

CITY of YORBA LINDA, CALIFORNIA

Annual Comprehensive Financial Report



For the Fiscal Year Ended June 30, 2024



CITY OF YORBA LINDA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE
FISCAL YEAR ENDED JUNE 30, 2024



City Council

Janice Lim
Mayor

Carlos Rodriguez
Mayor Pro Tem

Peggy Huang
Council Member

Tara Campbell
Council Member

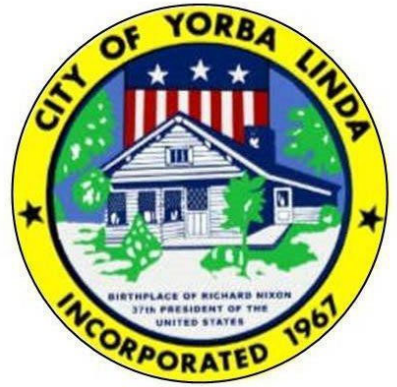
Shivinder Singh
Council Member

Prepared by the Finance Department
Sunny Han, Finance Director / City Treasurer
Sophia Leung, Financial Services Manager

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INTRODUCTORY SECTION



City of Yorba Linda

Annual Comprehensive Financial Report For the Year Ended June 30, 2024

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City of Yorba Linda

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CITY of YORBA LINDA

FINANCE DEPARTMENT

December 19, 2024

Honorable Mayor, Members Of The City Council, and Citizens of the City of Yorba Linda:

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, 2024.

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, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

The City's financial statements have been audited by Rogers, Anderson, Malody & Scott, LLP, a firm of certified public accountants. We are pleased to report that the audit firm granted the City an unmodified (clean) opinion for the financial statements of the City for the year ended June 30, 2024. The auditor's opinion can be found in the Financial Section of this report. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of a Management Discussion and Analysis (MD&A). This transmittal letter is designed to complement and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

City of Yorba Linda Profile

The City which has a population of 66,087 and is 20.0 square miles, is located in the northeast section of Orange County. The City is strategically located in Southern California, 37 miles from downtown Los Angeles and 13 miles from downtown Santa Ana. Neighboring communities include Anaheim, Brea, Placentia, and Corona. Amongst the attractions located in the City is the Richard Nixon Presidential Library.

The City is a General Law City and was incorporated in 1967. Since its incorporation, the City has committed itself to providing the highest quality public services at the lowest possible cost. This has been accomplished using contract service providers combined with the development of a skilled, customer service-oriented City workforce. The City has a Council-Manager form of government, with a City Council comprised of five members

elected bi-annually to four-year alternating terms. City Council members are elected at-large, on a non-partisan basis, with the City Council annually selecting a Mayor from its members. The City Council appoints the City Manager and City Attorney. The City Manager is responsible for implementing the policy direction of the City Council and directing the day-to-day administration and management of City business within all City departments.

The City provides a wide range of municipal services to its residents either directly or by contract with private vendors or other government agencies. These services include construction and maintenance of streets and other infrastructure, planning and zoning, recreational activities, golf course, library services, and general administrative and support services provided through a staff of approximately 116 full-time employees. The City contracts with the Orange County Sheriff's Department to provide Police Services, and Fire Protection Services are provided by the Orange County Fire Authority. In addition to general City activities, the City Council is financially accountable for the Yorba Linda Municipal Financing Authority and the Yorba Linda Housing Authority. These entities are therefore included as an integral part of the City's financial statements. Additional information regarding these legally separate entities can be found in Note 1 in the notes to the basic financial statements.

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

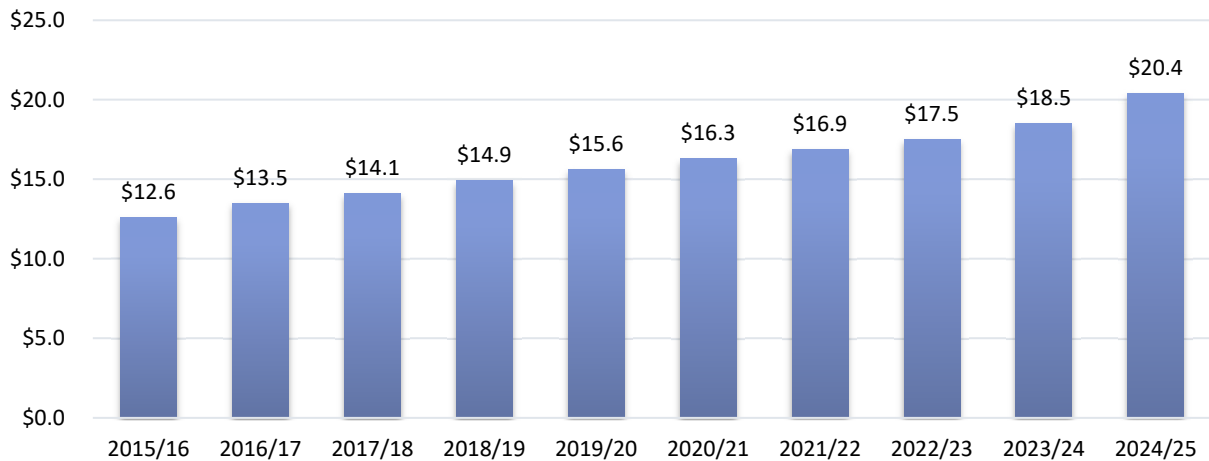
Economic Conditions and Outlook

As the City continues to recover from the impacts of the global COVID-19 pandemic, supply chain shortages and inflationary pressures on normal business activities are expected to continue to set the tone for economic conditions for the next fiscal year. The City relies heavily on taxes, its primary source of revenue, comprising approximately 77 percent of all General Fund revenues.

Property Tax

The City of Yorba Linda’s assessed valuations are very strong, reflecting both new development and increased property values. The City’s Fiscal Year 2024/25 assessed property value grew 10.3 percent to \$20.4 billion, up from 5.7 percent growth in prior year. This strong performance, coupled with steady year-over-year growth, reflects a stable property tax base that can weather steep declines in real estate markets. For Fiscal Year 2023/24, secured property tax revenue collections totaled \$13.5 million. For Fiscal Year 2024/25, secured property taxes are estimated at \$14.3 million, reflecting a 5.9 percent increase.

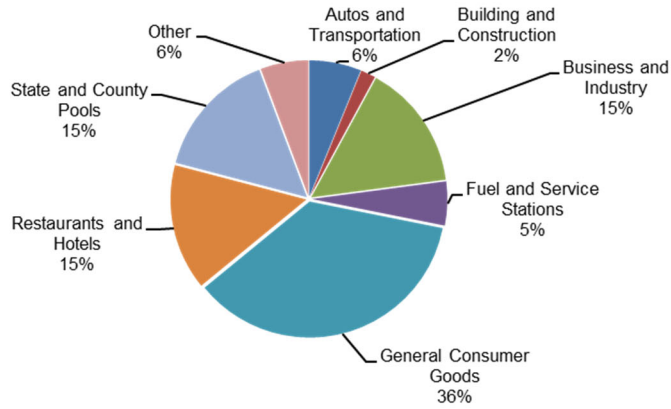
**City of Yorba Linda
Total Assessed Valuation
Fiscal Years 2015/16 - 2024/25
(in billions)**



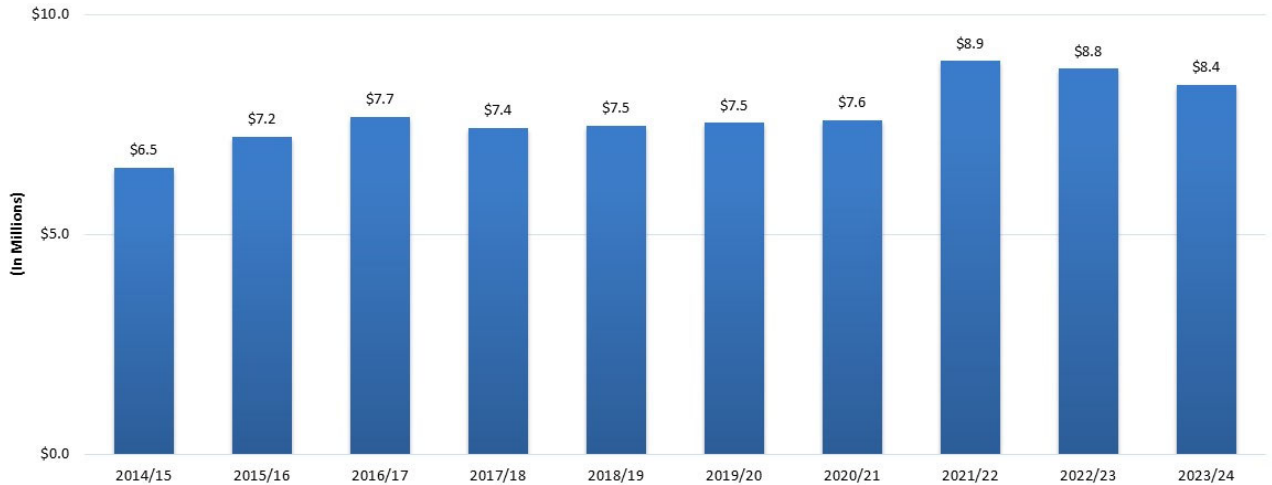
Sales Tax

The City’s sales tax revenue has decreased over the past two fiscal years due to continued high interest rates, the closure of several big box retail stores, the fluctuation in gasoline prices, and pressure from rising household costs (e.g., insurance). Pressure from lower prices and deflation in several goods categories is expected to restrain sales tax growth in the short term. Additionally, the recent actions taken by the Federal Reserve to lower interest rates will take time to translate to sales tax growth. As such, the City continues to be cautious with its financial resources and remains committed to maintaining a balanced operating budget and one of the strongest General Fund budget reserves in Orange County.

City of Yorba Linda
Composition of Sales Tax Revenue
Fiscal Year 2023/24



City of Yorba Linda
Historical Sales Tax Revenue



Long-Term Financial Policies and Planning

A portion of fund balance reserves in the General Fund is set aside and committed for future emergencies, economic contingencies, and known long-term needs pursuant to a City Council-approved Budget Reserves Policy (the Policy). The Policy requires operating reserves to be maintained at a level of at least 50% of budgeted General Fund expenditures (excluding transfers) and other reserves for long-term needs to be established and funded in a prudent manner. As of June 30, 2024, the City’s General Fund had budget reserves of approximately \$44.2 million. Of this amount, \$23.3 million

is committed to operating reserves for emergencies and economic contingencies. An amount of \$3.9 million is committed to special reserves for facilities, road maintenance, self-insurance, and other long-term needs. Assigned fund balance amounts to approximately \$14.9 million which is for budget carryovers and encumbrances. Non-spendable fund balance of approximately \$82,000 is dedicated to prepaid costs. The remainder of fund balance reserves, amounting to approximately \$2.1 million, is unassigned and available for any purpose at the direction of the City Council. This level of General Fund reserves is 61.06% of budgeted General Fund expenditures and well within the Council Policy.

Major Initiatives

Shop Dine Support Yorba Linda

The City kicked off its “Shop Dine Support Yorba Linda” campaign in November 2024, in partnership with the Yorba Linda Chamber of Commerce, to encourage residents to support local small businesses and strengthen community connections. A QR code is available through the City, which provide access to an interactive business directory that allows residents and visitors to effortlessly discover and explore a wide variety of local businesses, from unique boutiques and family-owned restaurants to essential services across the community.



Measure JJ

Measure JJ, Yorba Linda Local Control, Residential Neighborhood, Open Space Protection Measure, was placed on the November 2024 General Election ballot to attain full certification of Yorba Linda’s revised 2021-2029 Housing Element consistent with Yorba Linda’s Right-to-Vote Amendment (“Measure B”), which requires voter review to approve or reject major adjustments to the City’s land use documents. Through an extensive public outreach campaign which began in 2023 encouraging residents to plan for the future of housing in Yorba Linda, over 90% of voters approved Measure JJ.

Capital Improvement Program

Annually, the City updates a seven-year Capital Improvement Program (CIP). Planned capital expenditures during Fiscal Year 2024/25 are budgeted at approximately \$31.7 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. In FY 2023/24, some of the major projects completed included Zone 5/6B of the City's Annual Pavement Improvement Program and construction of Bastanchury Road Widening from Casa Loma to Eureka.



Acknowledgements

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

Respectfully submitted,

Mark Pulone
City Manager

Sunny Han
Finance Director / City Treasurer

City Officials and Organizational Chart

LEGISLATIVE OFFICIALS

Janice Lim Mayor
 Carlos Rodriguez Mayor Pro Tem
 Tara Campbell Council Member
 Peggy Huang Council Member
 Shivinder Singh Council Member

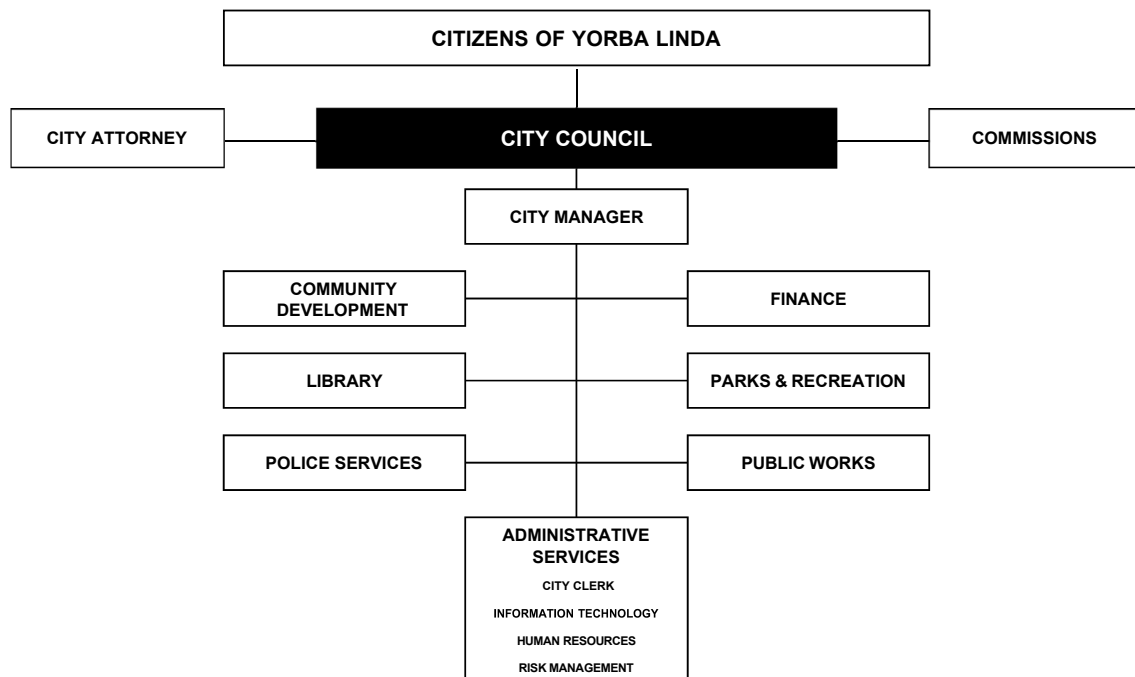
APPOINTED CITY OFFICIALS

Mark Pulone City Manager
 Todd Litfin City Attorney

CITY OFFICIALS

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

ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Yorba Linda
California**

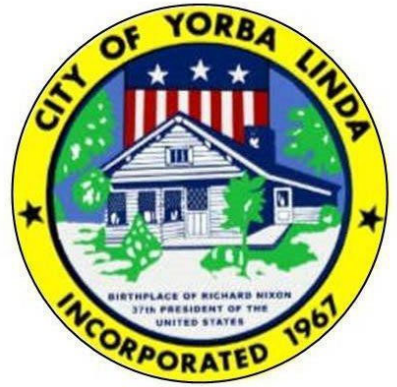
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION





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

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Independent Auditor's Report

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Terry P. Shea, CPA (Partner Emeritus)

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Anny Gonzalez, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

The Honorable City Council
City of Yorba Linda, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Yorba Linda (the entity), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained

during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the entity's basic financial statements. The combining nonmajor fund financial statements and the budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024 on our consideration of entity'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 entity'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 entity's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 19, 2024

City of Yorba Linda

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

For the Fiscal Year Ended June 30, 2024

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, 2024. 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

Financial highlights for the fiscal year ended June 30, 2024 are outlined below. Details can be found in the Government-Wide and Fund Financial Statement analysis section of this MD&A.

Government-Wide Financial Statements

- The City of Yorba Linda's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$567,404,308. Total net position increased by \$12,002,218 or 2.2 percent primarily due to the additions made to capital assets for infrastructure improvements, including the Zone 5/6B Street Improvement Program and Bastanchury Road Widening Project.
- The City's Net Pension Liability increased by \$818,948, or 3.3% and Net Other Post-Employment Benefit (OPEB) Liabilities decreased by \$865,317, or 4.8%, due to changes in balances in accordance with Government Accounting Standards Board (GASB) Statements No. 68, Accounting and Financial Reporting For Pensions, and 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, respectively.
- Deferred outflows of resources decreased by \$282,707 or 2.4 percent primarily due to actual economic and demographic plan experience differing from actuarial assumptions, and differences between projected and actual earnings on Pension Plan investments used to determine the City's net pension liability. Deferred inflows of resources increased by \$594,130 or 9.0 percent primarily due to changes in balances in accordance with GASB 87, Leases.
- Program revenues increased by \$3,648,386, or 9.9%, primarily due to increased grant revenues for capital projects, such as the OCTA grants for Bastanchury Road Improvements and Yorba Linda Boulevard Widening. Additionally, revenues from Black Gold Golf Club have increased by \$1,017,600, or 10.7%, primarily in the green fee and food & beverage operations categories, due to renewed golf participation since the COVID-19 pandemic, and the continued popularity of Derricks Grille, both at Black Gold and for Center Wedding and Events at the Yorba Linda Community Center
- Expenses increased by \$3,576,704, or 4.6%, primarily due to: 1) costs incurred to begin implementation of the Eighth Amendment to the Affordable Housing Agreement with Evergreen Villas LP, to be funded by a \$3.1 million CalOptima grant; 2) an increase in the administrative charge to other City funds; 3) increases to the Orange County Sheriff's Department contract for law enforcement services; and 4) increased operating costs at Black Gold Golf Club due to ongoing inflation and wage increases required to attract and retain staff.
- Total fund balance of the General Fund is \$44,233,621, compared to \$44,428,734 in the prior fiscal year, a \$195,113, or 0.4 percent decrease due to the planned use of reserves for infrastructure improvement projects such as the Zone 5/6B Street Improvement Program and Bastanchury Road Widening Project. At the end of the current fiscal year,

City of Yorba Linda

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

For the Fiscal Year Ended June 30, 2024

unassigned fund balance for the General Fund was \$2,142,419 or 4.9% of the amount of General Fund operating expenditures. The General Fund unassigned balance of \$2,142,419 is in addition to \$23,253,569 operating reserve 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. 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-type activities of the City include the Black Gold Golf Course.

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

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited) For the Fiscal Year Ended June 30, 2024

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

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

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

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

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

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

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

City of Yorba Linda

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

For the Fiscal Year Ended June 30, 2024

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 \$567,404,308 at the close of 2024.

CITY OF YORBA LINDA
Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 138,973,562	\$ 141,740,050	\$ 2,159,813	\$ 479,564	\$ 141,133,375	\$ 142,219,614
Capital assets, net	467,348,312	455,299,531	22,678,370	23,255,857	490,026,682	478,555,388
Total assets	<u>606,321,874</u>	<u>597,039,581</u>	<u>24,838,183</u>	<u>23,735,421</u>	<u>631,160,057</u>	<u>620,775,002</u>
Deferred outflows of resources	11,682,002	11,964,709	-	-	11,682,002	11,964,709
Current liabilities	6,122,930	8,667,129	2,548,338	1,950,935	8,671,268	10,618,064
Noncurrent liabilities						
Long-term liabilities	2,866,462	2,327,384	633,679	881,416	3,500,141	3,208,800
Lease Revenue Financings	13,046,391	13,838,567	-	-	13,046,391	13,838,567
Net OPEB liability	17,167,952	18,033,269	-	-	17,167,952	18,033,269
Net pension liability	25,884,242	25,065,294	-	-	25,884,242	25,065,294
Total liabilities	<u>65,087,977</u>	<u>67,931,643</u>	<u>3,182,017</u>	<u>2,832,351</u>	<u>68,269,994</u>	<u>70,763,994</u>
Deferred inflows of resources	7,167,757	6,573,627	-	-	7,167,757	6,573,627
Net position:						
Net investment in capital assets	454,301,921	441,460,964	22,118,026	22,430,867	476,419,947	463,891,831
Restricted	83,179,514	86,500,311	-	-	83,179,514	86,500,311
Unrestricted	8,266,707	6,537,745	(461,860)	(1,527,797)	7,804,847	5,009,948
Total net position	<u>\$ 545,748,142</u>	<u>\$ 534,499,020</u>	<u>\$ 21,656,166</u>	<u>\$ 20,903,070</u>	<u>\$ 567,404,308</u>	<u>\$ 555,402,090</u>

The largest portion of the City's net position (84.0%) 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.

City of Yorba Linda

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

For the Fiscal Year Ended June 30, 2024

The portion of net position invested in capital assets increased by \$12,528,116, or 2.7 percent, versus the prior year, which was primarily due to the addition of various infrastructure projects, such as the Zone 5/6B Street Improvement Program, Bastanchury Road Widening Project, and Yorba Linda Road Widening Project.

An additional portion of the City's net position, \$83,179,514 represents resources that are subject to external (legally imposed or statutory) restrictions on how they may be used. As of the end of the fiscal year, the City's unrestricted net position was \$7,804,847.

The City's net position increased by \$12,002,218, or 2.2 percent from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

A condensed summary of activities for the period ended June 30, 2024, and the prior fiscal year is illustrated in the table below.

