CITY OF YORBA LINDA, CALIFORNIA

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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CITY OF YORBA LINDA, CALIFORNIA

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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CITY OF YORBA LINDA, CALIFORNIA

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Yorba Linda, California, (the City) as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Yorba Linda, California, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the basic financial statements, effective July 1, 2013, the City adopted Governmental Accounting Standards Board (GASB) Statements; No. 66, *Technical Correction-2012*, No. 67, *Financial Reporting for Pension Plans*, and No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 58 to 61, the trend information for pension and other postemployment benefits other than pensions on page 63, and the modified approach for infrastructure capital assets on page 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

The budgetary comparison schedule – Capital Improvement fund, combining nonmajor fund financial statements, nonmajor funds budgetary comparison schedules, and the combining agency fund financial statement are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule – Capital Improvement fund, combining nonmajor fund financial statements, nonmajor funds budgetary

comparison schedules, and the combining agency fund financial statement are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 City's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim, LLP
Culver City, California
December 31, 2014

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CITY OF YORBA LINDA

STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Assets:			
Cash and investments	$ 56,275,568	$ 159,408	$ 56,434,976
Receivables:			
Accounts	608,238	654,479	1,262,717
Taxes	1,066,060	-	1,066,060
Notes and loans	36,783,961	-	36,783,961
Accrued interest	105,557	40	105,597
Internal balances	24,356,711	(24,356,711)	-
Advances to Successor Agency of Former RDA	9,851,425	-	9,851,425
Prepaid costs	94,769	-	94,769
Due from other governments	2,371,815	-	2,371,815
Inventories	-	154,648	154,648
Restricted assets:			
Cash and investments	7,500	-	7,500
Capital assets, not being depreciated	238,076,743	12,726,948	250,803,691
Capital assets, net of depreciation	130,634,740	14,325,242	144,959,982
Total assets	500,233,087	3,664,054	503,897,141
Liabilities:			
Accounts payable	3,303,145	1,228,268	4,531,413
Accrued liabilities	219,465	13,847	233,312
Accrued interest	-	33	33
Unearned revenue	543,302	408,553	951,855
Deposits payable	-	10,000	10,000
Noncurrent liabilities:			
Due within one year	385,724	-	385,724
Due in more than one year	7,804,336	-	7,804,336
Total liabilities	12,255,972	1,660,701	13,916,673
Net position:			
Net investment in capital assets	368,711,483	7,567,000	376,278,483
Restricted for:			
Public safety	20,578	-	20,578
Parks and recreation.	443,828	-	443,828
Public works	7,178,708	-	7,178,708
Library	15,121,201	-	15,121,201
Low and moderate housing	42,563,586	-	42,563,586
Capital projects	7,739,067	-	7,739,067
Unrestricted	46,198,664	(5,563,647)	40,635,017
Total net position	$ 487,977,115	$ 2,003,353	$ 489,980,468

CITY OF YORBA LINDA
STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2014

		Program Revenues		
	Expenses	**Charges for Services**	**Operating Contributions and Grants**	**Capital Contributions and Grants**
Functions/programs				
Primary government:				
Governmental activities:				
General government	$ 9,882,765	$ 826,650	$ 533,283	$ -
Public safety	10,819,766	142,843	114,930	-
Community development	4,248,543	2,042,831	261,339	6,716,848
Parks and recreation	5,891,506	2,070,339	-	-
Public works	14,978,073	306,689	2,235,176	1,584,463
Total governmental activities	45,820,653	5,389,352	3,144,728	8,301,311
Business-type activities:				
Golf	6,395,656	5,799,564	-	-
Disposal	5,188,805	5,332,477	-	-
Yorba Linda Center Catering	156,894	101,816	-	-
Total business-type activities	11,741,355	11,233,857	-	-
Total primary government	$ 57,562,008	$ 16,623,209	$ 3,144,728	$ 8,301,311

General revenues:

Taxes:
- Property taxes, levied for general purpose
- Sales taxes
- Franchise taxes
- Transient occupancy taxes
- Business licenses taxes
- Other taxes

Motor vehicle in lieu - unrestricted
Use of money and property
Other

Total general revenues

Change in net position

Net position at beginning of fiscal year

Net position at end of fiscal year

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	**Business-Type Activities**	**Total**
$ (8,522,832)	$ -	$ (8,522,832)
(10,561,993)	-	(10,561,993)
4,772,475	-	4,772,475
(3,821,167)	-	(3,821,167)
(10,851,745)	-	(10,851,745)
(28,985,262)	-	(28,985,262)
-	(596,092)	(596,092)
-	143,672	143,672
-	(55,078)	(55,078)
-	(507,498)	(507,498)
(28,985,262)	(507,498)	(29,492,760)
19,463,202	-	19,463,202
6,108,523	-	6,108,523
2,086,354	-	2,086,354
434,583	-	434,583
433,511	-	433,511
6,810,919	-	6,810,919
29,389	-	29,389
699,314	248	699,562
854,614	-	854,614
36,920,409	248	36,920,657
7,935,147	(507,250)	7,427,897
480,041,968	2,510,603	482,552,571
$ 487,977,115	$ 2,003,353	$ 489,980,468

CITY OF YORBA LINDA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

		Special Revenue Funds		
	General	**Housing**	**Library**	**Street Lighting & Maintenance**
Assets:				
Pooled cash and investments	$ 22,773,309	$ 1,959,206	$ 15,130,472	$ 3,243,697
Receivables:				
Accounts	522,445	7,500	1,091	13,998
Taxes	851,466	-	150,307	64,287
Notes and loans	-	36,783,961	-	-
Accrued interest	100,886	273	2,188	276
Prepaid costs	88,813	-	5,956	-
Due from other governments	839,470	-	1,500	-
Due from other funds	5,291,146	-	-	-
Advances to other funds	19,485,190	-	-	-
Advances to Successor Agency of Former RDA	6,035,572	3,815,853	-	-
Restricted assets:				
Cash and investments	7,500	-	-	-
Total assets	$ 55,995,797	$ 42,566,793	$ 15,291,514	$ 3,322,258
Liabilities, deferred inflows of resources, and fund balances:				
Liabilities:				
Accounts payable	$ 1,442,623	$ 3,207	$ 133,402	$ 1,328,953
Accrued liabilities	171,340	-	36,911	10,909
Unearned revenues	315,263	-	-	-
Due to other funds	118,831	-	-	-
Total liabilities	2,048,057	3,207	170,313	1,339,862
Deferred inflows of resources:				
Unavailable revenues	895,744	-	-	-
Total deferred inflows of resources	895,744	-	-	-
Fund balances:				
Nonspendable:				
Prepaid costs	88,813	-	5,956	-
Advances to other funds	25,520,762	3,815,853	-	-
Restricted for:				
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	1,982,396
Library	-	-	15,115,245	-
Low and moderate housing	-	38,747,733	-	-
Accounts Payable	7,500	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	27,434,921	-	-	-
Total fund balances	53,051,996	42,563,586	15,121,201	1,982,396
Total liabilities, deferred inflows of resources, and fund balances	$ 55,995,797	$ 42,566,793	$ 15,291,514	$ 3,322,258

See accompanying notes to the basic financial statements

Capital Projects Fund		
Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 13,168,884	$ 56,275,568
-	63,204	608,238
-	-	1,066,060
-	-	36,783,961
-	1,934	105,557
-	-	94,769
78,696	1,452,149	2,371,815
314,970	-	5,606,116
-	-	19,485,190
-	-	9,851,425
-	-	7,500
$ 393,666	$ 14,686,171	$ 132,256,199
$ 393,666	$ 1,294	$ 3,303,145
-	305	219,465
-	228,039	543,302
-	615,764	734,595
393,666	845,402	4,800,507
-	841,890	1,737,634
-	841,890	1,737,634
-	-	94,769
-	-	29,336,615
-	20,578	20,578
-	443,828	443,828
-	5,208,946	7,191,342
-	-	15,115,245
-	-	38,747,733
-	-	7,500
-	7,739,067	7,739,067
-	(413,540)	27,021,381
-	12,998,879	125,718,058
$ 393,666	$ 14,686,171	$ 132,256,199

CITY OF YORBA LINDA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Fund balances of governmental funds		$ 125,718,058
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		368,711,483
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Claims and judgments	$ (150,414)	
Compensated absences	(1,006,971)	(1,157,385)
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability.		(7,032,675)
Revenues that are measurable but not available. Amounts are recorded as unavailable revenue under the modified accrual basis of accounting.		1,737,634
Net position of governmental activities		$ 487,977,115

See accompanying notes to the basic financial statements.

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CITY OF YORBA LINDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2014

		Special Revenue Funds		
	General	**Housing**	**Library**	**Street Lighting & Maintenance**
Revenues:				
Taxes	$ 24,387,462	$ -	$ 4,663,122	$ 6,223,987
Licenses and permits	1,794,234	-	-	-
Intergovernmental	738,704	-	16,500	-
Charges for services	3,163,364	-	39,400	-
Use of money and property	397,407	3,258	139,642	15,490
Fines and forfeitures	22,612	-	78,992	-
Contributions	-	-	7,149	-
Developer participation	-	-	-	-
Miscellaneous	701,092	-	7,913	-
Total Revenues	31,204,875	3,258	4,952,718	6,239,477
Expenditures:				
Current:				
General government	4,300,382	71,175	3,649,894	-
Public safety	9,351,367	-	-	-
Community development	2,892,426	-	-	-
Parks and recreation	5,658,851	-	-	-
Public works	3,456,112	-	-	7,779,313
Capital outlay	547,682	-	47,529	-
Total Expenditures	26,206,820	71,175	3,697,423	7,779,313
Excess (deficiency) of revenues over expenditures	4,998,055	(67,917)	1,255,295	(1,539,836)
Other financing sources (uses):				
Transfers in	356,966	-	-	1,214,658
Transfers out	(3,139,988)	-	(6,500)	-
Contributions from Successor Agency	-	3,256,795	-	-
Total other financing sources (uses)	(2,783,022)	3,256,795	(6,500)	1,214,658
Net change in fund balances	2,215,033	3,188,878	1,248,795	(325,178)
Fund balances at beginning of fiscal year	50,836,963	39,374,708	13,872,406	2,307,574
Fund balances at end of fiscal year	$ 53,051,996	$ 42,563,586	$ 15,121,201	$ 1,982,396

See accompanying notes to the basic financial statements

Capital Projects Fund		
Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 35,274,571
-	-	1,794,234
-	4,127,132	4,882,336
-	-	3,202,764
-	143,517	699,314
-	84,938	186,542
-	-	7,149
-	245,242	245,242
-	-	709,005
-	4,600,829	47,001,157
-	-	8,021,451
-	-	9,351,367
-	146,895	3,039,321
-	-	5,658,851
-	-	11,235,425
9,852,237	-	10,447,448
9,852,237	146,895	47,753,863
(9,852,237)	4,453,934	(752,706)
6,392,184	-	7,963,808
-	(4,817,320)	(7,963,808)
3,460,053	-	6,716,848
9,852,237	(4,817,320)	6,716,848
-	(363,386)	5,964,142
-	13,362,265	119,753,916
$ -	$ 12,998,879	$ 125,718,058

