



CITY OF YORBA LINDA, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2021



The image on the front cover this year is the Black Gold Golf Club, owned by the City of Yorba Linda, which is a world-class golf facility that features a championship par 72 gold course and incredible vistas overlooking coastal Orange and Los Angeles counties.

CITY OF YORBA LINDA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021



City Council

Peggy Huang
Mayor

Carlos Rodriguez
Mayor Pro Tem

Gene Hernandez
Council Member

Tara Campbell
Council Member

Dr. Beth Haney
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

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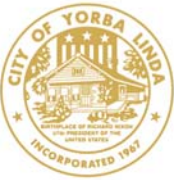
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January 31, 2022

HONORABLE MAYOR AND MEMBERS 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, 2021.

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.

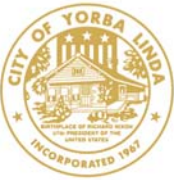
The City's financial statements have been audited by Macias Gini & O'Connell LLP, a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's basic financial statements for the fiscal year ended June 30, 2021. The independent auditor's report is presented as the first component of the financial section of this report.

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

City of Yorba Linda Profile

The City, which has a population of 68,650 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. Among 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 including 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 196 full-time and part-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.

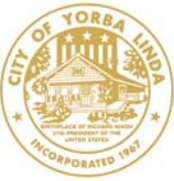
The annual budget serves as the foundation for the City's financial planning and control. The City Council holds a public hearing and adopts an annual budget for all funds. The City Council may modify appropriations with majority approval. The budgets are adopted and presented on a basis consistent with US GAAP. The legal level of expenditures is controlled at the department level, with budget transfers between departments or funds requiring approval by the City Council. Supplemental budget appropriations in 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 began to see signs of recovery from the ongoing COVID-19 pandemic during fiscal year 2020/21. The City relies heavily on taxes, its primary source of revenue, comprising approximately 83% 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 the pandemic. During FY 2020/21, home sales increased by nearly 39% over last fiscal year. The median home price increased by \$220,000 or 22.8% during FY 2020/21. The City's sales tax revenue began to recover during FY 2020/21 and ended slightly higher than projections. The City's property tax revenues are expected to continue to show positive growth based on an increase in assessed valuation and continued residential development in the City. Sales tax revenues are forecasted to gradually return to prior levels with continued growth as the pandemic comes to an end. 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 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, 2021, the City's General Fund had budget reserves of approximately \$37.2 million. Of this amount, \$19.8 million is committed to operating reserves for emergencies and economic contingencies. \$11.9 million is committed to special reserves for facilities, road maintenance, self-insurance, and other long-term needs. Assigned fund balance amounts to approximately \$1.1 million assigned to budget carryovers and encumbrances. Nonspendable fund balance of approximately \$628,000 consists primarily of outstanding loans to the City's



Successor Agency. The remainder of fund balance, amounting to approximately \$3.8 million, is unassigned and available for any purpose at the direction of the City Council.

Major Initiatives

Annually, the City updates a seven-year Capital Improvement Program (CIP). Planned capital expenditures during fiscal year 2021/22 are budgeted at approximately \$37.3 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 for 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 A. Pulone
City Manager

Dianna L. Honeywell
Finance Director / City Treasurer

LEGISLATIVE OFFICIALS

Peggy Huang..... Mayor
 Carlos Rodriguez..... Mayor Pro Tem
 Tara Campbell..... Council Member
 Gene Hernandez..... Council Member
 Dr. Beth Haney..... Council Member

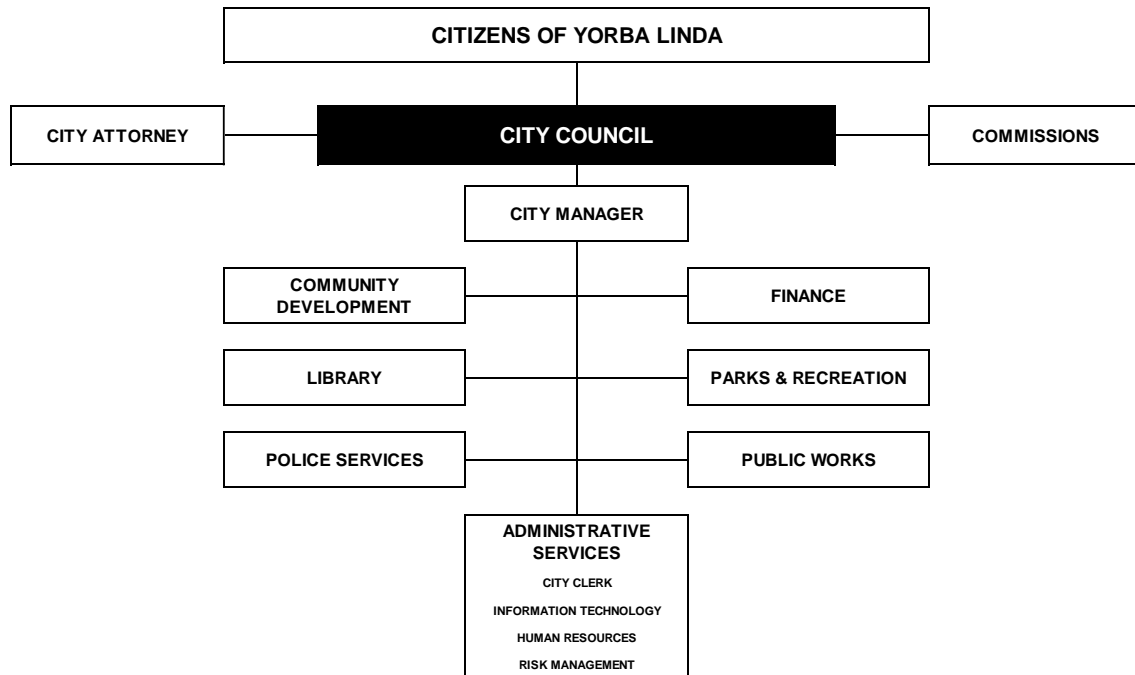
APPOINTED CITY OFFICIALS

Mark Pulone City Manager
 Todd Litfin City Attorney

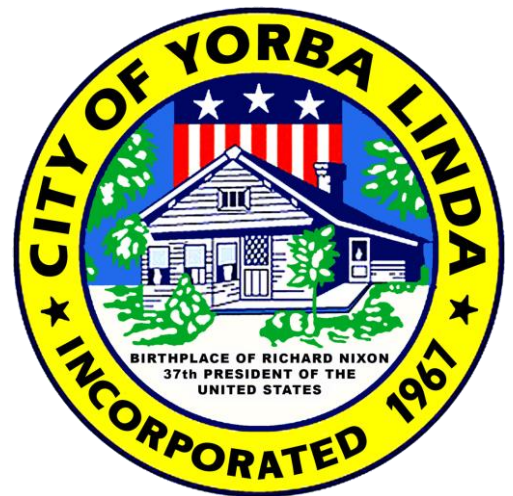
CITY OFFICIALS

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
 Lt. Cory Martino..... Chief of Police Services

ORGANIZATIONAL CHART



FINANCIAL SECTION



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Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Yorba Linda, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Yorba Linda, California (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; budgetary comparison information, Infrastructure Assets Reported Using the Modified Approach, Schedule of Changes in the Net Pension Liability and Related Ratios – Last 10 Years, Schedule of Pension Contributions – Last 10 Years, Schedule of Changes in the Net OPEB Liability and Related Ratios – Last 10 Years, and Schedule of OPEB Contributions – Last 10 Years, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Budgetary Comparison Schedule – Capital Improvements Capital Projects Fund and the combining and individual fund financial statements and schedules and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule – Capital Improvements Capital Projects Fund and the combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule – Capital Improvements Capital Projects Fund and the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022, 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 the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Irvine, California
January 31, 2022

CITY OF YORBA LINDA
Management's Discussion and Analysis (Required Supplementary Information-Unaudited)
For the Fiscal Year Ended June 30, 2021

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, 2021. 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 \$71,451,196.
- The total cost of all City programs totaled \$56,330,528.
- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$527,276,113 (net position).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$124,115,559, a decrease of \$7,153,249 in comparison with the prior year. Approximately \$2.9 million of the \$124.1 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 \$3.7 million or 10% of the amount of General Fund expenditures. The General Fund unassigned balance of \$3.7 million is in addition to \$19.8 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).

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 activities of the City include the Black Gold Golf Course.

CITY OF YORBA LINDA
Management's Discussion and Analysis (Required Supplementary Information-Unaudited)
For the Fiscal Year Ended June 30, 2021

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 the 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*.

The City maintains twenty-three 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 American Rescue Plan Act (ARPA) 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.

CITY OF YORBA LINDA

Management's Discussion and Analysis (Required Supplementary Information-Unaudited) For the Fiscal Year Ended June 30, 2021

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.

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 \$527,276,113 at the close of 2021.

City of Yorba Linda - Statement of Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	135,764,942	\$142,271,224	(\$1,696,948)	(\$2,049,755)	\$134,067,994	\$140,221,469
Capital assets, net	446,948,593	427,529,543	23,039,783	23,323,238	469,988,376	450,852,781
Total assets	\$582,713,535	\$569,800,767	21,342,835	21,273,483	604,056,370	591,074,250
Deferred outflows of resources	5,115,269	5,115,269	-	-	5,115,269	5,115,269
Current liabilities	9,727,137	9,313,887	679,734	493,911	10,406,871	9,807,798
Noncurrent liabilities						
Long-term liabilities	2,230,177	2,038,204	-	-	2,399,305	2,038,204
Lease Revenue Financings	22,463,372	22,914,112	-	-	22,463,372	22,914,112
Net OPEB obligation	14,625,902	16,219,034	-	-	14,625,902	16,219,034
Net pension liability	22,596,356	22,028,168	-	-	22,596,356	22,028,168
Total liabilities	71,812,072	72,513,405	679,734	493,911	72,491,806	73,007,316
Deferred inflows of resources	9,306,244	11,026,759	-	-	9,306,244	11,026,759
Net position:						
Net investment in capital assets	424,485,221	404,615,432	23,039,783	23,323,238	447,525,004	427,938,670
Restricted	87,730,127	95,479,106	-	-	87,730,127	95,479,106
Unrestricted	(5,602,336)	(8,718,665)	(2,376,682)	(2,543,666)	(7,979,018)	(11,262,331)
Total net position	\$ 506,613,012	\$ 491,375,873	\$ 20,663,101	\$ 20,779,572	\$ 527,276,113	\$ 512,155,445

The largest portion of the City's net position (84.9%) 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 \$19.6 million versus the prior year, which was primarily due to the completion of the City's new Public Library and Cultural Arts Center.

CITY OF YORBA LINDA

Management's Discussion and Analysis (Required Supplementary Information-Unaudited) For the Fiscal Year Ended June 30, 2021

An additional portion of the City's net position, \$87,730,127 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 a deficit balance of \$7,979,018. This negative balance was partially attributable to the negative \$2.4 million unrestricted net position of the City's business-type activities, which primarily relates to an advance due from the Black Gold Golf Course Fund to the Master Plan of Drainage Fund. The City's governmental activities had a negative unrestricted net position of \$5,602,336 as of June 30, 2021.

The City's net position increased by \$15.1 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.

Governmental Activities. Governmental activities increased the City's net position by \$15.2 million (3.1%). Key elements of this year's governmental activity are as follows:

Revenues – In the Statement of Activities, the City's total governmental revenues were \$64.9 million which is a decline of \$3.6 million (5.3%). The following are highlights of some of the major differences:

- Property Tax/Special Assessment revenue was up by \$1.9 million due to continued growth in assessed valuation and residential development in the City.
- Sales tax revenue increased slightly to \$7.6 million compared to \$7.5 million last year. The economy has slowly started to recover as businesses were able to open again as the COVID-19 pandemic slowed in the second half of the fiscal year.
- Investment income was lower by \$3.1 million. This is net of a \$989,000 market value adjustment. Interest rates have plummeted during the global pandemic. The rate of return on the City's portfolio at June 30, 2021 was 1.14% versus 1.85% at June 30, 2020.
- Operating and Capital grants were lower by \$3.7 million.

Expenses – The City has continued to be very diligent in controlling growth in expenses. This year's total governmental expense for the City totaled \$49.6 million which is approximately \$5.7 million, or 10.3% lower than the previous fiscal year. The changes in the various categories are as follows:

- There was an increase in General Government expenses of approximately \$1.5 million this year.
- There was a decrease in Public Works expenses of \$5.3 million due to fewer construction projects compared to last year when the Library was being constructed.

Business-Type Activities. Business-type activities decreased the City's net position by \$116,500 (0.6%). Key elements of this year's activity are as follows:

Revenues – Revenues increased by \$1.1 million, primarily due to the reopening of the Black Gold Golf Course and the popularity of golf due to the ongoing COVID-19 pandemic restrictions in many other activities.

Expenses – Expenses increased by \$397,500 due to the reopening of the golf course.

A Condensed summary of activities for the period ended June 30, 2021, and the prior fiscal year is illustrated in the table below.

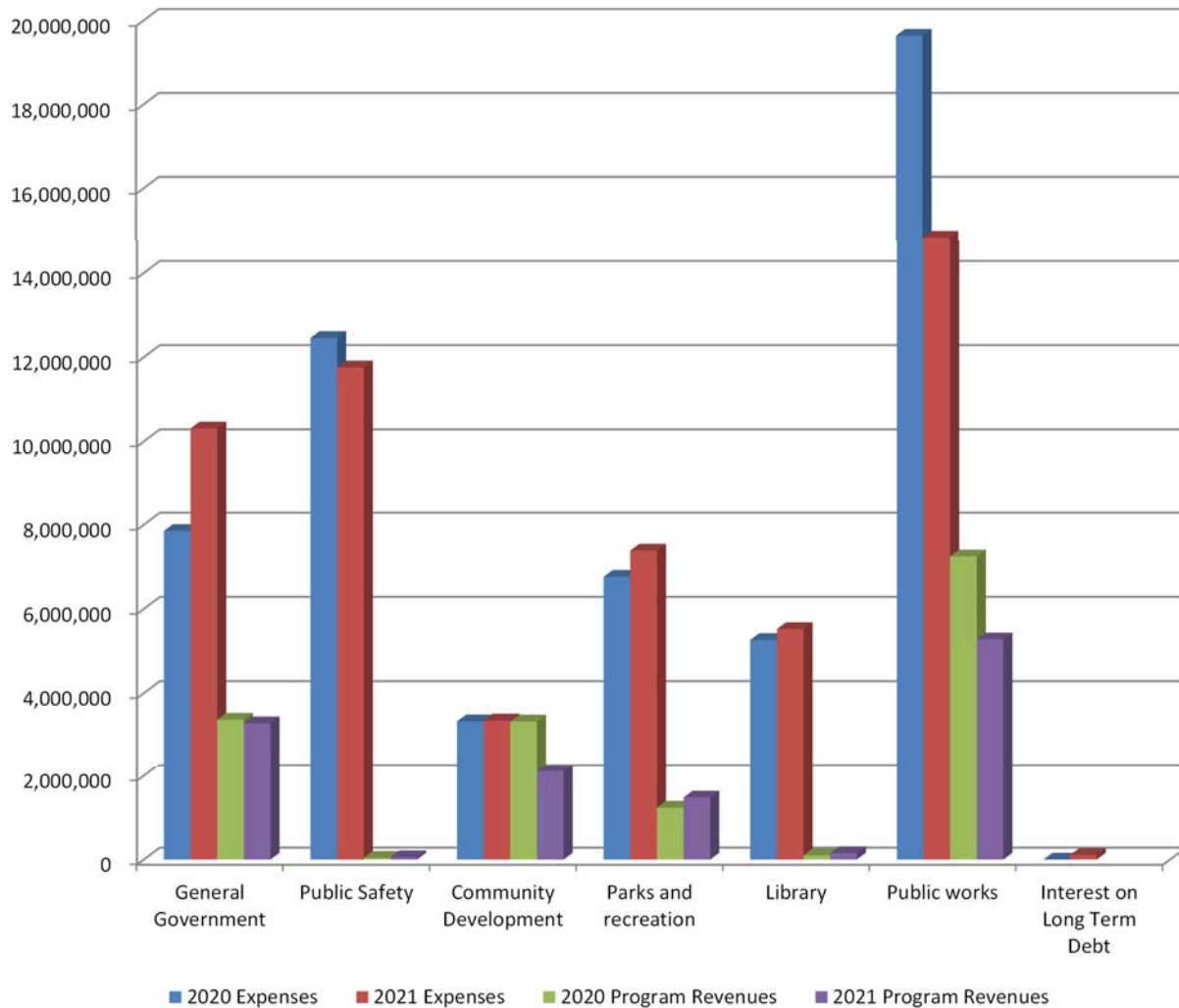
CITY OF YORBA LINDA
Management's Discussion and Analysis (Required Supplementary Information-Unaudited)
For the Fiscal Year Ended June 30, 2021

CITY OF YORBA LINDA Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$3,460,321	\$3,149,392	\$6,526,689	\$5,455,174	\$9,987,010	\$8,604,566
Operating contributions and grants	3,474,747	5,136,854	-	-	3,474,747	5,136,854
Capital contributions and grants	5,418,822	7,025,870	-	-	5,418,822	7,025,870
General revenues:						
Taxes:						
Property taxes	29,540,612	27,909,436	-	-	29,540,612	27,909,436
Sales taxes	7,595,867	7,531,434	-	-	7,595,867	7,531,434
Franchise taxes	2,172,656	2,102,927	-	-	2,172,656	2,102,927
Transient occupancy taxes	311,017	390,641	-	-	311,017	390,641
Business license taxes	487,243	518,592	-	-	487,243	518,592
Special assessments taxes	7,119,457	6,892,536	-	-	7,119,457	6,892,536
Other taxes	891,240	649,787	-	-	891,240	649,787
Motor vehicle in lieu - unrestricted	50,350	54,378	-	-	50,350	54,378
Investment income	718,564	3,799,085	43,292	-	761,856	3,799,085
Gain on sale of property	3,363,548	3,106,643	9,301	-	3,372,849	3,106,643
Other	267,470	252,809	-	-	267,470	252,809
Total revenues	64,871,914	68,520,384	6,579,282	5,455,174	71,451,196	73,975,558
Expenses						
General government	9,360,113	7,850,800	-	-	9,360,113	7,850,800
Public safety	11,755,722	12,455,656	-	-	11,755,722	12,455,656
Community development	2,705,644	3,329,740	-	-	2,705,644	3,329,740
Parks and recreation	6,623,647	6,762,170	-	-	6,623,647	6,762,170
Library	4,780,791	5,262,202	-	-	4,780,791	5,262,202
Public works	14,300,587	19,646,992	-	-	14,300,587	19,646,992
Interest on Long Term Debt	108,271	-	-	-	108,271	-
Golf	-	-	6,695,753	6,298,219	6,695,753	6,298,219
Total expenses	49,634,775	55,307,560	6,695,753	6,298,219	56,330,528	61,605,779
Transfers	-	(20,771,645)	-	20,771,645	-	-
Change in net position	15,237,139	(7,558,821)	(116,471)	19,928,600	15,120,668	12,369,779
Net position, beginning	491,375,873	498,934,694	20,779,572	850,971	512,155,445	499,785,665
Net position, ending	<u>\$ 506,613,012</u>	<u>\$ 491,375,873</u>	<u>\$ 20,663,101</u>	<u>\$ 20,779,571</u>	<u>\$527,276,113</u>	<u>\$ 512,155,444</u>

CITY OF YORBA LINDA
Management's Discussion and Analysis (Required Supplementary Information-Unaudited)
For the Fiscal Year Ended June 30, 2021

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.

Expenses and Program Revenues – Governmental Activities



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.

The balance sheet for the City's General Fund and Other Governmental Funds in the aggregate for the period ended June 30, 2021, and the prior fiscal year is illustrated in the table below.