CITY OF YORBA LINDA Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 13,832,811	\$ 13,983,009	\$ 10,530,453	\$ 9,512,853	\$ 24,363,264	\$ 23,495,862
Operating contributions and grants	4,009,219	7,655,338	-	-	4,009,219	7,655,338
Capital contributions and grants	12,202,200	5,775,097	-	-	12,202,200	5,775,097
General revenues:						
Taxes:						
Property taxes	34,245,240	32,870,894	-	-	34,245,240	32,870,894
Sales taxes	8,396,106	8,765,991	-	-	8,396,106	8,765,991
Franchise taxes	2,547,619	2,517,208	-	-	2,547,619	2,517,208
Transient occupancy taxes	554,637	541,747	-	-	554,637	541,747
Business license taxes	441,623	426,601	-	-	441,623	426,601
Other taxes	595,756	546,726	-	-	595,756	546,726
Motor vehicle in lieu - unrestricted	97,804	77,281	-	-	97,804	77,281
Investment income	4,100,541	1,780,988	77,460	11,732	4,178,001	1,792,720
Gain on sale of property	315,343	14,595	-	22,320	315,343	36,915
Other	1,632,854	1,875,533	(10,481)	-	1,622,373	1,875,533
Transfers	15,455	-	(15,455)	-	-	-
Total revenues	82,987,208	76,831,008	10,581,977	9,546,905	93,569,185	86,377,913
Expenses						
General government	13,665,478	11,631,484	-	-	13,665,478	11,631,484
Public safety	14,209,525	13,731,482	-	-	14,209,525	13,731,482
Community development	4,645,214	3,847,863	-	-	4,645,214	3,847,863
Parks and recreation	16,229,130	17,569,992	-	-	16,229,130	17,569,992
Library	6,321,929	5,433,637	-	-	6,321,929	5,433,637
Public works	16,128,067	16,052,471	-	-	16,128,067	16,052,471
Interest on long-term debt	538,743	573,477	-	-	538,743	573,477
Golf	-	-	9,828,881	9,149,857	9,828,881	9,149,857
Total expenses	71,738,086	68,840,406	9,828,881	9,149,857	81,566,967	77,990,263
Change in net position	11,249,122	7,990,602	753,096	397,048	12,002,218	8,387,650
Net position, beginning	534,499,020	526,508,418	20,903,070	20,506,022	555,402,090	547,014,440
Net position, ending	\$ 545,748,142	\$ 534,499,020	\$ 21,656,166	\$ 20,903,070	\$ 567,404,308	\$ 555,402,090

City of Yorba Linda

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

For the Fiscal Year Ended June 30, 2024

Governmental Activities. The cost of all governmental activities this year was \$71,738,086. However, as shown in the Statement of Activities, the amount that taxpayers ultimately financed for these activities was \$41,693,856, as costs of \$13,832,811 were paid by those who directly benefited from the programs, or by other governments and organizations that subsidized certain programs with operating grants and contributions of \$4,009,219, and capital grants and contributions of \$12,202,200. The City's total governmental program revenues were \$30,044,230. The City paid for the remaining "public benefit" portion of governmental activities with \$52,942,978 in taxes and general revenue (some of which may only be used for certain programs) and with other revenues, such as interest. Overall, governmental activities increased the City's net position by \$11,249,122, or 2.1 percent, compared to the prior year increase of \$7,990,602, or 1.5%.

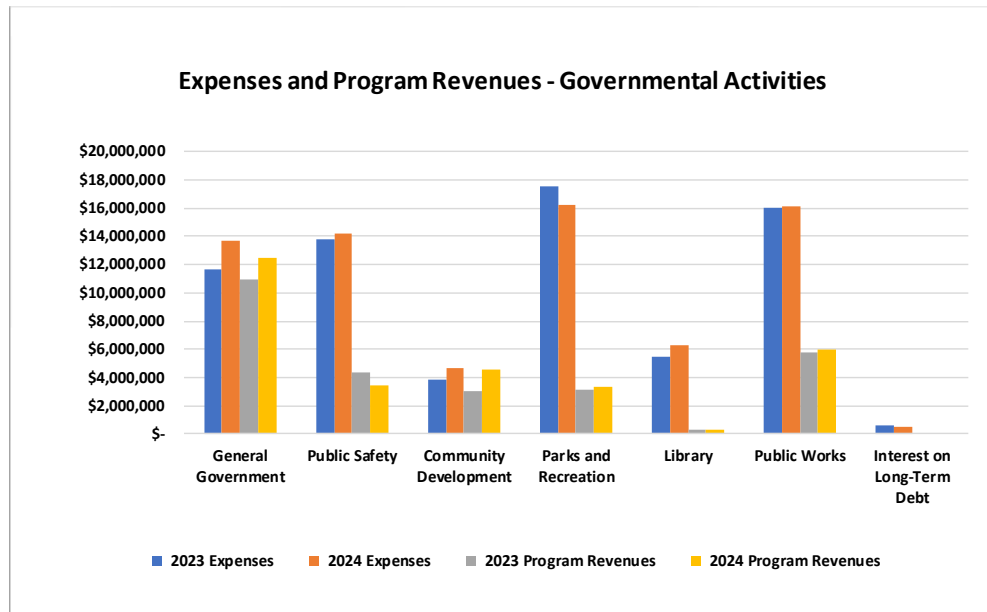
Revenues – While variances between years exist for each revenue category, the overall net increase was \$6,156,200, or 8.0 percent from prior year. Property tax revenues increased by \$1,374,346, or 4.2 percent, due to continued growth in assessed valuation and residential development in the City. Investment Income increased by \$2,319,553, or 130.2 percent, due to an increase in investment earnings as well as a fair market value adjustment to the City's investments, which generated unrealized gains in Fiscal Year 2023/24. Capital Grants and Contributions increased by \$6,427,103 or 111.3 percent, primarily due to increased OCTA grant funds for large infrastructure projects such as the Bastanchury Road Improvements and Yorba Linda Boulevard Widening Project the City recognized as revenue in the current year.

Expenses – The overall net increase in governmental expenses for the City from prior year was \$2,897,680, or 4.2 percent. As previously discussed, this increase was largely due to costs incurred to begin implementation of the Eighth Amendment to the Affordable Housing Agreement with Evergreen Villas LP, to be funded by a \$3.1 million CalOptima grant; 2) an increase in the administrative charge to other City funds; 3) increases to the Orange County Sheriff's Department contract for law enforcement services; and 4) additional expense for insurance, electricity, repairs, and other maintenance, due to rising costs from inflationary pressures, supply-chain issues, and rate increases.

Business-Type Activities. Business-type activities increased the City's net position by \$753,096, or 3.5 percent. Charges for Services revenue increased by \$1,017,600, or 7.3 percent, due to renewed golf participation since the COVID-19 pandemic, and the continued popularity of Derricks Grille, both at Black Gold and for Center Wedding and Events at the Yorba Linda Community Center. Operating costs increased by \$679,024, or 7.4 percent, primarily due to ongoing inflation and wage increases required to attract and retain staff.

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.

**Management’s Discussion and Analysis (Required Supplementary Information-
Unaudited)
For the Fiscal Year Ended June 30, 2024**



FINANCIAL ANALYSIS OF THE CITY’S MAJOR GOVERNMENTAL FUNDS

Below is an analysis of the City’s major governmental fund activities for the year:

	Governmental Funds	
	June 30, 2024	June 30, 2023
General Fund	\$ 44,233,621	\$ 44,428,734
Affordable Housing Fund	52,916,935	52,088,149
Miscellaneous Grants Fund	(4,751,402)	(1,332,575)
Public Library Fund	7,184,980	6,040,079
Landscape Maintenance Assessment District Fund	9,194,574	8,095,521
Capital Improvements Fund	-	-
	<u>\$ 108,778,708</u>	<u>\$ 109,319,908</u>

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance in the General Fund was \$44,233,621 which is a decrease of \$195,113 or 0.4% from prior year. This decrease in fund balance is due to the previously discussed planned use of reserves for infrastructure projects, which was partially offset by a market value adjustment for unrealized gains of \$832,373, which will be reversed in Fiscal Year 2024/25. Unassigned fund balance of the General Fund was \$2,142,419. 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 4.9% of the amount of General Fund operating expenditures, and is in addition to \$23,253,569 operating reserve established by City Council resolution.

The Affordable Housing Fund Balance increased by \$828,786, or 1.6 percent due to investment revenue earned during the fiscal year.

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited) For the Fiscal Year Ended June 30, 2024

The Miscellaneous Grants Fund Balance decreased by \$3,418,827, or 256.6 percent due to timing differences caused by grant expenditures incurred which were not reimbursed during the fiscal year.

The Public Library Fund Balance increased by \$1,144,901, or 19.0 percent primarily due to continued growth in property tax revenues and savings, higher investment revenues partially offset by a market value adjustment to be reversed in the following fiscal year.

The Landscape Maintenance Assessment District Fund Balance increased by \$1,099,053, or 13.6 percent, due to unspent transfers for capital projects which will be carried forward to the following fiscal year.

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, 2024, totaled negative \$461,860, a reduction in the negative unrestricted net position in the amount of \$1,082,846. This change is due to the previously discussed increase in revenues, primarily in the green fee and food & beverage operations categories, due to renewed golf participation since the COVID-19 pandemic, which was partially offset by increased operating costs at Black Gold Golf Club due to ongoing inflation and wage increases required to attract and retain staff.

City of Yorba Linda

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

For the Fiscal Year Ended June 30, 2024

GENERAL FUND BUDGETARY HIGHLIGHTS

The table below provides a comparison of the original adopted budget for the City's General Fund versus the final budget and actual amounts expended during Fiscal Year 2023/24.

	Original Budget	Final Budget	Actual Amounts	Variance w/ Final Budget
Revenues				
Taxes	\$ 37,554,075	\$ 37,362,775	\$ 37,421,910	\$ 59,135
Other revenues	9,239,158	9,281,840	11,424,207	2,142,367
Total revenues	<u>46,793,233</u>	<u>46,644,615</u>	<u>48,846,117</u>	<u>2,201,502</u>
Expenditures				
Administration	8,862,080	9,771,296	8,729,202	1,042,094
City Attorney	650,000	650,000	324,316	325,684
Finance	1,370,222	1,382,648	1,330,118	52,530
Public safety	14,638,543	14,373,543	14,134,730	238,813
Community development	3,765,294	4,358,130	4,041,043	317,087
Parks and recreation	9,730,150	9,911,838	9,249,343	662,495
Public works	6,176,058	6,250,513	5,352,685	897,828
Capital outlay	607,000	684,238	321,171	363,067
Debt service:				
Principal retirement	-	-	127,915	(127,915)
Interest	-	-	6,490	(6,490)
Total expenditures	<u>45,799,347</u>	<u>47,382,206</u>	<u>43,617,013</u>	<u>3,765,193</u>
Excess of revenues over expenditures	<u>993,886</u>	<u>(737,591)</u>	<u>5,229,104</u>	<u>5,966,695</u>
Other financing sources				
Transfers in	229,000	307,552	307,552	-
Transfers out	<u>(14,084,585)</u>	<u>(14,341,210)</u>	<u>(5,731,769)</u>	<u>8,609,441</u>
Total other financing sources	<u>(13,855,585)</u>	<u>(14,033,658)</u>	<u>(5,424,217)</u>	<u>8,609,441</u>
Net change in fund balances	(12,861,699)	(14,771,249)	(195,113)	14,576,136
Fund balance at beginning of fiscal year	<u>44,428,734</u>	<u>44,428,734</u>	<u>44,428,734</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 31,567,035</u>	<u>\$ 29,657,485</u>	<u>\$ 44,233,621</u>	<u>\$ 14,576,136</u>

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited) For the Fiscal Year Ended June 30, 2024

General Fund Budgetary Highlights

Changes to Original Budget

Comparing the Fiscal Year 2023/24 General Fund Original (i.e. Adopted) Budget expenditures and transfers out amount of \$59,883,932 to the final budgeted amount of \$61,723,416 shows a net increase of \$1,839,484, or 3.1 percent. This overall increase is primarily due to budget carryovers in the amount of \$639,873 and appropriation to fund additional payments to CalPERS and the City's Other Post-Employment Benefits Trust in the amounts of \$322,444 and \$417,000, respectively.

Final budgeted revenues and transfers in for the General Fund decreased \$112,748 or 0.3 percent from the original (adopted) budget for the Fiscal Year ended June 30, 2024. The change from original to final budget occurred primarily as a result of adjustments made to budgeted sales tax, intergovernmental revenues, and transfers from other funds.

Variance with Final Budget

General Fund actual revenues were greater than the final budget by \$2,201,502 for the Fiscal Year ended June 30, 2024. This budget variance is due in large part to actual investment returns exceeding budgeted amounts due to the high interest rate environment, as well as a market value adjustment to the City's investments totaling \$832,373 required by the Government Accounting Standards Board which will be reversed in Fiscal Year 2024/25.

General Fund expenditures and transfers out were \$12,374,634 less than the final budget. The favorable budget variance is due in large part to the following:

Savings from various professional and general services contracts that were not fully expended during the fiscal year.

Special reserve transfers for various infrastructure projects totaling \$8,609,441 which were not utilized and will be carried forward to Fiscal Year 2024/25.

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, 2024, amounts to \$490,026,682 (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 \$11,471,294. This increase was primarily due to infrastructure projects such as the Zone 5/6B Street Improvement Program, Yorba Linda Boulevard Widening, and Bastanchury Road Widening Projects, which were partially offset by depreciation expense.

City of Yorba Linda

Management's Discussion and Analysis (Required Supplementary Information- Unaudited) For the Fiscal Year Ended June 30, 2024

The table below summarizes the current capital assets held by the City as of June 30, 2024, as compared to the prior fiscal year.

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 34,543,302	\$ 34,543,302	\$ 12,721,948	\$ 12,721,948	\$ 47,265,250	\$ 47,265,250
Street pavement infrastructure	200,637,525	200,637,525	-	-	200,637,525	200,637,525
Construction in progress	12,701,267	12,798,039	-	-	12,701,267	12,798,039
Buildings and improvements	94,923,558	87,817,457	8,190,845	8,762,480	103,114,403	96,579,937
Machinery and equipment	3,024,228	2,796,749	1,765,577	1,771,429	4,789,805	4,568,178
Motor vehicles	1,170,327	1,021,150	-	-	1,170,327	1,021,150
Other infrastructure	120,083,909	115,282,356	-	-	120,083,909	115,282,356
Right-to-use subscriptions	264,196	402,953	-	-	264,196	402,953
Totals	\$ 467,348,312	\$ 455,299,531	\$ 22,678,370	\$ 23,255,857	\$ 490,026,682	\$ 478,555,388

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

	Actual Assessed Condition Level	Minimum Condition Level
Overall Pavement Network	78	75

Under the modified approach, GASB Statement No. 34 requires that condition assessments be performed every three years. Last completed in May 2024, the City traditionally performs an assessment every two years. Additional information on the City's capital assets can be found in note 5 to the basic financial statements.

Long-term Liabilities. At the end of the current fiscal year, the City's total long-term debt totaled \$59,598,726. The following table summarizes the current long-term liabilities of the City as of June 30, 2024, as compared to the prior fiscal year.

City of Yorba Linda's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Net pension liability	\$ 25,884,242	\$ 25,065,294	\$ -	\$ -	\$ 25,884,242	\$ 25,065,294
Other post-employment benefits	17,167,952	18,033,269	-	-	17,167,952	18,033,269
Lease Revenue Financings ¹	12,821,065	13,485,326	-	-	12,821,065	13,485,326
Subscription liability	225,326	353,241	-	-	225,326	353,241
Leases	-	-	633,679	881,416	633,679	881,416
Claims and judgments	1,584,610	749,342	-	-	1,584,610	749,342
Compensated absences	1,281,852	1,578,042	-	-	1,281,852	1,578,042
Total Long-Term Liabilities	\$ 58,965,047	\$ 59,264,514	\$ 633,679	\$ 881,416	\$ 59,598,726	\$ 60,145,930

¹Amount includes an unamortized bond premium

City of Yorba Linda

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

For the Fiscal Year Ended June 30, 2024

At the end of Fiscal Year 2023/24, the City's long-term liabilities were primarily comprised of a net pension liability of \$25,884,242 and a net OPEB obligation related to medical insurance provided to retirees of \$17,167,952. The pension liability increased primarily due to actual economic and demographic plan experience differing from actuarial assumptions, as well as differences between projected and actual earnings on Pension Plan investments used to determine the City's net pension liability. In the case of the net OPEB liability, decrease was largely the result of additional deposits to the City's OPEB trust. A second tier of OPEB benefits and the deposits to the OPEB trust were implemented by the City Council in 2017 to reduce the City's future exposure to OPEB costs and begin to prefund the net OPEB obligation through trust fund contributions.

Contributions have been made in each of the prior eight fiscal years, with an additional contribution of \$200,000 approved by City Council for the Fiscal Year 2024/25. While this change is expected to decrease the City's net pension liability substantially over time, changes to the CalPERS actuarial assumptions that have, among other recent changes, lowered the projection of future investment earnings, have mitigated the degree to which this impact has been realized to date.

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

In November 2021 Black Gold Golf Course entered into a lease financing agreement with Zions Bancorporation for the purchase of groundskeeping equipment, mowing vehicles and equipment and a clubhouse transportation vehicle. The balance of this lease at June 30, 2024 was \$633,679.

The City's compensated absences liability relates to accrued but as yet unutilized vacation and sick leave balances of employees, and the claims and judgments liability relates to incurred but as yet unpaid liability and workers' compensation claims. The decrease of \$296,190 in the compensated absences liability is the result of routine changes to accrued leave balances. The claims and judgments liability increased \$835,268 due to increased reserve levels for open general liability claims. The majority of the workers compensation liability is for anticipated future pay-as-you-go payments to the City of Brea for expenses from claims incurred the period during which the City of Brea provided Police Services to the City, which ended in 2012 when the City contracted with the County of Orange for these services.

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

**Management's Discussion and Analysis (Required Supplementary Information-
Unaudited)
For the Fiscal Year Ended June 30, 2024**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

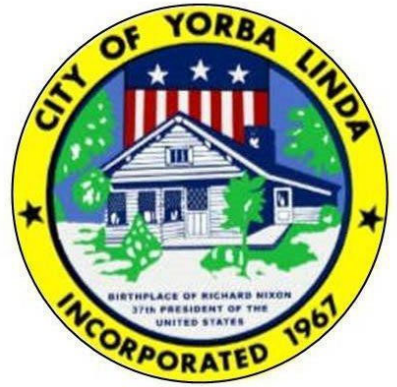
The City has experienced strong growth in property tax revenue in recent years. The growth in these revenue source is expected to continue in the year ahead, albeit at a slower pace than was seen during the post-COVID recovery. Consistent with past practice, the City will continue to budget conservatively and utilize any new revenues prudently to address long-term liabilities, unfunded needs, and targeted increases in service levels and program-related spending. The 2023-25 biennial City budget is available through the City's Financial Department or online at <https://www.yorbalindaca.gov/371/Financial-Documents>.

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, proactively reducing the City's unfunded pension liability through elective contributions to CalPERS, and making additional contributions to an OPEB trust with CalPERS to offset its unfunded OPEB liability. With these enhancements to the City's already conservative and sound financial management, the City will remain in good financial condition throughout the fiscal year and in the future, with 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.

BASIC FINANCIAL STATEMENTS



City of Yorba Linda

Statement of Net Position June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled cash and investments	\$ 74,923,248	\$ 2,962,493	\$ 77,885,741
Receivables:			
Accounts	1,274,085	3,613	1,277,698
Taxes	382,690	-	382,690
Notes and loans	47,910,699	-	47,910,699
Accrued interest	373,076	-	373,076
Leases	1,806,886	-	1,806,886
Internal balances	1,060,000	(1,060,000)	-
Prepaid costs	100,329	-	100,329
Due from other governments	8,541,429	-	8,541,429
Inventories	-	253,707	253,707
Land held for resale	2,600,000	-	2,600,000
Restricted Asset:			
Cash and investments with fiscal agents	1,120	-	1,120
Capital assets, not being depreciated	247,882,094	12,721,948	260,604,042
Capital assets, net of accumulated depreciation	219,466,218	9,956,422	229,422,640
Total assets	606,321,874	24,838,183	631,160,057
Deferred outflows of resources:			
Pension related	8,095,116	-	8,095,116
OPEB related	3,586,886	-	3,586,886
Total deferred outflows of resources	11,682,002	-	11,682,002
Liabilities:			
Accounts payable	5,522,303	10,176	5,532,479
Accrued liabilities	518,178	2,239,695	2,757,873
Accrued interest payable	82,449	-	82,449
Unearned revenue	-	288,467	288,467
Deposits payable	-	10,000	10,000
Noncurrent liabilities:			
Due within one year			
Long term liabilities	761,553	250,992	1,012,545
Claims and judgements	925,892	-	925,892
Compensated absences	857,508	-	857,508
Due in more than one year			
Long term liabilities	12,284,838	382,687	12,667,525
Claims and judgements	658,718	-	658,718
Compensated absences	424,344	-	424,344
Net pension liability	25,884,242	-	25,884,242
Net OPEB liability	17,167,952	-	17,167,952
Total liabilities	65,087,977	3,182,017	68,269,994
Deferred inflows of resources:			
Leases	1,687,749	-	1,687,749
Pension related	213,964	-	213,964
OPEB related	5,266,044	-	5,266,044
Total deferred inflows of resources	7,167,757	-	7,167,757
Net position:			
Net investment in capital assets	454,301,921	22,118,026	476,419,947
Restricted for:			
General government	335,741	-	335,741
Parks and recreation	1,427,620	-	1,427,620
Public works	21,246,629	-	21,246,629
Library	7,166,935	-	7,166,935
Low and moderate housing	53,002,589	-	53,002,589
Unrestricted (deficit)	8,266,707	(461,860)	7,804,847
Total net position	\$ 545,748,142	\$ 21,656,166	\$ 567,404,308

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

City of Yorba Linda

**Statement of Activities
For the Fiscal Year Ended June 30, 2024**

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 13,665,478	\$ 8,621,252	\$ 3,432,033	\$ 429,556	\$ (1,182,637)	\$ -	\$ (1,182,637)
Public safety	14,209,525	157,148	193,746	3,140,791	(10,717,840)	-	(10,717,840)
Community development	4,645,214	1,819,095	266,614	2,421,889	(137,616)	-	(137,616)
Parks and recreation	16,229,130	2,660,508	103,389	559,415	(12,905,818)	-	(12,905,818)
Library	6,321,929	278,722	13,437	-	(6,029,770)	-	(6,029,770)
Public works	16,128,067	296,086	-	5,650,549	(10,181,432)	-	(10,181,432)
Interest on long-term debt	538,743	-	-	-	(538,743)	-	(538,743)
Total governmental activities	71,738,086	13,832,811	4,009,219	12,202,200	(41,693,856)	-	(41,693,856)
Business-type activities:							
Black Gold Golf Course	9,828,881	10,530,453	-	-	-	701,572	701,572
Total business-type activities	9,828,881	10,530,453	-	-	-	701,572	701,572
Total	\$ 81,566,967	\$ 24,363,264	\$ 4,009,219	\$ 12,202,200	(41,693,856)	701,572	(40,992,284)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					34,245,240	-	34,245,240
Sales taxes					8,396,106	-	8,396,106
Franchise taxes					2,547,619	-	2,547,619
Transient occupancy taxes					554,637	-	554,637
Business licenses taxes					441,623	-	441,623
Other taxes					595,756	-	595,756
Motor vehicle in lieu - unrestricted					97,804	-	97,804
Investment income					4,100,541	77,460	4,178,001
Gain on sale of capital assets					315,343	-	315,343
Other					1,632,854	(10,481)	1,622,373
Transfers					15,455	(15,455)	-
Total general revenues					52,942,978	51,524	52,994,502
Change in net position					11,249,122	753,096	12,002,218
Net position at beginning of fiscal year					534,499,020	20,903,070	555,402,090
Net position at end of fiscal year					\$ 545,748,142	\$ 21,656,166	\$ 567,404,308