CITY OF YORBA LINDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2014

Net changes in fund balances - total governmental funds		$ 5,964,142
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	$ 6,325,798	
Depreciation	(3,401,117)	
Gain/(loss) on disposal of capital assets	(12,090)	2,912,591
Governmental funds report compensated absences and other postemployment benefits in the period taken; however, in the statement of activities, such benefits are recorded in the year incurred.		
Change in compensated absence benefits, net	$ (49,396)	
Change in OPEB obligation, net	(942,075)	(991,471)
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.		49,885
Change in net position of governmental activities		$ 7,935,147

CITY OF YORBA LINDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Business-Type Activities - Enterprise Funds			
	Golf	Disposal	Yorba Linda Center Catering	Total
Assets:				
Current:				
Pooled cash and investments	$ -	$ 159,408	$ -	$ 159,408
Receivables:				
Accounts	463,534	51,694	139,251	654,479
Accrued interest	-	40	-	40
Inventories	154,648	-	-	154,648
Total current assets	618,182	211,142	139,251	968,575
Noncurrent:				
Capital assets not being depreciated	12,726,948	-	-	12,726,948
Capital assets - net of accumulated depreciation	14,325,242	-	-	14,325,242
Total noncurrent assets	27,052,190	-	-	27,052,190
Total assets	27,670,372	211,142	139,251	28,020,765
Liabilities:				
Current:				
Accounts payable	389,988	829,910	8,370	1,228,268
Accrued liabilities	13,847	-	-	13,847
Accrued interest payable	33	-	-	33
Unearned revenues	408,553	-	-	408,553
Deposits payable	10,000	-	-	10,000
Due to other funds	4,594,066	-	277,455	4,871,521
Advances from other funds	162,895	-	-	162,895
Total current liabilities	5,579,382	829,910	285,825	6,695,117
Noncurrent:				
Advances from other funds	19,322,295	-	-	19,322,295
Total noncurrent liabilities	19,322,295	-	-	19,322,295
Total liabilities	24,901,677	829,910	285,825	26,017,412
Net position:				
Net investment in capital assets	7,567,000	-	-	7,567,000
Unrestricted	(4,798,305)	(618,768)	(146,574)	(5,563,647)
Total net position (deficit)	$ 2,768,695	$ (618,768)	$ (146,574)	$ 2,003,353

See accompanying notes to the basic financial statements

CITY OF YORBA LINDA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds			
	Golf	Disposal	Yorba Linda Center Catering	Total
Operating revenues:				
Sales and service charges	$ 5,799,564	$ 5,332,477	$ 101,816	$ 11,233,857
Total operating revenues	5,799,564	5,332,477	101,816	11,233,857
Operating expenses:				
Administration and general	4,328,478	-	133,281	4,461,759
Transmission/collection	-	5,188,805	-	5,188,805
Cost of sales and services	863,505	-	23,613	887,118
Depreciation expense	916,231	-	-	916,231
Total operating expenses	6,108,214	5,188,805	156,894	11,453,913
Operating income (loss)	(308,650)	143,672	(55,078)	(220,056)
Non-operating revenues (expenses):				
Interest revenue	-	248	-	248
Interest expense	(287,442)	-	-	(287,442)
Total nonoperating revenues (expenses)	(287,442)	248	-	(287,194)
Changes in net position	(596,092)	143,920	(55,078)	(507,250)
Net position (deficit) at beginning of fiscal year	3,364,787	(762,688)	(91,496)	2,510,603
Net position (deficit) at end of fiscal year	$ 2,768,695	$ (618,768)	$ (146,574)	$ 2,003,353

See accompanying notes to the basic financial statements

CITY OF YORBA LINDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds			
	Golf	Disposal	Yorba Linda Center Catering	Total
Cash flows from operating activities:				
Cash received from customers and users	$ 6,023,238	$ 5,280,783	$ 77,995	$ 11,382,016
Cash paid to suppliers for goods and services	(838,204)	(4,776,986)	(22,271)	(5,637,461)
Cash paid to employees for services	(4,402,318)		(133,281)	(4,535,599)
Net cash provided (used) by operating activities	782,716	503,797	(77,557)	1,208,956
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(240,937)	-	-	(240,937)
Principal paid on capital debt	(15,635,000)	-	-	(15,635,000)
Interest paid on capital debt	(468,737)	-	-	(468,737)
Principal paid on advances from other funds	(159,672)	-	-	(159,672)
Advance from other funds to pay off capital debt	14,110,716	-	-	14,110,716
Net cash provided (used) by capital and related financing activities	(2,393,630)	-	-	(2,393,630)
Cash flows from non-capital financing activities:				
Payments received from other funds	4,594,066	-	77,557	4,671,623
Repayment made to other funds	(4,188,708)	(344,597)	-	(4,533,305)
Net cash provided (used) by non-capital financing activities	405,358	(344,597)	77,557	138,318
Cash flows from investing activities:				
Interest received	-	208	-	208
Net cash provided (used) by investing activities	-	208	-	208
Net increase (decrease) in cash and cash equivalents	(1,205,556)	159,408	-	(1,046,148)
Cash and cash equivalents at beginning of fiscal year	1,205,556	-	-	1,205,556
Cash and cash equivalents at end of fiscal year	$ -	$ 159,408	$ -	$ 159,408
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	$ (308,650)	$ 143,672	$ (55,078)	$ (220,056)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	916,231	-	-	916,231
Decrease (increase) in accounts receivable	223,674	(51,694)	(23,821)	148,159
Decrease (increase) in prepaid costs	1,103	-	-	1,103
Decrease (increase) in inventories	(18,265)	-	-	(18,265)
Increase (decrease) in accounts payable	(17,733)	411,819	1,342	395,428
Increase (decrease) in accrued liabilities	(73,840)	-	-	(73,840)
Increase (decrease) in unearned revenues	60,196	-	-	60,196
Total adjustments	1,091,366	360,125	(22,479)	1,429,012
Net cash provided (used) by operating activities	$ 782,716	$ 503,797	$ (77,557)	$ 1,208,956

See accompanying notes to the basic financial statements

CITY OF YORBA LINDA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	Agency Funds	Private-Purpose Trust Fund Successor Agency of the former RDA
Assets:		
Pooled cash and investments	$ 2,293,864	$ 6,870,699
Accounts receivable	-	5,454
Accrued interest	-	1,099
Land held for resale	-	18,812,640
Restricted assets:		
Cash and investments with fiscal agents	-	24,854,572
Capital assets:		
Capital assets, not being depreciated	-	364,593
Total assets	$ 2,293,864	$ 50,909,057
Liabilities:		
Account payable	$ 212,029	$ 112,445
Accrued interest	-	1,710,757
Deposits payable	2,081,835	-
Long-term debt:		
Due in one year	-	2,043,525
Due in more than one year	-	100,793,782
Total liabilities	$ 2,293,864	104,660,509
Net position (deficit):		
Held in trust for other purposes		$ (53,751,452)

See accompanying notes to the basic financial statements

CITY OF YORBA LINDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FISCAL YEAR ENDED JUNE 30, 2014

	Private-Purpose Trust Fund
	Successor Agency of the Former RDA
Additions:	
Taxes	$ 7,234,112
Interest and change in fair value of investments	211,384
Miscellaneous	7,697
Total Additions	7,453,193
Deductions:	
Administrative expenses	116,795
Contractual services	169,477
Interest expense	4,904,649
Contributions to City	6,716,848
Total Deductions	11,907,769
Changes in net position	(4,454,576)
Net position (deficit) at beginning of fiscal year	(49,296,876)
Net position (deficit) at end of fiscal year	$ (53,751,452)

See accompanying notes to the basic financial statements

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

a. Description of Entity

The City of Yorba Linda (the City) was incorporated in October 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, 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 each other. 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 Public Financing Authority

The Yorba Linda Public Financing Authority (the Authority) was established on July 18, 1989, pursuant to a joint exercise of powers agreement between the City and the Authority. The purpose of the Authority is to enable the City and the Authority to finance public capital improvements. The Authority's financial data and transactions are included in the debt service fund type. Separate financial statements for the Yorba Linda Public Financing Authority have not been prepared.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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, except Agency Funds, which do not have a measurement focus. 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 except for sales tax, which the City considers to be available if collected within 90 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, 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 agency fund and one private purpose trust fund. Agency funds are used to account for situations where the government's role is purely custodial. All assets reported in an agency fund are offset by a liability to the party on whose behalf they are held. 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

- The Housing Fund accounts for the assets and liabilities of the former Yorba Linda Redevelopment Agency low and moderate income housing fund.

- The Library Fund accounts for the revenues and expenditures relating to the operations of the public library.

- The Street Lighting and Maintenance District fund accounts for the revenues and expenditures associated with the maintenance of City-owned street lights and landscaped areas within the districts. Benefiting property owners are assessed their proportionate share of the costs.

- The Capital Improvements Fund accounts for the expenditures of construction of various capital improvements projects throughout the City.

The City reports the following major proprietary funds:

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

- The Disposal Enterprise Fund accounts for the activities associated with residential and commercial refuse collections.

- The Yorba Linda Center Catering accounts for all activities related to the catering operations at the Black Gold Golf Club.

Additionally, the City reports the following fund types:

- One agency 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 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

d. Assets, Liabilities and Net Position or Equity

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments in the Proprietary Funds.

Investments for the City as well as for its component units are reported at fair value. The City's policy is generally to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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 non-current 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."

All trade and property tax receivables are shown net of an allowance for uncollectibles.

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 to be used to pay liabilities of the current period. The County of Orange collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January proceeding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date. The tax levy covers the

Note 1: Summary of Significant Accounting Policies (Continued)

d. Assets, Liabilities and Net Position or Equity (Continued)

Receivables and Payables (Continued)

fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent if unpaid on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent if unpaid on August 31.

Inventories, Prepaid Items and Land Held for Resale

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventory costs are recorded as an expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Land purchased for resale is capitalized as inventory 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 to $100,000, dependent on asset class type (amount not rounded) 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 are recorded at estimated fair market 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.

The Governmental Accounting Standards Board (GASB) issued Statement No. 34, which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. GASB Statement No. 34 defines infrastructure assets 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

Note 1: Summary of Significant Accounting Policies (Continued)

d. Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets (Continued)

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.

In accordance with GASB Statement No. 34, 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) perform condition assessments and summarize the results using a measurement scale, and (3) estimate annual amount to maintain and preserve at the established condition assessment level.
- The City documents that eligible infrastructure capital assets are being preserved approximately at or above the established disclosed assessment.