CITY OF YORBA LINDA
Management's Discussion and Analysis (Required Supplementary Information-Unaudited)
For the Fiscal Year Ended June 30, 2021

	General Fund		Other Governmental Funds		Total	
	2021	2020	2021	2020	2021	2020
Total assets	\$ 40,776,535	\$ 39,568,439	\$ 95,919,460	\$ 103,543,008	\$ 136,695,995	\$ 143,111,447
Total liabilities	3,254,822	2,648,515	7,228,754	7,404,942	10,483,576	10,053,457
Deferred inflows of resources						
Unavailable revenues	340,926	362,378	1,755,934	1,426,805	2,096,860	1,789,183
Fund balances:						
Nonspendable	627,888	2,850,846	4,611	4,702	632,499	2,855,548
Restricted	-	-	87,730,127	95,431,689	87,730,127	95,431,689
Committed:						
Operating reserves	19,822,000	18,523,237	-	-	19,822,000	18,523,237
Special reserves	11,891,494	9,218,953	-	-	11,891,494	9,218,953
Assigned	1,102,561	2,208,550	-	-	1,102,561	2,208,550
Unassigned	3,736,844	3,755,960	(799,666)	(725,130)	2,936,878	3,030,830
Total fund balance	37,180,787	36,557,546	86,934,772	94,711,261	124,115,559	131,268,807
Total liabilities, deferred inflows and fund balances	\$ 40,776,535	\$ 39,568,439	\$ 95,919,460	\$ 103,543,008	\$ 136,695,995	\$ 143,111,447

At June 30, 2021, the City's governmental funds reported combined fund balances of \$124,115,559, a decrease of \$7,153,249 compared to the prior year. Of this amount, \$2,936,878 or 2.4% 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, \$632,499; (2) restricted for particular purposes, \$87,730,127; (3) committed for particular purposes, \$32,816,055; or (4) assigned for particular purposes, \$1,102,561.

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 \$37,180,787 which is an increase of \$623,240 or 1.7% over last year. Unassigned fund balance of the General Fund was \$3,736,844. 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 10.1% of total General Fund expenditures.

Other governmental funds realized a decrease in fund balance of \$7,776,489 (8.2%). While variances between years exist for the various other governmental funds, the net decrease was primarily attributable to the expenditure of bond proceeds and cash on hand for the City's new Public Library facility, median improvement projects in the Landscape Maintenance Assessment District Fund offset by an increase in the Affordable Housing Fund from interest income and a transfer from the General Fund repayment of the Town Center loan.

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.

Unrestricted net position of the Black Gold Golf Course Fund as of June 30, 2021, totaled negative \$2,376,682, a decrease in the negative unrestricted net position in the amount of \$166,984. 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 6 to the basic financial statements.

Black Gold Golf Course Fund saw an increase in operating revenue of \$1.1 million which was due to the reopening of the golf course during the year. Expenses increased \$397,500 over 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 2021.

CITY OF YORBA LINDA

**Management's Discussion and Analysis (Required Supplementary Information-Unaudited)
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance w/ Final Budget
Revenues				
Taxes	\$ 32,923,982	\$ 32,562,278	\$ 32,994,511	\$ 432,233
Other revenues	6,894,163	6,346,345	5,913,909	(432,436)
Total revenues	39,818,145	38,908,623	38,908,420	(203)
Expenditures				
Administration	7,101,600	8,055,317	7,126,013	929,304
City Attorney	650,000	650,000	629,815	20,185
Finance	1,209,844	1,275,129	1,159,933	115,196
Public safety	13,294,757	12,727,141	12,584,332	142,809
Community development	3,275,519	3,831,882	3,073,170	758,712
Parks and recreation	7,216,007	7,404,179	6,317,469	1,086,710
Public works	4,762,630	5,730,374	4,663,484	1,066,890
Capital outlay	1,557,895	3,829,449	1,552,009	2,277,440
Debt Service:				
Principal retirement	78,000	135,771	108,271	27,500
Total expenditures	39,146,252	43,639,242	37,214,496	6,424,746
Excess of revenues over expenditures	671,893	(4,730,619)	1,693,924	6,424,543
Other financing sources				
Transfers in	650,895	1,556,996	1,054,759	3,855,755
Transfers out	-	-	(2,125,443)	(6,483,435)
Total other financing sources	650,895	1,556,996	(1,070,684)	(2,627,680)
Net change in fund balances	1,322,788	(3,173,623)	623,240	3,796,863
Fund balance at beginning of fiscal year	36,557,547	36,557,547	36,557,547	-
Fund balance at end of fiscal year	<u>\$ 37,880,335</u>	<u>\$ 33,383,924</u>	<u>\$ 37,180,787</u>	<u>\$ 3,796,863</u>

Original revenue budget projections were decreased by \$909,522 during the year. The actual revenue came in as anticipated at \$38,908,420. Original expenditure budget projections were increased by \$4,492,990 during the year. The actual expenditures came in lower than the final budget by \$6,424,746. The final budget differed from the original budget for the following reasons:

- The budget for Taxes was lowered due to lower-than-expected property, sales, transient occupancy and franchise tax revenue as compared to original projections.
- Other revenues were adjusted downward due to lower than anticipated revenue from Parks & Recreation revenue offset by increases to building permit revenue.
- 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 decrease in the budget for Public Safety was primarily the result of the crossing guard program and auto and gas expenses for Sheriff's vehicles being transferred to Public Works.
- The increase in the capital outlay budget is primarily related to mid-year and carryover appropriations from the prior year's budget.

CITY OF YORBA LINDA

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

For the Fiscal Year Ended June 30, 2021

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, 2021, amounts to \$469,988,376 (net of accumulated depreciation). This 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 \$19,135,578. This increase was primarily due to the completion of the Library and Cultural Arts Center as well as routine smaller capital projects such as street projects and park improvements offset by depreciation expense.

The table below summarized the current capital assets held by the City as of June 30, 2021, as compared to the prior fiscal year.

	CITY OF YORBA LINDA's Capital Assets (net of depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 34,750,068	\$ 34,750,068	\$ 12,731,404	\$ 12,721,948	\$ 47,481,472	\$ 47,472,016
Street pavement infrastructure	200,603,744	200,603,744	-	-	200,603,744	200,603,744
Construction in progress	4,116,098	45,197,679	-	-	4,116,098	45,197,679
Buildings and improvements	92,543,984	39,611,261	9,597,245	10,210,815	102,141,229	49,822,076
Machinery and equipment	2,694,115	2,912,585	711,134	390,474	3,405,284	3,303,059
Motor vehicles	333,149	344,276	-	-	333,149	344,276
Other infrastructure	111,907,400	104,109,948	-	-	111,907,400	104,109,948
Totals	\$ 446,948,593	\$ 427,529,561	\$ 23,039,783	\$ 23,323,237	\$ 469,988,376	\$ 450,852,798

Additional information on the City's capital assets can be found in note 4 to the basic financial statements.

Long-term Liabilities. At the end of the current fiscal year, the City's total long-term debt totaled \$62,084,935. The following table summarizes the current long-term liabilities of the City as of June 30, 2021, as compared to the prior fiscal year.

	CITY OF YORBA LINDA's Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Net pension liability	\$ 22,596,356	\$ 22,028,168	\$ -	\$ -	\$ 22,596,356	\$ 22,028,168
Other post-employment benefits	14,625,902	16,219,034	-	-	14,625,902	16,219,034
Lease Revenue Financings ¹	22,463,372	22,914,112	-	-	22,463,372	22,914,112
Claims and judgments	967,413	939,444	-	-	967,413	939,444
Compensated absences	1,431,892	1,098,760	-	-	1,431,892	1,098,760
Total long-term liabilities	\$ 62,084,935	\$ 63,199,518	\$ -	\$ -	\$ 62,084,935	\$ 63,199,518

¹ Amount includes an unamortized bond premium of \$1,212,372.

At the end of fiscal year 2021, the City's long-term liabilities was primarily comprised of a net pension liability of \$22,596,356 and a net OPEB obligation related to medical insurance provided to retirees of \$14,625,902. The pension liability increased slightly primarily due to the CalPERS actuarial changes. In the case of the net OPEB liability, the decrease was the result of positive actuarial experience relative to the City's second tier of retiree medical benefits, increased deposits in the City's OPEB trust, and a reduction in the discount rate. The second tier of OPEB benefits and the deposits to the OPEB trust were implemented by the City Council in 2017 in order 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 in order 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, 2021

Contributions have been made in each of the prior four 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. In 2020, the City entered into a debt transaction with Sterling National Bank to finance a portion of the construction costs for the City's new Cultural Arts Center facility. The project was intended to be funded from the proceeds of the sale of the lower portion of the City's West Bastanchury property to a private real estate developer. However, due to the COVID-19 pandemic the sale was delayed. As a result, the City issued the debt to complete the project. After the close of the fiscal year, the West Bastanchury property was sold, and the debt has been repaid in full. 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.

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 increase of \$333,132 in the compensated absences liability is the result of routine changes to accrued leave balances. There has been no significant change in the claims and judgments liability. 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 7, 9, and 10 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 property tax revenue is expected to continue in the years ahead. While a temporary decline in sales tax revenue has been experienced due to the COVID-19 pandemic, indications are that the decline was temporary, and it is trending back toward previous levels. 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 2021/22 remains balanced, with General Fund expenditures and transfers out totaling \$40.7 million with a \$327,000 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 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

CITY OF YORBA LINDA
Management's Discussion and Analysis (Required Supplementary Information-Unaudited)
For the Fiscal Year Ended June 30, 2021

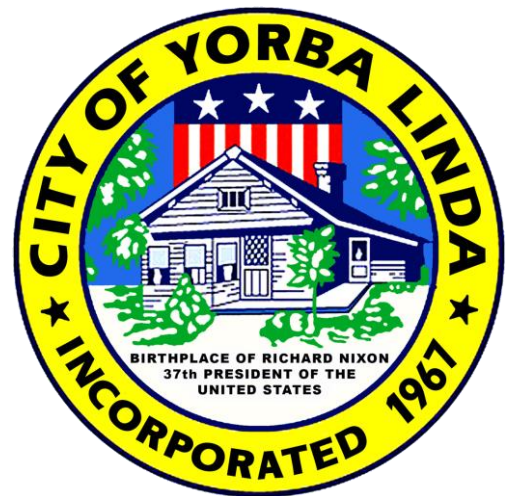
trust with CalPERS to offset its unfunded OPEB liability. The American Rescue Plan Act was passed during FY 2020/21 which delivers \$350 billion to state, local and Tribal governments across the country to support the response to and recover from the COVID-19 public health emergency. The City has already received \$3.1 million and will receive another \$3.1 million in FY 2021/22. These funds will help supplement revenue that the City lost during the COVID-19 global pandemic. 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, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled cash and investments	\$ 77,674,085	\$ 432,265	\$ 78,106,350
Receivables:			
Accounts	1,003,574	1,836	1,005,410
Taxes	312,575	-	312,575
Notes and loans	46,648,407	-	46,648,407
Accrued interest	190,695	-	190,695
Internal balances	2,300,000	(2,300,000)	-
Advances to Successor Agency of Former RDA	598,080	-	598,080
Prepaid costs	34,419	-	34,419
Due from other governments	4,403,096	-	4,403,096
Inventories	-	168,951	168,951
Land held for resale	2,600,000	-	2,600,000
Restricted Asset:			
Cash and investments with fiscal agents	11	-	11
Capital assets, not being depreciated	239,469,910	12,731,404	252,201,314
Capital assets, net of accumulated depreciation	207,478,683	10,308,379	217,787,062
Total assets	582,713,535	21,342,835	604,056,370
Deferred Outflows of Resources:			
Deferred outflows related to pension	4,389,017	-	4,389,017
Deferred outflows related to OPEB	628,776	-	628,776
Total deferred outflows of resources	5,017,793	-	5,017,793
Total assets and deferred outflows of resources	587,731,328	21,342,835	609,074,163
Liabilities:			
Accounts payable	5,673,510	32,893	5,706,403
Accrued liabilities	951,071	334,991	1,286,062
Unearned revenue	3,102,556	301,850	3,404,406
Deposits payable	-	10,000	10,000
Noncurrent liabilities:			
Due within one year	2,230,177	-	2,230,177
Due in more than one year	59,854,758	-	59,854,758
Total liabilities	71,812,072	679,734	72,491,806
Deferred Inflows of Resources:			
Deferred inflows related to pension	210,529	-	210,529
Deferred inflows related to OPEB	9,095,715	-	9,095,715
Total deferred inflows of resources	9,306,244	-	9,306,244
Total liabilities and deferred inflows of resources	81,118,316	679,734	81,798,050
Net position:			
Net investment in capital assets	424,485,221	23,039,783	447,525,004
Restricted for:			
Parks and recreation	5,796,415	-	5,796,415
Public works	27,119,410	-	27,119,410
Library	3,919,003	-	3,919,003
Low and moderate housing	50,723,959	-	50,723,959
Unrestricted (deficit)	(5,430,996)	(2,376,682)	(7,807,678)
Total net position	\$ 506,613,012	\$ 20,663,101	\$ 527,276,113

See accompanying notes to the basic financial statements.

CITY OF YORBA LINDA
Statement of Activities
For the Fiscal Year Ended June 30, 2021

Functions/programs	Expenses	Program Revenues			Net (Expenses) 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	\$ 9,360,113	\$ 10,769	\$ 3,272,304	\$ -	\$ (6,077,040)	\$ -	\$ (6,077,040)
Public safety	11,755,722	56,807	-	-	(11,698,915)	-	(11,698,915)
Community development	2,705,644	2,007,274	106,529	-	(591,841)	-	(591,841)
Parks and recreation	6,623,647	1,065,415	77,675	329,297	(5,151,260)	-	(5,151,260)
Library	4,780,791	15,390	18,239	119,240	(4,627,922)	-	(4,627,922)
Public works	14,300,587	304,666	-	4,970,285	(9,025,636)	-	(9,025,636)
Interest on long-term debt	108,271	-	-	-	(108,271)	-	(108,271)
Total governmental activities	49,634,775	3,460,321	3,474,747	5,418,822	(37,280,885)	-	(37,280,885)
Business-type activities:							
Black Gold Golf Course	6,695,753	6,526,689	-	-	-	(169,064)	(169,064)
Total business-type activities	6,695,753	6,526,689	-	-	-	(169,064)	(169,064)
Total	\$ 56,330,528	\$ 9,987,010	\$ 3,474,747	\$ 5,418,822	(37,280,885)	(169,064)	(37,449,949)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					29,540,612	-	29,540,612
Sales taxes					7,595,867	-	7,595,867
Franchise taxes					2,172,656	-	2,172,656
Transient occupancy taxes					311,017	-	311,017
Business licenses taxes					487,243	-	487,243
Special assessments taxes					7,119,457	-	7,119,457
Other taxes					891,240	-	891,240
Motor vehicle in lieu - unrestricted					50,350	-	50,350
Investment income					718,564	43,292	761,856
Gain on sale of property					3,363,548	9,301	3,372,849
Other					267,470	-	267,470
Total general revenues					52,518,024	52,593	52,570,617
Change in net position					15,237,139	(116,471)	15,120,668
Net position at beginning of fiscal year					491,375,873	20,779,572	512,155,445
Net position at end of fiscal year					\$ 506,613,012	\$ 20,663,101	\$ 527,276,113

See accompanying notes to the basic financial statements.

CITY OF YORBA LINDA
Balance Sheet
Governmental Funds
June 30, 2021

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
	General	ARPA	Affordable Housing	Miscellaneous Grants	Public Library	Landscape Maintenance Assessment District	Capital Improvements	
Assets:								
Pooled cash and investments	\$ 36,327,070	\$ 3,112,074	\$ 1,235,768	\$ -	\$ 4,017,615	\$ 8,368,603	\$ 734,729	\$ 23,878,226
Receivables:								
Accounts	723,022	-	50,333	-	-	15,337	180,500	34,382
Taxes	162,846	-	-	-	77,168	72,561	-	-
Notes and loans	-	-	46,648,407	-	-	-	-	-
Accrued interest	79,033	747	6,071	-	52,806	13,172	-	38,866
Prepaid costs	29,808	-	-	-	4,611	-	-	-
Due from other governments	1,925,623	-	-	1,408,723	-	-	-	1,068,750
Due from other funds	931,053	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	2,300,000
Advances to Successor Agency of Former RDA	598,080	-	-	-	-	-	-	-
Land held for resale	-	-	2,600,000	-	-	-	-	-
Restricted Assets:								
Cash and investments with fiscal agents	-	-	-	-	11	-	-	-
Total assets	\$ 40,776,535	\$ 3,112,821	\$ 50,540,579	\$ 1,408,723	\$ 4,152,211	\$ 8,469,673	\$ 915,229	\$ 27,320,224
Liabilities, deferred inflows of resources, and fund balances:								
Accounts payable	\$ 2,604,203	\$ -	\$ 216	\$ -	\$ 130,032	\$ 1,674,439	\$ 915,229	\$ 349,391
Accrued liabilities	650,619	-	-	-	98,565	27,273	-	-
Unearned revenues	-	3,102,556	-	-	-	-	-	-
Due to other funds	-	-	-	656,260	-	-	-	274,793
Total liabilities	3,254,822	3,102,556	216	656,260	228,597	1,701,712	915,229	624,184
Deferred inflows of resources:								
Unavailable revenues	340,926	-	-	1,298,723	-	394	-	456,817
Total deferred inflows of resources	340,926	-	-	1,298,723	-	394	-	2,096,860
Fund balances:								
Nonspendable:								
Prepaid costs	29,808	-	-	-	4,611	-	-	-
Advances to Successor Agency of Former RDA	598,080	-	-	-	-	-	-	-
Restricted for:								
General Government	-	10,265	-	-	-	-	-	161,075
Parks and recreation	-	-	-	-	-	-	-	5,796,415
Public works	-	-	-	-	-	6,767,567	-	20,351,843
Library	-	-	-	-	3,919,003	-	-	-
Low and moderate housing	-	-	50,540,363	-	-	-	-	183,596
Committed:								
Operating reserves	19,822,000	-	-	-	-	-	-	-
Special reserves	11,891,494	-	-	-	-	-	-	-
Assigned to:								
Budget carryovers	1,102,561	-	-	-	-	-	-	-
Unassigned (deficit)	3,736,844	-	-	(546,260)	-	-	-	(253,706)
Total fund balances (deficit)	37,180,787	10,265	50,540,363	(546,260)	3,923,614	6,767,567	-	26,239,223
Total liabilities, deferred inflows of resources, and fund balances	\$ 40,776,535	\$ 3,112,821	\$ 50,540,579	\$ 1,408,723	\$ 4,152,211	\$ 8,469,673	\$ 915,229	\$ 27,320,224

See accompanying notes to the basic financial statements.