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

City of Yorba Linda

Balance Sheet Governmental Funds June 30, 2024

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Affordable Housing</u>	<u>Miscellaneous Grants</u>
Assets:			
Pooled cash and investments	\$ 38,536,972	\$ 4,788,889	\$ -
Receivables:			
Accounts	1,017,665	174,575	-
Taxes	221,194	-	-
Notes and loans	-	47,910,699	-
Accrued interest	167,015	15,640	-
Leases	1,806,886	-	-
Prepaid costs	82,284	-	-
Due from other governments	1,841,301	-	5,939,953
Due from other funds	5,479,371	-	-
Advances to other funds	-	-	-
Land held for resale	-	2,600,000	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
Total assets	<u>\$ 49,152,688</u>	<u>\$ 55,489,803</u>	<u>\$ 5,939,953</u>
Liabilities, deferred inflows of resources, and fund balances:			
Liabilities:			
Accounts payable	\$ 2,364,709	\$ 979	\$ -
Accrued liabilities	437,053	-	-
Due to other funds	-	-	4,835,105
Total liabilities	<u>2,801,762</u>	<u>979</u>	<u>4,835,105</u>
Deferred inflows of resources:			
Unavailable revenues	429,556	2,571,889	5,856,250
Leases	1,687,749	-	-
Total deferred inflows of resources	<u>2,117,305</u>	<u>2,571,889</u>	<u>5,856,250</u>
Fund balances:			
Nonspendable:			
Prepaid costs	82,284	-	-
Restricted for:			
General government	-	-	-
Parks and recreation	-	-	-
Public works	-	-	-
Library	-	-	-
Low and moderate housing	-	52,916,935	-
Committed:			
Operating reserves	23,253,569	-	-
Special reserves	3,864,790	-	-
Assigned to:			
Year-end market value	821,600	-	-
Unfunded liabilities	583,800	-	-
Budget carryovers	12,856,499	-	-
Parks and recreation	628,660	-	-
Unassigned (deficit)	<u>2,142,419</u>	<u>-</u>	<u>(4,751,402)</u>
Total fund balances (deficit)	<u>44,233,621</u>	<u>52,916,935</u>	<u>(4,751,402)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 49,152,688</u>	<u>\$ 55,489,803</u>	<u>\$ 5,939,953</u>

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

City of Yorba Linda

Balance Sheet Governmental Funds June 30, 2024

Special Revenue Funds		Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Public Library	Landscape Maintenance Assessment District	Capital Improvements		
\$ 7,171,638	\$ 9,779,640	\$ 2,107,731	\$ 12,538,378	\$ 74,923,248
3,880	15,100	-	62,865	1,274,085
83,879	77,617	-	-	382,690
-	-	-	-	47,910,699
69,246	35,213	-	85,962	373,076
-	-	-	-	1,806,886
18,045	-	-	-	100,329
-	-	-	760,175	8,541,429
-	-	-	-	5,479,371
-	-	-	1,060,000	1,060,000
-	-	-	-	2,600,000
1,120	-	-	-	1,120
<u>\$ 7,347,808</u>	<u>\$ 9,907,570</u>	<u>\$ 2,107,731</u>	<u>\$ 14,507,380</u>	<u>\$ 144,452,933</u>
\$ 96,857	\$ 697,686	\$ 2,107,731	\$ 254,341	\$ 5,522,303
65,971	15,154	-	-	518,178
-	-	-	644,266	5,479,371
<u>162,828</u>	<u>712,840</u>	<u>2,107,731</u>	<u>898,607</u>	<u>11,519,852</u>
-	156	-	-	8,857,851
-	-	-	-	1,687,749
-	156	-	-	10,545,600
18,045	-	-	-	100,329
-	-	-	335,741	335,741
-	-	-	1,427,620	1,427,620
-	9,194,574	-	12,052,055	21,246,629
7,166,935	-	-	-	7,166,935
-	-	-	85,654	53,002,589
-	-	-	-	23,253,569
-	-	-	-	3,864,790
-	-	-	-	821,600
-	-	-	-	583,800
-	-	-	-	12,856,499
-	-	-	-	628,660
-	-	-	(292,297)	(2,901,280)
<u>7,184,980</u>	<u>9,194,574</u>	<u>-</u>	<u>13,608,773</u>	<u>122,387,481</u>
<u>\$ 7,347,808</u>	<u>\$ 9,907,570</u>	<u>\$ 2,107,731</u>	<u>\$ 14,507,380</u>	<u>\$ 144,452,933</u>

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

City of Yorba Linda

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2024

Fund balances of governmental funds \$ 122,387,481

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. 467,348,312

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	\$ (1,584,610)	
Compensated absences	(1,281,852)	
Long-term debt	(13,046,391)	
Accrued interest on long-term debt	(82,449)	
Net OPEB liability	(17,167,952)	
Net pension liability	<u>(25,884,242)</u>	
		(59,047,496)

Revenues that do not meet the "availability" criteria for revenue recognition are deferred inflows of resources in the governmental funds. 8,857,851

Deferred outflows and inflows of resources related to pension and OPEB are not reported in the government funds:

Pension related deferred outflow of resources	8,095,116
OPEB related deferred outflows of resources	3,586,886
Pension related deferred inflows of resources	(213,964)
OPEB related deferred inflows of resources	<u>(5,266,044)</u>

Net position of governmental activities \$ 545,748,142

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

City of Yorba Linda

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024**

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Affordable Housing</u>	<u>Miscellaneous Grants</u>
Revenues:			
Taxes	\$ 37,421,910	\$ -	\$ -
Licenses and permits	1,715,183	-	-
Intergovernmental	747,230	528,111	483,043
Charges for services	5,332,330	-	-
Investment income	1,632,083	832,183	-
Fines and forfeitures	50,842	-	-
Developer participation	-	-	-
Gain on sale of City property	276,193	-	-
Miscellaneous	1,670,346	-	-
Total revenues	<u>48,846,117</u>	<u>1,360,294</u>	<u>483,043</u>
Expenditures:			
Current:			
General government	10,383,636	-	-
Public safety	14,134,730	-	-
Community development	4,041,043	531,508	-
Parks and recreation	9,249,343	-	-
Library	-	-	-
Public works	5,352,685	-	-
Capital outlay	321,171	-	-
Debt service:			
Principal retirement	127,915	-	-
Interest	6,490	-	-
Total expenditures	<u>43,617,013</u>	<u>531,508</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,229,104</u>	<u>828,786</u>	<u>483,043</u>
Other financing sources (uses):			
Transfers in	307,552	-	163,308
Transfers out	<u>(5,731,769)</u>	<u>-</u>	<u>(4,065,178)</u>
Total other financing sources (uses)	<u>(5,424,217)</u>	<u>-</u>	<u>(3,901,870)</u>
Net change in fund balances	(195,113)	828,786	(3,418,827)
Fund balances (deficit) beginning of fiscal year	<u>44,428,734</u>	<u>52,088,149</u>	<u>(1,332,575)</u>
Fund balances (deficit) end of fiscal year	<u>\$ 44,233,621</u>	<u>\$ 52,916,935</u>	<u>\$ (4,751,402)</u>

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

City of Yorba Linda

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024**

Special Revenue Funds		Capital Projects Fund		Total Nonmajor Governmental Funds	Total Governmental Funds
Public Library	Landscape Maintenance Assessment District	Capital Improvements			
\$ 8,140,082	\$ 9,711,624	\$ -	\$	128,616	\$ 55,402,232
18,500	-	-		-	1,733,683
13,077	-	-		5,613,950	7,385,411
218,446	-	-		-	5,550,776
290,013	368,508	-		977,756	4,100,543
41,776	-	-		106,306	198,924
-	-	-		573,332	573,332
-	-	-		39,150	315,343
580	48,347	-		-	1,719,273
<u>8,722,474</u>	<u>10,128,479</u>	<u>-</u>		<u>7,439,110</u>	<u>76,979,517</u>
-	-	-		518,838	10,902,474
-	-	-		-	14,134,730
-	-	-		116,614	4,689,165
-	-	-		-	9,249,343
6,371,104	-	-		-	6,371,104
-	9,489,204	-		-	14,841,889
63,331	-	21,899,988		303,223	22,587,713
600,000	-	-		-	727,915
543,138	-	-		-	549,628
<u>7,577,573</u>	<u>9,489,204</u>	<u>21,899,988</u>		<u>938,675</u>	<u>84,053,961</u>
<u>1,144,901</u>	<u>639,275</u>	<u>(21,899,988)</u>		<u>6,500,435</u>	<u>(7,074,444)</u>
-	1,136,893	21,899,988		230,831	23,738,572
-	(677,115)	-		(13,249,055)	(23,723,117)
-	459,778	21,899,988		(13,018,224)	15,455
1,144,901	1,099,053	-		(6,517,789)	(7,058,989)
6,040,079	8,095,521	-		20,126,562	129,446,470
<u>\$ 7,184,980</u>	<u>\$ 9,194,574</u>	<u>\$ -</u>		<u>\$ 13,608,773</u>	<u>\$ 122,387,481</u>

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

City of Yorba Linda

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2024

Net changes in fund balances - total governmental funds \$ (7,058,989)

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	\$19,035,816	
Depreciation	<u>(6,987,035)</u>	12,048,781

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	10,885	
Changes in claims and judgments obligation	(835,268)	
Changes in bond premium	64,261	
Changes in compensated absence benefits, net	<u>296,190</u>	(463,932)

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

Principal repayments		727,915
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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.

		5,992,236
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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.

		(970,701)
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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>973,812</u>
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Change in net position of governmental activities \$ 11,249,122

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

City of Yorba Linda

**Statement of Fund Net Position
Proprietary Funds
June 30, 2024**

	Business-Type Activities - Enterprise Fund Black Gold Golf Course
Assets:	
Current:	
Pooled cash and investments	\$ 2,962,493
Receivables	3,613
Inventories	253,707
Total current assets	<u>3,219,813</u>
Noncurrent:	
Capital assets not being depreciated	12,721,948
Capital assets - net of accumulated depreciation	9,956,422
Total capital assets, net	<u>22,678,370</u>
Total noncurrent assets	<u>22,678,370</u>
Total assets	<u>25,898,183</u>
Liabilities:	
Current:	
Accounts payable	10,176
Accrued liabilities	2,239,695
Unearned revenues	288,467
Deposits payable	10,000
Advances from other funds	1,060,000
Loan payable	250,992
Total current liabilities	<u>3,859,330</u>
Noncurrent:	
Loan payable	382,687
Total noncurrent liabilities	<u>382,687</u>
Total liabilities	<u>4,242,017</u>
Net position:	
Net investment in capital assets	22,118,026
Unrestricted	(461,860)
Total net position	<u>\$ 21,656,166</u>

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

City of Yorba Linda

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2024**

	Business-Type Activities - Enterprise Fund Black Gold Golf Course
Operating revenues	
Charges for services	\$ 10,530,453
Total operating revenues	<u>10,530,453</u>
Operating expenses:	
Administration and general	7,698,185
Cost of sales and services	1,231,396
Depreciation expense	899,300
Total operating expenses	<u>9,828,881</u>
Operating income	<u>701,572</u>
Nonoperating revenue:	
Investment income	77,460
Interest expense	(10,481)
Total non-operating revenue	<u>66,979</u>
Other financing sources (uses):	
Transfers out	(15,455)
Total other financing sources (uses)	<u>(15,455)</u>
Change in net position	753,096
Net position at beginning of fiscal year	20,903,070
Net position at end of fiscal year	<u>\$ 21,656,166</u>

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

City of Yorba Linda

**Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2024**

	Business-Type Activities - Enterprise Fund Black Gold Golf Course
Cash flows from operating activities:	
Cash received from customers and users	\$ 10,497,521
Cash paid to suppliers for goods and services	(1,229,093)
Cash paid to employees for services	(7,079,200)
Net cash provided by operating activities	<u>2,189,228</u>
Cash flows from noncapital activities:	
Cash paid to other funds for advances	(240,000)
Net cash used by noncapital activities	<u>(240,000)</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(321,813)
Interest paid	(10,481)
Loan payment	(247,737)
Interest received on investments	77,460
Transfer out for capital improvements	(15,455)
Net cash used by capital and related financing activities	<u>(518,026)</u>
Net increase in cash and cash equivalents	1,431,202
Cash and cash equivalents at beginning of fiscal year	<u>1,531,291</u>
Cash and cash equivalents at end of fiscal year	<u><u>\$ 2,962,493</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	<u>\$ 701,572</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	899,300
Decrease (increase) in receivables	(3,613)
Decrease (increase) in inventories	(5,434)
Increase (decrease) in accounts payable	7,737
Increase (decrease) in accrued liabilities	618,985
Increase (decrease) in unearned revenues	(29,319)
Total adjustments	<u>1,487,656</u>
Net cash provided by operating activities	<u><u>\$ 2,189,228</u></u>

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

City of Yorba Linda

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024**

	Custodial Fund	Private- Purpose Trust Fund
	Special Deposits Funds	Successor Agency of the Former RDA
Assets:		
Pooled cash and investments	\$ 964,333	\$ 6,843,350
Receivables:		
Accounts receivable	224	3,391
Accrued interest	-	15,974
Restricted assets:		
Cash and investments with fiscal agents	-	4,101
Total assets	<u>964,557</u>	<u>6,866,816</u>
Liabilities:		
Account payable	72,428	-
Interest payable	-	154,413
Deposits payable	892,129	-
Long-term liabilities:		
Due in one year	-	807,999
Due in more than one year	-	33,666,470
Total liabilities	<u>964,557</u>	<u>34,628,882</u>
Net position (deficit):		
Held for Successor Agency	-	(27,762,066)
Total net position (deficit)	<u>\$ -</u>	<u>\$ (27,762,066)</u>

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

City of Yorba Linda

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2024**

	Custodial Fund	Private- Purpose Trust Fund
	Special Deposits Funds	Successor Agency of the Former RDA
Additions:		
Taxes	\$ -	\$ 4,847,120
Interest and change in fair value of investments	-	190,590
Total additions	<u>-</u>	<u>5,037,710</u>
Deductions:		
Administrative expenses	-	8,824
Bond interest	-	1,006,054
Total deductions	<u>-</u>	<u>1,014,878</u>
Change in net position	-	4,022,832
Net position (deficit) at beginning of fiscal year	<u>-</u>	<u>(31,784,898)</u>
Net position (deficit) at end of fiscal year	<u><u>\$ -</u></u>	<u><u>\$ (27,762,066)</u></u>

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

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1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of Entity

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

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

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

Blended Component Units

Yorba Linda Housing Authority

The Yorba Linda Housing Authority (the Housing Authority) was established on March 1, 2011, through the adoption of Resolution No. 2011-5039, and its governing body is the City Council of the City. The Housing Authority did not have any financial activity during the year ended June 30, 2024. The Housing Authority does not have separately issued financial statements.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A) Description of Entity (continued)

Yorba Linda Municipal Financing Authority

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

Fiduciary Component Unit

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

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

B) Government-Wide and Fund Financial Statements

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Additionally, the City reports the following fiduciary fund types:

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

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

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

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

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deposits and Investments

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

Receivables and Payables

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

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Inventories, Prepaid Items, and Land Held for Resale

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

Restricted Assets

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

Capital Assets

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

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

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets (continued)

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

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

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

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

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

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Outflows/Inflows of Resources

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

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

The City has three types of items that qualify for reporting in these categories. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from sources such as: property taxes, grant revenue, and long-term loan receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item, deferred outflows and deferred inflows of resources related to pension and OPEB, is reported only in the statement of net position. See Notes 10 and 11 to the basic financial statements for more information on deferred outflows and deferred inflows of resources related to pension and OPEB, respectively, on the statement of net position. The third item, deferred outflows and deferred inflows of resources related to leases, is reported only in the governmental funds balance sheet. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance Flow Assumption

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

Compensated Absences

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

Long-Term Obligations

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Pensions

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

Valuation Date (VD) – June 30, 2022
Measurement Date (MD) – June 30, 2023
Measurement Period (MP) – July 1, 2022 to June 30, 2023

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) – June 30, 2023
Measurement Date (MD) – June 30, 2023
Measurement Period (MP) – July 1, 2022 to June 30, 2023

Property Taxes

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Functional Classifications

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

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

Fund Balance

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

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance (continued)

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

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

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

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

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance (continued)

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

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

E) New Accounting Pronouncement

The City implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of GASB 100 is to improve the accounting and financial reporting requirements for accounting changes and error corrections, aiming to provide clearer, more reliable, and consistent information for users of governmental financial statements to make informed decisions and assess accountability.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F) Future Accounting Pronouncements

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

GASB Statement No. 102	<i>Certain Risk Disclosures</i>	The provisions of this Statement are effective for fiscal year ending June 30, 2025.
GASB Statement No. 103	<i>Financial Reporting Model Improvements</i>	The provisions of this Statement are effective for fiscal year ending June 15, 2025.
GASB Statement No. 104	<i>Disclosure of Certain Capital Assets</i>	The provisions of this Statement are effective for fiscal year ending June 15, 2025.

2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balance / Net Position

The Miscellaneous Grants Fund had a deficit fund balance of \$4,751,402, as of June 30, 2024. 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 had deficit fund balance of \$292,297, as of June 30, 2024, due to revenues not meeting the “availability” criteria for revenue recognition. The deficit will be funded through the receipt of future Permanent Local Housing Allocation (PHLA) Program Funds.

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

3) CASH AND INVESTMENTS

Cash and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Statement of net position:	
Pooled cash and investments	\$ 77,885,741
Cash and investments with fiscal agents	1,120
Statement of fiduciary net position:	
Pooled cash and investments	7,807,683
Cash and Investments with Fiscal Agents	4,101
Total Cash and Investments	<u>\$ 85,698,645</u>

Cash and investments as of June 30, 2024, consist of the following:

Petty cash	\$ 12,470
Sum of deposits with financial institutions	6,211,985
Investments	79,474,191
Total	<u>\$ 85,698,646</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 For the Fiscal Year Ended June 30, 2024

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 User</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	30%	5%
Asset-Backed Securities	5 years	20%	5%
Local Agency Investment Fund (LAIF)	N/A	N/A	\$75m
California Asset Management Program (CAMP)	N/A	N/A	N/A

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

3) CASH AND INVESTMENTS (continued)

Investments Authorized by Debt Agreements

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2024, the City had the following investments and original maturities:

	Remaining Investment Maturities			Total
	12 Months or Less	1 to 2 Years	3 to 5 Years	
Medium Term Corporate Notes	\$ -	\$ 2,021,324	\$ 7,923,439	\$ 9,944,763
Negotiable Certificates of Deposit	-	1,154,070	707,344	1,861,414
Asset-Backed Securities	-	255,551	446,665	702,216
Bank Note	-	-	1,704,428	1,704,428
U.S Treasury Issues	439,936	6,320,055	15,448,059	22,208,050
U.S Government Agency Securities:				
Federal Agency Bond/Note	-	2,725,741	353,136	3,078,877
Federal Agency Commercial Mortgage-Backed Security	-	270,173	7,492,654	7,762,827
Municipal Bond	-	1,196,273	109,710	1,305,983
Supra-National Agency Bond / Note	-	-	233,377	233,377
Local Agency Investment Fund (LAIF)	3,879,732	-	-	3,879,732
California Asset Management Program (CAMP)	26,792,524	-	-	26,792,524
	\$ 31,112,192	\$ 13,943,187	\$ 34,418,812	\$ 79,474,191

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

3) CASH AND INVESTMENTS (continued)

Fair Value Measurements

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

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

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

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

The City had the following recurring fair value measurements as of June 30, 2024:

Investment Type	Total	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities:				
Medium Term Corporate Notes	\$ 9,944,763	\$ -	\$ 9,944,763	\$ -
Negotiable Certificates of Deposit	1,861,414	-	1,861,414	-
Asset-Backed Securities	702,216	-	702,216	-
Bank Note	1,704,428	-	1,704,428	-
U.S Treasury Issues	22,208,050	-	22,208,050	-
Federal Agency Bond/Note	3,078,877	-	3,078,877	-
Federal Agency Commercial Mortgage-Backed Security	7,762,827	-	7,762,827	-
Municipal Bond	1,305,983	-	1,305,983	-
Supra-National Agency Bond / Note	233,377	-	233,377	-
Total Investments at Fair Value	48,801,935	\$ -	\$ 48,801,935	\$ -
Investments not subject to fair value hierarchy:				
Local Agency Investment Fund (LAIF)	3,879,732			
California Asset Management Program (CAMP)	26,792,524			
Total Investments	\$ 79,474,191			

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

3) CASH AND INVESTMENTS (continued)

Credit Risk

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

Investment Type	Amount	Minimum Legal Rating	Rating as of Fiscal Year End				
			AAA	AA+/-	A+/-	BBB+/-	Not Rated
Medium Term Corporate Notes	\$ 9,944,761	A-	\$ -	\$ 1,288,478	\$ 8,430,995	\$ 225,288	\$ -
Negotiable Certificates of Deposit	1,861,413	A-	-	-	1,861,413	-	-
Asset-Backed Securities	702,217	A-	625,722	26,757	-	-	49,738
Bank Note	1,704,428	N/A	-	-	1,704,428	-	-
U.S. Treasury Issues	22,208,051	N/A	-	21,768,115	439,936	-	-
U.S. Government Agency Securities:							
Federal Agency Bond/Note	3,078,877	N/A	-	3,078,877	-	-	-
Federal Agency Commercial Mortgage-Backed Security	7,762,827	N/A	-	7,762,827	-	-	-
Municipal Bond	1,305,984	N/A	250,513	786,329	-	-	269,142
Supra-National Agency Bond / Note	233,377	N/A	233,377	-	-	-	-
Local Agency Investment Funds (LAIF)	3,879,732	N/A	-	-	-	-	3,879,732
California Asset Management Program (CAMP)	26,792,524	N/A	-	-	-	-	26,792,524
Total	\$ 79,474,191		\$ 1,109,612	\$ 34,711,383	\$ 12,436,772	\$ 225,288	\$ 30,991,136

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.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

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, 2024, none of the City's deposits or investments were exposed to custodial credit risk.