For all other capital assets, the City has elected to use the Basic Approach as defined by Statement No. 34. Accordingly, these capital assets are depreciated 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 and computers	1 - 10
Vehicles	5 - 10
Infrastructure	5 - 100

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

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has no items at this time that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the 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.

Note 1: Summary of Significant Accounting Policies (Continued)

d. Assets, Liabilities and Net Position or Equity (Continued)

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 government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government'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 pay benefits. City employees have an option to use 100% of their unused sick pay benefits for future medical expenses upon retirement. City employees receive from 10 to 20 days vacation each year depending on the length of service. All vacation and sick pay is accrued when incurred 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.

Note 1: Summary of Significant Accounting Policies (Continued)

d. Assets, Liabilities and Net Position or Equity (Continued)

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, including Library Services.

- 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.

- Public Works includes those activities that involve the maintenance and improvement of City streets and roads.

Fund Equity

In the fund financial statements, governmental funds report the following fund balance classifications:

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

Restricted includes amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws 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 resolution or minute action.

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, which was established by the governing body in a resolution.

Unassigned includes the residual amounts that have not been restricted, committed, or assigned to specific purposes.

Note 1: Summary of Significant Accounting Policies (Continued)

d. Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity (Continued)

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as adoption of an ordinance or resolution. 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.

Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. Pursuant to the City's fund balance policy established by the City Council by resolution, it has delegated the authority to assign amounts to be used for specific purposes to the City Manager or Finance Director for the purpose of reporting these amounts on the annual financial statements.

e. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 66

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 66, *Technical Correction - 2012*. This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement No. 54 and Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement No. 62 and Statements No. 13*, Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. Implementation of the GASB Statement No. 66 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 67

For the fiscal year ended June 30, 2014, the City implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*. This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50 *Pension Disclosures* as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

Note 1: Summary of Significant Accounting Policies (Continued)

e. New Accounting Pronouncements (Continued)

Governmental Accounting Standards Board Statement No. 67 (continued)

The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. Implementation of the GASB Statement No. 67 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 70

For the fiscal year ended June 30, 2014, the City implemented GASB Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*. This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are non-exchange transactions. Implementation of the GASB Statement No. 70 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. Deficit Fund Balance

The Aid to Cities fund had a deficit fund balance of $403,633 at June 30, 2014. The Aid to Cities deficit will be funded with future revenues. The HCD Grant fund had a deficit fund balance of $9,907 at June 30, 2014. The HCD Grant deficit will be funded with future grant reimbursements. The Capital Improvements Fund had a deficit fund balance of $45,250 at June 30, 2014. This was due to a subsequent legal settlement and will be funded in with future revenues. See Note 15 for more details.

b. Excess of Expenditures over Appropriations in Individual Funds:

	Expenditures	Appropriations	Excess
Major Governmental Funds:			
Street Lighting & Maintenance District	$ 7,779,313	$ 7,410,702	$ 368,611

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

Statement of Net Position:		
Cash and investments	$	56,434,976
Restricted cash and investments		7,500
Statement of Fiduciary Net Position:		
Cash and investments		9,164,563
Cash and investments with Fiscal Agents		24,854,572
Total Cash and Investments	$	90,461,611

Cash and investments as of June 30, 2014 consist of the following:

Petty Cash	$	2,410
Deposits with financial institutions		8,433,934
Investments		82,025,267
Total Cash and Investments	$	90,461,611

The City of Yorba Linda 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 the combined balance sheet as cash and investments. The City has adopted an investment policy that authorizes it to invest in various investments.

Deposits

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a 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.

Note 3: Cash and Investments (Continued)

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (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 California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
United States (U.S.) Treasury Issues	5 years	25%	None
U.S. Government Agency Securities	5 years	25%	None
Certificates of Deposit	5 years	30%	50%
Bankers Acceptance	180 days	40%	30%
Commercial Paper	180 days	30%	10%
Medium Term Corporate Notes	5 years	30%	50%
Negotiable Certificates of Deposit	5 years	30%	50%
Money Market Mutual Funds	None	20%	None
Passbook Savings/Money Market	5 years	None	50%
Local Agency Investment Fund (LAIF)	None	None	$50 million

* Based on state law requirements or investment policy requirements, whichever is more restrictive

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 California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by 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 Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	360 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	None	None	None
Investment Agreements	None	None	None
Local Agency Bonds	None	None	None
Medium Term Notes	None	None	None
Negotiable Certificate of Deposits	None	None	None
Local Agency Investment Fund (LAIF)	None	None	None

Note 3: Cash and Investments (Continued)

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, 2014, the City had the following investments and original maturities:

	Remaining Investment Maturities				
	6 months or less	6 months to 1 year	1 to 3 years	3 to 5 years	Fair Value
Federal Agency Securities:					
Federal Home Loan Bank	$ -	$ -	$ -	$ 7,908,640	$ 7,908,640
Federal Farm Credit Bank	-	-	-	7,966,360	7,966,360
Federal Home Loan Mortgage Corp.	-	-	-	1,990,100	1,990,100
Federal National Mortgage Assn.	-	4,041,560	-	9,972,740	14,014,300
Certificates of Deposit	750,000	105,000	-	-	855,000
Money Market	1,306,976	-	-	-	1,306,976
Local Agency Investment Fund	23,129,319	-	-	-	23,129,319
Held by Fiscal Agent:					
Certificates of Deposit	-	-	1,970,000	-	1,970,000
Money Market Mutual Funds	22,884,572	-	-	-	22,884,572
	$ 48,070,867	$ 4,146,560	$ 1,970,000	$ 27,837,840	$ 82,025,267

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. 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 California Government Code, the City's investment policy, or debt agreements, and the actual rating, by Standards and Poor, as of fiscal year end for each investment type:

			Rating as of Fiscal Year End			
Investment Type	Amount	Minimum Legal Rating	AAA	AA+	AA-	Not Rated
Federal Agency Securities						
Federal Home Loan Bank	$ 7,908,640	N/A	$ -	$ 7,908,640	$ -	$ -
Federal Farm Credit Bank	7,966,360	N/A	-	7,966,360	-	-
Federal Home Loan Morgtage Corp.	1,990,100	N/A	-	1,990,100	-	-
Federal National Mortgage Assn.	14,014,300	N/A	-	14,014,300	-	-
Certificates of Deposit	855,000	N/A	-	-	855,000	-
Money Market Funds	1,306,976	N/A	-	-	-	1,306,976
Local Agency Investment Fund	23,129,319	N/A	-	-	-	23,129,319
Held by Fiscal Agent:						
Certificates of Deposit	1,970,000	N/A	-	-	1,970,000	-
Money Market Funds	22,884,572	N/A	-	-	-	22,884,572
Totals	$ 82,025,267		$ -	$ 31,879,400	$ 2,825,000	$ 47,320,867

Note 3: Cash and Investments (Continued)

Concentration of Credit Risk

The City is in compliance with restrictions imposed by its investment policy, which limits certain types of investments. In addition, GASB 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount	Maturity
Federal Home Loan Bank	Federal agency securities	$ 7,908,640	2017-2019
Federal Farm Credit Bank	Federal agency securities	7,966,360	2017-2019
Federal National Mortgage Corp.	Federal agency securities	14,014,300	2015-2019

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, 2014, none of the City's deposits or investments were exposed to custodial credit risk.

Investments in State 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. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

GASB Statement No. 31

The City adopted GASB Statement No. 31, Accounting and Financial Reporting for certain investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

Note 4: Capital Assets

The City elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its street pavement system. 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 were reported using the Basic Approach whereby accumulated depreciation and depreciation expense have been recorded.

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Increases	Decreases	Transfers	Balance June 30, 2014
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	$ 29,410,822	$ -	$ -	$ -	$ 29,410,822
Street pavement infrastructure	200,603,744	-	-	-	200,603,744
Construction In Progress	4,762,540	4,442,528	-	(1,142,891)	8,062,177
Total Capital Assets Not Being Depreciated	234,777,106	4,442,528	-	(1,142,891)	238,076,743
Capital Assets, Being Depreciated:					
Buildings and improvements	54,549,918	577,533	-	115,170	55,242,621
Machinery and equipment	9,021,705	618,523	52,794	130,151	9,717,585
Motor vehicles	1,275,179	161,712	-	-	1,436,891
Other Infrastructure	122,675,346	525,502	-	897,570	124,098,418
Total Capital Assets Being Depreciated	187,522,148	1,883,270	52,794	1,142,891	190,495,515
Less Accumulated Depreciation:					
Buildings and improvements	20,493,302	1,287,086	-	-	21,780,388
Machinery and equipment	7,156,461	570,533	40,704	-	7,686,290
Motor vehicles	971,114	95,402	-	-	1,066,516
Other Infrastructure	27,879,485	1,448,096	-	-	29,327,581
Total Accumulated Depreciation	56,500,362	3,401,117	40,704	-	59,860,775
Total Capital Assets Being Depreciated, Net	131,021,786	(1,517,847)	12,090	1,142,891	130,634,740
Governmental Activities Capital Assets, Net	$ 365,798,892	$ 2,924,681	$ 12,090	$ -	$ 368,711,483

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

Governmental Activities:	
General government	$ 709,709
Public safety	1,468,399
Community development	1,103,437
Parks and recreation	52,040
Public works	67,532
Total	$ 3,401,117

Note 4: Capital Assets (Continued)

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 12,726,948	$ -	$ -	$ 12,726,948
Total Capital Assets Not Being Depreciated	12,726,948	-	-	12,726,948
Capital Assets, Being Depreciated:				
Structures and improvements	20,987,301	204,257	-	21,191,558
Machinery and equipment	2,379,316	36,680	110,345	2,305,651
Total Capital Assets Being Depreciated	23,366,617	240,937	110,345	23,497,209
Less Accumulated Depreciation:				
Structures and improvements	7,135,175	690,114	-	7,825,289
Machinery and equipment	1,230,906	226,117	110,345	1,346,678
Total Accumulated Depreciation	8,366,081	916,231	110,345	9,171,967
Total Capital Assets Being Depreciated, Net	15,000,536	(675,294)	-	14,325,242
Business-Type Activities Capital Assets, Net	$ 27,727,484	$ (675,294)	$ -	$ 27,052,190

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

Golf course	$ 916,231
	$ 916,231

Note 5: Long-Term Receivables

Loans Receivable (Net)

Contracts and notes receivable as of June 30, 2014, totaled $36,783,961 and were recorded as follows in the Housing Fund:

Disposition and Development Agreement

Southern California Housing Development Corporation

In March 1997, the former Redevelopment Agency (the Agency) entered into a Disposition and Development Agreement (DDA) with Southern California Housing Development Corporation (the Corporation) for the sale of real property and the rehabilitation of a 70-unit apartment complex. To assist the developer in the acquisition of the property, the Agency provided a loan in the amount of $2,418,000, which accrues interest at the rate of 10% per annum. The Corporation began making payments on this note in 2000-2001. The outstanding balance at June 30, 2014, was $326,536.