CITY OF YORBA LINDA
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2021

Fund balances of governmental funds \$ 124,115,559

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. 446,948,593

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	(967,413)	
Compensated absences	(1,431,892)	
Long-term debt	(22,463,372)	
Accrued interest on long-term debt	(174,615)	
Net OPEB obligation	(14,625,902)	
Net pension liability	<u>(22,596,355)</u>	(62,259,549)

Revenues that do not meet the "availability" criteria for revenue recognition are deferred inflows of resources in the governmental funds. 2,096,860

Deferred amounts on pensions related to contributions after the measurement date, changes in assumptions, differences between expected and actual experience and net difference between projected and actual earnings on pension plan investments. 4,178,488

Deferred amounts on OPEB related to contributions after the measurement date, changes in assumptions, and net difference between projected and actual earnings on pension plan investments. (8,466,939)

Net position of governmental activities \$ 506,613,012

CITY OF YORBA LINDA
Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds
For the Fiscal Year Ended June 30, 2021

	Special Revenue Funds					Capital Projects Fund			
	General	ARPA	Affordable Housing	Miscellaneous Grants	Public Library	Landscape Maintenance Assessment District	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:									
Taxes	\$ 32,103,271	\$ -	\$ -	\$ -	\$ 6,982,239	\$ 8,050,711	\$ -	\$ 140,982	\$ 47,277,203
Licenses and permits	1,905,891	-	-	-	-	-	-	-	1,905,891
Intergovernmental	492,362	-	-	529,864	18,239	-	-	5,400,974	6,441,439
Charges for services	3,169,493	-	-	-	9,197	-	-	-	3,178,690
Investment income	111,580	10,265	735,323	-	(166,448)	(19,166)	-	47,015	718,569
Fines and forfeitures	19,483	-	-	-	6,193	-	-	37,324	63,000
Developer participation	-	-	-	-	-	-	-	448,537	448,537
Gain on sale of City property	12,114	-	-	-	3,351,435	-	-	-	3,363,549
Contributions from Successor Agency	-	-	-	-	-	-	-	-	-
Miscellaneous	1,094,226	-	-	-	64,485	-	-	8,647	1,167,358
Total Revenues	38,908,420	10,265	735,323	529,864	10,265,340	8,031,545	-	6,083,479	64,564,236
Expenditures:									
General government	8,915,761	-	-	-	-	-	-	1,002,302	9,918,063
Public safety	12,584,332	-	-	-	-	-	-	-	12,584,332
Community development	3,073,170	-	21,622	-	-	-	-	260,659	3,355,451
Parks and recreation	6,317,469	-	-	-	-	-	-	-	6,317,469
Library	-	-	-	-	5,638,179	-	-	-	5,638,179
Public works	4,663,484	-	-	-	-	8,664,023	-	-	13,327,507
Capital outlay	1,552,009	-	-	20,009	631,036	1,780,898	14,960,963	1,523,298	20,468,213
Debt service:	108,271	-	-	-	-	-	-	-	108,271
Total Expenditures	37,214,496	-	21,622	20,009	6,269,215	10,444,921	14,960,963	2,786,259	71,717,485
Excess (deficiency) of revenues over (under) expenditures	1,693,924	10,265	713,701	509,855	3,996,125	(2,413,376)	(14,960,963)	3,297,220	(7,153,249)
Other financing sources (uses):									
Transfers in	1,054,759	-	444,834	-	-	1,594,785	14,960,963	197,588	18,252,929
Transfers out	(2,125,443)	-	-	(330,985)	(11,608,560)	(197,588)	-	(3,990,353)	(18,252,929)
Total other financing sources (uses)	(1,070,684)	-	444,834	(330,985)	(11,608,560)	1,397,197	14,960,963	(3,792,765)	-
Net change in fund balances	623,240	10,265	1,158,535	178,870	(7,612,435)	(1,016,179)	-	(495,545)	(7,153,249)
Fund balances (deficit) beginning of fiscal year	36,557,547	-	49,381,828	(725,130)	11,536,049	7,783,746	-	26,734,768	131,268,808
Fund balances (deficit) end of fiscal year	\$ 37,180,787	\$ 10,265	\$ 50,540,363	\$ (546,260)	\$ 3,923,614	\$ 6,767,567	\$ -	\$ 26,239,223	\$ 124,115,559

See accompanying notes to the basic financial statements.

CITY OF YORBA LINDA
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2021

Net changes in fund balances - total governmental funds \$ (7,153,249)

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	24,057,999	
Depreciation	<u>(4,638,948)</u>	19,419,051

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	(73,962)	
Changes in claims and judgments obligation	(27,969)	
Changes in compensated absence benefits, net	<u>(333,132)</u>	(435,063)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	450,739
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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.	307,677
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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.	(260,713)
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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.	<u>2,908,697</u>
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Change in net position of governmental activities	<u>\$ 15,237,139</u>
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CITY OF YORBA LINDA
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities - Enterprise Fund
	Black Gold Golf Course
Assets:	
Current:	
Pooled cash and investments	\$ 432,265
Receivables	1,836
Inventories	168,951
	<hr/>
Total current assets	603,052
	<hr/>
Noncurrent:	
Capital assets not being depreciated	12,731,404
Capital assets - net of accumulated depreciation	10,308,379
Total capital assets, net	23,039,783
	<hr/>
Total noncurrent assets	23,039,783
	<hr/>
Total assets	23,642,835
	<hr/>
Liabilities:	
Current:	
Accounts payable	32,893
Accrued liabilities	334,991
Unearned revenues	301,850
Deposits payable	10,000
Advances from other funds	2,300,000
	<hr/>
Total current liabilities	2,979,734
	<hr/>
Total liabilities	2,979,734
	<hr/>
Net position:	
Net investment in capital assets	23,039,783
Unrestricted	(2,376,682)
	<hr/>
Total net position	\$ 20,663,101
	<hr/>

See accompanying notes to the basic 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, 2021

	Business-Type Activities - Enterprise Fund
	Black Gold Golf Course
Operating revenues:	
Charges for services	\$ 6,526,689
Total operating revenues	6,526,689
Operating expenses:	
Administration and general	5,203,924
Cost of sales and services	729,181
Depreciation expense	762,648
Total operating expenses	6,695,753
Operating (loss)	(169,064)
Nonoperating revenue:	
Investment Income	43,292
Gain on sale of capital assets	9,301
Total non-operating revenue	52,593
Change in net position	(116,471)
Net position at beginning of fiscal year	20,779,572
Net position at end of fiscal year	\$ 20,663,101

See accompanying notes to the basic financial statements.

CITY OF YORBA LINDA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds
	Black Gold Golf Course
Cash flows from operating activities:	
Cash received from customers and users	\$ 6,560,157
Cash paid to suppliers for goods and services	(706,470)
Cash paid to employees for services	(5,077,606)
	<hr/>
Net cash provided by operating activities	776,081
	<hr/>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(469,738)
Interest paid on capital debt	43,292
	<hr/>
Net cash used by capital and related financing activities	(426,446)
	<hr/>
Net increase in cash and cash equivalents	349,635
Cash and cash equivalents at beginning of fiscal year	82,630
	<hr/>
Cash and cash equivalents at end of fiscal year	\$ 432,265
	<hr/> <hr/>
Reconciliation of operating (loss) to net cash provided by operating activities	
Operating (loss)	\$ (169,064)
	<hr/>
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation	762,648
Decrease (increase) in accounts receivable	(1,368)
Decrease (increase) in inventories	(1,804)
Increase (decrease) in accounts payable	24,515
Increase (decrease) in accrued liabilities	126,318
Increase (decrease) in unearned revenues	34,836
	<hr/>
Total adjustments	945,145
	<hr/>
Net cash provided by operating activities	\$ 776,081
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See accompanying notes to the basic financial statements.

CITY OF YORBA LINDA
Statement of Fiduciary Net Position (Deficit)
Fiduciary Funds
June 30, 2021

	Custodial Fund Special Deposits Funds	Private- Purpose Trust Fund Successor Agency of the former RDA
Assets:		
Pooled cash and investments	\$ 3,234,549	\$ 3,243,627
Receivables:		
Accounts receivable	-	3,391
Accrued interest	-	4,914
Restricted assets:		
Cash and investments with fiscal agents	-	3,240,327
Total assets	3,234,549	6,492,259
Liabilities:		
Account payable	81,853	-
Accrued liabilities		315,704
Deposits payable	3,152,696	-
Long-term liabilities:		
Due in one year	-	4,316,484
Due in more than one year	-	39,784,566
Total liabilities	3,234,549	44,416,754
Net position (deficit):		
Held for Successor Agency	-	(37,924,495)
Restricted for Others	\$ -	\$ -

See accompanying notes to the basic financial statements.

CITY OF YORBA LINDA
Statement of Changes in Fiduciary Net Position (Deficit)
Fiduciary Funds
For the Fiscal Year Ended June 30, 2021

	Custodial Fund Special Deposits Funds	Private- Purpose Trust Fund Successor Agency of the Former RDA
Additions:		
Taxes	\$ -	\$ 4,880,836
Interest and change in fair value of investments	-	63,224
Total additions	-	4,944,060
Deductions:		
Administrative expenses	-	12,000
Bond interest	-	1,357,447
Total deductions	-	1,369,447
Change in net position	-	3,574,613
Net position (deficit) at beginning of fiscal year	-	(41,499,108)
Net position (deficit) at end of fiscal year	<u><u>\$ -</u></u>	<u><u>\$ (37,924,495)</u></u>

See accompanying notes to the basic financial statements.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 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, 2021. The Housing Authority does not have separately issued financial statements.

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 financial data and transactions are included in the General Fund and the Public Library Fund. The MFA does not have separately issued financial statements.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Description of Entity (Continued)

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.

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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

NOTE 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 street lights 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.
- The Community Center Catering Enterprise Fund accounts for all activities related to the catering operations at the City's Community Center.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following 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.

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

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

NOTE 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)

Deposits and Investments (Continued)

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. The County of Orange collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January proceeding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent if unpaid on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent if unpaid on August 31.

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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 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)

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.

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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 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)

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.

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 position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 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 (Continued)

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 position 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 9d and 10d 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.

Fund Balance Flow Assumptions

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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 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)

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.

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, 2019
Measurement Date (MD) – June 30, 2020
Measurement Period (MP) – July 1, 2019 to June 30, 2020

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 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)

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, 2021
Measurement Date (MD) – June 30, 2020
Measurement Period (MP) – July 1, 2019 to June 30, 2020

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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 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

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.

Restricted includes amounts that are constrained on the use of resources by either (a) 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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 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)

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.

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. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. As a result of implementing GASB No. 84, the City presented custodial funds to account for assets held by the City as an agent for others, including special deposits.

The City implemented GASB Statement No. 90, *Majority Equity Interests –an amendment of GASB Statement no. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government entity engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those government entities and funds should measure the majority equity interest at fair value. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. This Statement had no material impacts to the City's basic financial statements.

The City implemented GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84 and a Supersession of GASB Statement No. 32*. Portions of this Statement are effective immediately, including the primary objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; and (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements. This Statement had no material impacts to the City's basic financial statements.

The City early implemented GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term Annual Comprehensive Financial Report and its acronym ACFR. The new term and acronym replace instances of Comprehensive Annual Financial Report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for Comprehensive Annual Financial Report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. Implementation of this Statement resulted in the City renaming this document but did not have an impact on the financial statements.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Future Accounting Pronouncements

GASB Statements listed below will be implemented in the future financial statements.

GASB Statement No. 87	<i>Leases</i>	The provisions of this Statement are effective for fiscal year ending June 30, 2022.
GASB Statement No. 89	<i>Accounting for Interest Cost Incurred Before the End of a Construction Period</i>	The provisions of this Statement are effective for fiscal year ending June 30, 2022.
GASB Statement No. 91	<i>Conduit Debt Obligation</i>	The provisions of this Statement are effective for fiscal year ending June 30, 2023.
GASB Statement No. 92	<i>Omnibus 2020</i>	The provisions of this Statement are effective for fiscal year ending June 30, 2022.
GASB Statement No. 94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	The provisions of this Statement are effective for fiscal year ending June 30, 2023.
GASB Statement No. 96	<i>Subscription-Based Information Technology Arrangements</i>	The provisions of this Statement are effective for fiscal year ending June 30, 2023.
GASB Statement No. 97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32</i>	The provisions of this Statement relating to Section 457 plans are effective for fiscal year ending June 30, 2022.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

a. Deficit Fund Balance / Net Position

The Miscellaneous Grants Fund had a deficit fund balance of \$546,260, at June 30, 2021. 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 SB-2 Fund and COVID-19 funds had deficit fund balances of \$92,886 and \$160,820 at June 30, 2021, 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 (Continued)
For the Year Ended June 30, 2021

NOTE 3. CASH AND INVESTMENTS

Cash and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Pooled Cash and Investments	\$ 78,106,350
Cash and Investments with Fiscal Agents	11
Statement of Fiduciary Net Position:	
Pooled Cash and Investments	6,478,176
Cash and Investments with Fiscal Agents	<u>3,240,327</u>
Total Cash and Investments	<u>\$ 87,824,864</u>

Cash and investments as of June 30, 2021, consist of the following:

Petty Cash	\$ 13,070
Sum of Deposits with Financial Institutions:	7,183,572
Investments	<u>80,628,222</u>
Total	<u>\$ 87,824,864</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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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	15%	5%
Asset-Backed Securities	5 years	10%	5%
Local Agency Investment Fund (LAIF)	N/A	N/A	N/A
California Asset Management Program (CAMP)	N/A	N/A	N/A

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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 3. CASH AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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 Certificate of Deposits	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, 2021, the City had the following investments and original maturities:

	6 months or less	Remaining 6 months to 1 year	Investment 1 to 3 years	Maturities 3 to 5 years	Total
Medium Term Corporate Notes	\$ 67,449	\$ 407,133	\$ 3,898,234	\$ 3,753,584	\$ 8,126,399
Negotiable Certificates of Deposit	17,049	102,911	985,359	948,796	2,054,115
Asset-Backed Securities	31,747	191,630.65	1,834,835	1,766,750	3,824,963
U.S Treasury Issues	173,158	1,045,207.74	10,007,708	9,636,356	20,862,430
U.S Government Agency Securities:					
Federal Home Loan Mortgage Corp.	4,246	25,631.46	245,417	236,311	511,606
Federal National Mortgage Assn.	67,687	408,571.21	3,912,008	3,766,847	8,155,114
Municipal Bond	29,157	175,995	1,685,126	1,622,597	3,512,874
Supra-National Agency Bond / Note	13,981	84,389	808,014	778,032	1,684,416
Local Agency Investment Fund (LAIF)	28,275,092	-	-	-	28,275,092
California Asset Management Program (CAMP)	380,875	-	-	-	380,875
Held by Fiscal Agent:					
Money Market Mutual Funds	3,240,338	-	-	-	3,240,338
	<u>\$ 32,300,780</u>	<u>\$ 2,441,469</u>	<u>\$ 23,376,700</u>	<u>\$ 22,509,273</u>	<u>\$ 80,628,222</u>

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 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 Pool has the following recurring fair value measurements as of June 30, 2021:

Investment Type	Totals June 30, 2021	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities:				
Medium Term Corporate Notes	\$ 8,126,399	\$ -	\$ 8,126,399	\$ -
Negotiable Certificates of Deposit	2,054,115	-	2,054,115	-
Asset-Backed Securities	3,824,963	-	3,824,963	-
US Treasury Issues	20,862,430	-	20,862,430	-
US Government Collateralized Mortgage	511,606		511,606	
US Government Agency Securities	8,155,114	-	8,155,114	-
Municipal Bond	3,512,874	-	3,512,874	-
Supra-National Agency Bond / Note	1,684,416	-	1,684,416	-
Total Investments at Fair Value	48,731,917	\$ -	\$ 48,731,917	\$ -
Investments not subject to fair value hierarchy:				
Money Market Mutual Funds	3,240,338			
Local Agency Investment Fund (LAIF)	28,275,092			
California Asset Management Program (CAMP)	380,875			
Total Pooled and Directed Investments	\$ 80,628,222			

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 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, five Asset-Backed Securities and one Medium Term Corporate Note held in the City's portfolio were not rated by Standard and Poor's but were rated Aaa and A2, respectively, by Moody's, and certain short-term Certificates of Deposit with a short-term rating of A-1 from Standard and Poor's (the highest rating) are shown in the AAA column in the table below (the equivalent long-term rating).

Investment Type	Amount	Minimum Legal Rating	Rating as of Fiscal Year End				
			AAA	AA +/-	A +/-	BBB	Not Rated
Medium Term Corporate Notes	\$ 8,126,399	A-	\$ -	\$ 925,000	\$ 3,037,000	\$ 3,835,000	\$ 329,399
Negotiable Certificates of Deposit	2,054,115	A-	-	465,000	1,589,115	-	-
Asset-backed Securities	3,824,963	A-	1,675,000	-	-	-	2,149,963
U.S. Treasury Issues	20,862,430	N/A	-	20,862,430	-	-	-
U.S. Government Agency Securities:							
Federal Home Loan Mortgage Corp.	511,606	N/A	-	511,606	-	-	-
Federal National Mortgage Assn.	8,155,114	N/A	-	8,155,114	-	-	-
Municipal Bond	3,512,874	N/A	680,000	2,190,000	345,000	-	297,874
Supra-National Agency Bond / Note	1,684,416	N/A	1,684,416	-	-	-	-
Local Agency Investment Funds (LAIF)	28,275,092	N/A	-	-	-	-	28,275,092
California Asset Management Program (CAMP)	380,875	N/A	-	-	-	-	380,875
Held by Fiscal Agent:							
Money Market Mutual Funds	3,240,338	N/A	-	-	-	-	3,240,338
Totals	\$ 80,628,222		\$ 4,039,416	\$ 33,109,150	\$ 4,971,115	\$ 3,835,000	\$ 34,673,541

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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 3. CASH AND INVESTMENTS (Continued)

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, 2021, 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.

The total amount invested by all public agencies in LAIF as of June 30, 2021, was \$28,275,092 LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2021, had a balance of \$193,321,015,759. Of that amount 3.4% was invested in medium-term and short-term structured notes and asset-backed securities. The average maturity of PMIA investments was 191 days as of June 30, 2021. LAIF is unrated as to credit quality.

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. At June 30, 2021, CAMP had a total portfolio of approximately \$5.5 billion of which all was invested in non-derivative financial products. The average maturity of CAMP investments was 51 days as of June 30, 2021.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 4. 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, 2021, was as follows:

	Balance July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 34,750,068	\$ -	\$ -	\$ -	\$ 34,750,068
Street pavement infrastructure	200,603,744	-	-	-	200,603,744
Construction In Progress	45,197,661	2,098,345	-	(43,179,908)	4,116,098
Total Capital Assets Not Being Depreciated	280,551,473	2,098,345	-	(43,179,908)	239,469,910
Capital Assets, Being Depreciated:					
Buildings and improvements	69,864,687	15,672,189	(156,289)	38,982,750	124,363,337
Machinery and equipment	14,021,131	568,638	-	-	14,589,769
Motor vehicles	1,545,398	98,418	(26,512)	-	1,617,304
Other Infrastructure	142,627,550	5,620,408	-	4,197,158	152,445,116
Total Capital Assets Being Depreciated	228,058,766	21,959,653	(182,801)	43,179,908	293,015,527
Less Accumulated Depreciation:					
Buildings and improvements	(30,253,426)	(1,722,216)	156,289	-	(31,819,353)
Machinery and equipment	(11,108,545)	(787,074)	-	-	(11,895,619)
Motor vehicles	(1,201,123)	(109,544)	26,512	-	(1,284,155)
Other Infrastructure	(38,517,602)	(2,020,114)	-	-	(40,537,716)
Total Accumulated Depreciation	(81,080,696)	(4,638,948)	182,801	-	(85,536,844)
Total Capital Assets Being Depreciated, Net	146,978,070	17,320,705	-	43,179,908	207,478,683
Capital Assets, Net	\$ 427,529,543	\$ 19,419,050	\$ -	\$ -	\$ 446,948,593

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

Governmental Activities:	
General government	\$ 929,955
Public safety	55,627
Community development	53,905
Parks and recreation	1,302,805
Public works	2,296,656
Total	<u>\$ 4,638,948</u>

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 4. CAPITAL ASSETS (Continued)

	Balance July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 12,721,948	\$ 9,456	\$ -	\$ -	\$ 12,731,404
Total Capital Assets					
Not Being Depreciated	12,721,948	9,456	-	-	12,731,404
Capital Assets, Being Depreciated:					
Structures and improvements	21,554,061	7,585	-	-	21,561,646
Machinery and equipment	2,794,687	462,153	-	-	3,256,840
Total Capital Assets					
Being Depreciated	24,348,748	469,738	-	-	24,818,486
Less Accumulated Depreciation:					
Structures and improvements	(11,343,246)	(621,155)	-	-	(11,964,401)
Machinery and equipment	(2,404,213)	(141,493)	-	-	(2,545,706)
Total Accumulated Depreciation	(13,747,459)	(762,648)	-	-	(14,510,107)
Total Capital Assets					
Being Depreciated, Net	10,601,289	(292,910)	-	-	10,308,379
Business-Type Activities					
Capital Assets, Net	<u>\$ 23,323,237</u>	<u>\$ (283,454)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,039,783</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>\$ 762,648</u>
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CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 5. LONG-TERM RECEIVABLES

Loans Receivable (Net)

Contracts and notes receivable as of June 30, 2021, totaled \$46,648,407 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 at June 30, 2021, was \$17,683,704.