External Investment Pools

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

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

The total amount invested by the City in LAIF as of June 30, 2024, was \$3,879,732 LAIF is part of the California Pooled Money Investment Account (PMIA), which as of June 30, 2024, had a balance of \$178,255,132,764. LAIF is unrated as to credit quality.

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

3) CASH AND INVESTMENTS (continued)

External Investment Pools (continued)

California Asset Management Program – The City is a voluntary participant in the California Asset Management Program (CAMP), a California Joint Powers Authority (JPA) established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under CGC Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced finance directors and treasurers of California public agencies that are members of the JPA. CAMP determines fair value on its investment portfolio based on amortized cost. The City measures the value of its CAMP investment at the fair value amount provided by CAMP. On June 30, 2024, CAMP had a total portfolio of approximately \$17 billion of which all was invested in non-derivative financial products. The average maturity of CAMP investments was 60 days as of June 30, 2024.

4) LEASE RECEIVABLE

On July 1, 2021, the City entered into various leases ranging from 19 - 204 months as a Lessor. An initial lease receivable was recorded in the amount of \$1,161,756. As of June 30, 2024, the value of the lease receivable is \$1,806,886. The lessee is required to make monthly fixed payments ranging from \$400 - \$3,042. The leases have interest rates ranging from 0.3160% - 1.9134%. The value of the deferred inflow of resources as of June 30, 2024, was \$1,687,749, and the City recognized lease revenue of \$833,579, during the fiscal year. The lessees have 1 – 3 extension option(s), each for 60 months.

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

Fiscal Year				
Ending June 30,	Principal	Interest	Total	
2025	\$ 223,410	\$ 15,222	\$ 238,632	
2026	201,772	13,497	215,269	
2027	155,978	12,072	168,050	
2028	133,254	10,805	144,059	
2029	117,678	9,603	127,281	
2030 - 2034	668,689	28,137	696,826	
2035 - 2039	306,105	3,482	309,587	
Total	<u>\$ 1,806,886</u>	<u>\$ 92,818</u>	<u>\$ 1,899,704</u>	

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

5) CAPITAL ASSETS

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

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Increases	Decreases	Transfers	Balance June 30, 2024
Governmental Activities:					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 34,543,302	\$ -	\$ -	\$ -	\$ 34,543,302
Street pavement infrastructure	200,637,525	-	-	-	200,637,525
Construction In Progress	12,798,039	8,189,396	(473,767)	(7,812,401)	12,701,267
Total Capital Assets Not Being Depreciated/Amortized	<u>247,978,866</u>	<u>8,189,396</u>	<u>(473,767)</u>	<u>(7,812,401)</u>	<u>247,882,094</u>
Capital Assets, Being Depreciated/Amortized:					
Buildings and improvements	125,508,928	856,480	-	9,557,533	135,922,941
Machinery and equipment	16,160,669	770,644	-	-	16,931,313
Motor vehicles	2,297,728	364,955	(261,748)	-	2,400,935
Other Infrastructure	161,358,236	9,337,103	-	(1,745,132)	168,950,207
Right-to-use subscriptions	541,711	-	-	-	541,711
Total Capital Assets Being Depreciated/Amortized:	<u>305,867,272</u>	<u>11,329,182</u>	<u>(261,748)</u>	<u>7,812,401</u>	<u>324,747,107</u>
Less Accumulated Depreciation/Amortization:					
Buildings and improvements	(37,691,471)	(3,307,912)	-	-	(40,999,383)
Machinery and equipment	(13,363,920)	(543,165)	-	-	(13,907,085)
Motor vehicles	(1,276,578)	(206,783)	252,753	-	(1,230,608)
Other Infrastructure	(46,075,880)	(2,790,418)	-	-	(48,866,298)
Right-to-use subscriptions	(138,758)	(138,757)	-	-	(277,515)
Total Accumulated Depreciation/Amortization	<u>(98,546,607)</u>	<u>(6,987,035)</u>	<u>252,753</u>	<u>-</u>	<u>(105,280,889)</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>207,320,665</u>	<u>4,342,147</u>	<u>(8,995)</u>	<u>7,812,401</u>	<u>219,466,218</u>
Capital Assets, Net	<u>\$ 455,299,531</u>	<u>\$ 12,531,543</u>	<u>\$ (482,762)</u>	<u>\$ -</u>	<u>\$ 467,348,312</u>

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

Governmental Activities:	
General government	\$ 2,067,661
Public safety	74,795
Community development	2,081
Parks and recreation	3,494,394
Public works	1,348,104
Total	<u><u>\$ 6,987,035</u></u>

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

5) CAPITAL ASSETS (continued)

	Balance July 1, 2023	Increases	Decreases	Transfers	Balance June 30, 2024
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 12,721,948	\$ -	\$ -	\$ -	\$ 12,721,948
Total Capital Assets Not Being Depreciated	12,721,948	-	-	-	12,721,948
Capital Assets, Being Depreciated:					
Structures and improvements	21,699,710	25,939	-	-	21,725,649
Machinery and equipment	3,418,458	295,874	-	-	3,714,332
Total Capital Assets Being Depreciated	25,118,168	321,813	-	-	25,439,981
Less Accumulated Depreciation:					
Structures and improvements	(12,937,230)	(597,574)	-	-	(13,534,804)
Machinery and equipment	(1,647,029)	(301,726)	-	-	(1,948,755)
Total Accumulated Depreciation	(14,584,259)	(899,300)	-	-	(15,483,559)
Total Capital Assets Being Depreciated, Net					
	10,533,909	(577,487)	-	-	9,956,422
Capital Assets, Net	\$ 23,255,857	\$ (577,487)	\$ -	\$ -	\$ 22,678,370

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>\$ 899,300</u>

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

6) LONG-TERM RECEIVABLES

Loans Receivable (Net)

Loans and notes receivable as of June 30, 2024, totaled \$47,910,699 and were recorded as follows in the Affordable Housing Fund:

Owner Participation Agreements

Yorba Linda Housing Partners, L.P.

In May 2006, the former Redevelopment Agency (the Agency) entered into an OPA with Yorba Linda Housing Partners, L.P. for the purchase and rehabilitation of a multi-family apartment complex now known as "Villa Plumosa Apartments." The Project consists of substantially rehabilitating and developing the Property in order to create a 76-unit multi-family affordable rental housing comprised of a new community center, 52 two-bedroom units and 24 three-bedroom units subject to affordable housing restrictions. The Agency provided the developer with financial assistance by providing: (1) a loan of \$7,400,000 to assist in financing the acquisition of the property, and (2) a loan not to exceed \$5,376,000 to assist in financing the development of the project. In June 2008, the developer was granted an additional \$200,000 in loan proceeds from the Agency to comply with additional requirements placed upon the project by the Agency relating to ADA accessibility requirements. This brought the total maximum loan to \$12,976,000. The loan bears simple interest at 3% per annum and will be repaid over the 55-year covenant period. The Agreement also provides that payments toward principal and interest shall not commence until the operation of the project has generated residual receipts calculated annually. The outstanding balance as of June 30, 2024, was \$18,804,880.

6) LONG-TERM RECEIVABLES (continued)

Loans Receivable (Net) (continued)

Affordable Housing Agreements

Evergreen Villas, L.P.

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

Additional amounts of \$744,142, \$494,516, \$1,329,009, and \$331,569 were loaned during fiscal years 2013-2014, 2014-2015, 2016-2017, and 2017-2018, respectively. On December 18, 2018, the City Council authorized the reallocation of up to \$2,382,050 of the funds from this project to the development of a new 48-unit senior apartment complex on Altrudy Lane as discussed in more detail below under Orange Housing Development Corporation. During fiscal year 2019-2020, a total of \$1,215,813 was reallocated between the two projects. The total outstanding balance as of June 30, 2024, for Evergreen Villas was \$9,700,538.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

6) LONG-TERM RECEIVABLES (continued)

Loans Receivable (Net) (continued)

Affordable Housing Agreements (continued)

National Community Renaissance of California, L.P.

In March 2011, the former Redevelopment Agency entered into an Affordable Housing Agreement with National Community Renaissance of California, LP for the construction of 69 apartment units for extremely low, very low, and low-income residents. In June 2013, a second Affordable Housing Agreement was entered into to provide for an additional 54 units in a second phase of development. An Agency acquisition loan was made in an amount not to exceed \$5,075,250, secured by a promissory note that the developer was not obligated to pay until it has received its tax credits. At that time the entire loan amount was rolled into the balance of a development loan in an amount not to exceed \$3,257,227 towards the construction costs. An additional amount of \$480,271 was added to the loan in 2013. The developer will repay the loan over a period of 55 years from the date a certificate of occupancy is issued, with simple interest accruing at a maximum rate of 3% per annum and principal payments to be made from residual receipts generated by the project. In March 2017, the City entered into a second amendment to the agreement to add an additional \$2,000,000 to the loan balance, which was subject to funds availability when the City had sufficient housing funds on hand to make the loan. In September 2018, sufficient housing funds were available to the City and the additional loan was disbursed. The outstanding balance as of June 30, 2024, was \$12,662,502.

Orange Housing Development Corporation

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

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

6) LONG-TERM RECEIVABLES (continued)

Loans Receivable (Net) (continued)

Affordable Housing Agreements (continued)

Orange Housing Development Corporation (continued)

The Agreement also provides that payments toward principal and interest shall not commence until the operation of the project has generated residual receipts calculated annually, anticipated to be in 2028. The outstanding balance as of June 30, 2024, was \$6,742,779.

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, 2024, this process has not yet been completed and the property is held by the City in its Affordable Housing Fund as land held for resale.

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

7) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2024, was as follows:

A) Due To / From Other Funds

<u>Receiving Funds</u>	<u>Amount</u>	<u>Paying Funds</u>	<u>Amount</u>
<u>Major Governmental Fund</u>		<u>Major Governmental Fund</u>	
General Fund	\$5,479,371	Miscellaneous Grants Fund	\$4,835,105
		<u>Nonmajor Governmental Funds</u>	
		Measure M Fund	245,185
		Road Maintenance and Rehab Fund	309,457
		SB-2 Fund	49,175
		Traffic Safety Fund	3,757
		CDBG Grant Fund	36,692
		Total	<u>644,266</u>
	<u>\$5,479,371</u>		<u>\$5,479,371</u>

Interfund balances are the result of short-term borrowing to cover negative cash balances and operating shortages as of June 30, 2024. All of these balances are expected to be reimbursed within the subsequent year.

B) Advances To / From Other Funds

<u>Receiving Funds</u>	<u>Amount</u>	<u>Paying Funds</u>	<u>Amount</u>
<u>Nonmajor Governmental Funds</u>		<u>Proprietary Fund</u>	
Master Plan of Drainage Fund	\$ 1,060,000	Black Gold Golf Course Fund	\$ 1,060,000
	<u>\$ 1,060,000</u>		<u>\$ 1,060,000</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
For the Fiscal Year Ended June 30, 2024**

7) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

C) Interfund Transfers

<u>Receiving Funds</u>	<u>Amount</u>	<u>Paying Funds</u>	<u>Amount</u>
<u>Major Governmental Funds</u>		<u>Major Governmental Funds</u>	
General Fund	\$ 307,552	General Fund	\$ 5,731,769
Landscape Maintenance		Landscape Maintenance	
Assessment District Fund	1,136,893	Assessment District Fund	677,115
Miscellaneous Grants Fund	163,308	Public Library Fund	4,065,178
Capital Improvement Fund	21,899,988		
<u>Nonmajor Governmental Funds</u>		<u>Nonmajor Governmental Funds</u>	
Lighting and Signal Project Fund	230,831	Gas Tax Fund	4,065,142
		Measure M2 Fund	5,092,787
		Road Maintenance and	
		Rehabilitation Fund	1,932,200
		Traffic Safety Fund	106,306
		Citizen Option Public Safety fund	193,746
		Park in Lieu Fund	292,972
		Master Plan of Drainage Fund	656,084
		Traffic Mitigation fund	161,090
		Lighting and Signal Project Fund	748,728
		<u>Proprietary Funds</u>	
		Black Gold Golf Course	15,455
	<u>\$23,738,572</u>		<u>\$23,738,572</u>

The transfer to the Capital Improvements Fund in the amount of \$21,899,988 consisted primarily of:

1. The transfer from the General Fund of \$4,431,568, is related to a reimbursement of funding the Capital Improvements Fund for miscellaneous projects.
2. The transfer from Landscape Maintenance Assessment District Fund (LMAD) of \$446,284, is related to funding the LMAD Median Landscape Transit project and LMAD Capital Improvement Renovation project.
3. The transfers from the Miscellaneous Grants Fund of \$4,065,178 and other nonmajor governmental funds of \$12,956,958, were primarily for funding the Capital Improvements Fund for capital expenditures.

The transfer to the Landscape Maintenance Assessment District Fund of \$1,136,893 from the General Fund to cover the general benefit costs associated with landscape and lighting maintenance.

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

7) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

C) Interfund Transfers (continued)

The transfers to the General Fund of \$307,552 were primarily the result of transfers from the nonmajor governmental funds for vehicle fines and COPS funds received.

The transfer to the Lighting and Signal Improvement Fund of \$230,831 from the Landscape Maintenance Assessment District (LMAD) Fund is for certain revenues collected from the lighting and traffic signal zones which are segregated from operating funds for future lighting and traffic signal capital improvements.

8) LONG-TERM LIABILITIES

A) Long-Term Liabilities – Governmental Activities

The following is a summary of changes in long-term liabilities of the City’s governmental activities for the fiscal year ended June 30, 2024:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Governmental Activities:					
Lease Revenue Bonds	\$ 12,530,000	\$ -	\$ (600,000)	\$ 11,930,000	\$ 630,000
Unamortized Bond Premium	955,326	-	(64,261)	891,065	64,261
Subscription Liability	353,241	-	(127,915)	225,326	131,553
Claims and Judgements:					
Claims Liability	156,100	775,306	-	931,406	836,648
Workers Compensation	593,242	59,962	-	653,204	89,244
Compensated Absences	1,578,042	506,895	(803,085)	1,281,852	857,508
Net Pension Liability (Note 10)	25,065,294	818,948	-	25,884,242	-
Net OPEB Liability (Note 11)	18,033,269	-	(865,317)	17,167,952	-
Total	<u>\$ 59,264,514</u>	<u>\$ 2,161,111</u>	<u>\$ (2,460,578)</u>	<u>\$ 58,965,047</u>	<u>\$ 2,609,214</u>

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

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

8) LONG-TERM LIABILITIES (continued)

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

Lease Revenue Bonds

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, 2024, was \$11,930,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2024, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 630,000	\$ 513,138	\$ 1,143,138
2026	660,000	481,638	1,141,638
2027	690,000	448,638	1,138,638
2028	725,000	414,138	1,139,138
2029	760,000	377,888	1,137,888
2030 - 2034	4,340,000	1,339,950	5,679,950
2035 - 2038	4,125,000	420,800	4,545,800
Total	<u>\$ 11,930,000</u>	<u>\$ 3,996,190</u>	<u>\$ 15,926,190</u>

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

8) LONG-TERM LIABILITIES (continued)

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

Subscription Liability

On July 1, 2022, the City entered into various subscriptions ranging from 37 - 60 months for the use of software. An initial subscription liability was recorded in the amount of \$481,436. As of June 30, 2024, the value of the subscription liability is \$225,326. The City is required to make annual fixed payments ranging from \$8,775 to \$52,259. The subscriptions have interest rates ranging from 1.7103% - 2.3657%. The value of the right-to-use asset as of June 30, 2024, of \$541,711 with accumulated amortization of \$277,515 is included on the capital asset note. The City has extension option(s), ranging from 12 to 36 months.

The annual requirements to amortize the outstanding indebtedness as of June 30, 2024, including interest, are as follows:

Fiscal Year			
Ending June 30,	Principal	Interest	Total
2025	\$ 131,553	\$ 4,255	\$ 135,808
2026	52,409	1,934	54,343
2027	41,364	979	42,343
Total	<u>\$ 225,326</u>	<u>\$ 7,168</u>	<u>\$ 1,668,740</u>

Claims and Judgments

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

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

8) LONG-TERM LIABILITIES (continued)

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

Claims and Judgments (continued)

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

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

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

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

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

8) LONG-TERM LIABILITIES (continued)

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

Claims and Judgments (continued)

On June 30, 2024, 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, 2024, of \$1,584,610 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, 2024, and 2023, 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
2023	\$ 980,871	\$ 6,100	\$ 237,629	\$ 749,342
2024	749,342	881,562	46,294	1,584,610

There have been no significant changes to insurance coverage.

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

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, 2024, was \$1,281,852.

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

8) LONG-TERM LIABILITIES (continued)

B) Long-Term Liabilities – Business-Type Activities

The following is a summary of changes in long-term liabilities of the City’s business-type activities for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Business-Type Activities:					
Loan payable	\$ 881,416	\$ -	\$ (247,737)	\$ 633,679	\$ 250,992

Loan Payable

In November 2021, Black Gold Golf Course entered into a lease financing agreement with Zions Bancorporation for the purchase of groundskeeping equipment, mowing vehicles and equipment, and a clubhouse transportation vehicle. The total amount financed is \$1,246,466 over five years. The interest rate is 1.31% with semi-annual payments of \$129,237 beginning June 1, 2022. The outstanding balance at June 30, 2024 was \$633,679.

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 250,992	\$ 10,738	\$ 261,730
2026	254,291	7,482	261,773
2027	128,396	4,183	132,579
Total	\$ 633,679	\$ 22,403	\$ 656,082

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

9) CONDUIT DEBT

During fiscal year 2000-2001, the Agency issued, on behalf of National CORE (Southern California Housing Corporation), the Yorba Linda Redevelopment Agency Multi-Family Housing Revenue Bonds 2000, Series A, in the principal amount of \$2,754,321. These bonds are not reflected in the City's long-term liabilities because they are special obligations payable solely from and secured by specific revenue sources described in the resolution and official statement of the issue. Neither the faith and credit nor the taxing power of the City, the former Redevelopment Agency, the State of California or any political subdivision thereof, is pledged for the payment of these bonds. The balance as of June 30, 2024, is \$1,081,819.

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

A) General Information about the Pension Plan

Plan Description

The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plan's June 30, 2022 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

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

A) General Information about the Pension Plan (continued)

Benefits Provided

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

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

The Plan's provisions and benefits in effect at June 30, 2024 are summarized as follows:

	Miscellaneous	
	Prior to	On or After
	January 1, 2013	January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments monthly for life monthly for life	monthly for life	monthly for life
Retirement age	50-67	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.000% to 2.500%
Required employee contribution rates	7.00%	7.75%
Required employer contribution rates	11.85%	7.75%

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

A) General Information about the Pension Plan (continued)

Employees Covered

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

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	161
Inactive employees entitled to but not yet receiving benefits	68
Former employees currently working for another CalPERS agency	61
Active employees	124
Total	<u>414</u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2024, were \$3,174,038.

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, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

B) CalPERS Net Pension Liability (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return

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

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

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

B) CalPERS Net Pension Liability (continued)

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

Asset Class¹	Assumed Asset Allocation	Real Return Years^{1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.85%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

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

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

Change of Assumptions

There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

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

B) CalPERS Net Pension Liability (continued)

Discount Rate

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

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Pension Plan Fiduciary Net Position

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

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

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

C) Changes in the CalPERS Net Pension Liability

	Increase (Decrease)		Net Position Liability (c)=(a)-(b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
Balance, June 30, 2022 (VD)	\$ 90,746,770	\$ 65,681,476	\$ 25,065,294
Changes in Recognized for the Measurement Period:			
Service Cost	2,162,403	-	2,162,403
Interest on the Total Pension Liability	6,250,881	-	6,250,881
Changes in Benefit Terms	110,691	-	110,691
Differences between Expected and Actual Experience	833,551	-	833,551
Contribution from the Employer	-	3,087,353	(3,087,353)
Contributions from the Employees	-	1,380,978	(1,380,978)
Net Investment Income ²	-	4,118,546	(4,118,546)
Benefit Payments, including Refunds of Employee Contributions	(4,359,468)	(4,359,468)	-
Administrative Expense	-	(48,299)	48,299
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during 2022-23	<u>4,998,058</u>	<u>4,179,110</u>	<u>818,948</u>
Balance, June 30, 2023 (MD)¹	<u>\$ 95,744,828</u>	<u>\$ 69,860,586</u>	<u>\$ 25,884,242</u>

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

²Net of administrative expenses.

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

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

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

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Plan's Net Pension Liability	\$ 38,989,738	\$ 25,884,242	\$ 15,139,431

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

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

C) Changes in the CalPERS Net Pension Liability

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

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

As of the start of the measurement period (July 1, 2022), the City's net pension liability was \$25,065,294. For the measurement period ending June 30, 2023 (the measurement date), the City incurred pension expense of \$4,148,928.

As of June 30, 2024, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,174,038	\$ -
Changes of assumption	1,158,539	-
Differences between expected and actual experience	627,248	(213,964)
Net differences between projected and actual earnings on pension plan investments	3,135,291	-
Total	<u>\$ 8,095,116</u>	<u>\$ (213,964)</u>

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

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

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

These amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Contributions subsequent to the measurement date reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Note that no adjustments have been made for contributions subsequent to the measurement date. 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
2025	\$ 1,443,799
2026	935,013
2027	2,245,250
2028	83,052

E) Payable to the Pension Plan

At June 30, 2024, the City reported a payable of \$86,911 for the outstanding amount of contributions to the pension plan required for the year then ended.

11) OTHER POST-EMPLOYMENT BENEFITS

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

Plan Description

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

Benefits Provided

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

Contribution

Currently, the City contributes the minimum amount required by PEMHCA toward health insurance premiums for all retirees. For retirees hired prior to April 1, 2017, an additional contribution up to the average two-party premium of HMO Plans offered by CalPERS is provided through a health reimbursement account. Retirees hired on or after April 1, 2017, only receive the minimum contribution required by PEMHCA. In addition, retirees hired prior to April 1, 2017, are eligible to participate in the City's dental and vision insurance plans at no cost. Retirees hired on or after April 1, 2017, are not eligible for dental or vision insurance coverage in retirement. These benefits are provided per contract between the City and the employee associations. The City was required to contribute \$2,343,241 and the total actual contribution was \$1,412,089 for fiscal year ended June 30, 2024.