Owner Participation Agreements

AHP Parkwood, L.P.

During fiscal year 2002-2003, the former Redevelopment Agency (the Agency) entered into an Owner Participation Agreement (OPA) and Regulatory Agreement with developer AHP Parkwood, L.P. (AHP) for the development of a 101-unit housing project designed for low-income senior citizens. Ninety-nine of the units will be rent-restricted for 55 years. The Agency is providing $3,100,000 toward the total development cost of $11,570,000. In return, the Agency is granted a security interest pursuant to a deed of trust in the property where the project will be constructed. The developer is required to pay 12.75% of its net cash flow to the Housing Successor Agency over the 55 year covenant period; however, 1/55th of the debt and any accrued interest under this Residual Receipts Promissory note shall be forgiven each year provided AHP continues to operate the project as defined in the OPA. The documents were amended in April 2003 to defer the forgiveness of any debt during the first 15 years, thereby avoiding classification of the forgiveness as income under Internal Revenue Service regulations. Following this period, the amount due under the note during the first 15 years shall be forgiven and an additional 1/55th of the subsidy is forgiven each year thereafter at the request of AHP. During fiscal year 2003-2004, the Agency adopted a resolution approving the subordination of the Agency's trust deed, OPA, and Regulatory Agreement in order to facilitate obtaining construction financing by the developer. At June 30, 2014, the outstanding balance was $3,100,000.

Yorba Linda Family Partners, L.P.

In March 2004, the former Redevelopment Agency (Agency) entered into an Owner Participation Agreement (OPA) with Yorba Linda Family Partners, L.P. (Owner) for the construction of a 44-unit apartment complex designed for low-income families. The Redevelopment Plan is incorporated by reference and this OPA is subject to the provisions of the Redevelopment Plan. Subject to the terms, conditions and limitations of the Agreement, the Agency will provide the Owner with financial assistance in the form of a loan up to the maximum amount of $2,200,000 toward

Note 5: Long-term receivables (Continued)

Yorba Linda Family Partners, L.P. (Continued)

the total development cost of $11,025,000. This loan will bear simple interest at 3% per annum. In return, the Agency will be granted a security interest pursuant to a subordinated deed of trust in the property where the project will be constructed. The Owner will be required to pay 15% of all Residual Receipts (net cash flow) to the Housing Successor Agency over the 55 year covenant period. However, at any time on or after the 15th anniversary date of the Residual Receipts Promissory Note, the Owner may request that the Housing Successor Agency forgive all then-unpaid and accrued principal and interest of the note. At June 30, 2014, the outstanding balance was $2,200,000.

Yorba Linda Housing Partners, L.P.

In May 2006, the former Redevelopment Agency (the Agency) entered into an Owner Participation Agreement (OPA) and Affordable Housing Agreement with Yorba Linda Housing Partners, L.P. (Owner) for the purchase and rehabilitation of a multi-family apartment complex commonly known as "Linda Gardens Apartments." The Project will consist of substantially rehabilitating and developing the Property in order to create 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. Subject to the terms, conditions and limitations of the Agreement, the Agency will provide the Owner with financial assistance by providing: (1) a loan of $7,400,000 to assist the Developer in financing the acquisition of the Property (Agency Acquisition Loan), and (2) a loan not to exceed $5,376,000 to assist the Developer in financing the development of the Project (Development Loan). In June 2008, the Owner 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 brings the total maximum loan to $12,976,000. The Acquisition Loan will be rolled into the Development Loan. The loan will bear simple interest at 3% per annum and will be repaid over the 55 year covenant period. The Agreement also provides that payments toward principal and interest shall not commence until the operation of the Project has generated Residual Receipts calculated annually. The outstanding balance at June 30, 2014, was $12,631,934.

Victoria Woods

The former Redevelopment Agency (the Agency) entered into an Owner Participation Agreement (OPA) with Stonehaven Associates, LP (Owner) for the purpose of developing and providing a senior, multi-family affordable housing project known as "Victoria Woods". The Project will consist of constructing 124 apartment units, and one manager's unit, including recreational and parking amenities. Subject to the terms, conditions and limitations of the Agreement, the Agency will provide the Owner with financial assistance by providing a loan of $720,000 to assist the Developer in developing the project. The loan does not bear interest. Each year 1/55th (or $13,090.90) of the original loan amount will be forgiven until year 55. The outstanding balance at June 30, 2014, was $497,455.

Note 5: Long-term receivables (Continued)

Affordable Housing Agreement

Evergreen Villas LP

In December 2009, the former Redevelopment Agency (the Agency) entered into an Affordable Housing Agreement (AHA) with Evergreen Villas, LP (Owner) for the purchase and rehabilitation of a multi-family condominium complex commonly known as "Evergreen Condominiums". The project will consist of rehabilitating all 26 condominium units and offer them at rents affordable to and to be occupied by very low-income occupants. The Agency desires to assist in the development of the Project by providing financial assistance in the form of a subordinate financing loan in the amount not to exceed $3,254,200 consisting 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 expense associated with the Project. The loan will bear 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. An additional amount of $744,142 was loaned during fiscal year 2013-2014. The total outstanding balance at June 30, 2014, for Evergreen Villas was $9,695,840.

National Community Renaissance of California LP

In March 2011, the former Redevelopment Agency (the Agency) entered into an Affordable Housing Agreement (AHA) with National Community Renaissance of California, LP (Owner) for the construction of 43 apartment units for extremely low, very low and low income residents. The AHA provides for Agency funds to be used as follows. An Agency acquisition loan will be made in an amount not to exceed $5,075,250 to close escrow on the property. This loan will be secured by a promissory note which National CORE is not obligated to pay until it has received its tax credits, at which time the entire loan amount will be rolled into the balance of the Agency development loan. An Agency development loan in an amount not to exceed $3,257,227 towards the construction costs will be made. National CORE will repay the Agency development loan, including the rolled-over acquisition 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. The principal and accrued interest shall not commence until the operation of the project has generated residual receipts. The Agency has loaned the developer $8,332,196 which is the outstanding balance at June 30, 2014.

Advances to Successor Agency of Former RDA

The advances to the Successor Agency of the former Redevelopment Agency (RDA) consist of $6,035,572 loans made to the former RDA to assist in various Redevelopment projects and a $3,815,853 advance to make the SERAF payment. The total outstanding balance at June 30, 2014, was $9,851,425.

Note 6: Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2014, was as follows:

a. Due To / From Other Funds

Paying Funds	Amount	Receiving Funds	Amount
Major Governmental Fund		Major Governmental Fund	
General Fund	$ 118,831	Capital Improvements	$ 314,970
Nonmajor Governmental Funds			
Gas Tax	140,902		
Aid to Cities	43,141		
HCD Grant	1,863		
Measure M	5,619		
Street and Traffic Signal Improvements	4,614		
	$ 314,970		
Nonmajor Governmental Funds		Major Governmental Fund	
Aid to Cities	$ 255,117	General Fund	$ 5,291,146
Traffic Safety	357		
HCD Grant	164,151		
Proprietary Funds			
Golf Course	4,594,066		
Yorba Linda Center Catering	277,455		
	$ 5,291,146		
Totals	$ 5,606,116		$ 5,606,116

Interfund balances are the result of short term borrowing to cover negative cash balances and operating shortages at June 30, 2014 as well as from the time lag between the dates that reimbursable expenditures occur and the dates the related revenues are received. All balances are expected to be reimbursed within the subsequent year.

b. Advances To/From Other Funds

Receiving Fund	Amount	Paying Fund	Amount
Golf Course	$19,485,190	General Fund	$19,485,190
Totals	$19,485,190		$19,485,190

Advances to the Golf Course fund are the result of the following:

a. Various advances to the Golf Course fund from the General Fund for capital projects when the Golf Course was initially built. There is no set repayment schedule or an accrued interest rate at this time. The balance as of June 30, 2014 was $4,702,899.

b. During the 2012-2013 fiscal year, the General Fund advanced the Golf Course fund $831,247 for the purchase of equipment. The total balance outstanding at June 30, 2014, was $671,575.

c. During the 2013-2014 fiscal year, the General Fund advanced the Golf Course fund $14,110,716 to pay off the remaining principal balance of the Golf Course's 2003 Revenue bonds, and related fees. See Note 7 for more details.

Note 6: Interfund Receivables, Payables and Transfers (Continued)

c. Interfund Transfers

Receiving Funds	Amount	Paying Funds	Amount
General Fund	$ 356,966	Nonmajor Governmental	$ 356,966
Capital Improvements	$ 6,392,184	General Fund	$ 1,925,330
		Library	6,500
		Nonmajor Governmental	4,460,354
			$ 6,392,184
Street Lighting and Maintenance	$ 1,214,658	General Fund	$ 1,214,658
Totals	$ 7,963,808		$ 7,963,808

During the fiscal year, certain funds made payments to the General Fund for administrative costs incurred. These transfers to the General Fund for the fiscal year amounted to $356,966. The funding sources to account for capital projects were reported as transfers from various funds to the Capital Improvements fund for the amount of $6,346,934. Transfers from the General Fund to the Street Lighting and Maintenance of $1,214,658 were for support of expenditures incurred.

Note 7: Long-Term Debt

a. Long-Term Debt – Governmental Activities

The following is a summary of changes in long-term debt of the City's governmental activities for the fiscal year ended June 30, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
Claims and judgments	$ 150,414	$ -	$ -	$ 150,414	$ -
Compensated absences	957,575	749,856	700,460	1,006,971	385,724
OPEB obligation (Note 11)	6,090,600	1,482,763	540,688	7,032,675	-
Total	$ 7,198,589	$ 2,232,619	$ 1,241,148	$ 8,190,060	$ 385,724

Note 7: Long-Term Debt (Continued)

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

Claims and Judgments

The City accounts for material claims and judgments in accordance with GASB Cod. Sec.C50. When it is probable that a claim liability has been incurred at fiscal year-end and the amount of the loss can be reasonably estimated, the City records the estimated loss including a provision for incurred but not reported claims, net of any insurance coverage under its self-insurance program.

At June 30, 2014, 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 which the City believes is adequately covered as described in the following paragraphs. Small dollar claims and judgments are recorded as expenditures when paid.

The City is a member of the California Insurance Pool Authority (CIPA) which provides: (a) a risk-sharing pool for general liability claims in excess of the self-insured retention level up to $2,000,000, and (b) a non-risk sharing insurance-purchasing pool for liability claims in excess of $2,000,000 up to $20,000,000 per occurrence. The City's self-insured retention is $250,000.

