CalPERS for 2014

City of Yorba Linda

**Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2023**

2) Schedule of Changes in the Net Pension Liability and Related Ratios – Last 10 Years*
(continued)

Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015	Measurement Date June 30, 2014**
\$ 1,458,002	\$ 1,472,818	\$ 1,318,758	\$ 1,295,229	\$ 1,290,965
4,969,509	4,762,222	4,610,554	4,439,809	4,254,542
(313,447)	4,016,681	-	(1,091,497)	-
203,742	(618,862)	(505,685)	(236,444)	-
<u>(3,347,753)</u>	<u>(3,089,914)</u>	<u>(3,046,770)</u>	<u>(2,971,575)</u>	<u>(2,848,785)</u>
2,970,053	6,542,945	2,376,857	1,435,522	2,696,722
70,558,176	64,015,231	61,638,374	60,202,852	57,506,130
<u>73,528,229</u>	<u>70,558,176</u>	<u>64,015,231</u>	<u>61,638,374</u>	<u>60,202,852</u>
1,833,255	1,483,366	1,186,312	1,121,845	1,245,275
1,150,359	1,062,547	979,418	925,172	636,643
4,165,920	4,935,247	222,302	944,792	6,731,502
(3,347,753)	(3,089,914)	(3,046,770)	(2,971,575)	(2,848,785)
(122)	-	-	-	-
(75,993)	(65,616)	(27,503)	-	-
<u>(144,313)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,581,353	4,325,630	(686,241)	20,234	5,764,635
48,767,683	44,442,053	45,128,294	45,108,060	39,343,425
<u>52,349,036</u>	<u>48,767,683</u>	<u>44,442,053</u>	<u>45,128,294</u>	<u>45,108,060</u>
<u>\$ 21,179,193</u>	<u>\$ 21,790,493</u>	<u>\$ 19,573,178</u>	<u>\$ 16,510,080</u>	<u>\$ 15,094,792</u>
71.20%	69.12%	69.42%	73.21%	74.93%
\$ 8,523,335	\$ 8,519,800	\$ 8,331,278	\$ 7,983,907	\$ 7,672,440
248.48%	255.76%	234.94%	206.79%	196.74%

**Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2023**

2) Schedule of Changes in the Net Pension Liability and Related Ratios – Last 10 Years*
(continued)

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Yorba Linda

Required Supplementary Information (Unaudited) For the Fiscal Year Ended June 30, 2023

3) Schedule of Pension Contributions – Last 10 Years*

Fiscal year ended	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Actuarially determined contribution	\$ 2,716,202	\$ 2,412,234	\$ 2,270,954	\$ 2,001,025
Contributions in relation to the actuarially determined contributions	<u>(3,083,164)</u>	<u>(2,692,503)</u>	<u>(2,329,240)</u>	<u>(2,329,240)</u>
Contribution deficiency (excess)	<u>\$ (366,962)</u>	<u>\$ (280,269)</u>	<u>\$ (58,286)</u>	<u>\$ (328,215)</u>
Covered payroll	\$ 11,564,860	\$ 10,785,880	\$ 10,892,012	\$ 9,973,996
Contributions as a percentage of covered payroll	26.66%	24.96%	21.38%	23.35%

*Fiscal year 2015 was the first year of implementation; additional information will be presented as it becomes available.

City of Yorba Linda

Required Supplementary Information (Unaudited) For the Fiscal Year Ended June 30, 2023

3) Schedule of Pension Contributions – Last 10 Years* (continued)

June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
\$ 1,706,948	\$ 1,417,449	\$ 1,268,816	\$ 1,186,312	\$ 1,121,845
(2,063,002)	(1,833,255)	(1,483,366)	(1,186,312)	(1,121,845)
<u>\$ (356,054)</u>	<u>\$ (415,806)</u>	<u>\$ (214,550)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,336,874	\$ 8,523,335	\$ 8,519,800	\$ 8,331,278	\$ 7,983,907
22.10%	21.51%	17.41%	14.24%	14.05%

Notes to Schedule of Pension Contributions

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were from the June 30, 2021 Funding Valuation Report.

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	Varies by Entry Age and Service
Mortality Rate Table	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.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

City of Yorba Linda

Required Supplementary Information (Unaudited) For the Fiscal Year Ended June 30, 2023

4) Schedule of Changes in the Net OPEB Liability and Related Ratios – Last 10 Years*

	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017
Total OPEB Liability						
Service cost	\$ 511,612	\$ 432,681	\$ 514,178	\$ 1,041,877	\$ 1,616,456	\$ 1,559,082
Interest on total OPEB liability	1,168,575	1,102,167	1,081,753	1,103,430	1,051,971	879,863
Differences between expected and actual experience	(167,601)	(17,234)	(738,379)	(3,081,922)	(2,643,488)	-
Changes in assumptions	1,867,235	554,630	(1,509,066)	(4,249,457)	(3,754,316)	(3,742,978)
Benefit payments, including refunds of employee contributions	(725,445)	(697,659)	(688,476)	(708,272)	(701,025)	(734,912)
Net change in total OPEB liability	2,654,376	1,374,585	(1,339,990)	(5,894,344)	(4,430,402)	(2,038,945)
Total OPEB liability - beginning	17,030,082	15,655,497	16,995,487	22,889,831	27,320,233	29,359,178
Total OPEB liability - ending (a)	19,684,458	17,030,082	15,655,497	16,995,487	22,889,831	27,320,233
Plan Fiduciary Net Position						
Contributions - employer	995,445	997,659	919,194	942,684	935,437	1,170,145
Net investment income	(252,164)	304,626	22,861	57,133	17,983	(1,266)
Benefit payments, including refunds of employee contributions	(725,445)	(697,659)	(688,476)	(708,272)	(701,025)	(935,739)
Administrative expense	(432)	(436)	(437)	(133)	(184)	(1)
Other	-	-	-	-	(309)	-
Net change in plan fiduciary net position	17,404	604,190	253,142	291,412	251,902	233,139
Plan fiduciary net position - beginning	1,633,785	1,029,595	776,453	485,041	233,139	-
Plan fiduciary net position - ending (b)	1,651,189	1,633,785	1,029,595	776,453	485,041	233,139
Net OPEB liability - ending (a) - (b)	\$ 18,033,269	\$ 15,396,297	\$ 14,625,902	\$ 16,219,034	\$ 22,404,790	\$ 27,087,094
Plan fiduciary net position as a percentage of the total OPEB liability	8.39%	9.59%	6.58%	4.57%	2.12%	0.85%
Covered payroll	12,224,264	10,892,012	9,973,996	9,336,874	8,523,335	8,519,800
Net OPEB liability as a percentage of covered payroll	147.52%	141.35%	146.64%	173.71%	262.86%	317.93%

*Fiscal year **2018** was the first year of implementation; additional information will be presented as it becomes available.

City of Yorba Linda

Required Supplementary Information (Unaudited) For the Fiscal Year Ended June 30, 2023

5) Schedule of OPEB Contributions – Last 10 Years*

Fiscal year ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution	\$ 2,383,354	\$ 2,290,449	\$ 919,194	\$ 1,909,606	\$ 2,107,584	\$ 2,088,038
Contributions in relation to the actuarially determined contributions	(1,235,999)	(683,193)	(599,730)	(771,379)	(832,398)	(1,170,151)
Contribution deficiency (excess)	<u>\$ 1,147,355</u>	<u>\$ 1,607,256</u>	<u>\$ 319,464</u>	<u>\$ 1,138,227</u>	<u>\$ 1,275,186</u>	<u>\$ 917,887</u>
Covered payroll	\$ 11,486,244	\$ 12,224,264	\$ 10,892,012	\$ 9,973,996	\$ 9,336,874	\$ 8,523,335
Contributions as a percentage of covered payroll	10.76%	5.59%	5.51%	7.73%	8.92%	13.73%

*Fiscal year 2018 was the first year of implementation; additional information will be presented as it becomes available.

Notes to Schedule of OPEB Contributions

Valuation Date	January 1, 2022
Measurement Date	June 30, 2022
Amortization Method	Level Percent of Payroll
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.50%
Projected Salary Increase	0.40% - 8.50% ⁽¹⁾
Investment Rate of Return	7.00% ⁽²⁾
Mortality	Derived using CalPERS' Membership Data for all Funds

⁽¹⁾Depending on age, service and type of employment.

⁽²⁾Assumes the City invests in the CERBT under its investment allocation strategy.

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**Notes to Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2023**

1) BUDGETARY DATA

All financial activities of the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds are part of the appropriated budget. Appropriated amounts are as originally adopted or as amended by the City Council throughout the year. The following general procedures are followed in establishing the annual budget:

1. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Manager may approve additional appropriations up to \$25,000 per transaction and may authorize the transfer of budgeted amounts between items, accounts, and programs within the same department. Any increase in total appropriations over \$25,000 per transaction or transfer of budgeted amounts between departments or funds must be approved by the City Council.
3. Formal budgetary integration is employed as a management control device during the year. The legal level of budgetary control is at the department level within each fund, with budget transfers between departments or funds requiring approval by the City Council.
4. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. Budgets are adopted for all governmental fund types, on a basis consistent with the U.S. GAAP, except for the purchases and sales of land that are recognized as expenditures and revenues, respectively. The modified accrual basis of accounting is employed in the preparation of the budget. Budget comparisons are not presented for the Proprietary, Agency, and Trust Funds, as the City is not legally required to adopt a budget for these fund types.
5. At fiscal year-end operating budget appropriations lapse, however, incomplete capital improvement project appropriations within Capital Projects Funds, appropriations related to outstanding encumbrances, and authorized non-capital appropriations can be carried over to the following fiscal year with approval of the City Council.