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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 5. LONG-TERM RECEIVABLES (Continued)

Affordable Housing Agreements (Continued)

Evergreen Villas, L.P. (Continued)

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 at June 30, 2021, for Evergreen Villas was \$11,028,186.

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 at June 30, 2021, was \$12,366,579.

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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 5. LONG-TERM RECEIVABLES (Continued)

Affordable Housing Agreements (Continued)

Orange Housing Development Corporation (Continued)

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.

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 at June 30, 2021, was \$5,569,938.

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, 2021, 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.

Advances to Successor Agency of Former RDA

The advances to the Successor Agency of the former Redevelopment Agency (RDA) consist of \$6,035,572 for loans made to the former RDA to assist in various Redevelopment projects and a \$3,815,853 loan to make the SERAF payment. On January 3, 2017, the Yorba Linda City Council approved a settlement agreement with the State Department of Finance that, among other terms, memorialized a repayment schedule for the outstanding advances due to the City from the Successor Agency. Repayment of these advances had been delayed due to ongoing litigation between the City and the State. As a result of the settlement agreement, the Successor Agency is now allowed to request funds from the County Auditor/Controller via the Recognized Obligation Payment Schedule (ROPS) process to repay the advances from the City. As of June 30, 2021, the SERAF loan has been repaid in full. Payments on the non-SERAF loans are ongoing, with \$2,224,171 paid during the year ended June 30, 2021.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 5. LONG-TERM RECEIVABLES (Continued)

Advances to Successor Agency of Former RDA (Continued)

Twenty percent of each payment is required to be transferred to the Affordable Housing Fund under the terms of the settlement agreement and the redevelopment dissolution law, with \$ 444,834 transferred during the year ended June 30, 2021. It is anticipated that the remaining balance on the projects loan of \$598,080 will be paid in full by June 30, 2022, as shown in the table below:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Payment</u> <u>Amount</u>
2022	\$ 598,080
	<u>\$ 598,080</u>

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2021, 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	\$ 931,053	Miscellaneous Grants Fund	\$ 656,260
		<u>Nonmajor Governmental Funds</u>	
		Traffic Safety Fund	3,169
		CDBG Grant Fund	63,678
		SB-2 Fund	47,416
		COVID Fund	160,530
	<u>\$ 931,053</u>		<u>\$ 931,053</u>

Interfund balances are the result of 1) short term borrowing to cover negative cash balances and operating shortages at June 30, 2021, or 2) the time lag between the dates that reimbursable expenditures occur and the dates the related revenues are received. All of these balances are expected to be reimbursed within the subsequent year.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

b. Advances To / From Other Funds

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>
Advances from Master Plan of Drainage Fund	\$ 2,300,000	-	-	\$ 2,300,000
Total Advances	<u>\$ 2,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,300,000</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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 6. 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	\$ 1,054,759	General Fund	\$ 2,125,443
Landscape Maintenance Assessment District Fund	1,594,785	Landscape Maintenance Assessment District Fund	197,588
Capital Improvement Fund	14,960,963	Public Library Fund	11,608,560
Affordable Housing Fund	444,834	Miscellaneous Grants Fund	330,985
<u>Nonmajor Governmental Funds</u>		<u>Nonmajor Governmental Funds</u>	
Lighting and Signal Project Fund	197,588	PEG Fund	383,238
		Gas Tax Fund	794,319
		Measure M2 Fund	633,230
		Road Maintenance and Rehabilitation Fund	791,563
		Traffic Safety Fund	37,324
		Citizen Option Public Safety Fund	163,357
		COVID-19 Fund	711,777
		Traffic Signal Improvements Fund	475,545
	<u>\$ 18,252,929</u>		<u>\$ 18,252,929</u>

The transfer to the Capital Improvements Fund in the amount of \$14,960,963 consisted primarily of:

1. The transfer from the General Fund of \$85,823, which related to funding for reimbursing the Capital Improvements Fund for capital expenditures for miscellaneous projects.
2. The transfer from the Public Library Fund of \$11,608,560 is related to funding for the City's Library and Cultural Arts Center project, which was completed in FY 2020/21.
3. The transfers from the Miscellaneous Grants Fund of \$220,985 and other nonmajor governmental funds of \$3,045,595 were primarily for reimbursing the Capital Improvements Fund for capital expenditures.

The transfer to the Landscape Maintenance Assessment District Fund of \$1,594,785 was from the General Fund to cover the general benefit costs associated with landscape and lighting maintenance as well as certain capital projects for the conversion of turf medians to new drought-tolerant landscaping.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

c. Interfund Transfers (Continued)

The transfers to the General Fund of \$1,054,759 were primarily the result of transfers from the COVID-19 Grant Fund of \$711,777 to reimburse the General Fund for eligible costs related to responding to the pandemic. The remaining \$342,982 of transfers from other nonmajor governmental funds were to reimburse the General Fund for public safety services performed by the Orange County Sheriff's Department under the City's Police Services contract, engineering and administrative services in support of the City's street maintenance program as authorized under California Streets and Highway Code Section 2107.5, capital expenses and consulting services related to the City's Government Access Channel, and grant-funded staff time and consultant costs related to preparation of the City's General Plan Housing Element and other planning studies.

The transfers to the Affordable Housing Fund consisted of \$444,834 from the General Fund to allocate 20% of a payment received from the Successor Agency on the outstanding loans to the Successor Agency as further discussed in note 5 to the basic financial statements.

The transfer to the Lighting and Signal Improvement Fund of \$197,588 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.

NOTE 7. 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, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Lease Revenue Bonds	\$ 14,155,000	\$ -	\$ 515,000	\$ 13,640,000	\$ 540,000
Private Placement Lease	7,611,000	-	-	7,611,000	-
Unamortized Bond Premium	1,148,111	128,523	64,262	1,212,372	192,785
Claims and Judgements					
Claims Liability	155,222	594,532	474,418	275,336	275,336
Workers Compensation	784,222	54,761	146,906	692,077	87,918
Compensated Absences	1,098,760	1,071,523	738,391	1,431,892	1,134,138
Net Pension Liability (Note 9)	22,028,168	568,188	-	22,596,356	-
OPEB Obligation (Note 10)	16,219,034	-	1,593,132	14,625,902	-
Total	\$ 63,199,517	\$ 2,417,527	\$ 3,532,109	\$ 62,084,935	\$ 2,230,177

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 7. 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, 2021, was \$13,640,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2021, including interest, are as follows:

Fiscal Year Ending		
June 30,	Principal	Interest
2022	\$ 540,000	\$ 598,637
2023	570,000	571,638
2024	600,000	543,137
2025	630,000	513,138
2026	660,000	481,638
2027-2031	3,815,000	1,880,438
2032-2036	4,680,000	991,375
2037-2038	2,145,000	85,800
Total	<u>\$ 13,640,000</u>	<u>\$ 5,665,801</u>

2020 Private Placement Lease Financing with Sterling National Bank

In June 2021, 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. The private placement financing is payable from the lease payment revenues received by the Authority from the City as pledged under a trust indenture. The lease payments and corresponding debt service payments will begin on February 1, 2021. Principal payments for the financing are payable each August 1st beginning in 2023, with final maturity on August 1, 2030. The interest rate for the financing is 2.36%, with principal payments ranging from \$875,540 to \$1,030,830.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 7. LONG-TERM LIABILITIES (Continued)

a. Long-Term Liabilities – Governmental Activities (Continued)

The interest payments are due semi-annually on February 1 and August 1. The outstanding balance as of June 30, 2021, was \$7,611,000.

The annual requirements to amortize the outstanding indebtedness as of June 30, 2021, including interest, are as follows:

Fiscal Year Ending		
June 30,	Principal	Interest
2022	\$ -	\$ 179,620
2023	-	179,620
2024	875,540	169,288
2025	896,200	148,382
2026	917,350	126,982
2027-2031	4,921,910	295,811
Total	<u>\$ 7,611,000</u>	<u>\$ 1,099,703</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.

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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 7. LONG-TERM LIABILITIES (Continued)

a. Long-Term Liabilities – Governmental Activities (Continued)

Claims and Judgments (Continued)

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.

At June 30, 2021, 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, 2021, of \$967,413 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, 2021, and 2020, including a provision for incurred but not reported claims were as follows:

Fiscal Year Ending June 30,	Claims Payable Beginning	Claims and Changes in Estimates	Claims Payments	Claims Payable Ending
2020	\$ 1,004,723	\$ 508,764	\$ 574,043	\$ 939,444
2021	939,444	649,292	621,323	967,413

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 7. LONG-TERM LIABILITIES (Continued)

a. Long-Term Liabilities – Governmental Activities (Continued)

Claims and Judgments (Continued)

There have been significant changes to insurance coverage as compared to last year due to the following reasons:

- Property Schedule: addition of \$43M+ new Library/Arts Center.
- Vehicle Schedule: addition of Black Gold's \$785,000 golf cart fleet, including GPS devices.
- 6M+ Adventure Playground project will be added to the FY2022-23 and may pursue an Earthquake policy.
- Workers Compensation: City staff and salaries have grown annually which was projected to be \$13M for FY2021/22; thereby increasing the Workers Compensation contribution.
- Employer Practices Liability: Millan claim exceeded \$250k self-insured retention and dipped into the
- California Insurance Pool Authority's (CIPA) \$2M insurance layer by approximately \$1.2M. However, the City prevailed in Superior Court on all counts and Millan was awarded \$0 in economic damages.
- CIPA increased its confidence level from 75% to 80%.
- Significant overall increases in property liability (15% - 25%), commercial excess liability (18% - 25%), and cyber liability (20%-30%) projections in FY 2012-22.

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

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, 2021, was \$1,431,892.

NOTE 8. 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, 2021, is \$1,462,035.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 9. CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

a. General Information about the Pension Plan

Plan Description

All qualified employees are eligible to participate in the City's Miscellaneous Employee Pension Plan (Plan), an agent multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City resolution. Separate financial statements for the Plan 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

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2021, 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 service	5 years service
Benefit payments	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%	6.75%
Required employer contribution rates	22.172%	22.172%

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 9. CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(Continued)

a. General Information about the Pension Plan (Continued)

Employees Covered

At June 30, 2020 (measurement date), the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	143
Inactive employees entitled to but not yet receiving benefits	57
Former employees currently working for another CalPERS agency	60
Active employees	<u>118</u>
Total	<u><u>378</u></u>

Contributions

Section 20814 (c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Employee contributions are based on the employee's annual covered salary. For the fiscal year ended June 30, 2021, the employee contribution rate was 7.00% for classic members hired before January 1, 2013, or who were hired after January 1, 2013 and had membership with a previous reciprocal retirement system; and 6.75% for PEPRAs members hired after January 1, 2013. The City was required to contribute \$3,625,393 as employer contributions for the fiscal year ended June 30, 2021.

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, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 9. CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(Continued)

b. CalPERS Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.625%
Payroll Growth	2.875%
Projected Salary Increase	0.40% - 8.50% ⁽¹⁾
Investment Rate of Return	7.25% ⁽²⁾
Mortality	Derived using CalPERS' Membership Data for all Funds

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

⁽²⁾ Net of pension plan investment and administrative expenses, including inflation.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of the 2017 CalPERS Experience Study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2020 was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on 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 Plan investment expense and inflation) are developed for each major asset class.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 9. CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(Continued)

b. CalPERS Net Pension Liability (Continued)

Discount Rate (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1 - 10²	Real Return Years 11+³
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0	1.00	2.62
Inflation Sensitive	-	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	-	(0.92)

¹ In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.00% used for this period

³ An expected inflation of 2.92% used for this period

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 9. CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(Continued)

c. Changes in the CalPERS Net Pension Liability

The changes in the Net Pension Liability for the Plan are as follows:

	Increase (Decrease)		Net Position
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Liability/(Asset) (c) = (a) - (b)
Balance, June 30, 2019 (MD)	<u>\$ 77,287,722</u>	<u>\$ 55,259,554</u>	<u>\$ 22,028,168</u>
Changes in Recognized for the Measurement Period:			
Service Cost	1,696,577	-	1,696,577
Interest on the Total Pension Liability	5,438,271	-	5,438,271
Changes in Benefit Terms	-	-	-
Differences between Expected and Actual Experience	(252,047)	-	(252,047)
Changes of Assumptions	-	-	-
Contribution from the Employer	-	2,329,240	(2,329,240)
Contributions from the Employees	-	1,285,901	(1,285,901)
Net Investment Income ²	-	2,777,374	(2,777,374)
Benefit Payments, including Refunds of Employee Contributions	(3,648,478)	(3,648,478)	-
Administrative Expense	-	(77,902)	77,902
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during 2019-20	<u>3,234,323</u>	<u>2,666,135</u>	<u>568,188</u>
Balance, June 30, 2020 (MD) ¹	<u>\$ 80,522,045</u>	<u>\$ 57,925,689</u>	<u>\$ 22,596,356</u>

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

² Net of administrative expenses.

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Plan's Net Pension Liability/(Asset)	\$ 33,364,694	\$ 22,596,356	\$ 13,732,825

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 9. CITY EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(Continued)

c. Changes in the CalPERS Net Pension Liability (Continued)

Plan Fiduciary Net Position

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

d. CalPERS Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2021, the City recognized pension expense of \$2,822,623. At measurement date of June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,625,393	\$ -
Changes of assumption	-	(28,495)
Differences between expected and actual experience	313,548	(182,034)
Net differences between projected and actual earnings on pension plan investments	450,076	-
Total	<u>\$ 4,389,017</u>	<u>\$ (210,529)</u>

The amount of \$3,625,393 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. 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
2022	\$ (81,713)
2023	158,463
2024	242,564
2025	233,781

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 10. OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS

a. General Information about the Other Postemployment Benefits Plan

Plan Description

The City provides other postemployment 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 \$599,730 and the total actual contribution was \$599,730 for fiscal year ended June 30, 2021.

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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 10. OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (Continued)

a. General Information about the Other Postemployment Benefits Plan (Continued)

Employees Covered

At June 30, 2020 (measurement date), the following employees were covered by the benefit term:

Inactive employees or beneficiaries currently receiving benefits	68
Inactive employees entitled to but not yet receiving benefits	17
Active employees	124
Total	<u>209</u>

b. Net OPEB Liability

The net OPEB liability of the Plan was measured as of June 30, 2020, using an interim actuarial valuation as of June 30, 2021, rolled back to June 30, 2020, 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, 2020 (measurement date) actuarial valuation was determined using the following actuarial assumptions:

Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	0.40% - 8.50% ⁽¹⁾
Asset Return	7.00% ⁽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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 10. OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (Continued)

b. Net OPEB Liability (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability as of January 1, 2020, was 7.00%. The discount rate is a blended rate between the rate of return at 7.00% and 3.50%, the resulting rate using the average of three 20-year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO index and Fidelity GO AA 20 Year Bond Index

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, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	59.0 %	5.50%
Global Fixed Income	25.0	2.35
Inflation Assets	5.0	1.50
Commodities	3.0	1.75
REITs	8.0	3.65

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 10. OTHER POSTEMPLOYMENT EMPLOYEE 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, 2019 (MD)	\$ 16,995,487
Service Cost	514,178
Interest	1,081,753
Differences between Expected and Actual Experience	(738,379)
Changes of Assumptions	(1,509,066)
Benefit Payments, including Refunds of Employee Contributions	(688,476)
Net Changes during 2018-19	(1,339,990)
Total OPEB Liability Balance, June 30, 2020 (MD)	15,655,497
Plan Fiduciary Net Position	
Contribution from the Employer	919,194
Net Investment Income	22,861
Benefit Payments, including Refunds of Employee Contributions	(688,476)
Admin and Other Expense	(437)
Net Changes during 2019-20	253,142
Plan Fiduciary Net Position - Beginning	776,453
Plan Fiduciary Net Position - Ending	1,029,595
Net OPEB Liability Balance, June 30, 2020 (MD)	\$ 14,625,902

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 10. OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (Continued)

c. Change in the Net OPEB Liability (Continued)

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 7.00%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	Discount Rate - 1% (6.00%)	Current Discount Rate (7.00%)	Discount Rate +1% (8.00%)
Net OPEB Liability	\$ 17,293,868	\$ 14,625,902	\$ 13,161,477

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:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
	(5.00% decreasing to 4.00%)	(6.00% decreasing to 5.00%)	(7.00% decreasing to 6.00%)
Net OPEB Liability	\$ 12,827,246	\$ 14,625,902	\$ 17,768,207

d. CalPERS OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$2,159,153. At measurement date of June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 10. OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (Continued)

d. CalPERS OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 599,730	\$ -
Differences between expected and actual experience in measurement of the Total OPEB Liability	-	(3,628,651)
Changes of assumption	-	(5,467,064)
Differences between projected and actual earnings on OPEB plan investments	29,046	0
	-	
Total	<u>\$ 628,776</u>	<u>\$ (9,095,715)</u>

The amount of \$599,730 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, 2022. 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
2022	\$ (2,757,503)
2023	(1,159,947)
2024	(1,161,251)
2025	(1,158,256)
2026	(1,166,138)
Thereafter	(1,665,574)

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 11. 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.

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, 2021. 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.

NOTE 12. 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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

- 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 15, 2018, 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 budget. The contract is reimbursement-based, with a year-end reconciliation payment to adjust for actual costs.
- 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 \$252,744 at June 30, 2021.
- d. On January 15, 2019, the City entered into an Agreement for Construction of Public Improvements with Orange Housing Development Corporation and C&C Development to rehabilitate the Trueblood House (collectively "the Developer"), a local historic property owned by the City. Under the Agreement, the Developer is required to rehabilitate the structure and the City is required to provide the Developer with funding in the amount of \$545,217 toward the costs of the rehabilitation. Payment of the City contribution is anticipated for the fiscal year ended June 30, 2022, and has already been budgeted.

NOTE 13. 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).

