

CITY OF LOMA LINDA  
CITY COUNCIL AGENDA  
REGULAR MEETING OF DECEMBER 9, 2014

A regular meeting of the City Council of the City of Loma Linda is scheduled to be held Tuesday, December 9, 2014 in the City Council Chamber, 25541 Barton Road, Loma Linda, California. Pursuant to Municipal Code Section 2.08.010, study session or closed session items may begin at 5:30 p.m. or as soon thereafter as possible. The public meeting begins at 7:00 p.m.

Reports and Documents relating to each agenda item are on file in the Office of the City Clerk and are available for public inspection during normal business hours. The Loma Linda Branch Library is also provided an agenda packet for your convenience. The agenda and reports are also located on the City's Website at [www.lomalinda-ca.gov](http://www.lomalinda-ca.gov).

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, 25541 Barton Road, Loma Linda, CA during normal business hours. Such documents are also available on the City's website at [www.lomalinda-ca.gov](http://www.lomalinda-ca.gov) subject to staff's ability to post the documents before the meeting.

Persons wishing to speak on an agenda item, including any closed session items, are asked to complete an information card and present it to the City Clerk prior to consideration of the item. When the item is to be considered, please step forward to the podium, the Chair will recognize you and you may offer your comments. The City Council meeting is recorded to assist in the preparation of the Minutes, and you are therefore asked to give your name and address prior to offering testimony.

The Oral Reports/Public Participation portion of the agenda pertains to items NOT on the agenda and is limited to 30 minutes; 3 minutes allotted for each speaker. Pursuant to the Brown Act, no action may be taken by the City Council at this time; however, the City Council may refer your comments/concerns to staff or request that the item be placed on a future agenda.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (909) 799-2819. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Later requests will be accommodated to the extent feasible.

A recess may be called at the discretion of the City Council.

**Agenda item requests for the January 13, 2015 meeting must be submitted in writing to the City Clerk no later than NOON, MONDAY, DECEMBER 29, 2014**

**A. Call To Order**

**B. Roll Call**

**C. Closed Session and/or Workshop Items**

**7:00 Reconvene**

**D. Invocation and Pledge of Allegiance** – Mayor pro tempore Dupper (In keeping with long-standing traditions of legislative invocations, this City Council meeting may include a brief, non-sectarian invocation. Such invocations are not intended to proselytize or advance any one, or to disparage any other, faith or belief. Neither the City nor the City Council endorses any particular religious belief or form of invocation.)

**E. Items To Be Added Or Deleted**

**F. Oral Reports/Public Participation - Non-Agenda Items** (Limited to 30 minutes; 3 minutes allotted for each speaker)

**G.**     **Conflict of Interest Disclosure** - Note agenda item that may require member abstentions due to possible conflicts of interest

**H.**     **Scheduled And Related Items**

1.     Presentation of Audit Report for Fiscal Year 2013-2014 [**Rogers, Anderson, Malody & Scott**]
2.     **Public Hearing** – Precise Plan of Design (PPD) NO. 14-129 – A proposal to remodel the front façade of the existing commercial buildings located at 11106-11130 Anderson Street (Invoke Rule of Necessity) [**Community Development**]
3.     **Public Hearing** – Council Bill #O-2014-10 - (First Reading, set Second reading for January 13, 2015) Amending Title 9 of the Loma Linda Municipal Code by adding Chapter 9.36 pertaining to panhandling [**Community Development**]
4.     **Public Hearing** – Council Bill #R-2014-40 declaring Stage No. 2 – Threatened Water Supply Shortage and implement provisions of Loma Linda Municipal Code section 13.040960 paragraphs A through J [**City Manager**]

**I.**     **Consent Calendar**

5.     Demands Register
6.     November 2014 Treasurer’s Report
7.     November 2014 Fire Department Report
8.     Meeting schedule for calendar year 2015 [**City Clerk**]
9.     Declare Medic Squad as surplus; authorize disposal and disposition of proceeds [**Fire**]
10.    Appropriation of \$75,000 for legal fees related to Department of Finance litigation and Personnel [**City Manager**]
11.    Appropriation of \$25,000 from Measure I Fund Balance and extend contract for Sidewalk Improvements (CIP 14-166) [**Public Works**]

**J.**     **Old Business**

**K.**     **New Business**

**L.**     **Reports of Councilmen** (This portion of the agenda provides City Council Members an opportunity to provide information relating to other boards/commissions/committees to which City Council Members have been appointed).

**M.**     **Reports Of Officers** (This portion of the agenda provides Staff the opportunity to provide informational items that are of general interest as well as information that has been requested by the City Council).

**N.**     **Adjournment**



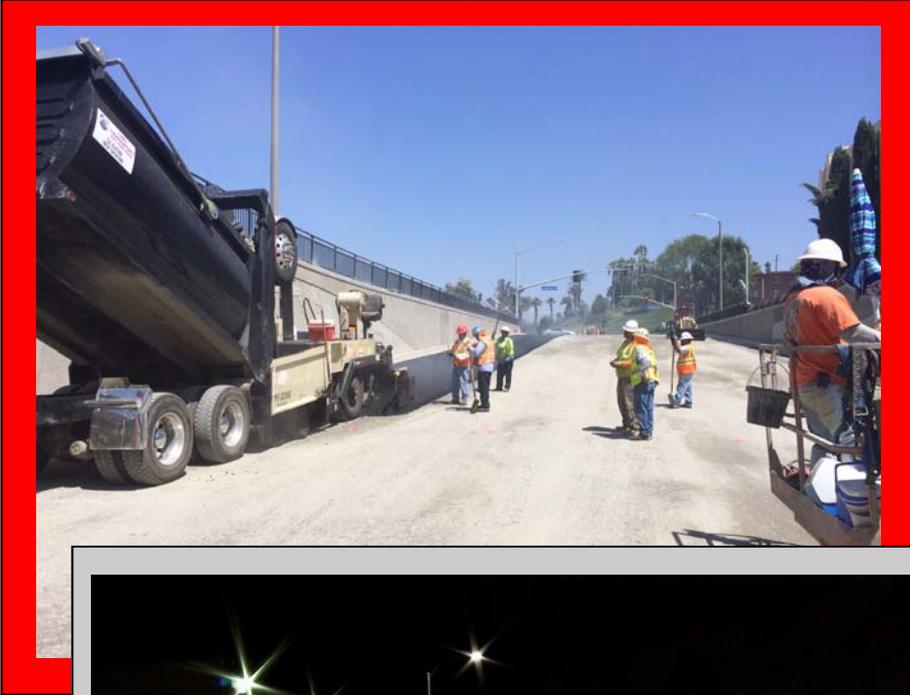
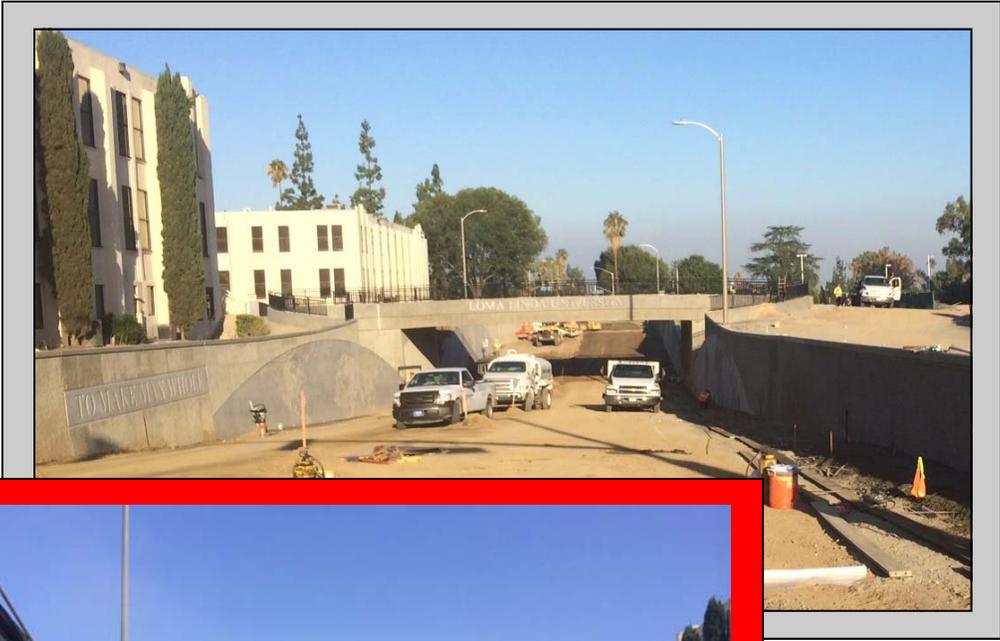
Photo taken by Karen Breyer



# City of Loma Linda

Fiscal Year End  
June 30, 2014

## Comprehensive Annual Financial Report



**Stewart Street  
Widening Project**



**Photo taken by Karen Breyer**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**CITY OF LOMA LINDA, CALIFORNIA**

For the Fiscal Year Ended June 30, 2014

**Prepared by:**

**City Manager's Office  
Finance Department**

25541 Barton Road, Loma Linda, CA 92354  
Telephone: (909) 799-2840 – Fax: (909) 799-2893

<http://www.lomalinda-ca.gov>

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 For the year ended June 30, 2014

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# City of Loma Linda

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Sister Cities Manipur Karnataka, India - Libertadore, San Martin, Argentina • [www.lomalinda-ca.gov](http://www.lomalinda-ca.gov)

December 9, 2014

To the Honorable Mayor, Members of the City Council, and Citizens of Loma Linda:

It is with great pleasure that we present to you the City of Loma Linda's audited Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. The financial statements contained in this report are presented in conformity with generally accepted accounting principles (GAAP) and have been audited in accordance with generally accepted auditing standards (GAAS) and Government Auditing Standards (GAGAS) by an independent certified public accountants firm.

The Comprehensive Annual Financial Report includes the financial activity for all funds of the City and the Redevelopment Agency. The report is organized into three major sections which include the Introductory Section, the Financial Section, and the Statistical Section.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose, which include an array of administrative procedures. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, as well as the reliability of financial records for accurate and fair presentation of financial reports. The concept of reasonable assurance recognizes that the cost of specific controls should not exceed the benefits likely to be derived from exercising the controls, and that this evaluation involves estimates and judgments by management. It is believed that the City's internal accounting controls adequately safeguard City assets and provide reasonable assurance of proper recording of financial transactions.

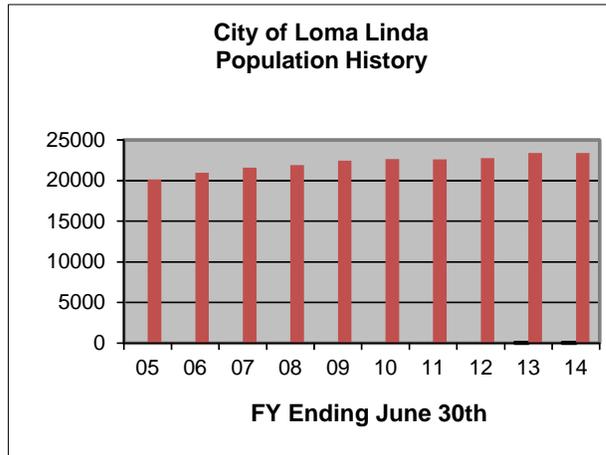
Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Loma Linda's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE GOVERNMENT

The City of Loma Linda (City), incorporated in September 29, 1970, is located on the south side of Interstate 10, east of the 215 Freeway. Loma Linda is home to the world famous Loma Linda University and Medical Center with over 12,752 employees, the one of the largest employer in San Bernardino County. Loma Linda ("Beautiful Hill"), originally known as "Mound City", has a history of being a health-conscious community, and in 1993 became the first "smoke free" city in San Bernardino County. The Seventh-Day Adventist Church purchased the Loma Linda Resort Hotel from a group of businessmen and physicians from Los Angeles hospitals and converted it into the Loma Linda Sanitarium in 1905. The Sanitarium eventually became a full service medical facility and medical college, the forerunners of the Loma Linda University and Medical Center.

Loma Linda covers an area of 7.56 square miles and has a resident population of 23,614, as certified by the State Department of Finance, as of June 30, 2014. The City once ranked one of the largest growing cities in San Bernardino County has only increased by 138 residents, mainly due to the economic downturn and very limited new residential construction. Loma Linda's median income is \$58,404, 6% higher than the average for San Bernardino County, and has ranked 18<sup>th</sup> in average home prices in the Inland Empire.



As presented in the ten year population history chart, Loma Linda's population has begun to plateau over the past few years. As of the 2010 Census which measured the population at 23,261, the State Department of Finance has estimated a growth of 353 to its current total of 23,614, with the growth of 138 from 2013 to 2014.

The City is governed under charter by a City Council/City Manager plan. The people of Loma Linda elect five Council Members, from which the City Council chooses the Mayor and the Mayor pro tempore. The City

Council appoints the City Manager, who is responsible for the daily operations of all City departments and the Council also appoints the City Attorney.

The City's operating departments are Fire Department, Public Works, Community Development, Economic Development, City Clerk, Finance, Information Systems and Administration.

The City of Loma Linda is a full service Municipal Government. Services provided by the City include police (through contract with San Bernardino Sheriff's) and fire protection; utilities services of water, sewer and refuse (under contract with a private hauler); internet connection services; street and park maintenance; storm and waste water drainage maintenance; planning and zoning management; general administrative services; a senior center and a library branch (staffed by the County of San Bernardino).

Financial administration of the City is the responsibility of the Finance Director/City Treasurer, who supervises the City's fiscal administration, which includes the day-to-day accounting, budgetary and reporting compliance, business licensing, utility billing operations and cash management.

### **THE REPORTING ENTITY (Activities included in the report)**

The report includes all activities carried out by the City as a legal entity, and also includes the activities of the Loma Linda Successor Agency to the Redevelopment Agency (Successor Agency), the Loma Linda Housing Authority (LLHA) and the Public Financing Authority (PFA), for which the City Council, acting in the capacity of Board to the Successor Agency and both Authorities, is financially accountable as determined under the guidelines of the Governmental Accounting Standards Board (GASB).

### **ACCOUNTING SYSTEMS AND BUDGETARY CONTROL**

The City's fund accounting records are maintained using a modified accrual basis of accounting as explained in the Notes to the Financial Statements, following the accounting practices for

governmental units as mandated by the Governmental Accounting Standards Board. Basic City operations are accounted for in the City's General Fund, with other activities accounted for in separate funds as required by law or determined by management discretion.

The Government-Wide financial statements (*Statement of Net Assets* and *Statement of Activities*) follow the accrual basis of accounting. As required by GASB, an accompanying summary reconciliation schedule is presented following the Governmental fund financial statements. These reconciliation schedules are presented on pages 25 and 28 in the body of the financial statements.

The Finance Director/City Treasurer is charged with the responsibility for the receipt and disbursement of all monies and to maintain control over all expenditures to insure that budget appropriations are not exceeded. The level of budgetary control, that is, the level at which expenditures are not to exceed Council approved appropriations is established at the fund, department, division and categories (personnel, maintenance and operations, and capital outlay) of expenditure levels. Adjustments at the object level within major categories of expenditures are permissible at the department and division level, however, adjustments involving transfers between major categories of expenditures, between departmental and division budgets or between departments within the same fund, require Finance Director recommendation and City Manager approval. Adjustments between funds and additional supplemental appropriation funding require City Council approval. An encumbrance (commitment) accounting system is utilized as a technique to enhance budgetary control during the year. All appropriations lapse at year-end and become available for re-appropriation the following year, upon recommendation by the City Manager. Furthermore, the Citizen's Budget Committee plays a major role in the budgetary recommendations to the City Council.

### **SIGNIFICANT EVENTS AND ACCOMPLISHMENTS**

During 2013/2014 the City achieved many accomplishments that may not be evident from a review of the financial statements. Some of the more important accomplishments as well as on-going projects are summarized below.

#### **Community Development:**

During the period, the Community Development Department's Planning Division completed the following projects:

- Development Code Amendments for drive-thru facilities, on-site beer and wine sales, and emergency shelters
- Precise Plan of Design (PPD) and issued building permits for a long-term memory care facility
- PPD and issued building permits for an 85-room hotel
- PPD and issued building permits for the development of a 345,000 sq. ft. medical facility
- PPD for an 87-unit apartment complex
- Conditional Use Permit (CUP) and issued building permits for a gasoline service station, with accessory convenience store, drive-thru car wash
- PPD for a commercial/restaurant building in association with a gasoline service station
- Master Sign Program for Commercial Shopping Center
- CUP (2) for freestanding signs
- CUP for drive-thru automatic teller machine
- CUP for roof mounted cellular antennas

- In addition, the Department processed several small project applications, home occupations, special event permits, sign plan reviews, fence and patio permits, land use permits,

Commensurate with the level of entitlement activity experienced by the community, the Building Division checked plans, issued building permits, and conducted inspections for permit requests.

The Code Enforcement Section was very active during the 2013/2014 fiscal year. A full time Code Enforcement/Animal Control was brought on board to work with the community to review code complaints. In addition, animal licensing compliance was dramatically increased, animal impounds were reduced fivefold through repatriation efforts, and rabies vaccination compliance was improved. The City continues to utilize the City of San Bernardino for shelter services.

### **Fire Department**

During the fiscal year, City of Loma Linda Fire Department resources responded to 3,797 calls for service. 100 of these responses were for fires. Fire Department resources were successful in containing the majority of all residential structure fires to the room of origin and all residential structure fires to the building/residence of origin. Fires in commercial occupancies were also contained as small to medium sized incidents. All vegetation fire incidents in the city boundaries were controlled with the alarm response resources. Aggressive and successful fire attack operations have not only mitigated the loss of personal property of our residents, but also protected vital property & sales tax revenues that the community relies on to fund essential services. Sixty Five percent of our responses were for emergency medical incidents or traffic collisions to which the department deploys resources with rescue and Advanced Life Support capabilities. The Department is realizing an enhancement in its management depth through the resource sharing agreement with our neighboring jurisdiction. The consolidated command staff concept with the City of Colton Fire Department has allowed the combined command staff to dedicate managers to the functional divisions of Training and EMS (Emergency Medical Services) which were previously managed as secondary assignments of the Operational Battalion Chiefs. Both agencies are experiencing an increase in both quantity and quality of training opportunities above the company level. In addition, the EMS section is now able to begin exploring service opportunities that are being defined by the National Affordable Healthcare Act and the emerging concepts of transitional health care in the pre-hospital environment. A primary focus of our work in this area is creating alternatives to traditional transport of all EMS patients to emergency departments in order to reduce unnecessary health care costs. Alternatively, we would explore redirecting a portion of health care savings to support the health care services delivered by the Fire Department.

### **Information Systems Department**

The City of Loma Linda continues to prepare for the future with its Loma Linda Connected Community Program (LLCCP). The Program includes the deployment of an advanced city-wide fiber optic network as well as modifications to building regulations to ensure that development will be designed to meet the needs of future communication technologies. The City building code requires all new commercial and residential developments (or re-models involving greater than 50% of the structure) to equip the new structures with a fiber-optics interface and copper cabling throughout. The network is expanding into commercial areas via organic growth at existing locations.

The City continues to expand services to commercial customers through focused network expansion and custom designed services. Existing businesses are utilizing the service, and new businesses are locating to the area as well as expanding to take advantage of the service. The

existing fiber infrastructure has been completed to provide traffic signal coordination at all thoroughfares. Fiber infrastructure is also being utilized in monitoring and control of water production, street lights, energy usage, and distributed computing throughout the City.

Additional, IT projects include the completion of upgrades data storage systems, new work station rollout, extension of infrastructure to new facilities, and replacement of uninterrupted power supply systems. Management continues to work with outside organizations that desire to tap into the infrastructure as a means of expanding their communication abilities. The City has entered into an agreement to provide IT support services to the City of Grand Terrace to leverage these assets to continue to grow a vibrant, economically strong community and region.

### **Successor Agency, Oversight Board and Loma Linda Housing Authority:**

#### **Successor Agencies**

On February 1, 2012, Successor Agency replaced Redevelopment Agency. On this date all assets, property contracts, and leases of the former redevelopment agency transferred to the Successor Agency. Loma Linda elected to become the Successor Agency for its former redevelopment agency. The Successor Agency created a Redevelopment Obligation Retirement Fund, which continues to make payments on approved the Recognized Enforceable Obligation Schedules (ROPS), maintain reserves, perform obligations required by Enforceable Obligations, enforce all rights for the benefit of taxing agencies and will eventually dispose of assets and property based on an approved Property Management Plan. Annually the Successor Agency must submit two ROPS for a fiscal year's operating periods of 1) June – December, and 2) January – June. These ROPS must be approved by the Oversight Board, and submitted to the Department of Finance (DOF), State Controller's Office (SCO) and County Administration Office (CAO) for final review and approval before funds are disbursed to the Successor Agency. During fiscal year 2013/2014 the State Controller's Office (SCO) conducted the Asset Transfer Review required per ABX1-26.

#### **Oversight Board**

The Oversight Board is composed of one member each appointed by the County Board of Supervisors, Mayor, the largest Special District by property tax share, the County Supervisor of Education, the Chancellor of the California Community Colleges, a public member appointed by the County Board of Supervisors and a member representing employees of the former Redevelopment Agency appointed by the Mayor or the Chair of the County Board of Supervisors. The Oversight Board directs staff of the Successor Agency, has fiduciary responsibilities to holders of enforceable obligations, approves actions of the Successor Agency and establishes the Recognized Obligations Payment Schedules. It takes a majority of the Oversight Board to constitute a quorum and to vote to take action. On, or after July 1, 2016, a single Oversight Board for the County shall be appointed.

#### **Loma Linda Housing Authority**

Similar to the Successor Agency, the Loma Linda Housing Authority (LLHA) replaced the Low-Mod Housing Fund of the Redevelopment Agency. On February 1, 2012, all property assets, property contracts, and leases of the former Low-Mod Housing Fund transferred to the LLHA. During fiscal year 2013/2014, the LLHA repurchased and sold two income qualified single family residents (SFR), approved a loan modification on a SFR, and accepted a deed-in-lieu of payment on another SFR. Additionally, the LLHA approved a Disposition Development Agreement (DDA) for multi-family properties on the south side of Van Leuven Street and

submitted a letter of support to the County of San Bernardino for an affordable senior housing project being negotiated under a DDA on the west side of Poplar Street.

**Economic Development:**

The Veterans Administration (VA) has begun construction of a new 300,000 sq. ft. medical clinic due to open in spring 2016. A national brand hotel is under construction and due to open fall of 2015. A new gas station is due to open in late 2014. The Center pointe Shopping Center has opened with a fast food restaurant, nation retail bank, Wal-Mart, and several dining and service shops either open or planned to open. Efforts are underway to attract retail and commercial customers to parcels adjacent to the VA clinic. Entitlement has been concluded for two dining establishments along the Redlands Boulevard corridor. The unoccupied Fresh & Easy has been repurposed as a Dollar Tree and is open. Large areas of residential land in and around Special Planning Area “D” are beginning the entitlement process. Additionally, there are several other commercial projects in the preliminary stages of building plan checks and permitting that will bring much needed businesses to the community.

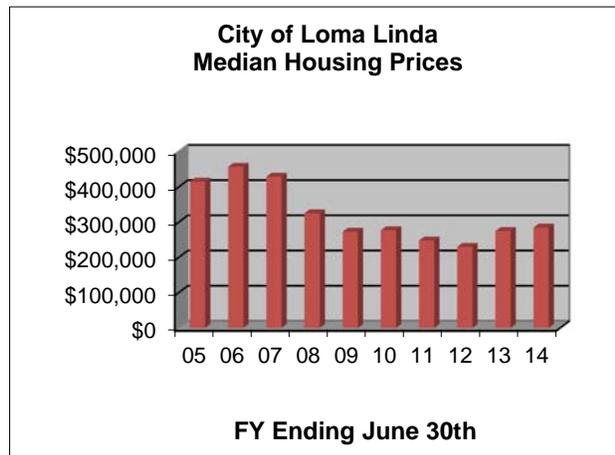
**Capital Improvement Program (CIP) Projects:**

**Public Works**

During fiscal year 2013/2014, the Public Works Department focused on several projects. The Stewart Street widening/underpass and pedestrian bridge continued construction. The City also repaired sidewalk as needed at various locations throughout the City. The pavement maintenance program rehabilitated Park Avenue, Cottage Street, Coloma Street and Lilac Street. The next phase of the Corporation Yard fire alarm system upgrade was completed. The Water Division continued with the meter replacement program and replaced the waterline in the alley way between Bellaire Street and Benton Street. The water treatment facilities continue being refined and dialed in for maximum efficiency. Project plan checking is completed on an as needed basis. The Department continues with required State and Federal regulation compliance, including air quality, storm water, water conservation, and solid waste diversion.

**LOCAL ECONOMY AND PROSPECTS FOR THE FUTURE**

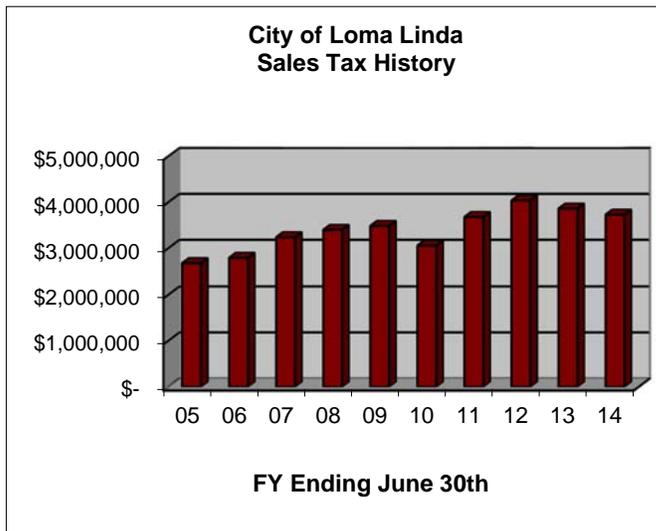
As presented in the Loma Linda General Plan (2009), Loma Linda is a unique community with strong ties to its religious, educational and healing arts roots. The Loma Linda University Medical Center (LLUMC) and the Jerry L. Pettis Memorial Veterans Medical Center (VA Medical Center) provide much of the economic base of the community through the employment of a highly trained local labor force. The City is seeking to expand upon this economic base with medical support services, research facilities, professional offices and lodging accommodations for visitors to the medical centers and community.



In addition to increasing commercial and industrial opportunities, Loma Linda is in the process of managing residential growth to provide an appropriate range of housing opportunities to accommodate the diverse work force needed by the medical facilities. The vision for the future of Loma Linda is for the City to have a balanced economy that meets the needs of

the community and is a great place to live and do business. The goal is to attract high-tech industries to the City and create a diverse mix of high paying job opportunities to maintain the City's high quality standard of living and complement the LLUMC.

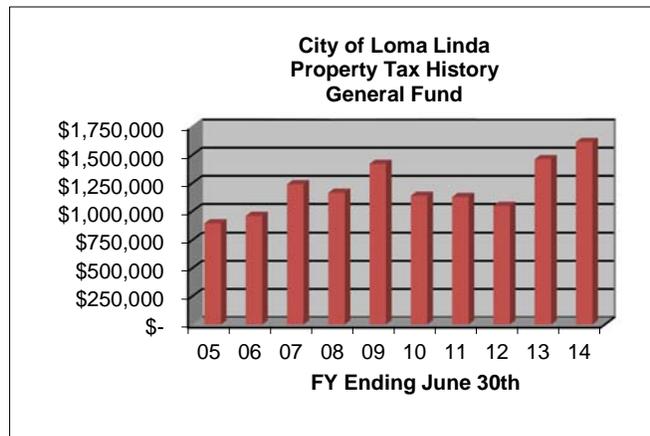
In 2014, the median price of a home in Loma Linda was \$285,000, an increase of \$10,000 or 3.6%, from \$275,000 in 2013, according to the San Bernardino County Recorder. This is an overall decrease of 37.7% to the median price since peaking at \$457,200, in 2006. After several years of fluctuations in home values due to uncertain economic conditions, Loma Linda is seeing a steady increase in the year to year data for 2014. The City of Loma Linda is expected to continue attracting skilled and educated residents that can be provided with local jobs as well as access to surrounding job markets via Internet technology. The LLCCP has established building requirements to enhance technological access as part of each new development project, providing the technological infrastructure for local residents to stay "connected" from home.



The Sales Tax History chart is a ten year historical presentation of the City's sales tax revenue through fiscal year ending June 30, 2014. In 2014, the City received \$3,733,160 in sales tax revenues, a decrease of 3% or \$131,056 from \$3,864,216 in 2013. 2% of the decrease can be attributed to a misallocation, which was corrected in Fiscal Year 2013-2014; the balance is due to lower business and industry sales. Sales tax revenue has grown steadily since the dips in 2004/2005; with a dip in 2009/2010 due to lack of consumer confidence and drops in business and industry taxable sales in that year.

The City of Loma Linda continues to heavily rely on retail sales to fund its general government services. In order to improve the availability of retail shopping facilities and attract more shoppers to buy locally, the City is hoping to continue expanding its sales tax base through economic development like recent commercial projects that have been added to our community and additional commercial development projects planned over the next few years.

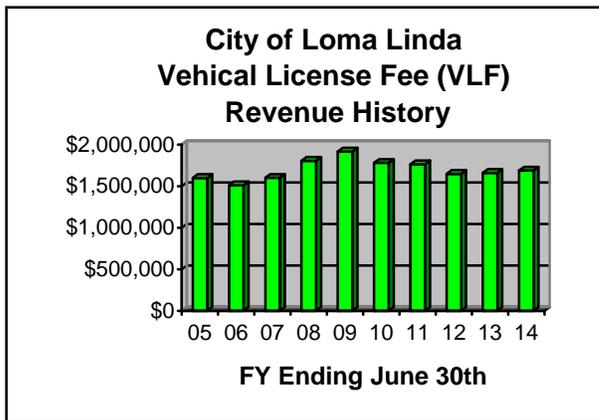
Property taxes are collected by the City and the Successor Agency to the Redevelopment Agency, with the bulk of the property tax collected by the Agency. The chart to the right is a 10-year history of the City's General Fund property tax revenues through fiscal year ending June 30, 2014. As shown here, General Fund property taxes had declined sharply over fiscal years 2010 through 2012, as the result of the housing market collapse and the ongoing economic recession, but have been steadily increasing over the last three years. On June 30, 2014, property tax revenues were reported at \$1,615,737, an increase of \$195,031 or 12% from fiscal



year 2012/2013. The majority of the increase (\$152,830 or 78%) is attributed to the dissolution of the Redevelopment Agency, and the City receiving pass-through and residual receipts of property taxes not needed to meet enforceable obligations by the Successor Agency. Property tax revenue is reported in the attached Statistical table on pages 150-151.

Median housing prices are just one factor in citywide assessed values. Tax-exempt properties continue to be a significant factor in the overall assessed values for the City and the former Redevelopment Agency, now the Successor Agency, in Loma Linda. As of June 30, 2014, the San Bernardino County's Assessor reported an increase in city wide assessed property values of 1.74%, with Loma Linda showing a 1.77% increase.

Overall property tax revenues are showing signs of stabilizing and starting to increase as foreclosures decline and are resold, signs of growth in the sales of existing homes, and the fact that the majority of recently developed and available undeveloped land is within the merged redevelopment project areas. As a taxing entity, the City will receive pass-through taxes from the Successor Agency as property values increase and vacant land gets developed.

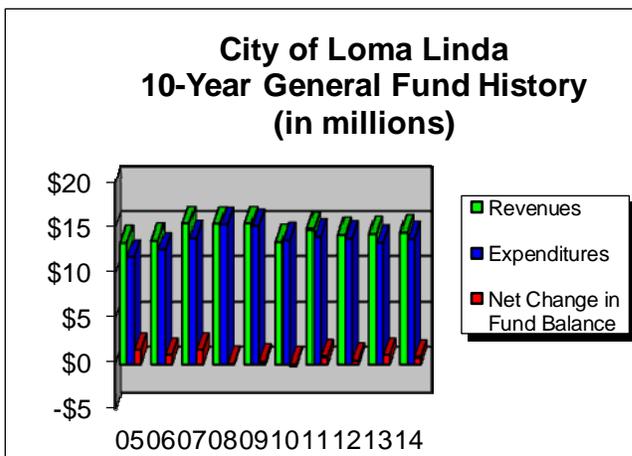


In fiscal year 2004/2005, as part of the Governor's Budget/Constitutional Protection package, a VLF swap was approved. What the swap boils down to is an exchange of the current VLF backfill from the State's general fund for an equivalent amount of property tax revenues in fiscal year 2004/2005. Any future growth in VLF revenue would be calculated in proportion to the growth in gross assessed valuation, including the than merged Redevelopment Agency valuation. As presented in the ten year history chart, VLF had been steadily

since fiscal year 2009/2010, with slight fluctuations up and down. In fiscal year 2013/2014, the City collected \$1,688,440 in VLF revenue, an increase of \$27,121 or 1.6% due to a slight increase in property values within the City.

**ACTUAL OPERATING RESULTS – GENERAL FUND**

The following discussion summarizes the annual operating results of the City's General Fund, for the fiscal year ended June 30, 2014. Further details are presented in the individual financial statements attached to this transmittal letter.



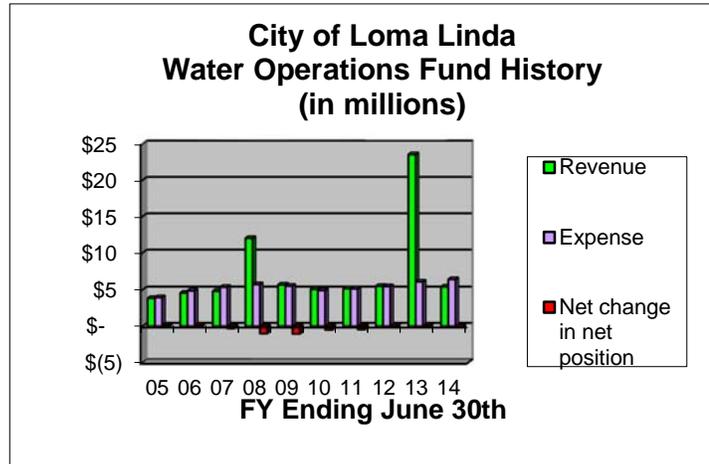
The chart on the left illustrates the ten year history of total revenues, expenditures and net change in fund balance for the General Fund through June 30, 2014. The Net Change in Fund Balance figure in the chart includes operating revenues, operating expenditures, transfers to and from other funds and gain on sale of capital assets. For further detail and breakdown, please refer to the statistical section of this CAFR.

## ANNUAL OPERATING RESULTS – ENTERPRISE FUNDS

The City accounts for its Water, Sewer and LLCCP operations on an “enterprise” basis, meaning that the activity is treated more like a commercial business, separate and apart from general City operations. In fiscal year 2013/2014, Enterprise Fund operating revenues for Water, Sewer and LLCCP combined, totaled \$9,335,859, an increase of .01% over fiscal year 2012/2013, while operating expenses decreased by \$188,310, or about 1.7%, over the same period.

### Water Operations

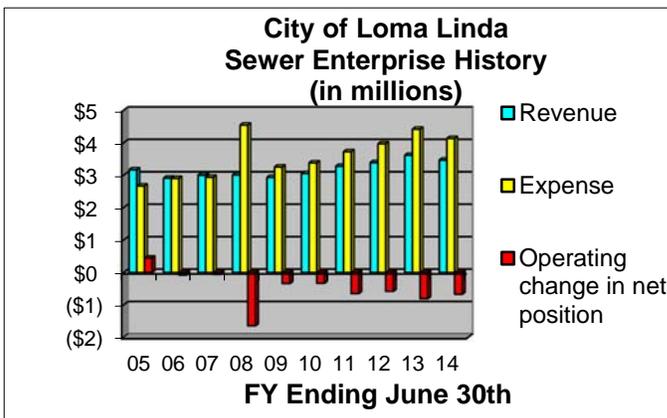
For Water Operations specifically, the Water fund operating expenses exceeded operating revenues by \$1,014,851 this year, mainly attributable to the increase in depreciation on capital assets. Last year the Water Fund showed an operating deficit of \$813,949 for the year. Note that this chart includes any “non-operating” revenues or expenses, such as interest revenue of \$4,456, Transfers In of \$21,517, interest expense of \$5,641 and contributed capital of \$29,684. Interest expense in the Water Fund has decreased by 63.4% or \$9,589,



due to the progressive decreases of interest rates on the 1995 Variable Rate Water Revenue Refunding bonds. Market interest rates have remained at historic lower levels resulting in lower interest costs for the Water Fund on the variable rate interest bond. The bond issue is currently being monitored by the City’s financial advisor in order to determine if and when the cost vs. benefit of converting from a variable rate to a fixed rate obligation will be beneficial to the City.

In efforts to reduce operational cost and increase water conservation, the City is in the third year of a City-wide meter replacement project that will reduce the loss of revenue and make monitoring water usage more efficient. Additionally, the City conducted, and in February of 2014, adopted an updated rate study to address the ongoing operating needs of the water system. New rates were effective April of 2014, with annual increases of 4.5% through fiscal year 2017/2018.

### Sewer Operations



For the operating period ending June 30, 2014, the Sewer Fund ended the year with a net operating loss of \$668,408. Sewer revenues decreased by \$149,714, or 4.1%, and operating expenses decreased by \$284,621, or 6.4% (see the MD&A for an explanation to this decrease). The chart to the left shows the ten-year financial operating history of the Sewer Enterprise Fund. Note that this chart excludes any “non-operating” revenues or expenses (i.e., interest revenue or interest expenses,

etc.) or contributions and transfers. Interest revenue has increased minimally from prior year due to low cash balances in the fund and increased treatment expenses relate to the contractual services agreement with the City of San Bernardino implemented as a rate increase for treatment services provided. Because the Sewer Fund has no outstanding debt, interest expense is zero. In conjunction with the water rate update, a sewer rate update was also performed and adopted. New rates were effective April of 2014, with annual increases of 12.5% through fiscal year 2017/2018. The increases were deemed necessary in order to eliminate annual operating losses, repay cash loans and build an emergency reserve fund.

### **Loma Linda Connected Communities**

In Fiscal year 2003/2004 a new Enterprise fund was set up for the purpose of establishing requirements for standardized residential and commercial telecommunications cabling systems. This new system provides some Loma Linda residents and businesses the opportunity to have voice, data, multimedia, home automation systems, environmental control, security, audio, television, sensors, alarms, and intercom services. The revenues and expenses for 2003/2004 and 2004/2005 were minimal as these were the starting years of the program. Fiscal Year 2012/2013 was the ninth full year of operations for the LLCCP with major infrastructure construction activity occurring in the fiscal year's 2006/2007 and 2007/2008. For the operating period ending June 30, 2014, LLCCP ended the year with operating revenues of \$414,429 compared to \$287,944 in 2012/2013. Operating expenses of \$362,005 are \$57,561 or 13.7% lower than expenses for fiscal year 2012/2013. Due to the significant upfront investment in infrastructure, and the annual depreciation of those capital assets, operating revenues are slightly over expenses, resulting in an operating change in net position of \$52,424. Additionally, net non-operating expenses, interest revenue and interest expense, is higher as interest on outstanding loans to construct the Fiber Optic Network, continues to go unpaid and gets added to the outstanding loan balance.

### **PENSION FUNDING STATUS**

The City's employees are members of the California Public Employees' Retirement System (PERS). As of the most recent actuarial valuation at June 30, 2010, the Miscellaneous pool's assets total \$2.32 billion and the present value of the projected benefits equal \$3.31 billion with a funded ratio of 70.1%; and the Safety pool's assets total \$1.28 billion and the present value of the projected benefits equal \$1.92 billion with a funded ratio of 66.9%. Effective January 1, 2013, Public Employees' Pension Reform Act (PEPRA) implanted new benefit formulas and final compensation period, as well as new contribution requirements for new employees hired after that date who meet the definition of new member as per PEPRA. For this year, the City paid \$1,014,785 in employer pension costs to PERS. In fiscal year 2013/2014, the "City's" share of retirement costs increased from 11.866% to 17.485% for Miscellaneous employees and decreased from 26.739% to 21.337% for Public Safety employees. The PEPRA employees rate is 6.25%. The reason for the changes in the City's (employer) share of retirement costs is due to decreases in pool asset values, and differences between projected rate of returns and actual returns on pooled assets.

### **DEBT ADMINISTRATION**

As of June 30, 2014, the City and the Successor Agency had debt outstanding in the amount of \$47 million. The Successor Agency has bonded debt principal as follows: (1) the 2003 Tax Allocation Refunding Bonds of \$7,640,000, (2) the Subordinate 2005 A Tax Allocation Bonds of \$14,185,000, (3) the Subordinate 2005 B Tax Allocation Bonds of \$7,315,000 (not including unamortized issuance costs), and (4) the 2008 Taxable Housing Tax Allocation Bonds of \$8,125,000. The City had \$5,895,000 in debt outstanding as follows: (1) 1978 Water bonds

(general obligation) of \$10,000 and (2) 1995 Water revenue refunding bonds of \$5,885,000 at June 30, 2014. Also, the Loma Linda Public Financing Authority had \$1,875,000 of outstanding Lease Revenue Refunding Bonds issued in 2002. Other debt recorded in footnote 7 - "Non-City Obligation" of the financial statements is not a legal obligation of the City and therefore not included here.

### INDEPENDENT AUDIT

An independent audit of the City's records was performed for the year ended June 30, 2014 by the certified public accounting firm of Rogers, Anderson, Malody & Scott, LLP. The auditors report on the basic financial statements, and combining and individual fund statements and schedules is included in the Financial Section of the CAFR.

In general, the auditors concluded that the financial statements and schedules referred to above present fairly, in all material respects, the financial position of the City of Loma Linda, the Loma Linda Housing Authority and the Loma Linda Redevelopment Agency Successor Agency, as of June 30, 2014, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles generally accepted in the United States of America. The professionalism and knowledge exhibited by Rogers, Anderson, Malody & Scott, LLP during the audit is appreciated.

### AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Loma Linda for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the tenth consecutive year the City of Loma Linda has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish as easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both the generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### ACKNOWLEDGMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and other City Departments that provided data for preparation of the Statistical section of the Report. We would like to express our appreciation to members of all departments who assisted and contributed to the preparation of this report.

We would like to extend our appreciation to the Mayor, City Council, and each City Department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully submitted,



T. Jarb Thajpejr  
City Manager



Diana De Anda  
Finance Director/Treasurer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Loma Linda  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

CITY OF LOMA LINDA  
**PRINCIPAL OFFICIALS**

ELECTED OFFICIALS

**Rhodes Rigsby**  
Mayor

**Phill Dupper**  
Mayor pro tempore

**Ovidiu Popescu**  
Councilmember

**Ron Dailey**  
Councilmember

**John Lenart**  
Councilmember

APPOINTED OFFICIALS

**Jarb Thaipejr**  
City Manager/Public Works Director

**Richard Holdaway**  
City Attorney

Pamela Byrnes O’Camb.....City Clerk

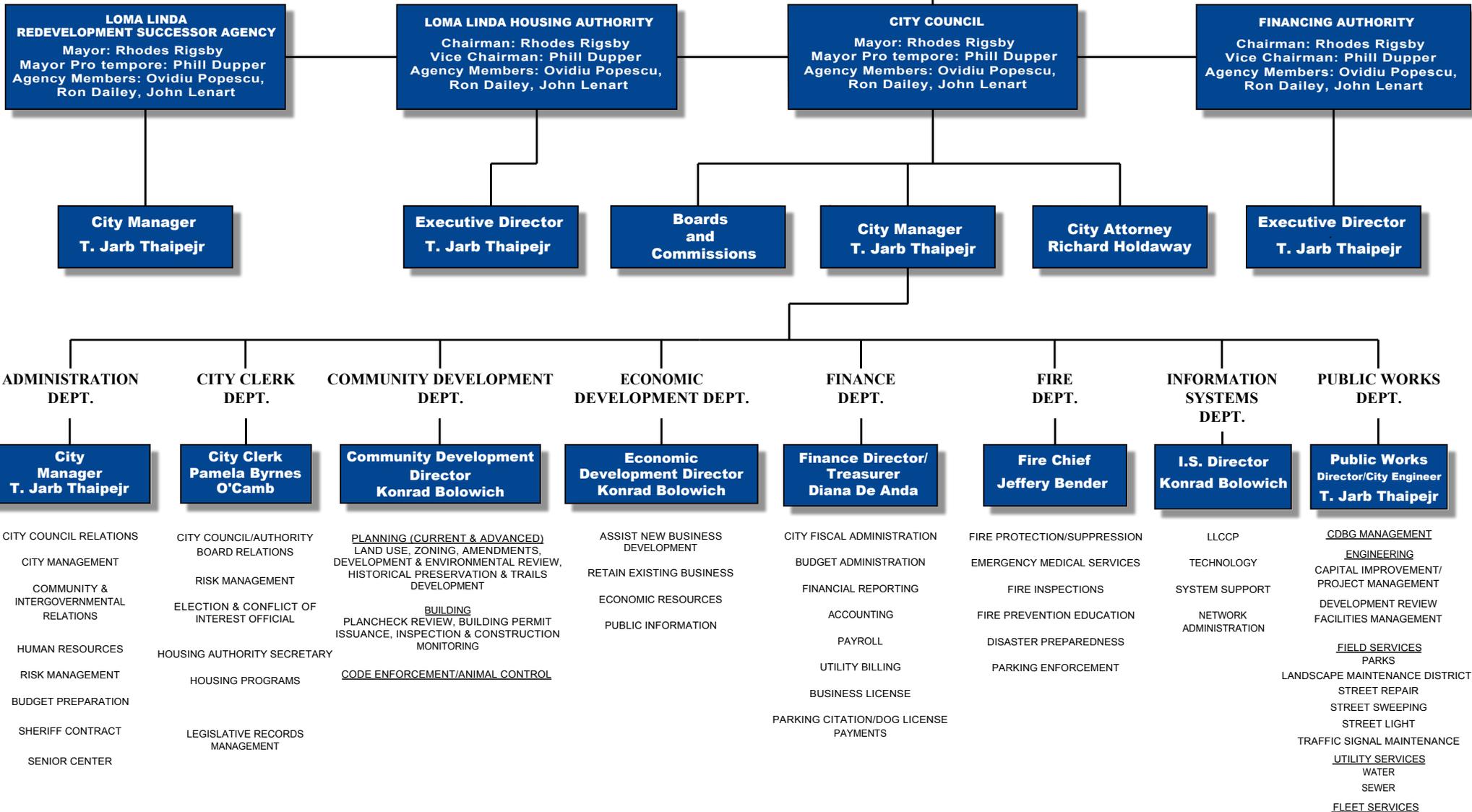
Konrad Bolowich.....Assistant City Manager

Diana De Anda.....Finance Director/Treasurer

Jeff Bender.....Fire Chief

# CITY OF LOMA LINDA ORGANIZATION CHART

## The People of Loma Linda





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

735 E. Carnegie Dr. Suite 100  
San Bernardino, CA 92408  
909 889 0871 T  
909 889 5361 F  
ramscca.net

## INDEPENDENT AUDITOR'S REPORT

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

### PARTNERS

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Scott W. Manno, CPA, CGMA  
Leena Shanbhag, CPA, MST, CGMA  
Jay H. Zercher, CPA (Partner Emeritus)  
Phillip H. Waller, CPA (Partner Emeritus)

### MANAGERS / STAFF

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Jenny Liu, CPA, MST  
Papa Matar Thiaw, CPA, MBA  
Seong-Hyea Lee, CPA, MBA  
Charles De Simoni, CPA  
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Nathan Statham, CPA, MBA  
Brigitta Bartha, CPA  
Gardenya Duran, CPA  
Juan Romero, CPA  
Ivan Gonzales, CPA, MSA  
Brianna Pascoe, CPA

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of City of Loma Linda (City), California, as of and for the 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.