City of Yorba Linda

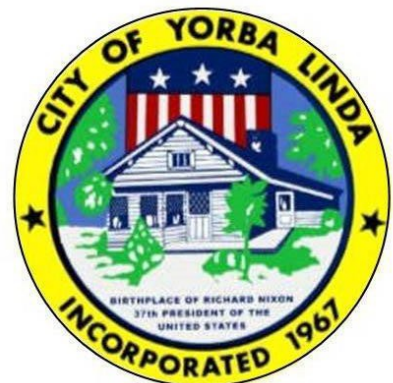
**Notes to Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2023**

2) EXCESS OF APPROPRIATIONS

The following major funds have expenditures in excess of the appropriations:

	<u>Final Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Of Expenditures Over Budgeted Amounts</u>
<i>Major fund:</i>			
General Fund			
Capital outlay	\$ 1,120,931	\$ 1,310,291	\$ (189,360)
Debt service			
Principal retirement	-	128,195	(128,195)
Interest	-	654	(654)
Public Library			
Debt service			
Principal retirement	515,000	570,000	(55,000)

OTHER SUPPLEMENTARY INFORMATION



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City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Capital Improvements Capital Projects Fund
For the Fiscal Year Ended June 30, 2023**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Capital outlay	\$ 11,752,937	\$ 47,744,285	\$ 14,203,311	\$ 33,540,974
Total expenditures	<u>11,752,937</u>	<u>47,744,285</u>	<u>14,203,311</u>	<u>33,540,974</u>
Excess of Revenues over (under) Expenditures	<u>(11,752,937)</u>	<u>(47,744,285)</u>	<u>(14,203,311)</u>	<u>33,540,974</u>
Other financing sources (uses):				
Transfers in	17,056,147	48,391,472	14,203,311	(34,188,161)
Total other financing sources (uses)	<u>17,056,147</u>	<u>48,391,472</u>	<u>14,203,311</u>	<u>(34,188,161)</u>
Net change in fund balance	5,303,210	647,187	-	(647,187)
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	<u>\$ 5,303,210</u>	<u>\$ 647,187</u>	<u>\$ -</u>	<u>\$ (647,187)</u>

City of Yorba Linda

Description of Nonmajor Funds For the Fiscal Year Ended June 30, 2023

Special Revenue Funds

The Special Revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for particular purposes.

Gas Tax Fund – To account for the City's share of State gas tax revenues. The tax allocations are expended on street maintenance and street construction.

Traffic Safety Fund – To account for revenues generated from enforcement of the California Vehicle Code and City ordinances. These funds may only be used for traffic signals, school crossing guards and other related traffic safety expenditures.

CDBG Grant Fund – To account for Housing and Community Development Act revenues and expenditures for social services, neighborhood and commercial improvement projects, and program administration.

Citizens Option Public Safety Fund – To account for the revenues allocated by the State for enhanced levels of law enforcement.

AQMD Fund – To account for the revenues allocated by the Southern California Air Quality Management District (SCAQMD) and restricted for expenditures that improve local area air quality.

Measure M2 Fund – To account for county transportation tax revenues for street projects within the City.

SB-2 Fund – To account for the City's allocation of funds from California Senate Bill 2, which are utilized for homeless outreach and shelter services. There was no legally adopted budget for this fund for the fiscal year ending June 30, 2022.

American Rescue Plan Act (ARPA) Fund – To track the activities of the funding provided by the U.S. Department of Treasury under Coronavirus State and Local Fiscal Recovery Funds program.

Mortgage Assistance Program Fund – To account for financial resources segregated to help low- and moderate-income people purchase their first home.

PEG Fund – To account for franchise fees collected from cable television providers that are required to be used for capital expenditures related to the City's public, educational, and government access television channels.

Road Maintenance and Rehabilitation Account Fund – To account for the City's share of funds used to address basic road maintenance, rehabilitation and critical safety needs on local streets, which is funded through a per gallon fuel tax and vehicle registration fees.

City of Yorba Linda

Description of Nonmajor Funds For the Fiscal Year Ended June 30, 2023

Capital Projects Funds

The Capital Projects funds are used to account for the acquisition and construction of various capital improvements and equipment for the City.

Parking In-Lieu Fund – To account for fees received from developers and businesses operating in the City's Town Center to purchase parking allocations in the City's parking structure in lieu of providing onsite parking as required for their development or business proposal. Funds collected following the construction of the parking structure will be utilized for future public parking improvements in the Town Center. The city did not adopt a budget for the Parking In-Lieu Fund.

Park In-Lieu Fund – To account for development impact fees used for the acquisition of parklands and the construction of park and recreation facilities.

Lighting and Signal Project Improvements Fund – To account for a portion of funds received in the lighting and traffic signal zones of the Landscape Maintenance Assessment District that have been allocated to street lighting and traffic signal capital projects.

Master Plan of Drainage Fund – To account for development impact fees used for the construction of major drainage improvements within the City.

Traffic Signal Improvements Fund – To account for development impact fees used for the construction of major street and traffic signal improvements within the City.

City of Yorba Linda

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023**

	<u>Special Revenue Funds</u>		
	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>CDBG Grant</u>
Assets:			
Pooled cash and investments	\$ 4,141,045	\$ -	\$ -
Receivables:			
Accounts	-	-	-
Accrued interest	11,755	-	-
Advances to other funds	-	-	-
Due from other governments	151,425	6,935	341,104
Total assets	<u>\$ 4,304,225</u>	<u>\$ 6,935</u>	<u>\$ 341,104</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 15,250
Due to other funds	-	6,935	325,854
Total liabilities	<u>-</u>	<u>6,935</u>	<u>341,104</u>
Deferred inflows of resources:			
Unavailable revenues	-	-	150,000
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>150,000</u>
Fund balances:			
Restricted for:			
General government	-	-	-
Parks and recreation	-	-	-
Public works	4,304,225	-	-
Low and moderate housing	-	-	-
Unassigned (deficit)	-	-	(150,000)
Total fund balances	<u>4,304,225</u>	<u>-</u>	<u>(150,000)</u>
Total liabilities and fund balances (deficit)	<u>\$ 4,304,225</u>	<u>\$ 6,935</u>	<u>\$ 341,104</u>

City of Yorba Linda

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023**

(continued)

Special Revenue Funds				
Citizens Option Public Safety	AQMD	Measure M2	SB-2	ARPA
\$ -	\$ 1,173,394	\$ 3,231,795	\$ 153,372	\$ -
-	-	-	-	-
-	4,394	13,839	-	-
-	-	-	-	-
-	22,423	231,680	-	-
<u>\$ -</u>	<u>\$ 1,200,211</u>	<u>\$ 3,477,314</u>	<u>\$ 153,372</u>	<u>\$ -</u>
\$ -	\$ 519,822	\$ -	\$ -	\$ -
-	-	-	-	-
-	519,822	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	680,389	3,477,314	153,372	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>680,389</u>	<u>3,477,314</u>	<u>153,372</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 1,200,211</u>	<u>\$ 3,477,314</u>	<u>\$ 153,372</u>	<u>\$ -</u>

City of Yorba Linda

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023**

(continued)

	Special Revenue Funds		
	Mortgage Assistance Program	PEG	Road Maintenance and Rehabilitation Account
Assets:			
Pooled cash and investments	\$ 81,068	\$ 292,972	\$ -
Receivables:			
Accounts	-	33,719	-
Accrued interest	1,100	522	2,946
Advances to other funds	-	-	-
Due from other governments	-	-	266,299
Total assets	\$ 82,168	\$ 327,213	\$ 269,245
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ 3,911	\$ -
Due to other funds	-	-	156,611
Total liabilities	-	3,911	156,611
Deferred inflows of resources:			
Unavailable revenues	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances:			
Restricted for:			
General government	-	323,302	-
Parks and recreation	-	-	-
Public works	-	-	112,634
Low and moderate housing	82,168	-	-
Unassigned (deficit)	-	-	-
Total fund balances	82,168	323,302	112,634
Total liabilities and fund balances (deficit)	\$ 82,168	\$ 327,213	\$ 269,245

City of Yorba Linda

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023**

(continued)

Capital Projects Funds					Total Nonmajor Governmental Funds
Parking In-Lieu	Park In-Lieu	Lighting and Signal Project Improvements	Master Plan of Drainage	Traffic Signal Improvements	
\$ 27,703	\$ 1,080,584	\$ 1,136,404	\$ 5,974,304	\$ 1,585,207	\$ 18,877,848
-	-	-	-	-	33,719
-	4,625	1,504	27,939	5,404	74,028
-	-	-	1,300,000	-	1,300,000
-	-	-	-	-	1,019,866
<u>\$ 27,703</u>	<u>\$ 1,085,209</u>	<u>\$ 1,137,908</u>	<u>\$ 7,302,243</u>	<u>\$ 1,590,611</u>	<u>\$ 21,305,461</u>
\$ 516	\$ -	\$ -	\$ -	\$ -	\$ 539,499
-	-	-	-	-	489,400
<u>516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,028,899</u>
-	-	-	-	-	150,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
-	-	-	-	-	323,302
-	1,085,209	-	-	-	1,085,209
27,187	-	1,137,908	7,302,243	1,590,611	18,785,883
-	-	-	-	-	82,168
-	-	-	-	-	(150,000)
<u>27,187</u>	<u>1,085,209</u>	<u>1,137,908</u>	<u>7,302,243</u>	<u>1,590,611</u>	<u>20,126,562</u>
<u>\$ 27,703</u>	<u>\$ 1,085,209</u>	<u>\$ 1,137,908</u>	<u>\$ 7,302,243</u>	<u>\$ 1,590,611</u>	<u>\$ 21,305,461</u>

City of Yorba Linda

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2023**

	<u>Special Revenue Funds</u>		
	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>CDBG Grant</u>
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	1,726,397	-	319,945
Investment income	43,203	-	-
Fines and forfeitures	-	55,401	-
Developer participation	-	-	-
Total revenues	<u>1,769,600</u>	<u>55,401</u>	<u>319,945</u>
Expenditures:			
Current:			
General government	-	-	-
Community development	-	-	391,900
Capital outlay - net current	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>391,900</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,769,600</u>	<u>55,401</u>	<u>(71,955)</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(1,940,306)	(55,401)	(78,045)
Total other financing sources (uses)	<u>(1,940,306)</u>	<u>(55,401)</u>	<u>(78,045)</u>
Net change in fund balances	(170,706)	-	(150,000)
Fund balances (deficit) at beginning of fiscal year	<u>4,474,931</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of fiscal year	<u>\$ 4,304,225</u>	<u>\$ -</u>	<u>\$ (150,000)</u>