Funding Policy

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

11) OTHER POST-EMPLOYMENT BENEFITS (continued)

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

Employees Covered

On June 30, 2023 (measurement date), the following employees were covered by the benefit term:

Inactive employees or beneficiaries currently receiving benefits	74
Inactive employees entitled to but not yet receiving benefits	-
Active employees	131
Total	205

B) Net OPEB Liability

The net OPEB liability of the Plan was measured as of June 30, 2023, using an interim actuarial valuation as of January 1, 2023, rolled back to June 30, 2023, 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, 2023 (measurement date) actuarial valuation was determined using the following actuarial assumptions:

Measurement Date	June 30, 2023
Actuarial Cost Method	Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	0.40% - 8.50% ⁽¹⁾
Asset Return	6.8% ⁽²⁾
Mortality	Derived using CalPERS' Membership Data for all Funds

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

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

11) OTHER POST-EMPLOYMENT BENEFITS (continued)

B) Net OPEB Liability (continued)

Discount Rate

The discount rate used to measure the total OPEB liability as of the June 30, 2023 measurement date, was 6.00%.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Assumed Gross Return</u>
All Equities	59.0%	7.5450
All Fixed Income	25.0%	4.2500
Real Estate Investment Trusts	8.0%	7.2500
All Commodities	3.0%	7.5450
Treasury Inflation Protected Securities	5.0%	3.0000

City of Yorba Linda

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

11) OTHER POST-EMPLOYMENT BENEFITS (continued)

C) Change in the Net OPEB Liability

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

	Net OPEB Liability
Total OPEB Liability Balance, June 30, 2022 (MD)	<u>\$ 19,684,458</u>
Service Cost	557,494
Interest	1,174,408
Differences between Expected and Actual Experience	(855,566)
Changes of Assumptions	(1,268,851)
Experience (Gains)/Losses	155,875
Net Changes during 2022-23	<u>(236,640)</u>
Total OPEB Liability Balance, June 30, 2023 (MD)	<u>19,447,818</u>
Plan Fiduciary Net Position	
Contribution from the Employer	511,600
Expected Investment Income of Employee Contributions	114,403
Admin and Other Expense	(547)
Investment Gains/(Losses)	3,221
Net Changes during 2022-23	<u>628,677</u>
Plan Fiduciary Net Position - Beginning	<u>1,651,189</u>
Plan Fiduciary Net Position - Ending	<u>2,279,866</u>
Net OPEB Liability Balance, June 30, 2023 (MD)	<u><u>\$ 17,167,952</u></u>

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

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

	Discount Rate - 1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate +1% (7.00%)
Net OPEB Liability	\$ 19,703,780	\$ 17,167,952	\$ 15,071,487

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

11) OTHER POST-EMPLOYMENT BENEFITS (continued)

C) Change in the Net OPEB Liability (continued)

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

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

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 14,705,652	\$ 17,167,952	\$ 20,230,389

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

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$569,443. At measurement date of June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 1,412,089	\$ -
Differences between expected and actual experience in measurement of the Total OPEB Liability	137,536	(1,714,553)
Changes of assumption	1,897,489	(3,551,491)
Differences between projected and actual earnings on OPEB plan investments	139,772	-
Total	<u>\$ 3,586,886</u>	<u>\$ (5,266,044)</u>

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

11) OTHER POST-EMPLOYMENT BENEFITS (continued)

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

The amount of \$1,412,089 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 upcoming fiscal year. 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
2025	\$ (1,045,608)
2026	(1,053,492)
2027	(1,009,043)
2028	(167,070)
2029	(166,430)
Thereafter	350,396

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

12) NET POSITION

As of June 30, 2024, the City reported the following net position classifications:

Net investment in capital assets:		
Governmental activities capital assets, net	\$ 467,348,312	
Lease Revenue Bonds	(11,930,000)	
Unamortized bond premium	(891,065)	
Subscription liability	<u>(225,326)</u>	
Total net investment in capital assets		\$ 454,301,921
Restricted for:		
General government		335,741
Parks and recreation		1,427,620
Public works		21,246,629
Library		7,166,935
Low and moderate housing		53,002,589
Unrestricted		<u>8,266,707</u>
Total net position - governmental activities		<u>\$ 545,748,142</u>
Net investment in capital assets:		
Business-type activities capital assets, net	\$ 22,678,370	
Loan Payable	(633,679)	
Unspent proceeds - Loan Payable	<u>73,335</u>	
Total net investment in capital assets		\$ 22,118,026
Unrestricted		<u>(461,860)</u>
Total net position - business-type activities		<u>\$ 21,656,166</u>

13) JOINT VENTURES

Orange County Fire Authority

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

13) JOINT VENTURES (continued)

Orange County Fire Authority (continued)

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

No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2024. Upon dissolution of the Authority, all surplus money and property of the Authority will be conveyed or distributed to each member in proportion to all funds provided to the Authority by that member or by the County on behalf of that member during its membership. Complete financial statements may be obtained from the Orange County Fire Authority, 1 Fire Authority Road, Building A, Irvine, CA 92602.

14) COMMITMENTS AND CONTINGENT LIABILITIES

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

14) COMMITMENTS AND CONTINGENT LIABILITIES (continued)

- C) On April 19, 2016, the City entered into a Participation Agreement with the County of Orange to fund the City's proportionate share of the construction costs for the new regional animal shelter at the former Tustin Marine Corps Air Station. Under the Agreement, the City is obligated to pay a total of \$509,899 over a ten-year period, reflecting 1.87% of the construction costs for the shelter. The County is also charging the City interest at 0.81%. These payments are funded from the General Fund operating budget and are made on a quarterly basis. The outstanding balance was \$101,980 at June 30, 2024.

15) SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

The California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Yorba Linda that previously had reported a Redevelopment Agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a Redevelopment Agency, either the City or another unit of local government will agree to serve as the "Successor Agency" to hold the assets until they are distributed to other units of state and local government. On January 3, 2012, the City Council elected to become the Successor Agency for the former Redevelopment Agency in accordance with the Bill as part of City resolution number 2012-5095.

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

Successor Agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former Redevelopment Agency until all enforceable obligations of the prior Redevelopment Agency have been paid in full and all assets have been liquidated in accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011). All redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

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

A) Cash and Investments

The following is a summary of Successor Agency cash and investments as of June 30, 2024:

Pooled cash and investments	\$ 6,843,350
Restricted cash and investments held with fiscal agent	<u>4,101</u>
Total cash and investments	<u><u>\$ 6,847,451</u></u>

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

B) Long-Term Liabilities

A description of long-term liabilities outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2024, follows:

	<u>Balance June 30, 2023</u>	<u>Accreted Interest</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Tax Allocation Bonds	\$ 33,855,221	\$ -	\$ 2,724,756	\$ 31,130,465	\$ 390,000
Unamortized Premium	1,416,369	-	154,157	1,262,212	154,157
Unamortized Gain on Defeasance	2,380,103	-	259,046	2,121,057	259,046
Unamortized Discount	(44,063)	-	(4,798)	(39,265)	4,796
Total	<u>\$ 37,607,630</u>	<u>\$ -</u>	<u>\$ 3,133,161</u>	<u>\$ 34,474,469</u>	<u>\$ 807,999</u>

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

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

B) Long-Term Liabilities (continued)

Tax Allocation Bonds

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

1998 Tax Allocation Parity Refunding Bonds, Series A

On June 18, 1998, the Yorba Linda Redevelopment Agency issued \$17,131,503 in 1998 Tax Allocation Parity Refunding Bonds, Series A, with interest rates ranging from 4.05% to 5.00% to advance refund the remaining \$15,890,000 of outstanding 1989 Tax Allocation Bonds with interest rates ranging from 6.750% to 7.125%. Current interest serial bonds totaling \$12,645,000 were payable in amounts ranging from \$1,030,000 to \$2,025,000 per year on September 1 of each year, commencing September 1, 2002 through September 1, 2009. Capital appreciation serial bonds with an original amount totaling \$4,486,503 are due on each September 1, commencing September 1, 2024 through 2028. The outstanding balance, including the accreted value of \$13,253,962 of the capital appreciation bonds as of June 30, 2024, was \$17,740,465.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2024, including interest, are as follows:

Fiscal Year			
Ending June 30,	Principal	Interest	Total
2025	\$ 996,572	\$ 2,978,428	\$ 3,975,000
2026	945,335	3,029,665	3,975,000
2027	896,720	3,078,280	3,975,000
2028	845,761	3,129,239	3,975,000
2029	802,115	3,172,885	3,975,000
Total	4,486,503	\$ 15,388,497	\$ 19,875,000
Accretion	13,253,962		
	\$ 17,740,465		

City of Yorba Linda

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

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

B) Long-Term Liabilities (continued)

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

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

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

Current interest serial bonds for 2017 Tax Allocation Refunding Bonds Series A totaling \$14,965,000 are payable in amounts ranging from \$15,000 to \$3,275,000 per year on September 1 of each year, commencing on September 1, 2018, through September 1, 2032. A term bond of \$105,000 is due September 1, 2028. Current interest serial bonds for 2017 Tax Allocation Refunding Bonds Series B totaling \$12,570,000 are payable in amounts ranging from \$235,000 to \$3,290,000 per year on September 1 each year, commencing on September 1, 2018, through September 1, 2032. The outstanding balance as of June 30, 2024, was \$13,390,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2024, including interest, are as follows:

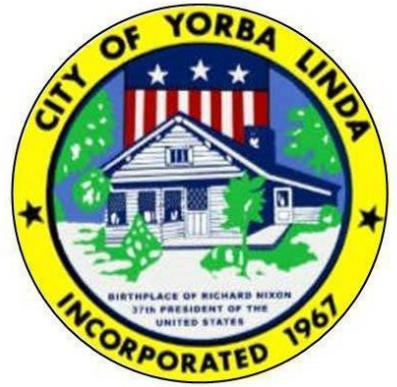
Fiscal Year	Principal	Interest	Total
Ending June 30,			
2025	\$ 390,000	\$ 464,281	\$ 854,281
2026	440,000	452,919	892,919
2027	450,000	440,194	890,194
2028	450,000	426,794	876,794
2029	465,000	412,632	877,632
2030-2034	11,195,000	799,416	11,994,416
Total	<u>\$ 13,390,000</u>	<u>\$ 2,996,236</u>	<u>\$ 16,386,236</u>

C) Insurance

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

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REQUIRED SUPPLEMENTARY INFORMATION



City of Yorba Linda

Required Supplementary Information Budgetary Comparison Schedule General Fund For the Fiscal Year Ended June 30, 2024

	Budgeted Amount		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 37,554,075	\$ 37,362,775	\$ 37,421,910	\$ 59,135
Licenses and permits	1,553,500	1,613,500	1,715,183	101,683
Intergovernmental	754,922	659,922	747,230	87,308
Charges for services	5,902,916	5,903,416	5,332,330	(571,086)
Investment income	390,560	390,560	1,632,083	1,241,523
Fines and forfeitures	45,000	45,000	50,842	5,842
Gain on sale of City property	210,000	225,000	276,193	51,193
Miscellaneous	382,260	444,442	1,670,346	1,225,904
Total revenues	46,793,233	46,644,615	48,846,117	2,201,502
Expenditures				
General government:				
Administration	8,862,080	9,771,296	8,729,202	1,042,094
City Attorney	650,000	650,000	324,316	325,684
Finance	1,370,222	1,382,648	1,330,118	52,530
Public safety	14,638,543	14,373,543	14,134,730	238,813
Community development	3,765,294	4,358,130	4,041,043	317,087
Parks and recreation	9,730,150	9,911,838	9,249,343	662,495
Public works	6,176,058	6,250,513	5,352,685	897,828
Capital outlay	607,000	684,238	321,171	363,067
Debt service:				
Principal retirement	-	-	127,915	(127,915)
Interest	-	-	6,490	(6,490)
Total expenditures	45,799,347	47,382,206	43,617,013	3,765,193
Excess of Revenues over (under) Expenditures	993,886	(737,591)	5,229,104	5,966,695
Other financing sources (uses):				
Transfers in	229,000	307,552	307,552	-
Transfers out	(14,084,585)	(14,341,210)	(5,731,769)	8,609,441
Total other financing sources (uses)	(13,855,585)	(14,033,658)	(5,424,217)	8,609,441
Net change in fund balance	(12,861,699)	(14,771,249)	(195,113)	14,576,136
Fund balance at beginning of fiscal year	44,428,734	44,428,734	44,428,734	-
Fund balance at end of fiscal year	\$ 31,567,035	\$ 29,657,485	\$ 44,233,621	\$ 14,576,136

City of Yorba Linda

**Required Supplementary Information
 Budgetary Comparison Schedule
 Affordable Housing Special Revenue Fund
 For the Fiscal Year Ended June 30, 2024**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 528,111	\$ 528,111
Investment income	21,555	21,555	832,183	810,628
Total revenues	<u>21,555</u>	<u>21,555</u>	<u>1,360,294</u>	<u>1,338,739</u>
Expenditures				
Community development	58,500	531,510	531,508	2
Total expenditures	<u>58,500</u>	<u>531,510</u>	<u>531,508</u>	<u>2</u>
Net change in fund balance	(36,945)	(509,955)	828,786	1,338,741
Fund balance at beginning of fiscal year	<u>52,088,149</u>	<u>52,088,149</u>	<u>52,088,149</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 52,051,204</u>	<u>\$ 51,578,194</u>	<u>\$ 52,916,935</u>	<u>\$ 1,338,741</u>

City of Yorba Linda

**Required Supplementary Information
 Budgetary Comparison Schedule
 Miscellaneous Grants Special Revenue Fund
 For the Fiscal Year Ended June 30, 2024**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 8,651,082	\$ 8,651,082	\$ 483,043	\$ (8,168,039)
Total revenues	<u>8,651,082</u>	<u>8,651,082</u>	<u>483,043</u>	<u>(8,168,039)</u>
Other financing sources (uses):				
Transfers in	-	163,308	163,308	-
Transfers out	(8,651,082)	(12,168,916)	(4,065,178)	8,103,738
Total other financing sources (uses)	<u>(8,651,082)</u>	<u>(12,005,608)</u>	<u>(3,901,870)</u>	<u>8,103,738</u>
Net change in fund balance	-	(3,354,526)	(3,418,827)	(64,301)
Fund balance (deficit) at beginning of fiscal year	<u>(1,332,575)</u>	<u>(1,332,575)</u>	<u>(1,332,575)</u>	<u>-</u>
Fund balance (deficit) at end of fiscal year	<u>\$ (1,332,575)</u>	<u>\$ (4,687,101)</u>	<u>\$ (4,751,402)</u>	<u>\$ (64,301)</u>

City of Yorba Linda

**Required Supplementary Information
Budgetary Comparison Schedule
Public Library Special Revenue Fund
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amount		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 8,007,328	\$ 8,007,328	\$ 8,140,082	\$ 132,754
Licenses and permits	-	-	18,500	18,500
Intergovernmental	-	21,000	13,077	(7,923)
Charges for services	158,000	158,000	218,446	60,446
Investment income	48,160	48,160	290,013	241,853
Fines and forfeitures	25,000	25,000	41,776	16,776
Miscellaneous	-	-	580	580
Total revenues	<u>8,238,488</u>	<u>8,259,488</u>	<u>8,722,474</u>	<u>462,986</u>
Expenditures				
Library	6,637,411	6,822,414	6,371,104	451,310
Capital outlay	153,650	184,584	63,331	121,253
Debt service:				
Principal retirement	600,000	600,000	600,000	-
Interest	543,138	543,138	543,138	-
Total expenditures	<u>7,934,199</u>	<u>8,150,136</u>	<u>7,577,573</u>	<u>572,563</u>
Net change in fund balance	304,289	109,352	1,144,901	1,035,549
Fund balance at beginning of fiscal year	<u>6,040,079</u>	<u>6,040,079</u>	<u>6,040,079</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 6,344,368</u>	<u>\$ 6,149,431</u>	<u>\$ 7,184,980</u>	<u>\$ 1,035,549</u>

City of Yorba Linda

**Required Supplementary Information
 Budgetary Comparison Schedule
 Landscape Maintenance Assessment District Special Revenue Fund
 For the Fiscal Year Ended June 30, 2024**

	Budgeted Amount		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 9,656,725	\$ 9,656,725	\$ 9,711,624	\$ 54,899
Investment income	81,303	81,303	368,508	287,205
Miscellaneous	10,000	10,000	48,347	38,347
Total revenues	<u>9,748,028</u>	<u>9,748,028</u>	<u>10,128,479</u>	<u>380,451</u>
Expenditures				
Public works	10,488,903	10,483,903	9,489,204	994,699
Total expenditures	<u>10,488,903</u>	<u>10,483,903</u>	<u>9,489,204</u>	<u>994,699</u>
Excess of Revenues over (under) Expenditures	<u>(740,875)</u>	<u>(735,875)</u>	<u>639,275</u>	<u>1,375,150</u>
Other financing sources (uses):				
Transfers in	1,147,637	1,147,637	1,136,893	(10,744)
Transfers out	<u>(1,408,563)</u>	<u>(2,188,122)</u>	<u>(677,115)</u>	<u>1,511,007</u>
Total other financing sources (uses)	<u>(260,926)</u>	<u>(1,040,485)</u>	<u>459,778</u>	<u>1,500,263</u>
Net change in fund balance	(1,001,801)	(1,776,360)	1,099,053	2,875,413
Fund balance at beginning of fiscal year	<u>8,095,521</u>	<u>8,095,521</u>	<u>8,095,521</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 7,093,720</u>	<u>\$ 6,319,161</u>	<u>\$ 9,194,574</u>	<u>\$ 2,875,413</u>

**Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2024**

1) Infrastructure Assets Reported Using the Modified Approach

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

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

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

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

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

City of Yorba Linda

**Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2024**

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

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

Fiscal Year	Payment Condition Index (PCI) Rating	Estimated Preservation Costs	Actual Preservation Costs
2019-2020*	78	\$ 4,000,000	\$ 3,200,000
2020-2021	78	4,000,000	3,000,000
2021-2022*	79	8,200,000	4,137,389
2022-2023	82	8,200,000	6,650,803
2023-2024*	78	8,800,000	11,900,000

*Denotes years condition assessment was performed.

City of Yorba Linda

Required Supplementary Information (Unaudited) For the Fiscal Year Ended June 30, 2024

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

	Measurement Date June 30, 2023	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020	Measurement Date June 30, 2019
Total Pension Liability					
Service cost	\$ 2,162,403	\$ 2,107,336	\$ 1,885,407	\$ 1,696,577	\$ 1,623,776
Interest on total pension liability	6,250,881	5,919,104	5,709,277	5,438,271	5,230,301
Changes in assumptions	-	2,606,715	-	-	-
Changes of Benefit Terms	110,691				
Difference between expected and actual experience	833,551	(481,420)	272,016	(252,047)	716,490
Benefit payments, including refunds of employee contributions	(4,359,468)	(4,020,261)	(3,773,449)	(3,648,478)	(3,811,074)
Net change in total pension liability	4,998,058	6,131,474	4,093,251	3,234,323	3,759,493
Total pension liability - beginning	90,746,770	84,615,296	80,522,045	77,287,722	73,528,229
Total pension liability - ending (a)	95,744,828	90,746,770	84,615,296	80,522,045	77,287,722
Plan Fiduciary Net Position					
Contributions - employer	3,087,353	2,692,476	2,521,606	2,329,240	2,063,002
Contributions - employee	1,380,978	1,334,623	1,317,894	1,285,901	1,228,098
Net investment income	4,118,546	(5,414,116)	13,199,190	2,777,374	3,467,727
Benefit payments, including refunds of employee contributions	(4,359,468)	(4,020,261)	(3,773,449)	(3,648,478)	(3,811,074)
Net plan to plan resource movement	-	-	-	-	-
Administrative expense	(48,299)	(44,312)	(57,864)	(77,902)	(37,357)
Other miscellaneous income/(expense)	-	-	-	-	122
Net change in plan fiduciary net position	4,179,110	(5,451,590)	13,207,377	2,666,135	2,910,518
Plan fiduciary net position - beginning	65,681,476	71,133,066	57,925,689	55,259,554	52,349,036
Plan fiduciary net position - ending (b)	69,860,586	65,681,476	71,133,066	57,925,689	55,259,554
Plan net pension liability - ending (a) - (b)	\$ 25,884,242	\$ 25,065,294	\$ 13,482,230	\$ 22,596,356	\$ 22,028,168
Plan fiduciary net position as a percentage of the total pension liability	72.97%	72.38%	84.07%	71.94%	71.50%
Covered payroll	\$ 11,577,670	\$ 10,839,343	\$ 10,325,891	\$ 9,867,749	\$ 9,542,965
Net pension liability as a percentage of covered payroll	223.57%	231.24%	130.57%	228.99%	230.83%

City of Yorba Linda

**Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2024**

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

Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015	Measurement Date June 30, 2014
\$ 1,458,002	\$ 1,472,818	\$ 1,318,758	\$ 1,295,229	\$ 1,290,965
4,969,509	4,762,222	4,610,554	4,439,809	4,254,542
(313,447)	4,016,681	-	(1,091,497)	-
203,742	(618,862)	(505,685)	(236,444)	-
<u>(3,347,753)</u>	<u>(3,089,914)</u>	<u>(3,046,770)</u>	<u>(2,971,575)</u>	<u>(2,848,785)</u>
2,970,053	6,542,945	2,376,857	1,435,522	2,696,722
70,558,176	64,015,231	61,638,374	60,202,852	57,506,130
<u>73,528,229</u>	<u>70,558,176</u>	<u>64,015,231</u>	<u>61,638,374</u>	<u>60,202,852</u>
1,833,255	1,483,366	1,186,312	1,121,845	1,245,275
1,150,359	1,062,547	979,418	925,172	636,643
4,165,920	4,935,247	222,302	944,792	6,731,502
(3,347,753)	(3,089,914)	(3,046,770)	(2,971,575)	(2,848,785)
(122)	-	-	-	-
(75,993)	(65,616)	(27,503)	-	-
<u>(144,313)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,581,353	4,325,630	(686,241)	20,234	5,764,635
48,767,683	44,442,053	45,128,294	45,108,060	39,343,425
<u>52,349,036</u>	<u>48,767,683</u>	<u>44,442,053</u>	<u>45,128,294</u>	<u>45,108,060</u>
<u>\$ 21,179,193</u>	<u>\$ 21,790,493</u>	<u>\$ 19,573,178</u>	<u>\$ 16,510,080</u>	<u>\$ 15,094,792</u>
71.20%	69.12%	69.42%	73.21%	74.93%
\$ 8,376,724	\$ 7,779,688	\$ 7,479,560	\$ 7,574,466	\$ 7,672,440
252.83%	280.09%	261.69%	217.97%	196.74%

**Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2024**

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

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

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2022 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

City of Yorba Linda

Required Supplementary Information (Unaudited) For the Fiscal Year Ended June 30, 2024

3) Schedule of Pension Contributions – Last 10 Years

Fiscal year ended	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Actuarially determined contribution	\$ 2,787,414	\$ 2,716,202	\$ 2,412,234	\$ 2,270,954
Contributions in relation to the actuarially determined contributions	<u>(3,174,038)</u>	<u>(3,083,164)</u>	<u>(2,692,503)</u>	<u>(2,329,240)</u>
Contribution deficiency (excess)	<u>\$ (386,624)</u>	<u>\$ (366,962)</u>	<u>\$ (280,269)</u>	<u>\$ (58,286)</u>
Covered payroll	\$ 11,889,076	\$ 11,577,670	\$ 10,839,343	\$ 10,325,891
Contributions as a percentage of covered payroll	26.70%	26.63%	24.84%	22.56%

City of Yorba Linda

Required Supplementary Information (Unaudited) For the Fiscal Year Ended June 30, 2024

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

June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
\$ 2,001,025	\$ 1,706,948	\$ 1,417,449	\$ 1,268,816	\$ 1,186,312	\$ 1,121,845
(2,329,240)	(2,063,002)	(1,833,255)	(1,483,366)	(1,186,312)	(1,121,845)
<u>\$ (328,215)</u>	<u>\$ (356,054)</u>	<u>\$ (415,806)</u>	<u>\$ (214,550)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,867,749	\$ 9,542,965	\$ 8,376,724	\$ 7,779,688	\$ 7,479,560	\$ 7,574,466
23.60%	21.62%	21.89%	19.07%	15.86%	14.81%

Notes to Schedule of Pension Contributions

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2023-24 were from the June 30, 2022 Funding Valuation Report.