### MEMBERS

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants

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

### ***Opinions***

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

### ***Emphasis of Matter***

#### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, in 2014 the City adopted new accounting guidance, *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*. 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 management's discussion and analysis, budgetary comparison information and schedule of funding progress on pages 5-13 and 84-87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Loma Linda's basic financial statements. The introductory section, supplementary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and supporting schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 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 the City of Loma Linda's, internal control over financial reporting and compliance.

*Rogers Anderson Malooly & Scott, LLP*

San Bernardino, California  
December 9, 2014

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Loma Linda's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

### FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities by \$113,617,069 (net position); of this amount \$7,553,783 is a negative unrestricted.
- The City's net position increased 2.33% or \$2,590,635 from \$111,026,434 at the beginning of the year, to \$113,617,069 at the end of the year. The increase can be mainly attributed to a capital contribution recorded in the Public Improvements Per MOU Fund. This contribution consists of the Stewart Street underpass and pedestrian overcrossing funded by Loma Linda University Medical Center (LLUMC) to improve traffic circulation of vehicles and pedestrians on the LLUMC campus.
- During the current year, governmental activities program revenues were up \$4,563,188 as signs of economic recovery in the region start to impact local development projects; the increases were in capital contributions and grants for public works and charges for services in community development, with decreases in charges for services, and operational capital contributions and grants in general government and public safety activities. Business-type program revenues were down \$18,250,195, in capital contribution, and charges for services declined by \$597, as shown in the *statement of activities*.
- During the year, the General Fund reported a positive net change in fund balance of \$757,548 due to revenues exceeding expenditures by \$376,723, plus other financing sources of \$380,825.
- For the General Fund, the actual revenues available for appropriation were more than the final budget by \$290,880, while actual expenditures were \$545,743 less than the final budget. Net actual other financing sources were \$10,225 less than the final budget, resulting in a positive \$757,548 net change in fund balance.
- For the current year the City continues to maintain an overall solid financial position, with the operations of the City, as a whole, having resulted in a net positive change to net position of \$2,692,210. City Council and management annually make great efforts to adopt a balanced budget that preserves, and adds to the General Fund - fund balance. The City has committed \$3,500,000 of general fund balance for emergency contingency and assigned \$1,250,000 for capital equipment replacement. In the adopted budget for fiscal year 2014/2015 this represented 42% of the General Fund budget.

### USING THIS ANNUAL REPORT

The discussion and analysis is intended to serve as an introduction to the City of Loma Linda's basic financial statements. The basic financial statements consist of three components: 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes to the financial statements*.

The *government-wide statements* provide information about the activities of the City as a whole and present a longer-term view of the City's finances. These statements consist of the *statement of net position* and *statement of activities*.

*Fund financial statements*, which consist of the *governmental funds*, *proprietary funds* and *fiduciary funds*, report the City's operations in more detail than the government-wide statements by providing information about the City's most significant (major) funds. The *governmental fund* statements also tell how City services were financed in the short term as well as what remains for future spending. The *proprietary funds* statements use the same accounting method as the business-type activities, but provide more

detail of the activities. The *fiduciary fund* statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

## Reporting the City as a Whole

### The Government-wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of this year's activities?" The *statement of net position* and the *statement of activities* report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in it. The reader can think of the City's net position - the difference between assets and liabilities - as one way to measure the City's financial health. Over time, *increases* or *decreases* in the City's net position is one indicator of whether its *financial health* is improving or deteriorating. However, to assess the *overall health* of the City the reader will need to consider other non-financial factors, such as changes in the City's property tax base and the condition of the City's roads and other infrastructure.

The *statement of net position* and the *statement of activities* present information about the following:

- Governmental activities – All of the City's basic services are considered to be governmental activities, including general government, community development, public safety and public works. Property taxes, motor vehicle in lieu, sales taxes, and franchise fees, finance most of these activities.
- Business-type activities – All Proprietary Funds (enterprise funds), water acquisition, water enterprise, sewer capital, and Loma Linda Connected Communities program, which receive funding through service charges and developer contributions.
- Component units – The City's governmental activities include the Public Financing Authority (Authority) and the Loma Linda Housing Authority (LLHA).

## Reporting the City's Most Significant Funds

### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State Law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's three kinds of funds – *governmental*, *proprietary* and *fiduciary* – use different accounting approaches.

**Governmental funds** - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted into cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the *statement of net position* and the *statement of activities*) and governmental *funds* in a reconciliation schedule accompanying the fund financial statements.

The City of Loma Linda maintains twenty nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the General Fund, Loma Linda Housing Authority, Public

Improvements Per MOU, Special Projects Construction Fund, and the Park Development Fund; which are considered to be *major* funds. The remaining twenty four *non-major* funds are combined and presented in the *non-major* governmental funds column. Individual fund detail for the *non-major* funds is presented in the *combining statements* located on pages 100-115 of this report.

**Proprietary funds** – When the City charges customers for certain services it provides, these services are generally reported in proprietary funds. There are two types of proprietary funds: enterprise fund (*business-type activities*) and internal service funds (internal allocation of costs). Proprietary funds are reported on the full accrual basis of accounting, which is the same method that all activities are reported in the *statement of net position* and the *statement of activities*.

The City of Loma Linda maintains four enterprise funds to account for Water, Sewer and the LLCCP activities. The four funds are considered to be *major* funds and as such detail activity is presented in the *statement of net position, statement of revenues, expenditures and changes in net position, and statement of cash flows* on pages 30-33.

**Fiduciary Funds** – The City is the trustee, or fiduciary, for certain amounts held on behalf of developers, property owners, and others. The City's fiduciary activities are reported in separate *statement of fiduciary net position and changes in fiduciary net position*. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The statement of fiduciary net position can be found on page 35.

**Fiduciary Fund - Private Purpose Trust Fund** – The City acting as Successor Agency to the Redevelopment Agency is the trustee, or fiduciary, for amounts held on behalf of bond holders, enforceable obligations, and taxing entities. The City's fiduciary activities are reported in separate *statement of private purpose trust fund net position and changes in net position*. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City acting as the Successor Agency is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The statement of private purpose trust fund net position can be found on page 35-36.

**Notes to the financial statements** – Additional information that is crucial to a full understanding of the figures provided in the government-wide and fund financial statements is provided in the notes to the financial statements. The notes to the financial statements can be found on pages 37-79 of this report.

**Required supplementary information** – The *budget and budgetary accounting and defined benefit pension plan* information can be found on pages 83-87 of this report.

## **Government-wide Financial Analysis**

Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities reported in the government-wide statements.

### **Net Position**

As shown in Table 1, the City's net position from governmental activities increased over 6.04% from \$80,356,601 to \$85,206,286, as the result of a positive increase of \$4,849,685 change in net position, with over \$3.7 million coming from a capital contribution by Loma Linda University Medical Center for the construction of the Stewart Street underpass and pedestrian overcrossing. While the decrease in net position in the business-type activities was 7.37%, changing from \$30,669,833 to \$28,410,783, primarily as the result of net decreases in net capital assets, resulting from depreciation expense exceeding new capital additions by \$1.9 million. These changes are recorded in the *statement of activities* (Table 2) which flows through to the *statement of net position*.

**Table 1**  
**City of Loma Linda's Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Current and other assets	\$ 39,096,337	\$ 37,803,940	\$ 5,947,619	\$ 6,336,238	\$ 45,043,956	\$ 44,140,178
Capital assets	55,755,801	52,855,507	44,081,940	46,021,681	99,837,741	98,877,188
<b>Total Assets</b>	<b>\$ 94,852,138</b>	<b>\$ 90,659,447</b>	<b>\$ 50,029,559</b>	<b>\$ 52,357,919</b>	<b>\$ 144,881,697</b>	<b>\$ 143,017,366</b>
Long-term liabilities	\$ 4,322,705	\$ 4,244,458	\$ 20,469,698	\$ 19,778,880	\$ 24,792,403	\$ 24,023,338
Other liabilities	5,323,147	6,058,388	1,149,078	1,909,206	6,472,225	7,967,594
<b>Total Liabilities</b>	<b>\$ 9,645,852</b>	<b>\$ 10,302,846</b>	<b>\$ 21,618,776</b>	<b>\$ 21,688,086</b>	<b>\$ 31,264,628</b>	<b>\$ 31,990,932</b>
<b>Net Position:</b>						
Invested in capital assets, net of debt	\$ 53,634,184	\$ 49,923,947	\$ 38,186,940	\$ 39,756,680	\$ 91,821,124	\$ 89,680,627
Restricted	29,308,889	29,617,713	40,839	40,839	29,349,728	29,658,552
Unrestricted	2,263,213	814,941	(9,816,996)	(9,127,686)	(7,553,783)	(8,312,745)
<b>Total Net Position</b>	<b>\$ 85,206,286</b>	<b>\$ 80,356,601</b>	<b>\$ 28,410,783</b>	<b>\$ 30,669,833</b>	<b>\$ 113,617,069</b>	<b>\$ 111,026,434</b>

As shown in Table 2, the change in net position is a positive \$4,911,260 for *governmental activities* and negative \$2,219,050 for *business-type activities*, with a combined total increase in net position of \$2,692,210 for the fiscal year ending June 30, 2014. *Governmental activity* both program and general revenues were higher than last year by \$4,563,188, and \$653,211 respectively. The net increase in program revenues is the result of increases in charges for services of \$778,099, mainly for Community Development - Development Impact fees, and capital contributions and grants of \$3,791,847 for Public Works infrastructure expansion – Stewart Street widening. General revenues were up by \$653,211 mainly due to the increases in property taxes, other taxes and capital contributions for business-type funds. Property tax revenues are increasing because more taxes are going to the local taxing entities after the dissolution of the Merged Redevelopment Agency in 2012. Business-type program revenues were down \$18,055,916, when compared to last year which included the recognition of a major capital contribution received in the Water Enterprise Fund, and general revenues declined by \$81,255, capital contributions to governmental activities, as shown in the *statement of activities*.

Overall governmental expenses increased by \$631,775, resulting from a \$1.6 million increase in Public Safety and a \$969,866 decrease in Public Works. *Business-type activities* expenses reflected a net decrease of \$194,279; in the water fund there was an increase in depreciation expense associated with an \$18 million dollar capital contribution, in the sewer fund there was a decrease to overall depreciation, decrease in treatment costs, and decreases to administration and general expenses; and in the Loma Linda Connected Communities Program a slight decrease in cost of services and depreciation with a very slight increase in administration and general expenses. In comparison to fiscal year 2013, the overall change in net position for *governmental activities* was an increase of \$4,849,685 and *business-type activities* decreased by \$2,259,050, resulting in an overall City net position increase of \$2,590,635 in fiscal year 2014.

**Table 2**  
**City of Loma Linda's Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program Revenues:						
Charges for services	\$ 6,912,309	\$ 6,134,210	\$ 8,745,936	\$ 8,746,533	\$ 15,658,245	\$ 14,880,743
Operating grants and contributions	238,064	244,822	-	-	238,064	244,822
Capital grants and contributions	5,425,257	1,633,410	-	18,249,598	5,425,257	19,883,008
General Revenues:						
Taxes	9,495,933	7,582,598	-	-	9,495,933	7,582,598
Intergovernmental-Motor Vehicle in	213,852	1,661,319	-	-	213,852	1,661,319
Use of money and property	227,033	208,226	8,608	11,789	235,641	220,015
Other	228,605	60,069	500,510	578,584	729,115	638,653
<b>Total Revenues</b>	<b>22,741,053</b>	<b>17,524,654</b>	<b>9,255,054</b>	<b>27,586,504</b>	<b>31,996,107</b>	<b>45,111,158</b>
Expenses:						
Governmental Activities:						
General government	1,818,573	1,770,611	-	-	1,818,573	1,770,611
Public safety	8,430,753	8,747,342	-	-	8,430,753	8,747,342
Community development	1,948,836	1,944,724	-	-	1,948,836	1,944,724
Public works	5,451,342	4,488,436	-	-	5,451,342	4,488,436
Interest on long-term debt	180,289	246,905	-	-	180,289	246,905
Business-Type Activities:						
Water acquisition	-	-	-	152,932	-	152,932
Water	-	-	6,414,771	6,113,936	6,414,771	6,113,936
Sewer	-	-	4,135,446	4,420,067	4,135,446	4,420,067
LL Connected Communities	-	-	923,887	981,448	923,887	981,448
<b>Total Expenses</b>	<b>17,829,793</b>	<b>17,198,018</b>	<b>11,474,104</b>	<b>11,668,383</b>	<b>29,303,897</b>	<b>28,866,401</b>
Changes in Net Position before						
Transfers	4,911,260	326,636	(2,219,050)	15,918,121	2,692,210	16,244,757
Transfers	-	-	-	-	-	-
Change in Net Position	4,911,260	326,636	(2,219,050)	15,918,121	2,692,210	16,244,757
Net Position at Beginning of Year	80,356,601	80,029,965	30,669,833	14,751,712	111,026,434	94,781,677
Restatements	(61,575)	-	(40,000)	-	(101,575)	-
Net Position at End of Year	\$ 85,206,286	\$ 80,356,601	\$ 28,410,783	\$ 30,669,833	\$ 113,617,069	\$ 111,026,434

### Government Activities

Table 3 presents the *total cost* (expenses) of each of the City's major public services in general government, community development, public safety, public works, and interest expense. Also included is each program's *net cost* (total cost less program revenues generated by the activities).

**Table 3**  
**City of Loma Linda**  
**Net Cost of Governmental Activities**

	Total Cost		Net Cost	
	2014	2013	2014	2013
Functions:				
General government	\$ 1,818,573	\$ 1,770,611	\$ (199,003)	\$ (494,503)
Public safety	8,430,753	8,747,342	7,754,932	8,015,169
Community development	1,948,836	1,944,724	(649,891)	406,498
Public works	5,451,342	4,488,436	(1,832,164)	1,011,507
Interest on long-term debt	180,289	246,905	180,289	246,905
 Total Governmental Activities	\$ 17,829,793	\$ 17,198,018	\$ 5,254,163	\$ 9,185,576

The *net cost* shows the financial burden that was placed on the City's taxpayers by each of these functions. In 2014, total costs increased by \$631,775, a result of decreases in public safety programs and interest on long-term debt, and increases in general government, community development and public works. In looking at table 3 you will note the major change in public works was a \$962,906 increase due to the City's contribution to the expansion of the Anderson Street/Tippecanoe freeway off-ramp project. Net cost decreased by \$3,931,413, resulting from increase in total program revenues of \$4,563,188, as was previously discussed in the Changes to Net Position - Tables 2 section.

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At year-end, the City's *governmental funds* reported combined fund balances of \$31,506,698, a net decrease of \$286,719 in fund balance; included in this amount are increases in fund balance for the General Fund of \$757,548, Housing Authority of \$99,847, Public Improvement per MOU of \$965,591 and Park Capital Fund of \$99,873; combined with decreases in Special Projects Construction Fund of \$452,187, and Non-Major Funds of \$1,757,391. The General Fund had a net increase in fund balance of \$757,548, resulting from net revenues exceeding expenditures by \$376,723 and other financing sources (net) of \$380,825. Although, the final adopted budget projected an \$89,300 negative change in fund balance, favorable results in revenues of \$290,880, expenditures of \$545,743 and other financing uses of \$10,225, resulted in the combined favorable results of \$846,848, when comparing final budget to actual results for the fiscal year.

In total the *Proprietary Funds* reported a negative change in net position of \$2,219,050. The Water Acquisition Fund ended the year with a positive change in net position of \$41,666. The Water Enterprise ended with a negative change in net position of \$1,024,203, as a result of ongoing operating expenses exceeding operating revenues. For the sixth year in a row, the Sewer Fund ended the year with a negative change in 2014 of \$679,365, current revenues of \$3,467,038 are not sufficient to cover operating expenses of \$4,135,446; efforts have been made to reduce ongoing repairs and maintenance of the facilities. In February of 2014 management conducted a rate study for both Water and Sewer fund and adopted annual rate increases through fiscal year 2017/2018 in order to address the operating deficits. The Loma Linda Connected Communities Fund reported a negative change of \$557,148 reflects the ongoing operational gap between charges for services (revenues), and operating expenses and interest expenses. Efforts to reduce operational expenses have been implemented, but annual depreciation expense and non-operational expenses continue to exceed revenues adding to the negative net position.

### General Fund Budgetary Highlights

The actual expenditures of the *General Fund* at year-end were \$376,723 lower than the actual revenues. The positive budget-to-actual variance of \$846,848 in appropriations was due to conservative spending in city wide and the delay in a contractual obligation that was budgeted for in general government expenditures. In addition, to the unspent budget actual revenues were \$290,880 higher than anticipated compared to the final budget, with the majority increases occurring in licenses and permits, charges for

services and miscellaneous. Specifically, significant increases occurred in building permits and engineering plan checks and inspections related to new development activity, as well as in refunds and reimbursements related to fire strike team activity and prior year state mandate funding. The unfavorable variance in taxes was in connection with a tax sharing agreement that was delayed and corresponds to the reduced expenditures. Budget amendments and supplemental appropriations were made during the year to diminish budget overruns and to increase appropriations for unanticipated expenditures after adoption of the original budget. The original revenue budget was increased by \$719,000, primarily for taxes and miscellaneous revenues, while the expenditure appropriations budget was increased by \$867,800 for general government, public safety, fire and rescue services, planning activities and capital outlay anticipated needs (including contractual services related to development activity and legal services for litigation), as of the final budget on June 30, 2014.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of fiscal year 2014, the City had \$99,837,741 invested in a broad range of capital assets, including fire and public safety equipment, buildings, land, park facilities, and roads (See Table 5 below).

**Table 4**  
**City of Loma Linda**  
**Capital Assets at Year End**  
**Net of Depreciation**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Asset Type:						
Land	\$ 14,204,929	\$ 14,204,929	\$ 1,387,764	\$ 1,389,696	\$ 15,592,693	\$ 15,594,625
Construction in progress	6,094,538	2,213,894	-	92,575	6,094,538	2,306,469
Structures, machinery & equipment	14,132,641	14,988,295	9,874,929	11,169,267	24,007,570	26,157,562
Infrastructure	21,323,693	21,448,389	32,819,247	33,370,143	54,142,940	54,818,532
Total	\$ 55,755,801	\$ 52,855,507	\$ 44,081,940	\$ 46,021,681	\$ 99,837,741	\$ 98,877,188

The total increase in the City of Loma Linda investment in capital assets for fiscal year 2014 was .97% (a 5.49% increase in *governmental activities* and 4.22% decrease in *business-type activities*). The major capital assets added for *governmental activities* and *business-type activities* are highlighted in explanation of Table 5, on pages 55-56.

Detailed information regarding capital assets activities can also be found in Notes 1i and 5 of the financial statements.

As shown in Table 5, below, *capital assets* current year activity increased \$2,900,294 (net of depreciation) for *governmental activities* and decreased \$1,939,741 (net of depreciation) for *business-type activities* for a total increase of \$960,553. In the *governmental activities* the increase includes the addition of widening of Stewart Street with a major contribution from the Loma Linda University. Over the last few years, decreases in *business-type activities capital assets* (mainly in water operations) is a result of annual accumulated depreciation exceeding the amount of additions. Deletions and depreciation totaled \$4,446,041 combined.

**Table 5**  
**City of Loma Linda**  
**Schedule of Changes in Capital Assets/Infrastructure**

Asset Type:	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	4,080,830	1,821,458	-	92,575	4,080,830	1,914,033
Structures, machinery and equipment	180,917	162,855	97,663	32,792	278,580	195,647
Infrastructure	803,010	-	244,174	18,326,622	1,047,184	18,326,622
Total Additions	5,064,757	1,984,313	341,837	18,451,989	5,406,594	20,436,302
Less: Decreases and depreciation	(2,164,463)	(2,365,411)	(2,281,578)	(2,056,953)	(4,446,041)	(4,422,364)
Capital Asset Increase/(Decrease)	\$ 2,900,294	\$ (381,098)	\$ (1,939,741)	\$ 16,395,036	\$ 960,553	\$ 16,013,938

Detailed information regarding capital assets activities can be found in Notes 1i and 5 of the financial statements.

### Long-Term Debt

**Governmental Activities** - The City governmental funds have \$3,384,559 in outstanding long-term debt as of June 30, 2014. In fiscal year 2003, the City of Loma Linda and the Loma Linda Redevelopment Agency formed the Loma Linda Public Financing Authority, pursuant to a joint exercise of powers agreement dated September 10, 2002. This action allowed the City to issue \$10.2 million in Lease Revenue Refunding Bonds (to refund 1994 Certificates of Participation), which reduced annual debt service payments, and as of June 30, 2014 outstanding bond principal is \$1,875,000. Note 6 to the financial statements offer a more detailed view of governmental Long-Term Debt.

**Business-type Activities** - The enterprise funds have \$6,330,556 in outstanding long-term debt as of June 30, 2014. The water enterprise fund has bonded debt of \$5,895,000 consisting of the 1995 Variable Rate Water Revenue Refunding Bonds issued for \$10,000,000 with an outstanding balance of \$5,885,000; and the 1978 Water Bonds (General Obligation) with a current outstanding balance of \$10,000. Both bond issues are paid with water operating revenues and a portion of water development impact fees for excess capacity previous built into the water system. Additional detailed information for Bonds Payable is shown in Note 6 to the financial statements.

**Table 6**  
**City of Loma Linda**  
**Long-Term Debt at Year End**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
2002 Lease Revenue Refunding Bonds	\$ 1,875,000	\$ 2,760,000	\$ -	\$ -	\$ 1,875,000	\$ 2,760,000
Master Lease Purchase - Fire apparatus	242,515	271,894	-	-	242,515	271,894
1978 Water Bonds (General Obligation)	-	-	10,000	10,000	10,000	10,000
1995 Water Revenue Refunding Bonds	-	-	5,885,000	6,255,000	5,885,000	6,255,000
Compensated absences	505,201	584,916	286,721	279,242	791,922	864,158
JPIA Retrospective deposit	738,370	804,095	132,987	163,005	871,357	967,100
OPEB liability	19,371	19,155	15,848	15,673	35,219	34,828
Less: Unamortized loss on defeasance	-	(37,793)	-	-	-	(37,793)
Add: Unamortized bond premium	4,102	6,152	-	-	4,102	6,152
Add: Unamortized discount	-	-	-	-	-	-
Total	\$ 3,384,559	\$ 4,408,419	\$ 6,330,556	\$ 6,722,920	\$ 9,715,115	\$ 11,131,339

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

According to the Los Angeles County Economic Development Corp. (LAEDC), the Inland Empire (Riverside-San Bernardino) had experienced a longer recovery period after the Great recession, but is now in its third year of higher than the state and the rest of Southern California in job growth. The largest areas of growth in the labor market are coming from leisure and hospitality, health care and social assistance, administrative and waste services, retail trade, transportation, warehousing and utilities. In addition there are finally some improvements in the construction and government sectors of the job market. The unemployment rate has continued to drop, with it averaging at 8.9% for the first half of 2014. The Inland Empire is projected to continue down the path of economic growth, fueled by continued job and population growth, gains in personal income leading to consumer spending and need for population service industries which in turn will contribute to growth in taxable sales.

Similar to what has been seen regionally, Loma Linda has experienced the impacts of job growth with two major medical facilities within the community and seeing future growth with the addition of a new Veteran Administration (VA) medical facility in the construction stages. The City is experiencing economic growth as employment starts to stabilize consumer confidence increases resulting in consumer spending, property valuations increasing, leading to increases in City revenues (property taxes, building permits and business licenses). The challenge still faced by the City is balancing the resources available to meet the increasing demands on city services (fire, police and general community services), and the ongoing maintenance of infrastructure (parks, landscaping, streets, and utility services). In the past few years Loma Linda implemented operational cost cutting efforts to improve the overall financial health of the City through benefit cost sharing with employees, and deferred capital outlay purchases. Although, the City has seen growth in revenues it continues to operate in a lean, conservative capacity and is working on addressing the demands for services, with staff and designated committees implementing new policies and working on economic development project proposals to maintain solid economic growth for the community, while preserving the necessary level of services.

On May 13, 2014, the City Council adopted the City of Loma Linda Operating and Capital Improvement Program (CIP) Budget for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015. The General Fund operating budget totals \$16,170,800, and is funded by operating revenue of \$14,992,700, and transfers in and other financing sources of \$1,191,700, yielding net increase to fund balance of \$13,600. The fund balance in the General Fund is expected to increase to \$10,063,100 with \$3,313,100 available and \$6,750,000 designated (committed or assigned) as budgetary reserves. The total City operating budget amounts to \$33,371,900, with total estimated resources available for budget purposes of \$45,163,000, for fiscal year 2014/2015. The approved CIP budget for fiscal year 2014/2015 totals \$3,743,200 with a five-year CIP investment plan estimated at \$22,390,000.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. For any questions about this report or additional financial information, please contact the City Manager and/or Finance Director/Treasurer of the City of Loma Linda, located at 25541 Barton Road, Loma Linda, CA 92354, (909) 799-2840, or visit their website at [www.lomalinda-ca.gov](http://www.lomalinda-ca.gov).

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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**CITY OF LOMA LINDA**  
**Statement of Net Position**  
**June 30, 2014**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 19,448,700	\$ 3,194,998	\$ 22,643,698
Receivables:			
Accounts	375,880	909,967	1,285,847
Taxes	576,429	-	576,429
Interest	13,359	2,070	15,429
Contracts and loans	14,717,707	-	14,717,707
Internal balances	(1,550,855)	1,550,855	-
Due from other governments	359,582	-	359,582
Inventories	22,934	149,603	172,537
Prepaid items	764	99,287	100,051
Land held for resale	4,095,981	-	4,095,981
Restricted assets:			
Cash and investments with fiscal agents	1,035,856	40,839	1,076,695
Capital assets:			
Non-depreciable	20,299,467	1,387,764	21,687,231
Depreciable, net	35,456,334	42,694,176	78,150,510
Total capital assets	<u>55,755,801</u>	<u>44,081,940</u>	<u>99,837,741</u>
<b>Total assets</b>	<u>94,852,138</u>	<u>50,029,559</u>	<u>144,881,697</u>
<b>LIABILITIES</b>			
Accounts payable	1,687,308	665,132	2,352,440
Interest payable - bonds	47,739	-	47,739
Accrued liabilities	254,171	104,818	358,989
Due to other governments	1,237	-	1,237
Due to Successor Agency	2,273,000	-	2,273,000
Deposits payable	634,644	379,128	1,013,772
Unearned revenue	425,048	-	425,048
Noncurrent liabilities:			
Advances from the Loma Linda Successor Agency	938,146	14,139,142	15,077,288
Due within one year	1,108,552	536,291	1,644,843
Due in more than one year	2,256,636	5,778,417	8,035,053
Net OPEB obligation	19,371	15,848	35,219
<b>Total liabilities</b>	<u>9,645,852</u>	<u>21,618,776</u>	<u>31,264,628</u>
<b>NET POSITION</b>			
Net investment in capital assets	53,634,184	38,186,940	91,821,124
Restricted for:			
Public works project	6,185,467	-	6,185,467
Public safety	3,946,005	-	3,946,005
Community development	17,956,592	-	17,956,592
General government	15,768	-	15,768
Debt service	1,205,057	40,839	1,245,896
Unrestricted	2,263,213	(9,816,996)	(7,553,783)
<b>Total Net Position</b>	<u>\$ 85,206,286</u>	<u>\$ 28,410,783</u>	<u>\$ 113,617,069</u>

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

**CITY OF LOMA LINDA**  
**Statement of Activities**  
**For the year ended June 30, 2014**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
General government	\$ 1,818,573	\$ 2,017,576	\$ -	\$ -	\$ 2,017,576
Public safety	8,430,753	566,346	109,475	-	675,821
Community development	1,948,836	2,598,727	-	-	2,598,727
Public works	5,451,342	1,729,660	128,589	5,425,257	7,283,506
Interest on long-term debt	180,289	-	-	-	-
Total governmental activities	<u>17,829,793</u>	<u>6,912,309</u>	<u>238,064</u>	<u>5,425,257</u>	<u>12,575,630</u>
<b>Business-type activities:</b>					
Water acquisition	-	60,113	-	-	60,113
Water enterprise	6,414,771	4,813,653	-	-	4,813,653
Sewer capital	4,135,446	3,457,741	-	-	3,457,741
Loma Linda Connected Communities	923,887	414,429	-	-	414,429
Total business-type activities	<u>11,474,104</u>	<u>8,745,936</u>	<u>-</u>	<u>-</u>	<u>8,745,936</u>
<b>Total primary government</b>	<u>\$ 29,303,897</u>	<u>\$ 15,658,245</u>	<u>\$ 238,064</u>	<u>\$ 5,425,257</u>	<u>\$ 21,321,566</u>

**General revenues:**

Taxes:

Property tax, levied for general purpose

Sales tax

Franchise tax

Other taxes

Intergovernmental revenues

Investment revenue

Capital contribution

Miscellaneous

**Total general revenues**

**Change in net position**

**Net position at beginning of year, as previously reported**

**Restatement - change of accounting principle**

**Net position at beginning of year, as restated**

**Net position, end of year**

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

**Net (Expense) Revenue and Changes in Net Position  
Primary Government**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ 199,003	\$ -	\$ 199,003
(7,754,932)	-	(7,754,932)
649,891	-	649,891
1,832,164	-	1,832,164
(180,289)	-	(180,289)
<u>(5,254,163)</u>	<u>-</u>	<u>(5,254,163)</u>
-	60,113	60,113
-	(1,601,118)	(1,601,118)
-	(677,705)	(677,705)
-	(509,458)	(509,458)
<u>-</u>	<u>(2,728,168)</u>	<u>(2,728,168)</u>
<u>(5,254,163)</u>	<u>(2,728,168)</u>	<u>(7,982,331)</u>
4,080,432	-	4,080,432
3,733,160	-	3,733,160
811,238	-	811,238
871,103	-	871,103
213,852	-	213,852
227,033	8,608	235,641
89,413	(89,413)	-
139,192	589,923	729,115
<u>10,165,423</u>	<u>509,118</u>	<u>10,674,541</u>
<u>4,911,260</u>	<u>(2,219,050)</u>	<u>2,692,210</u>
80,356,601	30,669,833	111,026,434
<u>(61,575)</u>	<u>(40,000)</u>	<u>(101,575)</u>
<u>80,295,026</u>	<u>30,629,833</u>	<u>110,924,859</u>
<u>\$ 85,206,286</u>	<u>\$ 28,410,783</u>	<u>\$ 113,617,069</u>

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## **Governmental Fund Financial Statements**

**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.

**Loma Linda Housing Authority – Special Revenue Fund** accounts for low/mod housing activities and is funded through re-payments of existing housing loans.

**Public Improvements Per MOU – Special Revenue** is used to manage the Stewart Street Pedestrian Bridge project. The funding will be received from the Loma Linda University.

**Special Projects Construction – Capital Projects Fund** accounts for special or extraordinary projects, activities and allocations that might be recommended by staff and determined needed by the City Council.

**Park Development – Capital Projects Fund** accounts for developer fees collected and expended for future park development and acquisition.

**CITY OF LOMA LINDA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

ASSETS	General	Special Revenue Funds	
		Loma Linda Housing Authority	Public Improvements Per MOU
Cash and investments	\$ 11,026,904	\$ 458,094	\$ 970,438
Receivables:			
Accounts	313,570	2,261	-
Taxes	494,718	-	-
Interest	5,433	3,059	898
Contract and loans	9,659	14,708,048	-
Due from other funds	451,140	-	-
Due from other governments	74,345	-	-
Inventories	22,934	-	-
Prepaid items	764	-	-
Land held for resale	-	4,095,981	-
Advances to other funds	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total assets</b>	<b>\$ 12,399,467</b>	<b>\$ 19,267,443</b>	<b>\$ 971,336</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 753,682	\$ 15,487	\$ 461,707
Accrued liabilities	250,040	-	-
Due to other funds	-	-	-
Due to other governments	1,237	-	-
Due to Successor Agency	-	-	-
Deposits payable	585,525	32,768	-
Unearned revenue	-	300,000	-
Advances from other funds	-	-	-
Advances from the Loma Linda Successor Agency	-	-	-
<b>Total liabilities</b>	<b>1,590,484</b>	<b>348,255</b>	<b>461,707</b>
<b>Deferred inflow of resources:</b>			
Unavailable revenue	2,289	1,162,232	-
<b>Fund balances (deficit):</b>			
Non spendable:			
Inventories	22,934	-	-
Prepaid items	764	-	-
Restricted for:			
Cultural and recreational	-	-	-
Public safety	-	-	-
Street improvements	-	-	1,183,211
Storm drains	-	-	-
Municipal facilities	-	-	-
Air quality management	-	-	-
General government	15,768	-	-
Debt service	-	-	-
Low/mod housing programs	-	17,756,956	-
Committed for:			
Emergency contingency	3,500,000	-	-
Assigned for:			
Refuse services	91,540	-	-
Fire equipment replacement	88,812	-	-
Capital equipment replacement	1,250,000	-	-
Unassigned	5,836,876	-	(673,582)
<b>Total fund balances (deficit)</b>	<b>10,806,694</b>	<b>17,756,956</b>	<b>509,629</b>
<b>Total liabilities, deferred inflow of resources, and fund balances</b>	<b>\$ 12,399,467</b>	<b>\$ 19,267,443</b>	<b>\$ 971,336</b>

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

Capital Projects Funds		Nonmajor	Total
Special Projects	Park	Governmental	Governmental
Construction	Development	Funds	Funds
\$ 395,070	\$ 477,076	\$ 6,121,118	\$ 19,448,700
60,049	-	-	375,880
-	-	81,711	576,429
212	256	3,501	13,359
-	-	-	14,717,707
-	-	-	451,140
-	-	285,237	359,582
-	-	-	22,934
-	-	-	764
-	-	-	4,095,981
3,253,769	-	500,000	3,753,769
-	-	1,035,856	1,035,856
<u>\$ 3,709,100</u>	<u>\$ 477,332</u>	<u>\$ 8,027,423</u>	<u>\$ 44,852,101</u>
\$ -	\$ -	\$ 456,432	\$ 1,687,308
-	-	4,131	254,171
-	-	301,995	301,995
-	-	-	1,237
2,273,000	-	-	2,273,000
1,500	510	14,341	634,644
-	-	125,048	425,048
2,200,000	3,250,000	3,769	5,453,769
938,146	-	-	938,146
<u>5,412,646</u>	<u>3,250,510</u>	<u>905,716</u>	<u>11,969,318</u>
-	-	211,564	1,376,085
-	-	-	22,934
-	-	-	764
-	-	304,711	304,711
-	-	446,005	446,005
-	-	3,973,245	5,156,456
-	-	757,919	757,919
-	-	271,092	271,092
-	-	80,988	80,988
-	-	-	15,768
-	-	1,205,057	1,205,057
-	-	199,636	17,956,592
-	-	-	3,500,000
-	-	-	91,540
-	-	-	88,812
-	-	-	1,250,000
<u>(1,703,546)</u>	<u>(2,773,178)</u>	<u>(328,510)</u>	<u>358,060</u>
<u>(1,703,546)</u>	<u>(2,773,178)</u>	<u>6,910,143</u>	<u>31,506,698</u>
<u>\$ 3,709,100</u>	<u>\$ 477,332</u>	<u>\$ 8,027,423</u>	<u>\$ 44,852,101</u>

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**CITY OF LOMA LINDA**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2014**

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<b>Fund Balances - Total Governmental Funds</b>	<b>\$ 31,506,698</b>
Amounts reported for governmental activities in the statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources. Therefore, they are not reported in the governmental funds.	<u>55,755,801</u>
Long-term Liabilities are not due and payable in the current period. Therefore they are not reported in the governmental funds:	
Long term liabilities, net of premium and discount	(2,859,987)
Compensated absences	(505,201)
Net OPEB liability	<u>(19,371)</u>
	<u>(3,384,559)</u>
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds	
Interest Payable - Bonds	(37,748)
Interest Payable - Capital Lease	<u>(9,991)</u>
	<u>(47,739)</u>
Revenues are recorded as unavailable revenue in the governmental funds because they do not meet the revenue recognition criteria. However, they are classified as revenues in the Government-Wide Financial Statements	<u>1,376,085</u>
<b>Net Position of Governmental Activities</b>	<b>\$ 85,206,286</b>

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

**CITY OF LOMA LINDA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the year ended June 30, 2014**

	General	Special Revenue Funds	
		Housing Authority	Public Improvements Per MOU
<b>REVENUES</b>			
Taxes	\$ 8,312,397	\$ -	\$ -
Licenses and permits	532,046	-	-
Intergovernmental	32,628	-	-
Charges for services	1,912,085	1,437	-
Use of money and property	255,978	187,841	5,364
Fines and forfeitures	6,790	-	-
Miscellaneous	2,092,056	2,160	4,744,958
Developer fees	-	-	-
<b>Total revenues</b>	<b>13,143,980</b>	<b>191,438</b>	<b>4,750,322</b>
<b>EXPENDITURES</b>			
Current:			
General government	1,265,334	-	-
Public safety	8,330,616	-	-
Community development	1,212,832	187,661	-
Public works	1,864,134	-	-
Capital outlay	94,341	1,926	3,784,731
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>12,767,257</b>	<b>189,587</b>	<b>3,784,731</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>376,723</b>	<b>1,851</b>	<b>965,591</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Gain (loss) on disposal of land held for resale, net	-	97,996	-
Transfers in	1,409,625	-	-
Transfers out	(1,028,800)	-	-
<b>Total other financing sources (uses)</b>	<b>380,825</b>	<b>97,996</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>757,548</b>	<b>99,847</b>	<b>965,591</b>
<b>FUND BALANCE (Deficit):</b>			
Beginning of year	10,049,146	17,657,109	(455,962)
End of year	\$ 10,806,694	\$ 17,756,956	\$ 509,629

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

Capital Projects Funds		Non major	Total
Special Projects	Park	Governmental	Governmental
Construction	Fund	Funds	Funds
\$ -	\$ -	\$ 1,085,994	\$ 9,398,391
-	-	-	532,046
-	-	867,635	900,263
-	-	8,092	1,921,614
1,647	1,056	16,397	468,283
-	-	159,224	166,014
109,999	-	27,220	6,976,393
-	98,817	715,739	814,556
<u>111,646</u>	<u>99,873</u>	<u>2,880,301</u>	<u>21,177,560</u>
-	-	4,129	1,269,463
-	-	42,278	8,372,894
-	-	433,773	1,834,266
-	-	474,109	2,338,243
-	-	2,787,470	6,668,468
29,378	-	885,000	914,378
51,455	-	113,108	164,563
<u>80,833</u>	<u>-</u>	<u>4,739,867</u>	<u>21,562,275</u>
<u>30,813</u>	<u>99,873</u>	<u>(1,859,566)</u>	<u>(384,715)</u>
-	-	-	97,996
-	-	1,028,800	2,438,425
(483,000)	-	(926,625)	(2,438,425)
<u>(483,000)</u>	<u>-</u>	<u>102,175</u>	<u>97,996</u>
(452,187)	99,873	(1,757,391)	(286,719)
<u>(1,251,359)</u>	<u>(2,873,051)</u>	<u>8,667,534</u>	<u>31,793,417</u>
<u>\$ (1,703,546)</u>	<u>\$ (2,773,178)</u>	<u>\$ 6,910,143</u>	<u>\$ 31,506,698</u>

# CITY OF LOMA LINDA

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Government-Wide Statement of Activities and Changes in Net Position For the year ended June 30, 2014

Net change in Fund Balance - Total Governmental Funds \$ (286,719)

Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position were different because:

Governmental funds report capital outlays as expenditures. However, in the Government Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount of capital assets recorded in the current period:

Capital outlays	\$ 4,735,762	
Capital asset contributions	<u>89,412</u>	<u>4,825,174</u>

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.

(1,924,880)

Amortization expense is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, amortization expense is not reported as an expenditure in the governmental funds.

Amortization of loss on defeasance	\$ (37,792)	
Amortization of bond premium	<u>2,050</u>	<u>(35,742)</u>

Proceeds from long-term debt provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position.

OPEB liability Increase	\$ (216)	
JPIA insurance rolling retro decrease	65,725	
Principal payment of capital lease	29,378	
Principal payment of bonds	<u>885,000</u>	<u>979,887</u>

Long-term compensated absences is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, long-term compensated absences is not reported as an expenditure in the governmental funds. The reconciling amount is the change in long term compensated absences from the prior year.

79,715

Accrued interest expense on long-term debt is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, interest expense is not reported as an expenditure in the governmental funds. The reconciling amount is the change in accrued interest from the prior year.

20,016

Certain revenues are recorded as unavailable revenue in the governmental funds because they do not meet the revenue recognition criteria of availability. However, they are included as revenue in the Governmental-Wide Statement of Activities.

1,253,809

**Change in Net Position of Governmental Activities**

\$ 4,911,260

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

## ***Proprietary Fund Financial Statements***

***Water Acquisition Fund*** accounts for developer fees collected to pay for the expansion of the water system and for debt service on qualifying projects.

***Water Enterprise Fund*** is used to account for water production, distribution and meters.

***Sewer Capital Fund*** accounts for the operation and maintenance of the City's sewer, storm drain and catch basin systems.

***Loma Linda Connected Communities Program Fund*** provides Loma Linda residents and businesses with the opportunities for voice, data, video, multimedia, home automation systems, environmental control, security, audio, television, sensors, alarms and intercom services. The program establishes the standardized requirements for residential and commercial telecommunications cabling systems. The initial intent is to connect new development to the system, but the long-term goal is to eventually retrofit and extend these services to the entire community.