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (Continued)

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.

a. Cash and Investments

The following is a summary of Successor Agency cash and investments at June 30, 2021:

Pooled cash and investments	\$ 3,243,627
Restricted cash and investments held with fiscal agent	<u>3,240,327</u>
	<u>\$ 6,483,954</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, 2021, follows:

	Balance July 1, 2020	Accreted Interest	Deletions	Balance June 30, 2021	Due Within One Year
Tax Allocation Bonds	\$ 41,192,771	\$ 780,982	\$ 3,040,000	\$ 38,933,753	\$ 3,310,000
Unamortized Premium	1,878,831	-	154,154	1,724,677	154,154
Unamortized Gain on Defeasance	3,157,239	-	259,045	2,898,194	259,045
Unamortized Discount	(58,448)	-	(4,795)	(53,653)	(4,795)
Advance from City	<u>2,822,251</u>	<u>-</u>	<u>2,224,171</u>	<u>598,080</u>	<u>598,080</u>
Total	<u>\$ 48,992,644</u>	<u>\$ 780,982</u>	<u>\$ 5,672,575</u>	<u>\$ 44,101,050</u>	<u>\$ 4,316,484</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.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 13. 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 \$10,647,250 of the capital appreciation bonds at June 30, 2021, was \$15,133,753.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2021, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2022	\$ -	\$ -
2023	-	-
2024	-	-
2025	996,572	2,936,743
2026	945,335	2,988,352
2027-2030	2,544,596	9,258,265
Total	<u>\$ 4,486,503</u>	<u>\$ 15,183,360</u>
Accretion	10,647,250	
	<u>\$ 15,133,753</u>	

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 13. 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

The 2011 Tax Allocation Bonds were issued shortly before the date on which all California redevelopment agencies were dissolved under State law. Subsequent to the issuance of the 2011 Tax Allocation Bonds, legislation was passed that precluded the Successor Agency from spending the proceeds of these bonds, as they were issued in a specified period shortly before the dissolution date for the Successor Agency. Subsequent legislation codified in Health and Safety Code sections 34191.4 and 34191.6 established a sliding scale by which some portion of bond proceeds for issuances undertaken just prior to dissolution could be spent following issuance of a Finding of Completion by the California Department of Finance to the Successor Agency. Based on the date of original issuance for the 2011 Tax Allocation Bonds, the Successor Agency was able to utilize 25% of the bond proceeds for their original intended purpose. The remaining 75% could not be spent under State law and would have remained on hand with the bond trustee until the earliest call date for the bonds, at which time an equivalent amount of bonds would be called. The 2017 Tax Allocation Refunding Bonds refunded the entire outstanding amount of 2011 Tax Allocation Bonds and contributed 75% of the original 2011 Tax Allocation Bonds project fund proceeds of \$16,574,297 that were on hand at that time toward the refunding as a cash contribution. As a result, the total amount of 2017 Tax Allocation Refunding Bonds outstanding that relate to the 2011 Tax Allocation Bonds transaction was substantially smaller than the amount of 2011 Tax Allocation Bonds that were outstanding prior to the refunding. The total future payments for the refunding debt provide a net present value gain of approximately \$13,172,128.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 13. 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)
(Continued)

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 at June 30, 2021, was \$23,800,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2021, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2022	\$ 3,310,000	\$ 882,806
2023	3,460,000	723,975
2024	3,640,000	556,056
2025	390,000	464,281
2026	440,000	452,919
2027-2031	7,280,000	1,871,150
2032-2033	5,280,000	207,884
Total	<u>\$ 23,800,000</u>	<u>\$ 5,159,072</u>

b. Long-Term Liabilities (Continued)

Advances from City

The advances from the City consist of loans made to the former Redevelopment Agency to assist in various Redevelopment projects. The outstanding balance at June 30, 2021, was \$598,080 with payment in full expected in the next fiscal year concluding by June 30, 2022. Information regarding the repayment schedule for this advance can be found in Note 5 to the basic financial statements.

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. Additional information as to coverage and self-insured retentions can be found in Note 7a to the basic financial statements.

CITY OF YORBA LINDA
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

NOTE 14. COVID-19

The COVID-19 pandemic had negative financial impacts on fiscal year 2021 and the economic impacts will potentially continue for several more fiscal years. The State, County, and City have put in place measures and protocols to help reduce the spread of the virus and provide financial relief to individuals and businesses. Many of these policies have impacted the City's revenue sources such as sales tax, transient occupancy tax, and golf course charges for services. The recovery of the local economy and the return of City revenues to pre-COVID levels will depend on many factors that are still unknown. Because of the City's revenue mix, revenue impacts have been manageable and reductions to service levels have not been necessary to date.

While the City was not eligible for any direct aid under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the City has received funds from the County of Orange from their allocation of CARES Act funds. These funds have been recognized as revenues and utilized as follows:

1. \$1,620,095 for business grants to small businesses impacted by the pandemic.
2. \$577,460 for the City's direct costs responding to the pandemic. These funds are anticipated to be utilized to offset staffing costs for those dedicated to the pandemic response, matching funds for anticipated Federal Emergency Management Agency (FEMA) reimbursements for public health expenditures such as facility modifications, and other related expenditures.

The City will be receiving an additional \$108,004 from the County of Orange in the upcoming fiscal year to augment meals programs for senior citizens as well as an additional \$134,858 for additional small business grants. The State of California has allocated \$847,632 of CARES Act funds to the City that will be utilized to offset public safety expenses associated with the pandemic response.

REQUIRED SUPPLEMENTARY INFORMATION



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CITY OF YORBA LINDA
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 32,923,982	\$ 32,562,278	\$ 32,994,511	\$ 432,233
Licenses and permits	1,264,100	1,759,000	1,905,891	146,891
Intergovernmental	527,471	569,471	542,712	(26,759)
Charges for services	4,248,492	3,224,274	3,119,143	(105,131)
Investment income	614,000	500,000	111,580	(388,420)
Fines and forfeitures	59,000	59,000	19,483	(39,517)
Gain on sale of City property	5,000	10,000	12,114	2,114
Miscellaneous	176,100	224,600	202,986	(21,614)
Total revenues	39,818,145	38,908,623	38,908,420	(203)
Expenditures				
General government				
Administration	7,101,600	8,055,317	7,126,013	929,304
City Attorney	650,000	650,000	629,815	20,185
Finance	1,209,844	1,275,129	1,159,933	115,196
Public safety	13,294,757	12,727,141	12,584,332	142,809
Community development	3,275,519	3,831,882	3,073,170	758,712
Parks and recreation	7,216,007	7,404,179	6,317,469	1,086,710
Public works	4,762,630	5,730,374	4,663,484	1,066,890
Capital outlay	1,557,895	3,829,449	1,552,009	2,277,440
Debt service				
Principal retirement	78,000	135,771	108,271	27,500
Total expenditures	39,146,252	43,639,242	37,214,496	6,424,746
Excess of Revenues over (under) Expenditures	671,893	(4,730,619)	1,693,924	6,424,543
Other financing sources (uses):				
Transfers in	650,895	1,556,996	1,054,759	(502,237)
Transfers out	-	-	(2,125,443)	(2,125,443)
Issuance of debt	-	-	-	-
Total other financing sources (uses)	650,895	1,556,996	(1,070,684)	(2,627,680)
Net change in fund balance	1,322,788	(3,173,623)	623,240	3,796,863
Fund balance at beginning of fiscal year	36,557,547	36,557,547	36,557,547	-
Fund balance at end of fiscal year	\$ 37,880,335	\$ 33,383,924	\$ 37,180,787	\$ 3,796,863

See note to required supplementary information.

CITY OF YORBA LINDA
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
American Rescue Plan Act
For the Fiscal Year Ended June 30, 2021

	Budgeted Amount		Variance with Final Budget Actual Amounts	Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ -	\$ -	\$ 10,265	\$ 10,265
Total revenues	-	-	10,265	10,265
Expenditures				
General government	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of Revenues over (under) Expenditures	-	-	10,265	10,265
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Contributions from Successor Agency	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	10,265	10,265
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	\$ -	\$ -	\$ 10,265	\$ 10,265

See note to required supplementary information.

CITY OF YORBA LINDA
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Affordable Housing Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Investment income	\$ 77,000	\$ 77,000	\$ 735,323	\$ 658,323
Total revenues	<u>77,000</u>	<u>77,000</u>	<u>735,323</u>	<u>658,323</u>
Expenditures				
General government	<u>58,500</u>	<u>58,500</u>	<u>21,622</u>	<u>36,878</u>
Total expenditures	<u>58,500</u>	<u>58,500</u>	<u>21,622</u>	<u>36,878</u>
Excess of Revenues over (under) Expenditures	<u>18,500</u>	<u>18,500</u>	<u>713,701</u>	<u>695,201</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>444,834</u>	<u>444,834</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>444,834</u>	<u>444,834</u>	<u>-</u>
Net change in fund balance	<u>18,500</u>	<u>463,334</u>	<u>1,158,535</u>	<u>695,201</u>
Fund balance at beginning of fiscal year	<u>49,381,828</u>	<u>49,381,828</u>	<u>49,381,828</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 49,400,328</u></u>	<u><u>\$ 49,845,162</u></u>	<u><u>\$ 50,540,363</u></u>	<u><u>\$ 695,201</u></u>

See note to required supplementary information.

CITY OF YORBA LINDA
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Miscellaneous Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 5,412,500	\$ 5,469,200	\$ 529,864	\$ (4,939,336)
Total revenues	5,412,500	5,469,200	529,864	(4,939,336)
Expenditures				
Capital outlay	-	1,341,700	20,009	1,321,691
Total expenditures	-	1,341,700	20,009	1,321,691
Excess of Revenues over (under) Expenditures	5,412,500	4,127,500	509,855	(3,617,645)
Other financing sources (uses):				
Transfers out	(5,412,500)	(940,279)	(330,985)	609,294
Total other financing sources (uses)	(5,412,500)	(940,279)	(330,985)	609,294
Net change in fund balance	-	3,187,221	178,870	(3,008,351)
Fund balance (deficit) at beginning of fiscal year	(725,130)	(725,130)	(725,130)	-
Fund balance (deficit) at end of fiscal year	\$ (725,130)	\$ 2,462,091	\$ (546,260)	\$ (3,008,351)

See note to required supplementary information.

CITY OF YORBA LINDA
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Public Library Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 6,726,506	\$ 6,726,506	\$ 6,982,239	\$ 255,733
Intergovernmental	-	18,239	18,239	-
Charges for services	95,500	95,500	9,197	(86,303)
Investment income	56,000	56,000	(166,448)	(222,448)
Fines and forfeitures	50,000	50,000	6,193	(43,807)
Gain on Sale of City Property	3,450,000	3,450,000	3,351,435	(98,565)
Miscellaneous	-	-	64,485	64,485
Total revenues	10,378,006	10,396,245	10,265,340	(130,905)
Expenditures				
Library	6,322,283	6,480,099	5,638,179	841,920
Capital outlay	-	732,306	631,036	101,270
Total expenditures	6,322,283	7,212,405	6,269,215	943,190
Excess of Revenues over (under) Expenditures	4,055,723	3,183,840	3,996,125	812,285
Other financing sources (uses):				
Transfers out	-	(12,066,939)	(11,608,560)	458,379
Total other financing sources (uses)	-	(12,066,939)	(11,608,560)	458,379
Net change in fund balances	4,055,723	(8,883,099)	(7,612,435)	1,270,664
Fund balance at beginning of fiscal year	11,536,049	11,536,049	11,536,049	-
Fund balance at end of fiscal year	\$ 15,591,772	\$ 2,652,950	\$ 3,923,614	\$ 1,270,664

See note to required supplementary information.

CITY OF YORBA LINDA
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Landscape Maintenance Assessment District Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 8,091,518	\$ 8,091,518	\$ 8,050,711	\$ (40,807)
Investment income	208,000	208,000	(19,166)	(227,166)
Total revenues	8,299,518	8,299,518	8,031,545	(267,973)
Expenditures				
Public works	8,699,709	9,040,786	8,664,023	376,763
Capital outlay	-	2,221,871	1,780,898	440,973
Total expenditures	8,699,709	11,262,657	10,444,921	817,736
Excess of revenues over (under) expenditures	(400,191)	(2,963,139)	(2,413,376)	549,763
Other financing sources (uses):				
Transfers in	1,007,971	1,717,358	1,594,785	(122,573)
Transfers out	-	-	(197,588)	(197,588)
Total other financing sources (uses)	1,007,971	1,717,358	1,397,197	(320,161)
Net change in fund balances	607,780	(1,245,781)	(1,016,179)	229,602
Fund balance at beginning of fiscal year	7,783,746	7,783,746	7,783,746	-
Fund balance at end of fiscal year	<u>\$ 8,391,526</u>	<u>\$ 6,537,965</u>	<u>\$ 6,767,567</u>	<u>\$ 229,602</u>

See note to required supplementary information.

CITY OF YORBA LINDA
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2021

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 2020, documented a PCI score of 78 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 80, 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.

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

Fiscal Year	Pavement Condition Index (PCI) Rating	Estimated Preservation Costs	Actual Preservation Costs
2015-2016*	83	4,500,000	4,700,000
2016-2017	83	4,500,000	2,900,000
2017-2018*	80	4,800,000	2,000,000
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

*Denotes years condition assessment was performed.

CITY OF YORBA LINDA
Required Supplementary Information (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021

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

	Measurement Date June 30, 2020	Measurement Date June 30, 2019	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**
Total Pension Liability							
Service cost	\$ 1,696,577	\$ 1,623,776	\$ 1,458,002	\$ 1,472,818	\$ 1,318,758	\$ 1,295,229	\$ 1,290,965
Interest on total pension liability	5,438,271	5,230,301	4,969,509	4,762,222	4,610,554	4,439,809	4,254,542
Changes in assumptions	-	-	(313,447)	4,016,681	-	(1,091,497)	-
Difference between expected and actual experience	(252,047)	716,490	203,742	(618,862)	(505,685)	(236,444)	-
Benefit payments, including refunds of employee contributions	(3,648,478)	(3,811,074)	(3,347,753)	(3,089,914)	(3,046,770)	(2,971,575)	(2,848,785)
Net change in total pension liability	3,234,323	3,759,493	2,970,053	6,542,945	2,376,857	1,435,522	2,696,722
Total pension liability - beginning	77,287,722	73,528,229	70,558,176	64,015,231	61,638,374	60,202,852	57,506,130
Total pension liability - ending (a)	80,522,045	77,287,722	73,528,229	70,558,176	64,015,231	61,638,374	60,202,852
Plan Fiduciary Net Position							
Contributions - employer	2,329,240	2,063,002	1,833,255	1,483,366	1,186,312	1,121,845	1,245,275
Contributions - employee	1,285,901	1,228,098	1,150,359	1,062,547	979,418	925,172	636,643
Net investment income	2,777,374	3,467,727	4,165,920	4,935,247	222,302	995,586	6,731,502
Benefit payments, including refunds of employee contributions	(3,648,478)	(3,811,074)	(3,347,753)	(3,089,914)	(3,046,770)	(2,971,575)	(2,848,785)
Net plan to plan resource movement	-	-	(122)	-	-	-	-
Administrative expense	(77,902)	(37,357)	(75,993)	(65,616)	(27,503)	-	-
Other miscellaneous income/(expense)	-	122	(144,313)	-	-	-	-
Net change in plan fiduciary net position	2,666,135	2,910,518	3,581,353	4,325,630	(686,241)	20,234	5,764,635
Plan fiduciary net position - beginning	55,259,554	52,349,036	48,767,683	44,442,053	45,128,294	45,108,060	39,343,425
Plan fiduciary net position - ending (b)	57,925,689	55,259,554	52,349,036	48,767,683	44,442,053	45,128,294	45,108,060
Plan net pension liability - ending (a) - (b)	\$ 22,596,356	\$ 22,028,168	\$ 21,179,193	\$ 21,790,493	\$ 19,573,178	\$ 16,510,080	\$ 15,094,792
Plan fiduciary net position as a percentage of the total pension liability	71.94%	71.50%	71.20%	69.12%	69.42%	73.21%	74.93%
Covered payroll	\$ 9,973,996	\$ 9,336,874	\$ 8,523,335	\$ 8,519,800	\$ 8,331,278	\$ 7,983,907	\$ 7,672,440
Net pension liability as a percentage of covered payroll	235.93%	235.93%	248.48%	255.76%	234.94%	206.79%	196.74%

* Fiscal year 2015 was the first year of implementation, therefore only six years are shown

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

CITY OF YORBA LINDA
Required Supplementary Information (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021

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: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2019, valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2019 or 2020. 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 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. 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.

3. Schedule of Pension Contributions – Last 10 Years*

Fiscal year ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 3,625,393	\$ 2,001,025	\$ 1,706,948	\$ 1,417,449	\$ 1,268,816	\$ 1,186,312	\$ 1,121,845
Contributions in relation to the actuarially determined contributions	(3,625,393)	(2,329,240)	(2,063,002)	(1,833,255)	(1,483,366)	(1,186,312)	(1,121,845)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (328,215)</u>	<u>\$ (356,054)</u>	<u>\$ (415,806)</u>	<u>\$ (214,550)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,319,031	\$ 9,973,996	\$ 9,336,874	\$ 8,523,335	\$ 8,519,800	\$ 8,331,278	\$ 7,983,907
Contributions as a percentage of covered payroll	35.13%	23.35%	22.10%	21.51%	17.41%	14.24%	14.05%

*Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

Notes to Schedule of Pension Contributions

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Amortization Method	Level Percent of Payroll
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.88%
Projected Salary Increase	0.40% - 8.50% ⁽¹⁾
Investment Rate of Return	7.25% ⁽²⁾
Mortality	Derived using CalPERS' Membership Data for all Funds

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

⁽²⁾ Net of pension plan investment and administrative expenses, including inflation.

CITY OF YORBA LINDA
Required Supplementary Information (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021

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

	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	\$ 514,178	\$ 1,041,877	\$ 1,616,456	\$ 1,559,082
Interest on total OPEB liability	1,081,753	1,103,430	1,051,971	879,863
Differences between expected and actual experience	(738,379)	(3,081,922)	(2,643,488)	-
Changes in assumptions	(1,509,066)	(4,249,457)	(3,754,316)	(3,742,978)
Benefit payments, including refunds of employee contributions	(688,476)	(708,272)	(701,025)	(734,912)
Net change in total OPEB liability	(1,339,990)	(5,894,344)	(4,430,402)	(2,038,945)
Total OPEB liability - beginning	16,995,487	22,889,831	27,320,233	29,359,178
Total OPEB liability - ending (a)	15,655,497	16,995,487	22,889,831	27,320,233
Plan Fiduciary Net Position				
Contributions - employer	919,194	942,684	935,437	1,170,145
Net investment income	22,861	57,133	17,983	1,266
Benefit payments, including refunds of employee contributions	(688,476)	(708,272)	(701,025)	(935,739)
Administrative expense	(437)	(133)	(184)	(1)
Other	-	-	(309)	-
Net change in plan fiduciary net position	253,142	291,412	251,902	233,139
Plan fiduciary net position - beginning	776,453	485,041	233,139	-
Plan fiduciary net position - ending (b)	1,029,595	776,453	485,041	233,139
Net OPEB liability - ending (a) - (b)	\$ 14,625,902	\$ 16,219,034	\$ 22,404,790	\$ 27,087,094
Plan fiduciary net position as a percentage of the total OPEB liability	6.58%	4.57%	2.12%	0.85%
Covered payroll	\$ 9,973,996	\$ 9,336,874	\$ 8,523,335	\$ 8,519,800
Net OPEB liability as a percentage of covered payroll	146.64%	173.71%	262.86%	317.93%

*Fiscal year 2018 was the first year of implementation, therefore only four years are shown.

CITY OF YORBA LINDA
Required Supplementary Information (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021

5. Schedule of OPEB Contributions – Last 10 Years*

Fiscal year ended	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 919,194	\$ 1,909,606	\$ 2,107,584	\$ 2,088,038
Contributions in relation to the actuarially determined contributions	<u>(919,194)</u>	<u>(771,379)</u>	<u>(832,398)</u>	<u>(1,170,151)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 1,138,227</u>	<u>\$ 1,275,186</u>	<u>\$ 917,887</u>
Covered payroll	\$ 10,319,031	\$ 9,865,852	\$ 9,336,874	\$ 8,523,335
Contributions as a percentage of covered payroll	8.91%	7.82%	8.92%	13.73%

*Fiscal year 2018 was the first year of implementation, therefore only four years are shown.

Notes to Schedule of OPEB Contributions

Valuation Date	June 30, 2021
Measurement Date	June 30, 2020
Amortization Method	Level Percent of Payroll
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
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.

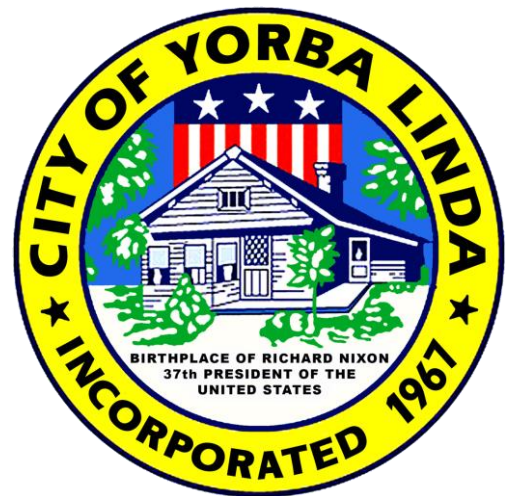
CITY OF YORBA LINDA
Note to Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2021

NOTE 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.