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

City of Yorba Linda

Required Supplementary Information (Unaudited) For the Fiscal Year Ended June 30, 2024

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

	Measurement Date June 30, 2023	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018
Total OPEB Liability						
Service cost	\$ 557,494	\$ 511,612	\$ 432,681	\$ 514,178	\$ 1,041,877	\$ 1,616,456
Interest on total OPEB liability	1,174,408	1,168,575	1,102,167	1,081,753	1,103,430	1,051,971
Differences between expected and actual experience	(855,566)	(167,601)	(17,234)	(738,379)	(3,081,922)	(2,643,488)
Changes in assumptions	(1,268,851)	1,867,235	554,630	(1,509,066)	(4,249,457)	(3,754,316)
Experience (Gains)/Losses	155,875	-	-	-	-	-
Benefit payments, including refunds of employee contributions	-	(725,445)	(697,659)	(688,476)	(708,272)	(701,025)
Net change in total OPEB liability	(236,640)	2,654,376	1,374,585	(1,339,990)	(5,894,344)	(4,430,402)
Total OPEB liability - beginning	19,684,458	17,030,082	15,655,497	16,995,487	22,889,831	27,320,233
Total OPEB liability - ending (a)	19,447,818	19,684,458	17,030,082	15,655,497	16,995,487	22,889,831
Plan Fiduciary Net Position						
Contributions - employer	511,600	995,445	997,659	919,194	942,684	935,437
Net investment income	114,403	(252,164)	304,626	22,861	57,133	17,983
Benefit payments, including refunds of employee contributions	-	(725,445)	(697,659)	(688,476)	(708,272)	(701,025)
Administrative expense	(547)	(432)	(436)	(437)	(133)	(184)
Investment Gains/(Losses)	3,221	-	-	-	-	-
Other	-	-	-	-	-	(309)
Net change in plan fiduciary net position	628,677	17,404	604,190	253,142	291,412	251,902
Plan fiduciary net position - beginning	1,651,189	1,633,785	1,029,595	776,453	485,041	233,139
Plan fiduciary net position - ending (b)	2,279,866	1,651,189	1,633,785	1,029,595	776,453	485,041
Net OPEB liability - ending (a) - (b)	\$ 17,167,952	\$ 18,033,269	\$ 15,396,297	\$ 14,625,902	\$ 16,219,034	\$ 22,404,790
Plan fiduciary net position as a percentage of the total OPEB liability	11.72%	8.39%	9.59%	6.58%	4.57%	2.12%
Covered payroll	\$ 11,577,670	\$ 10,839,343	\$ 10,325,891	\$ 9,867,749	\$ 9,542,965	\$ 8,376,724
Net OPEB liability as a percentage of covered payroll	148.29%	166.37%	149.10%	148.22%	169.96%	267.46%

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

City of Yorba Linda

Required Supplementary Information (Unaudited) For the Fiscal Year Ended June 30, 2024

5) Schedule of OPEB Contributions – Last 10 Years*

Fiscal year ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Actuarially determined contribution	\$ 2,343,241	\$ 2,383,354	\$ 2,290,449	\$ 919,194	\$ 1,909,606	\$ 2,107,584
Contributions in relation to the actuarially determined contributions	(1,412,089)	(1,235,999)	(683,193)	(599,730)	(771,379)	(832,398)
Contribution deficiency (excess)	\$ 931,152	\$ 1,147,355	\$ 1,607,256	\$ 319,464	\$ 1,138,227	\$ 1,275,186
Covered payroll	\$ 11,889,076	\$ 11,577,670	\$ 10,839,343	\$ 10,325,891	\$ 9,867,749	\$ 9,542,965
Contributions as a percentage of covered payroll	11.88%	10.68%	6.30%	5.81%	7.82%	8.72%

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

Notes to Schedule of OPEB Contributions

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Amortization Method	Level Percent of Payroll
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.50%
Projected Salary Increase	2.75%
Investment Rate of Return	6.00% ⁽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.

**Notes to Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2024**

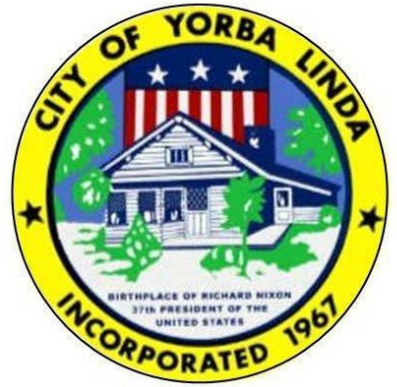
1) BUDGETARY DATA

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.

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OTHER SUPPLEMENTARY INFORMATION



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, 2024**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Expenditures				
Capital outlay	\$ 36,613,064	\$ 44,579,773	\$ 21,899,988	\$ 22,679,785
Total expenditures	<u>36,613,064</u>	<u>44,579,773</u>	<u>21,899,988</u>	<u>22,679,785</u>
Excess of Revenues over (under) Expenditures	<u>(36,613,064)</u>	<u>(44,579,773)</u>	<u>(21,899,988)</u>	<u>22,679,785</u>
Other financing sources (uses):				
Transfers in	36,613,064	45,360,292	21,899,988	(23,460,304)
Total other financing sources (uses)	<u>36,613,064</u>	<u>45,360,292</u>	<u>21,899,988</u>	<u>(23,460,304)</u>
Net change in fund balance	-	780,519	-	(780,519)
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ 780,519</u>	<u>\$ -</u>	<u>\$ (780,519)</u>

City of Yorba Linda

Description of Nonmajor Funds For the Fiscal Year Ended June 30, 2024

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

City of Yorba Linda

Description of Nonmajor Funds For the Fiscal Year Ended June 30, 2024

Capital Projects Funds

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

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

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

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

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

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

City of Yorba Linda

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024**

	<u>Special Revenue Funds</u>		
	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>CDBG Grant</u>
Assets:			
Pooled cash and investments	\$ 2,164,881	\$ -	\$ -
Receivables:			
Accounts	-	-	-
Accrued interest	13,791	-	-
Advances to other funds	-	-	-
Due from other governments	161,439	3,757	36,692
Total assets	<u>\$ 2,340,111</u>	<u>\$ 3,757</u>	<u>\$ 36,692</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	3,757	36,692
Total liabilities	<u>-</u>	<u>3,757</u>	<u>36,692</u>
Fund balances:			
Restricted for:			
General government	-	-	-
Parks and recreation	-	-	-
Public works	2,340,111	-	-
Low and moderate housing	-	-	-
Unassigned (deficit)	-	-	-
Total fund balances	<u>2,340,111</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances (deficit)	<u>\$ 2,340,111</u>	<u>\$ 3,757</u>	<u>\$ 36,692</u>

City of Yorba Linda

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024**

(continued)

Special Revenue Funds			
Citizens Option Public Safety	AQMD	Measure M2	SB-2
\$ -	\$ 546,138	\$ -	\$ -
-	31,425	-	-
-	4,224	15,715	-
-	-	-	-
-	22,564	229,470	-
<u>\$ -</u>	<u>\$ 604,351</u>	<u>\$ 245,185</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 243,122
-	-	245,185	49,175
<u>-</u>	<u>-</u>	<u>245,185</u>	<u>292,297</u>
-	-	-	-
-	-	-	-
-	604,351	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(292,297)</u>
<u>-</u>	<u>604,351</u>	<u>-</u>	<u>(292,297)</u>
<u>\$ -</u>	<u>\$ 604,351</u>	<u>\$ 245,185</u>	<u>\$ -</u>

City of Yorba Linda

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024**

(continued)

	Special Revenue Funds		
	Mortgage Assistance Program	PEG	Road Maintenance and Rehabilitation Account
Assets:			
Pooled cash and investments	\$ 84,481	\$ 314,719	\$ -
Receivables:			
Accounts	-	31,440	-
Accrued interest	1,173	801	3,204
Advances to other funds	-	-	-
Due from other governments	-	-	306,253
Total assets	\$ 85,654	\$ 346,960	\$ 309,457
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ 11,219	\$ -
Due to other funds	-	-	309,457
Total liabilities	-	11,219	309,457
Fund balances:			
Restricted for:			
General government	-	335,741	-
Parks and recreation	-	-	-
Public works	-	-	-
Low and moderate housing	85,654	-	-
Unassigned (deficit)	-	-	-
Total fund balances	85,654	335,741	-
Total liabilities and fund balances (deficit)	\$ 85,654	\$ 346,960	\$ 309,457

City of Yorba Linda

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024**

(continued)

Capital Projects Funds					Total Nonmajor Governmental Funds
Parking In-Lieu	Park In-Lieu	Lighting and Signal Project Improvements	Master Plan of Drainage	Traffic Signal Improvements	
\$ 29,308	\$ 1,422,207	\$ 665,329	\$ 5,804,669	\$ 1,506,646	\$ 12,538,378
-	-	-	-	-	62,865
(453)	5,413	2,121	33,337	6,636	85,962
-	-	-	1,060,000	-	1,060,000
-	-	-	-	-	760,175
<u>\$ 28,855</u>	<u>\$ 1,427,620</u>	<u>\$ 667,450</u>	<u>\$ 6,898,006</u>	<u>\$ 1,513,282</u>	<u>\$ 14,507,380</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 254,341
-	-	-	-	-	644,266
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>898,607</u>
-	-	-	-	-	335,741
-	1,427,620	-	-	-	1,427,620
28,855	-	667,450	6,898,006	1,513,282	12,052,055
-	-	-	-	-	85,654
-	-	-	-	-	(292,297)
<u>28,855</u>	<u>1,427,620</u>	<u>667,450</u>	<u>6,898,006</u>	<u>1,513,282</u>	<u>13,608,773</u>
<u>\$ 28,855</u>	<u>\$ 1,427,620</u>	<u>\$ 667,450</u>	<u>\$ 6,898,006</u>	<u>\$ 1,513,282</u>	<u>\$ 14,507,380</u>

City of Yorba Linda

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2024**

	<u>Special Revenue Funds</u>		
	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>CDBG Grant</u>
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	1,867,109	-	266,614
Investment income	233,919	-	-
Fines and forfeitures	-	106,306	-
Developer participation	-	-	-
Gain on sale of City Property	-	-	-
Total revenues	<u>2,101,028</u>	<u>106,306</u>	<u>266,614</u>
Expenditures:			
Current:			
General government	-	-	-
Community development	-	-	116,614
Capital outlay - net current	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>116,614</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,101,028</u>	<u>106,306</u>	<u>150,000</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	<u>(4,065,142)</u>	<u>(106,306)</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,065,142)</u>	<u>(106,306)</u>	<u>-</u>
Net change in fund balances	(1,964,114)	-	150,000
Fund balances (deficit) at beginning of fiscal year	<u>4,304,225</u>	<u>-</u>	<u>(150,000)</u>
Fund balances (deficit) at end of fiscal year	<u>\$ 2,340,111</u>	<u>\$ -</u>	<u>\$ -</u>

City of Yorba Linda

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2024**

(continued)

Special Revenue Funds			
Citizens Option Public Safety	AQMD	Measure M2	SB-2
\$ -	\$ -	\$ -	\$ -
193,746	90,214	1,439,003	-
-	42,514	176,470	-
-	-	-	-
-	-	-	-
-	39,150	-	-
<u>193,746</u>	<u>171,878</u>	<u>1,615,473</u>	<u>-</u>
-	-	-	445,669
-	-	-	-
-	247,916	-	-
<u>-</u>	<u>247,916</u>	<u>-</u>	<u>445,669</u>
<u>193,746</u>	<u>(76,038)</u>	<u>1,615,473</u>	<u>(445,669)</u>
-	-	-	-
<u>(193,746)</u>	<u>-</u>	<u>(5,092,787)</u>	<u>-</u>
<u>(193,746)</u>	<u>-</u>	<u>(5,092,787)</u>	<u>-</u>
-	(76,038)	(3,477,314)	(445,669)
<u>-</u>	<u>680,389</u>	<u>3,477,314</u>	<u>153,372</u>
<u>\$ -</u>	<u>\$ 604,351</u>	<u>\$ -</u>	<u>\$ (292,297)</u>

City of Yorba Linda

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2024**

(continued)

	Special Revenue Funds		
	Mortgage Assistance Program	PEG	Road Maintenance and Rehabilitation Account
Revenues:			
Taxes	\$ -	\$ 128,616	\$ -
Intergovernmental	-	-	1,757,264
Investment income	3,486	12,299	62,302
Fines and forfeitures	-	-	-
Developer participation	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>3,486</u>	<u>140,915</u>	<u>1,819,566</u>
Expenditures:			
Current:			
General government	-	73,169	-
Community development	-	-	-
Capital outlay - net current	-	55,307	-
Total expenditures	<u>-</u>	<u>128,476</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,486</u>	<u>12,439</u>	<u>1,819,566</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	(1,932,200)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,932,200)</u>
Net change in fund balances	3,486	12,439	(112,634)
Fund balances (deficit) at beginning of fiscal year	<u>82,168</u>	<u>323,302</u>	<u>112,634</u>
Fund balances (deficit) at end of fiscal year	<u>\$ 85,654</u>	<u>\$ 335,741</u>	<u>\$ -</u>

City of Yorba Linda

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2024**

(continued)

Capital Projects Funds					Total Nonmajor Governmental Funds
Parking In-Lieu	Park In-Lieu	Lighting and Signal Project Improvements	Master Plan of Drainage	Traffic Signal Improvements	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,616
-	-	-	-	-	5,613,950
1,668	75,968	47,439	251,847	69,844	977,756
-	-	-	-	-	106,306
-	559,415	-	-	13,917	573,332
-	-	-	-	-	39,150
<u>1,668</u>	<u>635,383</u>	<u>47,439</u>	<u>251,847</u>	<u>83,761</u>	<u>7,439,110</u>
-	-	-	-	-	518,838
-	-	-	-	-	116,614
-	-	-	-	-	303,223
-	-	-	-	-	938,675
<u>1,668</u>	<u>635,383</u>	<u>47,439</u>	<u>251,847</u>	<u>83,761</u>	<u>6,500,435</u>
-	-	230,831	-	-	230,831
-	(292,972)	(748,728)	(656,084)	(161,090)	(13,249,055)
-	(292,972)	(517,897)	(656,084)	(161,090)	(13,018,224)
1,668	342,411	(470,458)	(404,237)	(77,329)	(6,517,789)
<u>27,187</u>	<u>1,085,209</u>	<u>1,137,908</u>	<u>7,302,243</u>	<u>1,590,611</u>	<u>20,126,562</u>
<u>\$ 28,855</u>	<u>\$ 1,427,620</u>	<u>\$ 667,450</u>	<u>\$ 6,898,006</u>	<u>\$ 1,513,282</u>	<u>\$ 13,608,773</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Gas Tax Special Revenue Fund
Fiscal Year Ended June 30, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 1,946,969	\$ 1,867,109	\$ (79,860)
Investment income	60,310	233,919	173,609
Total revenues	<u>2,007,279</u>	<u>2,101,028</u>	<u>93,749</u>
Other financing sources (uses)			
Transfers out	<u>(6,136,485)</u>	<u>(4,065,142)</u>	<u>2,071,343</u>
Total other financing sources (uses)	<u>(6,136,485)</u>	<u>(4,065,142)</u>	<u>2,071,343</u>
Net change in fund balance	(4,129,206)	(1,964,114)	2,165,092
Fund balance at beginning of fiscal year	<u>4,304,225</u>	<u>4,304,225</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 175,019</u>	<u>\$ 2,340,111</u>	<u>\$ 2,165,092</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Traffic Safety Special Revenue Fund
Fiscal Year Ended June 30, 2024**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Fines and forfeitures	\$ 51,500	\$ 106,306	\$ 54,806
Total revenues	<u>51,500</u>	<u>106,306</u>	<u>54,806</u>
Other financing sources (uses)			
Transfers out	<u>(106,306)</u>	<u>(106,306)</u>	<u>-</u>
Total other financing sources (uses)	<u>(106,306)</u>	<u>(106,306)</u>	<u>-</u>
Net change in fund balance	(54,806)	-	54,806
Fund balance at beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ (54,806)</u>	<u>\$ -</u>	<u>\$ 54,806</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
CDBG Grant Special Revenue Fund
Fiscal Year Ended June 30, 2024**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 243,087	\$ 243,087	\$ 266,614	\$ 23,527
Total revenues	<u>243,087</u>	<u>243,087</u>	<u>266,614</u>	<u>23,527</u>
Expenditures				
Community development	157,523	172,523	116,614	55,909
Total expenditures	<u>157,523</u>	<u>172,523</u>	<u>116,614</u>	<u>55,909</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>85,564</u>	<u>70,564</u>	<u>150,000</u>	<u>79,436</u>
Other financing sources (uses)				
Transfers out	(85,564)	(85,564)	-	85,564
Total other financing sources (uses)	<u>(85,564)</u>	<u>(85,564)</u>	<u>-</u>	<u>85,564</u>
Net change in fund balance	-	(15,000)	150,000	165,000
Fund balance at beginning of fiscal year	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ (150,000)</u>	<u>\$ (165,000)</u>	<u>\$ -</u>	<u>\$ 165,000</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Citizens Option for Public Safety Special Revenue Fund
Fiscal Year Ended June 30, 2024**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 170,000	\$ 193,746	\$ 193,746	\$ -
Total revenues	<u>170,000</u>	<u>193,746</u>	<u>193,746</u>	<u>-</u>
Other financing sources (uses)				
Transfers out	<u>(170,000)</u>	<u>(193,746)</u>	<u>(193,746)</u>	<u>-</u>
Total other financing sources (uses)	<u>(170,000)</u>	<u>(193,746)</u>	<u>(193,746)</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</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
Fiscal Year Ended June 30, 2024**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 86,750	\$ 86,750	\$ 90,214	\$ 3,464
Investment income	13,110	13,110	42,514	29,404
Gain on sale of City property	-	-	39,150	39,150
Total revenues	<u>99,860</u>	<u>99,860</u>	<u>171,878</u>	<u>72,018</u>
Expenditures				
Capital outlay	250,000	285,000	247,916	37,084
Total expenditures	<u>250,000</u>	<u>285,000</u>	<u>247,916</u>	<u>37,084</u>
Net change in fund balance	(150,140)	(185,140)	(76,038)	109,102
Fund balance at beginning of fiscal year	<u>680,389</u>	<u>680,389</u>	<u>680,389</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 530,249</u>	<u>\$ 495,249</u>	<u>\$ 604,351</u>	<u>\$ 109,102</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Measure M2 Special Revenue Fund
Fiscal Year Ended June 30, 2024**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,526,468	\$ 1,526,468	\$ 1,439,003	\$ (87,465)
Investment income	44,090	44,090	176,470	132,380
Total revenues	<u>1,570,558</u>	<u>1,570,558</u>	<u>1,615,473</u>	<u>44,915</u>
Other financing sources (uses)				
Transfers out	(2,385,038)	(5,092,788)	(5,092,787)	1
Total other financing sources (uses)	<u>(2,385,038)</u>	<u>(5,092,788)</u>	<u>(5,092,787)</u>	<u>1</u>
Net change in fund balance	(814,480)	(3,522,230)	(3,477,314)	44,916
Fund balance at beginning of fiscal year	<u>3,477,314</u>	<u>3,477,314</u>	<u>3,477,314</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 2,662,834</u>	<u>\$ (44,916)</u>	<u>\$ -</u>	<u>\$ 44,916</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
SB-2 Special Revenue Fund
Fiscal Year Ended June 30, 2024**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 180,000	\$ 180,000	\$ -	\$ (180,000)
Total revenues	<u>180,000</u>	<u>180,000</u>	<u>-</u>	<u>(180,000)</u>
Expenditures				
General government	105,000	445,677	445,669	8
Total expenditures	<u>105,000</u>	<u>445,677</u>	<u>445,669</u>	<u>8</u>
Net change in fund balance	75,000	(265,677)	(445,669)	(179,992)
Fund balance at beginning of fiscal year	<u>153,372</u>	<u>153,372</u>	<u>153,372</u>	<u>-</u>
Fund balance (deficit) at end of fiscal year	<u>\$ 228,372</u>	<u>\$ (112,305)</u>	<u>\$ (292,297)</u>	<u>\$ (179,992)</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Mortgage Assistance Program Special Revenue Fund
Fiscal Year Ended June 30, 2024**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Investment income	\$ 950	\$ 3,486	\$ 2,536
Total revenues	<u>950</u>	<u>3,486</u>	<u>2,536</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	950	3,486	2,536
Fund balance at beginning of fiscal year	<u>82,168</u>	<u>82,168</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 83,118</u>	<u>\$ 85,654</u>	<u>\$ 2,536</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
PEG Special Revenue Fund
Fiscal Year Ended June 30, 2024**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 130,000	\$ 130,000	\$ 128,616	\$ (1,384)
Investment income	2,660	2,660	12,299	9,639
Total revenues	132,660	132,660	140,915	8,255
Expenditures				
General government	85,845	95,075	73,169	21,906
Capital outlay	27,000	89,000	55,307	33,693
Total expenditures	112,845	184,075	128,476	55,599
Net change in fund balance	19,815	(51,415)	12,439	63,854
Fund balance at beginning of fiscal year	323,302	323,302	323,302	-
Fund balance at end of fiscal year	\$ 343,117	\$ 271,887	\$ 335,741	\$ 63,854