City of Yorba Linda

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2023**

(continued)

Special Revenue Funds				
Citizens Option Public Safety	AQMD	Measure M2	SB-2	ARPA
\$ -	\$ -	\$ -	\$ -	\$ -
171,682	88,751	1,412,867	347,795	2,700,000
-	12,879	29,458	-	32,686
-	-	-	-	-
-	-	-	-	-
<u>171,682</u>	<u>101,630</u>	<u>1,442,325</u>	<u>347,795</u>	<u>2,732,686</u>
-	-	-	101,537	-
-	-	-	-	-
-	519,822	-	-	-
<u>-</u>	<u>519,822</u>	<u>-</u>	<u>101,537</u>	<u>-</u>
<u>171,682</u>	<u>(418,192)</u>	<u>1,442,325</u>	<u>246,258</u>	<u>2,732,686</u>
-	-	-	-	-
<u>(171,682)</u>	<u>-</u>	<u>(1,351,395)</u>	<u>-</u>	<u>(2,732,686)</u>
<u>(171,682)</u>	<u>-</u>	<u>(1,351,395)</u>	<u>-</u>	<u>(2,732,686)</u>
-	(418,192)	90,930	246,258	-
-	1,098,581	3,386,384	(92,886)	-
<u>-</u>	<u>680,389</u>	<u>3,477,314</u>	<u>153,372</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 680,389</u>	<u>\$ 3,477,314</u>	<u>\$ 153,372</u>	<u>\$ -</u>

City of Yorba Linda

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2023**

(continued)

	Special Revenue Funds		
	Mortgage Assistance Program	PEG	Road Maintenance and Rehabilitation Account
Revenues:			
Taxes	\$ -	\$ 138,814	\$ -
Intergovernmental	-	-	1,519,711
Investment income	1,101	902	(9,343)
Fines and forfeitures	-	-	-
Developer participation	-	-	-
Total revenues	<u>1,101</u>	<u>139,716</u>	<u>1,510,368</u>
Expenditures:			
Current:			
General government	-	48,034	-
Community development	-	-	-
Capital outlay - net current	-	-	-
Total expenditures	<u>-</u>	<u>48,034</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,101</u>	<u>91,682</u>	<u>1,510,368</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	(2,453,726)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,453,726)</u>
Net change in fund balances	1,101	91,682	(943,358)
Fund balances (deficit) at beginning of fiscal year	<u>81,067</u>	<u>231,620</u>	<u>1,055,992</u>
Fund balances (deficit) at end of fiscal year	<u>\$ 82,168</u>	<u>\$ 323,302</u>	<u>\$ 112,634</u>

City of Yorba Linda

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2023**

(continued)

Capital Projects Funds					Total Nonmajor Governmental Funds
Parking In-Lieu	Park In-Lieu	Lighting and Signal Project Improvements	Master Plan of Drainage	Traffic Signal Improvements	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,814
-	-	-	-	-	8,287,148
376	84,184	10,182	60,811	22,914	289,353
-	-	-	-	-	55,401
-	398,568	-	435,566	45,226	879,360
<u>376</u>	<u>482,752</u>	<u>10,182</u>	<u>496,377</u>	<u>68,140</u>	<u>9,650,076</u>
-	-	-	-	-	149,571
-	-	-	-	-	391,900
-	-	-	-	1,396	521,218
-	-	-	-	1,396	1,062,689
<u>376</u>	<u>482,752</u>	<u>10,182</u>	<u>496,377</u>	<u>66,744</u>	<u>8,587,387</u>
-	-	101,605	-	-	101,605
-	(1,416,233)	(27,489)	(260,593)	(55,163)	(10,542,719)
-	(1,416,233)	74,116	(260,593)	(55,163)	(10,441,114)
376	(933,481)	84,298	235,784	11,581	(1,853,727)
<u>26,811</u>	<u>2,018,690</u>	<u>1,053,610</u>	<u>7,066,459</u>	<u>1,579,030</u>	<u>21,980,289</u>
<u>\$ 27,187</u>	<u>\$ 1,085,209</u>	<u>\$ 1,137,908</u>	<u>\$ 7,302,243</u>	<u>\$ 1,590,611</u>	<u>\$ 20,126,562</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Gas Tax Special Revenue Fund
Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,692,600	\$ 1,876,533	\$ 1,726,397	\$ (150,136)
Investment income	33,000	30,000	43,203	13,203
Total revenues	<u>1,725,600</u>	<u>1,906,533</u>	<u>1,769,600</u>	<u>(136,933)</u>
Other financing sources (uses)				
Transfers out	<u>(4,274,114)</u>	<u>(6,385,015)</u>	<u>(1,940,306)</u>	<u>4,444,709</u>
Total other financing sources (uses)	<u>(4,274,114)</u>	<u>(6,385,015)</u>	<u>(1,940,306)</u>	<u>4,444,709</u>
Net change in fund balance	(2,548,514)	(4,478,482)	(170,706)	4,307,776
Fund balance at beginning of fiscal year	<u>4,474,931</u>	<u>4,474,931</u>	<u>4,474,931</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 1,926,417</u>	<u>\$ (3,551)</u>	<u>\$ 4,304,225</u>	<u>\$ 4,307,776</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Traffic Safety Special Revenue Fund
Fiscal Year Ended June 30, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	\$ 70,000	\$ 55,401	\$ (14,599)
Total revenues	<u>70,000</u>	<u>55,401</u>	<u>(14,599)</u>
Other financing sources (uses)			
Transfers out	(70,000)	(55,401)	14,599
Total other financing sources (uses)	<u>(70,000)</u>	<u>(55,401)</u>	<u>14,599</u>
Net change in fund balance	-	-	-
Fund balance at beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
CDBG Grant Special Revenue Fund
Fiscal Year Ended June 30, 2023**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 260,000	\$ 486,575	\$ 319,945	\$ (166,630)
Total revenues	<u>260,000</u>	<u>486,575</u>	<u>319,945</u>	<u>(166,630)</u>
Expenditures				
Community development	258,530	433,003	391,900	41,103
Total expenditures	<u>258,530</u>	<u>433,003</u>	<u>391,900</u>	<u>41,103</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>1,470</u>	<u>53,572</u>	<u>(71,955)</u>	<u>(125,527)</u>
Other financing sources (uses)				
Transfers out	-	(78,045)	(78,045)	-
Total other financing sources (uses)	<u>-</u>	<u>(78,045)</u>	<u>(78,045)</u>	<u>-</u>
Net change in fund balance	1,470	(24,473)	(150,000)	(125,527)
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	<u>\$ 1,470</u>	<u>\$ (24,473)</u>	<u>\$ (150,000)</u>	<u>\$ (125,527)</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Citizens Option for Public Safety Special Revenue Fund
Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 170,000	\$ 170,000	\$ 171,682	\$ 1,682
Investment income	750	750	-	(750)
Total revenues	<u>170,750</u>	<u>170,750</u>	<u>171,682</u>	<u>932</u>
Other financing sources (uses)				
Transfers out	(170,750)	(171,682)	(171,682)	-
Total other financing sources (uses)	<u>(170,750)</u>	<u>(171,682)</u>	<u>(171,682)</u>	<u>-</u>
Net change in fund balance	-	(932)	-	932
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ (932)</u>	<u>\$ -</u>	<u>\$ 932</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
AQMD Special Revenue Fund
Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 88,751	\$ 3,751
Investment income	7,300	7,500	12,879	5,379
Total revenues	<u>92,300</u>	<u>92,500</u>	<u>101,630</u>	<u>9,130</u>
Expenditures				
Capital outlay	-	519,822	519,822	-
Total expenditures	<u>-</u>	<u>519,822</u>	<u>519,822</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>92,300</u>	<u>(427,322)</u>	<u>(418,192)</u>	<u>9,130</u>
Fund balance at beginning of fiscal year	<u>1,098,581</u>	<u>1,098,581</u>	<u>1,098,581</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 1,190,881</u>	<u>\$ 671,259</u>	<u>\$ 680,389</u>	<u>\$ 9,130</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Measure M2 Special Revenue Fund
Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,051,693	\$ 1,051,693	\$ 1,412,867	\$ 361,174
Investment income	24,000	25,000	29,458	4,458
Total revenues	<u>1,075,693</u>	<u>1,076,693</u>	<u>1,442,325</u>	<u>365,632</u>
Other financing sources (uses)				
Transfers out	<u>(2,043,098)</u>	<u>(4,453,380)</u>	<u>(1,351,395)</u>	<u>3,101,985</u>
Total other financing sources (uses)	<u>(2,043,098)</u>	<u>(4,453,380)</u>	<u>(1,351,395)</u>	<u>3,101,985</u>
Net change in fund balance	(967,405)	(3,376,687)	90,930	3,467,617
Fund balance at beginning of fiscal year	<u>3,386,384</u>	<u>3,386,384</u>	<u>3,386,384</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 2,418,979</u>	<u>\$ 9,697</u>	<u>\$ 3,477,314</u>	<u>\$ 3,467,617</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
SB-2 Special Revenue Fund
Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 347,795	\$ 347,795	\$ -
Total revenues	-	347,795	347,795	-
Expenditures				
General government	-	145,088	101,537	43,551
Total expenditures	-	145,088	101,537	43,551
Net change in fund balance	-	202,707	246,258	43,551
Fund balance at beginning of fiscal year	(92,886)	(92,886)	(92,886)	-
Fund balance at end of fiscal year	<u>\$ (92,886)</u>	<u>\$ 109,821</u>	<u>\$ 153,372</u>	<u>\$ 43,551</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 ARPA Special Revenue Fund
 Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 2,700,000	\$ 2,700,000
Investment income	-	20,000	32,686	12,686
Total revenues	<u>-</u>	<u>20,000</u>	<u>2,732,686</u>	<u>2,712,686</u>
Other financing sources (uses):				
Transfers out	-	(2,732,686)	(2,732,686)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,732,686)</u>	<u>(2,732,686)</u>	<u>-</u>
Net change in fund balance	-	(2,712,686)	-	2,712,686
Fund balance at beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ (2,712,686)</u>	<u>\$ -</u>	<u>\$ 2,712,686</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Mortgage Assistance Program Special Revenue Fund
Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 1,700	\$ 2,500	\$ 1,101	\$ (1,399)
Total revenues	<u>1,700</u>	<u>2,500</u>	<u>1,101</u>	<u>(1,399)</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>1,700</u>	<u>2,500</u>	<u>1,101</u>	<u>(1,399)</u>
Net change in fund balance	1,700	2,500	1,101	(1,399)
Fund balance at beginning of fiscal year	<u>81,067</u>	<u>81,067</u>	<u>81,067</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 82,767</u>	<u>\$ 83,567</u>	<u>\$ 82,168</u>	<u>\$ (1,399)</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
PEG Special Revenue Fund
Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 145,500	\$ 145,500	\$ 138,814	\$ (6,686)
Investment income	2,900	2,500	902	(1,598)
Total revenues	<u>148,400</u>	<u>148,000</u>	<u>139,716</u>	<u>(8,284)</u>
Expenditures				
General government	70,800	102,910	48,034	54,876
Total expenditures	<u>70,800</u>	<u>102,910</u>	<u>48,034</u>	<u>54,876</u>
Net change in fund balance	77,600	45,090	91,682	46,592
Fund balance at beginning of fiscal year	<u>231,620</u>	<u>231,620</u>	<u>231,620</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 309,220</u>	<u>\$ 276,710</u>	<u>\$ 323,302</u>	<u>\$ 46,592</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Road Maintenance and Rehabilitation Special Revenue Fund
Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,369,695	\$ 1,502,390	\$ 1,519,711	\$ 17,321
Investment income	7,100	7,500	(9,343)	(16,843)
Total revenues	<u>1,376,795</u>	<u>1,509,890</u>	<u>1,510,368</u>	<u>478</u>
Other financing sources (uses)				
Transfers out	(1,342,838)	(2,555,453)	(2,453,726)	101,727
Total other financing sources (uses)	<u>(1,342,838)</u>	<u>(2,555,453)</u>	<u>(2,453,726)</u>	<u>101,727</u>
Net change in fund balance	33,957	(1,045,563)	(943,358)	102,205
Fund balance at beginning of fiscal year	<u>1,055,992</u>	<u>1,055,992</u>	<u>1,055,992</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 1,089,949</u>	<u>\$ 10,429</u>	<u>\$ 112,634</u>	<u>\$ 102,205</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Park In-Lieu Capital Projects Fund
Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 42,000	\$ 40,000	\$ 84,184	\$ 44,184
Developer participation	-	-	398,568	398,568
Total revenues	<u>42,000</u>	<u>40,000</u>	<u>482,752</u>	<u>442,752</u>
Other financing sources (uses)				
Transfers out	-	(1,416,233)	(1,416,233)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,416,233)</u>	<u>(1,416,233)</u>	<u>-</u>
Net change in fund balance	42,000	(1,376,233)	(933,481)	442,752
Fund balance at beginning of fiscal year	<u>2,018,690</u>	<u>2,018,690</u>	<u>2,018,690</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 2,060,690</u>	<u>\$ 642,457</u>	<u>\$ 1,085,209</u>	<u>\$ 442,752</u>