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, 2021

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Capital outlay	\$ -	\$ 17,267,143	\$ 14,960,963	\$ 2,306,180
Total expenditures	-	17,267,143	14,960,963	2,306,180
Excess of Revenues over (under) Expenditures	-	(17,267,143)	(14,960,963)	2,306,180
Other financing sources (uses):				
Transfers in	14,452,000	17,267,143	14,960,963	2,306,180
Total other financing sources (uses)	14,452,000	17,267,143	14,960,963	2,306,180
Net change in fund balance	14,452,000	-	-	4,612,360
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	\$ 14,452,000	\$ -	\$ -	\$ 4,612,360

CITY OF YORBA LINDA
For the Year Ended June 30, 2021

DESCRIPTION OF NONMAJOR FUNDS

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.

COVID-19 Grant Fund – To account for the City’s allocation of CARES Act funds from the State of California and the County of Orange.

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 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
For the Year Ended June 30, 2021

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 on-site 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.

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, 2021

	Special Revenue Funds						
	Gas Tax	Traffic Safety	CDBG Grant	AQMD	Measure M2	SB-2	COVID-19
Assets:							
Pooled cash and investments	\$ 4,526,568	\$ -	\$ -	\$ 1,062,997	\$ 3,316,040	\$ -	\$ 3,058
Receivables:							
Accounts	-	-	-	-	-	-	-
Accrued interest	2,911	-	-	2,513	7,205	-	(48)
Advances to other funds	-	-	-	-	-	-	-
Due from other Governments	-	3,169	63,678	22,793	183,847	153,946	409,400
Total assets	4,529,479	3,169	63,678	1,088,303	3,507,092	153,946	412,410
Liabilities and fund balances:							
Liabilities:							
Accounts payable	6,900	-	-	4,000	81,651	151,999	3,300
Due to other funds	-	3,169	63,678	-	-	47,416	160,530
Total liabilities	6,900	3,169	63,678	4,000	81,651	199,415	163,830
Deferred inflows of resources:							
Unavailable revenues	-	-	-	-	-	47,417	409,400
Total deferred inflows of resources	-	-	-	-	-	47,417	409,400
Fund balances:							
Restricted for:							
General Government	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Public works	4,522,579	-	-	1,084,303	3,425,441	-	-
Low and moderate housing	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	(92,886)	(160,820)
Total fund balances (deficit)	4,522,579	-	-	1,084,303	3,425,441	(92,886)	(160,820)
Total liabilities and fund balances (deficit)	\$ 4,529,479	\$ 3,169	\$ 63,678	\$ 1,088,303	\$ 3,507,092	\$ 201,363	\$ 412,410

CITY OF YORBA LINDA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

Capital Projects Funds									
Mortgage Assistance Program	PEG	Road Maintenance and Rehabilitation	Parking in-lieu	Park In-Lieu	Lighting and Signal Project	Master Plan of Drainage	Traffic Signal Improvements	Total Nonmajor Governmental Funds	
\$ 182,549	\$ 126,654	\$ 1,109,986	\$ 28,159	\$ 5,810,866	\$ 973,989	\$ 5,082,983	\$ 1,654,377	\$ 23,878,226	
-	34,382	-	-	-	-	-	-	34,382	
1,047	39	215	(561)	4,465	(273)	18,464	2,889	38,866	
-	-	-	-	-	-	2,300,000	-	2,300,000	
-	-	231,917	-	-	-	-	-	1,068,750	
183,596	161,075	1,342,118	27,598	5,815,331	973,716	7,401,447	1,657,266	27,320,224	
-	-	-	-	18,916	-	50,925	31,700	349,391	
-	-	-	-	-	-	-	-	274,793	
-	-	-	-	18,916	-	50,925	31,700	624,184	
-	-	-	-	-	-	-	-	456,817	
-	-	-	-	-	-	-	-	456,817	
-	161,075	-	-	-	-	-	-	161,075	
-	-	-	-	5,796,415	-	-	-	5,796,415	
-	-	1,342,118	27,598	-	973,716	7,350,522	1,625,566	20,351,843	
183,596	-	-	-	-	-	-	-	183,596	
-	-	-	-	-	-	-	-	(253,706)	
183,596	161,075	1,342,118	27,598	5,796,415	973,716	7,350,522	1,625,566	26,239,223	
\$ 183,596	\$ 161,075	\$ 1,342,118	\$ 27,598	\$ 5,815,331	\$ 973,716	\$ 7,401,447	\$ 1,657,266	\$ 27,320,224	

CITY OF YORBA LINDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2021

	Special Revenue Funds						
	Gas Tax	Traffic Safety	CDBG Grant	Citizens Option Public Safety	AQMD	Measure M2	SB-2
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,506,138	-	154,005	163,357	89,642	1,095,733	106,529
Investment income	11,483	-	-	-	569	9,451	-
Fines and forfeitures	-	37,324	-	-	-	-	-
Developer participation	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	8,647	-
Total revenues	1,517,621	37,324	154,005	163,357	90,211	1,113,831	106,529
Expenditures:							
Capital outlay	491,973	-	41,500	-	62,103	356,813	-
General government	-	-	-	-	-	-	151,998
Community development	-	-	112,505	-	-	-	-
Total expenditures	491,973	-	154,005	-	62,103	356,813	151,998
Excess (Deficiency) of revenues over (under) expenditures	1,025,648	37,324	-	163,357	28,108	757,018	(45,469)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(794,319)	(37,324)	-	(163,357)	-	(633,230)	-
Total other financing sources (uses)	(794,319)	(37,324)	-	(163,357)	-	(633,230)	-
Net change in fund balances	231,329	-	-	-	28,108	123,788	(45,469)
Fund balances at beginning of fiscal year	4,291,250	-	-	-	1,056,195	3,301,653	(47,417)
Fund balances (deficit) end of fiscal year	\$ 4,522,579	\$ -	\$ -	\$ -	\$ 1,084,303	\$ 3,425,441	\$ (92,886)

CITY OF YORBA LINDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2021

COVID-19	Mortgage Assistance Program	PEG	Road Maintenance and Rehabilitation	Capital Projects Funds					Total Nonmajor Governmental Funds
				Parking in-lieu	Park In-Lieu	Lighting and Signal Project	Master Plan of Drainage	Traffic Signal Improvements	
\$ -	\$ -	\$ 140,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,982
1,012,899	-	-	1,272,671	-	-	-	-	-	5,400,974
5,758	(1,648)	(1,208)	9,401	(330)	19,034	16,025	(21,482)	(\$38)	47,015
-	-	-	-	-	-	-	-	-	37,324
-	-	-	-	16,571	329,297	-	64,704	37,965	448,537
-	-	-	-	-	-	-	-	-	8,647
<u>1,018,657</u>	<u>(1,648)</u>	<u>139,774</u>	<u>1,282,072</u>	<u>16,241</u>	<u>348,331</u>	<u>16,025</u>	<u>43,222</u>	<u>37,927</u>	<u>6,083,479</u>
-	-	-	4,265	-	177,065	-	266,360	123,219	1,523,298
846,354	-	3,950	-	-	-	-	-	-	1,002,302
-	148,154	-	-	-	-	-	-	-	260,659
<u>846,354</u>	<u>148,154</u>	<u>3,950</u>	<u>4,265</u>	<u>-</u>	<u>177,065</u>	<u>-</u>	<u>266,360</u>	<u>123,219</u>	<u>2,786,259</u>
172,303	(149,802)	135,824	1,277,807	16,241	171,266	16,025	(223,138)	(85,292)	3,297,220
-	-	-	-	-	-	197,588	-	-	197,588
<u>(711,777)</u>	<u>-</u>	<u>(383,238)</u>	<u>(791,563)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(475,545)</u>	<u>(3,990,353)</u>
<u>(711,777)</u>	<u>-</u>	<u>(383,238)</u>	<u>(791,563)</u>	<u>-</u>	<u>-</u>	<u>197,588</u>	<u>-</u>	<u>(475,545)</u>	<u>(3,792,765)</u>
(539,474)	(149,802)	(247,414)	486,244	16,241	171,266	213,613	(223,138)	(560,837)	(495,545)
378,654	333,398	408,489	855,874	11,357	5,625,149	760,103	7,573,660	2,186,403	26,734,768
<u>\$ (160,820)</u>	<u>\$ 183,596</u>	<u>\$ 161,075</u>	<u>\$ 1,342,118</u>	<u>\$ 27,598</u>	<u>\$ 5,796,415</u>	<u>\$ 973,716</u>	<u>\$ 7,350,522</u>	<u>\$ 1,625,566</u>	<u>\$ 26,239,223</u>

CITY OF YORBA LINDA

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

Gas Tax Special Revenue Fund

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 1,741,141	\$ 1,506,138	\$ (235,003)
Investment income	55,000	11,483	(43,517)
Total revenues	1,796,141	1,517,621	(278,520)
Expenditures			
Capital outlay	2,217,500	491,973	1,725,527
Total expenditures	2,217,500	491,973	1,725,527
Excess (Deficiency) of Revenues over (under) Expenditures	(421,359)	1,025,648	(2,004,047)
Other financing sources (uses):			
Transfers out	(319,355)	(794,319)	(474,964)
Total other financing sources (uses)	(319,355)	(794,319)	(474,964)
Net change in fund balance	(740,714)	231,329	(2,479,011)
Fund balance at beginning of fiscal year	4,291,250	4,291,250	-
Fund balance at end of fiscal year	<u>\$ 3,550,536</u>	<u>\$ 4,522,579</u>	<u>\$ (2,479,011)</u>

CITY OF YORBA LINDA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Traffic Safety Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Fines and forfeitures	<u>\$ 70,000</u>	<u>\$ 37,324</u>	<u>\$ (32,676)</u>
Total revenues	<u>70,000</u>	<u>37,324</u>	<u>(32,676)</u>
Other financing sources (uses):			
Transfers out	<u>(70,000)</u>	<u>(37,324)</u>	<u>32,676</u>
Total other financing sources (uses)	<u>(70,000)</u>	<u>(37,324)</u>	<u>32,676</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>\$ -</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
For the Fiscal Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 242,676	\$ 154,005	\$ (88,671)
Total revenues	<u>242,676</u>	<u>154,005</u>	<u>(88,671)</u>
Expenditures			
Capital outlay	-	41,500	(41,500)
Community development	<u>271,687</u>	<u>112,505</u>	<u>159,182</u>
Total expenditures	<u>271,687</u>	<u>154,005</u>	<u>117,682</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(29,011)</u>	<u>-</u>	<u>29,011</u>
Other financing sources (uses):			
Transfers out	<u>(60,000)</u>	<u>-</u>	<u>60,000</u>
Total other financing sources (uses)	<u>(60,000)</u>	<u>-</u>	<u>60,000</u>
Net change in fund balance	(89,011)	-	89,011
Fund balance at beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ (89,011)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 89,011</u></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
For the Fiscal Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 173,000	\$ 163,357	\$ (9,643)
Investment income	<u>2,100</u>	<u>-</u>	<u>(2,100)</u>
Total revenues	<u>175,100</u>	<u>163,357</u>	<u>(11,743)</u>
Other financing sources (uses):			
Transfers out	<u>(175,100)</u>	<u>(163,357)</u>	<u>11,743</u>
Total other financing sources (uses)	<u>(175,100)</u>	<u>(163,357)</u>	<u>11,743</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>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF YORBA LINDA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
AQMD Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 85,000	\$ 89,642	\$ 4,642
Investment income	32,000	569	(31,431)
Total revenues	<u>117,000</u>	<u>90,211</u>	<u>(26,789)</u>
Expenditures			
Capital outlay	<u>233,064</u>	<u>62,103</u>	<u>170,961</u>
Total expenditures	<u>233,064</u>	<u>62,103</u>	<u>170,961</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(116,064)</u>	<u>28,108</u>	<u>144,172</u>
Other financing sources (uses):			
Transfers out	<u>(82,000)</u>	<u>-</u>	<u>82,000</u>
Total other financing sources (uses)	<u>(82,000)</u>	<u>-</u>	<u>82,000</u>
Net change in fund balance	(198,064)	28,108	226,172
Fund balance at beginning of fiscal year	<u>1,056,195</u>	<u>1,056,195</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 858,131</u></u>	<u><u>\$ 1,084,303</u></u>	<u><u>\$ 226,172</u></u>

CITY OF YORBA LINDA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Measure M Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 1,114,073	\$ 1,095,733	\$ (18,340)
Investment income	85,000	9,451	(75,549)
Miscellaneous	-	8,647	8,647
Total revenues	1,199,073	1,113,831	(85,242)
Expenditures			
Capital outlay	987,434	356,813	630,621
Total expenditures	987,434	356,813	630,621
Excess (Deficiency) of revenues over (under) expenditures	211,639	757,018	545,379
Other financing sources (uses):			
Transfers out	(1,141,376)	(633,230)	508,146
Total other financing sources (uses)	(1,141,376)	(633,230)	508,146
Net change in fund balance	(929,737)	123,788	1,053,525
Fund balance at beginning of fiscal year	3,301,653	3,301,653	-
Fund balance at end of fiscal year	<u>\$ 2,371,916</u>	<u>\$ 3,425,441</u>	<u>\$ 1,053,525</u>

CITY OF YORBA LINDA

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

SB-2 Special Revenue Fund

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ 106,529	\$ 106,529
Total revenues	<u>-</u>	<u>106,529</u>	<u>106,529</u>
Expenditures			
General government	\$ 165,641	\$ 151,998	\$ 13,643
Total expenditures	<u>165,641</u>	<u>151,998</u>	<u>13,643</u>
Net change in fund balance	(165,641)	(45,469)	120,172
Fund balance at beginning of fiscal year	<u>(47,417)</u>	<u>(47,417)</u>	<u>-</u>
Fund balance (deficit) at end of fiscal year	<u><u>\$ (378,699)</u></u>	<u><u>\$ (92,886)</u></u>	<u><u>\$ 240,344</u></u>

CITY OF YORBA LINDA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
COVID-19 Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 324,017	\$ 1,012,899	\$ 688,882
Investment income	-	5,758	5,758
Total revenues	<u>324,017</u>	<u>1,018,657</u>	<u>694,640</u>
Expenditures			
General government	966,307	846,354	119,953
Total expenditures	<u>966,307</u>	<u>846,354</u>	<u>119,953</u>
Excess of Revenues over Expenditures	<u>(642,290)</u>	<u>172,303</u>	<u>814,593</u>
Other financing sources (uses):			
Transfers out	<u>(711,777)</u>	<u>(711,777)</u>	<u>-</u>
Total other financing sources (uses)	<u>(711,777)</u>	<u>(711,777)</u>	<u>-</u>
Net change in fund balance	(1,354,067)	(539,474)	814,593
Fund balance at beginning of fiscal year	<u>378,654</u>	<u>378,654</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ (975,413)</u></u>	<u><u>\$ (160,820)</u></u>	<u><u>\$ 814,593</u></u>

CITY OF YORBA LINDA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Mortgage Assistance Program Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Investment income	<u>\$ 10,000</u>	<u>\$ (1,648)</u>	<u>\$ (11,648)</u>
Total revenues	<u>10,000</u>	<u>(1,648)</u>	<u>(11,648)</u>
Expenditures			
Community development	<u>315,000</u>	<u>148,154</u>	<u>166,846</u>
Total expenditures	<u>315,000</u>	<u>148,154</u>	<u>166,846</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(305,000)</u>	<u>(149,802)</u>	<u>155,198</u>
Net change in fund balance	(305,000)	(149,802)	322,044
Fund balance at beginning of fiscal year	<u>333,398</u>	<u>333,398</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 28,398</u></u>	<u><u>\$ 183,596</u></u>	<u><u>\$ 322,044</u></u>

CITY OF YORBA LINDA

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

PEG Special Revenue Fund

For the Fiscal Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Taxes	\$ 162,000	\$ 140,982	\$ (21,018)
Investment income	9,500	(1,208)	(10,708)
Total revenues	<u>171,500</u>	<u>139,774</u>	<u>(31,726)</u>
Expenditures			
General Government	<u>3,950</u>	<u>3,950</u>	<u>-</u>
Total expenditures	<u>3,950</u>	<u>3,950</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>167,550</u>	<u>135,824</u>	<u>(31,726)</u>
Other financing sources (uses):			
Transfers out	<u>(509,229)</u>	<u>(383,238)</u>	<u>125,991</u>
Total other financing sources (uses)	<u>(509,229)</u>	<u>(383,238)</u>	<u>125,991</u>
Net change in fund balance	(341,679)	(247,414)	94,265
Fund balance at beginning of fiscal year	<u>408,489</u>	<u>408,489</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 66,810</u>	<u>\$ 161,075</u>	<u>\$ 94,265</u>

CITY OF YORBA LINDA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Road Maintenance and Rehabilitation Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 1,190,286	\$ 1,272,671	\$ 82,385
Investment income	24,000	9,401	(14,599)
Total revenues	<u>1,214,286</u>	<u>1,282,072</u>	<u>67,786</u>
Expenditures			
Capital outlay	<u>1,144,066</u>	<u>4,265</u>	<u>1,139,801</u>
Total expenditures	<u>1,144,066</u>	<u>4,265</u>	<u>1,139,801</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>70,220</u>	<u>1,277,807</u>	<u>1,207,587</u>
Other financing sources (uses):			
Transfers out	<u>(791,563)</u>	<u>(791,563)</u>	<u>-</u>
Total other financing sources (uses)	<u>(791,563)</u>	<u>(791,563)</u>	<u>-</u>
Net change in fund balance	(721,343)	486,244	1,207,587
Fund balance at beginning of fiscal year	<u>855,874</u>	<u>855,874</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 134,531</u>	<u>\$ 1,342,118</u>	<u>\$ 1,207,587</u>

CITY OF YORBA LINDA

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

Parking In-Lieu Capital Projects Fund

For the Fiscal Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Investment income	\$ -	\$ (330)	\$ (330)
Developer participation	-	16,571	16,571
Total revenues	<u>-</u>	<u>16,241</u>	<u>16,241</u>
Other financing sources (uses):			
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	16,241	16,241
Fund balance at beginning of fiscal year	<u>11,357</u>	<u>11,357</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 11,357</u></u>	<u><u>\$ 27,598</u></u>	<u><u>\$ 16,241</u></u>

CITY OF YORBA LINDA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Park In-Lieu Capital Projects Fund
For the Fiscal Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Investment income	\$ 121,000	\$ 19,034	\$ (101,966)
Developer participation	200,600	329,297	128,697
Total revenues	<u>321,600</u>	<u>348,331</u>	<u>26,731</u>
Expenditures			
Capital outlay	4,344,158	177,065	4,167,093
Total expenditures	<u>4,344,158</u>	<u>177,065</u>	<u>4,167,093</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(4,022,558)</u>	<u>171,266</u>	<u>4,193,824</u>
Other financing sources (uses):			
Transfers out	<u>(402,053)</u>	<u>-</u>	<u>402,053</u>
Total other financing sources (uses)	<u>(402,053)</u>	<u>-</u>	<u>402,053</u>
Net change in fund balance	(4,424,611)	171,266	4,595,877
Fund balance at beginning of fiscal year	<u>5,625,149</u>	<u>5,625,149</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 1,200,538</u>	<u>\$ 5,796,415</u>	<u>\$ 4,595,877</u>

CITY OF YORBA LINDA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Lighting and Signal Project Capital Projects Fund
For the Fiscal Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Investment income	\$ -	\$ 16,025	\$ 16,025
Developer participation	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenues	 <u>-</u>	 <u>16,025</u>	 <u>16,025</u>
 Other financing sources (uses):			
Transfers in	<u>\$ -</u>	<u>\$ 197,588</u>	<u>\$ 197,588</u>
 Total other financing sources (uses)	 <u>-</u>	 <u>197,588</u>	 <u>197,588</u>
 Net change in fund balance	 -	 213,613	 213,613
 Fund balance at beginning of fiscal year	 <u>760,103</u>	 <u>760,103</u>	 <u>-</u>
 Fund balance at end of fiscal year	 <u><u>\$ 760,103</u></u>	 <u><u>\$ 973,716</u></u>	 <u><u>\$ 213,613</u></u>