The City has obtained excess insurance coverage from an outside commercial insurance company through CIPA's non-risk sharing workers' compensation insurance purchasing program. The policy provides coverage for claims in excess of the $250,000 self-insured retention level up to the California statutory limits for workers' compensation.

A liability as of June 30, 2014, of $150,414 is reported in the Statement of Net Position for general liability and workers' compensation claims and judgments. There were no new claims or payments during the 2013-2014 fiscal year.

Changes in the balance of claims and liabilities for the fiscal years ended June 30, 2013 and 2014, including a provision for incurred but not reported claims were as follows:

Fiscal Year Ending	Claims Payable Beginning	Claims and Changes in Estimated	Claims Payments	Claims Payable Ending
2013	$ 875,342	$ 4,074	$ 729,002	$ 150,414
2014	150,414			150,414

There have been no significant changes to insurance coverage as compared to last year and 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 of the Notes to Financial Statements. This liability will be paid in the future from the general fund. The outstanding balance at June 30, 2014, was $1,006,971.

Note 7: Long-Term Debt (Continued)

b. Long-Term Debt – Business-Type Activities

The following is a summary of changes in long-term debt of the City's business-type activities for the fiscal year ended June 30, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
2003 Revenue Bonds	$ 15,635,000	$ -	$ 15,635,000	$ -	$ -
Advance from the City of Yorba Linda	5,534,145	14,110,716	159,671	19,485,190	162,895
Total	$ 7,198,589	$ 14,110,716	$ 15,794,671	$ 19,485,190	$ 162,895

2003 Revenue Bonds Payable

During the 2013-2014 fiscal year, the remaining balance of $15,635,000, of the 2003 Revenue Bonds Payable was paid off. $1,574,014 was paid with the remaining balance in the cash with fiscal agent account, and the City of Yorba Linda paid the remaining $14,060,986 on behalf of the Black Gold Golf Course. The City of Yorba Linda also paid $49,732 in refunding fees, for a total of $14,110,718 paid on behalf of the Black Gold Golf Course. An advance to the Black Gold Golf Course from the City of Yorba Linda liability was created as a result of this transaction. The Black Gold Golf Course will eventually pay back the advance to the City or Yorba Linda; currently, there is no repayment schedule in place.

Advance from the City of Yorba Linda to purchase equipment

During the 2012-2013 fiscal year, the City of Yorba Linda paid for equipment on behalf of the Black Gold Golf Course. An advance to the Black Gold Golf Course from the City of Yorba Linda liability was created as a result of this transaction. The total amount paid on the advance was $159,671 for the fiscal year ended June 30, 2014. The future minimum advance payments relating to the advance are as follows:

Fiscal Year Ending June 30,	Amount
2015	$ 162,895
2016	166,183
2017	169,537
2018	172,960
	$ 671,575

Note 8: Operating Leases

Club Car Lease

During fiscal year 2010-2011, the Enterprise Funds entered into an operating lease agreement with De Lage Landen Public Finance LLC for 85 golf cars, and certain other golf course equipment. The total amount paid for the lease was $85,597 for the fiscal year ended June 30, 2014. The future minimum lease payments relating to this lease are as follows:

Fiscal Year Ending June 30,	Amount
2015	$ 146,885
	$ 146,885

Note 8: Operating Leases (Continued)

Golf Cart GPS Lease

During the fiscal year 2013-2014, The Golf Course Enterprise Fund entered into an operating lease agreement with GPSi Leasing LLC for 87 golf car GPS units for a period of four years. The total amount paid for the lease was $24,534 for the fiscal year ended June 30, 2014. The future minimum lease payments relating to this lease are as follows:

Fiscal Year Ending June 30,	Amount
2015	$ 49,068
2016	49,068
2017	49,068
2018	24,534
	$ 171,738

Copier Lease

During the fiscal year 2011-2012, The City entered into an operating lease with Canon U.S.A., Inc. for seven copiers for the City, Parks and Recreation Department, and the Library for a period of five years. The total amount paid for the leases was $37,212 for the fiscal year ended June 30, 2014. The future minimum lease payments relating to this lease are as follows:

Fiscal Year Ending June 30,	Amount
2015	$ 37,212
2016	35,773
2017	13,707
	$ 86,692

Note 9: Other Special Obligation

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 long-term debt obligation 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 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, 2014, is $2,103,814.

VI. Other information

Note 10: City Employees Retirement Plan (Defined Benefit Pension Plan)

Plan Description

The City of Yorba Linda contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries.

PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office located at: 400 P Street, Sacramento, California 95814.

Funding Policy

Classic members, individuals employed by the City or another public agency prior to January 1, 2013, and who had membership with a previous reciprocal retirement system, are required to contribute 7% of their annual covered salary. As of July 1, 2013, the City employees are required to contribute 2.5% of their 7% contribution rate. The City makes the remaining contributions required of City employees on their behalf and for their account. New members, individuals hired by the City after January 1, 2013, are required to contribute 6.75% of their annual covered salary. The City is required to contribute at an actuarially determined rate; the current rate is 17.263% for miscellaneous employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For fiscal year 2013-2014, the City's annual pension cost of $1,870,800 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method.

The summary of principal assumptions and methods used to determine the annual required contribution is shown below:

Valuation Date	June 30, 2011
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	27 years as of the Valuation Date
Asset Valuation Method	15-Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.50% (net of administrative expenses)
Projected Salary Increases	3.50% to 14.20% depending on age, service and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.75% and an annual production growth of 0.25%.

Note 10: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30 year rolling period, which results in an amortization of 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

The annual pension cost for the 2012, 2013, and 2014 fiscal years is as follows:

Annual Pension Cost (Employer Contribution)

Three-Year Trend Information for PERS
(Amounts in Thousands)

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	$ 1,543	100%	$ -
6/30/2013	1,639	100%	-
6/30/2014	1,868	100%	-

The Schedule of Funding Progress for PERS presented as Required Supplementary Information following the Notes to the Financial Statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Note 11: Other Postemployment Employee Benefits

Plan Description

The City provides other postemployment benefits (OPEB) through the Public Employees' Medical and Hospital Care Act (PEMHCA), a single-employer defined benefit healthcare plan administered by the California Public Employees' Retirement System (CalPERS), by contributing a predetermined monthly maximum of $1,167 for each eligible retiree and their dependents that are eligible to participate in the PERS Health Plan. In addition, there is a maximum dental benefit of $2,000 and maximum vision benefit of $275, per eligible individual per year. These benefits are provided per contract between the City and the employee associations. 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.

Note 11: Other Postemployment Employee Benefits (Continued)

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. Currently, contributions are not required from plan members. A contribution of $446,098 was made during the 2013-2014, fiscal year. The purpose of the contributions was to cover the pay-as-you-go financing requirements.

As a result, the City calculated and recorded a Net OPEB Obligation, representing the difference between the Annual Required Contribution (ARC) and actual contributions, as presented in the following table:

Annual required contribution (ARC)	$ 1,625,226
Adjustment for interest	(401,314)
Adjustment to ARC	258,851
Annual OPEB cost	1,482,763
Contributions made	(446,098)
Implicit Subsidy Payment	(94,590)
(Decrease) increase in Net OPEB obligation	942,075
Net OPEB obligation (asset) June 30, 2013	6,090,600
Net OPEB obligation (asset) June 30, 2014	$ 7,032,675

The City contributed 36.46% of the adjusted ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover the annual normal cost and the amortization of unfunded actuarial liabilities (or funding excess) over a thirty year period.

Annual OPEB Costs and Net OPEB Obligation (Asset)

For the fiscal year 2013-2014, the City's annual OPEB cost (expense) is $1,482,763. Information on the annual OPEB cost, percentage of Annual OPEB cost contributed, and Net OPEB Obligation is only available for the last three fiscal years, as presented below:

Fiscal Year Ending	Annual OPEB Cost	Actual Contribution (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2012	$ 1,672,605	$ 535,396	32%	$ 5,090,662
6/30/2013	1,583,193	583,255	37%	6,090,600
6/30/2014	1,482,763	540,688	36%	7,032,675

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Note 11: Other Postemployment Employee Benefits (Continued)

The schedule of funding progress for OPEB presented as Required Supplementary Information following the Notes to the Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The most recent and available information is shown.

Actuarial Methods and 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.

In the January 1, 2014, actuarial valuation, the Individual Entry Age Actuarial Cost Method was used. The actuarial assumptions include a payroll growth rate of 3.00%, a discount rate of 4.25%, an inflation rate of 2.75%, and ultimate rate of medical inflation of 5.00%. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level dollar amount over a closed 30 year period beginning January 1, 2014. The remaining amortization period at June 30, 2014, is 24 years. The number of active participants is 105 and the number of eligible retirees is 78.

Note 12: Self-Insurance Program

a. Description of Self-Insurance Pool

The City of Yorba Linda is a member of the California Insurance Pool Authority (CIPA). CIPA, a consortium of 12 cities in Orange County, California, was established to pool resources, share risks, purchase excess insurance and share costs for professional risk management and claims administration. Member cities may be assessed the difference between funds available and the $20,000,000 annual aggregate in proportion to their annual premium. 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 is to receive assistance from the Authority 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.

Note 12: Self-Insurance Program (Continued)

b. Self-Insurance Programs of the Authority

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 California Insurance Pool Authority (CIPA) for individual claims in excess of the City's self-insurance retention limits. Claims are processed by an outside insurance service that administers the programs.

The general liability program provides for self-insurance up to a maximum of $250,000 per occurrence with excess insurance coverage purchased through CIPA up to a maximum of $25,000,000 per claim. Workers' compensation claims that exceed the City's self-insured level of $250,000 are insured through coverage purchased by CIPA up to California's statutory limits of workers' compensation.

Estimates for all liabilities up to the self-insured levels and including a provision for incurred but not reported claims, have been included in the long-term debt obligations as of June 30, 2014, as follows:

General Liability Claims	$ 146,340
Workers' Compensation Claims	4,074
Total Claims Payable	$ 150,414

Note 13: Joint Ventures

Orange County Fire Authority

In January 1995, the City of Yorba Linda 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, Yorba Linda and the County of Orange to create the Orange County Fire Authority (Authority). The purpose of the Authority is to provide for mutual fire protection, prevention and suppression services, and related and incidental services including, but not limited to, emergency medical and transport services, as well as providing facilities and personnel for such services.

The effective date of formation was March 1, 1995. The Authority's governing board consists of one representative from each City and two from the County. The operations of the Authority are funded with structural fire fees collected by the County through the property tax roll for the unincorporated area 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, 2014. Upon dissolution of the Authority, all surplus money and property of the Authority will be conveyed or distributed to each member in proportion to all funds provided to the Authority by that member or by the County on behalf of that member during its membership. Complete financial statements may be obtained from the Orange County Fire Authority, 1 Fire Authority Road, Building A, Irvine, CA 92602.