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
RMRA Special Revenue Fund
Fiscal Year Ended June 30, 2024**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,683,325	\$ 1,683,325	\$ 1,757,264	\$ 73,939
Investment income	16,825	16,825	62,302	45,477
Total revenues	<u>1,700,150</u>	<u>1,700,150</u>	<u>1,819,566</u>	<u>119,416</u>
Other financing sources (uses)				
Transfers out	<u>(1,727,054)</u>	<u>(1,932,201)</u>	<u>(1,932,200)</u>	<u>1</u>
Total other financing sources (uses)	<u>(1,727,054)</u>	<u>(1,932,201)</u>	<u>(1,932,200)</u>	<u>1</u>
Net change in fund balance	(26,904)	(232,051)	(112,634)	119,417
Fund balance at beginning of fiscal year	<u>112,634</u>	<u>112,634</u>	<u>112,634</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 85,730</u>	<u>\$ (119,417)</u>	<u>\$ -</u>	<u>\$ 119,417</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Parking in Lieu Capital Projects Fund
 Fiscal Year Ended June 30, 2024**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Investment income	\$ -	\$ 1,668	\$ 1,668
Total revenues	<u>-</u>	<u>1,668</u>	<u>1,668</u>
Net change in fund balance	-	1,668	1,668
Fund balance at beginning of fiscal year	<u>27,187</u>	<u>27,187</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 27,187</u>	<u>\$ 28,855</u>	<u>\$ 1,668</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Park In-Lieu Capital Projects Fund
Fiscal Year Ended June 30, 2024**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 26,950	\$ 26,950	\$ 75,968	\$ 49,018
Developer participation	-	-	559,415	559,415
Total revenues	<u>26,950</u>	<u>26,950</u>	<u>635,383</u>	<u>608,433</u>
Other financing sources (uses)				
Transfers out	-	(292,977)	(292,972)	5
Total other financing sources (uses)	<u>-</u>	<u>(292,977)</u>	<u>(292,972)</u>	<u>5</u>
Net change in fund balance	26,950	(266,027)	342,411	608,438
Fund balance at beginning of fiscal year	<u>1,085,209</u>	<u>1,085,209</u>	<u>1,085,209</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 1,112,159</u>	<u>\$ 819,182</u>	<u>\$ 1,427,620</u>	<u>\$ 608,438</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Lighting and Signal Project Improvements Capital Projects Fund
Fiscal Year Ended June 30, 2024**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 12,485	\$ 12,485	\$ 47,439	\$ 34,954
Total revenues	<u>12,485</u>	<u>12,485</u>	<u>47,439</u>	<u>34,954</u>
Other financing sources (uses)				
Transfers in	189,063	189,063	230,831	41,768
Transfers out	<u>(1,050,221)</u>	<u>(1,175,071)</u>	<u>(748,728)</u>	<u>426,343</u>
Total other financing sources (uses)	<u>(861,158)</u>	<u>(986,008)</u>	<u>(517,897)</u>	<u>468,111</u>
Net change in fund balance	(848,673)	(973,523)	(470,458)	503,065
Fund balance at beginning of fiscal year	<u>1,137,908</u>	<u>1,137,908</u>	<u>1,137,908</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 289,235</u>	<u>\$ 164,385</u>	<u>\$ 667,450</u>	<u>\$ 503,065</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Master Plan of Drainage Capital Projects Fund
Fiscal Year Ended June 30, 2024**

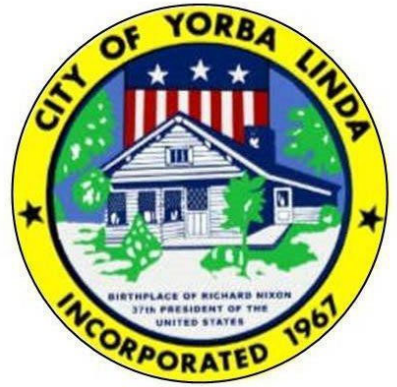
	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 63,600	\$ 63,600	\$ 251,847	\$ 188,247
Total revenues	<u>63,600</u>	<u>63,600</u>	<u>251,847</u>	<u>188,247</u>
Other financing sources (uses)				
Transfers out	(1,705,288)	(2,535,558)	(656,084)	1,879,474
Total other financing sources (uses)	<u>(1,705,288)</u>	<u>(2,535,558)</u>	<u>(656,084)</u>	<u>1,879,474</u>
Net change in fund balance	(1,641,688)	(2,471,958)	(404,237)	2,067,721
Fund balance at beginning of fiscal year	<u>7,302,243</u>	<u>7,302,243</u>	<u>7,302,243</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 5,660,555</u>	<u>\$ 4,830,285</u>	<u>\$ 6,898,006</u>	<u>\$ 2,067,721</u>

City of Yorba Linda

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Traffic Signal Improvements Capital Projects Fund
Fiscal Year Ended June 30, 2024**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 18,830	\$ 18,830	\$ 69,844	\$ 51,014
Developer participation	-	-	13,917	13,917
Total revenues	<u>18,830</u>	<u>18,830</u>	<u>83,761</u>	<u>64,931</u>
Expenditures				
Capital outlay	-	3,056	-	3,056
Total expenditures	<u>-</u>	<u>3,056</u>	<u>-</u>	<u>3,056</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>18,830</u>	<u>15,774</u>	<u>83,761</u>	<u>67,987</u>
Other financing sources (uses)				
Transfers out	(646,353)	(693,908)	(161,090)	532,818
Total other financing sources (uses)	<u>(646,353)</u>	<u>(693,908)</u>	<u>(161,090)</u>	<u>532,818</u>
Net change in fund balance	(627,523)	(678,134)	(77,329)	600,805
Fund balance at beginning of fiscal year	<u>1,590,611</u>	<u>1,590,611</u>	<u>1,590,611</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 963,088</u>	<u>\$ 912,477</u>	<u>\$ 1,513,282</u>	<u>\$ 600,805</u>

STATISICAL SECTION



City of Yorba Linda

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

	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental activities					
Net investment in capital assets	\$ 369,642,916	\$ 375,388,766	\$ 376,813,472	\$ 393,042,394	\$ 380,956,770
Restricted	78,795,131	84,293,217	88,147,090	89,319,318	108,594,404
Unrestricted (deficit)	31,529,685	28,716,148	30,924,813	2,056,587	9,383,520
Total governmental activities net position	<u>479,967,732</u>	<u>488,398,131</u>	<u>495,885,375</u>	<u>484,418,299</u>	<u>498,934,694</u>
Business-type activities:					
Net investment in capital assets	6,425,228	5,780,632	25,162,397	24,442,477	23,846,232
Restricted	-	-	-	-	-
Unrestricted (deficit)	(5,045,542)	(3,721,769)	(23,363,950)	(22,918,767)	(22,995,261)
Total business-type activities net assets	<u>1,379,686</u>	<u>2,058,863</u>	<u>1,798,447</u>	<u>1,523,710</u>	<u>850,971</u>
Primary Government:					
Net investment in capital assets	376,068,144	381,169,398	401,975,869	417,484,871	404,803,002
Restricted	78,795,131	84,293,217	88,147,090	89,319,318	108,594,404
Unrestricted (deficit)	26,484,143	24,994,379	7,560,863	(20,862,180)	(13,611,741)
Total primary government net assets	<u>\$ 481,347,418</u>	<u>\$ 490,456,994</u>	<u>\$ 497,683,822</u>	<u>\$ 485,942,009</u>	<u>\$ 499,785,665</u>

Source: City of Yorba Linda, Finance Department

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City of Yorba Linda

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

(continued)

	Fiscal Year				
	2020	2021	2022	2023	2024
Governmental activities					
Net investment in capital assets	\$ 404,615,432	\$ 424,485,221	\$ 437,983,501	\$ 441,460,964	454,301,921
Restricted	95,479,106	87,730,127	85,472,395	86,500,311	83,179,514
Unrestricted (deficit)	<u>(8,718,665)</u>	<u>(5,602,336)</u>	<u>3,052,522</u>	<u>6,537,745</u>	<u>8,266,707</u>
Total governmental activities net position	<u>491,375,873</u>	<u>506,613,012</u>	<u>526,508,418</u>	<u>534,499,020</u>	<u>545,748,142</u>
Business-type activities:					
Net investment in capital assets	23,323,238	23,039,783	21,676,512	22,430,867	22,118,026
Restricted	-	-	-	-	-
Unrestricted (deficit)	<u>(2,543,666)</u>	<u>(2,376,682)</u>	<u>(1,170,490)</u>	<u>(1,527,797)</u>	<u>(461,860)</u>
Total business-type activities net assets	<u>20,779,572</u>	<u>20,663,101</u>	<u>20,506,022</u>	<u>20,903,070</u>	<u>21,656,166</u>
Primary Government:					
Net investment in capital assets	427,938,670	447,525,004	459,660,013	463,891,831	476,419,947
Restricted	95,479,106	87,730,127	85,472,395	86,500,311	83,179,514
Unrestricted (deficit)	<u>(11,262,331)</u>	<u>(7,979,018)</u>	<u>1,882,032</u>	<u>5,009,948</u>	<u>7,804,847</u>
Total primary government net assets	<u>\$ 512,155,445</u>	<u>\$ 527,276,113</u>	<u>\$ 547,014,440</u>	<u>\$ 555,402,090</u>	<u>\$ 567,404,308</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				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 9,589,107	\$ 11,181,226	\$ 10,794,754	\$ 8,604,233	\$ 7,182,245
Public safety	9,625,078	10,194,206	10,751,963	11,691,912	11,839,819
Community development	3,301,567	3,307,460	3,076,508	9,363,144	2,864,767
Recreation and community services	6,893,996	6,829,957	7,401,076	7,535,284	7,431,280
Library	-	-	-	3,967,009	4,746,418
Public works	14,666,439	13,659,070	22,728,098	11,202,747	21,174,891
Interest on long-term debt	-	-	-	-	-
Total governmental activities expenses	<u>44,076,187</u>	<u>45,171,919</u>	<u>54,752,399</u>	<u>52,364,329</u>	<u>55,239,420</u>
Business-type activities:					
Golf Course	6,105,749	5,692,893	6,043,094	6,092,497	6,709,630
Disposal	3,889,115	-	-	-	-
Yorba Linda Center Catering	176,712	174,854	179,229	220,618	200,518
Total business-type activities expenses	<u>10,171,576</u>	<u>5,867,747</u>	<u>6,222,323</u>	<u>6,313,115</u>	<u>6,910,148</u>
Total primary government expenses	<u>54,247,763</u>	<u>51,039,666</u>	<u>60,974,722</u>	<u>58,677,444</u>	<u>62,149,568</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	838,008	975,797	1,053,695	1,127,014	1,479,021
Public safety	134,503	128,051	130,010	838	-
Community development	2,786,159	2,284,965	2,444,166	516,178	55,380
Recreation and community services	3,165,573	2,853,198	3,040,194	1,838,992	1,835,129
Library	-	-	-	110,951	130,000
Public works	660,693	1,573,551	349,656	189,317	329,930
Operating grants and contributions	2,471,970	1,850,120	1,972,296	3,938,022	3,923,715
Capital grants and contributions	4,451,347	3,687,861	4,917,936	3,011,719	12,158,579
Total governmental activities program revenues	<u>14,508,253</u>	<u>13,353,543</u>	<u>13,907,953</u>	<u>10,733,031</u>	<u>19,911,754</u>
Business-type activities:					
Charges for services:					
Golf Course	5,886,365	5,811,759	5,779,197	5,824,698	6,042,347
Refuse	3,956,222	-	-	-	-
Yorba Linda Center Catering	133,888	184,185	170,462	209,615	195,062
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>9,976,475</u>	<u>5,995,944</u>	<u>5,949,659</u>	<u>6,034,313</u>	<u>6,237,409</u>
Total primary government program revenues	<u>24,484,728</u>	<u>19,349,487</u>	<u>19,857,612</u>	<u>16,767,344</u>	<u>26,149,163</u>
Net (expense)/revenue					
Governmental activities	(29,567,934)	(31,818,376)	(40,844,446)	(41,631,298)	(35,327,666)
Business-type activities	(195,101)	128,197	(272,664)	(278,802)	(672,739)
Total net revenues (expenses)	<u>(29,763,035)</u>	<u>(31,690,179)</u>	<u>(41,117,110)</u>	<u>(41,910,100)</u>	<u>(36,000,405)</u>

City of Yorba Linda

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

(continued)

	Fiscal Year				
	2020	2021	2022	2023	2024
Expenses					
Governmental activities:					
General government	\$ 7,850,800	\$ 9,360,113	\$ 10,455,564	\$ 11,631,484	13,665,478
Public safety	12,455,656	11,755,722	13,188,544	13,731,482	14,209,525
Community development	3,329,740	2,705,644	3,412,017	3,847,863	4,645,214
Recreation and community services	6,762,170	6,623,647	11,422,317	17,569,992	16,229,130
Library	5,262,202	4,780,791	5,169,332	5,433,637	6,321,929
Public works	19,646,992	14,300,587	14,175,743	16,052,471	16,128,067
Interest on long-term debt	-	108,271	277,954	573,477	538,743
Total governmental activities expenses	<u>55,307,560</u>	<u>49,634,775</u>	<u>58,101,471</u>	<u>68,840,406</u>	<u>71,738,086</u>
Business-type activities:					
Golf Course	6,298,218	6,695,753	9,262,348	9,149,857	9,828,881
Disposal	-	-	-	-	-
Yorba Linda Center Catering	-	-	-	-	-
Total business-type activities expenses	<u>6,298,218</u>	<u>6,695,753</u>	<u>9,262,348</u>	<u>9,149,857</u>	<u>9,828,881</u>
Total primary government expenses	<u>61,605,778</u>	<u>56,330,528</u>	<u>67,363,819</u>	<u>77,990,263</u>	<u>81,566,967</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	4,399	10,769	-	8,063,303	8,621,252
Public safety	40,733	56,807	90,709	98,679	157,148
Community development	1,643,000	2,007,274	2,600,154	2,571,587	1,819,095
Recreation and community services	1,149,503	1,065,415	2,441,850	2,643,357	2,660,508
Library	90,262	15,390	176,212	247,887	278,722
Public works	221,495	304,666	346,179	358,196	296,086
Operating grants and contributions	5,136,854	3,474,747	5,361,712	7,655,338	4,009,219
Capital grants and contributions	7,025,870	5,418,821	6,921,650	5,775,097	12,202,200
Total governmental activities program revenues	<u>15,312,116</u>	<u>12,353,889</u>	<u>17,938,466</u>	<u>27,413,444</u>	<u>30,044,230</u>
Business-type activities:					
Charges for services:					
Golf Course	5,455,174	6,526,689	9,138,075	9,512,853	10,530,453
Refuse	-	-	-	-	-
Yorba Linda Center Catering	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>5,455,174</u>	<u>6,526,689</u>	<u>9,138,075</u>	<u>9,512,853</u>	<u>10,530,453</u>
Total primary government program revenues	<u>20,767,290</u>	<u>18,880,578</u>	<u>27,076,541</u>	<u>36,926,297</u>	<u>40,574,683</u>
Net (expense)/revenue					
Governmental activities	(39,995,444)	(37,280,886)	(40,163,005)	(41,426,962)	(41,693,856)
Business-type activities	(843,044)	(169,064)	(124,273)	362,996	701,572
Total net revenues (expenses)	<u>(40,838,488)</u>	<u>(37,449,950)</u>	<u>(40,287,278)</u>	<u>(41,063,966)</u>	<u>(40,992,284)</u>

City of Yorba Linda

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

(continued)

	Fiscal Year				
	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 20,803,253	\$ 22,256,451	\$ 23,301,893	\$ 24,724,246	\$ 26,867,452
Sales taxes	6,515,766	7,215,608	7,666,640	7,426,486	7,461,391
Franchise taxes	2,239,149	2,271,901	1,949,679	2,101,241	2,093,989
Transient occupancy taxes	442,656	488,437	482,652	487,217	498,253
Business licenses taxes	378,306	395,184	418,008	385,676	416,275
Other taxes	6,903,837	6,995,040	7,340,671	8,392,701	7,601,071
Motor vehicle in lieu, unrestricted	28,389	27,323	30,300	35,736	33,178
Investment income	577,480	559,845	562,730	5,448,994	3,414,409
Other	411,483	172,973	394,295	880,542	511,547
Gain on sale of capital assets	-	-	294,375	14,257	10,759
Transfers	-	(550,980)	(12,248)	-	-
Extraordinary gain/(loss) on dissolution of RDA	-	-	-	-	-
Total governmental activities	38,300,319	39,831,782	42,428,995	49,897,096	48,908,324
Business-type activities:					
Investment income	681	-	-	-	-
Other	-	-	-	-	-
Transfers	-	550,980	12,248	-	-
Gain on sale of capital assets	-	-	-	4,065	-
Total business-type activities	681	550,980	12,248	4,065	-
Total primary government	38,301,000	40,382,762	42,441,243	49,901,161	48,908,324
Changes in Net Position					
Governmental activities	8,732,385	8,013,406	1,584,549	8,265,798	13,580,658
Business-type activities	(194,420)	679,177	(260,416)	(274,737)	(672,739)
Total primary government	<u>\$ 8,537,965</u>	<u>\$ 8,692,583</u>	<u>\$ 1,324,133</u>	<u>\$ 7,991,061</u>	<u>\$ 12,907,919</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)

(concluded)

	Fiscal Year				
	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 27,909,436	\$ 29,540,612	\$ 30,699,489	\$ 32,870,894	\$ 34,245,240
Sales taxes	7,531,434	7,595,867	8,936,655	8,765,991	8,396,106
Franchise taxes	2,102,927	2,172,656	2,265,614	2,517,208	2,547,619
Transient occupancy taxes	390,641	311,017	497,046	541,747	554,637
Business licenses taxes	518,592	487,243	385,104	426,601	441,623
Other taxes	7,542,323	8,010,697	8,612,318	546,726	595,756
Motor vehicle in lieu, unrestricted	54,378	50,350	81,515	77,281	97,804
Investment income	3,799,085	718,564	(1,594,916)	1,780,988	4,100,541
Other	252,809	267,470	225,159	1,875,533	1,632,854
Gain on sale of capital assets	3,106,643	3,363,548	9,950,427	14,595	315,343
Transfers	(20,771,645)	-	-	-	15,455
Extraordinary gain/(loss) on dissolution of RDA	-	-	-	-	-
Total governmental activities	<u>32,436,623</u>	<u>52,518,024</u>	<u>60,058,411</u>	<u>49,417,564</u>	<u>52,942,978</u>
Business-type activities:					
Investment income	-	43,292	(32,806)	11,732	77,460
Other	-	-	-	-	(10,481)
Transfers	20,771,645	-	-	-	(15,455)
Gain on sale of capital assets	-	9,301	-	22,320	-
Total business-type activities	<u>20,771,645</u>	<u>52,593</u>	<u>(32,806)</u>	<u>34,052</u>	<u>51,524</u>
Total primary government	<u>53,208,268</u>	<u>52,570,617</u>	<u>60,025,605</u>	<u>49,451,616</u>	<u>52,994,502</u>
Changes in Net Position					
Governmental activities	(7,558,821)	15,237,139	19,895,406	7,990,602	11,249,122
Business-type activities	19,928,601	(116,471)	(157,079)	397,048	753,096
Total primary government	<u>\$ 12,369,780</u>	<u>\$ 15,120,668</u>	<u>\$ 19,738,327</u>	<u>\$ 8,387,650</u>	<u>\$ 12,002,218</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				
	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ 25,879,553	\$ 25,615,978	\$ 25,360,804	\$ 25,134,611	\$ 24,183,522
Committed	23,125,506	23,143,531	23,096,672	18,554,579	23,252,150
Restricted	5,352	-	-	-	-
Assigned	3,750,035	2,810,864	6,026,646	3,198,889	2,115,847
Unassigned	2,987,075	4,694,175	3,952,237	3,936,830	4,953,048
Total General Fund	<u>55,747,521</u>	<u>56,264,548</u>	<u>58,436,359</u>	<u>50,824,909</u>	<u>54,504,567</u>
All Other Governmental Funds					
Nonspendable	2,164	465	1,304	20,567	34,219
Restricted	78,712,066	83,854,496	87,562,146	89,319,318	86,530,414
Assigned	-	-	-	-	-
Unassigned	(489,090)	(1,988,163)	(849,737)	(794,022)	(179,022)
Total All Other Governmental Funds	<u>78,225,140</u>	<u>81,866,798</u>	<u>86,713,713</u>	<u>88,545,863</u>	<u>86,385,611</u>
Total All Governmental Funds	<u>\$ 133,972,661</u>	<u>\$ 138,131,346</u>	<u>\$ 145,150,072</u>	<u>\$ 139,370,772</u>	<u>\$ 140,890,178</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)**

(continued)