CITY OF YORBA LINDA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Master Plan of Drainage Capital Projects Fund
For the Fiscal Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Investment income	\$ 210,000	\$ (21,482)	\$ (231,482)
Developer participation	150,000	64,704	(85,296)
Total revenues	<u>360,000</u>	<u>43,222</u>	<u>(316,778)</u>
Expenditures			
Capital outlay	400,000	266,360	133,640
Total expenditures	<u>400,000</u>	<u>266,360</u>	<u>133,640</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(40,000)</u>	<u>(223,138)</u>	<u>(183,138)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(40,000)	(223,138)	(183,138)
Fund balance at beginning of fiscal year	<u>7,573,660</u>	<u>7,573,660</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 7,533,660</u>	<u>\$ 7,350,522</u>	<u>\$ (183,138)</u>

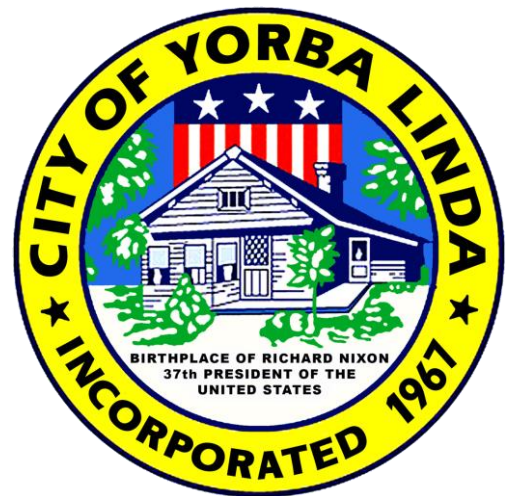
CITY OF YORBA LINDA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Traffic Signal Improvements Capital Projects Fund
For the Fiscal Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Investment income	\$ 56,300	\$ (38)	\$ (56,338)
Developer participation	100,000	37,965	(62,035)
Total revenues	<u>156,300</u>	<u>37,927</u>	<u>(118,373)</u>
Expenditures			
Capital outlay	<u>150,000</u>	<u>123,219</u>	<u>26,781</u>
Total expenditures	<u>150,000</u>	<u>123,219</u>	<u>26,781</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>6,300</u>	<u>(85,292)</u>	<u>(91,592)</u>
Other financing sources (uses):			
Transfers out	<u>(527,902)</u>	<u>(475,545)</u>	<u>52,357</u>
Total other financing sources (uses)	<u>(527,902)</u>	<u>(475,545)</u>	<u>52,357</u>
Net change in fund balance	(521,602)	(560,837)	(39,235)
Fund balance at beginning of fiscal year	<u>2,186,403</u>	<u>2,186,403</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 1,664,801</u>	<u>\$ 1,625,566</u>	<u>\$ (39,235)</u>

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STATISTICAL SECTION



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STATISTICAL SECTION

This part of the City of Yorba Linda's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	115
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	125
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	129
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	134
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	137
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

CITY OF YORBA LINDA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental activities					
Net investment in capital assets	\$ 373,877,302	\$ 365,798,892	\$ 368,711,483	\$ 369,642,916	\$ 375,388,766
Restricted	67,890,506	69,343,128	73,066,968	78,795,131	84,293,217
Unrestricted (deficit)	43,679,602	44,899,948	46,198,664	31,529,685	28,716,148
Total governmental activities net position	<u>485,447,410</u>	<u>480,041,968</u>	<u>487,977,115</u>	<u>479,967,732</u>	<u>488,398,131</u>
Business-type activities:					
Net investment in capital assets	10,865,545	12,092,484	7,567,000	6,425,228	5,780,632
Restricted	-	-	-	-	-
Unrestricted (deficit)	(7,072,811)	(9,581,881)	(5,563,647)	(5,045,542)	(3,721,769)
Total business-type activities net assets	<u>3,792,734</u>	<u>2,510,603</u>	<u>2,003,353</u>	<u>1,379,686</u>	<u>2,058,863</u>
Primary Government:					
Net investment in capital assets	384,742,847	377,891,376	376,278,483	376,068,144	381,169,398
Restricted	67,890,506	69,343,128	73,066,968	78,795,131	84,293,217
Unrestricted (deficit)	36,606,791	35,318,067	40,635,017	26,484,143	24,994,379
Total primary government net position	<u>\$ 489,240,144</u>	<u>\$ 482,552,571</u>	<u>\$ 489,980,468</u>	<u>\$ 481,347,418</u>	<u>\$ 490,456,994</u>

CITY OF YORBA LINDA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2017	2018	2019	2020	2021
Governmental activities					
Net investment in capital assets	\$ 376,813,472	\$ 393,042,394	\$ 380,956,770	\$ 404,615,432	\$ 424,485,221
Restricted	88,147,090	89,319,318	108,594,404	95,479,106	87,730,127
Unrestricted (deficit)	30,924,813	2,056,587	9,383,520	(8,718,665)	(5,602,336)
Total governmental activities net position	<u>495,885,375</u>	<u>484,418,299</u>	<u>498,934,694</u>	<u>491,375,873</u>	<u>506,613,012</u>
Business-type activities:					
Net investment in capital assets	25,162,397	24,442,477	23,846,232	23,323,238	23,039,783
Restricted	-	-	-	-	-
Unrestricted (deficit)	(23,363,950)	(22,918,767)	(22,995,261)	(2,543,666)	(2,376,682)
Total business-type activities net assets	<u>1,798,447</u>	<u>1,523,710</u>	<u>850,971</u>	<u>20,779,572</u>	<u>20,663,101</u>
Primary Government:					
Net investment in capital assets	401,975,869	417,484,871	404,803,002	427,938,670	447,525,004
Restricted	88,147,090	89,319,318	108,594,404	95,479,106	87,730,127
Unrestricted (deficit)	7,560,863	(20,862,180)	(13,611,741)	(11,262,331)	(7,979,018)
Total primary government net assets	<u>\$ 497,683,822</u>	<u>\$ 485,942,009</u>	<u>\$ 499,785,665</u>	<u>\$ 512,155,445</u>	<u>\$ 527,276,113</u>

CITY OF YORBA LINDA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses					
Governmental activities:					
General government	\$ 10,619,768	\$ 9,389,912	\$ 9,882,765	\$ 9,589,107	\$ 11,181,226
Public safety	11,611,513	9,748,242	10,819,766	9,625,078	10,194,206
Community development	2,592,555	2,947,842	4,248,543	3,301,567	3,307,460
Parks and recreation	6,401,468	6,412,609	5,891,506	6,893,996	6,829,957
Library	-	-	-	-	-
Public works	9,764,371	23,195,904	14,978,073	14,666,439	13,659,070
Contributions from other governments	-	679,782	-	-	-
Interest on long-term debt	2,923,034	-	-	-	-
Total governmental activities expenses	<u>43,912,709</u>	<u>52,374,291</u>	<u>45,820,653</u>	<u>44,076,187</u>	<u>45,171,919</u>
Business-type activities:					
Golf Course	6,733,251	6,365,717	6,395,656	6,105,749	5,692,893
Disposal	5,081,581	5,164,390	5,188,805	3,889,115	-
Yorba Linda Center Catering	-	120,977	156,894	176,712	174,854
Total business-type activities expenses	<u>11,814,832</u>	<u>11,651,084</u>	<u>11,741,355</u>	<u>10,171,576</u>	<u>5,867,747</u>
Total primary government expenses	<u>55,727,541</u>	<u>64,025,375</u>	<u>57,562,008</u>	<u>54,247,763</u>	<u>51,039,666</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	1,253,214	1,234,855	826,650	838,008	975,797
Public safety	229,587	174,508	142,843	134,503	128,051
Community development	2,084,327	2,013,659	2,042,831	2,786,159	2,284,965
Recreation and community services	1,843,262	1,806,052	2,070,339	3,165,573	2,853,198
Library	-	-	-	-	-
Public works	429,704	420,871	306,689	660,693	1,573,551
Operating grants and contributions	2,794,278	5,383,963	3,144,728	2,471,970	1,850,120
Capital grants and contributions	2,496,666	685,434	8,301,311	4,451,347	3,687,861
Total governmental activities program revenues	<u>11,131,038</u>	<u>11,719,342</u>	<u>16,835,391</u>	<u>14,508,253</u>	<u>13,353,543</u>
Business-type activities:					
Charges for services:					
Golf Course	5,869,100	5,670,123	5,799,564	5,886,365	5,811,759
Refuse	5,212,512	5,065,036	5,332,477	3,956,222	-
Yorba Linda Center Catering	-	29,481	101,816	133,888	184,185
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>11,081,612</u>	<u>10,764,640</u>	<u>11,233,857</u>	<u>9,976,475</u>	<u>5,995,944</u>
Total primary government program revenues	<u>22,212,650</u>	<u>22,483,982</u>	<u>28,069,248</u>	<u>24,484,728</u>	<u>19,349,487</u>
Net (expense)/revenue					
Governmental activities	(32,781,671)	(40,654,949)	(28,985,262)	(29,567,934)	(31,818,376)
Business-type activities	(733,220)	(886,444)	(507,498)	(195,101)	128,197
Total net revenues (expenses)	<u>\$ (33,514,891)</u>	<u>\$ (41,541,393)</u>	<u>\$ (29,492,760)</u>	<u>\$ (29,763,035)</u>	<u>\$ (31,690,179)</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				
	2017	2018	2019	2020	2021
Expenses					
Governmental activities:					
General government	\$ 10,794,754	\$ 8,604,233	\$ 7,182,245	\$ 7,850,800	\$ 9,360,113
Public safety	10,751,963	11,691,912	11,839,819	12,455,656	11,755,722
Community development	3,076,508	9,363,144	2,864,767	3,329,740	2,705,644
Parks and recreation	7,401,076	7,535,284	7,431,280	6,762,170	6,623,647
Library	-	3,967,009	4,746,418	5,262,202	4,780,791
Public works	22,728,098	11,202,747	21,174,891	19,646,992	14,300,587
Contributions from other governments	-	-	-	-	-
Interest on long-term debt	-	-	-	-	108,271
Total governmental activities expenses	<u>54,752,399</u>	<u>52,364,329</u>	<u>55,239,420</u>	<u>55,307,560</u>	<u>49,634,775</u>
Business-type activities:					
Golf Course	6,043,094	6,092,497	6,709,630	6,298,218	6,695,753
Disposal	-	-	-	-	-
Yorba Linda Center Catering	179,229	220,618	200,518	-	-
Total business-type activities expenses	<u>6,222,323</u>	<u>6,313,115</u>	<u>6,910,148</u>	<u>6,298,218</u>	<u>6,695,753</u>
Total primary government expenses	<u>60,974,722</u>	<u>58,677,444</u>	<u>62,149,568</u>	<u>61,605,778</u>	<u>56,330,528</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	1,053,695	1,127,014	1,479,021	4,399	10,769
Public safety	130,010	838	-	40,733	56,807
Community development	2,444,166	516,178	55,380	1,643,000	2,007,274
Recreation and community services	3,040,194	1,838,992	1,835,129	1,149,503	1,065,415
Library	-	110,951	130,000	90,262	15,390
Public works	349,656	189,317	329,930	221,495	304,666
Operating grants and contributions	1,972,296	3,938,022	3,923,715	5,136,854	3,474,747
Capital grants and contributions	4,917,936	3,011,719	12,158,579	7,025,870	5,418,822
Total governmental activities program revenues	<u>13,907,953</u>	<u>10,733,031</u>	<u>19,911,754</u>	<u>15,312,116</u>	<u>12,353,890</u>
Business-type activities:					
Charges for services:					
Golf Course	5,779,197	5,824,698	6,042,347	5,455,174	6,526,689
Refuse	-	-	-	-	-
Yorba Linda Center Catering	170,462	209,615	195,062	-	-
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>5,949,659</u>	<u>6,034,313</u>	<u>6,237,409</u>	<u>5,455,174</u>	<u>6,526,689</u>
Total primary government program revenues	<u>19,857,612</u>	<u>16,767,344</u>	<u>26,149,163</u>	<u>20,767,290</u>	<u>18,880,579</u>
Net (expense)/revenue					
Governmental activities	(40,844,446)	(41,631,298)	(35,327,666)	(39,995,444)	(37,280,885)
Business-type activities	(272,664)	(278,802)	(672,739)	(843,044)	(169,064)
Total net revenues (expenses)	<u>\$ (41,117,110)</u>	<u>\$ (41,910,100)</u>	<u>\$ (36,000,405)</u>	<u>\$ (40,838,488)</u>	<u>\$ (37,449,949)</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				
	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 25,449,260	\$ 19,209,305	\$ 19,463,202	\$ 20,803,253	\$ 22,256,451
Sales taxes	5,536,418	5,668,119	6,108,523	6,515,766	7,215,608
Franchise taxes	2,091,150	2,088,406	2,086,354	2,239,149	2,271,901
Transient occupancy taxes	-	-	434,583	442,656	488,437
Business licenses taxes	364,788	335,799	433,511	378,306	395,184
Other taxes	7,316,749	7,032,922	6,810,919	6,903,837	6,995,040
Motor vehicle in lieu, unrestricted	34,271	35,511	29,389	28,389	27,323
Investment income	1,529,085	(125,819)	699,314	577,480	559,845
Other	136,043	1,005,264	854,614	411,483	172,973
Gain on sale of capital assets	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Transfers	-	-	-	-	(550,980)
Extraordinary gain/(loss) on dissolution of RDA	36,597,998	-	-	-	-
Total governmental activities	79,055,762	35,249,507	36,920,409	38,300,319	39,831,782
Business-type activities:					
Investment income	(41,017)	11,358	248	681	-
Other	-	-	-	-	-
Transfers	-	-	-	-	550,980
Gain on sale of capital assets	-	69,600	-	-	-
Total business-type activities	(41,017)	80,958	248	681	550,980
Total primary government	79,014,745	35,330,465	36,920,657	38,301,000	40,382,762
Changes in Net Position					
Governmental activities	46,274,091	(5,405,442)	7,935,147	8,732,385	8,013,406
Business-type activities	(774,237)	(805,486)	(507,250)	(194,420)	679,177
Total primary government	<u>\$ 45,499,854</u>	<u>\$ (6,210,928)</u>	<u>\$ 7,427,897</u>	<u>\$ 8,537,965</u>	<u>\$ 8,692,583</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)

	Fiscal Year				
	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 23,301,893	\$ 24,724,246	\$ 26,867,452	\$ 27,909,436	\$ 29,540,612
Sales taxes	7,666,640	7,426,486	7,461,391	7,531,434	7,595,867
Franchise taxes	1,949,679	2,101,241	2,093,989	2,102,927	2,172,656
Transient occupancy taxes	482,652	487,217	498,253	390,641	311,017
Business licenses taxes	418,008	385,676	416,275	518,592	487,243
Other taxes	7,340,671	8,392,701	7,601,071	7,542,323	8,010,697
Motor vehicle in lieu, unrestricted	30,300	35,736	33,178	54,378	50,350
Investment income	562,730	5,448,994	3,414,409	3,799,085	718,564
Other	394,295	880,542	511,547	252,809	267,470
Gain on sale of capital assets	294,375	14,257	10,759	3,106,643	3,363,548
Insurance recoveries	-	-	-	-	-
Transfers	(12,248)	-	-	(20,771,645)	-
Extraordinary gain/(loss) on dissolution of RDA	-	-	-	-	-
Total governmental activities	42,428,995	49,897,096	48,908,324	32,436,623	52,518,024
Business-type activities:					
Investment income	-	-	-	-	43,292
Other	-	-	-	-	-
Transfers	12,248	-	-	20,771,645	-
Gain on sale of capital assets	-	4,065	-	-	9,301
Total business-type activities	12,248	4,065	-	20,771,645	52,593
Total primary government	42,441,243	49,901,161	48,908,324	53,208,268	52,570,617
Changes in Net Position					
Governmental activities	1,584,549	8,265,798	13,580,658	(7,558,821)	15,237,139
Business-type activities	(260,416)	(274,737)	(672,739)	19,928,601	(116,471)
Total primary government	<u>\$ 1,324,133</u>	<u>\$ 7,991,061</u>	<u>\$ 12,907,919</u>	<u>\$ 12,369,780</u>	<u>\$ 15,120,668</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				
	2012	2013	2014	2015	2016
General Fund					
Nondisposable	\$ 4,769,965	\$ 11,616,699	\$ 25,609,575	\$ 25,879,553	\$ 25,615,978
Committed	-	-	-	23,125,506	23,143,531
Restricted	-	-	7,500	5,352	-
Assigned	-	-	-	3,750,035	2,810,864
Unassigned	44,672,686	39,220,264	27,434,921	2,987,075	4,694,175
Total General Fund	<u>49,442,651</u>	<u>50,836,963</u>	<u>53,051,996</u>	<u>55,747,521</u>	<u>56,264,548</u>
All Other Governmental Funds					
Nondisposable	38,867,893	3,831,706	3,821,809	2,164	465
Restricted	20,858,892	57,887,165	61,518,726	78,712,066	83,854,496
Assigned	8,285,094	7,624,257	7,739,067	-	-
Unassigned	(131,260)	(426,175)	(413,540)	(489,090)	(1,988,163)
Total All Other Governmental Funds	<u>67,880,619</u>	<u>68,916,953</u>	<u>72,666,062</u>	<u>78,225,140</u>	<u>81,866,798</u>
Total All Governmental Funds	<u>\$ 117,323,270</u>	<u>\$ 119,753,916</u>	<u>\$ 125,718,058</u>	<u>\$ 133,972,661</u>	<u>\$ 138,131,346</u>

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)

	Fiscal Year				
	2017	2018	2019	2020	2021
General Fund					
Nondisposable	\$ 25,360,804	\$ 25,134,611	\$ 24,183,522	\$ 2,850,846	\$ 627,888
Committed	23,096,672	18,554,579	23,252,150	27,742,190	31,713,494
Restricted	-	-	-	-	-
Assigned	6,026,646	3,198,889	2,115,847	2,208,551	1,102,561
Unassigned	3,952,237	3,936,830	4,953,048	3,755,960	3,736,844
Total General Fund	<u>58,436,359</u>	<u>50,824,909</u>	<u>54,504,567</u>	<u>36,557,547</u>	<u>37,180,787</u>
All Other Governmental Funds					
Nondisposable	1,304	20,567	34,219	4,702	4,611
Restricted	87,562,146	89,319,318	86,530,414	68,696,921	87,730,127
Assigned	-	-	-	-	-
Unassigned	(849,737)	(794,022)	(179,022)	(725,130)	(799,966)
Total All Other Governmental Funds	<u>86,713,713</u>	<u>88,545,863</u>	<u>86,385,611</u>	<u>67,976,493</u>	<u>86,934,772</u>
Total All Governmental Funds	<u>\$ 145,150,072</u>	<u>\$ 139,370,772</u>	<u>\$ 140,890,178</u>	<u>\$ 104,534,040</u>	<u>\$ 124,115,559</u>