**CITY OF LOMA LINDA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2014**

	Enterprise Funds				Total
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 1,295,007	\$ 1,299,202	\$ 195,142	\$ 405,647	\$ 3,194,998
Receivables:					
Accounts	-	489,795	397,113	23,059	909,967
Interest	708	1,083	105	174	2,070
Inventories	-	149,092	511	-	149,603
Due from other funds	-	952,638	-	-	952,638
Prepaid items	-	79,331	156	19,800	99,287
<b>Total current assets</b>	<u>1,295,715</u>	<u>2,971,141</u>	<u>593,027</u>	<u>448,680</u>	<u>5,308,563</u>
Noncurrent assets:					
Advances to other funds	1,700,000	209,626	-	-	1,909,626
Restricted assets:					
Cash and investments with fiscal agents	-	40,839	-	-	40,839
Capital assets:					
Non-depreciable	-	1,387,764	-	-	1,387,764
Depreciable, net	-	33,760,397	3,808,895	5,124,884	42,694,176
<b>Total capital asset</b>	<u>-</u>	<u>35,148,161</u>	<u>3,808,895</u>	<u>5,124,884</u>	<u>44,081,940</u>
<b>Total noncurrent assets</b>	<u>1,700,000</u>	<u>35,398,626</u>	<u>3,808,895</u>	<u>5,124,884</u>	<u>46,032,405</u>
<b>Total assets</b>	<u>2,995,715</u>	<u>38,369,767</u>	<u>4,401,922</u>	<u>5,573,564</u>	<u>51,340,968</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	-	215,276	435,626	14,230	665,132
Accrued liabilities	-	65,991	30,961	7,866	104,818
Deposits payable	16,581	122,155	223,684	16,708	379,128
Due to other funds	-	-	1,101,783	-	1,101,783
Long-term debt - due within one year	-	492,972	34,851	8,468	536,291
<b>Total current liabilities</b>	<u>16,581</u>	<u>896,394</u>	<u>1,826,905</u>	<u>47,272</u>	<u>2,787,152</u>
Noncurrent liabilities:					
Advances from other funds	-	-	200,000	9,626	209,626
Advances from Loma Linda Successor Agency	-	-	-	14,139,142	14,139,142
Long-term debt - due in more than one year	-	5,659,031	100,500	18,886	5,778,417
Net OPEB obligation	-	9,509	4,596	1,743	15,848
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>5,668,540</u>	<u>305,096</u>	<u>14,169,397</u>	<u>20,143,033</u>
<b>Total liabilities</b>	<u>16,581</u>	<u>6,564,934</u>	<u>2,132,001</u>	<u>14,216,669</u>	<u>22,930,185</u>
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	-	29,253,161	3,808,895	5,124,884	38,186,940
Restricted for: debt service	-	40,839	-	-	40,839
Unrestricted	2,979,134	2,510,833	(1,538,974)	(13,767,989)	(9,816,996)
<b>Total net position (deficit)</b>	<u>\$ 2,979,134</u>	<u>\$ 31,804,833</u>	<u>\$ 2,269,921</u>	<u>\$ (8,643,105)</u>	<u>\$ 28,410,783</u>

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

**CITY OF LOMA LINDA**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2014**

	Enterprise Funds				Total
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 60,113	\$ 4,813,653	\$ 3,457,741	\$ 414,429	\$ 8,745,936
Miscellaneous	-	580,626	9,297	-	589,923
<b>Total operating revenues</b>	<u>60,113</u>	<u>5,394,279</u>	<u>3,467,038</u>	<u>414,429</u>	<u>9,335,859</u>
<b>OPERATING EXPENSES</b>					
Treatment	-	-	3,287,080	-	3,287,080
Cost of sales and services	-	3,069,603	-	76,395	3,145,998
Administration and general	-	1,566,682	685,228	116,748	2,368,658
Depreciation	-	1,772,845	163,138	168,862	2,104,845
<b>Total operating expenses</b>	<u>-</u>	<u>6,409,130</u>	<u>4,135,446</u>	<u>362,005</u>	<u>10,906,581</u>
<b>Operating change in net position (deficit)</b>	<u>60,113</u>	<u>(1,014,851)</u>	<u>(668,408)</u>	<u>52,424</u>	<u>(1,570,722)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest revenue	3,070	4,456	510	572	8,608
Interest expense	-	(5,641)	-	(561,882)	(567,523)
<b>Net nonoperating revenues (expenses)</b>	<u>3,070</u>	<u>(1,185)</u>	<u>510</u>	<u>(561,310)</u>	<u>(558,915)</u>
<b>Net position (deficit) before contributions and transfers</b>	<u>63,183</u>	<u>(1,016,036)</u>	<u>(667,898)</u>	<u>(508,886)</u>	<u>(2,129,637)</u>
<b>OPERATING TRANSFERS AND CONTRIBUTIONS</b>					
Transfer in	-	21,517	-	-	21,517
Transfer out	(21,517)	-	-	-	(21,517)
Contributed capital	-	(29,684)	(11,467)	(48,262)	(89,413)
<b>Total operating transfers and contributions</b>	<u>(21,517)</u>	<u>(8,167)</u>	<u>(11,467)</u>	<u>(48,262)</u>	<u>(89,413)</u>
<b>Net change in net position</b>	<u>41,666</u>	<u>(1,024,203)</u>	<u>(679,365)</u>	<u>(557,148)</u>	<u>(2,219,050)</u>
<b>NET POSITION (DEFICIT):</b>					
Net position at beginning of year, as previously reported	2,937,468	32,869,036	2,949,286	(8,085,957)	30,669,833
Restatements - change of accounting principle	-	(40,000)	-	-	(40,000)
Net position at beginning of year, as restated	<u>2,937,468</u>	<u>32,829,036</u>	<u>2,949,286</u>	<u>(8,085,957)</u>	<u>30,629,833</u>
End of year	<u>\$ 2,979,134</u>	<u>\$ 31,804,833</u>	<u>\$ 2,269,921</u>	<u>\$ (8,643,105)</u>	<u>\$ 28,410,783</u>

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

**CITY OF LOMA LINDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2014**

	Enterprise Funds				Total
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ 60,113	\$ 5,214,189	\$ 3,752,049	\$ 406,917	\$ 9,433,268
Payments to suppliers for operations	(147,416)	(3,103,753)	(3,272,757)	(54,588)	(6,578,514)
Payments for general and administrative expenses	-	(1,552,726)	(676,641)	(115,521)	(2,344,888)
<b>Net cash provided (used) by operating activities</b>	<b>(87,303)</b>	<b>557,710</b>	<b>(197,349)</b>	<b>236,808</b>	<b>509,866</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Advances to other funds	-	(200,000)	-	-	(200,000)
Advances from other funds	-	-	200,000	561,881	761,881
Transfer in	-	21,517	-	-	21,517
Transfer out	(21,517)	-	-	-	(21,517)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(21,517)</b>	<b>(178,483)</b>	<b>200,000</b>	<b>561,881</b>	<b>561,881</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	-	(193,634)	(11,471)	(49,412)	(254,517)
Customer deposits	-	-	-	(9,438)	(9,438)
Principal paid on long-term debt	-	(395,753)	2,008	1,225	(392,520)
Interest paid on long-term debt	-	(5,641)	-	(561,882)	(567,523)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>-</b>	<b>(595,028)</b>	<b>(9,463)</b>	<b>(619,507)</b>	<b>(1,223,998)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	3,166	4,969	512	519	9,166
<b>Net cash provided by investing activities</b>	<b>3,166</b>	<b>4,969</b>	<b>512</b>	<b>519</b>	<b>9,166</b>
<b>Net increase (decrease) in cash and equivalents</b>	<b>(105,654)</b>	<b>(210,832)</b>	<b>(6,300)</b>	<b>179,701</b>	<b>(143,085)</b>
<b>CASH AND CASH EQUIVALENTS</b>					
Beginning of year	1,400,661	1,550,873	201,442	225,946	3,378,922
End of year	\$ 1,295,007	\$ 1,340,041	\$ 195,142	\$ 405,647	\$ 3,235,837
<b>COMPRISED AS FOLLOWS</b>					
Cash and cash equivalents	\$ 1,295,007	\$ 1,299,202	\$ 195,142	\$ 405,647	\$ 3,194,998
Cash and investments with fiscal agents	-	40,839	-	-	40,839
<b>Total cash and investments with fiscal agents</b>	<b>\$ 1,295,007</b>	<b>\$ 1,340,041</b>	<b>\$ 195,142</b>	<b>\$ 405,647</b>	<b>\$ 3,235,837</b>

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

**CITY OF LOMA LINDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2014**

**RECONCILIATION OF CHANGE IN NET POSITION  
(DEFICIT) TO NET CASH PROVIDED (USED)**

**BY OPERATING ACTIVITIES**

Operating change in net position	\$	60,113	\$	(1,014,851)	\$	(668,408)	\$	52,424	\$	(1,570,722)
Adjustments to reconcile operating change in net position to net cash provided (used) by operating activities:										
Depreciation		-		1,772,845		163,138		168,862		2,104,845
(Increase) decrease in accounts receivable		-		84,880		53,788		(7,512)		131,156
(Increase) decrease in due from other funds		-		(231,222)		-		-		(231,222)
(Increase) decrease in inventories		-		21,699		(145)		-		21,554
(Increase) decrease in prepaid items		-		33,626		-		18,639		52,265
Increase (decrease) in accounts payable		(147,416)		(89,475)		14,468		3,168		(219,255)
Increase (decrease) in accrued liabilities		-		13,955		8,587		1,227		23,769
Increase (decrease) in deposits payable		-		(33,747)		-		-		(33,747)
Increase (decrease) in due to other funds		-		-		231,223		-		231,223
<b>Total adjustments</b>		<b>(147,416)</b>		<b>1,572,561</b>		<b>471,059</b>		<b>184,384</b>		<b>2,080,588</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$</b>	<b>(87,303)</b>	<b>\$</b>	<b>557,710</b>	<b>\$</b>	<b>(197,349)</b>	<b>\$</b>	<b>236,808</b>	<b>\$</b>	<b>509,866</b>

**DISCLOSURE OF NON-CASH TRANSACTION**

Contributed capital	\$	-	\$	(29,684)	\$	(11,467)	\$	(48,262)	\$	(89,413)
<b>Total non-cash transactions</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>(29,684)</b>	<b>\$</b>	<b>(11,467)</b>	<b>\$</b>	<b>(48,262)</b>	<b>\$</b>	<b>(89,413)</b>

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

## ***Fiduciary Fund Financial Statements***

***Fiduciary Funds*** - The Fiduciary Funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

***Agency Funds*** - The Agency Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

***Private Purpose Trust Fund*** - The Private Purpose Trust Fund is used to report resources of other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. The Private Purpose Trust Fund reflects the activities of the Successor Agency to the former Loma Linda Redevelopment Agency.

**CITY OF LOMA LINDA**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

	Agency Funds	Private Purpose Trust Fund
<b>ASSETS</b>		
Cash and investments	\$ 75,563	\$ 5,085,871
Receivables:		
Interest	-	3,630
Contract and loans	-	79,862
Due from City of Loma Linda	-	2,273,000
Prepaid Items	-	411,928
Land held for resale	-	6,845,514
Advances to the City of Loma Linda	-	15,077,288
Restricted assets:		
Cash and investments with fiscal agents	-	3,406,699
<b>Total assets</b>	<u>\$ 75,563</u>	<u>33,183,792</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Loss on debt refunding	\$ -	163,236
<b>LIABILITIES</b>		
Accounts payable	23	124,142
Interest payable	75,540	1,095,632
Deposits payable	-	30,986
Long term debt	-	37,459,310
<b>Total liabilities</b>	<u>\$ 75,563</u>	<u>38,710,070</u>
<b>NET POSITION</b>		
Deficiency in Net Position held in trust		<u>\$ (5,363,042)</u>

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

**CITY OF LOMA LINDA**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds – Private Purpose Trust Fund**  
**For the year ended June 30, 2014**

	Private Purpose Trust Fund
<b>ADDITIONS</b>	
Property taxes	\$ 3,094,062
Use of money and property	<u>649,208</u>
<b>Total additions</b>	<u>3,743,270</u>
<b>DEDUCTIONS</b>	
General and administrative	575,792
Debt service:	
Interest and fiscal charges	<u>2,219,607</u>
<b>Total deductions</b>	<u>2,795,399</u>
Change in net position before special items	947,871
<b>SPECIAL ITEM</b>	
Transfer of land	<u>431,002</u>
<b>Change in net position</b>	1,378,873
<b>NET POSITION (Deficit):</b>	
Net position at beginning of year, as previously reported	(6,032,678)
Restatements - change of accounting principle	<u>(709,237)</u>
Net position at beginning of year, as restated	<u>(6,741,915)</u>
End of year	<u>\$ (5,363,042)</u>

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

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 1:       SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Loma Linda, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

The City of Loma Linda, California (City), was incorporated on September 29, 1970 under the laws of the State of California. The City became a chartered City in 1981. It is governed by an elected five-member City Council. As required by generally accepted accounting principles (GAAP), the accompanying financial statements present the City and its component units. GASB Statement No. 14, The Financial Reporting Entity, defines component units as legally separate entities that meet any one of the following tests:

- The City appoints the voting majority of the board of the component unit and:
  - is able to impose its will on the component unit and/or
  - is in a relationship of financial benefit or burden with the component unit.
- The component unit is fiscally dependent upon the City.
- The financial statements of the City would be misleading if data from the component unit were omitted.

Blended component units, although legally separate entities, are, in substance, part of the City's operations, and data from these units are combined with data of the primary government. Based on the criteria above, the City has two component units, both of which are blended component units. These component units are described as follows:

Loma Linda Public Financing Authority - The Loma Linda Public Financing Authority (Authority) was established on September 10, 2002 pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code in order to jointly exercise powers of the Agency and the City and to establish a vehicle to reduce local borrowing costs and promote greater use of existing and new financial instruments

Loma Linda Housing Authority - The City of Loma Linda Housing Authority (the Housing Authority) was established by the City Council on January 10, 2012, and is responsible for the administration of providing affordable housing in the City. The Housing Authority is governed by a five-member Board of Directors which consists of members of the City Council. The Housing Authority's financial transactions are reported in the Special Revenue Fund.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***A. Reporting Entity, Continued***

Since the City Council serves as the governing board for these component units, all of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the interfund data of the primary government. These component units do not issue separate component unit financial statements.

***B. Basis of Accounting and Measurement Focus***

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

**Government-Wide Financial Statements**

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

The Government-Wide Financial Statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. 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. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables including the corresponding deferred revenues. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated. However, transactions between governmental and business-type activities have not been eliminated.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 1:       SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

*Government-Wide Financial Statements, continued*

- Due to and from other funds
- Advances to and from other funds
- Transfers in and out

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

*Governmental Fund Financial Statements*

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-Wide financial statements. The City has presented all major funds that met the qualifications for major fund reporting.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 1:       SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

*Governmental Fund Financial Statements, continued*

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end, except sales tax which is considered available if collected within 90 days) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, taxpayer-assessed tax revenues (transient occupancy taxes, franchise taxes, etc.), certain grant revenues and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed from the balance sheet and revenue is recognized.

Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the unrestricted components of fund balance. Furthermore, 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.

*Proprietary Fund Financial Statements*

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

*Proprietary Fund Financial Statements, continued*

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. 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. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

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 proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary 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.

*Fiduciary Fund Financial Statements*

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position. The City's Fiduciary Funds represent:

Agency Funds – are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds are accounted for using the accrual basis of accounting.

Private Purpose Trust Fund – report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Private purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. This fund is used to report the assets, liabilities, and activities of the City of Loma Linda Redevelopment Agency Successor Agency.

*Major Funds*

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.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

*Major Funds continued*

The Loma Linda Housing Authority is responsible for the administration of providing affordable housing in the City.

The Public Improvements per MOU fund is used to manage the Stewart Street Pedestrian Bridge project. The funding will be received from the Loma Linda University.

The Special Projects Construction Capital Projects Fund accounts for special or extraordinary projects, activities and allocations that might be recommended by staff and determined needed by the City Council.

The Park Development Capital Projects Fund accounts for developer fees collected and expended for future park development and acquisition.

The City reports the following major proprietary funds:

The Water Acquisition Fund accounts for developer fees collected to pay for the expansion of the water system and for debt service on qualifying projects.

The Water Enterprise Fund is used to account for water production, distribution and meters.

The Sewer Capital Fund accounts for the operation and maintenance of the City's sewer, storm drain and catch basin systems.

The Loma Linda Connected Communities Fund provides Loma Linda residents and businesses with the opportunities for voice, data, video, multimedia, home automation systems, environmental control, security, audio, television, sensors, alarms and intercom services. The program establishes the standardized requirements for residential and commercial telecommunications cabling systems. The initial intent is to connect new development to the system, but the long-term goal is to eventually retrofit and extend these services to the entire community.

Additionally, the City reports the following fiduciary funds:

Agency Funds – These funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

Private Purpose Trust Fund – This fund is used to account for the assets, liabilities, and activities of the Successor Agency to the former City of Loma Linda Redevelopment Agency.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***C. Use of Restricted/Unrestricted Net Position***

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

***D. Cash, Cash Equivalents and Investments***

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

All cash and investments of proprietary funds are held in the City's investment pool. Therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for the purpose of the statement of cash flows as these cash pools have the general characteristics of a demand deposit account. In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (LAIF) which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

In accordance with GASB Statement No. 40, Deposit and Investment Disclosures (Amendment of GASB No. 3), certain disclosure requirements, if applicable, for Deposits and Investment Risks are specified in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk
- Foreign Currency Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***E. Receivables***

All receivables, contracts, loans and accounts are shown net of an allowance for doubtful accounts. In the proprietary funds, the City accrues for unbilled water and sewer services at year-end.

***F. Interfund Transactions***

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

Interfund services provided and used are accounted for as revenue, expenditures or expenses, as appropriate. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursed fund. All other interfund transactions, except interfund services provided and used, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as transfers.

***G. Inventories and Prepaid Items***

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories in the General Fund consist of expendable supplies held for consumption, whereas in the Enterprise Funds it represents water supplies in the water utility. Inventory costs are recorded as expenditures when used.

The General Fund inventory is accounted for on the consumption method and is equally offset by a reservation of fund balance in the fund-level statements, which indicates that it does not constitute "available spendable resources".

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.

***H. Restricted Cash and Investments with Fiscal Agents***

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***I. Capital Assets***

Government-Wide Financial statements - capital assets, which include land, structures and improvements, machinery and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and construction in progress are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed and donated capital assets are valued at their estimated fair market value on the date contributed.

For infrastructure systems, the City elected to use the "Basic Approach" as defined by GASB Statement No. 34 for infrastructure reporting.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of the capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of the capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Type of asset	Years
Structures and improvements	15-50
Machinery and equipment	3-10
Infrastructure	20-50

Fund Financial Statements - The fund financial statements do not present capital assets. Consequently, capital assets are presented as reconciling items in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***J. Interest Payable***

In the Government-Wide Financial Statements, interest payable on long-term debt is recognized as the liability is incurred for all fund types.

***K. Unearned Revenues***

In the Government-Wide Financial Statements, unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the Government-Wide Financial Statements are prepaid charges for services.

***L. Compensated Absences***

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally an employee cannot accrue more than 26 to 46 days depending on length of employment.

Sick leave is payable when an employee is unable to work because of illness. Upon termination an employee will be paid one-third of unused sick leave up to 344 hours for miscellaneous employees and 516 hours for safety employees. Sick leave hours earned above the maximum are paid out on a one-for-one basis.

All vacation and one-third of sick leave pay is accrued when incurred in the Government-Wide Financial Statements and Proprietary Funds.

***M. Long-Term Debt***

Government-Wide Financial Statements - Long-term debt and other financial obligations are reported as liabilities in the appropriate funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable premium or discount.

Fund Financial Statements - The fund financial statements do not present long-term debt. As such, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Proprietary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***N. Net Position***

In the Government-Wide Financial Statements, Net Position are classified in the following categories:

*Net Investment in Capital Assets* – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

*Restricted Net Position* – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

*Unrestricted Net Position* – This amount is all net position that does not meet the definition of “net invested in capital assets” or “restricted net position.”

***O. Fund Balance***

In the Governmental Fund Financial Statements, fund balances are classified in the following categories:

*Nonspendable* – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

*Restricted* – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

*Committed* – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City.

*Assigned* – Assigned fund balances encompass the portion of net fund resources reflecting the government’s intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has established a resolution that authorized the City Manager for that purpose.

*Unassigned* – This category is for any balances that have no restrictions placed upon them.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 1:       SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***O. Fund Balance, Continued***

When expenditures are incurred for purposes for which all restricted, committed, assigned and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

A City Council Action is the formal action required by the Government to establish and modify or rescind a fund balance commitment.

***P. Property Taxes***

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 due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of San Bernardino collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes levied. Taxes are levied on both real and personal property, as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent if unpaid on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

***Q. Use of Estimates***

The preparation of the basic financial statements in conformity with GAAP generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**R. New GASB Pronouncements**

Effective July 1, 2013, the City adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Deferred amounts resulting from the refundings of debt are reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. Accordingly, the City's deferred amount on refunding of debt has been classified as a deferred outflow of resources [*deferred inflow of resources, as applicable*] in the statement of net position in conformity with GASB 65. GASB 65 amended prior guidance with respect to the treatment of debt issuance costs. Under GASB 65, debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred rather than reported as an asset on the statement of net position and recognized as an expense in a systematic and rational manner over the duration of the related debt. Accordingly, as noted in Note 18 of the financial statements, the City has restated beginning net position for any unamortized debt issuance costs previously reported on the statement of net position in conformity with GASB 65.

**Note 2: CASH AND INVESTMENTS**

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. This pooled cash is invested by the City Treasurer to enhance interest earnings. The City has the following cash and investments at June 30, 2014:

	Government-Wide Statements		Fiduciary Funds Statements		Totals
	Governmental Activities	Business-Type Activities	Agency Funds	Private Purpose Trust Fund	
Cash and investments	\$ 19,448,700	\$ 3,194,998	\$ 75,563	\$ 5,085,871	\$ 27,805,132
Restricted cash and investments	1,035,856	40,839	-	3,406,699	4,483,394
	<u>\$ 20,484,556</u>	<u>\$ 3,235,837</u>	<u>\$ 75,563</u>	<u>\$ 8,492,570</u>	<u>\$ 32,288,526</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 2: CASH AND INVESTMENTS, Continued**

The City's cash and investments at June 30, 2014 in more detail were as follows:

Cash and Cash equivalents	
Petty Cash	\$ 1,350
Demand Deposits	<u>1,746,772</u>
Total Cash and Cash equivalents	<u>1,748,122</u>
Investments	
Local Agency Investment Fund	<u>26,057,010</u>
Total cash and investments	<u>27,805,132</u>
Cash and investments with Fiscal Agents	<u>4,483,394</u>
Total	<u>\$ 32,288,526</u>

**A. Deposits**

The carrying amounts of the City's demand deposits were \$1,746,772 at June 30, 2014. Bank balances before reconciling items were \$1,759,820 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code (Code) requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 2: CASH AND INVESTMENTS, Continued**

***B. Investments***

Under the provisions of the City's investment policy, and in accordance with the Code, the following investments were authorized:

- Securities of the U.S. Government, or its agencies
- Certificates of Deposits (or Time Deposits)
- State of California Local Agency Investment Fund (LAIF)
- Other investments that are approved through the State of California Government Code

As of June 30, 2014, the City had \$26,057,010 invested in LAIF. The City has complied with the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investments Pools. No current adjustments have been made to the accompanying basic financial statements, because the City's investments were only in LAIF and the fair value adjustment was immaterial.

The City's investments with LAIF at June 30, 2014 included 3.69% of the pooled funds invested in structured notes and asset-backed securities. This is an increase of 1.81% from the prior year. These investments included the following:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

***C. Investments Authorized by Debt Agreements***

Investment of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the Code or the City's investment policy.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 2: CASH AND INVESTMENTS, Continued**

***D. Risk Disclosures***

Interest Rate Risk – The City’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City has elected to invest all in LAIF which has a maturity of less than one year.

<u>External Pool:</u>	<u>Fair Value</u>	<u>Invested Maturities in Years</u> <u>Less than 1 Year</u>
State of California - Local Agency Investment Fund	\$ 26,057,010	\$ 26,057,010

Credit Risk – As of June 30, 2014, the City’s investments in external investment pools are unrated.

Custodial Credit Risk – For deposits, custodial credit risk is the risk that, in the event of the failure of a deposit financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City’s investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the provision for deposits stated in Note 2A. \$1,509,820 of the City’s deposits with financial institutions was in excess of the FDIC limits however, the City’s bank participates in the FDIC’s temporary Transaction Account Guarantee Program which provides unlimited coverage. Of the City’s investments, \$1,076,695 of securities was held by the counterparty’s trust department, the trustee for the bonds, not in the name of the City as of June 30, 2014.

Concentration of Credit Risk – The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Code. Although the City’s policy allows other forms of investments, per City Council direction, the City currently only invests in LAIF.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**Note 3:           CONTRACTS AND LOANS RECEIVABLE**

Contracts and loans receivable consisted of the following at June 30, 2014:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Big Bear Valley Water Stock	\$ 1,075	\$ -	\$ -	\$ 1,075
Computer Loan	2,822	-	(2,822)	-
LL Chamber of Commerce Loan	8,584	-	-	8,584
Deferred Housing Plan	97,808	-	(8,030)	89,778
Developers Loans	9,022,889	1,462,232	-	10,485,121
First Time Homebuyers	4,222,106	365,749	(460,346)	4,127,509
Housing Loans/Grants	10,520	-	(4,880)	5,640
Total	<u>\$ 13,365,804</u>	<u>\$ 1,827,981</u>	<u>\$ (476,078)</u>	<u>\$ 14,717,707</u>

**Note 4:           INTERFUND TRANSACTIONS**

**A. Fund Financial Statements**

**Due To/Due From Other Funds** - At June 30, 2014, the City had the following due to/from other funds:

	Due To Other Funds		
	Governmental Funds	Enterprise Funds	
Due From Other Funds	Nonmajor Governmental	Sewer Capital	Total
<b>Governmental Funds:</b>			
General Fund	\$ 301,995	\$ 149,145	\$ 451,140
<b>Enterprise Funds:</b>			
Water Enterprise	-	952,638	952,638
<b>Total</b>	<u>\$ 301,995</u>	<u>\$ 1,101,783</u>	<u>\$ 1,403,778</u>

The Due to the General fund, from Nonmajor Governmental funds totaling \$301,995 and \$149,145 from Sewer Capital as well as \$952,637 from Water Enterprise to Sewer Capital were to assist with negative cash during operations.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**Note 4: INTERFUND TRANSACTIONS, Continued**

**A. Fund Financial Statements, Continued**

**Advances To/From Other Funds** - At June 30, 2014, the City had the following advances to/from other funds:

<u>Advances To Other Funds</u>	<u>Advance From Other Funds</u>					<u>Total</u>
	<u>Governmental Funds</u>			<u>Enterprise Funds</u>		
	<u>Special Projects Construction</u>	<u>Park Development</u>	<u>Nonmajor Governmental</u>	<u>Sewer Capital</u>	<u>Connected Communities</u>	
<b>Governmental Funds:</b>						
Special Projects Construction	\$ -	\$ 3,250,000	\$ 3,769	\$ -	\$ -	\$ 3,253,769
Nonmajor Governmental	500,000	-	-	-	-	500,000
<b>Enterprise Funds:</b>						
Water Acquisition	1,700,000	-	-	-	-	1,700,000
Water Enterprise	-	-	-	200,000	9,626	209,626
<b>Total</b>	<u>\$ 2,200,000</u>	<u>\$ 3,250,000</u>	<u>\$ 3,769</u>	<u>\$ 200,000</u>	<u>\$ 9,626</u>	<u>\$ 5,663,395</u>

The advance receivable of \$9,626 in the Water Enterprise Fund is payable by the Loma Linda Connected Communities Fund for interest accrued on loans made to fund startup costs and operations. In addition, \$200,000 from Sewer Capital Fund was to cover negative cash at year end.

The remaining receivables to and from governmental funds and enterprise funds were to acquire funds to assist the Parks Fund with the acquisition of the open space property in the City's South Hills.

**Transfers** - At June 30, 2014, the City had the following transfers in and out:

<u>Fund receiving transfers</u>	<u>Fund making transfers</u>	<u>Amount</u>
General Fund	Special Projects Construction	\$ 483,000
	Nonmajor funds	926,625
		<u>1,409,625</u>
Water Enterprise Fund	Water Acquisition Fund	21,517
		<u>21,517</u>
Nonmajor funds	General Fund	1,028,800
		<u>1,028,800</u>
	Total transfers in Governmental Funds	<u>\$ 2,459,942</u>

During the year certain Nonmajor Governmental funds made payments in the amount of \$926,625 to the General Fund for funding traffic safety expenses, reimburse grant expenditures incurred, and reimburse debt service payments associated with capital project funds.

Transfers from the Special Projects Construction Fund in the amount of \$483,000 to the General Fund were used to make the Civic Center lease payment.

Transfers from the General Fund to non major funds consist of \$999,800 to make the Civic Center Lease payment and \$29,000 to assist the Land Maintenance District with operations.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**Note 4: INTERFUND TRANSACTIONS, Continued**

**A. Fund Financial Statements, Continued**

\$21,517 transfer from Water Acquisition Fund to Water Enterprise Fund was for remittance of developer impact fees.

**Note 5: CAPITAL ASSETS**

The following is a summary of capital assets for the governmental activities:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 14,204,929	\$ -	\$ -	\$ -	\$ 14,204,929
Construction in progress	2,213,894	4,080,830	(200,186)	-	6,094,538
Total capital assets, not being depreciated	<u>16,418,823</u>	<u>4,080,830</u>	<u>(200,186)</u>	<u>-</u>	<u>20,299,467</u>
Capital assets, being depreciated:					
Structures and improvements	24,532,160	1,476	-	-	24,533,636
Machinery and equipment	8,043,358	102,881	76,560	(39,397)	8,183,402
Infrastructure	42,666,938	550,575	213,038	-	43,430,551
Total capital assets, being depreciated	<u>75,242,456</u>	<u>654,932</u>	<u>289,598</u>	<u>(39,397)</u>	<u>76,147,589</u>
Less accumulated depreciation/amortization for:					
Structures and improvements	(11,428,513)	(789,561)	-	-	(12,218,074)
Machinery and equipment	(6,158,710)	(247,010)	-	39,397	(6,366,323)
Infrastructure	(21,218,549)	(888,309)	-	-	(22,106,858)
Total accumulated depreciation	<u>(38,805,772)</u>	<u>(1,924,880)</u>	<u>-</u>	<u>39,397</u>	<u>(40,691,255)</u>
Total capital assets, being depreciated net	<u>36,436,684</u>	<u>(1,269,948)</u>	<u>289,598</u>	<u>-</u>	<u>35,456,334</u>
Governmental activities capital assets, net	<u>\$ 52,855,507</u>	<u>\$ 2,810,882</u>	<u>\$ 89,412</u>	<u>\$ -</u>	<u>\$ 55,755,801</u>

Depreciation expense was charged to functions of the primary government's governmental activities as follows:

Governmental activities:	
General government	\$ 458,341
Public safety	184,904
Community development	108,435
Public works	<u>1,173,200</u>
Total depreciation - governmental activities	<u>\$ 1,924,880</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**Note 5: CAPITAL ASSETS, Continued**

The following is a summary of capital assets for the business-type activities:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land and improvements	\$ 1,389,696	\$ -	\$ -	\$ (1,932)	\$ 1,387,764
Construction in progress	92,575	-	(92,575)	-	-
Total capital assets, not being depreciated	<u>1,482,271</u>	<u>-</u>	<u>(92,575)</u>	<u>(1,932)</u>	<u>1,387,764</u>
Capital assets, being depreciated:					
Structures and improvements	28,027,085	6,413	-	-	28,033,498
Machinery and equipment	5,876,771	85,584	(76,560)	(5,666)	5,880,129
Infrastructure	36,499,524	164,451	79,723	-	36,743,698
Total capital assets, being depreciated	<u>70,403,380</u>	<u>256,448</u>	<u>3,163</u>	<u>(5,666)</u>	<u>70,657,325</u>
Less accumulated depreciation for:					
Structures and improvements	(17,629,686)	(1,061,352)	-	-	(18,691,038)
Machinery and equipment	(5,104,903)	(248,423)	-	5,666	(5,347,660)
Infrastructure	(3,129,381)	(795,070)	-	-	(3,924,451)
Total accumulated depreciation	<u>(25,863,970)</u>	<u>(2,104,845)</u>	<u>-</u>	<u>5,666</u>	<u>(27,963,149)</u>
Total capital assets, being depreciated net	<u>44,539,410</u>	<u>(1,848,397)</u>	<u>3,163</u>	<u>-</u>	<u>42,694,176</u>
Business-type activities capital assets, net	<u>\$ 46,021,681</u>	<u>\$ (1,848,397)</u>	<u>\$ (89,412)</u>	<u>\$ (1,932)</u>	<u>\$ 44,081,940</u>

Depreciation expense was charged to functions of the primary government's business-type activities as follows:

Business-type activities:	
Water Enterprise	\$ 1,772,845
Sewer Capital	163,138
Loma Linda Connected Communities	<u>168,862</u>
Total depreciation - business-type activities	<u>\$ 2,104,845</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**Note 6: LONG-TERM DEBT**

The following is a summary of long-term debt transactions for the fiscal year ended June 30, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due within One Year
<b>Governmental activities:</b>					
Master Lease Purchase - fire apparatus	\$ 271,893	\$ -	\$ (29,378)	\$ 242,515	\$ 30,593
2002 Lease Revenue Refunding Bonds	2,760,000	-	(885,000)	1,875,000	920,000
Insurance Retrospective Deposit	804,095	10,892	(76,617)	738,370	-
Compensated absences	584,916	562,865	(642,580)	505,201	155,909
Unamortized bond premium	6,152	-	(2,050)	4,102	2,050
OPEB liability	19,155	216	-	19,371	-
<b>Total governmental activities</b>	<b>\$ 4,446,211</b>	<b>\$ 573,973</b>	<b>\$ (1,635,625)</b>	<b>\$ 3,384,559</b>	<b>\$ 1,108,552</b>
<b>Business-Type Activities</b>					
Revenue Bonds:					
1978 Water Bonds (General Obligation)	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 10,000
1995 Variable Rate Water Revenue Refunding Bonds	6,255,000	-	(370,000)	5,885,000	395,000
Insurance Retrospective Deposit	163,005	3,748	(33,766)	132,987	33,766
Compensated absences	279,242	244,664	(237,185)	286,721	97,525
OPEB liability	15,673	175	-	15,848	-
<b>Total business-type activities</b>	<b>\$ 6,722,920</b>	<b>\$ 248,587</b>	<b>\$ (640,951)</b>	<b>\$ 6,330,556</b>	<b>\$ 536,291</b>

The following amount was reclassified as deferred outflow of resources. At the end of June 30, 2014, the loss on defeasance was completely amortized.

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due within One Year
<b>Deferred outflow of resources</b>					
Loss on defeasance	\$ (37,792)	\$ -	\$ 37,792	\$ -	\$ -

**A. Governmental Activities Long-Term Debt**

**2002 Lease Revenue Refunding Bonds – Original Issue \$10,840,000**

On October 26, 2002, the Authority issued 2002 lease revenue refunding bonds in the amount of \$10,840,000. The purpose of the bonds was to refund all the outstanding 1994 Certificates of Participation in the amount of \$10,255,000.

The bonds mature from January 1, 2003 to January 1, 2016 in varying amounts. The bonds accrue interest at rates between 2.00% and 4.25%. Interest on the bonds is payable semiannually on each January 1 and July 1, commencing January 1, 2003. Principal is payable in annual installments ranging from \$630,000 to \$955,000, commencing January 1, 2003. The bonds are subject to optional and special mandatory redemption prior to maturity.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**Note 6: LONG-TERM DEBT, Continued**

***A. Governmental Activities Long-Term Debt, Continued***

The bonds are secured by lease revenues between the Authority and the City. Annual principal and interest payments on the bonds are expected to require the full amount of available lease revenues. The amount of principal and interest outstanding at June 30, 2014 totaled \$1,989,650. Principal and interest paid for the current year was \$998,108, and the lease revenue received was \$999,743. The bonds required 100% of net lease revenue until paid off. The total future years of net lease revenue is estimated to be \$1,989,650.

***2002 Lease Revenue Refunding Bonds – Original Issue \$10,840,000 continued***

The annual debt service requirements on the 2002 Lease Revenue Refunding Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 920,000	\$ 75,495	\$ 995,495
2016	955,000	39,155	994,155
Total	<u>\$ 1,875,000</u>	<u>\$ 114,650</u>	<u>\$ 1,989,650</u>

***Capital Lease***

On October 9, 2010 the City entered into a ten year capital lease agreement with Oshkosh Capital to acquire a new Fire Incident Support Apparatus in the amount of \$330,513. Payments in the amount of \$40,584 are due on July 9th of each year with the first payment due on July 9, 2011. Payments include interest of 4.12%. The principal balance at June 30, 2014 was \$242,515.

Year Ending June 30,	Principal	Interest	Total
2015	\$ 30,593	\$ 9,991	\$ 40,584
2016	31,853	8,731	40,584
2017	33,165	7,419	40,584
2018	34,531	6,053	40,584
2019	35,955	4,630	40,585
2020-2021	76,418	4,754	81,172
Total	<u>\$ 242,515</u>	<u>\$ 41,578</u>	<u>\$ 284,093</u>

The total leased assets by major asset class consisted of the following:

	<u>June 30, 2014</u>
Equipment	<u>\$ 333,273</u>
Equipment under capitalized lease, at cost	333,273
Accumulated depreciation	58,323
Equipment under capitalized lease, net	<u>\$ 274,950</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 6: LONG-TERM DEBT, Continued**

***A. Governmental Activities Long-Term Debt, Continued***

*JPIA Retrospective Deposit*

Since its inception, the California Joint Powers Insurance Authority (Authority), has operated under a retrospective funding model for its liability and workers' compensation programs. Historically, members have paid for retrospective deposit adjustments and received retrospective refunds in annual rolling installments of up to eight years in duration. A change to the funding model was adopted in 2010 that will be fully implemented following the end of the 2013-14 coverage period. During the transition from the retrospective funding model to the prospective funding model, retrospective deposit payments have been deferred. The purpose of this policy is to provide the terms and conditions, and the overall framework in which retrospective deposit payments are to resume. The unpaid portion of all retrospective adjustments on coverage periods up to and including 2009-10 have been consolidated into a single aggregate retrospective balance and temporarily deferred from payment. Payments are scheduled to resume beginning July 1, 2014 for the Liability program and July 1, 2015 for the Workers' Compensation program. The City of Loma Linda's portion owed for the General Liability program is \$571,963 and \$166,407 for the Worker's compensation portion.

*Compensated absences*

The City's liability for vested and unpaid compensated absences in the governmental activities has been accrued and amounted to \$505,201. This amount is made up of accrued vacation, one third sick pay plus any amount over the maximum sick hours accrued, and any comp time earned. Compensated absences are primarily liquidated by the General Fund. For further explanation see Note 1.

***B. Business-Type Activities Long-Term Debt***

*1978 Water Bonds (General Obligation) – Original Issue \$1,000,000*

On February 14, 1978, the City issued \$1,000,000 of 1978 Water Bonds (General Obligation). The purpose of the bonds was to finance water system improvements.

The bonds matured from April 1, 1979 to April 1, 2003 in varying amounts. The bonds accrued interest at rates between 4.80% and 6.75%. Interest on the bonds was payable semiannually on each April 1 and October 1. Principal was payable in annual installments commencing April 1, 1979. The revenues of the Water Fund were being used to pay the annual debt service requirements of the bonds. The bonds matured in fiscal year 2003; however, at June 30, 2010, not all bonds have been presented for payment. The amount outstanding as of June 30, 2014 was \$10,000. Interest no longer accrues on these bonds.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**Note 6: LONG-TERM DEBT, Continued**

***B. Business-Type Activities Long-Term Debt, Continued***

*1995 Variable Rate Water Revenue Refunding Bonds – Original Issue \$10,000,000*

On December 1, 1995, the City issued 1995 variable rate water revenue refunding bonds in the amount of \$10,000,000. The purpose of the bonds was to refund the City's outstanding water revenue refunding bonds of 1993 and to provide funds to finance an expansion of the storage capacity of the City's water enterprise.

The bonds mature from June 1, 1998 to June 1, 2025 in varying amounts. The bonds have a variable rate of interest not to exceed 12.00%. Interest is payable monthly and based on the rate per annum equal to the minimum rate necessary, as determined by the Remarketing Agent, for the Remarketing Agent to sell the Bonds on the date the variable rate is set at 100% of the principal amount thereof plus accrued interest, provided however, that in no event the interest rate exceeds the maximum rate. The variable interest rate can be converted to a fixed rate on any date (conversion date) decided upon by the City and approved by bond Counsel, at which time the rate will be fixed and payable semi-annually each June 1 and December 1. Principal is payable in annual installments ranging from \$145,000 to \$705,000, commencing January 1, 1998. The bonds are subject to redemption, optional tender and mandatory tender prior to maturity.

The bonds are secured by a pledge, charge and lien upon, the gross revenues derived by the City from the operations of the water enterprise and payable from the net revenues of the enterprise. In the official statement net revenues are defined as gross revenues less maintenance and operation costs. The net revenues shall be at least 1.25 times of the annual debt service on the bonds (coverage ratio).

<b>1995 Water Bonds - Debt Service Coverage</b>		
Operating Revenue	\$ 5,394,279	
Interest Income	4,456	
Gross Revenues		\$ 5,398,735
Operating Expenses	6,409,130	
Less: Depreciation	(1,772,845)	
		4,636,285
Excess Revenues		\$ 762,450
Debt Service (Annual Maximum):		
1995 Water Refunding Bonds ( estimated)		\$ 377,350
Coverage Ratio		202.05%

Annual principal and interest payments on the bonds required less than 10% of gross revenues. The amount of principal and interest outstanding at June 30, 2014 totaled \$5,973,807. Principal and interest paid for the current year is \$377,350, and gross revenues are \$5,420,252.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**Note 6: LONG-TERM DEBT, Continued**

***B. Business-Type Activities Long-Term Debt, Continued***

*1995 Variable Rate Water Revenue Refunding Bonds – Original Issue \$10,000,000, Continued*

The annual debt service requirements on these bonds have been calculated based on the interest rate in effect as of the report rate and are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 395,000	\$ 13,498	\$ 408,498
2016	415,000	12,592	427,592
2017	440,000	11,640	451,640
2018	470,000	10,631	480,631
2019	495,000	9,553	504,553
2020-2024	2,965,000	29,277	2,994,277
2025	705,000	1,616	706,616
Total	<u>\$ 5,885,000</u>	<u>\$ 88,807</u>	<u>\$ 5,973,807</u>

*JPIA Retrospective Deposit*

Since its inception, the California JPIA, "Authority," has operated under a retrospective funding model for its liability and workers' compensation programs. Historically, members have paid for retrospective deposit adjustments and received retrospective refunds in annual rolling installments of up to eight years in duration. A change to the funding model was adopted in 2010 that will be fully implemented following the end of the 2013-14 coverage period. During the transition from the retrospective funding model to the prospective funding model, retrospective deposit payments have been deferred. The purpose of this policy is to provide the terms and conditions, and the overall framework in which retrospective deposit payments are to resume. The unpaid portion of all retrospective adjustments on coverage periods up to and including 2009-10 have been consolidated into a single aggregate retrospective balance and temporarily deferred from payment. Payments are scheduled to resume beginning July 1, 2014 for the Liability program and July 1, 2015 for the Workers' Compensation program. In proprietary funds, portions owed for the General Liability program are \$78,958 and \$54,029 for the Worker's Compensation portion.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**Note 6: LONG-TERM DEBT, Continued**

***B. Business-Type Activities Long-Term Debt, Continued***

*Compensated absences*

In proprietary funds, the liability for vested and unpaid compensated absences is reported in the fund as the benefits are vested and earned. The compensated absences accrued in the proprietary funds amounted to \$286,721 at June 30, 2014. This amount is made up of accrued vacation, one third sick pay plus any amount over the maximum sick hours accrued, and any comp time earned. For further explanation see Note 1.

**Note 7: NON-CITY OBLIGATIONS**

The following bond issues are not reflected as City long-term debt because these debts are solely payable from and secured by specific revenue sources not related to the City as described in the official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the Agency, the State of California or any political subdivision thereof, is pledged for payment of these bonds. The City is acting only as an agent.

<u>Loma Linda University Medical Center Project</u>	<u>Original Amount</u>	<u>Outstanding at June 30, 2014</u>
Series 1999A	\$ 109,335,000	\$ 11,640,000
Series 2005A	158,345,000	140,005,000
Series 2007 B-1	40,000,000	40,000,000
Series 2007 B-2	40,000,000	40,000,000
Series 2008 A	70,000,000	70,000,000
Series 2008 B	25,000,000	-
Series 2008 C	15,000,000	11,056,856
Total	<u>\$ 457,680,000</u>	<u>\$ 312,701,856</u>
<u>Multifamily Housing Revenue Bonds Poplar Street Apartments</u>	<u>Original Amount</u>	<u>Outstanding at June 30, 2014</u>
Series 2008 A	<u>\$ 9,000,000</u>	<u>\$ 1,110,000</u>
<u>Multifamily Housing Revenue Bonds Loma Linda Commons Project</u>	<u>Original Amount</u>	<u>Outstanding at June 30, 2014</u>
Series 2009 A	<u>\$ 13,275,000</u>	<u>\$ 6,742,570</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 8: EMPLOYEE RETIREMENT PLAN**

**A. Plan Description**

The City contributes to the California Public Employee Retirement System (CalPERS). As part of a cost sharing multiple-employer defined benefit plan, CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS act 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 CalPERS' annual financial report may be obtained from their executive office at 400 P Street, Sacramento, CA 95814.

Effective January 1, 2013, Public Employees' Pension Reform Act (PEPRA) implemented new benefit formulas and final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of new member as per PEPRA.

**B. Funding Policy**

Participants are required to contribute 7% for miscellaneous, 9% for safety and 6.25% for PEPRA employees of their annual covered salary. For the fiscal year ended June 30, 2014, the City's contribution was 17.485% for miscellaneous, 21.337% for safety, and 6.25% for PEPRA employees. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

**C. Annual Pension Cost**

For the fiscal year ended June 30, 2014, the City's annual pension cost of \$1,014,785 for CalPERS 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.

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

	<u>Miscellaneous and Safety Plans</u>
Valuation Date	6/30/2011
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	20 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	3.30% 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 growth of 2.75% and an annual production growth of 0.25%

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 8: EMPLOYEE RETIREMENT PLAN, Continued**

***C. Annual Pension Cost, Continued***

The following is the three-year trend information for CalPERS:

Fiscal Year Ending	Annual Pension Costs (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2014	\$ 1,014,785	100%	\$ -
6/30/2013	1,067,581	100%	-
6/30/2012	1,055,695	100%	-

***D. Funding Status as of the Most Recent Actuarial Valuation Date***

- ***Safety Employees***

In fiscal year ended June 30, 2004, CalPERS established a risk pool for cities and other government entities that have fewer than 100 active members. Actuarial valuations performed included other participants within the same risk pool. Therefore, standalone information of the schedule of the funding progress for the City's safety employees is no longer available. Further information on the risk pool funding status can be obtained from the CalPERS audited financial statements.

- ***Miscellaneous Employees***

In fiscal year ended June 30, 2004, CalPERS established a risk pool for cities and other government entities that have fewer than 100 active members. Actuarial valuations performed included other participants within the same risk pool. Therefore, standalone information of the schedule of the funding progress for the City's miscellaneous employees is no longer available. Further information on the risk pool funding status can be obtained from the CalPERS audited financial statements.

- ***PEPRA Employees***

Effective January 1, 2013, Public Employees' Pension Reform Act (PEPRA) implemented new benefit formulas and final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of new member as per PEPRA. Further information on the risk pool funding status can be obtained from the CalPERS audited financial statements

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**Note 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description** - The City provides other postemployment benefits (OPEB) for all of its employee groups through the California Public Employees' Retirement System Health Care Plan (Plan), a cost-sharing multiple-employer, defined benefit OPEB plan that covers all general and public safety retirees, spouses and eligible dependents. The Plan provides medical insurance benefits to eligible retirees and their spouses and dependents. The benefit provisions and all other requirements are established by State statute and City resolution. Copies of CalPERS' annual financial report may be obtained from their executive office at 400 P Street, Sacramento, CA 95814.

**Eligibility** - Employees are eligible for retiree health benefits if they retire from the City on or after age 50 with at least 5 years of service, and are eligible for CalPERS pension. Membership of the Plan consisted of the following at June 30, 2013, the date of the latest actuarial valuation:

Participants as of June 30, 2013	Total
Active employees	76
Retirees	50
Total	126

**Medical Plans**

Retirees may enroll in any of the CalPERS medical plans.

**Funding Policy** - The contribution requirements are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2014, the City contributed for employees and retirees the total amount of \$52,513.