Note 14: Contingent Liabilities

a. The City of Yorba Linda has been named as a defendant in numerous lawsuits and claims arising in the course of operations. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable financial loss to the City, such loss has been accrued in the accompanying combined financial statements.

b. In June 2004, the Agency and the Placentia-Yorba Linda Unified School District (PYLUSD) settled their dispute regarding the additional payments owed under the Agency's tax increment pass-through agreements to the PYLUSD. The final settlement totals $6,569,106 and is to be paid as tax increment is available for repayment. Based on the annual pass-through calculation, there may be additional amounts deferred each year. The balance due is included in deferred pass-through payments in the City's governmental activities long-term debt.

Note 15: Subsequent Events

Management of the City has evaluated subsequent events through December 31, 2014, the date these financial statements were available to be issued, and has determined the following items were material events requiring disclosure:

Community Association of Green Hills/Edward Jackson Settlement

In August 2014, the City reached a settlement agreement to pay $261,179 to property owners in the Community Association of Green Hills, in regards to alleged overcharges on their property for the Landscape and Maintenance Assessment District. This amount has been accrued in the 2013-2014 fiscal year financial statements.

Community Center Kitchen Remodel

In November 2014, the City reached a settlement agreement to pay $45,250 to Western Alta for liquidated damages withheld from Western Alta. This amount has been accrued in the 2013-2014 fiscal year financial statements.

Note 16: 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).

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

a. Cash and Investments

The following is a summary of cash and investments at June 30, 2014:

Cash and investments	$ 6,870,699
Restricted cash and investments	24,854,572
	$ 31,725,271

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 is reported in Note 3.

b. Land Held for Resale

At June 30, 2014, land held for resale in the amount of $18,812,640 is recorded at cost in the Successor Agency.

c. Capital Assets

The following is a summary of capital assets for the Successor Agency as of June 30, 2014:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Capital Assets, Not Being Depreciated:				
Land	$ 364,593	$ -	$ -	$ 364,593
Total Capital Assets Not Being Depreciated	364,593	-	-	364,593
Total Capital Assets, Net	$ 364,593	$ -	$ -	$ 364,593

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

d. Long-Term Debt

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2014, follows:

	Balance July 1, 2013	Accreted Interest	Additions	Deletions	Balance June 30, 2014	Due Within One Year
Tax Allocation Bonds	$ 74,224,713	$1,474,499	$ -	$3,585,000	$ 72,114,212	$ 2,043,525
Deferred pass-through payments - PYLUSD	20,916,404	-	-	-	20,916,404	-
Advance from Housing Fund - SERAF Loan	3,815,853	-	-	-	3,815,853	-
Advance from City	6,035,572	-	-	-	6,035,572	-
Total	$ 104,992,542	$1,474,499	$ -	$3,585,000	$ 102,882,041	$ 2,043,525
				Unamortized premium	39,680	
				Unamortized discount	(84,414)	
					$ 102,837,307	

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.

Tax Allocation Bonds

The former Redevelopment Agency pledged, as security for bonds issued, a portion of property tax increment revenue, including Low and Moderate Income Housing set-aside that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing 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. Total principal and interest remaining on the debt is $132,076,627 payable through 2033. For the current fiscal year, the total property tax revenue recognized by the Successor Agency was $7,234,112 and the debt service obligation paid on the bonds, including interest, was $6,186,483.

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

1993 Tax Allocation Bonds

On December 15, 1993, the Yorba Linda Redevelopment Agency issued $35,686,002 in 1993 Tax Allocation Bonds with interest rates ranging from 3.5% to 5.25% to advance refund $17,115,000, which represented a portion of the outstanding 1989 Tax Allocation Bonds and $1,825,000 principal amount of 1986 Certificates of Participation. Serial bonds totaling $4,340,000 are payable in amounts ranging from $265,000 to $545,000 per year on September 1 of each year, commencing September 1, 1996, through September 1, 2008, and bear interest at rates from 3.5% to 5.1%. Term bonds totaling $12,205,000 and $14,000,000 are due on September 1, 2014 and 2023, respectively, at an interest rate of 5.25%. Capital appreciation serial bonds with an original amount totaling $2,826,489 are due on each September 1, commencing September 1, 2014 through 2016. Capital appreciation term bonds with an original amount totaling $2,314,513 are due on September 1, 2019. The outstanding balance, including the accreted value of $11,550,633 of the capital appreciation bonds, at June 30, 2014, was $30,691,635.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2015	$ 1,003,525	$ 2,971,474
2016	936,824	3,033,176
2017	886,140	3,088,860
2018	816,821	3,154,093
2019	770,755	3,200,484
2020-2024	14,726,937	4,760,312
Total	19,141,002	$ 20,208,399
Accretion	11,550,633	
Total	$ 30,691,635	

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 are payable in amounts ranging from $1,030,000 to $1,325,000 per year on September 1 of each year, commencing September 1, 2002 through September 1, 2009, and bear interest at rates from 4.00% to 5.00%. 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 $5,956,075 of the capital appreciation bonds at June 30, 2014, was $10,442,577.

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2015	$ -	$ -
2016	-	-
2017	-	-
2018	-	-
2019	-	-
2020-2024	-	-
2025-2029	4,486,502	15,388,497
Total	4,486,502	$ 15,388,497
Accretion	5,956,075	
Total	$ 10,442,577	

2005 Taxable Tax Allocation Bonds (Subordinate Lien), Series A

On April 1, 2005, the Yorba Linda Redevelopment Agency issued $9,855,000 in Taxable Tax Allocation Term Bonds (Subordinate Lien), Series A with interest rates at 5.25% for bonds maturing September 1, 2015, and 5.71% for bonds maturing September 1, 2031. The Bonds are special obligations of the Agency and are payable solely from and secured by a parity pledge of certain tax increment revenues of the Project Area on a basis subordinate to certain outstanding obligations of the Agency and a pledge of amounts in certain funds and accounts established under the Indenture of Trust. The bonds were issued to finance redevelopment activities of the Agency.

The Series A Term Bonds maturing on September 1, 2015, are subject to mandatory redemption, in part by lot, on September 1, in each year beginning September 1, 2007 through 2015, from mandatory annual sinking payments ranging from $85,000 to $355,000 per year.

The Series A Term Bonds maturing on September 1, 2031, are also subject to mandatory redemption, in part by lot, on September 1 in each year beginning September 1, 2016 through 2031, from mandatory sinking payments ranging from $10,000 to $3,340,000 per year. The outstanding balance at June 30, 2014, was $9,145,000.

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

2005 Taxable Tax Allocation Bonds (Subordinate Lien), Series A (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2015	$ 355,000	$ 510,814
2016	90,000	499,133
2017	75,000	494,629
2018	85,000	490,061
2019	70,000	485,635
2020-2024	140,000	2,393,347
2025-2029	220,000	2,350,237
2030-2032	8,110,000	643,517
Total	$ 9,145,000	$ 7,867,373

2005 Tax-Exempt Tax Allocation Bonds (Subordinate Lien), Series B

On April 1, 2005, the Yorba Linda Redevelopment Agency issued $3,145,000 in Tax Exempt Tax Allocation Term Bonds (Subordinate Lien), Series B with interest at 5.00% for bonds maturing September 1, 2032. The Bonds are special obligations of the Agency and are payable solely from and secured by a parity pledge of certain tax increment revenues of the Project Area on a basis subordinate to certain outstanding obligations of the Agency, and a pledge of amounts in certain funds and accounts established under the Indenture of Trust. The Tax Exempt Bonds were issued to finance redevelopment activities of the Agency, specifically to fund a fire station. The Series B Term Bonds maturing on September 1, 2032, are subject to mandatory redemption, in part by lot, on September 1 in each year beginning September 1, 2029 through 2033, from mandatory annual sinking payments ranging from $135,000 to $2,725,000 per year. In addition, the Series B bonds include an Original Issue Bond Premium of $61,107. The balance of the Series B bonds at June 30, 2014, is $3,145,000. The unamortized bond premium amount is $39,680.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2015	$ -	$ 157,250
2016	-	157,250
2017	-	157,250
2018	-	157,250
2019	-	157,250
2020-2024	-	786,250
2025-2029	-	786,250
2030-2033	3,145,000	508,875
Total	$ 3,145,000	$ 2,867,625

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Tax Allocation Bonds (Subordinate Lien), 2011 Series A

On May 5, 2011, the Yorba Linda Redevelopment Agency issued $19,705,000 in Tax Allocation Bonds (Subordinate Lien), 2011 Series A which consist of Serial Bonds with interest rates ranging from 2.00% to 5.50% in the amount of $5,900,000 maturing from September 1, 2012 through 2021, $4,580,000 Term Bonds with an interest rate of 6.00% maturing September 1, 2026, and $9,225,000 Term Bonds with an interest rate of 6.50% maturing September 1, 2032. The Bonds are special obligations of the Agency and are payable solely from and secured by a pledge of certain tax increment revenues of the original area component of the Agency's Yorba Linda Redevelopment Project on a basis subordinate to certain outstanding obligations of the Agency, and a pledge of amounts in certain funds and accounts established under the Indenture of Trust. The Bonds were issued to finance redevelopment activities of benefit to the Yorba Linda Redevelopment Project, to satisfy the reserve requirement for the Bonds, and to provide for the costs of issuing the Bonds. The outstanding balance at June 30, 2014, was $18,690,000. The unamortized original issue discount was $(84,414).

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2015	$ 685,000	$ 1,088,800
2016	575,000	1,065,313
2017	605,000	1,040,956
2018	635,000	1,012,225
2019	680,000	980,200
2020-2024	3,370,000	4,414,363
2025-2029	5,205,000	3,121,426
2030-2033	6,935,000	907,237
Total	$ 18,690,000	$ 13,630,520

Deferred pass-through payments

Placentia-Yorba Linda Unified School District

On December 5, 1983, the Agency entered into a pass-through agreement with the Placentia Unified School District, predecessor of the Placentia-Yorba Linda Unified School District, whereby the Agency agreed to pass-through to the district certain tax increment revenue the Agency received as a result of the formation of the Agency and the adoption of its Redevelopment Plan.

In October 1999, a dispute regarding the pass-through agreement arose. In June 2004, the Agency and the Placentia-Yorba Unified School District settled their dispute with the Agency agreeing to a settlement amount of $6,569,106 which is to be paid as tax increment is available. Based on the annual pass-through calculation, there may be additional amounts deferred each year. During the fiscal year 2013-2014, no additional amount was added. As of June 30, 2014, the balance outstanding was $20,916,404.

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Advance from Housing Fund – SERAF Loan

The former Redevelopment Agency Low and Moderate Housing Fund made a loan to the former Redevelopment Agency Tax Increment Fund to make the SERAF payment that was due on May 10, 2010. The loan is to be repaid by June 30, 2015, based on legislation that was passed. The outstanding balance at June 30, 2014 was $3,815,853.