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City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Lighting and Signal Project Improvements Capital Projects Fund
Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 5,500	\$ 5,000	\$ 10,182	\$ 5,182
Total revenues	<u>5,500</u>	<u>5,000</u>	<u>10,182</u>	<u>5,182</u>
Other financing sources (uses)				
Transfers in	-	-	101,605	101,605
Transfers out	(362,235)	(655,257)	(27,489)	(627,768)
Total other financing sources (uses)	<u>(362,235)</u>	<u>(655,257)</u>	<u>74,116</u>	<u>729,373</u>
Net change in fund balance	(356,735)	(650,257)	84,298	734,555
Fund balance at beginning of fiscal year	<u>1,053,610</u>	<u>1,053,610</u>	<u>1,053,610</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 696,875</u>	<u>\$ 403,353</u>	<u>\$ 1,137,908</u>	<u>\$ 734,555</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Master Plan of Drainage Capital Projects Fund
Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 37,000	\$ 35,000	\$ 60,811	\$ 25,811
Developer participation	-	-	435,566	435,566
Total revenues	<u>37,000</u>	<u>35,000</u>	<u>496,377</u>	<u>461,377</u>
Other financing sources (uses)				
Transfers out	<u>(531,607)</u>	<u>(1,874,579)</u>	<u>(260,593)</u>	<u>1,613,986</u>
Total other financing sources (uses)	<u>(531,607)</u>	<u>(1,874,579)</u>	<u>(260,593)</u>	<u>1,613,986</u>
Net change in fund balance	(494,607)	(1,839,579)	235,784	2,075,363
Fund balance at beginning of fiscal year	<u>7,066,459</u>	<u>7,066,459</u>	<u>7,066,459</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 6,571,852</u>	<u>\$ 5,226,880</u>	<u>\$ 7,302,243</u>	<u>\$ 2,075,363</u>

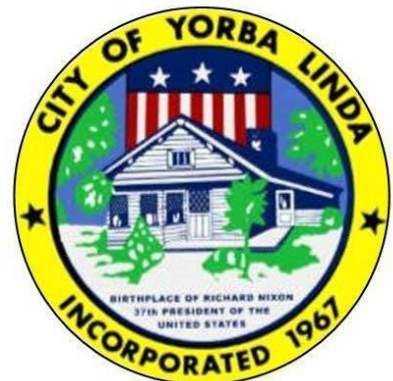
City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Traffic Signal Improvements Capital Projects Fund
Fiscal Year Ended June 30, 2023**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 15,100	\$ 10,000	\$ 22,914	\$ 12,914
Developer participation	-	-	45,226	45,226
Total revenues	<u>15,100</u>	<u>10,000</u>	<u>68,140</u>	<u>58,140</u>
Expenditures				
Capital outlay	-	4,453	1,396	3,057
Total expenditures	<u>-</u>	<u>4,453</u>	<u>1,396</u>	<u>3,057</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>15,100</u>	<u>5,547</u>	<u>66,744</u>	<u>61,197</u>
Other financing sources (uses)				
Transfers out	(176,820)	(848,676)	(55,163)	793,513
Total other financing sources (uses)	<u>(176,820)</u>	<u>(848,676)</u>	<u>(55,163)</u>	<u>793,513</u>
Net change in fund balance	(161,720)	(843,129)	11,581	854,710
Fund balance at beginning of fiscal year	<u>1,579,030</u>	<u>1,579,030</u>	<u>1,579,030</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 1,417,310</u>	<u>\$ 735,901</u>	<u>\$ 1,590,611</u>	<u>\$ 854,710</u>

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STATISTICAL SECTION



City of Yorba Linda

Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 368,711,483	\$ 369,642,916	\$ 375,388,766	\$ 376,813,472	\$ 393,042,394
Restricted	73,066,968	78,795,131	84,293,217	88,147,090	89,319,318
Unrestricted (deficit)	46,198,664	31,529,685	28,716,148	30,924,813	2,056,587
Total governmental activities net position	<u>487,977,115</u>	<u>479,967,732</u>	<u>488,398,131</u>	<u>495,885,375</u>	<u>484,418,299</u>
Business-type activities:					
Net investment in capital assets	7,567,000	6,425,228	5,780,632	25,162,397	24,442,477
Unrestricted (deficit)	(5,563,647)	(5,045,542)	(3,721,769)	(23,363,950)	(22,918,767)
Total business-type activities net assets	<u>2,003,353</u>	<u>1,379,686</u>	<u>2,058,863</u>	<u>1,798,447</u>	<u>1,523,710</u>
Primary Government:					
Net investment in capital assets	376,278,483	376,068,144	381,169,398	401,975,869	417,484,871
Restricted	73,066,968	78,795,131	84,293,217	88,147,090	89,319,318
Unrestricted (deficit)	40,635,017	26,484,143	24,994,379	7,560,863	(20,862,180)
Total primary government net assets	<u>\$ 489,980,468</u>	<u>\$ 481,347,418</u>	<u>\$ 490,456,994</u>	<u>\$ 497,683,822</u>	<u>\$ 485,942,009</u>

Source: City of Yorba Linda, Finance Department

City of Yorba Linda

**Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)**

(continued)

	Fiscal Year				
	2019	2020	2021	2022	2023
Governmental activities					
Net investment in capital assets	\$ 380,956,770	\$ 404,615,432	\$ 424,485,221	\$ 437,983,501	\$ 441,460,964
Restricted	108,594,404	95,479,106	87,730,127	85,472,395	86,500,311
Unrestricted (deficit)	9,383,520	(8,718,665)	(5,602,336)	3,052,522	6,537,745
Total governmental activities net position	<u>498,934,694</u>	<u>491,375,873</u>	<u>506,613,012</u>	<u>526,508,418</u>	<u>534,499,020</u>
Business-type activities:					
Net investment in capital assets	23,846,232	23,323,238	23,039,783	21,676,512	22,430,867
Unrestricted (deficit)	<u>(22,995,261)</u>	<u>(2,543,666)</u>	<u>(2,376,682)</u>	<u>(1,170,490)</u>	<u>(1,527,797)</u>
Total business-type activities net assets	<u>850,971</u>	<u>20,779,572</u>	<u>20,663,101</u>	<u>20,506,022</u>	<u>20,903,070</u>
Primary Government:					
Net investment in capital assets	404,803,002	427,938,670	447,525,004	459,660,013	463,891,831
Restricted	108,594,404	95,479,106	87,730,127	85,472,395	86,500,311
Unrestricted (deficit)	<u>(13,611,741)</u>	<u>(11,262,331)</u>	<u>(7,979,018)</u>	<u>1,882,032</u>	<u>5,009,948</u>
Total primary government net assets	<u>\$ 499,785,665</u>	<u>\$ 512,155,445</u>	<u>\$ 527,276,113</u>	<u>\$ 547,014,440</u>	<u>\$ 555,402,090</u>