**Annual OPEB Cost and Net OPEB Obligation** - The City's annual OPEB cost (expense) is calculated based on the Annual Required Contribution of the Employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's Net OPEB obligation to the Plan:

	June 30, 2013
Annual required contribution	\$ 52,513
Interest on net OPEB obligation	2,525
Adjustment to annual required contribution	(2,134)
Annual OPEB cost	52,904
Contributions made	(52,513)
Increase in net OPEB obligation	391
Net OPEB obligation - beginning of year	34,828
Net OPEB obligation - end of year	\$ 35,219

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**Note 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB), Continued**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years were as follows:

Year Ended	OPEB Cost	OPEB Cost Contributed	OPEB Obligation
6/30/2014	\$ 52,904	99%	\$ 35,219
6/30/2013	50,981	99%	34,828
6/30/2012	58,687	99%	34,317

**Funded Status and Funding Progress** - As of June 30, 2013, the most recent actuarial valuation date, the plan was 27.89% funded, the actuarial accrued liability for benefits was \$651,515, and the actuarial value of assets was \$146,043, resulting in an UAAL of \$523,669. The covered payroll (annual payroll of active employees covered by the plan) was \$5,556,816 and the ratio of UAAL to the covered payroll was 9.42%.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability Entry Age	(Unfunded) Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Payroll
6/30/2013	\$ 146,043	\$ 651,515	\$ (523,669)	27.89%	\$ 5,556,816	9.42%
6/30/2011	69,957	579,635	(509,678)	13.73%	5,747,688	8.87%
6/1/2010	29,594	600,942	(571,348)	5.18%	6,018,956	9.49%

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 employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**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 actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB), Continued**

In the June 30, 2013, actuarial valuation, the “entry age normal” actuarial cost method was used. The actuarial assumptions include a 7.25% investment rate of return which is based on the expected return on funds invested by CalPERS, an annual inflation factor of 2.75% and an annual healthcare cost trend rate of 4%. Loma Linda did not use an assets smoothing formula to determine the actuarial asset valuations at this time. The UAAL is being amortized as level percentage of projected payroll over an open 30 years amortization period.

**Note 10: LIABILITY, PROPERTY AND WORKERS’ COMPENSATION PROTECTION**

***A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement***

The City of Loma Linda is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

***B. Self-Insurance Programs of the Authority***

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 10:       LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION,**  
**Continued**

***B. Self-Insurance Programs of the Authority, Continued***

Liability

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. The \$2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million to \$20 million are paid under reinsurance agreements. (7) Costs of covered claims from \$20 million to \$50 million are paid under excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$30 million per occurrence. This \$30 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$15 million in reinsurance, subject to the same annual aggregate deductibles previously stated, and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate limit.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 10:       LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION,**  
**Continued**

***B. Self-Insurance Programs of the Authority, Continued***

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

***C. Purchased Insurance***

Pollution Legal Liability Insurance

The City of Loma Linda participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Loma Linda. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of Loma Linda participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Loma Linda property is currently insured according to a schedule of covered property submitted by the City of Loma Linda to the Authority. City of Loma Linda property currently has all-risk property insurance protection in the amount of \$39,406,448. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 10:      LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION,**  
**Continued**

***C. Purchased Insurance, Continued***

Crime Insurance

The City of Loma Linda purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

Special Event Tenant User Liability Insurance

The City of Loma Linda further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Loma Linda according to a schedule. The City of Loma Linda then pays for the insurance. The insurance is arranged by the Authority.

***D. Adequacy of Protection***

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2013-14.

**Note 11:      JOINTLY GOVERNED ORGANIZATIONS**

***A. San Bernardino International Airport Authority***

The City is a member of the San Bernardino International Airport Authority (SBIAA), a joint powers authority of the County of San Bernardino and the Cities of Colton, Highland, Loma Linda and San Bernardino. The SBIAA was formed May 12, 1992 for the purpose of acquiring, operating, maintaining, repairing and administering the aviation related portions of Norton Air Base as a public airport.

The governing board consists of two elected officials from the City of San Bernardino and one elected official from each of the County of San Bernardino and the Cities of Colton, Highland and Loma Linda. Each member has one vote.

The City has no significant equity interest in the San Bernardino International Airport Authority, and accordingly neither assets nor liabilities have been recorded in the City's basic financial statements.

A copy of the financial statements of the San Bernardino International Airport Authority can be obtained by contacting them directly at 294 South Leland Norton Way, Suite 1, San Bernardino, California 92408, (909) 388-1144.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 11: JOINTLY GOVERNED ORGANIZATIONS, Continued**

***B. Inland Valley Development Agency***

The City is a member of the Inland Valley Development Agency (IVDA), a joint powers authority of three cities and the County of San Bernardino. The member agencies have the following number of board members:

City of San Bernardino	3
County of San Bernardino	2
City of Colton	2
City of Loma Linda	2

Each board member has one vote.

The IVDA was formed for the purpose of acquiring, owning, maintaining, leasing and operating the Norton Air Force Base property, and for the purpose of reusing and redeveloping the Norton Air Force Base, the adjacent property and the other properties in proximity thereto. As of June 30, 2014, the City has no significant equity interest in the IVDA, and accordingly neither assets nor liabilities have been recorded in the City's basic financial statements.

A copy of the financial statements of the IVDA can be obtained by contacting the IVDA directly at 298 South Leland Norton Way, San Bernardino, California, 92408.

**Note 12: JOINT VENTURES**

***A. San Bernardino/Colton/Loma Linda Joint Powers Financing Authority***

The Agency is a member of the San Bernardino/Colton/Loma Linda Joint Powers Financing Authority (Financing Authority), a joint powers authority of the Redevelopment Agencies of the Cities of San Bernardino, Colton, Loma Linda and the County of San Bernardino. The Financing Authority was formed September 30, 1991 for the purpose of issuing debt.

Tax Allocation Notes for \$7,500,000 were issued November 1, 1991 and the proceeds were used to make a loan to the Inland Valley Development Agency (IVDA), of which the three cities and the County of San Bernardino are members. The loan was used to pay certain operating and redevelopment costs of the Inland Valley Redevelopment Project Area. Since 1991, the original obligation has been refunded twice and in 1997 expanded to incorporate monies for school district purposes. The total 1997 refunding was \$44,485,000 of which 63% (\$28,025,550) is applicable to IVDA.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 12: JOINT VENTURES, Continued**

**A. San Bernardino/Colton/Loma Linda Joint Powers Financing Authority, Continued**

These obligations are secured by loan repayments made by the IVDA to the Financing Authority. The obligation of the IVDA under the loan agreement will be payable from the IVDA's tax revenues from the project area. In the event that such tax revenues are unavailable, the obligations are further secured by commitments from the member agencies in the following percentages:

Redevelopment Agency of the City of San Bernardino	92.08%
Redevelopment Agency of the City of Colton	3.06%
Redevelopment Agency of the City of Loma Linda	4.86%

The governing board of the Financing Authority is composed of the Executive Directors of the City of Colton and the City of Loma Linda Redevelopment Agencies, the Agency Administrator of the Economic Development Agency of the City of San Bernardino and representatives of the County of San Bernardino.

Since the City is not directly liable for repayment of these bonds, they have not been reflected in the accompanying financial statements.

On October 13, 1999, the IVDA's Board adopted a motion stating that the use of its cash balance is necessary to pay for scheduled debt service obligations and that suspension of further disbursements of 20% set-aside funds for affordable housing is necessary until further notice. At the end of fiscal year 2011-12, a receivable has been set-up reflecting the current Agency's portion of tax increment set-aside revenues.

**B. CONFIRE Joint Powers Authority**

The City is a member of the CONFIRE Joint Powers Authority, a regional fire agency of the Cities of Redlands, Colton, Rialto, Loma Linda and the Central Valley Fire Protection District and the San Bernardino County Consolidated Fire Agency. The CONFIRE JPA was formed August 20, 1990 for the purpose of providing hardware, software, services and other items necessary and appropriate for the establishment, operation, and maintenance of a joint centralized public safety communications system and a cooperative program of fire related functions for the mutual benefit of the members of the CONFIRE JPA, to provide such services on a contract basis to other governmental units, and to provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding public safety communications and related matters within member agencies.

The activities of the CONFIRE JPA are financed by a cost-sharing formula, which requires prorating among the participating members based on the demand percentage on the system by the members to be determined by the CONFIRE JPA Board of Director's Administrative Committee and approved by their Board of Directors. In fiscal year 2014 the City of Loma Linda's contribution totaled \$173,486. The City has no other significant equity interest in CONFIRE JPA, and accordingly neither assets nor liabilities of CONFIRE JPA have been recorded in the City's basic financial statements.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 12: JOINT VENTURES, Continued**

***B. CONFIRE Joint Powers Authority, Continued***

A copy of the financial statements of the CONFIRE JPA can be obtained by contacting the authority directly at 1743 W. Miro Way, Rialto, CA 92376-8630, (909) 356-2375.

**Note 13: DEFICIT FUND BALANCES**

At June 30, 2014, the following governmental funds had deficit fund balances:

Funds	Fund Type	Deficit
Major funds:		
Special Projects Construction	Capital Projects	\$ (1,703,546)
Park Development	Capital Projects	(2,773,178)
Non-major governmental funds		
Landscape Maintenance District	Special Revenues	(117,396)
Community Development	Special Revenues	(211,114)

*Special Projects Construction* – The Special Projects Construction has a deficit balance of \$1,703,546. This is a deficit fund balance carryover from fiscal year 2011-2012 due to extraordinary loss recorded for the assets transferred to the Successor Agency.

*Park Development* – The Park Development has a deficit balance of \$2,773,178 as a result from the purchase of open space property in the City’s South Hills with advances from other funds.

*Landscape Maintenance District* – The Landscape Maintenance District has a deficit balance of \$117,396 as a result of operating expenditures being higher than property taxes received to cover such expenditures.

*Community Development Special Revenue Fund* – The Community Development Fund has an accumulated deficit of \$211,114 which resulted from monies being spent before receiving the grant reimbursement.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**Note 14: EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Excess of expenditures over appropriations of the General Fund and the Housing Authority Fund (budgeted major special revenue fund) on a function level occurred during the fiscal year 2014 as follows:

<u>Fund</u>	<u>Appropriated</u>	<u>Expended</u>	<u>Excess</u>
<b>General:</b>			
Community development	\$ 1,208,200	\$ 1,212,832	\$ (4,632)
<b>Housing Authority:</b>			
Community development	159,000	187,661	(28,661)
<b>Non-major Funds:</b>			
Grant Fund	6,800	20,652	(13,852)

The excesses of expenditures over appropriations were financed with available fund balances.

No other material violations of budgeted or appropriated amounts occurred in other major or nonmajor funds of the City during the year.

**Note 15: ENCUMBRANCES**

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue, Capital Projects and Debt Service funds. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities for the current year.

Significant Encumbrances as of June 30, 2014

General Fund	\$ 15,768
Park Development Fund	3,994
Public Improvement Per MOU Fund	1,183,211
Nonmajor Funds	54,840

**Note 16: COMMITMENTS AND CONTINGENCIES**

***Commitments***

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

As of June 30, 2014, in the opinion of City management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 16: COMMITMENTS AND CONTINGENCIES, Continued**

***Federal and State Grant Programs***

The City participates in Federal and State grant programs. These programs are audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended in 1996, and applicable State requirements. No cost disallowance is expected as a result of these audits; however, these programs are subject to further examination by the grantors. Expenditures which may be disallowed by the granting agencies cannot be determined at this time; however, the City management expects such amounts, if any, to be immaterial.

**Note 17: SUCCESSOR AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X26 (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 Loma Linda that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit. The Bill provided 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 10, 2012 the City Council of the City of Loma Linda elected to become the Successor Agency for the former Redevelopment Agency (RDA) in accordance with the Bill as part of City Resolution No. 2722. The activities of the Successor Agency are reported under a Private Purpose Trust Fund on the Fiduciary Financial Statements of the City.

In future fiscal years, 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.

The bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill. Management believes, in consultation with legal counsel, that the obligations of the former RDA due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The city's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by the appropriate judicial authority that would resolve this issue unfavorably to the City. As of June 30, 2014 the California State Controller had not issued its final Finding of Completion letter to the Successor Agency and assets transfers and obligations were still under review.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 17: SUCCESSOR AGENCY, Continued**

In accordance with the provisions of the AB X1 26 and the California Supreme Court's decision to uphold the Bill, the obligations of the former redevelopment agency became vested with the funds established for the Successor Agency upon the date of dissolution. Former tax increment revenues pledged to fund the debts of the former redevelopment agency will be distributed to the Successor Agency subject to the reapportionment of such revenues as provided by the Bill.

The bonded debt of the Successor Agency as of June 30, 2014 is as follows:

*2003 Tax Allocation Refunding Bonds – Original Issue \$12,610,000*

On May 7, 2003, the Agency issued tax allocation bonds in the amount of \$12,610,000. The purpose of the bonds was to refund the Agency's 1993 Tax Allocation Bonds and 1994 Tax Allocation Refunding Bonds and to finance the Agency's redevelopment project.

***Successor Agency long-term debt***

The bonds accrue interest at rates between 2.00% and 5.125%. Interest on the bonds is payable semiannually on each January 1 and July 1, commencing January 1, 2004. Principal is payable in annual installments ranging from \$340,000 to \$600,000, commencing July 1, 2004 through July 1, 2030. The bonds are subject to optional and mandatory redemption prior to maturity.

The bonds are secured by a first and prior lien on tax increment revenues excluding any portion of revenues that are required to be deposited to the Agency's Low and Moderate Income Housing Funds, the County of San Bernardino pass-thru agreement, and County administration fees. The amount of principal at June 30, 2014 totaled \$7,640,000.

*Subordinate 2005A Tax Allocation Bonds – Original Issue \$15,100,000*

On December 14, 2005, the Agency issued subordinate 2005A tax allocation bonds in the amount of \$15,100,000. The purpose of the bonds was to finance the Agency's redevelopment project.

The bonds mature from July 1, 2006 to July 1, 2030 in varying amounts. The bonds accrue interest at rates between 3.00% and 5.25%. Interest on the bonds is payable semiannually on each January 1 and July 1, commencing July 1, 2006. Principal is payable in annual installments ranging from \$70,000 to \$1,980,000, commencing July 1, 2006. The bonds are subject to optional and mandatory redemption prior to maturity.

The bonds are secured by tax revenues, which consist of a portion of the ad valorem taxes levied upon all taxable property within the Loma Linda Redevelopment Agency Project Areas to be allocated to the Agency and available after payment of the 2003 tax allocation bond's debt service, any portion of revenues that are required to be deposited to the Agency's Low and Moderate Income Housing Funds, any tax increment revenue pledged to a taxing entity based upon a pass-thru agreement, and County administration fees. The amount of principal outstanding at June 30, 2014 totaled \$14,185,000.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 17: SUCCESSOR AGENCY, Continued**

***Successor Agency long-term debt, Continued***

***Subordinate 2005B Taxable Tax Allocation Bonds – Original Issue \$10,435,000***

On December 14, 2005, the Agency issued subordinate 2005B taxable tax allocation bonds in the amount of \$10,435,000. The purpose of the bonds was to finance the Agency's redevelopment project.

The bonds mature from July 1, 2006 to July 1, 2025 in varying amounts. The bonds accrue interest at rates between 5.00% and 5.65%. Interest on the bonds is payable semiannually on each January 1 and July 1, commencing July 1, 2006. Principal is payable in annual installments ranging from \$315,000 to \$810,000, commencing July 1, 2006. The bonds are subject to optional and mandatory redemption prior to maturity.

The bonds are secured by tax revenues, which consist of a portion of the ad valorem taxes levied upon all taxable property within the Loma Linda Redevelopment Agency Project Areas to be allocated to the Agency and available after payment of the 2003 tax allocation bond's debt service, any portion of revenues that are required to be deposited to the Agency's Low and Moderate Income Housing Funds, any tax increment revenue pledged to a taxing entity based upon a pass-thru agreement, and County administration fees. The amount of principal outstanding at June 30, 2014 totaled \$7,315,000.

***2008 Taxable Housing Tax Allocation Bonds – Original Issue \$8,900,000***

On March 1, 2009, the Agency issued 2008 taxable housing tax allocation bonds in the amount of \$8,900,000. The purpose of the bonds was to finance Low-Mod Housing projects.

The bonds mature from January 1, 2010 to July 1, 2029 in varying amounts. The bonds accrue interest at rates between 4.50% and 9.277%. Interest on the bonds is payable semiannually on each January 1 and July 1, commencing January 1, 2010. Principal is payable in annual installments ranging from \$50,000 to \$895,000, commencing July 1, 2010. The bonds are subject to optional and mandatory redemption prior to maturity.

The bonds are secured by Housing Tax Revenues, which consist of a portion of the ad valorem taxes levied upon all taxable property within the Loma Linda Redevelopment Agency Project Area, and allocated to the Agency's Low and Moderate Housing fund. The amount of principal outstanding at June 30, 2014 totaled \$8,125,000.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**Note 17: SUCCESSOR AGENCY, Continued**

***Successor Agency long-term debt, Continued***

The following is a summary of the bonded debt activity of the Successor Agency as of June 30, 2014:

TAX ALLOCATION BONDS	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due within One Year
2003 Tax Allocation Refunding Bonds	\$ 8,215,000	\$ -	\$ (575,000)	\$ 7,640,000	\$ 600,000
2005A Subordinated Tax Allocation Bonds	14,270,000	-	(85,000)	14,185,000	90,000
2005B Subordinated Tax Allocation Bonds	7,740,000	-	(425,000)	7,315,000	445,000
2008 Taxable Housing Tax Allocation Bonds	8,380,000	-	(255,000)	8,125,000	270,000
Unamortized bond premium	465,955	-	(27,245)	438,710	27,245
Unamortized bond discount	(261,796)	-	17,396	(244,400)	(17,396)
Total	<u>\$ 38,809,159</u>	<u>\$ -</u>	<u>\$ (1,349,849)</u>	<u>\$ 37,459,310</u>	<u>\$ 1,414,849</u>

The following amount was reclassified as deferred outflow of resources:

Deferred outflow of resources	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due within One Year
Unamortized loss on defeasance	<u>\$ (173,546)</u>	<u>\$ -</u>	<u>\$ 10,310</u>	<u>\$ (163,236)</u>	<u>\$ (10,310)</u>

The debt service requirement to maturity for all bonded debt combined, including interest, is as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 1,405,000	\$ 2,158,043	\$ 3,563,043
2016	1,470,000	2,087,928	3,557,928
2017	1,540,000	2,009,614	3,549,614
2018	1,630,000	1,924,014	3,554,014
2019	1,710,000	1,833,223	3,543,223
2020-2024	10,140,000	6,931,002	17,071,002
2025-2029	13,630,000	4,342,277	17,972,277
2030-2031	5,740,000	465,992	6,205,992
Total	<u>\$ 37,265,000</u>	<u>\$ 21,752,093</u>	<u>\$ 59,017,093</u>

***Successor Agency – Special Item***

In response to the State Controller's Audit Report dated August 12, 2014, three properties that were owned by the former Redevelopment Agency were determined to be additional capital assets to the Successor Agency. Action was taken under the direction of the State Controller Office for the inclusion of the properties, which were appraised for \$431,002 in total fair market value.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**Note 18: CHANGE IN ACCOUNTING PRINCIPLE**

As discussed in Note 1, the City implemented GASB Statement No. 65 effective July 1, 2013. GASB 65, among other provisions, amended prior guidance with respect to the treatment of debt issuance costs. Under GASB 65, debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred rather than reported as an asset on the statement of net position and recognized as an expense in a systematic and rational manner over the duration of the related debt. The City's unamortized balance of debt issuance costs, excluding prepaid insurance, at the beginning of the year was \$61,575 in governmental funds, \$40,000 in proprietary funds, and \$709,237 in Private Purpose Trust Fund. GASB 65 requires that accounting changes adopted to conform to the provisions of the Statement be applied retroactively by restating financial statements.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2014**

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**1. BUDGET AND BUDGETARY ACCOUNTING**

***A. General Budget Policies***

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. Supplemental appropriations, where required during the period, are also approved by the Council. Intradepartmental budget changes are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the department level. At fiscal year-end, all operating budget appropriations lapsed.

***B. Basis of Accounting***

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets were legally adopted for all governmental funds with the exception of the Traffic Congestion Relief Fund, Federal State Construction Fund, Water Bond Redemption Fund, and Assessment District 72-1 Fund.

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2014**

**1. BUDGET AND BUDGETARY ACCOUNTING, Continued**

**C. Budgetary Comparison Schedule**

The following is the budgeted comparison schedule for the General Fund.

	Budgeted Amounts		Actual Amounts	Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 8,154,000	\$ 8,785,800	\$ 8,312,397	\$ (473,403)
Licenses and permits	283,500	289,500	532,046	242,546
Intergovernmental	8,400	28,300	32,628	4,328
Charges for services	1,766,600	1,692,400	1,912,085	219,685
Use of money and property	230,700	230,700	255,978	25,278
Fines and forfeitures	11,200	11,700	6,790	(4,910)
Miscellaneous	1,679,700	1,814,700	2,092,056	277,356
<b>Total revenues</b>	<b>12,134,100</b>	<b>12,853,100</b>	<b>13,143,980</b>	<b>290,880</b>
<b>EXPENDITURES</b>				
Current:				
General government	1,244,200	1,762,200	1,265,334	496,866
Public safety	8,235,900	8,345,800	8,330,616	15,184
Community development	1,056,500	1,208,200	1,212,832	(4,632)
Public works	1,869,700	1,894,500	1,864,134	30,366
Capital outlay	38,900	102,300	94,341	7,959
<b>Total expenditures</b>	<b>12,445,200</b>	<b>13,313,000</b>	<b>12,767,257</b>	<b>545,743</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(311,100)</b>	<b>(459,900)</b>	<b>376,723</b>	<b>836,623</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,415,000	1,399,500	1,409,625	10,125
Transfers out	(1,058,300)	(1,028,900)	(1,028,800)	100
<b>Total other financing sources (uses)</b>	<b>356,700</b>	<b>370,600</b>	<b>380,825</b>	<b>10,225</b>
Net change in fund balance	45,600	(89,300)	757,548	846,848
<b>FUND BALANCE</b>				
Beginning of year	10,049,146	10,049,146	10,049,146	-
End of year	<b>\$ 10,094,746</b>	<b>\$ 9,959,846</b>	<b>\$ 10,806,694</b>	<b>\$ 846,848</b>

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2014**

**1. BUDGET AND BUDGETARY ACCOUNTING, Continued**

**C. Budgetary Comparison Schedule, Continued**

The following is the budgeted comparison schedule for the Loma Linda Housing Authority Fund.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 1,437	\$ 1,437
Use of money and property	136,300	171,800	187,841	16,041
Miscellaneous	34,700	1,500	2,160	660
<b>Total revenues</b>	<b>171,000</b>	<b>173,300</b>	<b>191,438</b>	<b>18,138</b>
<b>EXPENDITURES</b>				
Current:				
Community development	132,400	159,000	187,661	(28,661)
Capital outlay	1,000	8,400	1,926	6,474
<b>Total expenditures</b>	<b>133,400</b>	<b>167,400</b>	<b>189,587</b>	<b>(22,187)</b>
<b>REVENUES OVER(UNDER) EXPENDITURES</b>	<b>37,600</b>	<b>5,900</b>	<b>1,851</b>	<b>(4,049)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Gain (loss) on disposal of land held for resale, net	-	-	97,996	97,996
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>97,996</b>	<b>97,996</b>
Net change in fund balance	37,600	5,900	99,847	93,947
<b>FUND BALANCE:</b>				
Beginning of year	17,657,109	17,657,109	17,657,109	-
End of year	<b>\$ 17,694,709</b>	<b>\$ 17,663,009</b>	<b>\$ 17,756,956</b>	<b>\$ 93,947</b>

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2014**

**1. BUDGET AND BUDGETARY ACCOUNTING, Continued**

**C. Budgetary Comparison Schedule, Continued**

The following is the budgeted comparison schedule for the Public Improvements Per MOU Fund.

	Budgeted Amounts		Actual Amounts	Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ 5,000	\$ 5,364	\$ 364
Miscellaneous	4,580,000	4,825,000	4,744,958	(80,042)
<b>Total revenues</b>	<b>4,580,000</b>	<b>4,830,000</b>	<b>4,750,322</b>	<b>(79,678)</b>
<b>EXPENDITURES</b>				
Capital outlay	4,580,000	5,615,000	3,784,731	1,830,269
<b>Total expenditures</b>	<b>4,580,000</b>	<b>5,615,000</b>	<b>3,784,731</b>	<b>1,830,269</b>
Net change in fund balance	-	(785,000)	965,591	1,750,591
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year	(455,962)	(455,962)	(455,962)	-
End of year	<u>\$ (455,962)</u>	<u>\$ (1,240,962)</u>	<u>\$ 509,629</u>	<u>\$ 1,750,591</u>

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2014**

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**2. SCHEDULE OF FUNDING PROGRESS (Unaudited)**

**A. Funded Status of Plan – Miscellaneous Employees**

In fiscal year ended June 30, 2004, CalPERS established a risk pool for cities and other government entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool. Therefore, standalone information of the schedule of the funding progress for the City's miscellaneous employees is no longer available.

**B. Funded Status of Plan – Other Post Employment Benefits**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability Entry Age	(Unfunded) Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Payroll
6/30/2013	\$ 146,043	\$ 651,515	\$ (523,669)	27.89%	\$ 5,556,816	9.42%
6/30/2011	69,957	579,635	(509,678)	13.73%	5,747,688	8.87%
6/1/2010	29,594	600,942	(571,348)	5.18%	6,018,956	9.49%

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## **SUPPLEMENTARY INFORMATION**

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**MAJOR GOVERNMENTAL FUNDS BUDGETARY  
COMPARISON SCHEDULES**

**CITY OF LOMA LINDA**  
**Special Projects Construction Capital Projects Fund**  
**Major Governmental Fund Budgetary Comparison Schedule**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ 2,100	\$ 1,647	\$ (453)
Miscellaneous	-	50,000	109,999	59,999
<b>Total revenues</b>	<b>-</b>	<b>52,100</b>	<b>111,646</b>	<b>59,546</b>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	29,400	29,400	29,378	22
Interest and fiscal charges	11,200	11,200	51,455	(40,255)
<b>Total expenditures</b>	<b>40,600</b>	<b>40,600</b>	<b>80,833</b>	<b>(40,233)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(40,600)</b>	<b>11,500</b>	<b>30,813</b>	<b>19,313</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(483,000)	(483,000)	(483,000)	-
<b>Total other financing sources (uses)</b>	<b>(483,000)</b>	<b>(483,000)</b>	<b>(483,000)</b>	<b>-</b>
Net change in fund balance	(523,600)	(471,500)	(452,187)	19,313
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year	(1,251,359)	(1,251,359)	(1,251,359)	-
End of year	<u>\$ (1,774,959)</u>	<u>\$ (1,722,859)</u>	<u>\$ (1,703,546)</u>	<u>\$ 19,313</u>

**CITY OF LOMA LINDA**  
**Park Development Capital Projects Fund**  
**Major Governmental Fund Budgetary Comparison Schedule**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ 1,100	\$ 1,056	\$ (44)
Developer fees	110,600	98,900	98,817	(83)
<b>Total revenues</b>	<u>110,600</u>	<u>100,000</u>	<u>99,873</u>	<u>(127)</u>
<b>EXPENDITURES</b>				
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>110,600</u>	<u>100,000</u>	<u>99,873</u>	<u>(127)</u>
Net change in fund balance	110,600	100,000	99,873	(127)
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year	<u>(2,873,051)</u>	<u>(2,873,051)</u>	<u>(2,873,051)</u>	<u>-</u>
End of year	<u>\$ (2,762,451)</u>	<u>\$ (2,773,051)</u>	<u>\$ (2,773,178)</u>	<u>\$ (127)</u>

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**NONMAJOR GOVERNMENTAL  
FUNDS  
COMBINING SCHEDULES**

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## ***Non-Major Governmental Funds***

### ***Special Revenue Funds***

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted for expenditures related to specific purposes.

***Traffic Safety Fund*** – This fund is to account for monies received from parking control violation fines.

***Gas Tax Fund*** – This fund is to account for monies received and expended from the state and county gas allocation.

***Measure I Fund*** – This fund is to account for monies received from the County is one-half of one percent retail transaction and use tax.

***Street Lighting District Fund*** – This fund is to account for monies received from property assessments restricted to fund district street lighting activities.

***Landscape Maintenance District Fund*** – This fund is to account for monies received from property assessments restricted to fund district landscaping activities.

***Air Quality Management District Fund*** – This fund is to account for monies received from AB2766 license fees.

***Asset Forfeiture Fund*** – This fund is to account for assets seized by law enforcement.

***Community Development Block Grant Fund*** – This fund is to account for Federal grants received from the Department of Housing and Urban Development and expended in community development.

***Grant Fund*** – This fund is to account for miscellaneous grants provided by Federal, State and County agencies such as the Code Enforcement Grant Program to purchase capital items related to Code Enforcement and California Healthy Cities to promote health and physical activity for Loma Linda residents.

***Citizens Option for Public Safety Fund*** – This is to account for AB3229 Public Safety Grant revenue received from the State and expended for front-line law enforcement.

## ***Non-Major Governmental Funds***

### ***Special Revenue Funds, Continued***

***Traffic Congestion Relief Fund*** – This fund is to account for allocation from the state for street or road maintenance or reconstruction. The City is required to maintain existing commitment of general funds for street or roadwork in order to remain eligible for allocation of the specified funds.

***Development Agreement Consideration Fund*** – This fund is to account for the monies received from developers to produce, improve, or preserve affordable housing within Redevelopment Project Areas that meet the needs to those whose income is 80% of the county median or below.

### ***Capital Project Funds***

The *Capital Project Funds* account for financial resources to be used for the acquisition or construction of major capital facilities by the City except for those financed by Proprietary Funds. The Capital Project Funds account for the following projects:

***Storm Drain Fund*** – This fund is to account for developer fees collected and expended for improving and expanding the storm drain system city-wide.

***Traffic Impact Fund*** – This fund is to account for developer fees collected and expended for major traffic control devices necessitated by development.

***Fire Facilities Fund*** – This fund is to account for developer fees collected and expended for major fire facilities and equipment necessitated by development.

***General Facilities Fund*** – This fund is to account for developer fees collected and expended for major general facilities necessitated by development.

***Federal/State Construction Grants Fund*** – This fund is to account for miscellaneous grants provided by Federal, State and County agencies and expended for various street, park and recreation purposes..

***Public Meeting Facilities Fund*** – This fund is to account for developer fees collected and expended for public meeting facilities as necessitated by development.

***Public Library Facilities Fund*** – This fund is to account for developer fees collected and expended for public library facilities as necessitated by development.

***Art in Public Places Fund*** – This fund is to account for developer fees collected and expended for art in public places as necessitated by development.

## ***Non-Major Governmental Funds***

### ***Capital Project Funds, Continued***

***Regional Traffic Development Impact*** – This fund is for the portion of Transportation Projects identified by SANBAG (San Bernardino Associated Governments) that will serve the regional area. SANBAG came up with an allocation of Loma Linda's share.

### ***Debt Service Funds***

The *Debt Service Funds* account for the accumulation of resources and the payment of general long-term debt principal and interest of the City's related entities in the following funds:

***Water Bond Redemption Fund*** – This fund is to account for the contribution from the Water Operations Fund and Water Acquisition Fund for the payment of principal and interest on Water Enterprise general obligation bonds issued to complete water system capital projects.

***Assessment District 72-1 Fund*** – This fund is to account for the accumulation of funds for the payment of principal and interest on bonds issued in 1973, for sewer line improvements on Redlands Blvd.

***Loma Linda Public Financing Authority Fund*** – This fund is used to jointly exercise powers of the City and Redevelopment Agency and to establish a vehicle to reduce local borrowing costs and promote greater use of existing and new financial instruments.

**CITY OF LOMA LINDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2014**

	Special Revenue Funds		
	Traffic Safety	Gas Tax	Measure I
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 41,152	\$ 299,105
Receivables:			
Taxes	-	72,423	-
Interest	-	-	182
Due from other governments	9,157	-	56,841
Advances to other funds	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total assets</b>	<b>\$ 9,157</b>	<b>\$ 113,575</b>	<b>\$ 356,128</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 104,429
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Deposits payable	-	-	-
Unearned revenue	-	-	-
Advances from other funds	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>104,429</b>
<b>Deferred inflow of resources:</b>			
Unavailable revenue	-	-	-
<b>Fund balance:</b>			
Restricted for:			
Cultural and recreational	-	-	-
Public safety	-	-	-
Street improvements	9,157	113,575	251,699
Storm drains	-	-	-
Municipal facilities	-	-	-
Air quality management	-	-	-
Debt service	-	-	-
Low mod housing programs	-	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<b>9,157</b>	<b>113,575</b>	<b>251,699</b>
<b>Total liabilities, deferred inflow of resources, and fund balances</b>	<b>\$ 9,157</b>	<b>\$ 113,575</b>	<b>\$ 356,128</b>

Special Revenue Funds

Street Lighting District	Landscape Maintenance District	Air Quality Management District
\$ 191,510	\$ -	\$ 76,785
5,286	4,002	-
118	14	40
-	-	7,563
-	-	-
-	-	-
<u>\$ 196,914</u>	<u>\$ 4,016</u>	<u>\$ 84,388</u>
\$ 26,491	\$ 13,286	\$ 3,400
3,084	1,047	-
-	94,538	-
-	12,541	-
-	-	-
-	-	-
<u>29,575</u>	<u>121,412</u>	<u>3,400</u>
-	-	-
-	-	-
-	-	-
167,339	-	-
-	-	-
-	-	-
-	-	80,988
-	-	-
-	-	-
-	(117,396)	-
<u>167,339</u>	<u>(117,396)</u>	<u>80,988</u>
<u>\$ 196,914</u>	<u>\$ 4,016</u>	<u>\$ 84,388</u>

**CITY OF LOMA LINDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2014**

	Special Revenue Funds		
	Asset Forfeiture	Community Development	Grant Fund
<b>ASSETS</b>			
Cash and investments	\$ 3,804	\$ -	\$ 26,766
Receivables:			
Taxes	-	-	-
Interest	2	-	-
Due from other governments	-	211,676	-
Advances to other funds	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total assets</b>	<b>\$ 3,806</b>	<b>\$ 211,676</b>	<b>\$ 26,766</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other funds	-	207,457	-
Deposits payable	-	-	-
Unearned revenue	-	-	13,400
Advances from other funds	-	3,769	-
<b>Total liabilities</b>	<b>-</b>	<b>211,226</b>	<b>13,400</b>
<b>Deferred inflow of resources:</b>			
Unavailable revenue	-	211,564	-
<b>Fund balance:</b>			
Restricted for:			
Cultural and recreational	-	-	-
Public safety	3,806	-	13,366
Street improvements	-	-	-
Storm drains	-	-	-
Municipal facilities	-	-	-
Air quality management	-	-	-
Debt service	-	-	-
Low mod housing programs	-	-	-
Unassigned	-	(211,114)	-
<b>Total fund balances</b>	<b>3,806</b>	<b>(211,114)</b>	<b>13,366</b>
<b>Total liabilities, deferred inflow of resources, and fund balances</b>	<b>\$ 3,806</b>	<b>\$ 211,676</b>	<b>\$ 26,766</b>

Special Revenue Funds

Citizens Option for Public Safety Fund	Traffic Congestion Relief Grant	Development Agreement Consideration	Total Special Revenue Funds
\$ 112,775	\$ 1,614	\$ 199,529	\$ 953,040
-	-	-	-
99	1	107	81,711
-	-	-	563
-	-	-	285,237
-	-	-	-
-	-	-	-
<u>\$ 112,874</u>	<u>\$ 1,615</u>	<u>\$ 199,636</u>	<u>\$ 1,320,551</u>
\$ 1,226	\$ -	\$ -	\$ 148,832
-	-	-	4,131
-	-	-	301,995
-	-	-	12,541
111,648	-	-	125,048
-	-	-	3,769
<u>112,874</u>	<u>-</u>	<u>-</u>	<u>596,316</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>211,564</u>
-	-	-	-
-	-	-	-
-	-	-	17,172
-	1,615	-	543,385
-	-	-	-
-	-	-	-
-	-	-	80,988
-	-	-	-
-	-	199,636	199,636
-	-	-	(328,510)
<u>-</u>	<u>1,615</u>	<u>199,636</u>	<u>512,671</u>
<u>\$ 112,874</u>	<u>\$ 1,615</u>	<u>\$ 199,636</u>	<u>\$ 1,320,551</u>

**CITY OF LOMA LINDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2014**

	Capital Projects Funds		
	Storm Drain	Traffic Impact	Fire Facilities
<b>ASSETS</b>			
Cash and investments	\$ 259,579	\$ 2,102,332	\$ 428,594
Receivables:			
Taxes	-	-	-
Interest	140	1,018	239
Due from other governments	-	-	-
Advances to other funds	500,000	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total assets</b>	<b>\$ 759,719</b>	<b>\$ 2,103,350</b>	<b>\$ 428,833</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 1,520	\$ -
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Deposits payable	1,800	-	-
Unearned revenue	-	-	-
Advances from other funds	-	-	-
<b>Total liabilities</b>	<b>1,800</b>	<b>1,520</b>	<b>-</b>
<b>Deferred inflow of resources:</b>			
Unavailable revenue	-	-	-
<b>Fund balance:</b>			
Restricted for:			
Cultural and recreational	-	-	-
Public safety	-	-	428,833
Street improvements	-	2,101,830	-
Storm drains	757,919	-	-
Municipal facilities	-	-	-
Air quality management	-	-	-
Debt service	-	-	-
Low mod housing programs	-	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<b>757,919</b>	<b>2,101,830</b>	<b>428,833</b>
<b>Total liabilities, deferred inflow of resources, and fund balances</b>	<b>\$ 759,719</b>	<b>\$ 2,103,350</b>	<b>\$ 428,833</b>

Capital Projects Funds

General Facilities	Federal/State Construction	Public Meeting Facilities	Public Library Facilities
\$ 80,212	\$ 53,391	\$ 219,095	\$ 166,135
-	-	-	-
53	28	118	89
-	-	-	-
-	-	-	-
<u>80,265</u>	<u>53,419</u>	<u>219,213</u>	<u>166,224</u>
\$ 28,386	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>28,386</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>51,879</u>	<u>53,419</u>	<u>219,213</u>	<u>166,224</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>51,879</u>	<u>53,419</u>	<u>219,213</u>	<u>166,224</u>
<u>\$ 80,265</u>	<u>\$ 53,419</u>	<u>\$ 219,213</u>	<u>\$ 166,224</u>

**CITY OF LOMA LINDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2014**

	Capital Projects Funds		Total Capital Projects Funds
	Art in Public Places	Regional Traffic Development Impact	
<b>ASSETS</b>			
Cash and investments	\$ 138,413	\$ 1,551,230	\$ 4,998,981
Receivables:			
Taxes	-	-	-
Interest	74	1,075	2,834
Due from other governments	-	-	-
Advances to other funds	-	-	500,000
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total assets</b>	<b>\$ 138,487</b>	<b>\$ 1,552,305</b>	<b>\$ 5,501,815</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 277,694	\$ 307,600
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Deposits payable	-	-	1,800
Unearned revenue	-	-	-
Advances from other funds	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>277,694</b>	<b>309,400</b>
<b>Deferred revenues of resources:</b>			
Unavailable revenue	-	-	-
<b>Fund balance:</b>			
Restricted for:			
Cultural and recreational	138,487	-	304,711
Public safety	-	-	428,833
Street improvements	-	1,274,611	3,429,860
Storm drains	-	-	757,919
Municipal facilities	-	-	271,092
Air quality management	-	-	-
Debt service	-	-	-
Low mod housing programs	-	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<b>138,487</b>	<b>1,274,611</b>	<b>5,192,415</b>
<b>Total liabilities, deferred inflow of resources, and fund balances</b>	<b>\$ 138,487</b>	<b>\$ 1,552,305</b>	<b>\$ 5,501,815</b>

Debt Service Funds			Total Debt Service Funds	Total Nonmajor Governmental Funds
Water Bond Redemption Fund	Assessment District 72-1	Loma Linda Financing Authority		
\$ 34,688	\$ 62,630	\$ 71,779	\$ 169,097	\$ 6,121,118
-	-	-	-	81,711
19	33	52	104	3,501
-	-	-	-	285,237
-	-	-	-	500,000
-	-	1,035,856	1,035,856	1,035,856
<u>\$ 34,707</u>	<u>\$ 62,663</u>	<u>\$ 1,107,687</u>	<u>\$ 1,205,057</u>	<u>\$ 8,027,423</u>
\$ -	\$ -	\$ -	\$ -	\$ 456,432
-	-	-	-	4,131
-	-	-	-	301,995
-	-	-	-	14,341
-	-	-	-	125,048
-	-	-	-	3,769
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>905,716</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,564</u>
-	-	-	-	304,711
-	-	-	-	446,005
-	-	-	-	3,973,245
-	-	-	-	757,919
-	-	-	-	271,092
-	-	-	-	80,988
34,707	62,663	1,107,687	1,205,057	1,205,057
-	-	-	-	199,636
-	-	-	-	(328,510)
<u>34,707</u>	<u>62,663</u>	<u>1,107,687</u>	<u>1,205,057</u>	<u>6,910,143</u>
<u>\$ 34,707</u>	<u>\$ 62,663</u>	<u>\$ 1,107,687</u>	<u>\$ 1,205,057</u>	<u>\$ 8,027,423</u>

**CITY OF LOMA LINDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2014**

	Special Revenue Funds		
	Traffic Safety	Gas Tax	Measure I
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 350,664
Intergovernmental	-	736,570	-
Charges for services	-	-	-
Use of money and property	-	-	1,055
Fines and forfeitures	155,426	-	-
Miscellaneous	-	-	-
Developer fees	-	-	-
<b>Total revenues</b>	<u>155,426</u>	<u>736,570</u>	<u>351,719</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Public works	-	-	-
Capital outlay	-	-	646,685
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>646,685</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>155,426</u>	<u>736,570</u>	<u>(294,966)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	(153,980)	(671,381)	-
<b>Total other financing sources (uses)</b>	<u>(153,980)</u>	<u>(671,381)</u>	<u>-</u>
<b>Net change in fund balances</b>	1,446	65,189	(294,966)
<b>FUND BALANCE (DEFICIT):</b>			
Beginning of year	<u>7,711</u>	<u>48,386</u>	<u>546,665</u>
End of year	<u>\$ 9,157</u>	<u>\$ 113,575</u>	<u>\$ 251,699</u>

Special Revenue Funds

Street Lighting District	Landscape Maintenance District	Air Quality Management District
\$ 343,193	\$ 392,137	\$ -
-	-	29,018
-	-	-
501	14	165
-	-	-
2,803	6,317	-
-	-	-
<u>346,497</u>	<u>398,468</u>	<u>29,183</u>
-	-	-
-	-	21,626
-	433,773	-
416,585	-	-
225	225	-
-	-	-
-	-	-
<u>416,810</u>	<u>433,998</u>	<u>21,626</u>
<u>(70,313)</u>	<u>(35,530)</u>	<u>7,557</u>
-	29,000	-
-	-	-
-	29,000	-
<u>(70,313)</u>	<u>(6,530)</u>	<u>7,557</u>
<u>237,652</u>	<u>(110,866)</u>	<u>73,431</u>
<u>\$ 167,339</u>	<u>\$ (117,396)</u>	<u>\$ 80,988</u>

**CITY OF LOMA LINDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2014**

	Special Revenue Funds		
	Asset Forfeiture	Community Development	Grant Fund
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	5,267	19,808
Charges for services	-	-	-
Use of money and property	8	1	-
Fines and forfeitures	3,798	-	-
Miscellaneous	-	-	-
Developer fees	-	-	-
<b>Total revenues</b>	<b>3,806</b>	<b>5,268</b>	<b>19,808</b>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	-	-	20,652
Community development	-	-	-
Public works	-	5,348	-
Capital outlay	-	208,681	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>214,029</b>	<b>20,652</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,806</b>	<b>(208,761)</b>	<b>(844)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>3,806</b>	<b>(208,761)</b>	<b>(844)</b>
<b>FUND BALANCE (DEFICIT):</b>			
Beginning of year	-	(2,353)	14,210
End of year	<b>\$ 3,806</b>	<b>\$ (211,114)</b>	<b>\$ 13,366</b>

Special Revenue Funds			Total
Citizens Option for Public Safety Fund	Traffic Congestion Relief Fund	Development Agreement Consideration	Special Revenue Funds
\$ -	\$ -	\$ -	\$ 1,085,994
76,972	-	-	867,635
-	-	-	-
329	4	465	2,542
-	-	-	159,224
-	-	-	9,120
-	-	-	-
<u>77,301</u>	<u>4</u>	<u>465</u>	<u>2,124,515</u>
-	-	-	-
-	-	-	42,278
-	-	-	433,773
1,864	-	-	423,797
-	-	19	855,835
-	-	-	-
-	-	-	-
<u>1,864</u>	<u>-</u>	<u>19</u>	<u>1,755,683</u>
<u>75,437</u>	<u>4</u>	<u>446</u>	<u>368,832</u>
-	-	-	29,000
<u>(75,437)</u>	<u>-</u>	<u>-</u>	<u>(900,798)</u>
<u>(75,437)</u>	<u>-</u>	<u>-</u>	<u>(871,798)</u>
-	4	446	(502,966)
-	1,611	199,190	1,015,637
<u>\$ -</u>	<u>\$ 1,615</u>	<u>\$ 199,636</u>	<u>\$ 512,671</u>

**CITY OF LOMA LINDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2014**

	Capital Projects Funds		
	Storm Drain	Traffic Impact	Fire Facilities
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	8,092	-	-
Use of money and property	597	4,479	968
Fines and forfeitures	-	-	-
Miscellaneous	-	-	-
Developer fees	-	127,114	89,038
<b>Total revenues</b>	<b>8,689</b>	<b>131,593</b>	<b>90,006</b>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Public works	-	35,514	-
Capital outlay	-	182,124	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>217,638</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>8,689</b>	<b>(86,045)</b>	<b>90,006</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	(16,031)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(16,031)</b>
<b>Net change in fund balances</b>	<b>8,689</b>	<b>(86,045)</b>	<b>73,975</b>
<b>FUND BALANCE (DEFICIT):</b>			
Beginning of year	749,230	2,187,875	354,858
End of year	\$ 757,919	\$ 2,101,830	\$ 428,833

Capital Projects Funds

General Facilities	Federal/State Construction	Public Meeting Facilities	Public Library Facilities
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
266	114	512	387
-	-	-	-
-	18,100	-	-
17,925	-	-	-
<u>18,191</u>	<u>18,214</u>	<u>512</u>	<u>387</u>
-	-	-	-
-	-	-	-
-	-	-	-
12,130	-	-	-
62,204	-	-	-
-	-	-	-
-	-	-	-
<u>74,334</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(56,143)</u>	<u>18,214</u>	<u>512</u>	<u>387</u>
-	-	-	-
<u>(9,796)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(9,796)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(65,939)	18,214	512	387
117,818	35,205	218,701	165,837
<u>\$ 51,879</u>	<u>\$ 53,419</u>	<u>\$ 219,213</u>	<u>\$ 166,224</u>