	Fiscal Year				
	2020	2021	2022	2023	2024
General Fund					
Nonspendable	\$ 2,850,846	\$ 627,888	\$ 33,115	\$ 86,578	\$ 82,284
Committed	27,742,190	31,713,494	31,849,609	26,109,298	27,118,359
Restricted	-	-	-	-	-
Assigned	2,208,551	1,102,561	2,024,793	14,407,135	14,890,559
Unassigned	3,755,960	3,736,843	8,698,134	3,825,723	2,142,419
Total General Fund	<u>36,557,547</u>	<u>37,180,786</u>	<u>42,605,651</u>	<u>44,428,734</u>	<u>44,233,621</u>
All Other Governmental Funds					
Nonspendable	4,702	4,611	-	-	18,045
Restricted	68,696,921	87,730,127	85,472,395	86,500,311	83,179,514
Assigned	-	-	-	-	-
Unassigned	(725,130)	(799,966)	(330,625)	(1,482,575)	(5,043,699)
Total All Other Governmental Funds	<u>67,976,493</u>	<u>86,934,772</u>	<u>85,141,770</u>	<u>85,017,736</u>	<u>78,153,860</u>
Total All Governmental Funds	<u>\$ 104,534,040</u>	<u>\$ 124,115,558</u>	<u>\$ 127,747,421</u>	<u>\$ 129,446,470</u>	<u>\$ 122,387,481</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				
	2015	2016	2017	2018	2019
Revenues					
Taxes	\$ 37,304,207	\$ 39,622,621	\$ 41,311,999	\$ 43,517,567	\$ 44,938,431
Licenses and permits	1,822,533	1,681,175	1,906,900	1,277,319	1,758,173
Intergovernmental	3,877,534	3,550,775	4,911,723	5,054,524	5,847,394
Charges for services	3,724,560	3,636,143	3,670,482	3,783,290	3,829,460
Investment Income	525,717	476,108	561,578	5,448,994	3,414,409
Fines and forfeitures	209,420	191,903	193,873	172,153	158,529
Contributions	2,281	851	-	-	-
Developer Participation	2,025,694	2,278,589	1,284,622	1,336,048	3,794,795
Gain on sale of City property	-	-	294,375	14,257	10,759
Miscellaneous	193,644	113,587	314,259	880,542	511,547
Total Revenues	49,685,590	51,551,752	54,449,811	61,484,694	64,263,497
Expenditures					
Current:					
General government	8,385,012	8,597,028	9,608,392	7,412,889	7,556,660
Public safety	9,535,298	10,111,264	10,665,634	11,601,058	11,774,157
Community development	3,178,940	3,116,057	2,932,425	9,004,086	3,027,458
Parks and recreation	5,664,224	5,603,750	6,216,676	6,098,032	6,652,263
Library	-	-	-	3,967,009	4,523,472
Public works	10,646,686	10,719,703	11,986,129	11,583,370	11,536,226
Capital outlay	6,829,408	10,497,334	10,776,488	17,803,173	14,937,875
Debt Service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	321,311
Pass through agreements	-	-	-	-	-
Total Expenditures	44,239,568	48,645,136	52,185,744	67,469,617	60,329,422
Excess of revenues over/(under) expenditures	5,446,022	2,906,616	2,264,067	(5,984,923)	3,934,075
Other Financing Sources (Uses)					
Transfers in	7,508,620	11,159,224	9,035,390	17,821,152	20,503,308
Transfers out	(7,508,620)	(11,710,204)	(9,047,638)	(17,821,152)	(20,503,308)
Long term debt issued	-	-	-	-	15,892,798
Proceeds from sale of capital asset	-	-	-	-	-
Contributions to Successor Agency	-	-	-	-	-
Contributions from Successor Agency	3,013,793	1,386,056	3,143,678	205,623	3,756,523
Total other financing sources (uses)	3,013,793	835,076	3,131,430	205,623	19,649,321
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)	-	-	-	-	-
Net change in fund balances	\$ 8,459,815	\$ 3,741,692	\$ 5,395,497	\$ (5,779,300)	\$ 23,583,396
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.7%

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

City of Yorba Linda

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

(continued)

	Fiscal Year				
	2020	2021	2022	2023	2024
Revenues					
Taxes	\$ 45,995,354	\$ 47,277,203	\$ 51,396,226	\$ 53,732,469	\$ 55,402,232
Licenses and permits	1,758,957	1,905,891	2,502,333	2,446,906	1,733,683
Intergovernmental	7,793,872	6,441,439	9,560,743	9,243,632	7,385,411
Charges for services	3,149,392	3,178,690	4,555,316	5,145,799	5,550,776
Use of money and property	3,799,085	718,569	(1,366,833)	1,780,987	4,100,543
Fines and forfeitures	136,271	63,000	120,332	141,666	198,924
Contributions	-	-	-	-	-
Developer Participation	2,916,798	448,537	1,702,646	879,360	573,332
Gain on sale of City property	3,106,643	3,363,549	-	-	315,343
Miscellaneous	252,809	1,167,358	307,478	1,945,048	1,719,273
Total Revenues	68,909,181	64,564,236	68,778,241	75,315,867	76,979,517
Expenditures					
Current:					
General government	7,382,901	9,918,063	9,419,419	9,989,048	10,902,474
Public safety	12,451,068	12,584,332	13,134,552	13,664,873	14,134,730
Community development	4,923,127	3,355,451	3,877,107	3,979,002	4,689,165
Parks and recreation	8,447,644	6,317,469	8,010,629	8,527,887	9,249,343
Library	4,291,564	5,638,179	5,787,704	5,611,607	6,371,104
Public works	12,113,687	13,327,507	13,613,147	14,931,872	14,841,889
Capital outlay	36,668,311	20,468,213	13,032,060	16,138,073	22,587,713
Debt Service:					
Principal retirement	490,000	-	8,151,000	698,195	727,915
Interest and fiscal charges	648,888	108,271	277,954	572,292	549,628
Bond issuance costs	105,052	-	-	-	-
Pass through agreements	-	-	-	-	-
Total Expenditures	87,522,242	71,717,485	75,303,572	74,112,849	84,053,961
Excess of revenues over/(under) expenditures	(18,613,061)	(7,153,249)	(6,525,331)	1,203,018	(7,074,444)
Other Financing Sources (Uses)					
Transfers in	24,009,934	22,610,921	14,431,285	16,057,651	23,738,572
Transfers out	(44,781,579)	(22,610,921)	(14,431,285)	(16,057,651)	(23,723,117)
Long term debt issued	7,611,000	-	-	-	-
Proceeds from sale of capital asset	-	-	10,157,193	14,595	-
Contributions to Successor Agency	-	-	-	481,436	-
Contributions from Successor Agency	87,345	-	-	-	-
Total other financing sources (uses)	(13,073,300)	-	10,157,193	496,031	15,455
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)	-	-	-	-	-
Net change in fund balances	\$ (31,686,361)	\$ (7,153,249)	\$ 3,631,862	\$ 1,699,049	\$ (7,058,989)
Debt service as a percentage of noncapital expenditures	2.2%	0.2%	13.5%	2.0%	2.1%

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

City of Yorba Linda

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

Fiscal Year Ended June 30	Secured	Unsecured	Less: Exemptions (1)	Taxable Assessed Value (2)
2015	\$ 12,492,822,864	\$ 153,579,513	\$ (309,102,030)	\$ 12,646,402,377
2016	13,334,274,219	147,399,256	(350,162,998)	13,481,673,475
2017	13,959,347,366	137,076,955	(210,599,989)	14,096,424,321
2018	14,716,674,476	148,335,423	(220,753,799)	14,865,009,899
2019	15,471,407,750	151,643,596	(211,377,405)	15,623,051,346
2020	16,112,175,947	181,515,582	(251,855,293)	16,293,691,529
2021	16,775,906,874	167,238,127	(269,590,593)	16,943,145,001
2022	17,350,569,091	175,408,871	(288,495,018)	17,525,977,962
2023	18,283,910,002	195,886,460	(293,156,599)	18,479,796,462
2024	19,255,427,531	196,829,323	(291,777,989)	19,452,256,854

(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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	0.02528	0.02292	0.02298	0.02325	0.02370	0.02291	0.02489	0.02376	0.02412	0.02198
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
N. OC Community College 2002 Bond Series #2003B	0.00000	0.00000	0.00000	0.00000	0.00001	0.00000	0.00000	0.00000	0.00000	0.00000
N. Orange County Community College	0.01704	0.03043	0.02885	0.02927	0.02828	0.02409	0.03198	0.02877	0.02778	0.01715
Orange USD	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02533
Placentia Yorba Linda Unified	0.05822	0.05665	0.05475	0.05529	0.05261	0.04848	0.06032	0.04849	0.04641	0.04236
Rancho Santiago Community College	0.02878	0.03063	0.02999	0.03013	0.02875	0.02818	0.02768	0.02652	0.02738	0.02666
Total Direct & Overlapping (2) Tax Rates	1.13282	1.14413	1.14007	1.14144	1.16370	1.15004	1.16501	1.14760	1.15474	1.13698
City's share of 1% Levy per Prop 13 (3)										
City	0.12480	0.12480	0.12480	0.10625	0.10625	0.10625	0.10625	0.10625	0.10625	0.10625
Library	0.05525	0.05525	0.05525	0.05570	0.05570	0.05570	0.05570	0.05570	0.05570	0.05570
Total City Direct Rate	0.18005	0.18005	0.18005	0.16195	0.16195	0.16195	0.16195	0.16195	0.16195	0.16195
Redevelopment Rate (4)										
Total Direct Rate (5)	0.13453	0.13468	0.13507	0.13557	0.13552	0.13575	0.13628	0.13639	0.13682	0.13704

(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

(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 aircraft. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

City of Yorba Linda

Principal Property Taxpayers Current Year and Nine Years Ago

	2024		2015	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
BRYANT AT YORBA LINDA	\$ 208,472,470	1.07%	\$ -	0.00%
Savi Ranch Property Holdings LLC	95,884,908	0.49%	-	0.00%
Savi Ranch Group LLC	47,061,369	0.24%	-	0.00%
KLLB AIV LLC	42,900,000	0.22%	-	0.00%
Romanov Group LLC	37,938,304	0.20%	-	0.00%
YL Pines LLC	37,124,722	0.19%	31,508,047	0.25%
Yorba Linda Town Center LLC	35,181,905	0.18%	-	0.00%
Eastlake Commercial 2007 LLC	28,280,358	0.15%	24,214,950	0.19%
St. Joseph Heritage Healthcare	26,904,189	0.14%	-	0.00%
Trico-Savi Business Park LP	26,337,516	0.14%	22,384,914	0.18%
RRE Yorba Linda Holdings LLC	-	0.00%	64,848,584	0.51%
Savi Technology Center Props Owner	-	0.00%	61,200,000	0.48%
Bridgemark Corporation	-	0.00%	54,494,482	0.43%
Savi Ranch 1690 Inc	-	0.00%	34,656,630	0.27%
St Jude Hospital Yorba Linda	-	0.00%	29,478,082	0.23%
Nobel Biocare USA LLC	-	0.00%	23,319,705	0.18%
Bastachury Holding Company LP	-	0.00%	21,369,106	0.17%
Top Ten Totals	\$ 586,085,741	3.01%	\$ 367,474,500	2.91%
City Totals	\$ 19,452,256,854		\$ 12,646,402,377	

Source: HdL Coren and Cone, Orange County Assessor 2014/15 and 2023/24 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
2015	\$ 27,573,088	\$ 27,075,082	98.194%	\$ 195,477	\$ 27,270,559	98.903%
2016	27,926,587	27,285,154	97.703%	201,624	27,486,778	98.425%
2017	28,894,519	28,539,922	98.773%	170,053	28,709,974	99.361%
2018	31,244,974	30,898,210	98.890%	116,309	31,014,519	99.262%
2019	32,504,590	32,189,975	99.032%	124,953	32,314,928	99.417%
2020	33,288,749	32,965,561	99.029%	135,497	33,101,058	99.436%
2021	34,706,969	34,431,243	99.206%	236,450	34,667,693	99.887%
2022	36,437,371	35,967,667	98.711%	257,528	36,225,195	99.418%
2023	38,796,303	38,367,984	98.896%	242,798	38,610,781	99.522%
2024	40,463,528	40,101,727	99.106%	281,080	40,382,807	99.801%

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

Source: Orange County Auditor- Controller

City of Yorba Linda

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities		Business-type Activities	Total Primary Government (1)	Percentage of Personal Income	Debt Per Capita	Calendar Year	Personal Income	Population
	Lease Revenue Financings	Subscription Liability	Loan Payable						
2015	\$ -	\$ -	\$ -	\$ -	n/a	n/a	2014	\$ 3,158,626,000	67,055
2016	-	-	-	-	n/a	n/a	2015	3,174,294,000	67,637
2017	-	-	-	-	n/a	n/a	2016	3,213,873,000	67,890
2018	-	-	-	-	n/a	n/a	2017	3,250,126,000	69,121
2019	15,857,373 (2)	-	-	15,857,373	0.46%	230.80	2018	3,453,929,000	68,706
2020	22,914,112 (3)	-	-	22,914,112	0.62%	333.78	2019	3,668,872,000	68,650
2021	22,463,372	-	-	22,463,372	0.60%	331.09	2020	3,772,935,000	67,846
2022	13,100,000	-	1,125,938	14,225,938	0.37%	211.59	2021	3,838,762,000	67,233
2023	13,485,326	-	881,416	14,366,742	0.35%	214.21	2022	4,130,949,000	67,068
2024	12,821,065	225,326	633,679	13,680,070	0.31%	207.00	2023	4,372,276,000	66,087

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

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

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

City of Yorba Linda

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year Ended June 30	Lease Revenue Financing (2) (3)	Total (1)	Percent of Assessed Value (4)	Per Capita
2015	\$ -	\$ -	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	15,857,373	15,857,373	0.10%	231
2020	22,914,112	22,914,112	0.14%	334
2021	22,463,372	22,463,372	0.13%	331
2022	13,100,000	13,100,000	0.07%	195
2023	13,485,326	13,485,326	0.07%	201
2024	12,821,065	12,821,065	0.07%	194

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 Last Ten Fiscal Years

2023-2024 Assessed Valuation: \$19,454,617,154

	Total Debt 6/30/24	% Applicable (1)	City's Share of Debt 6/30/24
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 18,210,000	0.503%	\$ 91,596
North Orange County Joint Community College District	291,560,678	11.108%	32,386,560
Rancho Santiago Community College District	154,276,441	0.443%	683,445
Brea Unified School District	4,344,682	0.097%	4,214
Orange Unified School District	276,295,000	0.958%	2,646,906
Placentia-Yorba Linda Unified School District	197,150,879	49.242%	97,081,036
Placentia-Yorba Linda Unified School District Community Facilities District No. 1	4,020,000	100.000%	4,020,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 136,913,757
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Orange County General Fund Obligations	\$ 440,385,000	2.527%	\$ 11,128,529
Orange County Board of Education Certificates of Participation	10,030,000	2.527%	253,458
North Orange County Regional Occupation Program Certificates of Participation	7,350,000	11.422%	839,517
Brea-Olinda Unified School District	6,615,000	0.097%	6,417
Orange Unified School District Benefit Obligations	56,260,000	0.958%	538,971
Orange Unified School District Pension Obligation Bonds	8,440,000	0.958%	80,855
Placentia-Yorba Linda Unified School District Certificates of Participation	79,900,000	49.242%	39,344,358
Subscription liability	225,326	100.000%	225,326
City of Yorba Linda General Fund Obligations	12,821,065	100.000%	12,821,065
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 65,238,496
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	\$ 17,876,503	100%	\$ 17,876,503
TOTAL DIRECT DEBT			\$ 13,046,391
TOTAL OVERLAPPING DEBT			\$ 206,982,365
COMBINED TOTAL DEBT			\$ 206,982,365 (2)

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations.

Ratios to 2023-24 Assessed Valuation

Direct Debt (\$13,046,391)	0.06%
Total Direct and Overlapping Tax and Assessment Debt.....	0.70%
Combined Total Debt.....	1.13%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$3,406,048,445):

Overlapping Tax Increment Debt	0.52%
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City of Yorba Linda

**Direct and Overlapping Debt
Last Ten Fiscal Years**

(continued)

Legal Debt Margin Calculation for the Current Year	
Assessed value	\$ 19,452,256,854
Conversion percentage	25%
Adjusted assessed value	4,863,064,214
Debt limit (15% of adjusted assessed value)	729,459,632
Debt applicable to limit	-
Legal debt margin - Current Year	<u>\$ 729,459,632</u>

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Debt as Percentage of Limit
2015	\$ 474,240,089	\$ -	\$ 474,240,089	0.0%
2016	505,562,755	-	505,562,755	0.0%
2017	528,615,912	-	528,615,912	0.0%
2018	692,992,367	-	692,992,367	0.0%
2019	585,864,425	-	585,864,425	0.0%
2020	611,013,432	-	611,013,432	0.0%
2021	635,367,938	-	635,367,938	0.0%
2022	657,224,174	-	657,224,174	0.0%
2023	692,992,367	-	692,992,367	0.0%
2024	729,459,632	-	729,459,632	0.0%

Source: City of Yorba Linda Finance Department

City of Yorba Linda

Demographic and Economic Statistics Last Ten Fiscal 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
2014	67,055	\$ 3,158,626	\$ 47,105	4.80%	41.8	95.6%	48.6%
2015	67,637	3,174,294	46,931	3.90%	41.8	95.5%	49.4%
2016	67,890	3,213,873	47,339	3.50%	42.8	95.5%	51.4%
2017	69,121	3,250,126	47,021	3.30%	42.9	95.8%	52.0%
2018	68,706	3,453,929	50,271	2.70%	43.3	95.4%	53.2%
2019	68,650	3,668,872	53,443	2.60%	43.5	95.5%	53.4%
2020	67,846	3,772,935	55,610	7.20%	44.2	95.5%	54.1%
2021	67,233	3,838,762	57,096	4.90%	43.9	95.8%	53.8%
2022	67,068	4,130,949	61,593	2.80%	44.3	95.6%	53.6%
2023	66,087	4,372,276	66,159	3.10%	44.3	96.0%	55.2%

Source: HdL Coren and Cone

City of Yorba Linda

Principal Employers Current and Seven Years Ago

Employer	2024		2016	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Costco Wholesale Corporation # 445	298	2.67%	293	4.00%
Bayshire Yorba Linda	177	1.59%	-	0.00%
Nobel Biocare U S A, L L C	177	1.59%	269	3.67%
Euroline Steel Windows	153	1.37%	-	0.00%
Beverage Visions, LLC	130	1.16%	-	0.00%
Friends Church Yorba Linda	125	1.12%	-	0.00%
Coldwell Banker	118	1.06%	118	1.61%
So CA Permanente Medical Group	108	0.97%	55	0.75%
Office Solutions Business	107	0.96%	98	1.34%
Vons Grocery Co #3069	101	0.91%	86	1.17%
Chick-Fil-A At Yorba Linda Fsr	100	0.90%	-	0.00%
Jondo Ltd.	99	0.89%	-	0.00%
Trader Joe's #176	91	0.82%	50	0.68%
Stator Bros Market #60	88	0.79%	70	0.96%
Sprouts Farmers Market	87	0.78%	78	1.06%
White House Catering Inc	85	0.76%	75	1.02%
Sunrise of Yorba Linda	84	0.75%	42	0.57%
In-N-Out Burgers #373	83	0.74%	-	0.00%
Bristol Farms	81	0.73%	-	0.00%
Target Store T-3445	72	0.65%	70	0.96%
	<u>2,364</u>	<u>21.18%</u>	<u>1,304</u>	<u>17.80%</u>

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

City of Yorba Linda

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

Function/Program	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</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	8.00	9.00	9.00	9.96	9.48	10.25	10.73	17.45	17.55	16.96
City Clerk	3.00	3.00	3.00	3.00	3.00	3.48	3.48	3.48	3.48	3.48
Finance	6.00	6.00	6.00	6.50	6.75	6.48	6.48	6.75	6.75	6.75
Community Development										
Planning	6.20	6.20	6.20	6.98	6.98	6.50	6.50	6.50	6.50	6.50
Building	8.70	8.70	8.70	10.30	10.30	11.30	11.30	11.30	10.30	10.80
Community Preservation	3.25	3.25	3.25	3.20	3.20	3.20	3.20	3.20	3.20	3.10
NPDES	0.30	0.30	0.30	-	-	-	-	-	-	-
Public Works										
Administration/Engineering	6.90	6.65	6.65	6.75	7.71	7.75	7.75	8.45	8.60	8.65
Maintenance	10.04	10.04	10.04	10.04	10.04	11.04	11.04	11.04	11.04	10.94
NPDES	1.25	1.25	1.25	1.25	1.25	1.35	1.35	1.35	1.35	1.45
Landscape Assessment Dis	3.71	3.96	3.96	3.96	3.96	5.82	5.82	6.61	7.70	7.77
Parks & Recreation										
Administration	2.95	2.95	2.95	2.80	2.80	2.48	2.48	4.49	4.12	4.60
Recreation	29.91	29.91	29.91	32.51	32.51	32.95	36.94	32.98	32.98	39.50
Parks Maintenance	8.85	8.85	8.85	9.05	9.05	10.05	10.05	9.05	9.40	9.41
Facilities Maintenance	2.20	2.20	2.20	2.40	2.40	2.75	3.75	3.40	3.52	2.75
Library	31.55	31.55	31.55	31.32	31.32	31.81	33.15	33.15	35.95	35.95
Total	137.81	138.81	138.81	145.02	145.75	152.21	159.02	164.20	167.44	173.61

Source: City of Yorba Linda

City of Yorba Linda

Operating Indicators by Function Last Ten Fiscal Years

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Parks & Recreation										
Number of participants	11,406	9,356	11,331	10,162	10,395	6,183	6,116	12,770	14,211	14,418
Number of facility rentals	1,722	1,958	1,973	1,826	1,492	902	329	3016	2836	9671
Teams in league events	227	175	148	144	137	148	145	185	164	107
Police (1)										
Calls for Service	18,497	18,162	19,922	22,125	20,158	18,666	17,766	18,437	17,767	24,654
Arrests	435	458	717	442	470	902	629	632	682	620
Moving Citations	2,507	2,808	1,910	1,728	1,776	1,542	1,465	1,253	2,275	1,247
Crime reports	2,408	2,705	2,541	2,640	2,715	2,523	233	2,434	2,205	2,370
Parking citations	425	419	720	1,001	842	566	264	347	531	697
Public Works (2)										
Street resurfacing (# streets)	84	173	173	182	151	139	292	135	267	149
Library										
Attendance in Library (door count)	323,415	328,646	328,646	276,051	284,628	185,038	83,346	374,333	473,593	469,215
Number of items checked out	870,029	881,283	881,283	938,109	1,044,225	799,631	620,161	1,130,025	1,329,559	1,419,607
Number of programs	666	721	721	961	930	619	89	33,926	919	939
Golf Course										
Number of rounds played	55,755	55,483	55,483	60,355	59,237	52,804	67,251	64,716	58,872	62,796

Source: City of Yorba Linda

City of Yorba Linda

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Parks & Recreation										
Municipal Parks	29	30	32	33	33	33	33	33	33	33
Gyms	2	2	2	2	2	2	2	2	2	2
Community Center	1	1	1	1	1	1	1	1	1	1
Horse Arena	1	1	1	1	1	1	1	1	1	1
Municipal Golf Course	1	1	1	1	1	1	1	1	1	1
Arts Center							1	1	1	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)	141.16	77.84	71.48	63.72	63.5	80.95	69.98	71.18	34.84	70.74
Street Lights	n/a	5,756	6,096	6,139	6,139	6,139	6,139	6,171	6,171	6,171
Traffic Signals	61	61	64	62	64	65	65	67	67	66

Source: City of Yorba Linda, Finance Department



The image on the front cover is the Main Street Historic District. Main Street Yorba Linda may be small in length but large in the historical significance of the City of Yorba Linda's original "downtown." Among the buildings, several historic structures remain dotted along the tree-lined street. The City commemorated the historic downtown area by placing an iconic arch over the primary entrance to the downtown area near Imperial Highway.