Source: City of Yorba Linda, Finance Department

City of Yorba Linda

Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	\$ 9,882,765	\$ 9,589,107	\$ 11,181,226	\$ 10,794,754	\$ 8,604,233
Public safety	10,819,766	9,625,078	10,194,206	10,751,963	11,691,912
Community development	4,248,543	3,301,567	3,307,460	3,076,508	9,363,144
Recreation and community services	5,891,506	6,893,996	6,829,957	7,401,076	7,535,284
Library	-	-	-	-	3,967,009
Public works	14,978,073	14,666,439	13,659,070	22,728,098	11,202,747
Interest on long-term debt	-	-	-	-	-
Total governmental activities expenses	<u>45,820,653</u>	<u>44,076,187</u>	<u>45,171,919</u>	<u>54,752,399</u>	<u>52,364,329</u>
Business-type activities:					
Golf Course	6,395,656	6,105,749	5,692,893	6,043,094	6,092,497
Disposal	5,188,805	3,889,115	-	-	-
Yorba Linda Center Catering	156,894	176,712	174,854	179,229	220,618
Total business-type activities expenses	<u>11,741,355</u>	<u>10,171,576</u>	<u>5,867,747</u>	<u>6,222,323</u>	<u>6,313,115</u>
Total primary government expenses	<u>57,562,008</u>	<u>54,247,763</u>	<u>51,039,666</u>	<u>60,974,722</u>	<u>58,677,444</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	826,650	838,008	975,797	1,053,695	1,127,014
Public safety	142,843	134,503	128,051	130,010	838
Community development	2,042,831	2,786,159	2,284,965	2,444,166	516,178
Recreation and community services	2,070,339	3,165,573	2,853,198	3,040,194	1,838,992
Library	-	-	-	-	110,951
Public works	306,689	660,693	1,573,551	349,656	189,317
Operating grants and contributions	3,144,728	2,471,970	1,850,120	1,972,296	3,938,022
Capital grants and contributions	8,301,311	4,451,347	3,687,861	4,917,936	3,011,719
Total governmental activities program revenues	<u>16,835,391</u>	<u>14,508,253</u>	<u>13,353,543</u>	<u>13,907,953</u>	<u>10,733,031</u>
Business-type activities:					
Charges for services:					
Golf Course	5,799,564	5,886,365	5,811,759	5,779,197	5,824,698
Refuse	5,332,477	3,956,222	-	-	-
Yorba Linda Center Catering	101,816	133,888	184,185	170,462	209,615
Total business-type activities program revenues	<u>11,233,857</u>	<u>9,976,475</u>	<u>5,995,944</u>	<u>5,949,659</u>	<u>6,034,313</u>
Total primary government program revenues	<u>28,069,248</u>	<u>24,484,728</u>	<u>19,349,487</u>	<u>19,857,612</u>	<u>16,767,344</u>
Net (expense)/revenue					
Governmental activities	(28,985,262)	(29,567,934)	(31,818,376)	(40,844,446)	(41,631,298)
Business-type activities	(507,498)	(195,101)	128,197	(272,664)	(278,802)
Total net revenues (expenses)	<u>(29,492,760)</u>	<u>(29,763,035)</u>	<u>(31,690,179)</u>	<u>(41,117,110)</u>	<u>(41,910,100)</u>

City of Yorba Linda

Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

(continued)

	Fiscal Year				
	2019	2020	2021	2022	2023
Expenses					
Governmental activities:					
General government	\$ 7,182,245	\$ 7,850,800	\$ 9,360,113	\$ 10,455,564	\$ 11,631,484
Public safety	11,839,819	12,455,656	11,755,722	13,188,544	13,731,482
Community development	2,864,767	3,329,740	2,705,644	3,412,017	3,847,863
Recreation and community services	7,431,280	6,762,170	6,623,647	11,422,317	17,569,992
Library	4,746,418	5,262,202	4,780,791	5,169,332	5,433,637
Public works	21,174,891	19,646,992	14,300,587	14,175,743	16,052,471
Interest on long-term debt	-	-	108,271	277,954	573,477
Total governmental activities expenses	<u>55,239,420</u>	<u>55,307,560</u>	<u>49,634,775</u>	<u>58,101,471</u>	<u>68,840,406</u>
Business-type activities:					
Golf Course	6,709,630	6,298,218	6,695,753	9,262,348	9,149,857
Disposal	-	-	-	-	-
Yorba Linda Center Catering	200,518	-	-	-	-
Total business-type activities expenses	<u>6,910,148</u>	<u>6,298,218</u>	<u>6,695,753</u>	<u>9,262,348</u>	<u>9,149,857</u>
Total primary government expenses	<u>62,149,568</u>	<u>61,605,778</u>	<u>56,330,528</u>	<u>67,363,819</u>	<u>77,990,263</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	1,479,021	4,399	10,769	-	8,063,303
Public safety	-	40,733	56,807	90,709	98,679
Community development	55,380	1,643,000	2,007,274	2,600,154	2,571,587
Recreation and community services	1,835,129	1,149,503	1,065,415	2,441,850	2,643,357
Library	130,000	90,262	15,390	176,212	247,887
Public works	329,930	221,495	304,666	346,179	358,196
Operating grants and contributions	3,923,715	5,136,854	3,474,747	5,361,712	7,655,338
Capital grants and contributions	12,158,579	7,025,870	5,418,821	6,921,650	5,775,097
Total governmental activities program revenues	<u>19,911,754</u>	<u>15,312,116</u>	<u>12,353,889</u>	<u>17,938,466</u>	<u>27,413,444</u>
Business-type activities:					
Charges for services:					
Golf Course	6,042,347	5,455,174	6,526,689	9,138,075	9,512,853
Refuse	-	-	-	-	-
Yorba Linda Center Catering	195,062	-	-	-	-
Total business-type activities program revenues	<u>6,237,409</u>	<u>5,455,174</u>	<u>6,526,689</u>	<u>9,138,075</u>	<u>9,512,853</u>
Total primary government program revenues	<u>26,149,163</u>	<u>20,767,290</u>	<u>18,880,578</u>	<u>27,076,541</u>	<u>36,926,297</u>
Net (expense)/revenue					
Governmental activities	(35,327,666)	(39,995,444)	(37,280,886)	(40,163,005)	(41,426,962)
Business-type activities	(672,739)	(843,044)	(169,064)	(124,273)	362,996
Total net revenues (expenses)	<u>(36,000,405)</u>	<u>(40,838,488)</u>	<u>(37,449,950)</u>	<u>(40,287,278)</u>	<u>(41,063,966)</u>

City of Yorba Linda

Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

(continued)

	Fiscal Year				
	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 19,463,202	\$ 20,803,253	\$ 22,256,451	\$ 23,301,893	\$ 24,724,246
Sales taxes	6,108,523	6,515,766	7,215,608	7,666,640	7,426,486
Franchise taxes	2,086,354	2,239,149	2,271,901	1,949,679	2,101,241
Transient occupancy taxes	434,583	442,656	488,437	482,652	487,217
Business licenses taxes	433,511	378,306	395,184	418,008	385,676
Other taxes	6,810,919	6,903,837	6,995,040	7,340,671	8,392,701
Motor vehicle in lieu, unrestricted	29,389	28,389	27,323	30,300	35,736
Investment income	699,314	577,480	559,845	562,730	5,448,994
Other	854,614	411,483	172,973	394,295	880,542
Gain on sale of capital assets	-	-	-	294,375	14,257
Transfers	-	-	(550,980)	(12,248)	-
Total governmental activities	<u>36,920,409</u>	<u>38,300,319</u>	<u>39,831,782</u>	<u>42,428,995</u>	<u>49,897,096</u>
Business-type activities:					
Investment income	248	681	-	-	-
Transfers	-	-	550,980	12,248	-
Gain on sale of capital assets	-	-	-	-	4,065
Total business-type activities	<u>248</u>	<u>681</u>	<u>550,980</u>	<u>12,248</u>	<u>4,065</u>
Total primary government	<u>36,920,657</u>	<u>38,301,000</u>	<u>40,382,762</u>	<u>42,441,243</u>	<u>49,901,161</u>
Changes in Net Position					
Governmental activities	7,935,147	8,732,385	8,013,406	1,584,549	8,265,798
Business-type activities	(507,250)	(194,420)	679,177	(260,416)	(274,737)
Total primary government	<u>\$ 7,427,897</u>	<u>\$ 8,537,965</u>	<u>\$ 8,692,583</u>	<u>\$ 1,324,133</u>	<u>\$ 7,991,061</u>

Note: * In fiscal year 2017-2018 the City began reporting library services separately from General Government.