**CITY OF LOMA LINDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2014**

	Capital Projects Funds		Total Capital Projects Funds
	Art in Public Places	Regional Traffic Development Impact	
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	8,092
Use of money and property	310	5,745	13,378
Fines and forfeitures	-	-	-
Miscellaneous	-	-	18,100
Developer fees	35,694	445,968	715,739
<b>Total revenues</b>	<b>36,004</b>	<b>451,713</b>	<b>755,309</b>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Public works	2,668	-	50,312
Capital outlay	13,685	1,673,622	1,931,635
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>16,353</b>	<b>1,673,622</b>	<b>1,981,947</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>19,651</b>	<b>(1,221,909)</b>	<b>(1,226,638)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	(25,827)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(25,827)</b>
<b>Net change in fund balances</b>	<b>19,651</b>	<b>(1,221,909)</b>	<b>(1,252,465)</b>
<b>FUND BALANCE (DEFICIT):</b>			
Beginning of year	118,836	2,496,520	6,444,880
End of year	\$ 138,487	\$ 1,274,611	\$ 5,192,415

Debt Service Funds			Total Debt Service Funds	Total Nonmajor Governmental Funds
Water Bond Redemption Fund	Assessment District 72-1	Loma Linda Financing Authority		
\$ -	\$ -	\$ -	\$ -	\$ 1,085,994
-	-	-	-	867,635
-	-	-	-	8,092
81	146	250	477	16,397
-	-	-	-	159,224
-	-	-	-	27,220
-	-	-	-	715,739
<u>81</u>	<u>146</u>	<u>250</u>	<u>477</u>	<u>2,880,301</u>
-	-	4,129	4,129	4,129
-	-	-	-	42,278
-	-	-	-	433,773
-	-	-	-	474,109
-	-	-	-	2,787,470
-	-	885,000	885,000	885,000
-	-	113,108	113,108	113,108
<u>-</u>	<u>-</u>	<u>1,002,237</u>	<u>1,002,237</u>	<u>4,739,867</u>
<u>81</u>	<u>146</u>	<u>(1,001,987)</u>	<u>(1,001,760)</u>	<u>(1,859,566)</u>
-	-	999,800	999,800	1,028,800
-	-	-	-	(926,625)
<u>-</u>	<u>-</u>	<u>999,800</u>	<u>999,800</u>	<u>102,175</u>
81	146	(2,187)	(1,960)	(1,757,391)
<u>34,626</u>	<u>62,517</u>	<u>1,109,874</u>	<u>1,207,017</u>	<u>8,667,534</u>
<u>\$ 34,707</u>	<u>\$ 62,663</u>	<u>\$ 1,107,687</u>	<u>\$ 1,205,057</u>	<u>\$ 6,910,143</u>

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**NON-MAJOR GOVERNMENTAL BUDGETARY  
COMPARISON SCHEDULES**

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Traffic Safety**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 146,000	\$ 146,000	\$ 155,426	\$ 9,426
<b>Total revenues</b>	146,000	146,000	155,426	9,426
<b>EXPENDITURES</b>				
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER EXPENDITURES</b>	146,000	146,000	155,426	9,426
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(146,000)	(146,000)	(153,980)	(7,980)
<b>Total other financing sources (uses)</b>	(146,000)	(146,000)	(153,980)	(7,980)
Net change in fund balance	-	-	1,446	1,446
<b>FUND BALANCE:</b>				
Beginning of year	7,711	7,711	7,711	-
End of year	\$ 7,711	\$ 7,711	\$ 9,157	\$ 1,446

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Gas Tax**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 685,400	\$ 664,300	\$ 736,570	\$ 72,270
<b>Total revenues</b>	<u>685,400</u>	<u>664,300</u>	<u>736,570</u>	<u>72,270</u>
<b>EXPENDITURES</b>				
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>685,400</u>	<u>664,300</u>	<u>736,570</u>	<u>72,270</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(685,400)	(664,300)	(671,381)	(7,081)
<b>Total other financing sources (uses)</b>	<u>(685,400)</u>	<u>(664,300)</u>	<u>(671,381)</u>	<u>(7,081)</u>
Net change in fund balance	-	-	65,189	65,189
<b>FUND BALANCE:</b>				
Beginning of year	<u>48,386</u>	<u>48,386</u>	<u>48,386</u>	<u>-</u>
End of year	<u>\$ 48,386</u>	<u>\$ 48,386</u>	<u>\$ 113,575</u>	<u>\$ 65,189</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Measure I**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 272,700	\$ 349,900	\$ 350,664	\$ 764
Use of money and property	1,000	1,000	1,055	55
<b>Total revenues</b>	<u>273,700</u>	<u>350,900</u>	<u>351,719</u>	<u>819</u>
<b>EXPENDITURES</b>				
Current:				
Capital outlay	300,000	805,400	646,685	158,715
<b>Total expenditures</b>	<u>300,000</u>	<u>805,400</u>	<u>646,685</u>	<u>158,715</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(26,300)</u>	<u>(454,500)</u>	<u>(294,966)</u>	<u>159,534</u>
Net change in fund balance	(26,300)	(454,500)	(294,966)	159,534
<b>FUND BALANCE:</b>				
Beginning of year	546,665	546,665	546,665	-
End of year	<u>\$ 520,365</u>	<u>\$ 92,165</u>	<u>\$ 251,699</u>	<u>\$ 159,534</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Street Lighting District**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 344,200	\$ 344,200	\$ 343,193	\$ (1,007)
Use of money and property	800	800	501	(299)
Miscellaneous	-	-	2,803	2,803
<b>Total revenues</b>	<u>345,000</u>	<u>345,000</u>	<u>346,497</u>	<u>1,497</u>
<b>EXPENDITURES</b>				
Current:				
Public works	372,600	430,500	416,585	13,915
Capital outlay	300	300	225	75
<b>Total expenditures</b>	<u>372,900</u>	<u>430,800</u>	<u>416,810</u>	<u>13,990</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(27,900)</u>	<u>(85,800)</u>	<u>(70,313)</u>	<u>15,487</u>
Net change in fund balance	(27,900)	(85,800)	(70,313)	15,487
<b>FUND BALANCE:</b>				
Beginning of year	<u>237,652</u>	<u>237,652</u>	<u>237,652</u>	<u>-</u>
End of year	<u>\$ 209,752</u>	<u>\$ 151,852</u>	<u>\$ 167,339</u>	<u>\$ 15,487</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Landscape Maintenance District**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 385,300	\$ 385,300	\$ 392,137	\$ 6,837
Use of money and property	-	-	14	14
Miscellaneous	-	-	6,317	6,317
<b>Total revenues</b>	<b>385,300</b>	<b>385,300</b>	<b>398,468</b>	<b>13,168</b>
<b>EXPENDITURES</b>				
Current:				
Community development	470,000	470,400	433,773	36,627
Capital outlay	300	300	225	75
<b>Total expenditures</b>	<b>470,300</b>	<b>470,700</b>	<b>433,998</b>	<b>36,702</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(85,000)</b>	<b>(85,400)</b>	<b>(35,530)</b>	<b>49,870</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	60,000	60,000	29,000	(31,000)
<b>Total other financing sources (uses)</b>	<b>60,000</b>	<b>60,000</b>	<b>29,000</b>	<b>(31,000)</b>
Net change in fund balance	(25,000)	(25,400)	(6,530)	18,870
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year	(110,866)	(110,866)	(110,866)	-
End of year	<b>\$ (135,866)</b>	<b>\$ (136,266)</b>	<b>\$ (117,396)</b>	<b>\$ 18,870</b>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Air Quality Management District**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 25,000	\$ 28,500	\$ 29,018	\$ 518
Use of money and property	-	100	165	65
<b>Total revenues</b>	<u>25,000</u>	<u>28,600</u>	<u>29,183</u>	<u>583</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>26,300</u>	<u>26,300</u>	<u>21,626</u>	<u>4,674</u>
<b>Total expenditures</b>	<u>26,300</u>	<u>26,300</u>	<u>21,626</u>	<u>4,674</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,300)</u>	<u>2,300</u>	<u>7,557</u>	<u>5,257</u>
Net change in fund balance	(1,300)	2,300	7,557	5,257
<b>FUND BALANCE:</b>				
Beginning of year	<u>73,431</u>	<u>73,431</u>	<u>73,431</u>	<u>-</u>
End of year	<u>\$ 72,131</u>	<u>\$ 75,731</u>	<u>\$ 80,988</u>	<u>\$ 5,257</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Asset Forfeiture**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 8	\$ 8
Fines and forfeitures	-	3,800	3,798	(2)
<b>Total revenues</b>	-	3,800	3,806	6
<b>EXPENDITURES</b>				
<b>Total expenditures</b>	-	-	-	-
Net change in fund balance	-	3,800	3,806	6
<b>FUND BALANCE:</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ 3,800	\$ 3,806	\$ 6

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Community Development**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 102,400	\$ 118,300	\$ 5,267	\$ (113,033)
Use of money and property	-	-	1	1
<b>Total revenues</b>	<u>102,400</u>	<u>118,300</u>	<u>5,268</u>	<u>(113,032)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	5,400	5,400	5,348	52
Capital outlay	<u>193,000</u>	<u>208,900</u>	<u>208,681</u>	<u>219</u>
<b>Total expenditures</b>	<u>198,400</u>	<u>214,300</u>	<u>214,029</u>	<u>271</u>
Net change in fund balance	(96,000)	(96,000)	(208,761)	(112,761)
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year	<u>(2,353)</u>	<u>(2,353)</u>	<u>(2,353)</u>	<u>-</u>
End of year	<u>\$ (98,353)</u>	<u>\$ (98,353)</u>	<u>\$ (211,114)</u>	<u>\$ (112,761)</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Grant Fund**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 6,800	\$ 19,808	\$ 13,008
<b>Total revenues</b>	<b>-</b>	<b>6,800</b>	<b>19,808</b>	<b>13,008</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	6,800	20,652	(13,852)
<b>Total expenditures</b>	<b>-</b>	<b>6,800</b>	<b>20,652</b>	<b>(13,852)</b>
Net change in fund balance	-	-	(844)	(844)
<b>FUND BALANCE:</b>				
Beginning of year	14,210	14,210	14,210	-
End of year	<u>\$ 14,210</u>	<u>\$ 14,210</u>	<u>\$ 13,366</u>	<u>\$ (844)</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Citizen Option for Public Safety Fund**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 82,400	\$ 82,400	\$ 76,972	\$ (5,428)
Use of money and property	100	100	329	229
<b>Total revenues</b>	<u>82,500</u>	<u>82,500</u>	<u>77,301</u>	<u>(5,199)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	1,900	1,900	1,864	36
<b>Total expenditures</b>	<u>1,900</u>	<u>1,900</u>	<u>1,864</u>	<u>36</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>80,600</u>	<u>80,600</u>	<u>75,437</u>	<u>(5,163)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(80,500)	(80,500)	(75,437)	5,063
<b>Total other financing sources (uses)</b>	<u>(80,500)</u>	<u>(80,500)</u>	<u>(75,437)</u>	<u>5,063</u>
Net change in fund balance	100	100	-	(100)
<b>FUND BALANCE:</b>				
Beginning of year	-	-	-	-
End of year	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ (100)</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Development Agreement Consideration**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 300	\$ 600	\$ 465	\$ (135)
<b>Total revenues</b>	<u>300</u>	<u>600</u>	<u>465</u>	<u>(135)</u>
<b>EXPENDITURES</b>				
Capital outlay	10,000	10,000	19	9,981
<b>Total expenditures</b>	<u>10,000</u>	<u>10,000</u>	<u>19</u>	<u>9,981</u>
Net change in fund balance	(9,700)	(9,400)	446	9,846
<b>FUND BALANCE:</b>				
Beginning of year	<u>199,190</u>	<u>199,190</u>	<u>199,190</u>	<u>-</u>
End of year	<u>\$ 189,490</u>	<u>\$ 189,790</u>	<u>\$ 199,636</u>	<u>\$ 9,846</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Storm Drain**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 4,300	\$ 8,100	\$ 8,092	\$ (8)
Use of money and property	-	600	597	(3)
<b>Total revenues</b>	<b>4,300</b>	<b>8,700</b>	<b>8,689</b>	<b>(11)</b>
<b>EXPENDITURES</b>				
Public works	-	6,000	-	6,000
<b>Total expenditures</b>	<b>-</b>	<b>6,000</b>	<b>-</b>	<b>6,000</b>
Net change in fund balance	4,300	2,700	8,689	5,989
<b>FUND BALANCE:</b>				
Beginning of year	749,230	749,230	749,230	-
End of year	<u>\$ 753,530</u>	<u>\$ 751,930</u>	<u>\$ 757,919</u>	<u>\$ 5,989</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Traffic Impact**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ 4,000	\$ 4,479	\$ 479
Developer fees	35,500	134,600	127,114	(7,486)
<b>Total revenues</b>	<b>35,500</b>	<b>138,600</b>	<b>131,593</b>	<b>(7,007)</b>
<b>EXPENDITURES</b>				
Current:				
Public works	19,500	19,500	35,514	(16,014)
Capital outlay	100,000	236,000	182,124	53,876
<b>Total expenditures</b>	<b>119,500</b>	<b>255,500</b>	<b>217,638</b>	<b>37,862</b>
Net change in fund balance	(84,000)	(116,900)	(86,045)	30,855
<b>FUND BALANCE:</b>				
Beginning of year	2,187,875	2,187,875	2,187,875	-
End of year	<u>\$ 2,103,875</u>	<u>\$ 2,070,975</u>	<u>\$ 2,101,830</u>	<u>\$ 30,855</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Fire Facilities**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ 1,000	\$ 968	\$ (32)
Developer fees	78,200	89,100	89,038	(62)
<b>Total revenues</b>	78,200	90,100	90,006	(94)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(14,000)	(16,000)	(16,031)	(31)
<b>Total other financing sources (uses)</b>	(14,000)	(16,000)	(16,031)	(31)
Net change in fund balance	64,200	74,100	73,975	(125)
<b>FUND BALANCE:</b>				
Beginning of year	354,858	354,858	354,858	-
End of year	\$ 419,058	\$ 428,958	\$ 428,833	\$ (125)

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**General Facilities**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ 300	\$ 266	\$ (34)
Developer fees	11,200	17,900	17,925	25
<b>Total revenues</b>	<u>11,200</u>	<u>18,200</u>	<u>18,191</u>	<u>(9)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	16,800	16,800	12,130	4,670
Capital outlay	86,000	86,000	62,204	23,796
<b>Total expenditures</b>	<u>102,800</u>	<u>102,800</u>	<u>74,334</u>	<u>28,466</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(91,600)</u>	<u>(84,600)</u>	<u>(56,143)</u>	<u>28,457</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(6,100)	(9,700)	(9,796)	(96)
<b>Total other financing sources (uses)</b>	<u>(6,100)</u>	<u>(9,700)</u>	<u>(9,796)</u>	<u>(96)</u>
Net change in fund balance	(97,700)	(94,300)	(65,939)	28,361
<b>FUND BALANCE:</b>				
Beginning of year	<u>117,818</u>	<u>117,818</u>	<u>117,818</u>	<u>-</u>
End of year	<u>\$ 20,118</u>	<u>\$ 23,518</u>	<u>\$ 51,879</u>	<u>\$ 28,361</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Public Meeting Facilities**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ 500	\$ 512	\$ 12
<b>Total revenues</b>	-	500	512	12
<b>EXPENDITURES</b>				
<b>Total expenditures</b>	-	-	-	-
Net change in fund balance	-	500	512	12
<b>FUND BALANCE:</b>				
Beginning of year	218,701	218,701	218,701	-
End of year	\$ 218,701	\$ 219,201	\$ 219,213	\$ 12

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Public Library Facilities**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ 400	\$ 387	\$ (13)
<b>Total revenues</b>	-	400	387	(13)
<b>EXPENDITURES</b>				
<b>Total expenditures</b>	-	-	-	-
Net change in fund balance	-	400	387	(13)
<b>FUND BALANCE:</b>				
Beginning of year	165,837	165,837	165,837	-
End of year	\$ 165,837	\$ 166,237	\$ 166,224	\$ (13)

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Art in Public Places**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ 300	\$ 310	\$ 10
Developer fees	83,100	28,200	35,694	7,494
<b>Total revenues</b>	<b>83,100</b>	<b>28,500</b>	<b>36,004</b>	<b>7,504</b>
<b>EXPENDITURES</b>				
Current:				
Public works	-	-	2,668	(2,668)
Capital outlay	-	34,700	13,685	21,015
<b>Total expenditures</b>	<b>-</b>	<b>34,700</b>	<b>16,353</b>	<b>18,347</b>
Net change in fund balance	83,100	(6,200)	19,651	25,851
<b>FUND BALANCE:</b>				
Beginning of year	118,836	118,836	118,836	-
End of year	\$ 201,936	\$ 112,636	\$ 138,487	\$ 25,851

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Regional Traffic Development Impact**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ 6,000	\$ 5,745	\$ (255)
Developer fees	124,400	472,300	445,968	(26,332)
<b>Total revenues</b>	<b>124,400</b>	<b>478,300</b>	<b>451,713</b>	<b>(26,587)</b>
<b>EXPENDITURES</b>				
Capital outlay	500,000	1,896,100	1,673,622	222,478
<b>Total expenditures</b>	<b>500,000</b>	<b>1,896,100</b>	<b>1,673,622</b>	<b>222,478</b>
Net change in fund balance	(375,600)	(1,417,800)	(1,221,909)	195,891
<b>FUND BALANCE:</b>				
Beginning of year	2,496,520	2,496,520	2,496,520	-
End of year	<u>\$ 2,120,920</u>	<u>\$ 1,078,720</u>	<u>\$ 1,274,611</u>	<u>\$ 195,891</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Loma Linda Public Financing Authority**  
**For the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 250	\$ 250
<b>Total revenues</b>	-	-	250	250
<b>EXPENDITURES</b>				
Current:				
General government	4,000	4,000	4,129	(129)
Debt service:				
Principal retirement	855,000	855,000	885,000	(30,000)
Interest and fiscal charges	144,800	144,800	113,108	31,692
<b>Total expenditures</b>	1,003,800	1,003,800	1,002,237	1,563
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,003,800)	(1,003,800)	(1,001,987)	1,813
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	999,800	999,800	999,800	-
<b>Total other financing sources (uses)</b>	999,800	999,800	999,800	-
Net change in fund balance	(4,000)	(4,000)	(2,187)	1,813
<b>FUND BALANCE:</b>				
Beginning of year	1,109,874	1,109,874	1,109,874	-
End of year	\$ 1,105,874	\$ 1,105,874	\$ 1,107,687	\$ 1,813

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**FIDUCIARY FUNDS  
AGENCY FUNDS COMBINING SCHEDULE**

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**CITY OF LOMA LINDA**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2014**

**Agency Funds** include Association Fire Equipment Fund and Customer Deposits Fund.

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>Association Fire Equipment Fund</u></b>				
<b>Assets</b>				
Cash and investments	\$ 29	\$ 515	\$ 521	\$ 23
<b>Total assets</b>	<b>\$ 29</b>	<b>\$ 515</b>	<b>\$ 521</b>	<b>\$ 23</b>
<b>Liabilities</b>				
Accounts payable	\$ 29	\$ 514	\$ 520	\$ 23
<b>Total liabilities</b>	<b>\$ 29</b>	<b>\$ 514</b>	<b>\$ 520</b>	<b>\$ 23</b>
<b><u>Customer Deposits Fund</u></b>				
<b>Assets</b>				
Cash and investments	\$ 83,503	\$ 62,233	\$ 70,196	\$ 75,540
<b>Total assets</b>	<b>\$ 83,503</b>	<b>\$ 62,233</b>	<b>\$ 70,196</b>	<b>\$ 75,540</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 7,752	\$ 7,752	\$ -
Deposits payable	83,503	62,233	70,196	75,540
<b>Total liabilities</b>	<b>\$ 83,503</b>	<b>\$ 69,985</b>	<b>\$ 77,948</b>	<b>\$ 75,540</b>
<b><u>Total - All Agency Funds</u></b>				
<b>Assets</b>				
Cash and investments	\$ 83,532	\$ 62,748	\$ 70,717	\$ 75,563
<b>Total assets</b>	<b>\$ 83,532</b>	<b>\$ 62,748</b>	<b>\$ 70,717</b>	<b>\$ 75,563</b>
<b>Liabilities</b>				
Accounts payable	\$ 29	\$ 8,266	\$ 8,272	\$ 23
Deposits payable	83,503	62,233	70,196	75,540
<b>Total liabilities</b>	<b>\$ 83,532</b>	<b>\$ 70,499</b>	<b>\$ 78,468</b>	<b>\$ 75,563</b>

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# STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
<i>Financial Trends</i>	144
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	161
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	
<i>Debt Capacity</i>	164
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
<i>Demographic and Economic Information</i>	172
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	
<i>Operating Information</i>	175
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	

**CITY OF LOMA LINDA**  
**Net Position by Component**  
**Last Ten (10) Fiscal Years**  
**(accrual basis of accounting)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ (4,459,538)	\$ (2,238,756)	\$ 4,975,776	\$ 9,961,165
Restricted	9,442,397	22,285,014	27,709,242	31,758,576
Unrestricted	15,699,746	8,935,756	11,225,817	13,733,716
<b>Total governmental activities net assets</b>	<u><u>\$ 20,682,605</u></u>	<u><u>\$ 28,982,014</u></u>	<u><u>\$ 43,910,835</u></u>	<u><u>\$ 55,453,457</u></u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 10,713,919	\$ 14,302,367	\$ 16,858,045	\$ 25,693,455
Restricted	14,223,305	-	39,545	40,711
Unrestricted	(1,439,620)	9,121,887	5,252,503	972,171
<b>Total business-type activities net assets</b>	<u><u>\$ 23,497,604</u></u>	<u><u>\$ 23,424,254</u></u>	<u><u>\$ 22,150,093</u></u>	<u><u>\$ 26,706,337</u></u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 6,254,381	\$ 12,063,611	\$ 21,833,821	\$ 35,654,620
Restricted	23,665,702	22,285,014	27,748,787	31,799,287
Unrestricted	14,260,126	18,057,643	16,478,320	14,705,887
<b>Total primary government net assets</b>	<u><u>\$ 44,180,209</u></u>	<u><u>\$ 52,406,268</u></u>	<u><u>\$ 66,060,928</u></u>	<u><u>\$ 82,159,794</u></u>

Source: City of Loma Linda Finance Department

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 16,968,226	\$ 18,709,538	\$ 18,369,944	\$ 49,487,378	\$ 49,923,947	\$ 53,634,184
19,130,521	16,885,933	23,907,544	28,038,083	29,617,713	29,308,889
25,652,784	26,978,589	20,904,231	4,777,504	814,941	2,263,213
<u>\$ 61,751,531</u>	<u>\$ 62,574,060</u>	<u>\$ 63,181,719</u>	<u>\$ 82,302,965</u>	<u>\$ 80,356,601</u>	<u>\$ 85,206,286</u>
\$ 24,955,400	\$ 23,804,734	\$ 23,350,947	\$ 23,001,645	\$ 39,756,680	\$ 38,186,940
45,458	40,839	40,839	40,839	40,839	40,839
378,488	988,991	389,888	(8,290,772)	(9,127,686)	(9,816,996)
<u>\$ 25,379,346</u>	<u>\$ 24,834,564</u>	<u>\$ 23,781,674</u>	<u>\$ 14,751,712</u>	<u>\$ 30,669,833</u>	<u>\$ 28,410,783</u>
\$ 41,923,626	\$ 42,514,272	\$ 41,720,891	\$ 72,489,023	\$ 89,680,627	\$ 91,821,124
19,175,979	16,926,772	23,948,383	28,078,922	29,658,552	29,349,728
26,031,272	27,967,580	21,294,119	(3,513,268)	(8,312,745)	(7,553,783)
<u>\$ 87,130,877</u>	<u>\$ 87,408,624</u>	<u>\$ 86,963,393</u>	<u>\$ 97,054,677</u>	<u>\$ 111,026,434</u>	<u>\$ 113,617,069</u>

**CITY OF LOMA LINDA**  
**Changes in Net Position**  
**Last Ten (10) Fiscal Years**  
**(accrual basis of accounting)**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 2,857,749	\$ 3,421,268	\$ 3,889,933	\$ 5,432,837	\$ 5,512,029
Public safety	4,958,618	5,202,552	6,502,549	8,044,524	8,591,174
Community development	2,738,015	3,242,959	2,291,977	3,569,755	3,544,732
Public works	3,694,483	3,609,940	5,355,288	5,572,912	5,979,986
Interest on long-term debt	2,111,982	2,940,179	3,447,775	3,471,503	3,135,872
Total governmental activities expenses	<u>16,360,847</u>	<u>18,416,898</u>	<u>21,487,522</u>	<u>26,091,531</u>	<u>26,763,793</u>
Business-type activities:					
Water acquisition	80,784	590,177	598,016	2,058,812	302,374
Water enterprise	3,950,270	4,872,363	5,375,914	5,741,631	5,530,470
Sewer capital	2,670,092	2,901,877	2,936,897	4,546,958	3,256,407
Loma Linda Connected Communities	344,701	866,377	1,363,025	1,465,591	1,515,573
Total business-type activities expenses	<u>7,045,847</u>	<u>9,230,794</u>	<u>10,273,852</u>	<u>13,812,992</u>	<u>10,604,824</u>
Total primary government expenses	<u>\$ 23,406,694</u>	<u>\$ 27,647,692</u>	<u>\$ 31,761,374</u>	<u>\$ 39,904,523</u>	<u>\$ 37,368,617</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General Government	\$ 23,534	\$ 1,947,006	\$ 1,958,298	\$ 2,439,242	\$ 2,342,942
Public Safety	759,324	819,202	1,263,056	1,020,328	854,242
Community development	2,867,323	4,597,148	4,238,388	3,715,068	1,692,862
Public works	3,202,591	3,117,229	3,360,417	3,267,751	3,163,162
Operating contributions and grants	589,251	628,309	709,911	1,916,422	2,893,550
Capital contributions and grants	154,848	648,198	676,140	4,930,738	2,271,371
Total governmental activities program revenues	<u>7,596,871</u>	<u>11,757,092</u>	<u>12,206,210</u>	<u>17,289,549</u>	<u>13,218,129</u>
Business-type activities:					
Charges for services:					
Water acquisition	525,563	1,084,782	249,092	267,849	258,956
Water enterprise	3,333,844	3,484,542	3,823,839	3,915,160	4,165,368
Sewer capital	2,538,822	2,630,238	2,850,657	2,869,202	2,899,140
Loma Linda Connected Communities	86,288	111,773	105,332	180,717	279,430
Capital Grants and Contributions	-	559,548	633,609	9,008,653	292,384
Total business-type activities program revenues	<u>6,484,517</u>	<u>7,870,883</u>	<u>7,662,529</u>	<u>16,241,581</u>	<u>7,895,278</u>
Total primary government revenues	<u>\$ 14,081,388</u>	<u>\$ 19,627,975</u>	<u>\$ 19,868,739</u>	<u>\$ 33,531,130</u>	<u>\$ 21,113,407</u>
Net (expense)/revenue					
Governmental activities	\$ (8,763,976)	\$ (6,659,806)	\$ (9,281,312)	\$ (8,801,982)	\$ (13,545,664)
Business-type activities	(561,330)	(1,359,911)	(2,611,323)	2,428,589	(2,709,546)
Total primary government net (expense)/revenue	<u>\$ (9,325,306)</u>	<u>\$ (8,019,717)</u>	<u>\$ (11,892,635)</u>	<u>\$ (6,373,393)</u>	<u>\$ (16,255,210)</u>

2010	2011	2012	2013	2014
\$ 7,461,716	\$ 5,336,891	\$ 3,371,844	\$ 1,770,611	\$ 1,818,573
8,440,270	8,541,168	9,042,727	8,747,342	8,430,753
1,742,926	3,762,903	2,007,651	1,944,724	1,948,836
5,255,534	5,743,794	4,156,836	4,488,436	5,451,342
3,985,993	3,905,417	1,474,252	246,905	180,289
<u>26,886,439</u>	<u>\$ 27,290,173</u>	<u>\$ 20,053,310</u>	<u>\$ 17,198,018</u>	<u>\$ 17,829,793</u>
118,725	208,277	221,075	152,932	-
4,924,009	4,984,606	5,474,845	6,113,936	6,414,771
3,383,138	3,724,961	3,969,359	4,420,067	4,135,446
1,358,470	1,263,763	1,046,444	981,448	923,887
<u>9,784,342</u>	<u>10,181,607</u>	<u>10,711,723</u>	<u>11,668,383</u>	<u>11,474,104</u>
<u>\$ 36,670,781</u>	<u>\$ 37,471,780</u>	<u>\$ 30,765,033</u>	<u>\$ 28,866,401</u>	<u>\$ 29,303,897</u>
\$ 2,121,447	\$ 2,286,843	\$ 2,181,892	\$ 2,265,114	\$ 2,017,576
814,147	739,729	611,087	601,899	566,346
1,428,685	767,424	571,252	1,538,226	2,598,727
2,474,807	2,798,225	2,146,378	1,728,971	1,729,660
1,359,023	249,880	287,260	244,822	238,064
1,714,499	2,649,689	855,530	1,633,410	5,425,257
<u>9,912,608</u>	<u>9,491,790</u>	<u>6,653,399</u>	<u>8,012,442</u>	<u>12,575,630</u>
357,588	-	27,254	132,044	60,113
4,429,351	4,551,954	4,721,866	4,734,114	4,813,653
2,995,452	3,071,818	3,388,248	3,592,431	3,457,741
279,829	287,402	275,905	287,944	414,429
36,887	372,616	185,000	18,249,598	-
<u>8,099,107</u>	<u>8,283,790</u>	<u>8,598,273</u>	<u>26,996,131</u>	<u>8,745,936</u>
<u>\$ 18,011,715</u>	<u>\$ 17,775,580</u>	<u>\$ 15,251,672</u>	<u>\$ 35,008,573</u>	<u>\$ 21,321,566</u>
\$ (16,973,831)	\$ (17,798,383)	\$ (13,399,911)	\$ (9,185,576)	\$ (5,254,163)
(1,685,235)	(1,897,817)	(2,113,450)	15,327,748	(2,728,168)
<u>\$ (18,659,066)</u>	<u>\$ (19,696,200)</u>	<u>\$ (15,513,361)</u>	<u>\$ 6,142,172</u>	<u>\$ (7,982,331)</u>

**CITY OF LOMA LINDA**  
**Changes in Net Position**  
**Last Ten (10) Fiscal Years**  
**(accrual basis of accounting)**

	2005	2006	2007	2008	2009
<b>General Revenues and Other Changes in Net Assets</b>					
Government activities:					
Taxes					
Property taxes	\$ 6,334,023	\$ 8,381,521	\$ 9,448,129	\$ 10,438,820	\$ 11,020,163
Sales taxes	2,678,275	2,848,890	3,302,260	3,401,593	3,487,985
Franchise tax	9,748	6,995	544,195	558,975	730,413
Other taxes	9,988	81,050	340,460	504,173	592,561
Motor vehicle in lieu	1,597,971	1,511,940	1,601,282	1,804,250	1,914,908
Intergovernmental					
Transfers	(69,663)	-	-	-	661
Total taxes and transfers	<u>10,560,342</u>	<u>12,830,396</u>	<u>15,236,326</u>	<u>16,707,811</u>	<u>17,746,691</u>
Investment income	1,795,884	1,856,519	2,971,594	2,894,447	1,934,823
Capital Contribution					
Miscellaneous	1,402,044	408,670	54,424	459,167	173,657
Gain (Loss) on sale of capital assets	-	-	-	(20,090)	-
Gain (Loss) on Land Held for Resale	-	-	(248,831)	359,800	-
Total governmental activities	<u>13,758,270</u>	<u>15,095,585</u>	<u>18,013,513</u>	<u>20,401,135</u>	<u>19,855,171</u>
Business-type activities:					
Investment income	733,815	986,355	1,125,012	1,007,390	594,823
Capital Contribution					
Miscellaneous	699,057	300,206	212,150	1,116,271	800,450
Transfers	69,663	-	-	-	(661)
Gain (Loss) on sale of capital assets	-	-	-	3,994	-
Total business-type activities	<u>1,502,535</u>	<u>1,286,561</u>	<u>1,337,162</u>	<u>2,127,655</u>	<u>1,394,612</u>
Total primary government	<u>\$ 15,260,805</u>	<u>\$ 16,382,146</u>	<u>\$ 19,350,675</u>	<u>\$ 22,528,790</u>	<u>\$ 21,249,783</u>
<b>Extraordinary Item (Disolution of Redevelopment Agency)</b>					
Disolution of Redevelopment Agency					
Governmental activities	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type activities	-	-	-	-	-
Total primary government	<u>\$ -</u>				
<b>Change in Net Assets</b>					
Governmental activities	\$ 4,994,294	\$ 8,435,779	\$ 8,732,201	\$ 11,599,153	\$ 6,309,507
Business-type activities	941,205	(73,350)	(1,274,161)	4,556,244	(1,314,934)
Total primary government	<u>\$ 5,935,499</u>	<u>\$ 8,362,429</u>	<u>\$ 7,458,040</u>	<u>\$ 16,155,397</u>	<u>\$ 4,994,573</u>

Source: City of Loma Linda Finance Department

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2010	2011	2012	2013	2014
\$ 10,037,882	\$ 9,461,659	\$ 5,774,870	\$ 2,205,347	\$ 2,391,993
3,105,936	3,681,608	4,040,073	3,864,216	3,733,160
648,690	664,672	756,527	778,424	811,238
590,867	941,937	641,707	734,611	871,103
1,780,141	1,762,104	1,648,468	1,661,319	1,688,439
-	161,951	-	-	213,852
16,163,516	16,673,931	12,861,645	9,243,917	9,709,785
1,525,652	1,672,572	936,266	208,226	227,033
107,192	59,539	652,079	60,069	89,413
-	-	-	-	139,192
-	-	-	-	-
17,796,360	18,406,042	14,449,990	9,512,212	10,165,423
607,164	545,228	12,986	11,789	8,608
533,289	461,650	602,448	578,584	(89,413)
-	(161,951)	-	-	589,923
-	-	-	-	-
1,140,453	844,927	615,434	590,373	509,118
\$ 18,936,813	\$ 19,250,969	\$ 15,065,424	\$ 10,102,585	\$ 10,674,541
\$ -	\$ -	\$ 18,071,167	\$ -	\$ -
-	-	(7,531,946)	-	-
\$ -	\$ -	\$ 10,539,221	\$ -	\$ -
\$ 822,529	\$ 607,659	\$ 19,121,246	\$ 326,636	\$ 4,911,260
(544,782)	(1,052,890)	(9,029,962)	15,918,121	(2,219,050)
\$ 277,747	\$ (445,231)	\$ 10,091,284	\$ 16,244,757	\$ 2,692,210

**CITY OF LOMA LINDA**  
**Governmental Activities Tax and Assessments Revenues by Source**  
**Last Ten (10) Fiscal Years**  
**(modified accrual basis of accounting)**

Fiscal Year	Property Taxes	Sales & Use Tax	Franchise Fees	Transfer Tax	Transient Tax	Business License
2005	4,954,740	2,910,782	466,528	127,641	5,056	250,077
2006	6,942,748	3,197,232	522,074	116,371	57,665	272,075
2007	8,449,778	3,636,421	544,195	162,082	67,951	265,664
2008	9,689,326	3,739,084	558,975	59,050	68,876	275,322
2009	10,327,373	3,773,847	730,413	79,266	69,879	287,370
2010	9,433,706	3,348,460	648,690	39,368	58,933	261,340
2011	9,043,574	3,988,042	664,672	37,615	57,274	298,108
2012	5,190,613	4,382,549	756,527	31,919	52,938	236,453
2013	1,420,706	4,203,905	778,424	42,622	33,676	349,911
2014	3,294,218	4,083,824	811,238	40,926	39,262	368,358

Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Source: City of Loma Linda Finance Department.

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Misc. Taxes	Assessments	Total
9,748	616,527	9,341,099
6,994	700,472	11,815,631
6,845	777,152	13,910,088
6,829	769,705	15,167,167
8,280	805,642	16,082,070
8,649	817,654	14,616,800
9,469	747,374	14,846,128
9,841	727,518	11,388,358
11,335	742,019	7,582,598
25,236	735,329	9,398,391

**CITY OF LOMA LINDA**  
**Fund Balances of Governmental Funds**  
**Last Ten (10) Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General fund						
Reserved	\$ 435,369	\$ 436,551	\$ 345,346	\$ 344,667	\$ 852,770	\$ 387,155
Unreserved	4,725,481	5,700,458	7,407,201	7,409,050	7,196,063	7,456,030
Non Spendable:						
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Restricted for:						
Public Safety	-	-	-	-	-	-
General government	-	-	-	-	-	-
Committed for:						
Emergency contingency	-	-	-	-	-	-
Assigned for:						
Disaster recovery - Federal/State reimbursements	-	-	-	-	-	-
Refuse services	-	-	-	-	-	-
Fire equipment replacement	-	-	-	-	-	-
Capital equipment replacement	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total general fund	<u>\$ 5,160,850</u>	<u>\$ 6,137,009</u>	<u>\$ 7,752,547</u>	<u>\$ 7,753,717</u>	<u>\$ 8,048,833</u>	<u>\$ 7,843,185</u>
All other governmental funds						
Reserved	\$ 27,004,511	\$ 36,492,184	\$ 39,536,595	\$ 35,823,580	\$ 40,390,640	\$ 39,678,336
Unreserved, reported in:						
Special revenue funds	1,011,723	1,484,918	2,624,532	2,154,291	2,596,448	1,574,735
Debt service funds	1,106,402	(5,879,054)	(8,287,557)	(11,992,439)	(12,371,088)	(17,758,767)
Capital project funds	1,252,129	9,181,061	4,991,028	14,418,515	9,032,230	9,298,902
Undesignated	(16,725,642)	-	-	-	-	-
Non Spendable:						
Prepaid items	-	-	-	-	-	-
Sewer capacity rights	-	-	-	-	-	-
Restricted for:						
Cultural and recreational	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Street improvements	-	-	-	-	-	-
Storm drains	-	-	-	-	-	-
Municipal facilities	-	-	-	-	-	-
Public works projects	-	-	-	-	-	-
Landscape Maintenance District	-	-	-	-	-	-
Air quality management	-	-	-	-	-	-
Development projects	-	-	-	-	-	-
General government	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Low/mod hosing programs	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 13,649,123</u>	<u>\$ 41,279,109</u>	<u>\$ 38,864,598</u>	<u>\$ 40,403,947</u>	<u>\$ 39,648,230</u>	<u>\$ 32,793,206</u>

Source: City of Loma Linda Finance Department

Note: Implementation of GASB 54 changed the classifications of fund balance. Prior year audits were not re-issued therefore comparative data is not available prior to fiscal year 2011

2011	2012	2013	2014
\$ -	\$ -	\$ -	\$ -
-	-	-	-
21,879	22,355	22,630	22,934
328,518	432,648	1,319	764
-	-	35,743	-
5,317	5,317	2,232	15,768
3,500,000	3,500,000	3,500,000	3,500,000
426,308	-	-	-
242,106	83,658	87,941	91,540
67,419	70,779	78,102	88,812
1,250,000	1,250,000	1,250,000	1,250,000
2,803,075	3,703,420	5,071,179	5,836,876
<u>\$ 8,644,622</u>	<u>\$ 9,068,177</u>	<u>\$ 10,049,146</u>	<u>\$ 10,806,694</u>

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
82,884	9,913	20	-
79,862	-	-	-
669,281	362,256	284,673	304,711
267,955	337,819	369,068	442,199
5,938,787	5,736,844	5,561,625	5,156,456
763,498	740,443	749,230	757,919
447,301	273,249	336,519	271,092
217,694	-	-	-
43,328	-	-	-
55,169	66,244	73,431	80,988
6,381,957	-	-	-
4,626,779	1,563,163	-	-
4,523,861	1,220,343	1,207,017	1,205,057
30,804,510	17,873,700	17,856,279	17,956,592
(11,943,938)	(3,277,365)	(4,693,591)	(5,475,010)
<u>\$ 42,958,928</u>	<u>\$ 24,906,609</u>	<u>\$ 21,744,271</u>	<u>\$ 20,700,004</u>

**CITY OF LOMA LINDA**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten (10) Fiscal Years**  
**(modified accrual basis of accounting)**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Revenues</b>				
Taxes	\$ 9,341,099	\$ 11,815,631	\$ 13,910,088	\$ 15,167,167
Licenses and permits	1,274,884	949,820	630,675	455,181
Intergovernmental revenues	2,944,606	2,780,168	2,756,637	4,543,759
Charges for services	3,115,924	2,970,018	3,333,503	3,597,448
Use of money and property	1,046,965	1,731,566	3,059,857	2,025,727
Fines, forfeitures, and penalties	165,057	518,953	1,078,676	781,862
Contributions	43,889	1,000	-	-
Miscellaneous	1,689,089	2,187,198	2,185,391	2,628,355
Developer fees	1,556,016	3,320,882	3,315,656	3,124,891
<b>Total Revenues</b>	<b>21,177,529</b>	<b>26,275,236</b>	<b>30,270,483</b>	<b>32,324,390</b>
<b>Expenditures</b>				
General government	2,890,312	3,119,238	3,483,268	5,031,935
Public safety	4,976,235	5,474,848	6,298,806	7,700,185
Community development	2,733,328	5,074,483	1,980,250	2,183,352
Public works	3,706,711	4,857,384	4,221,178	4,315,575
Capital outlay	244,200	466,557	9,588,564	6,810,787
Debt service				
Principal retirement	1,161,099	1,266,003	2,226,133	1,650,065
Interest and fiscal charges	2,049,958	2,144,106	3,450,010	3,394,241
Bond issuance costs	-	899,273	-	-
Refunding costs	-	-	-	-
<b>Total Expenditures</b>	<b>17,761,843</b>	<b>23,301,892</b>	<b>31,248,209</b>	<b>31,086,140</b>
Excess of revenues over (under) expenditures	3,415,686	2,973,344	(977,726)	1,238,250
<b>Other Financing Sources (Uses)</b>				
Capital leases	-	-	-	-
Bond proceeds	-	25,535,000	-	-
Premium on bonds	-	313,969	-	-
Discount on bonds	-	(79,798)	-	-
Gain on disposal of assets	-	-	25,775	361,005
Loss of disposal of assets	-	-	(274,606)	(2,205)
Transfers in	3,545,917	2,457,919	7,362,812	10,310,331
Transfers out	(3,615,580)	(2,457,919)	(7,362,812)	(10,310,331)
<b>Total Other Financing Sources (Uses)</b>	<b>(69,663)</b>	<b>25,769,171</b>	<b>(248,831)</b>	<b>358,800</b>
<b>Net Change in Fund Balances Before Extraordinary Item</b>	<b>\$ 3,346,023</b>	<b>\$ 28,742,515</b>	<b>\$ (1,226,557)</b>	<b>\$ 1,597,050</b>
Extraordinary Item	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$3,346,023</b>	<b>\$28,742,515</b>	<b>(\$1,226,557)</b>	<b>\$1,597,050</b>
Debt Service as a percentage of non-capital expenditures	18.3%	18.9%	26.0%	23.2%

\* The presentation of capital outlay expenditures changed in fiscal year 2007, therefore creating a significant change from fiscal year 2006.

Source: City of Loma Linda Finance Department

\*\*Extraordinary item did not apply to prior years.