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				
	2012	2013	2014	2015	2016
Revenues					
Taxes	\$ 44,914,309	\$ 34,290,577	\$ 35,274,571	\$ 37,304,207	\$ 39,622,621
Licenses and permits	1,185,206	1,944,412	1,794,234	1,822,533	1,681,175
Intergovernmental	4,108,624	3,919,378	4,882,336	3,877,534	3,550,775
Charges for services	3,811,323	3,148,441	3,202,764	3,724,560	3,636,143
Investment Income	1,529,085	(125,819)	699,314	525,717	476,108
Fines and forfeitures	272,132	217,395	186,542	209,420	191,903
Contributions	2,436,444	450	7,149	2,281	851
Developer Participation	201,519	197,300	245,242	2,025,694	2,278,589
Gain on sale of City property	-	-	-	-	-
Miscellaneous	295,440	1,180,278	709,005	193,644	113,587
Total Revenues	58,754,082	44,772,412	47,001,157	49,685,590	51,551,752
Expenditures					
Current:					
General government	9,068,962	8,260,092	8,021,451	8,385,012	8,597,028
Public safety	11,588,080	10,421,130	9,351,367	9,535,298	10,111,264
Community Development	2,359,319	2,776,455	3,039,321	3,178,940	3,116,057
Parks and recreations	5,103,391	5,191,554	5,658,851	5,664,224	5,603,750
Library	-	-	-	-	-
Public works	10,881,079	10,492,797	11,235,425	10,646,686	10,719,703
Capital outlay	7,695,807	6,399,930	10,447,448	6,829,408	10,497,334
Debt Service:					
Principal retirement	2,785,000	-	-	-	-
Interest and fiscal charges	3,941,648	-	-	-	-
Bond issuance costs	-	-	-	-	-
Pass through agreements	4,223,858	-	-	-	-
Total Expenditures	57,647,144	43,541,958	47,753,863	44,239,568	48,645,136
Excess of revenues over/(under) expenditures	1,106,938	1,230,454	(752,706)	5,446,022	2,906,616
Other Financing Sources (Uses)					
Transfers in	6,390,944	7,296,303	7,963,808	7,508,620	11,159,224
Transfers out	(6,390,944)	(7,296,303)	(7,963,808)	(7,508,620)	(11,710,204)
Long term debt issued	2,660,853	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Bond discount	-	-	-	-	-
Contributions to Successor Agency	-	(679,782)	-	-	-
Contributions from Successor Agency	-	1,879,974	6,716,848	3,013,793	1,386,056
Total other financing sources (uses)	2,660,853	1,200,192	6,716,848	3,013,793	835,076
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)	(58,866,617)	-	-	-	-
Net change in fund balances	\$ (55,098,826)	\$ 2,430,646	\$ 5,964,142	\$ 8,459,815	\$ 3,741,692
Debt service as a percentage of noncapital expenditures	13.5%	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)

	Fiscal Year				
	2017	2018	2019	2020	2021
Revenues					
Taxes	\$ 41,311,999	\$ 43,517,567	\$ 44,938,431	\$ 45,995,354	\$ 47,277,203
Licenses and permits	1,906,900	1,277,319	1,758,173	1,758,957	1,905,891
Intergovernmental	4,911,723	5,054,524	5,847,394	7,793,872	6,441,439
Charges for services	3,670,482	3,783,290	3,829,460	3,149,392	3,178,690
Use of money and property	561,578	5,448,994	3,414,409	3,799,085	718,569
Fines and forfeitures	193,873	172,153	158,529	136,271	63,000
Contributions	-	-	-	-	-
Developer Participation	1,284,622	1,336,048	3,794,795	2,916,798	448,537
Gain on sale of City property	294,375	14,257	10,759	3,106,643	3,363,549
Miscellaneous	314,259	880,542	511,547	252,809	1,167,358
Total Revenues	54,449,811	61,484,694	64,263,497	68,909,181	64,564,236
Expenditures					
Current:					
General government	9,608,392	7,412,889	7,556,660	7,382,901	9,918,063
Public safety	10,665,634	11,601,058	11,774,157	12,451,068	12,584,332
Community Development	2,932,425	9,004,086	3,027,458	4,923,127	3,355,451
Parks and recreations	6,216,676	6,098,032	6,652,263	8,447,644	6,317,469
Library	-	3,967,009	4,523,472	4,291,564	5,638,179
Public works	11,986,129	11,583,370	11,536,226	12,113,687	13,327,507
Capital outlay	10,776,488	17,803,173	14,937,875	36,668,311	20,468,213
Debt Service:					
Principal retirement	-	-	-	490,000	-
Interest and fiscal charges	-	-	-	648,888	108,271
Bond issuance costs	-	-	321,311	105,052	-
Pass through agreements	-	-	-	-	-
Total Expenditures	52,185,744	67,469,617	60,329,422	87,522,242	71,717,485
Excess of revenues over/(under) expenditures	2,264,067	(5,984,923)	3,934,075	(18,613,061)	(7,153,249)
Other Financing Sources (Uses)					
Transfers in	9,035,390	17,821,152	20,503,308	24,009,934	18,252,929
Transfers out	(9,047,638)	(17,821,152)	(20,503,308)	(44,781,579)	(18,252,929)
Long term debt issued	-	-	15,892,798	7,611,000	-
Proceeds from sale of capital asset	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Bond discount	-	-	-	-	-
Contributions to Successor Agency	-	-	-	-	-
Contributions from Successor Agency	3,143,678	205,623	3,756,523	87,345	-
Total other financing sources (uses)	3,131,430	205,623	19,649,321	(13,073,300)	-
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)	-	-	-	-	-
Net change in fund balances	\$ 5,395,497	\$ (5,779,300)	\$ 23,583,396	\$ (31,686,361)	\$ (7,153,249)
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.7%	2.2%	0.2%

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 and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Secured	Unsecured	Less: Exemptions (1)	Taxable Assessed Value (2)
2012	\$ 11,099,352,245	\$ 163,615,245	\$ (294,418,477)	\$ 10,968,549,013
2013	11,331,341,242	153,522,286	(300,169,006)	11,184,694,522
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

(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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	0.02367	0.02365	0.02470	0.02528	0.02292	0.02298	0.02325	0.02370	0.02291	0.02489
Metropolitan Water District	0.00370	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	0.00000	0.00000	0.00001	0.00000	0.00000
N. Orange County Community College	0.01742	0.01902	0.01704	0.01704	0.03043	0.02885	0.02927	0.02828	0.02409	0.03198
Orange USD Series 2018 2016	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02685	0.02288	0.01664
Placentia Yorba Linda Unified	0.05846	0.06203	0.06525	0.05822	0.05665	0.05475	0.05529	0.05261	0.04848	0.06032
Rancho Santiago Community College	0.03146	0.03241	0.03334	0.02878	0.03063	0.02999	0.03013	0.02875	0.02818	0.02768
Total Direct & Overlapping (2) Tax Rates	1.13471	1.14061	1.14383	1.13282	1.14413	1.14007	1.14144	1.16370	1.15004	1.16501
City's share of 1% Levy per Prop 13 (3)										
City	0.12480	0.12480	0.12480	0.12480	0.12480	0.12480	0.10625	0.10625	0.10625	0.10625
Library	0.05525	0.05525	0.05525	0.05525	0.05525	0.05525	0.05570	0.05570	0.05570	0.05570
Total City Direct Rate	0.18005	0.18005	0.18005	0.18005	0.18005	0.18005	0.16195	0.16195	0.16195	0.16195
Redevelopment Rate (4)	1.00370									
Total Direct Rate (5)	0.25500	0.25254	0.13436	0.13453	0.13468	0.13507	0.13557	0.13552	0.13575	0.13628

(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 assessed valuation data shown above represents the only data currently available with respect to the actual market value of

(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 former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: HdL Coren and Cone, Orange County Assessor 2006/2007 - 2015/2016 Tax Rate Table

CITY OF YORBA LINDA
Principal Property Tax Payers
Current Year and Nine Years Ago

	2021		2012	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
RRE Yorba Linda Holdings LLC	\$ 129,379,499	0.764%	\$ -	0.000%
Savi Ranch Property Holdings LLC	81,600,000	0.482%	81,626,012	0.725%
YL Pines LLC	35,317,239	0.208%	23,162,861	0.206%
Packing House Yorba Linda LLC	35,006,161	0.207%	-	0.000%
Savi Ranch Group LLC	34,338,960	0.203%	-	0.000%
Zelman Yorba Linda LLC	32,332,593	0.191%	-	0.000%
San Jose Central Travel Inc.	27,588,348	0.163%	-	0.000%
Toll West Coast LLC	-	0.000%	-	0.000%
Eastlake Commercial 2007 LLC	26,944,905	0.159%	23,159,899	0.206%
St. Joseph Heritage Healthcare	25,594,310	0.151%	-	0.000%
Trico-Savi Business Park LP	25,055,229	0.148%	21,346,625	0.190%
Station Land Investors LLC	-	0.000%	21,009,340	0.187%
Shapell Industries Inc.	-	0.000%	30,902,792	0.274%
Savi Technology Center LP	-	0.000%	-	0.000%
LMI Riverbend LLC	-	0.000%	62,062,937	0.551%
Johnson Tractor Company	-	0.000%	27,968,769	0.248%
Bridgemark Corporation	-	0.000%	25,652,520	0.228%
Nobel Biocare USA LLC	-	0.000%	25,223,630	0.22%
Top Ten Totals	<u>\$ 453,157,244</u>	<u>2.675%</u>	<u>\$ 342,115,385</u>	<u>3.038%</u>
City Totals	<u>\$ 16,943,145,001</u>		<u>\$ 11,262,967,490</u>	

Source: HdL Coren and Cone, Orange County Assessor 2011/12 and 2020/21 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
2012	\$	25,562,306	\$ 24,512,406	95.893%	\$ 326,838	\$24,839,244	97.171%
2013		25,512,395	24,587,570	96.375%	324,932	24,912,502	97.649%
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%

(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
	Tax Allocation Bonds	Lease Revenue Financings	Due to Other Governments	Golf Course Revenue Bonds	Capital Leases			
2012	\$ -	\$ -	\$ -	\$ 16,090,000	\$ 311,443	\$ 16,401,443	0.52%	\$ 247
2013	-	-	-	15,635,000	229,434	15,864,434	0.50%	236.54
2014	-	-	-	-	146,885	146,885	0.00%	2.19
2015	-	-	-	-	-	-	n/a	n/a
2016	-	-	-	-	-	-	n/a	n/a
2017	-	-	-	-	-	-	n/a	n/a
2018	-	-	-	-	-	-	n/a	n/a
2019	-	15,857,373	(2)	-	-	15,857,373	0.46%	230.80
2020	-	22,914,112	(3)	-	-	22,914,112	0.62%	333.78
2021	-	22,463,372	-	-	-	22,463,372	0.60%	331.09

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.

Source: City of Yorba Linda Finance Department
HdL Coren and Cone

CITY OF YORBA LINDA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	Certificates of Participation	Lease Revenue Financing (2) (3)	Total	Percent of Assessed Value (4)	Per Capita
2012	\$ 16,090,000	\$ -	\$ 16,090,000	0.15%	245
2013	15,635,000	-	15,635,000	0.14%	235
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

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, 2018

2020-2021 Taxable Assessed Valuation: \$14,031,549,170

City Assessed Valuation	\$ 16,943,145,001
Redevelopment Agency Incremental Valuation	<u>(2,911,595,831)</u>
	\$ 14,031,549,170

	Percent Applicable (1)	Outstanding Debt 6/30/2021	Estimated Share of Overlapping Debt
<u>OVERLAPPING DEBT:</u>			
N O C COMMUNITY COLLEGE 2002 BOND SERIES #2003B	11.617%	\$ 32,652,160	\$ 3,793,289
BREA OLINDA UNIFIED-1999 BOND SR 2003A	0.098%	4,799,592	4,709
RANCHO SANTIAGO CCD 2005+2011 REFUNDING BD	0.474%	19,460,000	92,245
PLAC-YORBA LINDA U 2002 BOND #2002A	49.516%	6,640,165	3,287,913
PLAC-YORBA LINDA U 2002 BOND #2004B	49.516%	964,744	477,698
BREA OLINDA USD-1999, 2010 REFUNDING	0.098%	1,689,437	1,658
RANCHO SANTIAGO CCD 2002 SR 2005B	0.474%	39,176,791	185,707
PLAC-YORBA LINDA U 2002 BOND #2005C	49.516%	779,610	386,028
N O C COMM COLL 2002 BOND 2005 REFUNDING	11.617%	41,788,006	4,854,625
RANCHO SANTIAGO CCD 2002 BOND SR 2006C	0.474%	53,874,329	255,377
PLAC-YORBA LINDA U 2008 BOND, SR A	49.516%	41,890,000	20,742,054
PLAC-YORBA LINDA U 2008 BOND, SR B & C	49.516%	130,139,200	64,439,108
PLAC-YORBA LINDA USD 2008 BOND, SR Q	49.516%	25,000,000	12,378,881
PLAC-YORBA LINDA U 2008 BOND, SR D	49.516%	22,128,918	10,957,250
PLAC-YORBA LINDA U 2008 BOND, SR E	49.516%	12,725,000	6,300,851
RANCHO SANTIAGO CCD 2012 GO REF BOND	0.474%	103,365	489,975
N O C COMM COLL 2014 BOND SR 2016A	11.617%	35,650,896	4,141,661
ORANGE USD SR 2018 EL 2016	1.031%	177,865,000	1,833,502
N O C COMM COLL 2014 BOND SR B	11.617%	129,733,719	15,071,516
METROPOLITAN WATER DISTRICT	2.585%	5,385,044	139,179
TOTAL OVERLAPPING DEBT			<u>\$ 149,833,226</u>
<u>CITY DIRECT DEBT:</u>			
CITY OF YORBA LINDA LEASE REVENUE FINANCINGS	100%	22,914,112	22,914,112
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 172,747,338</u>

Debt To Assessed Valuation Ratios:

Direct Debt	0.00%
Overlapping Debt	1.07%
Total Debt	1.07%

- (1) this fund is a portion of a larger agency, and is responsible for debt in the areas outside the city.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

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	\$ 14,865,009,899
Conversion percentage	25%
Adjusted assessed value	3,716,252,475
Debt limit (15% of adjusted assessed value)	557,437,871
Debt applicable to limit	-
Legal debt margin - Current Year	<u><u>\$ 557,437,871</u></u>

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Debt as Percentage of Limit
2012	\$ 411,320,588	\$ 16,090,000	\$ 395,230,588	3.9%
2013	419,426,045	15,635,000	403,791,045	3.7%
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	557,437,871	-	557,437,871	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%

Source: City of Yorba Linda Finance Department

CITY OF YORBA LINDA
Pledged Revenue Coverage
Last Ten Fiscal Years

GOLF COUSE REVENUE BONDS (1)

Fiscal Year Ended June 30	Golf Course Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	\$ 5,869,100	\$ 5,136,187	\$ 732,913	\$ 440,000	\$ 757,356	0.612
2013	5,670,123	4,847,456	822,667	455,000	742,354	0.687
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	\$ -	-	-

TAX ALLOCATION BONDS (2)

Fiscal Year Ended June 30	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2012	\$ -	\$ -	\$ -	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-

- Notes:
- (1) The Golf Course Revenue Bonds were defeased during fiscal year 2013.
 - (2) The tax Allocation Bonds were transferred to the Successor Agency due to the dissolution of the Redevelopment Agency during fiscal year 2011.

Source: City of Yorba Linda Finance Department

CITY OF YORBA LINDA
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income (1,000s)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2011	65,777	\$3,107,963	\$ 47,250	5.80%	41.5	95.2%	46.3%
2012	66,437	3,146,124	47,355	3.70%	41.3	95.1%	46.9%
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%

Source: HdL Coren and Cone

CITY OF YORBA LINDA
Principal Employers
Current Year and Three Years Ago

Employer	2021		2016	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Nobel Biocare U S A, L L C	329	3.61%	269	3.67%
Costco Wholesale Corporation # 445	321	3.53%	293	4.00%
Brookdale Yorba Linda	219	2.41%	188	2.57%
Serento Rosa	200	2.20%	-	0.00%
Jondo Ltd.	178	1.95%	-	0.00%
Cobra Engineering, Inc	145	1.59%	71	0.97%
Office Solutions Business	140	1.54%	98	1.34%
Euroline Steel Windows	138	1.52%	-	0.00%
White House Catering Inc	130	1.43%	75	1.02%
Coldwell Banker	118	1.30%	118	1.61%
Robert Moreno Insurance Services	115	1.26%	115	1.57%
Chick-Fil-A At Yorba Linda Fsr	100	1.10%	-	0.00%
Vons Grocery Co #3069	100	1.10%	86	1.17%
Sprouts Farmers Market	99	1.09%	78	1.06%
Bristol Farms	87	0.96%	-	0.00%
	<u>2,419</u>	<u>26.57%</u>	<u>1,391</u>	<u>18.99%</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.

Source: City of Yorba Linda, Finance Department

CITY OF YORBA LINDA
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
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	6.60	5.20	6.00	8.00	9.00	9.00	9.96	9.48	10.25	10.73
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.48	3.48
Finance	6.00	6.00	6.00	6.00	6.00	6.00	6.50	6.75	6.48	6.48
Community Development										
Planning	5.50	5.20	6.20	6.20	6.20	6.20	6.98	6.98	6.50	6.50
Building	8.50	8.70	8.70	8.70	8.70	8.70	10.30	10.30	11.30	11.30
Community Preservation	3.15	3.25	3.25	3.25	3.25	3.25	3.20	3.20	3.20	3.20
NPDES	0.30	0.30	0.30	0.30	0.30	0.30	-	-	-	-
Public Works										
Administration/Engineering	6.65	6.85	6.90	6.90	6.65	6.65	6.75	7.71	7.75	7.75
Maintenance	9.04	9.04	10.04	10.04	10.04	10.04	10.04	10.04	11.04	11.04
NPDES	0.60	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.35	1.35
Landscape Assessment Dist.	3.71	3.71	3.71	3.71	3.96	3.96	3.96	3.96	5.82	5.82
Parks & Recreation										
Administration	2.45	2.10	2.45	2.95	2.95	2.95	2.80	2.80	2.48	2.48
Recreation	29.91	29.27	29.91	29.91	29.91	29.91	32.51	32.51	32.95	36.94
Parks Maintenance	8.85	8.85	8.85	8.85	8.85	8.85	9.05	9.05	10.05	10.05
Facilities Maintenance	2.20	2.20	2.20	2.20	2.20	2.20	2.40	2.40	2.75	3.75
Library	33.76	31.55	31.55	31.55	31.55	31.55	31.32	31.32	31.81	33.15
Total	135.22	131.47	135.31	137.81	138.81	138.81	145.02	145.75	152.21	159.02

Source: City of Yorba Linda

CITY OF YORBA LINDA
Operating Indicators by Function
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Parks & Recreation										
Number of participants	14,207	13,705	13,152	11,406	9,356	11,331	10,162	10,395	6,183	6,116
Number of facility rentals	2,204	1,799	1,833	1,722	1,958	1,973	1,826	1,492	902	329
Teams in league events	257	206	155	227	175	148	144	137	148	145
Police (1)										
Calls for Service	n/a	10,057	17,452	18,497	18,162	19,922	22,125	20,158	18,666	17,766
Arrests	n/a	215	378	435	458	717	442	470	902	629
Moving Citations	n/a	1,325	2,220	2,507	2,808	1,910	1,728	1,776	1,542	1,465
Crime reports	n/a	1,884	2,344	2,408	2,705	2,541	2,640	2,715	2,523	233
Parking citations	n/a	88	277	425	419	720	1,001	842	566	264
Public Works (2)										
Street resurfacing (# streets)	87	-	211	84	173	173	182	151	139	292
Library										
Attendance in Library (door count)	337,211	338,579	334,942	323,415	328,646	328,646	276,051	284,628	185,038	83,346
Number of items checked out	874,333	891,041	917,134	870,029	881,283	881,283	938,109	1,044,225	799,631	620,161
Number of programs	737	714	601	666	721	721	961	930	619	89
Golf Course										
Number of rounds played	56,352	59,096	57,476	55,755	55,483	55,483	60,355	59,237	52,804	67,251

Source: City of Yorba Linda

CITY OF YORBA LINDA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Parks & Recreation										
Municipal Parks	27	29	29	29	30	32	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
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	213	213	211	211	217	217	215.5	215.5
Street Lights	n/a	n/a	n/a	n/a	5,756	6,096	6,139	6,139	6,139	6,139
Traffic Signals	58	58	61	61	61	64	62	64	65	65

Source: City of Yorba Linda, Finance Department