Source: City of Yorba Linda, Finance Department

City of Yorba Linda

Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

(continued)

	Fiscal Year				
	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 26,867,452	\$ 27,909,436	\$ 29,540,612	\$ 30,699,489	\$ 32,870,894
Sales taxes	7,461,391	7,531,434	7,595,867	8,936,655	8,765,991
Franchise taxes	2,093,989	2,102,927	2,172,656	2,265,614	2,517,208
Transient occupancy taxes	498,253	390,641	311,017	497,046	541,747
Business licenses taxes	416,275	518,592	487,243	385,104	426,601
Other taxes	7,601,071	7,542,323	8,010,697	8,612,318	546,726
Motor vehicle in lieu, unrestricted	33,178	54,378	50,350	81,515	77,281
Investment income	3,414,409	3,799,085	718,564	(1,594,916)	1,780,988
Other	511,547	252,809	267,470	225,159	1,875,533
Gain on sale of capital assets	10,759	3,106,643	3,363,548	9,950,427	14,595
Transfers	-	(20,771,645)	-	-	-
Total governmental activities	<u>48,908,324</u>	<u>32,436,623</u>	<u>52,518,024</u>	<u>60,058,411</u>	<u>49,417,564</u>
Business-type activities:					
Investment income	-	-	43,292	(32,806)	11,732
Transfers	-	20,771,645	-	-	-
Gain on sale of capital assets	-	-	9,301	-	22,320
Total business-type activities	<u>-</u>	<u>20,771,645</u>	<u>52,593</u>	<u>(32,806)</u>	<u>34,052</u>
Total primary government	<u>48,908,324</u>	<u>53,208,268</u>	<u>52,570,617</u>	<u>60,025,605</u>	<u>49,451,616</u>
Changes in Net Position					
Governmental activities	13,580,658	(7,558,821)	15,237,139	19,895,406	7,990,602
Business-type activities	(672,739)	19,928,601	(116,471)	(157,079)	397,048
Total primary government	<u>\$ 12,907,919</u>	<u>\$ 12,369,780</u>	<u>\$ 15,120,668</u>	<u>\$ 19,738,327</u>	<u>\$ 8,387,650</u>

Note: * In fiscal year 2017-2018 the City began reporting library services separately from General Government.
Source: City of Yorba Linda, Finance Department

City of Yorba Linda

Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ 25,609,575	\$ 25,879,553	\$ 25,615,978	\$ 25,360,804	\$ 25,134,611
Committed	-	23,125,506	23,143,531	23,096,672	18,554,579
Restricted	7,500	5,352	-	-	-
Assigned	-	3,750,035	2,810,864	6,026,646	3,198,889
Unassigned	27,434,921	2,987,075	4,694,175	3,952,237	3,936,830
Total General Fund	53,051,996	55,747,521	56,264,548	58,436,359	50,824,909
All Other Governmental Funds					
Restricted	65,340,535	78,714,230	83,854,961	87,563,450	89,339,885
Assigned	7,739,067	-	-	-	-
Unassigned	(413,540)	(489,090)	(1,988,163)	(849,737)	(794,022)
Total All Other Governmental Funds	72,666,062	78,225,140	81,866,798	86,713,713	88,545,863
Total All Governmental Funds	\$ 125,718,058	\$ 133,972,661	\$ 138,131,346	\$ 145,150,072	\$ 139,370,772

Note: Certain classifications of 2015 fund balances have been reclassified to conform to the current year's presentation. Specifically, in the 2015 financial statements General Fund amounts were not shown as assigned and committed as they are in 2016 and restricted amounts in other Governmental Funds were shown as assigned.

Source: City of Yorba Linda, Finance Department

City of Yorba Linda

**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

(continued)

	Fiscal Year				
	2019	2020	2021	2022	2023
General Fund					
Nonspendable	\$ 24,183,522	\$ 2,850,846	\$ 627,888	\$ 33,115	\$ 86,578
Committed	23,252,150	27,742,190	31,713,494	31,849,609	26,109,298
Restricted	-	-	-	-	-
Assigned	2,115,847	2,208,551	1,102,561	2,024,793	14,407,135
Unassigned	4,953,048	3,755,960	3,736,843	8,698,134	3,825,723
Total General Fund	54,504,567	36,557,547	37,180,786	42,605,651	44,428,734
All Other Governmental Funds					
Restricted	86,564,633	68,701,623	87,734,738	85,472,395	86,500,311
Assigned	-	-	-	-	-
Unassigned	(179,022)	(725,130)	(799,966)	(330,625)	(1,482,575)
Total All Other Governmental Funds	86,385,611	67,976,493	86,934,772	85,141,770	85,017,736
Total All Governmental Funds	\$ 140,890,178	\$ 104,534,040	\$ 124,115,558	\$ 127,747,421	\$ 129,446,470

Note: Certain classifications of 2015 fund balances have been reclassified to conform to the current year's presentation. Specifically, in the 2015 financial statements General Fund amounts were not shown as assigned and committed as they are in 2016 and restricted amounts in other Governmental Funds were shown as assigned.

Source: City of Yorba Linda, Finance Department

City of Yorba Linda

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 35,274,571	\$ 37,304,207	\$ 39,622,621	\$ 41,311,999	\$ 43,517,567
Licenses and permits	1,794,234	1,822,533	1,681,175	1,906,900	1,277,319
Intergovernmental	4,882,336	3,877,534	3,550,775	4,911,723	5,054,524
Charges for services	3,202,764	3,724,560	3,636,143	3,670,482	3,783,290
Investment Income	699,314	525,717	476,108	561,578	5,448,994
Fines and forfeitures	186,542	209,420	191,903	193,873	172,153
Contributions	7,149	2,281	851	-	-
Developer Participation	245,242	2,025,694	2,278,589	1,284,622	1,336,048
Gain on sale of City property	-	-	-	294,375	14,257
Miscellaneous	709,005	193,644	113,587	314,259	880,542
Total Revenues	47,001,157	49,685,590	51,551,752	54,449,811	61,484,694
Expenditures					
Current:					
General government	8,021,451	8,385,012	8,597,028	9,608,392	7,412,889
Public safety	9,351,367	9,535,298	10,111,264	10,665,634	11,601,058
Community Development	3,039,321	3,178,940	3,116,057	2,932,425	9,004,086
Parks and recreations	5,658,851	5,664,224	5,603,750	6,216,676	6,098,032
Library	-	-	-	-	3,967,009
Public works	11,235,425	10,646,686	10,719,703	11,986,129	11,583,370
Capital outlay	10,447,448	6,829,408	10,497,334	10,776,488	17,803,173
Debt Service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total Expenditures	47,753,863	44,239,568	48,645,136	52,185,744	67,469,617
Excess of revenues over/(under) expenditures	(752,706)	5,446,022	2,906,616	2,264,067	(5,984,923)
Other Financing Sources (Uses)					
Transfers in	7,963,808	7,508,620	11,159,224	9,035,390	17,821,152
Transfers out	(7,963,808)	(7,508,620)	(11,710,204)	(9,047,638)	(17,821,152)
Long term debt issued	-	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-	-
Subscription acquisition	-	-	-	-	-
Contributions from Successor Agency	6,716,848	3,013,793	1,386,056	3,143,678	205,623
Total other financing sources (uses)	6,716,848	3,013,793	835,076	3,131,430	205,623
Net change in fund balances	\$ 5,964,142	\$ 8,459,815	\$ 3,741,692	\$ 5,395,497	\$ (5,779,300)
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%

Note: * In fiscal year 2017-2018 the City began reporting library services separately from General Government. In addition, debt service and related expenditures are reported in the library function on the basic financial statements.

City of Yorba Linda

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

(continued)

	Fiscal Year				
	2019	2020	2021	2022	2023
Revenues					
Taxes	\$ 44,938,431	\$ 45,995,354	\$ 47,277,203	\$ 51,396,226	\$ 53,732,469
Licenses and permits	1,758,173	1,758,957	1,905,891	2,502,333	2,446,906
Intergovernmental	5,847,394	7,793,872	6,441,439	9,560,743	9,243,632
Charges for services	3,829,460	3,149,392	3,178,690	4,555,316	5,145,799
Use of money and property	3,414,409	3,799,085	718,569	(1,366,833)	1,780,987
Fines and forfeitures	158,529	136,271	63,000	120,332	141,666
Contributions	-	-	-	-	-
Developer Participation	3,794,795	2,916,798	448,537	1,702,646	879,360
Gain on sale of City property	10,759	3,106,643	3,363,549	-	-
Miscellaneous	511,547	252,809	1,167,358	307,478	1,945,048
Total Revenues	64,263,497	68,909,181	64,564,236	68,778,241	75,315,867
Expenditures					
Current:					
General government	7,556,660	7,382,901	9,918,063	9,419,419	9,989,048
Public safety	11,774,157	12,451,068	12,584,332	13,134,552	13,664,873
Community Development	3,027,458	4,923,127	3,355,451	3,877,107	3,979,002
Parks and recreations	6,652,263	8,447,644	6,317,469	8,010,629	8,527,887
Library	4,523,472	4,291,564	5,638,179	5,787,704	5,611,607
Public works	11,536,226	12,113,687	13,327,507	13,613,147	14,931,872
Capital outlay	14,937,875	36,668,311	20,468,213	13,032,060	16,138,073
Debt Service:					
Principal retirement	-	490,000	-	8,151,000	698,195
Interest and fiscal charges	-	648,888	108,271	277,954	572,292
Bond issuance costs	321,311	105,052	-	-	-
Total Expenditures	60,329,422	87,522,242	71,717,485	75,303,572	74,112,849
Excess of revenues over/(under) expenditures	3,934,075	(18,613,061)	(7,153,249)	(6,525,331)	1,203,018
Other Financing Sources (Uses)					
Transfers in	20,503,308	24,009,934	22,610,921	14,431,285	16,057,651
Transfers out	(20,503,308)	(44,781,579)	(22,610,921)	(14,431,285)	(16,057,651)
Long term debt issued	15,892,798	7,611,000	-	-	-
Proceeds from sale of capital asset	-	-	-	10,157,193	14,595
Subscription acquisition	-	-	-	-	481,436
Contributions from Successor Agency	3,756,523	87,345	-	-	-
Total other financing sources (uses)	19,649,321	(13,073,300)	-	10,157,193	496,031
Net change in fund balances	\$ 23,583,396	\$ (31,686,361)	\$ (7,153,249)	\$ 3,631,862	\$ 1,699,049
Debt service as a percentage of noncapital expenditures	0.7%	2.2%	0.2%	13.5%	2.0%

Note: * In fiscal year 2017-2018 the City began reporting library services separately from General Government. In addition, debt service and related expenditures are reported in the library function on the basic financial statements.