2009	2010	2011	2012	2013	2014
\$ 16,082,070	\$ 14,616,800	\$ 14,846,128	\$ 11,388,358	\$ 7,582,598	\$ 9,398,391
349,510	210,643	252,975	1,345,307	318,636	532,046
5,371,461	3,263,909	6,833,823	1,680,953	2,539,554	900,263
2,966,451	2,549,378	2,780,285	5,344,456	1,653,891	1,921,614
1,086,977	835,776	10,419,520	660,304	624,686	468,283
577,392	478,763	281,957	980	179,157	166,014
-	-	-	-	-	-
2,696,649	2,265,551	2,768,474	3,411,401	3,479,196	6,976,393
1,282,017	1,192,558	412,271	308,677	1,127,775	814,556
<u>30,412,527</u>	<u>25,413,378</u>	<u>38,595,433</u>	<u>24,140,436</u>	<u>17,505,493</u>	<u>21,177,560</u>
5,141,936	7,041,600	5,083,333	2,756,072	1,010,432	1,269,463
8,315,993	8,057,199	7,869,002	8,249,467	8,333,007	8,372,894
2,086,901	1,310,589	1,427,226	1,618,015	1,635,429	1,834,266
3,824,026	3,329,567	3,348,479	2,696,647	2,225,653	2,338,243
15,340,849	7,407,909	4,811,468	1,521,014	3,137,662	6,668,468
1,640,000	1,695,000	1,805,000	2,080,400	883,220	914,378
3,144,540	3,684,121	3,798,820	2,571,604	207,619	164,563
268,111	-	-	-	-	-
-	-	-	-	-	-
<u>39,762,356</u>	<u>32,525,985</u>	<u>28,143,328</u>	<u>21,493,219</u>	<u>17,433,022</u>	<u>21,562,275</u>
(9,349,829)	(7,112,607)	10,452,105	2,647,217	72,471	(384,715)
-	-	330,513	-	-	-
8,900,000	-	-	-	-	-
-	-	-	-	-	-
-	51,935	22,590	315,539	19,160	97,996
-	-	-	-	-	-
4,968,940	5,766,813	20,922,495	3,541,336	2,366,876	2,438,425
<u>(4,968,279)</u>	<u>(5,766,813)</u>	<u>(20,760,544)</u>	<u>(3,541,336)</u>	<u>(2,366,876)</u>	<u>(2,438,425)</u>
<u>8,900,661</u>	<u>51,935</u>	<u>515,054</u>	<u>315,539</u>	<u>19,160</u>	<u>97,996</u>
\$ (449,168)	\$ (7,060,672)	\$ 10,967,159	\$ 2,962,756	\$ 91,631	\$ (286,719)
-	-	-	\$ (20,591,520)	-	-
<u>(\$449,168)</u>	<u>(\$7,060,672)</u>	<u>\$10,967,159</u>	<u>(\$17,628,764)</u>	<u>\$91,631</u>	<u>(\$286,719)</u>
18.9%	20.7%	21.2%	22.9%	7.1%	6.4%

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**CITY OF LOMA LINDA**  
**General Governmental Tax Revenues by Source**  
**Last Ten (10) Fiscal Years**  
**(modified accrual basis of accounting)**

Fiscal Year	Property Taxes	Sales & Use Tax	Franchise Fees	Transfer Tax	Transient Tax	Business License	Misc. Taxes	Total
2005	773,978	2,602,439	466,528	127,641	5,056	250,077	9,748	4,235,467
2006	843,211	2,848,889	522,074	116,371	57,665	272,076	6,995	4,667,281
2007	1,078,634	3,302,261	544,195	162,082	67,951	265,664	6,845	5,427,632
2008	1,105,974	3,401,593	558,975	59,050	68,876	275,322	6,829	5,476,620
2009	1,342,091	3,487,985	730,413	79,266	69,879	287,370	8,280	6,005,284
2010	1,130,074	3,105,936	648,690	39,368	58,933	261,340	8,649	5,252,990
2011	1,089,990	3,681,608	664,672	37,615	57,274	298,108	9,469	5,838,736
2012	1,016,418	4,040,073	756,527	31,919	52,938	236,453	9,840	6,144,168
2013	1,420,706	3,864,216	778,424	42,622	33,676	349,911	11,335	6,500,890
2014	3,294,217	3,733,160	811,238	40,926	39,262	368,358	25,236	8,312,397

Source: City of Loma Linda Finance Department

**CITY OF LOMA LINDA**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten (10) Calendar Years**

Calendar Year Ended December 31	Real Property		Personal Property	Estimated Actual Taxable Value	Less: Tax Exempt Real Property
	Residential Property	Commercial Property			
2005	1,324,055,163	184,478,555	114,929,551	1,623,463,269	477,868,692
2006	1,535,266,197	192,876,945	124,296,187	1,852,439,329	601,900,034
2007	1,774,871,539	195,611,256	136,262,411	2,106,745,206	695,769,974
2008	2,018,220,773	211,531,280	147,259,104	2,377,011,157	739,556,873
2009	2,110,749,880	239,277,898	228,432,426	2,578,460,204	809,676,020
2010	2,098,046,340	262,992,114	215,052,700	2,576,091,154	928,430,644
2011	2,087,990,031	266,608,473	234,245,941	2,588,844,445	1,006,245,563
2012	2,105,355,263	267,171,958	235,765,375	2,608,292,596	1,023,319,642
2013	2,195,002,151	271,001,950	216,780,215	2,682,784,316	1,096,986,069
2014	2,064,942,248	276,960,178	222,628,537	2,564,530,963	950,702,460



<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>
1,145,594,577	0.4173	100%
1,250,539,295	0.4958	100%
1,410,975,232	0.5310	100%
1,637,454,284	0.5435	100%
1,768,784,184	0.5459	100%
1,647,660,510	0.5294	100%
1,582,598,882	0.5185	100%
1,584,972,954	0.5155	100%
1,585,798,247	0.5192	100%
1,613,828,503	0.1179	100%

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**CITY OF LOMA LINDA**  
**Direct and Overlapping Property Tax Rates**  
**(Rate per \$100 of Taxable Value)**  
**Last Ten (10) Fiscal Year**

Fiscal Year	Basic Levy	San Bernardino Debt Service	Schools				Total Tax Rate	RDA Incremental Rate <sup>1</sup>	Total Direct Rate <sup>2</sup>
			Colton Unified	Redlands Unified	San Bernardino Community College	Water			
2005	1.0000	0.03220	0.06250	0.04690	0.01890	0.14000	1.30050	1.14000	0.41728
2006	1.0000	0.04420	0.04270	0.04490	0.01660	0.16000	1.30840	1.16000	0.49576
2007	1.0000	0.04230	0.07530	0.03760	0.01950	0.15500	1.32970	1.15500	0.53098
2008	1.0000	0.04120	0.08060	0.03220	0.01270	0.16500	1.33170	1.16500	0.54345
2009	1.0000	0.03810	0.06880	0.05190	0.03930	0.16500	1.36310	1.65000	0.54592
2010	1.0000	0.03550	0.09850	0.05410	0.02800	0.16500	1.38110	1.65000	0.52940
2011	1.0000	0.00000	0.13040	0.06170	0.04670	0.16500	1.40380	1.16500	0.51852
2012	1.0000	0.00000	0.14030	0.05820	0.03730	0.16500	1.40080	1.16500	0.51553
2013	1.0000	0.00000	0.14880	0.06410	0.04590	0.16250	1.42130	0.00000	0.51917
2014	1.0000	0.00000	0.11870	0.06290	0.04190	0.16250	1.38600	0.00000	0.11768

Sources: HdL Coren & Cone, San Bernardino County Assessor combined tax rolls

Note: In 1978 California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

<sup>1</sup> RDA rate is based on the largest RDA tax rate area and includes only the rate(s) from indebtedness adopted prior to 1989 per California State Statute. RDA Direct and Overlapping rates are applied only to the incremental property values.

<sup>2</sup> Total Direct Rate is the weighted average of all individual direct rates.

**CITY OF LOMA LINDA**  
**Principal Property Tax Payers**  
**as of June 30, 2014**

Taxpayer	2014			2005		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Emerikeyt Palms of Loma Linda Inc <sup>2</sup>						
Timber Hills Associates LP <sup>2</sup>	\$ 41,916,286	1	2.60%			
General American Life Insurance Company	39,062,962	2	2.42%	34,452,859	2	2.69%
Loma Linda University <sup>1</sup>	34,545,680	3	2.14%	230,672,104	1	17.99%
Loma Linda Heritage Associates	26,909,307	4	1.67%	19,103,578	4	1.49%
Oasis Townhomes LLC	24,957,211	5	1.55%	21,615,601	3	1.69%
Granite Lakes Apartments <sup>2</sup>	20,000,000	6	1.24%			
Chancellor Properties LLC	12,000,000	7	0.74%			
Monterey Pines LLC	10,544,440	9	0.65%	9,123,185	7	0.71%
Spreen Investment Company II	10,529,785	8	0.65%			
Loma of California Health Center LLC	10,165,764	10	0.63%	8,804,635	8	0.69%
RK Multifamily Income Fund XII LLC				11,700,000	5	0.91%
Emeritus Properties XVI				9,241,921	6	0.72%
Lewis Investment ompany				8,142,949	9	0.64%
Loma Linda Plaza Partners				6,988,923	10	0.55%
	<u>\$ 230,631,435</u>		<u>14.29%</u>	<u>\$ 359,845,755</u>		<u>28.08%</u>

Note: The amounts shown above includes assessed value data for both the City and the Redevelopment Agency.

<sup>1</sup> Loma Linda University is a learning institution; therefore, a large portion of their property is exempt.

<sup>2</sup> Pending Appeals on Parcels

Source: The HdL Companies, San Bernardino County Assessor Combined Tax Rolls

**CITY OF LOMA LINDA**  
**Property Tax Levies and Collections**  
**Last Ten (10) Calendar Years**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Current Tax Collections	Percent of Current Taxes Collected		Amount	Percentage of Levy
2005	849,616	828,805	97.6%	176,236	1,005,041	118.3%
2006	844,135	814,547	96.5%	129,175	943,722	111.8%
2007	870,726	821,738	94.4%	60,889	882,627	101.4%
2008	960,752	884,158	92.0%	17,241	901,399	93.8%
2009	1,043,893	976,077	93.5%	12,670	988,747	94.7%
2010	980,792	933,687	95.2%	9,122	942,809	96.1%
2011	963,843	927,289	96.2%	10,355	937,644	97.3%
2012	983,808	941,122	95.7%	33,533	974,655	99.1%
2013	989,037	944,831	95.5%	19,615	964,446	97.5%
2014	1,015,851	987,067	97.2%	-	987,067	97.2%

Source: San Bernardino County Auditor-Controller  
Property Tax Division

Note:

In FY 2012, penalties started to be excluded from amounts collected in subsequent years.

**CITY OF LOMA LINDA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten (10) Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities		
	Capital Leases	Loans Payable	Tax Allocation Bonds	Revenue Bonds	General Obligation Bonds	Capital Leases	Water Bonds
2005	287,177	-	12,230,000	8,880,000	20,000	188,635	8,555,000
2006	176,174	-	37,305,000	8,185,000	20,000	115,737	8,320,000
2007	60,041	-	35,905,000	7,475,000	20,000	39,469	8,075,000
2008	-	-	35,040,000	6,750,000	20,000	-	7,815,000
2009	-	-	43,045,000	6,005,000	20,000	-	7,540,000
2010	-	-	42,120,000	5,235,000	20,000	-	7,245,000
2011	330,513	-	41,110,000	4,440,000	20,000	-	6,935,000
2012	300,113	-	-	3,615,000	20,000	-	6,605,000
2013	271,894	-	-	2,760,000	10,000	-	6,255,000
2014	242,515	-	-	1,875,000	10,000	-	5,885,000

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See the Schedule of Demographic and Economic Statistics on page 137 for personal income and population.

Source: City of Loma Linda Finance Department



<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita<sup>1</sup></u>
30,160,812	4.53%	1397
54,121,911	7.72%	2470
51,574,510	7.07%	2297
49,625,000	6.27%	2193
56,610,000	7.29%	2503
54,620,000	7.05%	2400
52,835,513	N/A	2258
10,540,113	N/A	451
9,296,894	1%	396
8,012,515	1%	339

**CITY OF LOMA LINDA**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten (10) Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property <sup>1</sup>	Per Capita <sup>2</sup>
2005	20,000	-	20,000	0.001%	1
2006	20,000	-	20,000	0.001%	1
2007	20,000	-	20,000	0.001%	1
2008	20,000	-	20,000	0.001%	1
2009	20,000	-	20,000	0.001%	1
2010	20,000	-	20,000	0.001%	1
2011	20,000	-	20,000	0.001%	1
2012	20,000	-	20,000	0.001%	1
2013	10,000	-	10,000	0.000%	0
2014	10,000	-	10,000	0.000%	0

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Page for the property value data.

<sup>2</sup> Population data can be found in the schedule of Demographic and Economic Statistics on page .

Source: City of Loma Linda Finance Department

**CITY OF LOMA LINDA**  
**Direct and Overlapping**  
**Governmental Activities Debt**  
**as of June 30, 2014**

2013-2014 Assessed Valuation \$ 1,613,828,503

	Total Debt	Percent	
	6/30/14	Applicable (1)	Debt 6/30/14
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
San Bernardino Valley Joint Community College District	\$ 442,966,989	3.050%	\$ 13,510,493
Colton Joint Unified School District	177,572,313	0.957%	1,699,367
Colton Joint Unified School District Community Facilities District No.2	4,380,000	25.190%	1,103,322
Redlands Unified School District	99,044,784	12.004%	11,889,336
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 28,202,518</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>			
San Bernardino County General Fund Obligations	\$ 503,145,000	0.959%	\$ 4,825,161
San Bernardino County Pension Obligations	489,138,331	0.959%	4,690,837
San Bernardino County Flood Control District General Fund Obligations	101,040,000	0.959%	968,974
Colton Joint Unified School District Certificates of Participation	3,890,198	0.957%	37,229
Redlands Unified School District Certificates of Participation	5,000,000	12.004%	600,200
<b>City of Loma Linda Certificates of Participation</b>	<b>1,875,000</b>	<b>100.000%</b>	<b>1,875,000</b>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>			<b>\$ 12,997,401</b>
OVERLAPPING TAX INCREMENT DEBT:	\$ 277,135,000	3.772-100%	\$ 46,312,896
TOTAL DIRECT DEBT			1,875,000
TOTAL OVERLAPPING OBLIGATION DEBT			85,637,815
COMBINED TOTAL DEBT			<b>\$ 87,512,815 (2)</b>

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

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2013-14 Assessed Valuation:

Total Overlapping Debt (excluding tax increment).....	1.75%
<b>Total Direct Debt (\$1,875,000).....</b>	<b>0.12%</b>
Combined Total Debt (excluding tax increment).....	5.42%

Ratios to Redevelopment Incremental Valuation (\$771,640,776):

Total Overlapping Tax Increment Debt.....	6.00%
---	-------

Source: California Municipal Statistics and City of Loma Linda Finance Department

**CITY OF LOMA LINDA**  
**Computation of Legal Debt Margin**  
**Last Ten (10) Fiscal Years**

	<sup>1</sup> 2005	2006	2007	2008
Debt Limit	\$ 43,566,906	\$ 47,509,395	\$ 53,525,684	\$ 62,019,478
Total net debt applicable to limit	32,882,692	31,484,160	30,750,296	27,724,666
Legal debt margin	<u>\$ 10,684,214</u>	<u>\$ 16,025,235</u>	<u>\$ 22,775,388</u>	<u>\$ 34,294,812</u>
Total net debt applicable to the limit as a percentage of debt limit	75.48%	66.27%	57.45%	44.70%

Source: California Municipal Statistics, San Bernardino County  
Auditor-Controller Property Tax Division

1 Information prior to Fiscal Year 2003 is not available

Note:

California Government Code, Section 43605 sets the debt limit at 15%. The code section was enacted when assessed values were based on 25% of full market value. This has since changed to 100% of full market value. Thus, the limit shown is 3.75% (one-fourth the limit of 15%).

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	
\$ 66,983,735	62,443,494	59,998,424	60,087,454	60,098,744	61,135,079.9	
36,236,452	35,465,342	34,152,880	33,799,049	89,011,770	87,512,815.0	
<u>\$ 30,747,283</u>	<u>26,978,152</u>	<u>25,845,544</u>	<u>26,288,405</u>	<u>(28,913,026)</u>	<u>(26,377,735.1)</u>	
54.10%	56.80%	56.92%	56.25%	148.11%	143.15%	
					Net Assessed Value	1,613,828,503
					Plus Exempt Property	16,440,295
					Total Assessed Value	<u>\$ 1,630,268,798</u>
					Debt Limit: 3.75 percent of Total Assessed Value	61,135,080
					Debt applicable to Limitation: Net Combined applicable to Limitation	87,512,815
					Total Debt applicable to Limitation	87,512,815
					Legal Debt Margin	<u>\$ (26,377,735)</u>

**CITY OF LOMA LINDA**  
**Pledged-Revenue Coverage**  
**Last Ten (10) Fiscal Years**

Fiscal Year	Water Revenue Bonds				
	Gross Revenues	Operating Expenses Less Depreciation	Net Revenue Available for Debt Service	Debt Service Requirements	Coverage
2005	3,518,424	2,969,287	549,137	757,281	72.5%
2006	4,187,141	3,800,678	386,463	770,681	50.1%
2007	4,737,038	4,244,330	492,708	770,681	63.9%
2008	5,128,815	4,588,068	540,747	733,200	73.8%
2009	5,406,102	4,476,532	929,570	733,200	126.8%
2010	5,042,031	3,898,139	1,143,892	733,200	156.0%
2011	5,014,970	4,018,175	996,795	733,200	136.0%
2012	5,327,611	4,530,412	797,199	345,130	231.0%
2013	5,295,335	4,638,354	656,981	361,610	181.7%
2014	5,398,735	4,636,285	762,450	377,350	202.1%

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Operating expenses do not include interest or depreciation

Source: City of Loma Linda Finance Department

\*Amounts are zero due to the dissolution of the Redevelopment Agency

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Tax Allocation Bonds

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Tax Increment	Debt Service		Coverage
	Principal	Interest	
3,511,628	380,000	518,850	3.91
4,772,247	460,000	509,875	4.92
6,035,332	1,400,000	1,836,658	1.86
6,744,163	865,000	1,735,889	2.59
8,369,076	895,000	1,704,240	3.22
7,628,983	925,000	1,773,160	2.83
7,325,280	1,010,000	2,387,538	2.16
N/A	*	N/A	*
N/A	*	N/A	*
N/A	*	N/A	*

**CITY OF LOMA LINDA**  
**Demographic and Economic Statistics**  
**Last Ten (10) Fiscal Years**

Fiscal Year	Population <sup>1</sup>	Personal Income <sup>2</sup>	Per Capita Personal Income <sup>3</sup>	Loma Linda Academy (Private) Enrollment <sup>4</sup>	Bryn Mawr Elementary Enrollment <sup>5</sup>	Mission Elementary Enrollment <sup>5</sup>	Redlands School District Enrollment <sup>5</sup>	Unemployment Rate (percentage) <sup>7</sup>
2005	21,592	665,903,264	30,840	1,526	896	0	21,135	3.0
2006	21,912	701,072,034	31,995	1,511	880	0	21,936	4.9
2007	22,451	729,430,221	32,490	1,554	855	0	21,220	5.9
2008	22,632	791,379,095	34,967	1,572	899	0	21,200	8.3
2009	22,619	776,633,000	33,388	1,469	921	0	21,142	13.3
2010	22,760	774,946,263	34,048	1,348	951	0	21,293	14.4
2011	23,395	805,449,502*	34,428*	1,400	988	0	21,398	8.7
2012	23,389	n/a	n/a	1,306	776	217	21,408	8.0
2013	23,476	721,065,000 **	30,715 **	1,312	730	509	21,379	5.8
2014	23,614	728,563,000 **	30,853 **	1,242	666	550	21,233	5.0

Sources: <sup>1</sup> State of California, Department of Finance

<sup>2</sup> Calculation based on the 2000 Census: Loma Linda's personal income is 1.3% of the total County of San Bernardino's income; therefore, the City used the constant 1.3 percentage of the County's income to determine the City's personal income amount.

\* Per Bureau of Economic Analysis: Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2000-2011 reflect county population estimates available as of April 2012.

<sup>3</sup> Per Capita personal income is calculated by dividing personal income by population

<sup>4</sup> Loma Linda Academy's registrar's office (except in 2011 the City used www.trulia.com)

<sup>5</sup> California Department of Education

<sup>7</sup> US Department of Labor, Bureau of Labor Statistics

\*\* As of FY 2014 Data provided by HdL Companies

**CITY OF LOMA LINDA**  
**Principal Employers**  
**Current Fiscal Year**

Employer	2014			2004 *		
	Employees	Rank	Percentage of total City Employment	Employees	Rank	Percentage of total City Employment
Loma Linda University Medical Center	7,703	1	43.64%	N/A	N/A	N/A
Loma Linda University	3,492	2	19.78%	N/A	N/A	N/A
Jerry L. Pettis VA Med. Ctr.	2,927	3	16.58%	N/A	N/A	N/A
University Health Care	1,557	4	8.82%	N/A	N/A	N/A
Total	<u>15,679</u>		<u>88.82%</u>	<u>0</u>		<u>0.00%</u>

Veterans Affairs Personnel Department

Total number of jobs within City limits provided by Employment Development Department,  
Labor Market Information Division

\*Principal employer information not available for FY 2004, as required by GASB-S44:33

**CITY OF LOMA LINDA**  
**Full-Time Equivalent City Government Employees by Function**  
**Last Ten (10) Fiscal Years**

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	43	44	44.5	44	39	36	34	29	29.5	30.5
Public safety										
* Sheriff										
Officers	11.9	11.9	13.3	14.5	14.5	14.48	13.48	12.77	12.77	12.77
Civilians	3.2	3.2	4.4	4.5	4.5	4.74	4.24	5.03	5.03	5.03
Fire										
Firefighters and officers	29	27	26	29	29	29	29	29	23	23
Civilians	2	2	1	1	2	3	3.5	4	4	5
Highways and streets										
Maintenance	3	3	3	5.5	6	6	6	4	4	4
LL Connected Communities	4	4.5	4.5	4.5	4.5	3.5	3.5	3.5	3.5	3.5
Sewer	2	2	2	2	2	2	2	2	2	2
Water	10	10	10	10	10	11	11	11	11	12
Total:	108.1	107.6	108.7	115	111.5	109.7	106.72	100.3	94.8	97.8

\* Sheriff services are contracted through the County of San Bernardino Sheriff's Dept.

Source: City of Loma Linda Human Resources

**CITY OF LOMA LINDA**  
**Operating Indicators by Function**  
**Last Ten (10) Fiscal Years**

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Sheriff</b>										
Calls for service	15,919	16,070	24,561	25,196	22,916	21,072	20,626	18,084	20,846	21,673
Citations issued by Deputies	1,519	1,571	1,810	2,009	1,455	2,164	2,922	1,703	1,653	5,988
Red light camera citations	0	0	9,490	6,501	5,720	3,243	1,084	0	0	0
Physical arrests	450	414	727	755	560	557	722	1,078	790	730
<b>Fire</b>										
Total number of calls answered	2,734	2,788	2,977	3,075	3,185	3,090	3,309	3,230	3,213	3,797
% of calls for medical aid	67.8	72.8	72.1	65.8	67.3	73.8	63.7	64.7	63	65.3
<b>Highways and streets</b>										
Street resurfacing (miles)	5	8.81	1.36	4.97	3.55	4.5	7.88	3.85	5.1	1.95
Potholes repaired	28	24	22	29	221	31	7	12	11	7
<b>Water</b>										
New connections	247	194	82	106	229	346	32	0	3	1
Water main breaks	27	23	17	32	56	15	34	24	10	21
Average daily consumption (acre foot)	14.76	14.77	14.46	14.35	14.21	11.78	12.96	13.54	13.73	13.75
<b>Wastewater</b>										
Average daily sewage treatment (million gallons)	3	3	6	5.5	5.5	4.1	3.9	4.0	4.1	4.0

Note: Sheriff services are contracted through the County of San Bernardino Sheriff's Dept.  
Potholes repaired are reported in tons prior to 2009.  
Sewer treatment is contracted through the City of San Bernardino

Sources: City of Loma Linda Public Works and Fire Departments, and San Bernardino Sheriff's Department

**CITY OF LOMA LINDA**  
**Capital Asset Statistics by Function**  
**Last Ten (10) Fiscal Years**

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety										
* Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	5	5	7.5	9.5	9.5	10.5	10.5	10.5	10.5	11.77
Fire Stations	1	1	1	1	2	2	2	2	2	2
Vehicles	13	13	15	12	15	15	15	15	17	16
Highways and streets										
Streets (miles)	62.97	62.97	63	63	63	63	63.8	63.89	64.64	64.64
Streetlights	n/a	1,359	1,429	1,458	1,458	1,458	1,456	1,470	1,470	1,472
Culture and recreation										
Parks	10	12	12	13	13	13	13	13	13	13
Park acreage	74.43	84.39	84.39	85.13	90.33	90.33	90.33	90.33	90.33	90.33
Tennis courts	2	4	4	4	4	4	4	4	4	4
Senior center	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	52.65	52.65	53.71	74.5	77	77	77	77	77	77
Fire hydrants	n/a	894	892	892	892	892	956	957	964	997
Maximum daily capacity (gallons per minute)	8,525	8,220	8,250	8,375	8,375	10,875	13,300	12,982	11,305	12,220
Sewer										
Sanitary sewers (miles)	52.88	52.88	52.88	64.9	64.9	65.6	67.1	67.5	67.5	67.5
Storm sewers (miles)	20.15	20.15	20.38	22.5	22.5	22.5	18.3	20.5	20.8	20.8

\* Sheriff services are contracted through the County of San Bernardino Sheriff's Dept.

Sources: City of Loma Linda Public Works and Fire Departments, San Bernardino  
County Sheriff's Department

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**PARTNERS**

Brenda L. Odle, CPA, MST  
Terry P. Shea, CPA  
Kirk A. Franks, CPA  
Scott W. Manno, CPA, CGMA  
Leena Shanbhag, CPA, MST, CGMA  
Jay H. Zercher, CPA (Partner Emeritus)  
Phillip H. Waller, CPA (Partner Emeritus)

**MANAGERS / STAFF**

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Yiann Fang, CPA  
Nathan Statham, CPA, MBA  
Brigitta Bartha, CPA  
Gardenya Duran, CPA  
Juan Romero, CPA  
Ivan Gonzales, CPA, MSA  
Brianna Pascoe, CPA

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Loma Linda, California (City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 9, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**MEMBERS**

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

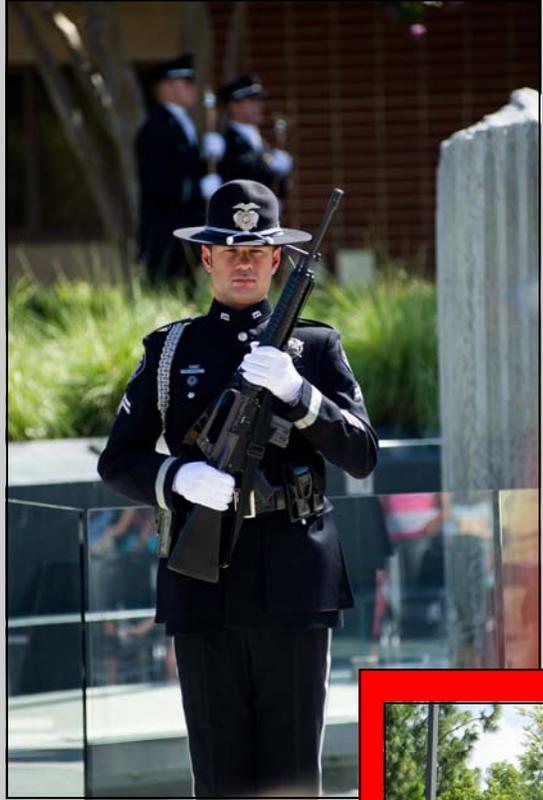
### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Rogers Anderson Malooly & Scott, LLP". The signature is written in dark ink and is positioned above the typed name of the firm.

San Bernardino, California  
December 9, 2014

# 9/11 Memorial Ceremony



Photos taken by Heide Rainey



**City of Loma Linda  
Finance Department  
25541 Barton Road  
Loma Linda, CA 92354  
909-799-2840**



# City of Loma Linda Official Report

Rhodes Rigsby, Mayor  
Phillip Dupper, Mayor pro tempore  
Ovidiu Popescu, Councilman  
Ron Dailey, Councilman  
John Lenart, Councilman

**COUNCIL AGENDA:** December 9, 2014

**TO:** City Council

**VIA:** T. Jarb Thaipejr, City Manager

**FROM:** Konrad Bolowich, Assistant City Manager

**SUBJECT:** Precise Plan of Design (PPD) No. 14-129 and Certificate of Appropriateness – Central Building Façade Remodel

Approved/Continued/Denied By City Council Date _____
--

## SUMMARY

A request to remodel the existing office/commercial building located at 11106-11130 Anderson Street. The site is located at the southwest corner of Anderson Street and Mound Street. There will be no expansion of the existing building. The proposed remodel will bring the building closer to the original building design. The subject site is located in the Institutional (I) Zone.

## RECOMMENDATION

Staff recommends the City Council approve Precise Plan of Design No. 14-129 and the Certificate of Appropriateness, based on the Findings, and subject to the Conditions of Approval (Attachment C).

## PERTINENT DATA

**Owner/Applicant:** Loma Linda University/LLUH Department of Construction and Architectural Services

**General Plan:** Institutional

**Zoning:** Institutional

**Site/Shape:** Irregular shape (1.05 acres)

**Topography:** Mostly flat area with a gentle slope to the north

**Vegetation:** No natural vegetation

**Special Features:** None

## BACKGROUND AND EXISTING SETTING

### Background

On October 6, 2014, the Historic Commission issued a Certificate of Appropriateness to allow the Applicant to remodel the buildings per the attached plans. The Commission found that the proposed remodel would bring the buildings closer to the original design.

A Historical Study completed by McKenna et al., dated June 1, 2014, found that the buildings were built around 1929-1930. According to the Study, exterior changes to the building were made between the years of 1957-1994. Those changes include:

- Removal of an Art Deco tower;
- Changes to the windows and wall surface (new stucco);
- Replacement of original doors with more modern commercial/security doors;
- A cantilever awning spanning the primary facade, which visually separates the ground and second floors.

However, an exact date as to when these façade changes were made was not found. Due to the numerous exterior changes to both buildings, the buildings are not considered significant architectural resources, and the proposed remodel will not constitute an adverse environmental impact.

The Historic Commission recommended the following conditions:

- Submit a Lighting Plan that highlights the building's architectural features;
- Incorporate a wall mounted plaque detailing the history of each building;
- Create seating areas within the public right-of-way;
- Window treatments to reflect period use;
- The applicant shall submit a detailed landscape plan within the public right-of-way in conformance with City standards;
- Coordinate with Public Works Department for rehabilitation and replacement of damaged sidewalk, curb, and gutter in conformance with City Standards.

Staff has incorporated these recommendations as conditions of approval.

### Existing Setting

The project site is located on the central portion of the City of Loma Linda.

	Zoning	General Plan	Existing Use
North	Institutional	Institutional	LLU Campus
South	Institutional	Institutional	LLU Campus
East	Institutional	Special Planning Area	LLU Campus
West	Institutional	Institutional	LLU Campus

### ENVIRONMENTAL EVALUATION

The proposed façade remodel qualifies for a Class 1 exemption from CEQA pursuant to the CEQA Guidelines, Section 15311(a) as the proposed remodel is a minor alteration to an existing structure, and no expansion is proposed.

## **Public Comment**

Public notices for this project were posted and mailed to property owners within 300 feet of the project site on October 23, 2014. As of the writing of this report, there have been no written or oral comments received in opposition or in favor of the proposal.

## **ANALYSIS**

### **Project Description**

The project includes a minor façade remodel to restore the appearance of the building closer to the original building design. There is no expansion proposed.

### **Development Standards**

The proposed façade remodel is simply cosmetic and will not include expansion of the existing building. The building is presently non-conforming due to the front yard setback. The building façade is presently located 10' 6" from the front property line (25-feet are required), however, the cantilever awning overhangs approximately 5-feet toward the front property line. The removal of the awning will make the building less non-conforming.

### **Architectural Design**

The primary change to the Old Bank Building will be the removal of the cantilever awning, which as stated before, was added after the fact. The removal of the awning, as well as the cladding around the 1st story columns will expose the original pilasters which will match up with the existing 2nd story pilasters.

The Old Bank Building will also include the following:

- Replace existing windows and install new panel, spandrel glass over the existing 1st story windows. The vertical panels are in keeping with the vertical design of the building;
- Replace the main entrance doors with dark, anodized aluminum to match existing doors;
- Create an area above main entrance for future sign purposes;
- The building will include a new paint scheme with combination browns, tans, and cream colors. The background and trim will be a darker brown, with the lighter shades along the primary façade.

The old "Loma Linda Market" Building will include the following:

- New windows with horizontal mullions for western-most windows on front façade;
- Existing windows to be replaced with new windows with vertical mullions;
- Replace existing doors with dark, anodized aluminum to match existing main entrance door;

As required, the proposed project has been designed to comply with the standards contained in the City's Zoning Code (Title 17 of the Loma Linda Municipal Code). The proposed improvements result in the buildings looking more closely like the original building designs.

### **Landscaping**

There is no on-site landscaping proposed with this project. The Applicant is proposing landscaping within the public right-of-way, however, the proposal is very preliminary due issues related to the width of the existing public right-of-way, water availability, a tree options. Staff

has added a condition of approval that requires the applicant work with the Public Works Department on the appropriate location, irrigation requirements, and tree specimens.

#### CONCLUSION

The proposed project, as conditioned will add value to the subject site and the general area. The remodel will result in the buildings that look more like the original building designs while including upgrades to some of doors, windows, and the building exterior.

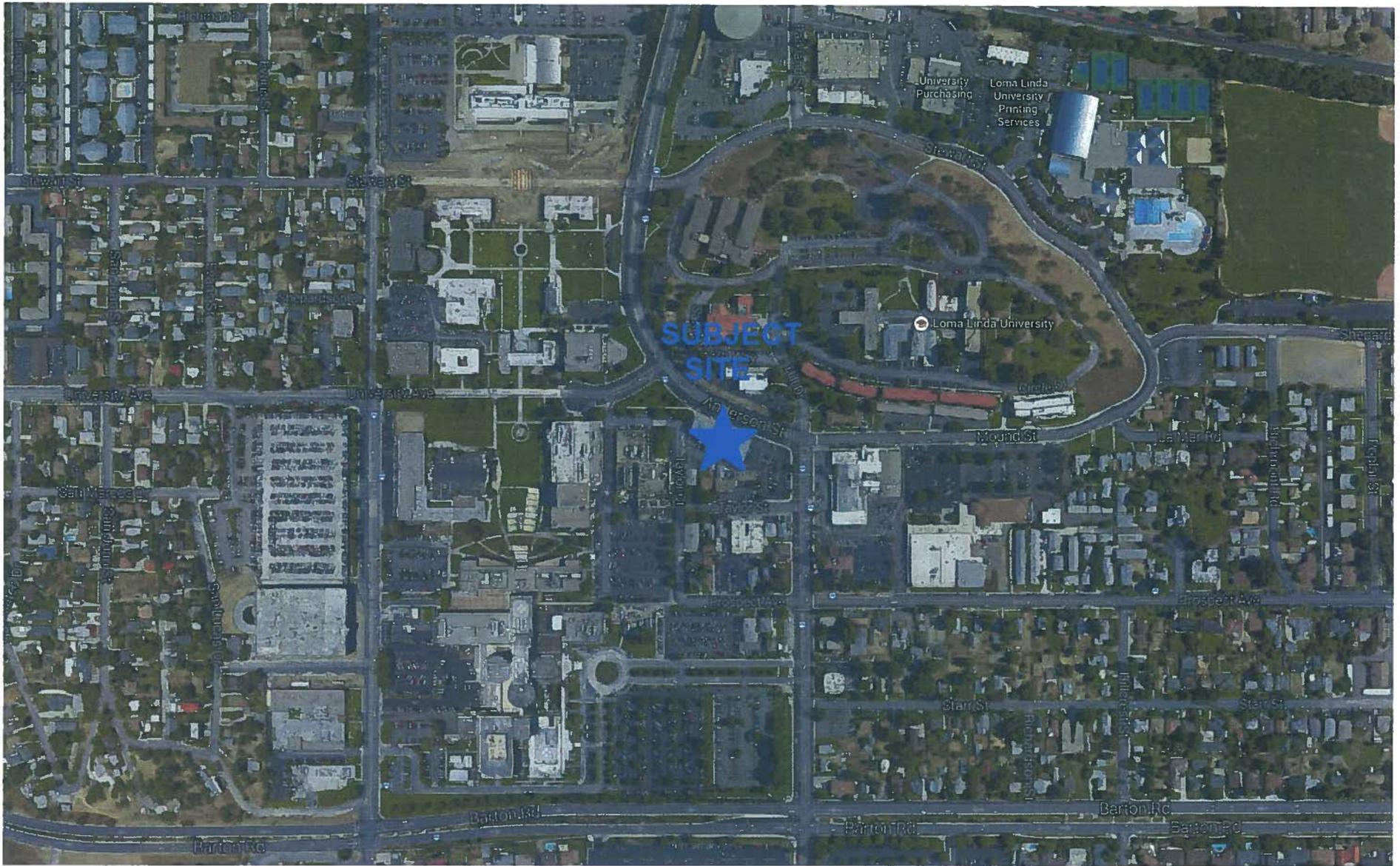
Report prepared by:

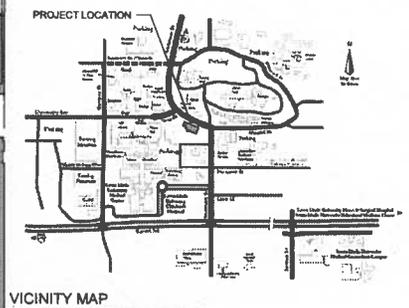
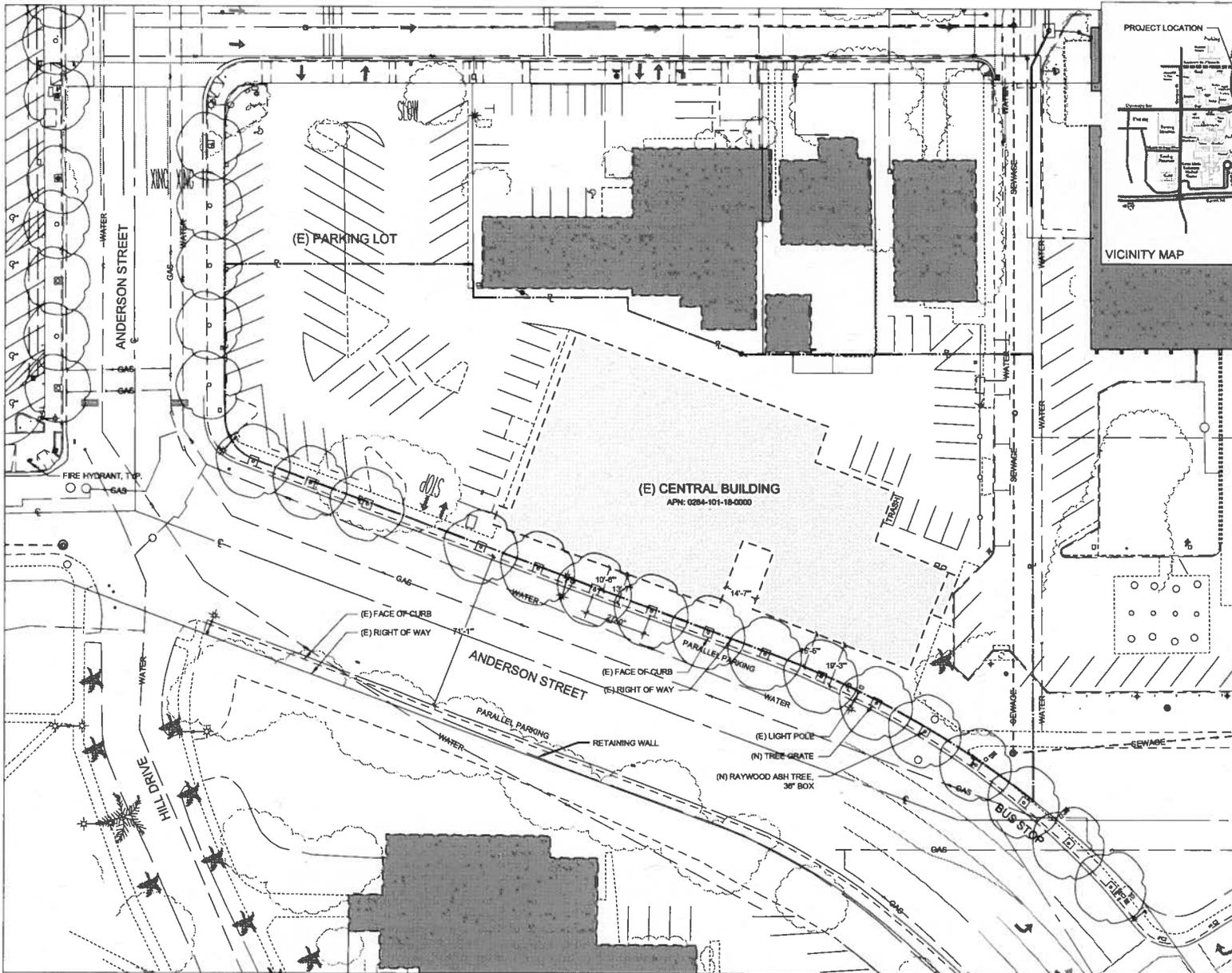
Guillermo Arreola,  
Associate Planner

#### ATTACHMENTS

- A. Vicinity Map
- B. Plans
- C. Conditions of Approval
- D. Historic Survey prepared by McKenna et al (2014)

# VICINITY MAP





ASSESSORS PARCEL NO.: 0284-101-18-0000  
 PROJECT ADDRESS:  
 11106-11130 ANDERSON ST.  
 LOMA LINDA, CA 92364  
 (E) ZONING: INSTITUTIONAL



1 SITE PLAN  
 1" = 20'-0"

ATTACHMENT - B

ac 6

11106-11130 ANDERSON ST.  
 LOMA LINDA, CA 92364  
 PHONE: 951-748-2844  
 FAX: 951-748-2539

NO. C-00993

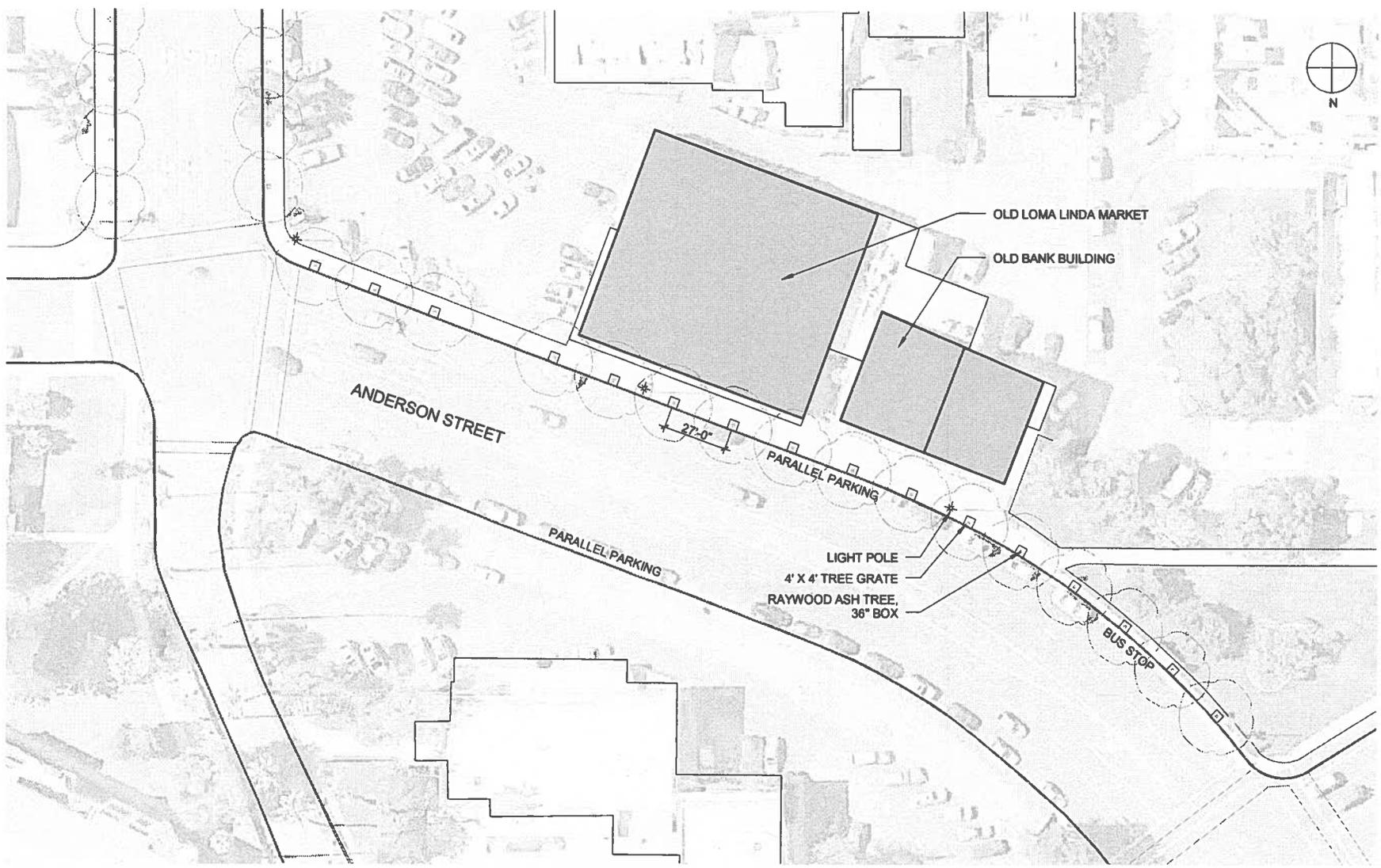
LOMA LINDA UNIVERSITY

LOMA LINDA UNIVERSITY  
 CENTRAL BUILDING  
 11106-11130 ANDERSON ST.  
 LOMA LINDA, CA 92364

revision date  
 revision date  
 date 08/17/24  
 job number LU-28

SITE PLAN

A1.1



1

**SITE**

1" = 40'-0"

adrian gann architects, inc.  
 300 west state street  
 suite number 630  
 fullerton, ca 92773  
 phone 909 748.0444  
 fax 909 748.0559



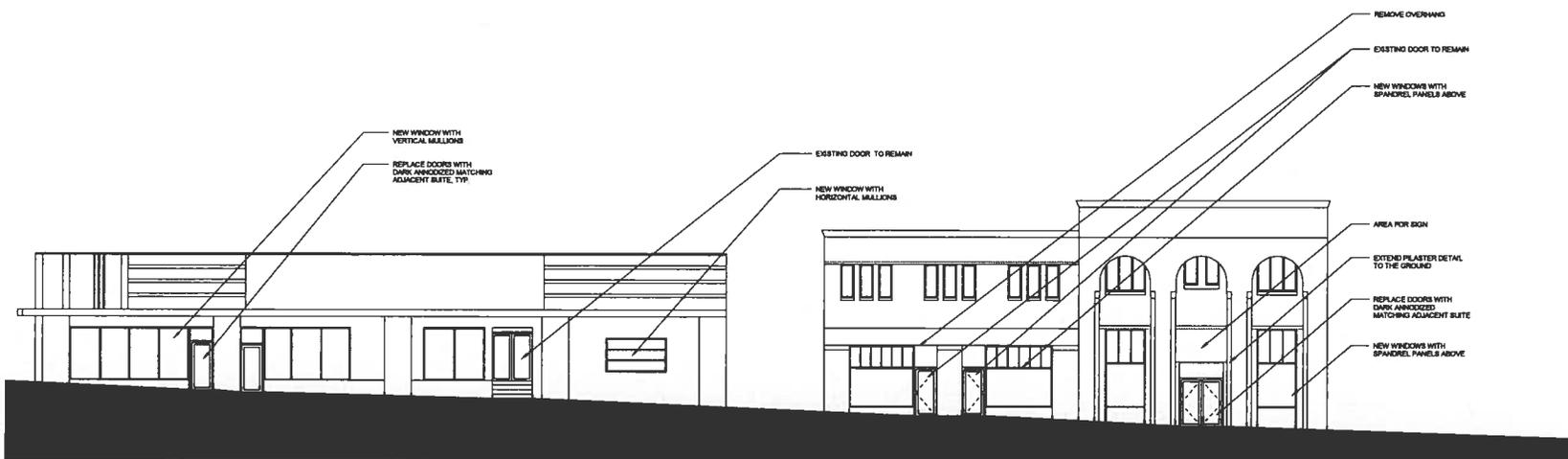
LOMA LINDA UNIVERSITY

LOMA LINDA UNIVERSITY  
 CENTRAL BUILDING  
 11106-11139 ANDERSON ST  
 LOMA LINDA, CA 92354

Revision Date  
 Revision Date  
 Date 08/17/14  
 Job Number LLU-CB

ELEVATIONS

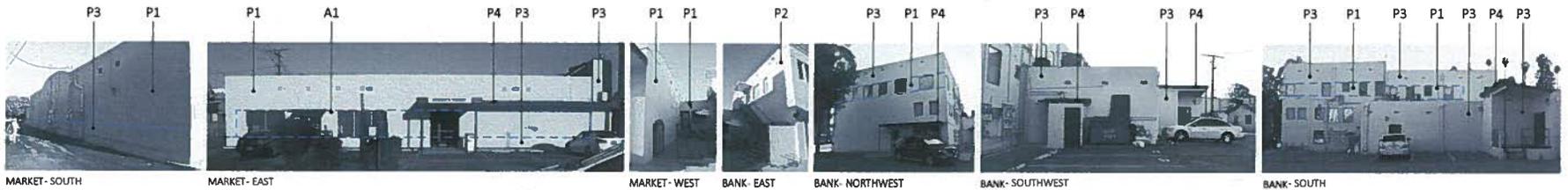
A2.1



1 NORTH ELEVATION  
 1/8" = 1'-0"

# LLU CENTRAL BUILDING | STREET VIEW AND ELEVATIONS

11106-11130 ANDERSON STREET, LOMA LINDA, CA 92354



# LLU CENTRAL BUILDING | COLOR BOARD

11106-11130 ANDERSON STREET, LOMA LINDA, CA 92354

## OLD LOMA LINDA MARKET



LIGHT FIELD COLOR  
winds breath | OC-24



ACCENT  
sour apple | DE5507



DARK FIELD COLOR  
driftwood | 2107-40

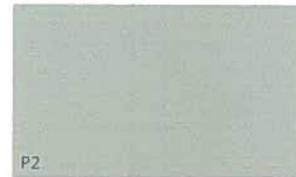


TRIM  
wood grain brown | 2109-30

## OLD BANK BUILDING



LIGHT FIELD COLOR  
winds breath | OC-24



MEDIUM FIELD COLOR  
ashen tan | 996



DARK FIELD COLOR  
driftwood | 2107-40



TRIM  
wood grain brown | 2109-30



adrian • gaus architects

300 EAST STATE STREET SUITE 360, REDLANDS, CA 92372

**CONDITIONS OF APPROVAL  
PRECISE PLAN OF DESIGN (PPD) NO. 14-129**

**COMMUNITY DEVELOPMENT DEPARTMENT**

**General**

1. Within forty-eight (48) hours of this approval of the subject project, the applicant shall deliver a payment of fifty dollars (made out to the **Clerk of the Board of Supervisors**) to enable the City to file the appropriate environmental documentation for the project. If within such forty-eight (48) hour period that applicant has not delivered to the Community Development Department the above-noted check, the statute of limitations for any interested party to challenge the environmental determination under the provisions of the California Environmental Quality Act could be significantly lengthened.
2. Within one year of this approval, the Precise Plan of Design shall be exercised by substantial construction or the permit/approval shall become null and void. In addition, if after commencement of construction, work is discontinued for a period of one year, the permit/approval shall become null and void.