Advance from City

The advances from the City consist of $6,035,572 loans made to the former Redevelopment Agency to assist in various Redevelopment projects.

Insurance

The Successor Agency is covered under the City of Yorba Linda's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 12.

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CITY OF YORBA LINDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amount		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary fund balance, July 1	$ 50,836,963	$ 50,836,963	$ 50,836,963	$ -
Resources (inflows):				
Taxes	22,392,000	22,656,999	24,387,462	1,730,463
Licenses and permits	2,249,580	2,249,580	1,794,234	(455,346)
Intergovernmental	338,002	338,002	738,704	400,702
Charges for services	3,232,863	3,148,861	3,163,364	14,503
Use of money and property	250,000	334,830	397,407	62,577
Fines and forfeitures	21,000	21,000	22,612	1,612
Miscellaneous	700,000	460,000	701,092	241,092
Transfers in	614,500	614,500	356,966	(257,534)
Amounts available for appropriations	80,634,908	80,660,735	82,398,804	1,738,069
Charges to appropriation (outflows):				
General government	4,836,999	5,027,774	4,300,382	727,392
Public safety	9,424,185	9,604,263	9,351,367	252,896
Community development	3,759,410	3,560,828	2,892,426	668,402
Parks and recreation	5,664,166	5,669,517	5,658,851	10,666
Public works	4,448,956	4,333,489	3,456,112	877,377
Capital outlay	952,085	952,085	547,682	404,403
Transfers out	2,255,077	4,853,232	3,139,988	1,713,244
Total charges to appropriations	31,340,878	34,001,188	29,346,808	4,654,380
Budgetary fund balance, June 30	$ 49,294,030	$ 46,659,547	$ 53,051,996	$ 6,392,449

See note to required supplementary information

CITY OF YORBA LINDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
HOUSING FUND
FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amount		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary fund balance, July 1	$ 39,374,708	$ 39,374,708	$ 39,374,708	$ -
Resources (inflows):				
Use of money and property	-	-	3,258	3,258
Contributions from Successor Agency	2,952,255	2,952,255	3,256,795	304,540
Amounts available for appropriations	42,326,963	42,326,963	42,634,761	307,798
Charges to appropriation (outflows):				
General government	21,000	47,269	71,175	(23,906)
Capital outlay	3,600,000	3,600,000	-	3,600,000
Total charges to appropriations	3,621,000	3,647,269	71,175	3,576,094
Budgetary fund balance, June 30	$ 38,705,963	$ 38,679,694	$ 42,563,586	$ 3,883,892

See note to required supplementary information

CITY OF YORBA LINDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LIBRARY
FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amount		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary fund balance, July 1	$ 13,872,406	$ 13,872,406	$ 13,872,406	$ -
Resources (inflows):				
Taxes	4,295,801	4,373,096	4,663,122	290,026
Intergovernmental	7,500	7,500	16,500	9,000
Charges for services	119,050	47,000	39,400	(7,600)
Use of money and property	-	-	139,642	139,642
Fines and forfeitures	72,000	72,000	78,992	6,992
Contributions	200	200	7,149	6,949
Miscellaneous	50	50	7,913	7,863
Amounts available for appropriations	18,367,007	18,372,252	18,825,124	452,872
Charges to appropriation (outflows):				
General government	3,938,442	3,938,442	3,649,894	288,548
Capital outlay	75,900	75,900	47,529	28,371
Transfers out	5,902,234	5,902,234	6,500	5,895,734
Total charges to appropriations	9,916,576	9,916,576	3,703,923	6,212,653
Budgetary fund balance, June 30	$ 8,450,431	$ 8,455,676	$ 15,121,201	$ 6,665,525

See note to required supplementary information

CITY OF YORBA LINDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
STREET LIGHTING & MAINTENANCE DISTRICT
FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amount		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary fund balance, July 1	$ 2,307,574	$ 2,307,574	$ 2,307,574	$ -
Resources (inflows):				
Taxes	5,677,494	6,162,964	6,223,987	61,023
Use of money and property	20,000	20,000	15,490	(4,510)
Transfers in	1,266,577	1,214,658	1,214,658	-
Amounts available for appropriations	9,271,645	9,705,196	9,761,709	56,513
Charges to appropriation (outflows):				
Public works	6,952,071	7,317,470	7,779,313	(461,843)
Transfers out	-	93,232	-	93,232
Total charges to appropriations	6,952,071	7,410,702	7,779,313	(368,611)
Budgetary fund balance, June 30	$ 2,319,574	$ 2,294,494	$ 1,982,396	$ (312,098)

See note to required supplementary information

Stewardship, Compliance and Accountability

a. General Budget Policies

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 is authorized to transfer budgeted amounts between items, accounts, programs and funds and may approve additional appropriations up to $25,000 per transaction. Any increase in total appropriations over $25,000 per transaction 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 control is the fund level.

4. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (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 account principles generally accepted in the United States of America, 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 and authorized non-capital appropriations can be carried over to the following fiscal year.

CITY OF YORBA LINDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FISCAL YEAR ENDED JUNE 30, 2014

1. California Public Employee/s Retirement System (PERS):

Schedule of Funding Progress for PERS
Miscellaneous
(Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
6/30/2011	$ 41,460	$ 50,664	$ 9,204	81.8 %	$ 7,380	124.7 %
6/30/2012	42,905	52,656	9,751	81.5 %	7,288	133.8 %
6/30/2013	39,283	55,166	15,883	71.2 %	7,449	213.2 %

2. Other Postemployement Benefit (OPEB):

Schedule of Funding Progress for OPEB
(Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
1/1/2010	$ -	$ 14,614	$ (14,614)	0.0%	$ 7,307	200.00%
1/1/2012	-	18,725	(18,725)	0.0%	7,619	245.77%
1/1/2014	-	14,453	(14,453)	0.0%	7,685	188.07%

MODIFIED APPROACH FOR CITY INFRASTRUCTURE CAPITAL ASSETS

In accordance with GASB Statement No. 34, the City is required to account for and report infrastructure capital assets. GASB Statement No. 34 defines infrastructure assets 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" as defined by GASB Statement No. 34 for infrastructure reporting for its Governmental Activities street infrastructure assets. The Engineering Department, in conjunction with City Management, is responsible for determining the appropriate condition level at which the assets are to be maintained. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential, 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) perform condition assessments and summarize the results using a measurement scale, and (3) estimate annual amount to maintain and preserve at the established condition assessment level.
- The City documents that eligible infrastructure capital assets are being preserved approximately at or above the established disclosed assessment.

A physical condition assessment of the streets is required by the Orange County Transportation Authority every two years. The most recent report is dated June 26, 2014. The City established a condition level policy of "Very Good" for the average condition of all pavements. As a result of the City's pavement evaluation, the condition was deemed to be in "Good" condition.

The City expended $4,509,120 on street improvement projects for the fiscal year ended June 30, 2014. These capital improvement expenditures enhanced the condition of many streets and delayed deterioration on others. Using a scale of 0 to 100 with 0 being a badly deteriorated street with virtually no remaining life, and 100 being a brand new street, it has been determined that the expenditure required to maintain the overall condition of the City's streets in "Very Good" condition is approximately $6.6 million per year.

A schedule of budget versus actual for the most recent years since implementation in 2003-2004, which preserved City streets at the current average pavement condition index of 76 is presented below:

Fiscal Year	Final Budget	Funded by General Fund	Funded by Other Funds	Total Expenditures
2003-2004	$ 2,797,842	$ 1,308,965	$ 113,555	$ 1,422,520
2004-2005	4,115,157	1,584,219	1,216,527	2,800,746
2005-2006	3,897,927	1,524,645	823,295	2,347,940
2006-2007	5,131,708	1,557,971	2,609,383	4,167,354
2007-2008	4,567,908	1,731,721	1,500,792	3,232,513
2008-2009	4,857,703	1,646,742	2,358,468	4,005,210
2009-2010	4,353,551	1,579,536	500,695	2,080,231
2010-2011	5,907,173	1,556,761	2,630,892	4,187,653
2011-2012	5,537,140	1,588,974	1,225,897	2,814,871
2012-2013	6,252,887	1,715,838	1,189,657	2,905,495
2013-2014	5,225,749	1,688,048	2,821,072	4,509,120

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CITY OF YORBA LINDA

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amount		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary fund balance, July 1	$ -	$ -	$ -	$ -
Resources (inflows):				
Contributions from Successor Agency	-	-	3,460,053	3,460,053
Transfers in	2,212,000	37,334,097	6,392,184	(30,941,913)
Amounts available for appropriations	2,212,000	37,334,097	9,852,237	(27,481,860)
Charges to appropriation (outflows):				
Capital outlay	2,212,000	39,963,378	9,852,237	30,111,141
Total charges to appropriations	2,212,000	39,963,378	9,852,237	30,111,141
Budgetary fund balance, June 30	$ -	$ (2,629,281)	$ -	$ 2,629,281

NONMAJOR GOVERNMENTAL FUNDS

Gas Tax	To account for the City's share of State and County gas tax revenues. The tax allocations are expended on street maintenance and street construction.
Aid to Cities	To account for transportation tax revenues, grants and developer reimbursement for capital improvement projects within the City.
Traffic Safety	To account for revenues generated from enforcement of California vehicle codes and City ordinances. These funds may only be used for traffic signals, school crossing guards and other related traffic safety expenditures.
HCD Grant	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	To account for the revenues allocated by the State for enhanced levels of law enforcement, and for federal police grants restricted for specific activities and expenditures which improve local crime reduction.
AQMD	To account for the revenues allocated by the Southern California Air Quality Management District (SCAQMD) and restricted towards expenditures which improve local area air quality.
Park In-Lieu	To account for development fees used for the acquisition of parklands and the construction of park facilities.
Measure M	To account for transportation tax revenues for street projects within the City.
Master Plan of Drainage	To account for financial resources segregated for the construction of major drainage improvements within the City.
Street and Traffic Signal Improvements	To account for financial resources segregated 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, 2014

	Special Revenue Funds			
	Gas Tax	**Aid to Cities**	**Traffic Safety**	**HCD Grant**
Assets:				
Pooled cash and investments	$ 2,300,782	$ -	$ -	$ -
Receivables:				
Accounts	63,204	-	-	-
Accrued interest	311	-	-	-
Due from other Governments	205,211	904,554	7,379	157,706
Total assets	$ 2,569,508	$ 904,554	$ 7,379	$ 157,706
Liabilities, deferred inflows of resources, and fund balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 1,294
Accrued liabilities	-	-	-	305
Unearned revenue	-	168,039	-	-
Due to other funds	140,902	298,258	357	166,014
Total liabilities	140,902	466,297	357	167,613
Deferred inflows of resources:				
Unavailable revenues	-	841,890	-	-
Total deferred inflows of resources	-	841,890	-	-
Fund balances:				
Restricted for:				
Public safety	-	-	7,022	-
Parks and recreation	-	-	-	-
Public works	2,428,606	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	(403,633)	-	(9,907)
Total fund balances (deficits)	2,428,606	(403,633)	7,022	(9,907)
Total liabilities, deferred inflows of resources, and fund balances	$ 2,569,508	$ 904,554	$ 7,379	$ 157,706