City of Yorba Linda

Assessed Value of Estimated Actual Value of Taxable Property Last Ten Fiscal Years

Fiscal Year Ended June 30	Secured	Unsecured	Less: Exemptions (1)	Taxable Assessed Value (2)
2014	\$ 11,690,283,468	\$ 152,053,662	\$ (307,993,529)	\$ 11,534,343,601
2015	12,492,822,864	153,579,513	(309,102,030)	12,646,402,377
2016	13,334,274,219	147,399,256	(350,162,998)	13,481,673,475
2017	13,959,347,366	137,076,955	(210,599,989)	14,096,424,321
2018	14,716,674,476	148,335,423	(220,753,799)	14,865,009,899
2019	15,471,407,750	151,643,596	(211,377,405)	15,623,051,346
2020	16,112,175,947	181,515,582	(251,855,293)	16,293,691,529
2021	16,775,906,874	167,238,127	(269,590,593)	16,943,145,001
2022	17,350,569,091	175,408,871	(288,495,018)	17,525,977,962
2023	18,283,910,002	195,886,460	(293,156,599)	18,479,796,462

(1) Exemptions are netted against the individual property categories.

(2) Total includes Nonunitary Taxable Assessed Values.

Note:

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.

Source: HdL Coren and Cone, Orange County Assessor Combined Tax Rolls

City of Yorba Linda

Direct and Overlapping Property Tax Rates (Rate per \$100 of assessed value) Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Brea Olinda Unified	0.02470	0.02528	0.02292	0.02298	0.02325	0.02370	0.02291	0.02489	0.02376	0.02412
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
N. OC Community College 2002 Bond Series #2003B	0.00000	0.00000	0.00000	0.00000	0.00000	0.00001	0.00000	0.00000	0.00000	0.00000
N. Orange County Community College	0.01704	0.01704	0.03043	0.02885	0.02927	0.02828	0.02409	0.03198	0.02877	0.02778
Orange USD Elem 2016 Series 2022	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00946
Orange USD Series 2018 2016	0.00000	0.00000	0.00000	0.00000	0.00000	0.02685	0.02288	0.01664	0.01656	0.01609
Placentia Yorba Linda Unified	0.06525	0.05822	0.05665	0.05475	0.05529	0.05261	0.04848	0.06032	0.04849	0.04641
Rancho Santiago Community College	0.03334	0.02878	0.03063	0.02999	0.03013	0.02875	0.02818	0.02768	0.02652	0.02738
Total Direct & Overlapping (2) Tax Rates	1.14383	1.13282	1.14413	1.14007	1.14144	1.16370	1.15004	1.16501	1.14760	1.15474
City's share of 1% Levy per Prop 13 (3)										
City	0.12480	0.12480	0.12480	0.12480	0.10625	0.10625	0.10625	0.10625	0.10625	0.10625
Library	0.05525	0.05525	0.05525	0.05525	0.05570	0.05570	0.05570	0.05570	0.05570	0.05570
Total City Direct Rate	0.18005	0.18005	0.18005	0.18005	0.16195	0.16195	0.16195	0.16195	0.16195	0.16195
Redevelopment Rate (4)										
Total Direct Rate (5)	0.13436	0.13453	0.13468	0.13507	0.13557	0.13552	0.13575	0.13628	0.13639	0.13682

(1) 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

(2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

(3) 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 tax ratio figures.

(4) Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

(5) Total Direct Rate is the weighted average of all individual direct rates applied to 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 fo v 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.

City of Yorba Linda

Principal Property Taxpayers Current Year and Nine Years Ago

	2023		2014	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Bryant at Yorba Linda	\$ 133,334,267	0.72%	-	0.00%
Savi Ranch Property Holdings LLC	94,004,814	0.51%	-	0.00%
Savi Ranch Group LLC	45,395,819	0.25%	-	0.00%
KLLB AIV LLC	43,758,000	0.24%	-	0.00%
Packing House Yorba Linda LLC	37,130,767	0.20%	-	0.00%
YL Pines LLC	36,396,787	0.20%	30,398,640	0.26%
Yorba Linda Town Center LLC	34,492,067	0.19%	-	0.00%
San Jose Central Travel Inc.	28,431,641	0.15%	-	0.00%
Eastlake Commercial 2007 LLC	27,677,842	0.15%	24,095,557	0.20%
YLB20 LLC	26,606,824	0.14%	-	0.00%
Savi Technology Center Props Owner L	-	0.00%	84,923,703	0.72%
LMI Riverbend LLC	-	0.00%	64,658,844	0.55%
Bridgemark Corporation	-	0.00%	35,059,620	0.30%
Savi Ranch 1690 Inc	-	0.00%	34,500,000	0.29%
St Jude Hospital Yorba Linda	-	0.00%	29,796,557	0.25%
Du Min	-	0.00%	28,736,018	0.24%
Nobel Biocare USA LLC	-	0.00%	23,422,119	0.20%
Trico-Savi Business Park LP	-	0.00%	22,283,747	0.19%
Top Ten Totals	\$ 507,228,828	2.74%	\$ 377,874,805	3.19%
City Totals	\$ 18,479,796,462		\$ 11,842,337,130	

Source: HdL Coren and Cone, Orange County Assessor 2012/13 and 2021/22 Tax Rolls

City of Yorba Linda

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2014	\$ 26,114,981	\$ 25,628,853	98.139%	\$ 242,572	\$ 25,871,425	99.067%
2015	27,573,088	27,075,082	98.194%	195,477	27,270,559	98.903%
2016	27,926,587	27,285,154	97.703%	201,624	27,486,778	98.425%
2017	28,894,519	28,539,922	98.773%	170,053	28,709,974	99.361%
2018	31,244,974	30,898,210	98.890%	116,309	31,014,519	99.262%
2019	32,504,590	32,189,975	99.032%	124,953	32,314,928	99.417%
2020	33,288,749	32,965,561	99.029%	135,497	33,101,058	99.436%
2021	34,706,969	34,431,243	99.206%	236,450	34,667,693	99.887%
2022	36,437,371	35,967,667	98.711%	257,528	36,225,195	99.418%
2023	38,796,303	38,367,984	98.896%	242,798	38,610,781	99.522%

(1) Total amount of delinquent taxes collected in each fiscal year; information regarding levy year to which delinquent tax collections pertain is not provided by the Orange County Auditor- Controller.

Source: Orange County Auditor- Controller

City of Yorba Linda

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities		Business-type Activities		Total Primary Government (1)	Percentage of Personal Income	Debt Per Capita	Calendar Year	Personal Income	Population
	Lease Revenue Financings	Subscription Liability	Golf Course Revenue Bonds	Loan Payable						
2014	\$ -	\$ -	\$ -	\$ 146,885	\$ 146,885	0.00%	2.19	2013	\$3,204,691,000	67,069
2015	-	-	-	-	-	n/a	n/a	2014	3,158,626,000	67,055
2016	-	-	-	-	-	n/a	n/a	2015	3,174,294,000	67,637
2017	-	-	-	-	-	n/a	n/a	2016	3,213,873,000	67,890
2018	-	-	-	-	-	n/a	n/a	2017	3,250,126,000	69,121
2019	15,857,373 (2)	-	-	-	15,857,373	0.46%	230.80	2018	3,453,929,000	68,706
2020	22,914,112 (3)	-	-	-	22,914,112	0.62%	333.78	2019	3,668,872,000	68,650
2021	22,463,372	-	-	-	22,463,372	0.60%	331.09	2020	3,772,935,000	67,846
2022	13,100,000	-	-	1,125,938	14,225,938	0.37%	211.59	2021	3,838,762,000	67,233
2023	13,485,326	353,241	-	881,416	14,719,983	0.36%	219.48	2022	4,130,949,000	67,068

Note: (1) Details regarding the City of Yorba Linda's outstanding debt can be found in the notes to the financial Statements.

(2) In December 2018, the Yorba Linda Municipal Financing Authority issued \$14,645,000 of lease revenue bonds to fund a portion of the construction costs of the new Yorba Linda Public Library facility.

(3) In June 2020, the Yorba Linda Municipal Financing Authority issued \$7,611,000 through a private placement lease financing with Sterling National Bank to fund a portion of the construction costs of the new Cultural Arts Center facility.

City of Yorba Linda

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year Ended June 30	Lease Revenue Financing (2) (3)	Total (1)	Percent of Assessed Value (4)	Per Capita
2014	\$ -	\$ -	\$ -	\$ -
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	15,857,373	15,857,373	0.10%	231
2020	22,914,112	22,914,112	0.14%	334
2021	22,463,372	22,463,372	0.13%	331
2022	13,100,000	13,100,000	0.07%	195
2023	13,485,326	13,485,326	0.07%	201

Note: (1) Details regarding the City of Yorba Linda's outstanding debt can be found in the notes to the financial statements.

(2) In December 2018, the Yorba Linda Municipal Financing Authority issued \$14,645,000 of lease revenue bonds to fund a portion of the construction costs of the new Yorba Linda Public Library facility.

(3) In June 2020, the Yorba Linda Municipal Financing Authority issued \$7,611,000 through a private placement lease financing with Sterling National Bank to fund a portion of the construction costs of the new Cultural Arts Center facility.