**PROJECT:**

**PRECISE PLAN OF DESIGN (PPD) NO. 14-129**

**EXPIRATION DATE:**

**December 9, 2015**

3. The review authority may, upon application being filed 30 days prior to the expiration date and for good cause, grant a one-time extension not to exceed 12 months. The review authority shall ensure that the project complies with all current Development Code provisions.
4. In the event that this approval is legally challenged, the City will promptly notify the applicant of any claim or action and will cooperate fully in the defense of the matter. Once notified, the applicant agrees to defend, indemnify, and hold harmless the City, Redevelopment Agency (RDA), their affiliates officers, agents and employees from any claim, action or proceeding against the City of Loma Linda. The applicant further agrees to reimburse the City and RDA of any costs and attorneys fees, which the City or RDA may be required by a court to pay as a result of such action, but such participation shall not relieve applicant of his or her obligation under this condition.
5. Construction shall be in substantial conformance with the plan(s) approved by the Planning Commission. Minor modification to the plan(s) shall be subject to approval by the Director through a minor administrative variation process. Any modification that exceeds 10% of the following allowable measurable design/site considerations shall require the refiling of the original application and a subsequent hearing by the appropriate hearing review authority if applicable:
  - a. On-site circulation and parking, loading and landscaping;
  - b. Placement and/or height of walls, fences and structures;

- c. Reconfiguration of architectural features, including colors, and/or modification of finished materials that do not alter or compromise the previously approved theme; and,
  - d. A reduction in density or intensity of a development project.
6. No vacant, relocated, altered, repaired or hereafter erected structure shall be occupied or no change of use of land or structure(s) shall be inaugurated, or no new business commenced as authorized by this permit until a Certificate of Occupancy has been issued by the Building Division. A Temporary Certificate of Occupancy may be issued by the Building Division subject to the conditions imposed on the use, provided that a deposit is filed with the Community Development Department prior to the issuance of the Certificate, if necessary. The deposit or security shall guarantee the faithful performance and completion of all terms, conditions and performance standards imposed on the intended use by this permit.
  7. This permit or approval is subject to all the applicable provisions of the Loma Linda Municipal Code, Title 17 in effect at the time of approval, and includes development standards and requirements relating to: dust and dirt control during construction and grading activities; emission control of fumes, vapors, gases and other forms of air pollution; glare control; exterior lighting design and control; noise control; odor control; screening; signs, off-street parking and off-street loading; and, vibration control. Screening and sign regulations compliance are important considerations to the developer because they will delay the issuance of a Certificate of Occupancy until compliance is met. Any exterior structural equipment, or utility transformers, boxes, ducts or meter cabinets shall be architecturally screened by wall or structural element, blending with the building design and include landscaping when on the ground.
  8. Signs are not approved as a part of this permit. Prior to establishing any new signs, the applicant shall submit an application, and receive approval, for a sign permit from the Planning Division (pursuant to LLMC, Chapter 17.18) and building permit for construction of the signs from the Building Division, as applicable.
  9. The applicant shall comply with all of the Public Works Department requirements for recycling prior to issuance of a Certificate of Occupancy.
  10. During construction of the site, the project shall comply with Section 9.20 (Prohibited Noises) which limit construction activities to the hours between 7:00 a.m. to 10:00 p.m. Monday through Friday, with no heavy construction occurring on weekends or national holidays. Additionally, all equipment is required to be properly equipped with standard noise muffling apparatus. Adhering to the City's noise ordinance and implementation of the above mitigation measure would ensure impacts from construction noise would be less than significant.
  11. The applicant shall implement SCAQMD Rule 403 and standard construction practices during all operations capable of generating fugitive dust, which will include but not be limited to the use of best available control measures and reasonably available control measures such as:

- a. Water active grading areas and staging areas at least twice daily as needed;
  - b. The project proponent shall ensure that all disturbed areas are treated to prevent erosion until the site is constructed upon.
  - c. The project proponent shall ensure that landscaped areas are installed as soon as possible to reduce the potential for wind erosion.
  - d. Suspend grading activities when wind gusts exceed 25 mph;
  - e. Sweep public paved roads if visible soil material is carried off-site;
  - f. Enforce on-site speed limits on unpaved surface to 15 mph; and
  - g. Discontinue construction activities during Stage 1 smog episodes.
12. The applicant shall implement the following construction practices during all construction activities to reduce VOC emission as stipulated in the project Initial Study and identified as mitigation measures:
- a. The contractor shall utilize (as much as possible) pre-coated building materials and coating transfer or spray equipment with high transfer efficiency, such as high volume, low pressure (HVLP) spray method, or manual coating applications such as paint brush, hand roller, trowel, dauber, rag, or sponge.
  - b. The contractor shall utilize water-based or low VOC coating of 100 g/l of VOC (allowing approximately 31,500 square feet painted per day) to 250 g/l of VOC (allowing approximately 12,950 square feet painted per day). The following measures shall also be implemented:
    - Use Super-Compliant VOC paints whenever possible.
    - If feasible, avoid painting during peak smog season: July, August, and September.
    - Recycle leftover paint. Take any left over paint to a household hazardous waste center; do not mix leftover water-based and oil-based paints.
    - Keep lids closed on all paint containers when not in use to prevent VOC emissions and excessive odors.
    - For water-based paints, clean up with water only. Whenever possible, do not rinse the clean-up water down the drain or pour it directly into the ground or the storm drain. Set aside the can of clean-up water and take it to a hazardous waste center ([www.cleanup.org](http://www.cleanup.org)).
    - Recycle the empty paint can.
    - Look for non-solvent containing stripping products.
    - Use Compliant Low-VOC cleaning solvents to clean paint application equipment.
    - Keep all paint and solvent laden rags in sealed containers to prevent VOC emissions.
    - The developer/contractor shall use building materials that do not require painting, where feasible.
    - The developer/contractor shall use pre-painted construction materials where feasible.

13. The applicant shall work with the City's franchised solid waste hauler to follow a debris management plan to divert the material from landfills by the use of separate recycling bins (e.g., wood, concrete, steel, aggregate, glass) during demolition and construction to minimize waste and promote recycle and reuse of the materials.
14. The project proponent shall ensure that existing power sources are utilized where feasible via temporary power poles to avoid on-site power generation during construction.
15. The project proponent shall ensure that construction personnel are informed of ride sharing and transit opportunities.
16. The operator shall maintain and effectively utilize and schedule on-site equipment in order to minimize exhaust emissions from truck idling.
17. The operator shall comply with all existing and future CARB and SCAQMD regulations related to diesel-fueled trucks, which may include among others: (1) meeting more stringent emission standards; (2) retrofitting existing engines with particulate traps; (3) use of low sulfur fuel; and (4) use of alternative fuels or equipment.
18. Prior to issuance of any Building and/or Construction Permits, the applicant shall submit to the Community Development Department proof of payment or waiver from both the City of San Bernardino for sewer capacity fees and Redlands Unified School District for school impact fees.
19. The applicant, property owner, and/or business operator, if applicable, shall maintain the property and landscaping in a clean and orderly manner and all dead and dying plants shall be replaced with similar or equivalent type and size of vegetation.
20. The applicant shall prepare a study for the presence of hazardous chemicals, mercury, and asbestos containing materials (ACM) as a result of the demolition of the existing on-site structures. If other hazardous chemicals, lead-based paints (LPB) or products, mercury or ACMs are identified, proper precautions should be taken during demolition activities. Additionally, the contaminants should be remediated in compliance with California environmental regulations and policies.
21. If clean-up oversight is required of the project, the applicant shall be required to obtain an Environmental Oversight Agreement with the DTSC.

#### **FIRE DEPARTMENT**

22. The applicant shall submit a complete set of plans to the Loma Linda Fire Department for review and approval prior to the issuance of building permits.
23. All construction shall meet the requirements of the editions of the California Building Code (CBC) and the California Fire Code (CFC)/International Fire Code (IFC) as adopted and amended by the City of Loma Linda and legally in effect at the time of issuance of building permit.

24. Pursuant to CFC Section 903, as amended in Loma Linda Municipal Code (LLMC) Sections 15.28.230-450, the building(s) shall be equipped with automatic fire sprinkler system(s). Pursuant to CFC Section 901.2, plans and specifications for the fire sprinkler system(s) shall be submitted to Fire Prevention for review and approval prior to installation. Fire flow test data for fire sprinkler calculations must be current within the last 6 months. Request flow test data from Loma Linda Fire Prevention.

**PUBLIC WORKS DEPARTMENT**

25. All public improvement plans shall be submitted to the Public Works Department for review and approval.
26. Any damage to existing improvements as a result of this project shall be repaired by the applicant to the satisfaction of the City Engineer.
27. All site drainage shall be handled on-site and shall not be permitted to drain onto adjacent properties.
28. All necessary precautions and preventive measures shall be in place in order to prevent material from being washed away by surface waters or blown by wind. These controls shall include at a minimum: regular wetting of surface or other similar wind control method, installation of straw or fiber mats to prevent rain related erosion. Detention basin(s) or other appropriately sized barrier to surface flow must be installed at the discharge point(s) of drainage from the site. Any water collected from these controls shall be appropriately disposed of at a disposal site. These measures shall be added as general notes on the site plan and a statement added that the operator is responsible for ensuring that these measures continue to be effective during the duration of the project construction.
29. The project proponent shall comply with City adopted policies regarding the reduction of construction and demolition (C&D) materials.

\_\_\_\_\_  
Applicant signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Owner signature

End of Conditions

# McKenna et al.

History/Archaeology/Architectural History/Ethnography/Paleontology

June 1, 2014

Jeanette A. McKenna, MA  
Reg. Professional Archaeologist  
Owner/Principal Investigator

Loma Linda University Health  
Department of Construction and Architectural Services  
Attn: David Moore  
24951 Stewart Street  
Loma Linda, California 92354

RE: Proposed Alterations to the Existing Structure at 11130 Anderson Street,  
Loma Linda, San Bernardino County, California.

Mr. Moore:

In response to your request, I have completed the architectural assessment of the structure located at 11130 Anderson Street, Loma Linda, San Bernardino County, California. Loma Linda University Health plans to initiate maintenance and minor upgrading of the building including, but not limited to, painting and installing awnings. The building is currently owned and used by the University.

In reviewing the data on-file at McKenna et al. for previous studies of the buildings fronting Anderson Street (11106-11130 Anderson Street), research confirmed this row of building was assessed at least three times between 1987 and 2012. The 2012 assessment was completed by McKenna et al. for the proposed future development and expansion of the Loma Linda Medical Center (McKenna 2012). In that document (2012:15-15-18), McKenna et al. stated:

"The buildings referred to as the "Old Bank Building" and "Loma Linda Market" have been dated to ca. 1929 and the 1930s, respectively, and involve street addresses identified as ranging from 11106 to 11130 Anderson Street. Hatheway (1988) described the "bank building" as a rectangular structure of two stories, a flat roof, and constructed with stucco siding. He also noted the facade had been remodeled and the uses have changed. Providing more detail, Chasteen (2008) states:

"The "Old Bank Building" is a two-story building and is rectangular in plan. The original cladding material is unknown by based on research

6008 Friends Avenue, Whittier, California 90601-3724 or 1941 E. Pegasus Drive, Tempe, Arizona 85283  
(562) 696-3852 (CA Office and FAX) (480) 664-0682 (AZ Office and FAX)  
Email = [jeanette.mckennaetal@gmail.com](mailto:jeanette.mckennaetal@gmail.com)

ATTACHMENT - D

in historic photographs, appears to have been scored stucco. The parapet wall is adorned with a simple cornice. The exterior walls are clad in rough textured stucco. The primary façade is characterized by two bays. Six engaged columns, with decorative capitals, support three arches on the second floor in the eastern bay of the primary façade. Small, fixed, anodized aluminum windows are located under the apex of each arch. The ground floor fenestration consists of fixed pane anodized aluminum windows and an aluminum storefront primary entrance door separated by piers in the eastern bay. Research in the Loma Linda University photo collection indicates the windows originally consisted of fixed-pane windows with tiled spandrel panels. The primary entrance was recessed with a large recesses transom ... The ground floor fenestration of the western bay is currently characterized by a pair of large fixed pane anodized aluminum windows located over a panel of brick veneer flanked by a primary entry door. Three trios of anodized aluminum sash windows span the second floor of the western bay of the primary facade. Research in the Loma Linda University archives indicates the two storefronts originally consisted of plate glass display areas with a central recessed entryway. Each storefront possessed a prism glass transom with two hopper windows for ventilation and tilted spandrel panels.”

McKenna et al. also confirmed the bank was associated with Lot 1 while the market involved Lots 2, 3, and 4. Chasteen presented the following description of the market building:

“The first Loma Linda Market building was constructed west [see correction above] of the Old Bank Building and based on the late Art Deco/Moderne style of the building, appears to date to the late 1930s. The parapet wall is accented with Moderne detailing. The projecting roof pier at the northeast corner of the building was removed at an unknown date. Research in the Loma Linda University photo archives indicates the storefront windows have been replaced with modern aluminum storefront windows which disrupted the original mullions of the fenestration and the westernmost window has been infilled. In addition, the original primary entrance appears to have been relocated and a secondary entrance was installed on the western end of the primary entrance at an unknown date.”

Both Hatheway (1988) and Chasteen (2008) concluded the bank building and market building did not qualify for recognition or listing in the National Register of Historic Places or California Register of Historical Resources. However, Chasteen concluded the “Old Bank Building” does meet the requirements for local recognition. The market building does not qualify for local listing.

Based on this 2008 recommended eligibility on the local level, the City would have the authority to place conditions on any alterations or demolition of the bank building.

When surveyed in 2012, McKenna et al. found the building complex on Anderson Street to be occupied by a shoe repair shop, barber shop, and offices associated with the Loma Linda University Department of Psychology. The western portion of the complex is within the ca. 1929 "Old Bank Building" and, although there has been some alterations and additions, this building was assessed and found to be worthy of local recognition.

The eastern portion of the complex is within the ca. 1930s "Loma Linda Market" building. This building was evaluated in 1987 and 2008 and found to be insignificant and unworthy of recognition on the federal, state, regional, or local levels. As such, no further studies are warranted and any future plans for the alteration or demolition of this building will not constitute an adverse environmental impact.

Data recently provided by the Loma Linda University Health, Department of Construction and Architectural Services noted the "Central Building" is located at 11130 Anderson Street and east of the old bank building. The Central Building was identified on a 1938 aerial photograph, indicating its presence prior to 1938. A photograph reproduced in "The Mound City Chronicles" (pg. 124) illustrates the large market building with its Art Deco tower on the northeast corner, suggesting the building was complete by 1942. This tower is no longer present, having been removed between 1957 and 1994 (per aerial photos).

Prior to the acquisition of this building by Loma Linda University Health, the property was used for commercial purposes, including the original Loma Linda Market. This market should not be confused with the smaller market once associated with the bank building, nor the original Emerson's Market (despite the reference in "The Mound City Chronicles" (pg. 124) as Emerson's Market being ".. just to the right of the bank ...". Emerson's Market was south of the Loma Linda Market location and exhibit's a completely difference architectural style.

Recent research and review of previous studies has not altered the conclusion that the "Central Building" is not a significant resource – national, state, or local. Documented alterations emphasize changes to the interior of the structure. Major alterations to the exterior include the removal of the Art Deco tower, changes in the windows and surface (new stucco surface), and replacement of the original doors with more modern commercial/security doors. An addition between the bank building and the Central Building now connects the two.

As noted, McKenna et al. concurs with the previous assessments, as the recent research only confirmed this building is not a significant resource. It is not associated with any significant event, significant persons in history, and has lost architectural integrity with the removal of the tower, the changes in windows and doors, and the resurfacing of the structure. It does not qualify for federal, state or local recognition.

Based on these findings, McKenna et al. has concluded that the maintenance and alterations to the building currently proposed by Loma Linda University Health will not result in an adverse environmental impact.

The bank building, which is not included in the proposed maintenance and alterations, will not be adversely impacted by any improvements associated with 11130 Anderson Street and, therefore, the proposed project will not have any secondary or indirect impacts. McKenna et al. sees no reason not to proceed with the project. Should the project be expanded to include additional changes to the building, the conclusions would be the same. Since the building is not significant, changes, regardless of extent, will not result in adverse impacts. Therefore, no further studies are required for this building and the University is free to undertake whatever projects are needed for the use of this building.

Supporting documentation is attached to this document. Any changes to this document will require the written authorization of the author.

---

Jeanette A. McKenna, McKenna et al., Whittier, CA

Date

## REFERENCES

Chasteen, Carrie

- 2008 Determination of Effects Report: sbX E Street Corridor Bus Rapid Transit (BRT) Project, Cities of Loma Linda & San Bernardino, San Bernardino County. On file, San Bernardino County Museum Archaeological Information Center, Redlands, California.
- 2008 Primary Record: P-36-20255 (Update). On file, San Bernardino County Museum Archaeological Information Center, Redlands, California.

Hatheway, Roger G.

- 1987 Architectural/Historic Building Inventory: P-36-020255. On file, San Bernardino County Museum Archaeological Information Center, Redlands, California.
- 1988 A Windshield Survey and Preliminary Architectural/Historical Inventory of Loma Linda, California. [Prepared by Hatheway & McKenna.] On file, San Bernardino County Museum Archaeological Information Center, Redlands, California.

McKenna, Jeanette A.

- 2012 Addendum Report: Supplemental Studies for Proposed Future Development and Expansion of the Loma Linda Medical Center in the city of Loma Linda, San Bernardino Co., California. On file, McKenna et al., Whittier, California.

Moore, David

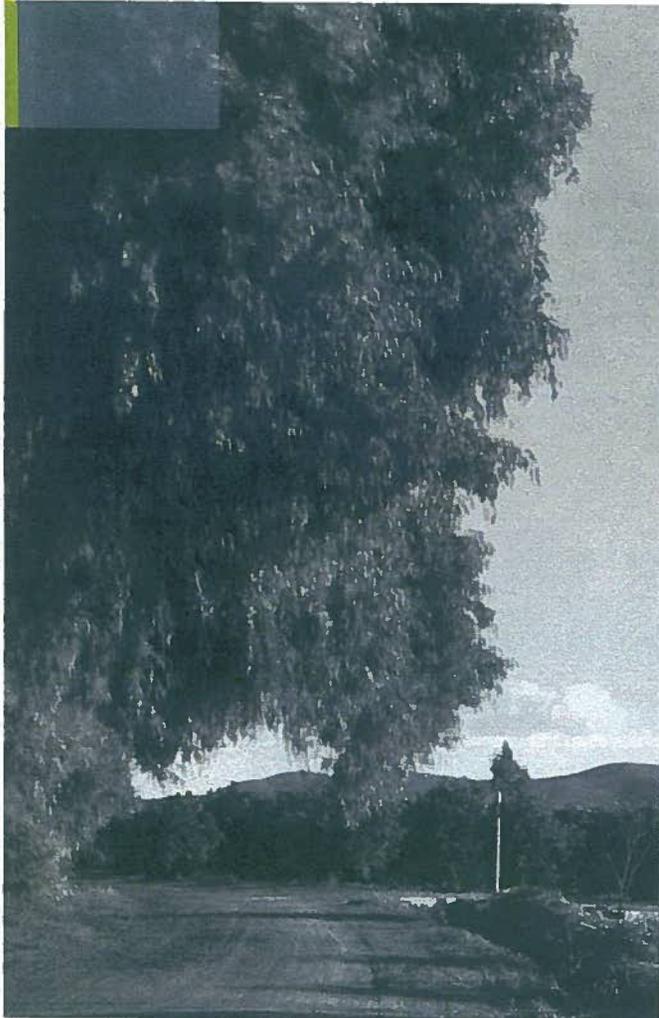
- 2014 Personal Communication. Loma Linda University Health, Department of Construction and Architectural Services, Loma Linda, San Bernardino County, California.

Park, Dennis E.

- 2007 The Mound City Chronicles: A Pictorial History of Loma Linda University, A Health Sciences Institution – 1905-2005 – the Centennial. Alumni Association, School of Medicine of Loma Linda University, Loma Linda, California.

# **SUPPLEMENTAL DOCUMENTATION**

THE MOUND CITY CHRONICLES



2:6-2 The intersection of Mound Street and Central Avenue (c. 1925). The Loma Linda hills are in the background. Today, the Randall Visitor Center is to the right, and the street veering to the right is known as University Court. The dirt road curves left around the mound where it converges at the four corners as illustrated in the photos to the right.



2:6-3 The First National Bank of Loma Linda (c. 1932). The building to the east (slightly inset) housed the market and the post office. Refer to the following page (123) to see the announcement in the *Medical Evangelist* publication.



2:6-4 In 2006, the barber-pole of Broadway Barber Shop replaces the bank sign on the central building. On the southwest corner of the building a shoe repair shop is still in operation. The rest of the building is used by the University for academic purposes.

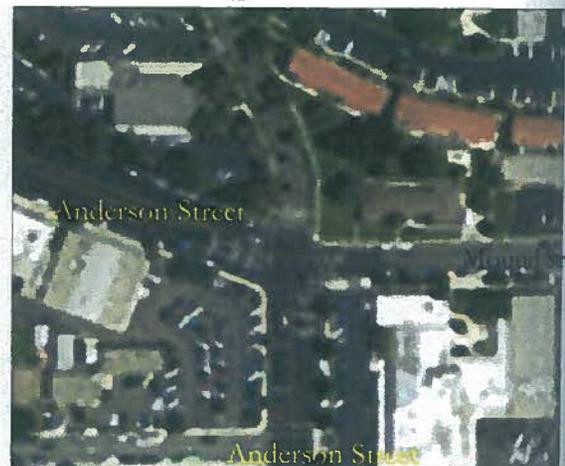
Central Avenue

Hill Drive



2:6-5 A 1920s aerial view of the four corners during the early citrus years.

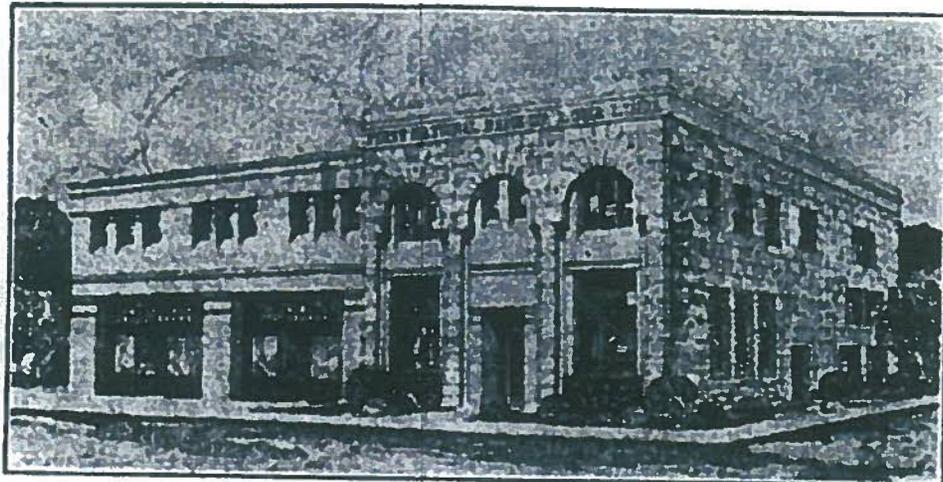
Hill Drive



2:6-6 Four corners as seen from space (c. 2002). Where have all the citrus groves gone? Gave way to urbanization every one.

Note: To appreciate the context of the above photos (2:6-5 and 2:6-6), as they relate to the overall campus, refer to the aerial views on page 12.

SECTION SIX—THE BUSINESS DISTRICT



2:6-7

Reproduced from the  
"Medical Evangelist"  
Loma Linda, California  
December 5, 1929

**LOMA LINDA  
BANK**

Former residents will be interested in knowing that the First National Bank of Loma Linda, a member of the Federal Reserve System, had its formal opening on the evening after the Sabbath. The bank has been



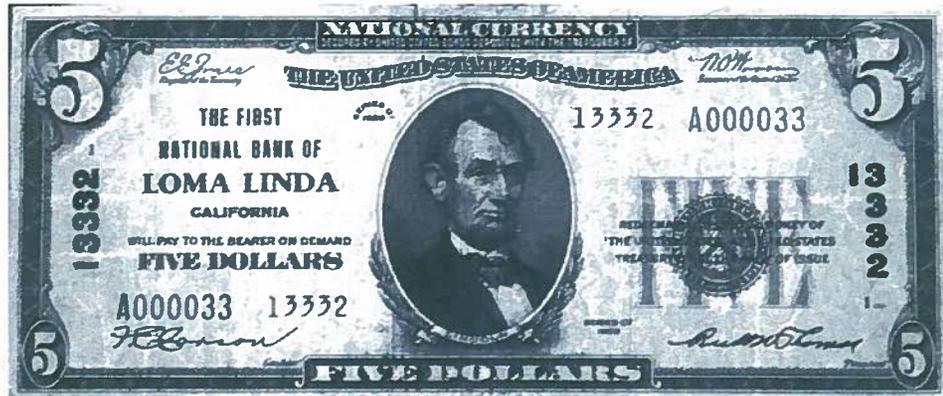
2:6-8

in operation for about four months, but just moved into its new building at the intersection of Central Avenue and South Anderson Street, south of the college buildings.

The two store rooms to the east of the bank are leased to the Mound City Store and the Post Office. On the second floor are four apartments.

Officers of the bank are F. E. Corson, president; S. S. Merrill, vice-president; Roy S. Fellows, cashier; and A. L. Lane, assistant cashier. Directors are Messrs. Corson, Merrill, S. W. Beasley, J. J. Nethery, and Drs. Benton S. Colver, George Thomason, and Ralph Thompson. All officers are inactive except the cashier and assistant cashier.

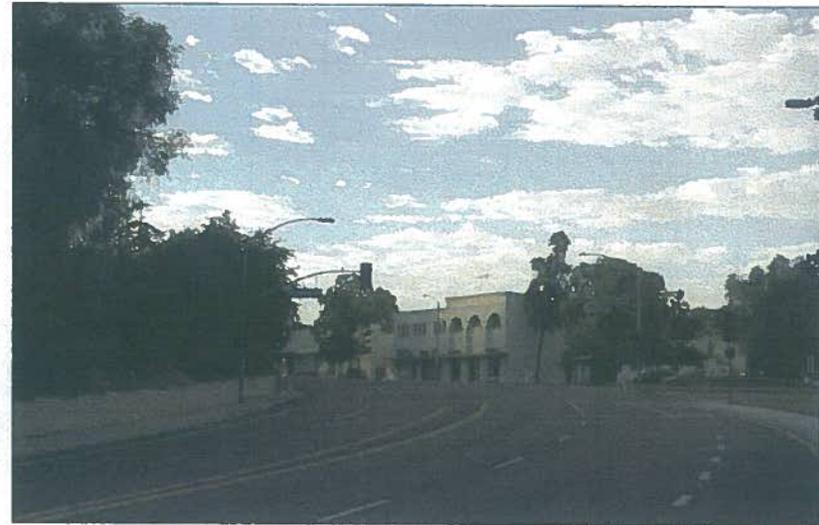
2:6-9



This page is a contribution from the archives of Drs. Raymond and Marilyn Herber. Plate 2:6-7 is an artist's rendering of the First National Bank of Loma Linda. Plate 2:6-9 is a copy of a five dollar bill with the name of the bank imprinted on the note. Today, there are approximately 25 of these notes in the hands of private collectors. Plate 2:6-8 is a c. 1930 photo of the bank.



2:6-10 Looking southeast on Anderson Street at Central. (c. 1942)



2:6-11 Looking southeast on Anderson Street at University Court. (2006)



2:6-12 To the right of the bank, just west of Loma Linda Drive, stood Emmerson's Market—an early version of today's strip mall. Even in the mid 1930s there was nothing like competition. Emmerson's merchandise included groceries, vegetarian food (Loma Linda and Battle Creek brands), clothes, and small hardware items. After Emmerson's closed its doors, Clarence Harlow leased the building, and it became known as Harlow's Appliance Store, which remained until the building was demolished in the mid 1960s.



2:6-13 The little strip mall, which was once leased by Emmerson and Harlow, is gone. Today School of Dentistry parking and the Loma Linda University power plant are located on a section of the property. The two-block, north/south street, known in the early days as Loma Linda Drive, which stretched from Anderson Street to Prospect Avenue, was closed off in the late 60s and is today an egress drive from Taylor Court. (2006)

SECTION SIX—THE BUSINESS DISTRICT



2:6-14 The Loma Linda Market (c. 1953), which was built in the early 1940s just east of the old bank building. In those days the buildings fronted Central Avenue, which is known today as Anderson Street.



2:6-15 Some 50 years later the old business district buildings still stand as a testament to the past. Parallel parking today has replaced diagonal parking.



2:6-16 The Loma Linda Market. (c. 1957)



2:6-17 The old Loma Linda Market building (2005)

**CONTINUATION SHEET**

11106-11130 Anderson Street

The buildings referred to as the "Old Bank Building" and "Loma Linda Market" have been date to ca. 1929 and the 1930s, respectively, and involve street addresses identified as ranging from 11106 to 11130 Anderson Street. Hatheway (1988) described the "bank building" as a rectangular structure of two stories, a flat roof, and constructed with stucco siding. He also noted the façade had been remodeled and the uses have changed. Providing more detail, Chasteen (2008) states:

The "Old Bank Building" is a two-story building and is rectangular in plan. The original cladding material is unknown by based on research in historic photographs, appears to have been scored stucco. The parapet wall is adorned with a simple cornice. The exterior walls are clad in rough textured stucco. The primary façade is characterized by two bays. Six engaged columns, with decorative capitals, support three arches on the second floor in the eastern ban of the primary façade. Small, fixed, anodized aluminum windows are located under the apex of each arch. The ground floor fenestration consists of fixed pane anodized aluminum windows and an aluminum storefront primary entrance door separated by piers in the eastern bay. Research in the Loma Linda University photo collection indicates the windows originally consisted of fixed-pane windows with tiled spandrel panels. The primary entrance was recessed with a large recesses transom ... The ground floor fenestration of the western bay is currently characterized by a pair of large fixed pane anodized aluminum windows located over a panel of brick veneer flanked by a primary entry door. Three trios of anodized aluminum sash windows span the second floor of the western bay of the primary façade. Research in the Loma Linda University archives indicates the two storefronts originally consisted of plate glass display areas with a central recessed entryway. Each storefront possessed a prism glass transom with two hopper windows for ventilation and tilted spandrel panels.

In reviewing the updated site form prepared by Chasteen, some discrepancies were noted. For example, the site form (Page 4) states the Loma Linda Market was constructed "west of the Old Bank Building." In fact, the Loma Linda market was "east" of the bank building. Additionally, the map (Page 2) illustrating the structures show the bank building as larger than the market, when the opposite is true. The Bank is actually on Lot 1 and the market building is on Lots 2, 3, and 4. Despite these inconsistencies, Chasteen presented the following accurate description of the market building:

**CONTINUATION SHEET**

The first Loma Linda Market building was constructed west [see correction above] of the Old Bank Building and based on the late Art Deco/Moderne style of the building, appears to date to the late 1930s. The parapet wall is accented with Moderne detailing. The projecting roof pier at the northeast corner of the building was removed at an unknown date. Research in the Loma Linda University photo archives indicates the storefront windows have been replaced with modern aluminum storefront windows which disrupted the original mullions of the fenestration and the westernmost window has been infilled. In addition, the original primary entrance appears to have been relocated and a secondary entrance was installed on the western end of the primary entrance at an unknown date.

Both Hatheway (1988) and Chasteen (2008) concluded the bank building and market building did not qualify for recognition or listing in the National Register of Historic Places or California Register of Historical Resources. However, Chasteen concluded the "Old Bank Building" does meet the requirements for local recognition, although there has been no formal listing, to date. Based on this eligibility, the City has the authority to place conditions on any alterations or demolition of this structure. At this time, there is no proposed project involving either the bank or market buildings. If a project is proposed in the future, the City may require some level of mitigation to lessen adverse impacts.

**CONTINUATION SHEET**



Aerial photograph illustrating Bank and Market Buildings.

**CONTINUATION SHEET**

HR#

Trinomial

Page 4 of 5

\*Resource Name or # (Assigned by recorder) 11106 Anderson Street, Loma Linda, CA

“Old Bank Building”

\*Recorded by: Jeanette A. McKenna

\*Date: January 23, 2012

Continuation

Update



**CONTINUATION SHEET**

HR#

Trinomial

Page 5 of 5

\*Recorded by: Jeanette A. McKenna

\*Resource Name or # (Assigned by recorder) 11130 Anderson Street, Loma Linda, CA "Loma Linda Market"

\*Date: January 23, 2012

Continuation

Update



# PRIMARY RECORD

Other Listings \_\_\_\_\_

Review Code \_\_\_\_\_ Reviewer \_\_\_\_\_

Date \_\_\_\_\_

1066291

10/09  
#

Page 1 of 5

\* Resource Name or #: 11110/12 Anderson St

P1. Other Identifier: First National Bank of Loma Linda; Loma Linda Market

\* P2. Location:  Not for Publication  Unrestricted

a. County San Bernardino

b. USGS 7.5' Quad Sand Bernarino No. 2000 Date \_\_\_\_\_

T 15 ; R 4W ; SE 1/4 of SE 1/4 of Sec 26; SB B.M.

c. Address 11104 Anderson St

City Loma Linda

Zip 92354

d. UTM: (Give more than one for large and/or linear feature)

Zone \_\_\_\_\_

mE/ \_\_\_\_\_

mN \_\_\_\_\_

e. Other Locational Data: (e.g. parcel #, legal description, directions to resource, elevation, additional UTM's, etc. as app

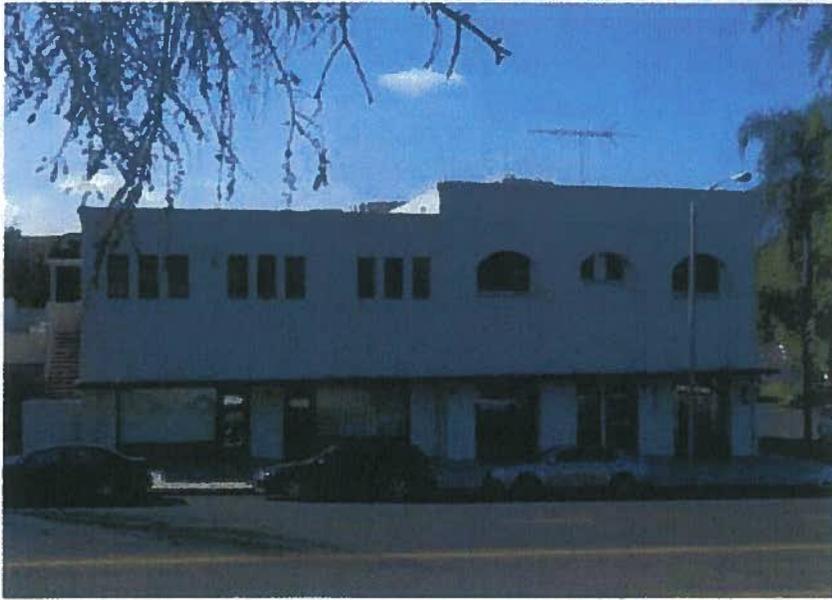
APN: 028410118 Legal description: TRACT NO 2421 LOMA LINDA TOWNSITE LOTS 1 2 3 AND 6 AND PTN LOTS 4 5 AND 9 LYING NELY OF FOL DESC LI BEG AT NE COR LOT 9 TH N 0 DEG 03 MIN 00 SECONDS W 11 FT ALG NLY PROLONGATION OF E LI SD LOT 9 TH WLY TO A PT ON W LI SD LOT WHICH IS 59 FT

\* P3a. Description: (Describe resource and its major elements. Include design, materials, condition, alterations, size, setting, and boundaries.) Two buildings are located on this parcel: the building known as the "Old Bank Building" and the former "Loma Linda Market" building. The "Old Bank Building" is a two-story building and is rectangular in plan. The original cladding material is unknown but based on research in historic photographs, appears to have been scored stucco. The parapet wall is adorned with a simple cornice. The exterior walls are clad in rough textured stucco. The primary façade is characterized by two bays. Six engaged columns, with decorative capitals, support three arches on the second floor in the eastern bay of the primary façade. Small, fixed pane anodized aluminum windows are located under the apex of each arch. The ground floor fenestration consists of fixed pane anodized aluminum windows and an aluminum storefront primary entrance door separated by piers in the eastern bay. Research in the Loma Linda University photo collection indicates the windows originally consisted of fixed-pane windows with tiled spandrel panels. The primary entrance was recessed with a large recessed transom (see continuation sheet). The ground floor fenestration of the western bay is currently characterized by a pair of large fixed pane anodized aluminum windows located over a panel of brick veneer flanked by a primary entry door. Three trios of anodized aluminum sash windows span the second floor of the western bay of the primary façade. Research in the Loma Linda University archives indicates the two storefronts originally consisted of plate glass display areas with a central recessed entryway. Each storefront possessed a prism glass transom with two hopper windows for ventilation and tiled spandrel panels. (See continuation sheet)

\* P3b. Resource Attributes: (List attributes and codes) HP6 1-3 story commercial building

\* P4. Resources Present:  Building  Structure  Object  Site  District  Element of District  Other (Isolates, etc.)

P5a. Photograph or Drawing (Photograph required for buildings, structures, and objects)



P5b. Description of Photo: (View, date, etc.)

Photo No. P1020417.jpg; facing South

Southwest; 10/13/08

\* P6. Date Constructed/Age and Sources:

Prehistoric  Historic  Both

1929 Hathaway & McKenna

\* P7. Owner and Address:

Loma Linda University

C/O Foundation Admin

Loma Linda, CA 92350

P--Private

\* P8. Recorded by: (Name, affiliation, address)

Carrie Chasteen

Parsons

100 W. Walnut St.

Pasadena, CA 91124

\* P9. Date Recorded: 10/13/2008

\* P10. Survey Type: (Describe)

Section 106 Compliance

Intensive Survey

P--Project Review

\* P11. Report Citation: (Cite survey report/other sources or "none") Cultural Resources Technical Report sbX E Street Corridor BRT Project, Cities of San Bernardino and Loma Linda, San Bernardino County, California

\* Attachments:  NONE  Location Map  Sketch Map  Continuation Sheet  Building, Structure, and Object Record  Archaeological Record  District Record  Linear Feature Record  Milling Station Record  Rock Art Record  Artifact Record  Photograph Record  Other: (List) 1987 Architectural/Historical Building Inventory Form

# BUILDING, STRUCTURE, AND OBJECT RECORD

Page 2 of 5

\* NRHP Status Code SS3

\* Resource Name or #: 11110/12 Anderson St

B1. Historic Name: The Old Bank Building

B2. Common Name: 11104 Anderson Street

B3. Original Use: Commercial

B4. Present Use: Commercial

\* B5. Architectural Style: Vernacular

\* B6. Construction History: (Construction date, alterations, and date of alterations.)

According to the 1987 Architectural/Historical Building Inventory form, the building was constructed in 1929. Alterations include smooth textured stucco, storefront replacements, window replacements, the removal of transoms, and the addition of a canopy. No historic building permits were available.

\* B7. Moved?  No  Yes  Unknown Date: \_\_\_\_\_ Original Location: \_\_\_\_\_

\* B8. Related Features:

B9a. Architect: Unknown

b. Builder: Unknown

\* B10. Significance: Theme Commercial architecture Area Loma Linda

Period of Significance 1929 Property Type Commercial building Applicable Criteria N/A

(Discuss importance in terms of historical or architectural context as defined by theme, period, and geographic scope. Also address integrity.)

The building was included in the 1987 "A Windshield Survey and Preliminary Architectural/Historical Inventory of Loma Linda, CA" (Hathaway and McKenna) and assigned a category code of 4, or "resource of noteworthy local interest." In Section V. Data Limitations, the authors indicate the findings are based upon a brief literature review and field "windshield" inventory, and additional research should be conducted prior to submittal of a formal determination of eligibility request to the State Historic preservation Officer (SHPO). Additional research was conducted as a result of this survey to determine if the building is eligible for listing in the National Register of Historic Places, the California Register of Historical Resources, or for designation as a City of Loma Linda cultural resource.

According to research in the Sanborn Fire Insurance maps (Loma Linda, 1929-1931), the building housed three businesses: a bank was located in the western storefront (the arched façade), a store was located in the central storefront, and a post office was located in the eastern storefront. Research in the Loma Linda University photo archives indicates the store was a grocery store.

Research was conducted in the Loma Linda public library, Loma Linda University Archives and Special Collections, the San Bernardino County Archives, and the California Room in the Feldheym Library, and the Internet. Research indicates the building has continuously been owned by the College of Medical Evangelists, now known as Loma Linda University (LLU). LLU established the First National Bank of Loma Linda in 1929 to manage the institution's money (see continuation sheet)

B11. Additional Resource Attributes: (List attributes and codes):

\* B12. References:

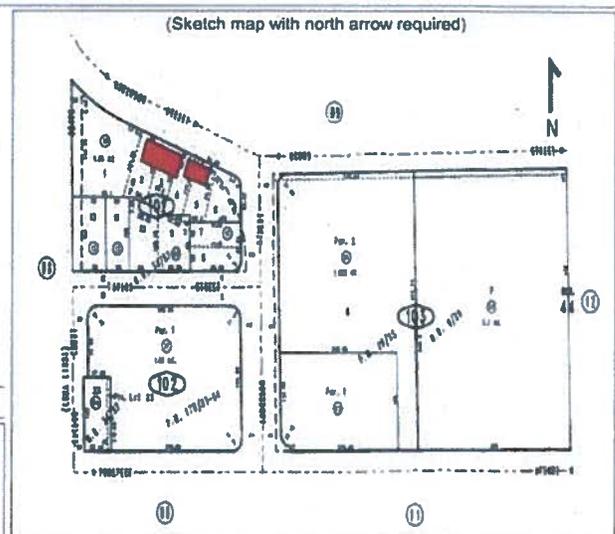
Sanborn Fire Insurance Maps, Loma Linda, 1929-1931, Page 5; Hathaway & McKenna, "A Windshield Survey and Preliminary Architectural/Historical Inventory of Loma Linda, CA" 1988; Loma Linda Historical Society, 2005, "Images of America: Loma Linda" Charleston SC; Arcadia Publishers; and Reynolds, Keld J., 1985, "Sunshine, Citrus and Science", Loma Linda, CA, published by City of Loma Linda.

B13. Remarks:

\* B14. Evaluator: Carrie Chasteen

Date of Evaluation: 10/13/2008

(This space reserved for official comments.)