Special Revenue Funds				Capital Projects Funds		
Citizens Option Public Safety	AQMD	Park In-Lieu	Measure M	Master Plan of Drainage	Street and Traffic Signal Improvements	Total Nonmajor Governmental Funds
$ 13,537	$ 802,025	$ 443,763	$ 1,806,241	$ 5,822,485	$ 1,980,051	$ 13,168,884
-	-	-	-	-	-	63,204
19	135	65	259	853	292	1,934
-	21,403	-	155,896	-	-	1,452,149
$ 13,556	$ 823,563	$ 443,828	$ 1,962,396	$ 5,823,338	$ 1,980,343	$ 14,686,171
$ -	$ -	$ -	$ -	$ -	$ -	$ 1,294
-	-	-	-		-	305
-	-	-	-	60,000	-	228,039
-	-	-	5,619	-	4,614	615,764
			5,619	60,000	4,614	845,402
-	-	-	-	-	-	841,890
-	-	-	-	-	-	841,890
13,556	-	-	-	-	-	20,578
-	-	443,828	-	-	-	443,828
-	823,563	-	1,956,777	-	-	5,208,946
-	-	-	-	5,763,338	1,975,729	7,739,067
-	-	-	-	-	-	(413,540)
13,556	823,563	443,828	1,956,777	5,763,338	1,975,729	12,998,879
$ 13,556	$ 823,563	$ 443,828	$ 1,962,396	$ 5,823,338	$ 1,980,343	$ 14,686,171

CITY OF YORBA LINDA

COMBINING STATEMENT OF REVENUES , EXPENDITUES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	Gas Tax	**Aid to Cities**	**Traffic Safety**	**HCD Grant**
Revenues:				
Intergovernmental	$ 2,164,076	$ 675,818	$ -	$ 198,126
Use of money and property	31,112	-	-	-
Fines and forfeitures	-	-	84,938	-
Developer participation	-	16,866	-	-
Total revenues	2,195,188	692,684	84,938	198,126
Expenditures:				
Current:				
Community development	-	-	-	146,896
Total expenditures	-	-	-	146,896
Excess (deficiency) of revenues over (under) expenditures	2,195,188	692,684	84,938	51,230
Other financing sources (uses):				
Transfers out	(3,099,784)	(680,049)	(100,000)	(51,230)
Total other financing sources (uses)	(3,099,784)	(680,049)	(100,000)	(51,230)
Net change in fund balances	(904,596)	12,635	(15,062)	-
Fund balances (deficits) at beginning of fiscal year	3,333,202	(416,268)	22,084	(9,907)
Fund balances (deficits) at end of fiscal year	$ 2,428,606	$ (403,633)	$ 7,022	$ (9,907)

Special Revenue Funds				Capital Projects Funds		
Citizens Option Public Safety	AQMD	Park In-Lieu	Measure M	Master Plan of Drainage	Street and Traffic Signal Improvements	Total Nonmajor Governmental Funds
$ 114,930	$ 82,403	$ -	$ 891,779	$ -	$ -	$ 4,127,132
1,150	8,705	4,300	15,422	58,250	24,578	143,517
-	-	-	-	-	-	84,938
-	-	25,041	-	71,680	131,655	245,242
116,080	91,108	29,341	907,201	129,930	156,233	4,600,829
-	-	-	-	-	-	146,896
-	-	-	-	-	-	146,896
116,080	91,108	29,341	907,201	129,930	156,233	4,453,933
(120,000)	(129,466)	-	(465,437)	-	(171,353)	(4,817,319)
(120,000)	(129,466)	-	(465,437)	-	(171,353)	(4,817,319)
(3,920)	(38,358)	29,341	441,764	129,930	(15,120)	(363,386)
17,476	861,921	414,487	1,515,013	5,633,408	1,990,849	13,362,265
$ 13,556	$ 823,563	$ 443,828	$ 1,956,777	$ 5,763,338	$ 1,975,729	$ 12,998,879

CITY OF YORBA LINDA

BUDGETARY COMPARISON SCHEDULE
GAS TAX
FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary fund balance, July 1	$ 3,333,202	$ 3,333,202	$ -
Resources (inflows):			
Intergovernmental	2,060,000	2,164,076	104,076
Use of money and property	-	31,112	31,112
Amounts available for appropriations	5,393,202	5,528,390	135,188
Charges to appropriations (outflows):			
Transfers out	5,344,667	3,099,784	2,244,883
Total charges to appropriations	5,344,667	3,099,784	2,244,883
Budgetary fund balance, June 30	$ 48,535	$ 2,428,606	$ 2,380,071

CITY OF YORBA LINDA

BUDGETARY COMPARISON SCHEDULE
AID TO CITIES
FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary fund (deficit), July 1	$ (416,268)	$ (416,268)	$ -
Resources (inflows):			
Intergovernmental	193,500	675,818	482,318
Developer participation	-	16,866	16,866
Amounts available for appropriations	(222,768)	276,416	499,184
Charges to appropriations (outflows):			
Transfers out	4,440,037	680,049	3,759,988
Total charges to appropriations	4,440,037	680,049	3,759,988
Budgetary fund (deficit) June 30	$ (4,662,805)	$ (403,633)	$ 4,259,172

CITY OF YORBA LINDA

BUDGETARY COMPARISON SCHEDULE
TRAFFIC SAFETY
FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary fund balance, July 1	$ 22,084	$ 22,084	$ -
Resources (inflows):			
Fines and forfeitures	130,551	84,938	(45,613)
Amounts available for appropriations	152,635	107,022	(45,613)
Charges to appropriations (outflows):			
Transfers out	100,000	100,000	-
Total charges to appropriations	100,000	100,000	-
Budgetary fund balance, June 30	$ 52,635	$ 7,022	$ (45,613)

CITY OF YORBA LINDA

BUDGETARY COMPARISON SCHEDULE
HCD GRANT
FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary fund (deficit), July 1	$ (9,907)	$ (9,907)	$ -
Resources (inflows):			
Intergovernmental	216,687	198,126	(18,561)
Amounts available for appropriations	206,780	188,219	(18,561)
Charges to appropriations (outflows):			
Community development	179,187	146,896	32,291
Transfers out	37,500	51,230	(13,730)
Total charges to appropriations	216,687	198,126	18,561
Budgetary fund (deficit), June 30	$ (9,907)	$ (9,907)	$ -

CITY OF YORBA LINDA

BUDGETARY COMPARISON SCHEDULE
CITIZENS OPTION PUBLIC SAFETY
FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary fund balance, July 1	$ 17,476	$ 17,476	$ -
Resources (inflows):			
Intergovernmental	100,000	114,930	14,930
Use of money and property	-	1,150	1,150
Amounts available for appropriations	117,476	133,556	16,080
Charges to appropriations (outflows):			
Transfers out	120,000	120,000	-
Total charges to appropriations	120,000	120,000	-
Budgetary fund balance, June 30	$ (2,524)	$ 13,556	$ 16,080

CITY OF YORBA LINDA

BUDGETARY COMPARISON SCHEDULE
AQMD
FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary fund balance, July 1	$ 861,921	$ 861,921	$ -
Resources (inflows):			
Intergovernmental	82,880	82,403	(477)
Use of money and property	-	8,705	8,705
Amounts available for appropriations	944,801	953,029	8,228
Charges to appropriations (outflows):			
Transfers out	362,000	129,466	232,534
Total charges to appropriations	362,000	129,466	232,534
Budgetary fund balance, June 30	$ 582,801	$ 823,563	$ 240,762

CITY OF YORBA LINDA

BUDGETARY COMPARISON SCHEDULE
PARK IN-LIEU
FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary fund balance, July 1	$ 414,487	$ 414,487	$ -
Resources (inflows):			
Use of money and property	3,290	4,300	1,010
Developer participation	-	25,041	25,041
Amounts available for appropriations	417,777	443,828	26,051
Charges to appropriations (outflows):			
Transfers out	30,000	-	30,000
Total charges to appropriations	30,000	-	30,000
Budgetary fund balance, June 30	$ 387,777	$ 443,828	$ 56,051

CITY OF YORBA LINDA

BUDGETARY COMPARISON SCHEDULE
MEASURE M
FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary fund balance, July 1	$ 1,515,013	$ 1,515,013	$ -
Resources (inflows):			
Intergovernmental	913,825	891,779	(22,046)
Use of money and property	-	15,422	15,422
Amounts available for appropriations	2,428,838	2,422,214	(6,624)
Charges to appropriations (outflows):			
Transfers out	1,920,768	465,437	1,455,331
Total charges to appropriations	1,920,768	465,437	1,455,331
Budgetary fund balance, June 30	$ 508,070	$ 1,956,777	$ 1,448,707

CITY OF YORBA LINDA

BUDGETARY COMPARISON SCHEDULE
MASTER PLAN OF DRAINAGE
FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary fund balance, July 1	$ 5,633,408	$ 5,633,408	$ -
Resources (inflows):			
Use of money and property	42,500	58,250	15,750
Developer participation	-	71,680	71,680
Amounts available for appropriations	5,675,908	5,763,338	87,430
Budgetary fund balance, June 30	$ 5,675,908	$ 5,763,338	$ 87,430

CITY OF YORBA LINDA

BUDGETARY COMPARISON SCHEDULE
STREET AND TRAFFIC SIGNAL IMPROVEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary fund balance, July 1	$ 1,990,849	$ 1,990,849	$ -
Resources (inflows):			
Use of money and property	19,680	24,578	4,898
Developer participation	-	131,655	131,655
Amounts available for appropriations	2,010,529	2,147,082	136,553
Charges to appropriations (outflows):			
Transfers out	752,793	171,353	581,440
Total charges to appropriations	752,793	171,353	581,440
Budgetary fund balance, June 30	$ 1,257,736	$ 1,975,729	$ 717,993

CITY OF YORBA LINDA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FISCAL YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Deposits				
Assets:				
Pooled cash and investments	$ 2,358,268	$ 2,120,809	$ 2,185,213	$ 2,293,864
Receivables:				
Accounts	165	2,585	2,750	-
Total assets	$ 2,358,433	$ 2,123,394	$ 2,187,963	$ 2,293,864
Liabilities:				
Accounts payable	$ 77,235	$ 1,987,149	$ 1,852,355	$ 212,029
Deposits payable	2,281,198	136,245	335,608	2,081,835
Total liabilities	$ 2,358,433	$ 2,123,394	$ 2,187,963	$ 2,293,864