(4) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: City of Yorba Linda Finance Department

City of Yorba Linda

Direct and Overlapping Debt As of June 30, 2023

2022-2023 Taxable Assessed Valuation: \$15,325,012,920

City Assessed Valuation	\$ 18,505,831,369
Redevelopment Agency Incremental Valuation	<u>(3,180,818,449)</u>
	\$ 15,325,012,920

	Total Debt 6/30/23	% Applicable (1)	City's Share of Debt 6/30/23
<u>OVERLAPPING TAX AND ASSESSMENT DEBT :</u>			
Metropolitan Water District	\$ 19,215,000	0.509%	\$ 97,804
North Orange County Joint Community College District	324,914,503	11.266%	36,604,868
Rancho Santiago Community College District	176,539,286	0.452%	797,958
Brea Unified School District	5,051,844	0.100%	5,052
Orange Unified School District	277,865,000	0.969%	2,692,512
Placentia-Yorba Linda Unified School District	204,786,502	49.785%	101,952,960
Placentia-Yorba Linda Unified School District Community Facilities District No. 1	4,320,000	100.000%	<u>4,320,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 146,471,154
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Orange County General Fund Obligations	\$ 451,165,000	2.553%	\$ 11,518,242
Orange County Board of Education Certificates of Participation	10,860,000	2.553%	277,256
North Orange County Regional Occupation Program Certificates of Participation	7,790,000	11.589%	902,783
Brea-Olinda Unified School District	8,520,000	0.100%	8,520
Orange Unified School District Benefit Obligations	58,570,000	0.969%	567,543
Orange Unified School District Pension Obligation Bonds	12,945,618	0.969%	125,443
Placentia-Yorba Linda Unified School District Certificates of Participation	84,135,000	49.785%	41,886,610
City of Yorba Linda General Fund Obligations	12,530,000	100.000%	<u>12,530,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 67,816,397
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	\$ 21,516,503	100%	\$ 21,516,502
TOTAL DIRECT DEBT			\$ 12,530,000
TOTAL OVERLAPPING DEBT			\$ 223,274,053
COMBINED TOTAL DEBT			\$ 223,274,053
CITY DIRECT DEBT:			
CITY OF YORBA LINDA LEASE REVENUE FINANCINGS	\$ 13,485,326	100.000%	<u>\$ 13,485,326</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 159,956,480</u>

Ratios to 2022-23 Assessed Valuation

Direct Debt (\$12,530,000).....	0.07%
Total Direct and Overlapping Tax and Assessment Debt.....	0.79%
Combined Total Debt.....	1.27%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$3,180,818,449):

Overlapping Tax Increment Debt	0.68%
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- (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, and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

City of Yorba Linda

Legal Debt Margin Information Last Ten Fiscal Years

Legal Debt Margin Calculation for the Current Year

Assessed value	\$ 18,479,796,462
Conversion percentage	25%
Adjusted assessed value	4,619,949,116
Debt limit (15% of adjusted assessed value)	692,992,367
Debt applicable to limit	-
Legal debt margin - Current Year	<u><u>\$ 692,992,367</u></u>

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Debt as Percentage of Limit
2014	\$ 432,537,885	\$ -	\$ 432,537,885	0.0%
2015	474,240,089	-	474,240,089	0.0%
2016	505,562,755	-	505,562,755	0.0%
2017	528,615,912	-	528,615,912	0.0%
2018	692,992,367	-	692,992,367	0.0%
2019	585,864,425	-	585,864,425	0.0%
2020	611,013,432	-	611,013,432	0.0%
2021	635,367,938	-	635,367,938	0.0%
2022	657,224,174	-	657,224,174	0.0%
2023	692,992,367	-	692,992,367	0.00%

Source: City of Yorba Linda Finance Department

City of Yorba Linda

Demographic and Economic Statistics Last Ten Fiscal Years

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (1,000s)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Median Age</u>	<u>% of Pop 25+ with High School Degree</u>	<u>% of Pop 25+ with Bachelor's Degree</u>
2013	67,069	\$3,204,691	\$ 47,782	3.30%	41.4	95.3%	47.3%
2014	67,055	3,158,626	47,105	4.80%	41.8	95.6%	48.6%
2015	67,637	3,174,294	46,931	3.90%	41.8	95.5%	49.4%
2016	67,890	3,213,873	47,339	3.50%	42.8	95.5%	51.4%
2017	69,121	3,250,126	47,021	3.30%	42.9	95.8%	52.0%
2018	68,706	3,453,929	50,271	2.70%	43.3	95.4%	53.2%
2019	68,650	3,668,872	53,443	2.60%	43.5	95.5%	53.4%
2020	67,846	3,772,935	55,610	7.20%	44.2	95.5%	54.1%
2021	67,233	3,838,762	57,096	4.90%	43.9	95.8%	53.8%
2022	67,068	4,130,949	61,593	2.80%	44.3	95.6%	53.6%

Source: HdL Coren and Cone

City of Yorba Linda

Principal Employers Current and Seven Years Ago

Employer	2023		2016	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Nobel Biocare U S A, L L C	269	2.62%	269	3.67%
Costco Wholesale Corporation # 445	255	2.49%	293	4.00%
Euroline Steel Windows	155	1.51%	-	0.00%
Jondo Ltd.	144	1.40%	-	0.00%
Coldwell Banker	118	1.15%	118	1.61%
Serento Rosa	115	1.12%	-	0.00%
Vons Grocery Co #3069	98	0.96%	86	1.17%
Sprouts Farmers Market	94	0.92%	78	1.06%
Bristol Farms	87	0.85%	-	0.00%
Trader Joe's #176	86	0.84%	50	0.68%
So CA Permanente Medical Group	86	0.84%	55	0.75%
Chick-Fil-A At Yorba Linda Fsr	85	0.83%	-	0.00%
Sunrise of Yorba Linda	84	0.82%	42	0.57%
Sprouts Farmers Market	81	0.79%	70	0.96%
White House Catering Inc	80	0.78%	75	1.02%
Office Solutions Business	80	0.78%	98	1.34%
	<u>1,917</u>	<u>18.69%</u>	<u>1,234</u>	<u>16.85%</u>

Note: The City of Yorba Linda issued financial statements, but not a ACFR, prior to 2016. Data is therefore not available for this table prior to 2016.

City of Yorba Linda

Full-Time Equivalent City Government Employees by Function Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Administration	6.00	8.00	9.00	9.00	9.96	9.48	10.25	10.73	17.45	17.55
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.48	3.48	3.48	3.48
Finance	6.00	6.00	6.00	6.00	6.50	6.75	6.48	6.48	6.75	6.75
Community Development										
Planning	6.20	6.20	6.20	6.20	6.98	6.98	6.50	6.50	6.50	6.50
Building	8.70	8.70	8.70	8.70	10.30	10.30	11.30	11.30	11.30	10.30
Community Preservation	3.25	3.25	3.25	3.25	3.20	3.20	3.20	3.20	3.20	3.20
NPDES	0.30	0.30	0.30	0.30	-	-	-	-	-	-
Public Works										
Administration/Engineering	6.90	6.90	6.65	6.65	6.75	7.71	7.75	7.75	8.45	8.60
Maintenance	10.04	10.04	10.04	10.04	10.04	10.04	11.04	11.04	11.04	11.04
NPDES	1.25	1.25	1.25	1.25	1.25	1.25	1.35	1.35	1.35	1.35
Landscape Assessment Dist.	3.71	3.71	3.96	3.96	3.96	3.96	5.82	5.82	6.61	7.70
Parks & Recreation										
Administration	2.45	2.95	2.95	2.95	2.80	2.80	2.48	2.48	4.49	4.12
Recreation	29.91	29.91	29.91	29.91	32.51	32.51	32.95	36.94	32.98	32.98
Parks Maintenance	8.85	8.85	8.85	8.85	9.05	9.05	10.05	10.05	9.05	9.40
Facilities Maintenance	2.20	2.20	2.20	2.20	2.40	2.40	2.75	3.75	3.40	3.52
Library	31.55	31.55	31.55	31.55	31.32	31.32	31.81	33.15	33.15	35.95
Total	135.31	137.81	138.81	138.81	145.02	145.75	152.21	159.02	164.20	167.44

Source: City of Yorba Linda

City of Yorba Linda

Operating Indicators by Function Last Ten Fiscal Years

	Fiscal year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Parks & Recreation										
Number of participants	13,152	11,406	9,356	11,331	10,162	10,395	6,183	6,116	12,770	14,211
Number of facility rentals	1,833	1,722	1,958	1,973	1,826	1,492	902	329	3016	2836
Teams in league events	155	227	175	148	144	137	148	145	185	164
Police (1)										
Calls for Service	17,452	18,497	18,162	19,922	22,125	20,158	18,666	17,766	18,437	17,767
Arrests	378	435	458	717	442	470	902	629	632	682
Moving Citations	2,220	2,507	2,808	1,910	1,728	1,776	1,542	1,465	1,253	2,275
Crime reports	2,344	2,408	2,705	2,541	2,640	2,715	2,523	233	2,434	2,205
Parking citations	277	425	419	720	1,001	842	566	264	347	531
Public Works (2)										
Street resurfacing (# streets)	211	84	173	173	182	151	139	292	135	267
Library										
Attendance in Library (door count)	334,942	323,415	328,646	328,646	276,051	284,628	185,038	83,346	374,333	473,593
Number of items checked out	917,134	870,029	881,283	881,283	938,109	1,044,225	799,631	620,161	1,130,025	1,329,559
Number of programs	601	666	721	721	961	930	619	89	33,926	919
Golf Course										
Number of rounds played	57,476	55,755	55,483	55,483	60,355	59,237	52,804	67,251	64,716	58,872

Source: City of Yorba Linda

City of Yorba Linda

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

	Fiscal Year									
	<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>
Parks & Recreation										
Municipal Parks	29	29	30	32	33	33	33	33	33	33
Gyms	2	2	2	2	2	2	2	2	2	2
Community Center	1	1	1	1	1	1	1	1	1	1
Horse Arena	1	1	1	1	1	1	1	1	1	1
Municipal Golf Course	1	1	1	1	1	1	1	1	1	1
Arts Center								1	1	1
Museum	1	1	1	1	1	1	1	1	1	1
Library										
Library Facility	1	1	1	1	1	1	1	1	1	1
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (centerline miles)	213	213	211	211	217	217	215.5	215.5	214.7	214.7
Street Lights	n/a	n/a	5,756	6,096	6,139	6,139	6,139	6,139	6,171	6,171
Traffic Signals	61	61	61	64	62	64	65	65	67	67

Source: City of Yorba Linda, Finance Department



The image on the front cover is the Dominguez Trailside Park. Yorba Linda has an ambitious Citywide system of over 100 miles of trails coordinated for use by hikers, bikers, and equestrians. These trails are intended to also enhance open space opportunities by providing non-vehicular linkages to open space areas and recreational facilities.