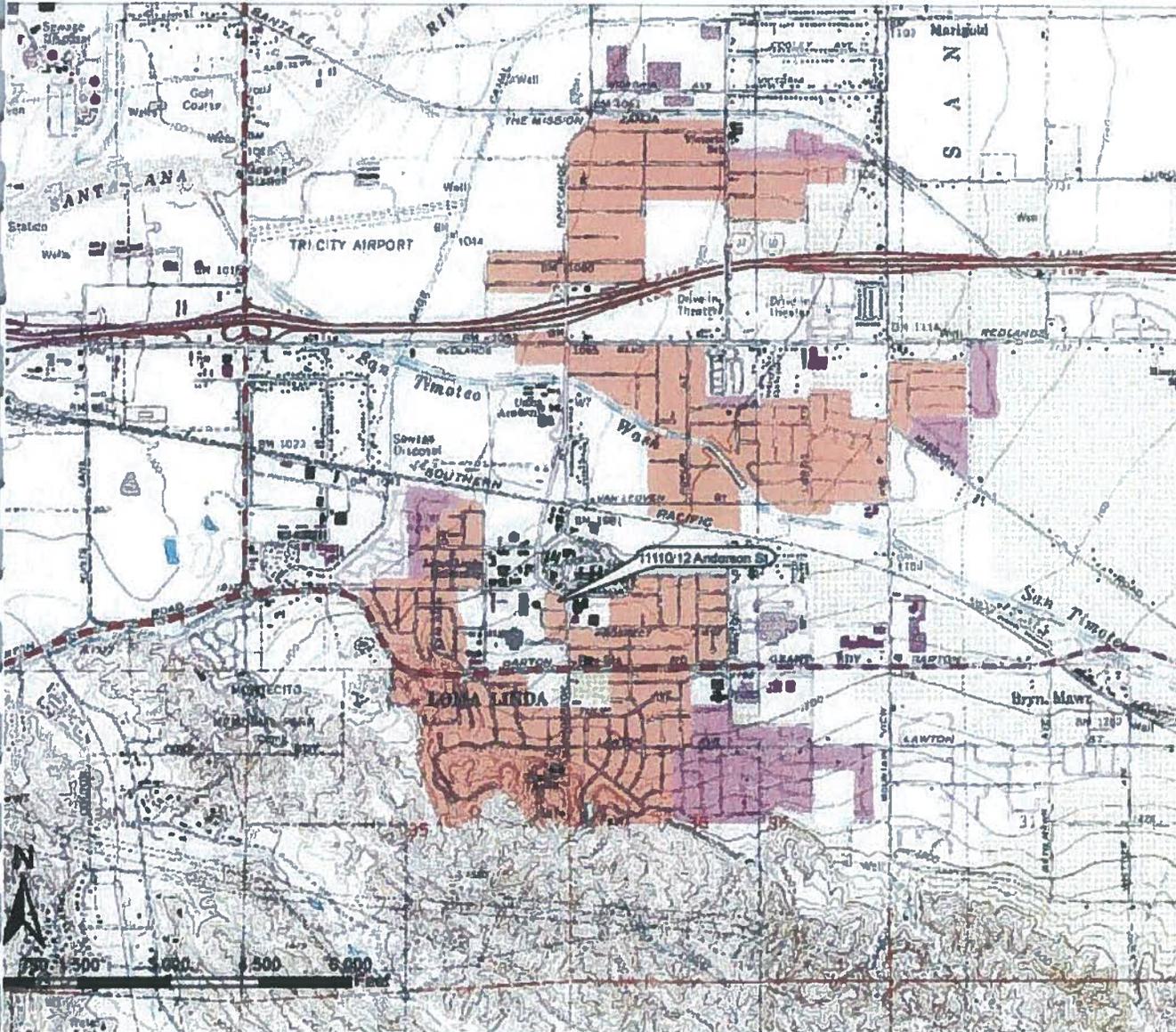


Primary # \_\_\_\_\_  
HR # \_\_\_\_\_  
Trinomial \_\_\_\_\_

### LOCATION MAP

Page 3 of 5 \* Resource Name or #: (Assigned by recorder) 11110/12 Anderson St

\* Map Name: San Bernardino South, Calif \*Scale: 1:24000 \*Date of Map: 1967; Photorevised 1980



## CONTINUATION SHEET

Page 4 of 5 \* Resource Name or #: (Assigned by recorder) 11110/12 Anderson St

\* Recorded by: Carrie Chasteen

\* Date: 10/13/2008

Continuation  Update

P3a. Description continued: A cantilever awning spans the primary façade, which visually separates the ground and second floors, and is not original to the building.

The Loma Linda Market building is one-story and rectangular in plan. The first Loma Linda Market building was constructed west of the Old Bank Building and based on the late Art Deco/Moderne style of the building, appears to date to the late 1930s. The parapet wall is accented with Moderne detailing. The projecting roof pier at the northeast corner of the building was removed at an unknown date. Research in the Loma Linda University photo archives indicates the storefront windows have been replaced with modern aluminum storefront windows which disrupted the original mullions of the fenestration and the westernmost window has been infilled. In addition, the original primary entrance appears to have been relocated and a secondary entrance was installed on the western end of the primary entrance at an unknown date.

B10. Significance continued: (Loma Linda Historical Commission 2005). The bank closed on May 6, 1935 (Reynolds 1985). No information was available on the grocery store. The post office was located in this building in 1931 according to research in the Sanborn fire insurance maps. The Mound City post office was dedicated in 1876 and the "Lomalinda" post office opened in 1905 (Reynolds 1985); therefore this is not the site of the first post office in Loma Linda.

Because of the alterations listed above, the building does not possess the requisite integrity to be considered eligible for the National Register of Historic Places or the California Register of Historical Resources. The building was previously identified as being a "resource of local noteworthy interest." Though the building has been altered, the First National Bank of Loma Linda was an important institution during the years of its operation and fostered early economic development within the community; therefore, the building appears to meet criterion A of Section 17.80.070 of the Loma Linda municipal code for designation as a Loma Linda cultural resource.

# CONTINUATION SHEET

Page 5 of 5 \* Resource Name or #: (Assigned by recorder) 11110/12 Anderson St

\* Recorded by: Carrie Chasteen

\* Date: 10/13/2008

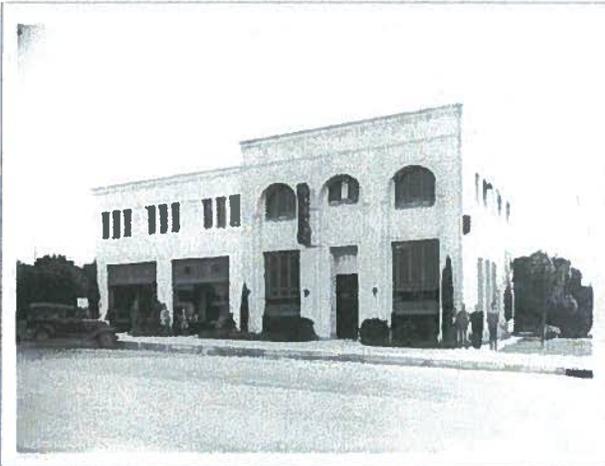
Continuation     Update



Contemporary view of Loma Linda Market, facing south



View of Loma Linda Market and Old Bank Building, circa 1953



View of the Old Bank Building, circa 1932



Contemporary view of Loma Linda Market and Old Bank Building



ARCHITECTURAL/HISTORICAL BUILDING INVENTORY

P36-020955

LOCATION/IDENTIFICATION (See Also Attached Map)

- 1. Street: 11110/12 Anderson St. Name:  Old Bank Bldg.
- 2. City: Loma Linda Zip: \_\_\_\_\_ County: San Bernardino
- 3. Parcel #: (See Attached General Location Map)
- 4. Present Use: Res. \_\_\_\_\_ Com. \_\_\_\_\_ Ind.  Other ELC: 1100'

DESCRIPTION (See Also Attached Photo)

QUAD: SAN BERNARDINO SOUTH  
T1S R4W S2SE Sec 24  
UTM: N 476000 3767650

- 5. Architectural Style: Commercial/Applied Italianate Detailing
- 6. Plan: Rect.  Sq. \_\_\_\_\_ "L" \_\_\_\_\_ "U" \_\_\_\_\_ "T" \_\_\_\_\_ Irreg. \_\_\_\_\_ Other \_\_\_\_\_
- 7. Height: 1 \_\_\_\_\_ 2  3 \_\_\_\_\_ 4 \_\_\_\_\_ Multiple \_\_\_\_\_ Other \_\_\_\_\_
- 8. Roof Shape: Gabled \_\_\_\_\_ Hip \_\_\_\_\_ Flat  Composite \_\_\_\_\_ Other \_\_\_\_\_
- 9. Fabric: Wood \_\_\_\_\_ Stucco  Brick \_\_\_\_\_ Concrete \_\_\_\_\_ Metal \_\_\_\_\_ Other \_\_\_\_\_
- 10. Windows: Flat  Arch \_\_\_\_\_ Segmental \_\_\_\_\_ Sash \_\_\_\_\_ Fixed \_\_\_\_\_ Other \_\_\_\_\_
- 11. Condition: Excellent \_\_\_\_\_ Good  Fair \_\_\_\_\_ Poor \_\_\_\_\_ Deteriorated \_\_\_\_\_
- 12. Alterations: None \_\_\_\_\_ Major  Minor \_\_\_\_\_ Type  Remodel, facade, use
- 13. Related Features: None  Type \_\_\_\_\_

SIGNIFICANCE: CATEGORY 1 2 3  4 5 D

- 14. Main Theme of Resource: (Check more than one if necessary)  
Architecture  Settlement \_\_\_\_\_ Economic/Industrial  Religion \_\_\_\_\_  
Gov. \_\_\_\_\_ Arts/Leisure \_\_\_\_\_ Military \_\_\_\_\_ Education \_\_\_\_\_ Other \_\_\_\_\_
- 15. Construction Date: Estimated \_\_\_\_\_ Factual 1929
- 16. Historic Use: Res. \_\_\_\_\_ Com. \_\_\_\_\_ Ind. \_\_\_\_\_ Other/Name  First National Bank
- 17. Historic Association(s): None \_\_\_\_\_ Type  Symbol of growth and development of Loma Linda.

SURVEY DATA

- 18. By Roger Hatheway Date 10/8/87 Photo To N NE E SE S  W NW  
Organization Hatheway & McKenna Film Type Plus X  
Address 23301-A La Glorieta Roll  A B C D E F  
City Mission Viejo Zip 92691 Exp. 1 2 3 4 5 6 7 8 9 10  
Phone (714) 458-1245 11 12 13 14 15 16 17  
18 19 20 21 22 23 24  
20. Sources: Please Refer to the 25 26 27 28  29 30 31  
Attached Report 32 33 34 35 36



HATHEWAY & MCKENNA

736-090055





Art Deco Design Elements at 11130 Anderson, Loma Linda (S).



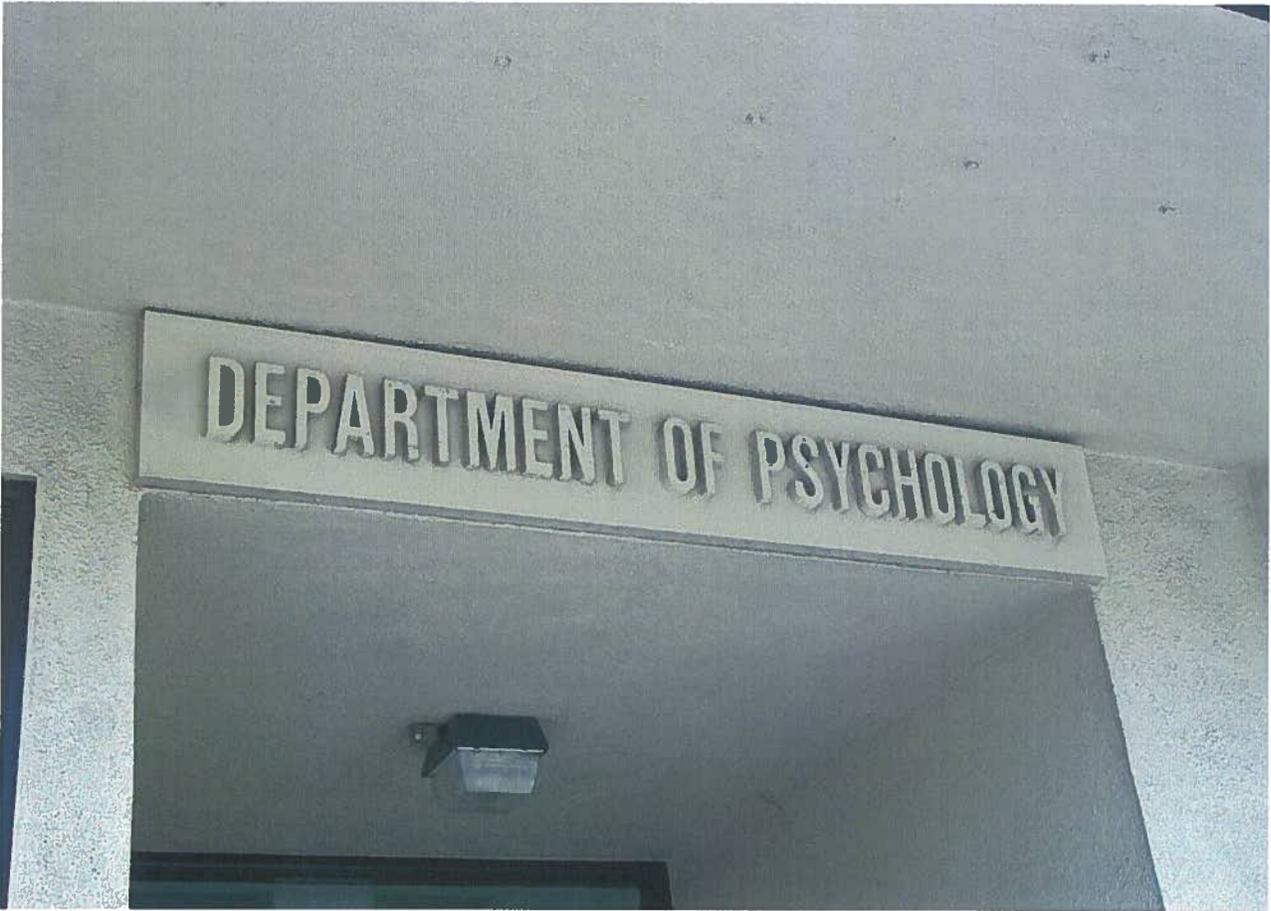
Overview of North Elevation, 11130 Anderson, Loma Linda (W).



Art Deco Design Elements at 11130 Anderson, Loma Linda (SE).



North Elevation with Brick Facade, 11130 Anderson, Loma Linda (SE).



Signage on Main Entry to 11130 Anderson, Loma Linda (S).



Art Deco Design Elements at 11130 Anderson, Loma Linda (SW).



Exterior Staircase to 2nd Floor, 11110 Anderson, Loma Linda (SW).



Gated Entry to Patio and West Elevation of 11130 Anderson, Loma Linda (SE).



Overview of North Elevation, 11130 Anderson, Loma Linda (SE).



East Elevation, 11130 Anderson, Loma Linda (SW).



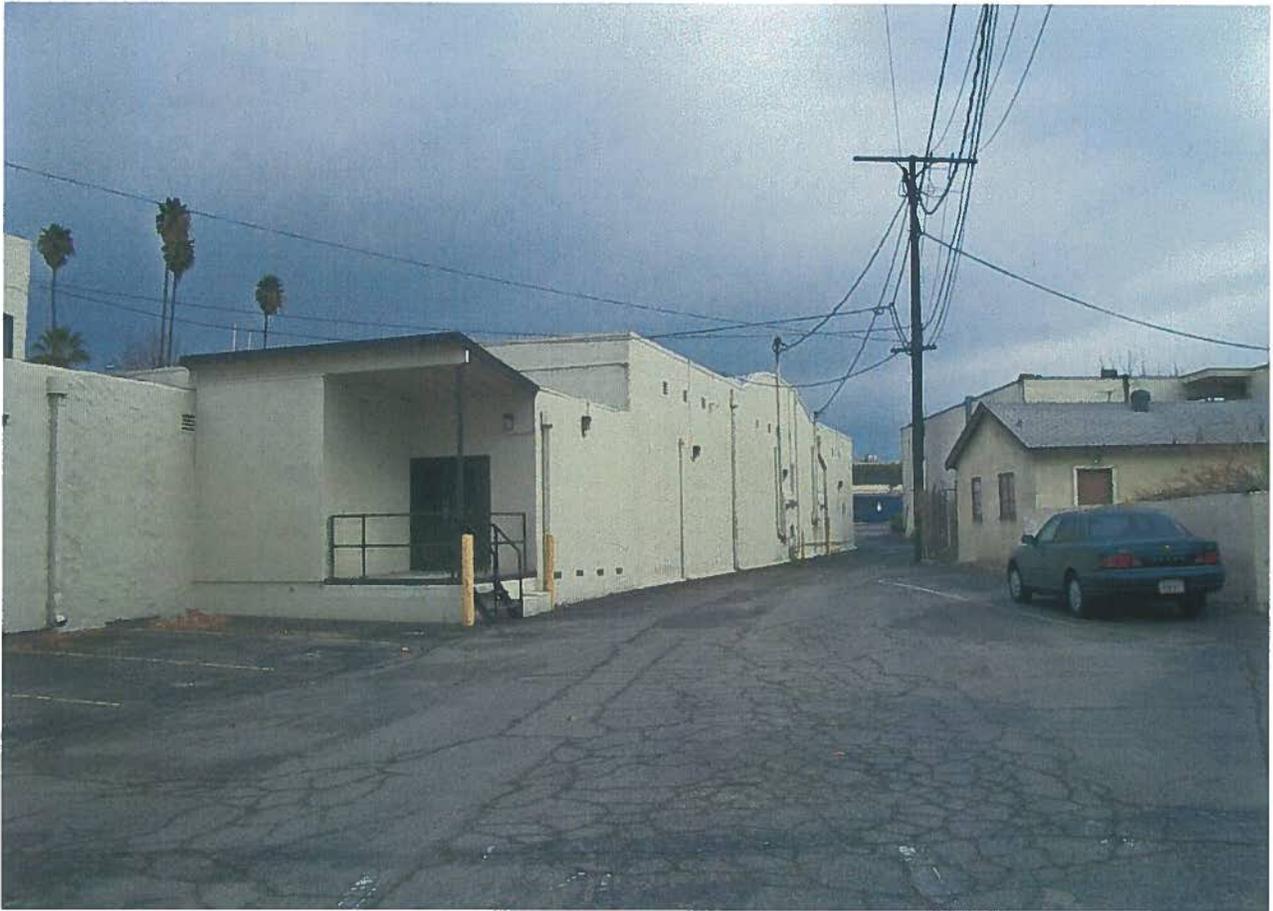
East Elevation of 11130 Anderson, Loma Linda (NNW).



Overview of East Elevation, 11130 Anderson, Loma Linda (SSW).



East Elevation, 11130 Anderson, Loma Linda (SSW).



Overview of Alley between Anderson and Taylor Street, Loma Linda (E).



Converted Garage to Rear of 11106-11110 Anderson, Loma Linda (NE).



South Elevation (on alley) of 11130 Anderson, Loma Linda (W).



South Elevation of 11130 Anderson, Loma Linda (NW).



# City of Loma Linda Official Report

Rhodes Rigsby, Mayor  
Phill Dupper, Mayor pro tempore  
Ovidiu Popescu, Councilman  
Ron Dailey, Councilman  
John Lenart, Councilman

**COUNCIL AGENDA:** December 9, 2014  
**TO:** City Council  
**VIA:** T. Jarb Thaipejr, City Manager  
**FROM:** Konrad Bolowich, Assistant City Manager   
**SUBJECT:** City of Loma Linda Panhandling Ordinance

Approved/Continued/Denied  
By City Council  
Date \_\_\_\_\_

**SUMMARY** Council Bill # O-2014-10 - City Initiated Panhandling Ordinance – Regulations Relating to Panhandling (Citywide)

## RECOMMENDATION

Staff recommends the City Council introduce Council Bill #O-2014-10 – City Initiated Panhandling Ordinance – Regulations Relating to Panhandling - on first reading and set the second reading for January 13, 2015. In the alternative, the Council may take public testimony and provide input to staff for fine-tuning the draft ordinance.

## BACKGROUND

Within the last few years there has been a substantial increase in aggressive solicitation or panhandling throughout the City of Loma Linda as well as an increase in targeted panhandling in certain areas of the City.

## ANALYSIS

Aggressive panhandling, which usually includes approaching or following pedestrians, the use of abusive language, unwanted physical contact, or the intentional blocking of pedestrian and vehicular traffic, is extremely disturbing and disruptive to residents and businesses and contributes not only to the loss of access and enjoyment of public places, but also to an enhanced sense of fear, intimidation and disorder.

The increase of targeted panhandling at locations where residents are captive audiences, in which it is impossible or difficult for them to exercise their own right to decline to listen to or avoid solicitation from others, intimidates persons who are approached, interferes with privacy and security, impedes traffic flow, causes congestion, and negatively impacts businesses within the City. Such places include buses and bus shelters, parking lots, freeway off ramps, major intersections where cars and bicyclists must stop for traffic, and pedestrian foot bridges where pedestrians are unable to take an alternate route.

Aggressive and targeted panhandling of commercial customers as they enter and exit retail establishments, including restaurants, ATM locations, hospitals, and medical offices, has become

increasingly disturbing to residents, visitors and businesses, and has generated an enhanced sense of fear, intimidation and disorder, and has caused many retail customers to avoid shopping or dining within the City. This situation threatens the economic vitality of the City.

Loma Linda is uniquely sensitive to the negative impacts of panhandling due to the concentration of medical offices, hospitals and educational institutions in the City that cause high volumes of pedestrian and vehicular traffic which can be exacerbated by aggressive panhandling. This may endanger not only the traveling public, but also the panhandlers themselves. Persons traveling to or attempting to enter health care facilities are often in particularly vulnerable physical and emotional conditions.

According to the City Attorney, regulation of panhandling involves somewhat problematic First Amendment issues which have been litigated in other cities. However, reasonable time, place and manner regulations that are narrowly tailored, serve a significant government interest, and leave open ample alternative avenues of communication, have been found to be constitutionally permissible.

Aggressive solicitation directed at residents and visitors to the City of Loma Linda unquestionably threatens their safety and welfare. Aggressive solicitation also undermines the public's inherent right to use and enjoy public places without being accosted by person demanding money or goods in a forceful manner. The actions of aggressive panhandlers likewise can create a climate of intimidation and anxiety among members of the public, who when confronted legitimately fear harm if they refuse to give in to the solicitations of individuals engaged in this type of conduct. This concern is particularly pronounced when individuals are approached for alms while using an ATM or exiting a car in a parking lot, since the solicitees' assertion that they have no money to give is less credible, and the perceived threat of robbery, whether real or not, exacerbates the target's sense of vulnerability.

Panhandlers take advantage of situations in which the target is a "captive audience," such as restaurant patrons, particularly those seated in outdoor areas. Faced with these circumstances, solicitees are effectively prevented from exercising their right to decline to listen or politely avoid solicitation. The overall effect is to interfere with privacy, security, and economic vitality by unnerving and inconveniencing business patrons, thereby discouraging dining and shopping activity within the City.

Panhandling has been deemed by both state and federal courts as protected expressive activity under the First Amendment and the "liberty of speech" provisions of the California Constitution (Article 1, Section 2). Nevertheless, in 2000 the California Supreme Court held that limited, content neutral local bans on aggressive panhandling and captive audience solicitation constitute reasonable time, place and manner restrictions, and therefore are lawful. (*Los Angeles Alliance Survival v. City of Los Angeles* (2000) 22 Cal.4th 352). In the wake of this decision and similar rulings by the Ninth Circuit, numerous California cities have adopted bans on this type of conduct.

Presently, the City of Loma Linda does not have an ordinance directly addressing this issue.

Although it is a misdemeanor under California Penal Code Section 647 to "[A] cost other persons in any public place...for the purpose of begging or soliciting alms," conviction under

this statute necessarily requires prosecution by the District Attorney's Office, whose resources understandably are directed towards higher profile crimes. Thus without its own local ordinance, Loma Linda does not have the ability to unilaterally curb aggressive panhandling, or tailor its restrictions to the City's individual needs.

California Vehicle Code Section 22520.5(a) bars solicitation and vending from freeway off ramps and from roadways, sidewalks and roadway shoulders within 500 feet of a freeway off ramp.

The proposed ordinance will create definitions, regulations of aggressive panhandling, and locations where panhandling is prohibited.

## **CONCLUSION**

This law is timely and appropriate because current laws and City regulations are insufficient to address the above-mentioned problems. The restrictions contained herein are neither overbroad nor vague, and are narrowly tailored to serve a substantial governmental interest.

Report prepared by:

Guillermo Arreola  
Associate Planner

## **ATTACHMENTS**

A. Draft Ordinance

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOMA LINDA  
ADDING CHAPTER 9.36 OF TITLE 9 OF THE LOMA LINDA MUNICIPAL  
CODE TO ADOPT THE CITY OF LOMA LINDA PANHANDLING  
ORDINANCE

WHEREAS, City Council finds as follows:

A. Within the last few years there has been a substantial increase in aggressive solicitation or panhandling throughout the City of Loma Linda as well as an increase in targeted panhandling in certain areas of the City.

B. Aggressive panhandling, which usually includes approaching or following pedestrians, the use of abusive language, unwanted physical contact, or the intentional blocking of pedestrian and vehicular traffic, is extremely disturbing and disruptive to residents and businesses and contributes not only to the loss of access and enjoyment of public places, but also to an enhanced sense of fear, intimidation and disorder.

C. The increase of targeted panhandling at locations where residents are captive audiences, in which it is impossible or difficult for them to exercise their own right to decline to listen to or avoid solicitation from others, intimidates persons who are approached, interferes with privacy and security, impedes traffic flow, causes congestion, and negatively impacts businesses within the City. Such places include buses and bus shelters, parking lots, freeway off ramps, major intersections where cars and bicyclists must stop for traffic, and pedestrian foot bridges where pedestrians are unable to take an alternate route.

D. Aggressive and targeted panhandling of commercial customers as they enter and exit retail establishments, including restaurants, ATM locations, hospitals, and medical offices, has become increasingly disturbing to residents, visitors and businesses, has generated an enhanced sense of fear, intimidation and disorder, and has caused many retail customers to avoid shopping or dining within the City. This situation threatens the economic vitality of the City.

E. Loma Linda is uniquely sensitive to the negative impacts of panhandling due to the concentration of medical offices, hospitals and educational institutions in the City that cause high volumes of pedestrian and vehicular traffic. Persons traveling to or attempting to enter health care facilities are often in particularly vulnerable physical and emotional conditions.

F. This law is timely and appropriate because current laws and City regulations are insufficient to address the above-mentioned problems. The restrictions contained herein are neither overbroad nor vague, and are narrowly tailored to serve a substantial governmental interest.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMA LINDA DOES  
HEREBY ORDAIN AS FOLLOWS:

**Section 1.** That Chapter 9.36 of Title 9 of the Loma Linda Municipal Code is added to be numbered, entitled, and to read as follows:

**CHAPTER 9.36**

**PANHANDLING RESTRICTIONS**

Sections:

9.36.010	Purpose
9.36.020	Definitions
9.36.030	Prohibitions

**9.36.010**      **Purpose**

The purposes of this Chapter are to protect citizens from fear and intimidation accompanying certain kinds of solicitation that have become an unwelcome and overwhelming presence in the City, to promote the public health, safety and welfare by minimizing conflicts between solicitors and motorists or other pedestrians, and to restore an atmosphere of mutual respect within the community.

**9.36.020**      **Definitions**

For purposes of this article, the following words shall have the following meaning, unless the context clearly indicates otherwise:

A. "Aggressive manner" shall mean:

1. Approaching or speaking to a person, or following a person before, during or after panhandling, if that conduct is likely to cause a reasonable person to:
  - (i) Fear bodily harm to oneself or to another, damage to or loss of property; or
  - (ii) Otherwise be intimidated into giving money, goods or other things of value;
2. Approaching an occupied vehicle without an invitation to do so by entering into the roadway when traffic is either stopped or moving, before, during or after panhandling;
3. Knocking on the window of, or physically reaching toward or into, an occupied vehicle before, during or after panhandling;
4. Continuing to solicit from a person after the person has given a negative response to such panhandling;
5. Intentionally touching or causing physical contact with another person without that person's consent in the course of panhandling;
6. Intentionally blocking or interfering with the safe or free passage of a pedestrian or vehicle by any means, including causing a pedestrian or vehicle operator to take evasive action to avoid physical contact before, during or after panhandling;
7. Using violent or threatening gestures toward a person before, during or after panhandling;

8. Using profane, offensive or abusive language which is inherently likely to provoke an immediate violent reaction, either before, during or after panhandling;

9. Following a person while panhandling, with the intent of asking that person for money, goods or other things of value.

10. Coming closer than three feet to the person solicited unless and until the person solicited indicates that he or she wishes to make a donation.

B. "Automated teller machine" (or ATM) shall mean a device, linked to a financial institution's account records, which is able to carry out transactions, including, but not limited to, account transfers, deposits, cash withdrawals, balance inquiries, and mortgage and loan payments.

C. "Intersection" shall mean the intersection of the lateral curb lines, or if none, the lateral boundary lines of the roadway, of two roads that join one another at approximately right angles.

D. "Panhandling" shall mean asking for money or objects of value, with the intention that the money or object be transferred at that time, and at that place. Panhandling shall include using the spoken, written, or printed word, bodily gestures, signs, or other means with the purpose of obtaining an immediate donation of money or other thing of value, or offering the sale of goods or services. A person shall not be deemed to be in the act of panhandling when he or she passively displays a sign or gives any other indication that he or she is seeking donations without addressing his or her solicitation to any specific person, other than in response to an inquiry by that person.

E. "Public place" shall mean a place where a governmental entity has title or to which the public or a substantial group of persons has access, including, but not limited to, any street, highway, parking lot, transportation facility, shopping center, school, hospital, place of amusement, park, or playground.

**9.36.030 Prohibitions**

It is unlawful and a public nuisance for any person to:

A. Panhandle in an aggressive manner in any public place;

B. Panhandle within twenty (20) feet of any automated teller machine;

C. Panhandle within twenty (20) feet of the entrance to a supermarket, hospital, medical office, retail store, check cashing business, restaurant or bar;

D. Panhandle in any public transportation vehicle, or within twenty (20) feet of a bus stop or bus shelter;

E. Panhandle in any public or private parking lot or parking structure accessible to the general public, or within twenty (20) feet of the entrance or exit to any parking lot or parking structure;

F. Panhandle while on any public pedestrian foot bridge, or within twenty (20) feet of the entrance or exit to a public pedestrian foot bridge; or

G. Panhandle within twenty (20) feet of any intersection.

H. Panhandle or solicit an operator or other occupant of a motor vehicle located on any street or on any highway on-ramp or off-ramp, for the purpose of performing or offering to perform a service in connection with such vehicle, or otherwise soliciting donations or the sale of goods or services.

**Section 2. Effective Date.**

This ordinance shall become effective thirty days after the date of its adoption.

**Section 3. Penalties.**

Any person who violates any of the provisions of this chapter or fail to comply with any of the mandatory requirements of this chapter shall be guilty of an infraction. Any person convicted of an infraction under the provisions of a city ordinance shall be punishable pursuant to Chapter 1.12 of the Municipal Code as amended. Each such person shall be deemed guilty of a separate offense for every day during such portion of which any violation of this Ordinance is committed, continued or permitted by such person, and shall be punishable therefore as provided by this Ordinance.

**Section 4. Validity.**

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid, such holding or holdings shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

**Section 5. Posting.**

Prior to the expiration of fifteen (15) days from its passage, the City Clerk shall cause this Ordinance to be posted pursuant to law in three (3) public places designated for such purpose by the City Council.

This Ordinance was introduced at the regular meeting of the City Council of the City of Loma Linda, California, held on the \_\_\_\_\_ day of \_\_\_\_\_, 2014, and was adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 2015, by the following vote to wit:

- Ayes:
- Noes:
- Abstain:
- Absent:

\_\_\_\_\_  
RHODES RIGSBY, Mayor

Attest:

\_\_\_\_\_  
PAMELA BYRNES-O'CAMB, City Clerk



# City of Loma Linda Official Report

Rhodes Rigsby, Mayor  
Phillip Dupper, Mayor pro tempore  
John Lenart, Councilman  
Ronald Dailey, Councilman  
Ovidiu Popescu, Councilman

COUNCIL AGENDA: December 9, 2014  
TO: City Council  
FROM: T. Jarb Thaipejr, City Manager/Public Works Director T.J.T.  
SUBJECT: Declaring Stage No. 2 – Threatened Water Supply Shortage.

Approved/Continued/Denied  
By City Council  
Date \_\_\_\_\_

## **RECOMMENDATION**

It is recommended that the City Council declare a Stage No. 2 – Threatened water supply shortage and implement provisions of Loma Linda Municipal Code section 13.04.960 paragraphs A through J, conservation measures.

## **BACKGROUND**

The State of California has determined that we are experiencing severe drought conditions. On July 15 of this year the State Water Resources Control Board mandated certain conservation regulations. The regulations relate primarily to the prevention of water wasting, i.e. overwatering or washing down driveways or sidewalks.

## **ANALYSIS**

The City has approved and filled a position within the Utility Maintenance Division whose duties include water conservation. During phase 1 of our drought response we have requested voluntary conservation measures, performed outreach activities and closely monitored our water production and usage. Because the drought continues we need to implement phase 2, which includes declaring Stage No. 2-Threatened water supply shortage, of our conservation measures. The noted procedure requires a public hearing then City Council may pass a resolution declaring a water shortage condition and implementation of water conservation measures. Several other communities have already declared Stage 2.

## **FINANCIAL IMPACT**

Decrease of water sales revenue, cost to oversee conservation measures, and nominal increase of possible fines.

RESOLUTION NO. XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOMA LINDA,  
STATE OF CALIFORNIA, DECLARING A STAGE NO. 2 – THREATENED  
WATER SUPPLY SHORTAGE

WHEREAS, The State of California has determined that we are experiencing severe drought conditions and mandated certain conservation regulations subject to possible fines of up to \$500, and

WHEREAS, The City of Loma Linda has adopted Loma Linda Municipal Code section 13.04.960 paragraphs A through J, conservation measures, to address this type of condition, and

WHEREAS, Voluntary conservation measures have proven inadequate to date, and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Loma Linda, State of California, hereby declares a Stage No. 2 – Threatened water supply shortage and implements provisions of Loma Linda Municipal Code section 13.04.960 paragraphs A through J, conservation measures.

PASSED AND ADOPTED this 9th day of December 2014, by the following vote:

AYES:

NOES:

ABSENT:

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Rhodes Rigsby, Mayor

Attest:

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Pamela Byrnes-O'Camb, City Clerk

### **13.04.960 Stage No. 2—Threatened water supply shortage.**

In the event of a threatened water supply shortage which could affect the city's ability to provide water for ordinary domestic and commercial uses, the city council shall hold a public hearing at which consumers of the water supply shall have the opportunity to protest and to present their respective needs to the city. The city council may then, by resolution, declare a water shortage condition to prevail, and the following conservation measures shall be in effect.

A. **Exterior Landscape Plans.** Exterior landscape plans for all new commercial and industrial development shall provide for timed irrigation and shall consider the use of drought resistant varieties of flora. Such plans shall be presented and approved by the city prior to issuance of a water service letter.

B. **Excessive Irrigation and Related Waste.** No customer of the city or other person acting on behalf of or under the direction of a customer shall cause or permit the use of water for irrigation of landscaping or other outdoor vegetation, plantings, lawns or other growth, to exceed the amount required to provide reasonable or excessive waste of water from such irrigation activities or from watering devices or systems. The free flow of water away from an irrigated site shall be presumptively considered excessive irrigation and waste as defined.

C. **Agricultural Irrigation.** Persons receiving water from the city who are engaged in commercial agricultural practices, whether for the purpose of crop production or growing of ornamental plants shall provide, maintain and use irrigation equipment and practices which are the most efficient possible. Upon the request of the director of public services, these persons may be required to prepare a plan describing their irrigation practices and equipment, including but not limited to, an estimate of the efficiency of the use of water on their properties.

D. **Commercial Facilities.** Commercial and industrial facilities shall, upon request of the director of public services, provide the city with a plan to conserve water at their facilities. The city will provide these facilities with information regarding the average monthly water use by the facility for the last two-year period. The facility will be expected to provide the city with a plan to conserve or reduce the amount of water used by that percentage deemed by the city council to be necessary under the circumstances. After review and approval by the director of public services, the water conservation plan shall be considered subject to inspection and enforcement by the city.

E. **Parks, Golf Courses, Swimming Pools and School Grounds.** Public and private parks, golf courses, swimming pools and school grounds which use water provided by the city shall use water for irrigation and pool filling between the hours of six p.m. and six a.m.

F. **Domestic Irrigation.** Upon notice and public hearing, the city may determine that the irrigation of exterior vegetation shall be conducted only during specified hours and/or days, and may impose other restrictions on the use of water for such irrigation. The irrigation of exterior vegetation at other than these times shall be considered to be a waste of water.

G. **Swimming Pool.** All residential, public and recreational swimming pools, of all sizes, shall use evaporation resistant covers and shall recirculate water. Any swimming pool which does not have a cover installed during periods of nonuse shall be considered a waste of water.

H. **Runoff and Washdown.** No water provided by the city shall be used for the purposes of washdown of impervious areas without specific written authorization of the director of public services. Any water used on a premises that is allowed to escape the premises and run off into gutters or storm drains shall be considered a waste of water.

I. **Vehicle Washing.** The washing of cars, trucks or other vehicles is not permitted, except with a hose equipped with an automatic shut-off device, or at a commercial facility designated and so designated on the city's billing records.

J. **Drinking Water Provided by Restaurants.** Restaurants are requested not to provide drinking water to patrons except by request. (Ord. 443 § 1, 1991)



# City of Loma Linda Official Report

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Rhodes Rigsby, Mayor  
Phillip Dupper, Mayor pro tempore  
Ovidiu Popescu, Councilman  
Ronald Dailey, Councilman  
John Lenart, Councilman

COUNCIL AGENDA: December 9, 2014  
TO: City Council  
SUBJECT: November 2014 Treasurer's Report

Approved/Continued/Denied By City Council Date _____
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## **RECOMMENDATION**

It is recommended that the City Council receive the report for filing.



CITY OF LOMA LINDA  
COMPOSITION OF CASH  
NOVEMBER 2014

**DEMAND DEPOSIT ACCOUNTS**

CITY - BANK OF AMERICA - MAIN CHECKING ACCOUNT	\$	1,144,651.22
Outstanding Checks as of month-end		(814,331.76)
CITY - MAIN CHECKING ACCOUNT AVAILABLE BALANCE	\$	330,319.46
BANK OF AMERICA - PAYROLL	\$	49,161.34
HOUSING AUTHORITY - BANK OF AMERICA - CHECKING ACCOUNT		150,782.71
Outstanding Checks as of month-end		(41,453.79)
HOUSING AUTHORITY - CHECKING ACCOUNT AVAILABLE BALANCE	\$	109,328.92
SUCCESSOR AGENCY - BANK OF AMERICA - CHECKING ACCOUNT		20,604.06
Outstanding Checks as of month-end		(83.12)
SUCCESSOR AGENCY - CHECKING ACCOUNT AVAILABLE BALANCE	\$	20,520.94

**DEMAND DEPOSIT ACCOUNTS - TOTAL** **\$ 509,330.66**

**INVESTMENTS**

**YIELD**

**LOCAL AGENCY INVESTMENT FUND (LAIF)**

CITY	Pending on 12/6/14		\$	18,486,901.93
SUCCESSOR RDA	Pending on 12/6/14	465,952.09		
SUCCESSOR RDA -Bond Proceeds		4,615,137.57		
SUCCESSOR RDA -Total				5,081,089.66
HOUSING AUTHORIT	Pending on 12/6/14			370,516.91

**INVESTMENTS TOTALS** **\$ 23,938,508.50**

**OTHER CASH**

IMPREST ACCOUNT	\$	500.00
CASH ON HAND		1,350.00

**OTHER CASH TOTAL** **\$ 1,850.00**

**CASH AND INVESTMENTS - GRAND TOTAL** **24,449,689.16**

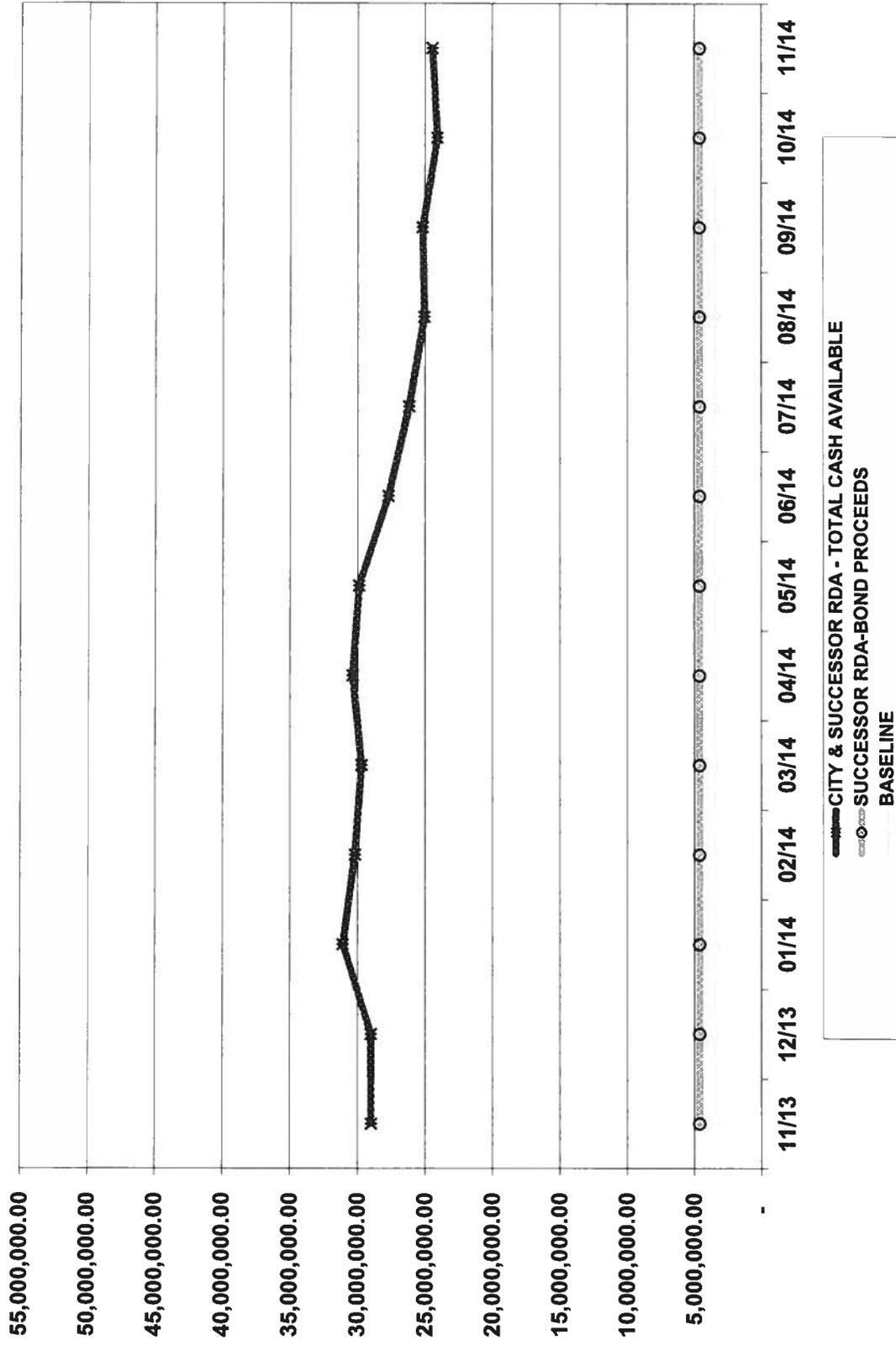
**PREVIOUS MONTH** **24,080,954.23**

**CHANGE +/-** **\$ 368,734.93**

All investments are in accordance with the City Investment Policy, and as such, sufficient funds are available to meet the cash flow requirements of Loma Linda, including the next thirty days' obligations. City and Agency funds are pooled.

  
Treasurer

**CITY OF LOMA LINDA  
MONTHLY TREASURER'S REPORT 11/13 - 11/14**





# City of Loma Linda Official Report

Rhodes Rigsby, Mayor  
Phillip Dupper, Mayor pro tempore  
Ovidiu Popescu, Councilmember  
Ronald Dailey, Councilmember  
John Lenart, Councilmember

COUNCIL AGENDA: December 9, 2014  
TO: City Council  
VIA: T. Jarb Thaipejr, City Manager  
FROM: Jeff Bender, Fire Chief *JTB*  
SUBJECT: November Fire Department Activity Report

Approved/Continued/Denied  
By City Council  
Date \_\_\_\_\_

## Operations Division

The Fire Department's Operations Division responded to **310** incidents in November 2014.

The alarm types are broken down as follows:

Fire & Rescue	Month		YTD	
Medical Aid (MA)	191	61.6%	2237	63.2%
Traffic Collision (TC)	10	3.2%	130	3.7%
<i>MA + TC</i>	<b>201</b>	<b>64.8%</b>	<b>2367</b>	<b>66.9%</b>
Hazardous Conditions	4	1.3%	34	1.0%
Hazardous Material	0	0.0%	0	0.0%
Mutual/Automatic Aid	48	15.5%	377	10.7%
Public Assistance	15	4.8%	178	5.0%
Rescue	0	0.0%	20	0.6%
Structure Fire	4	1.3%	45	1.3%
Vegetation Fire	2	0.6%	28	0.8%
Vehicle Fire	1	0.3%	11	0.3%
Refuse Fire	2	0.6%	22	0.6%
<i>All Fires</i>	<b>9</b>	<b>2.9%</b>	<b>106</b>	<b>3.0%</b>
Other	6	1.9%	203	5.7%
Fire Alarm Activation*	27	8.7%	253	7.2%

\*Note: Includes accidental activation, burnt food, good intent, system malfunction, malicious, etc.

## Training Division Highlights:

- Rapid Intervention Crew (RIC) training in Rialto
- EMS - Continuing education
  - Ebola & Enterovirus
  - Stroke
  - Duo Dote
  - Altered level of consciousness
  - CPR and ACLS instructor re-certification
- Multi-company live fire training in Rialto
- Hazardous materials refresher course

## Public Education/Relations Detail:

- Station tours for local preschool aged children and a home school group

**SUBJECT: November 2014 Fire Department Activity Report Continued**

**Fire Prevention Division:**

The Fire Departments Prevention Division monthly activity report is as follows:

Certificate Of Occupancy Inspection	
Commercial UL-300 Hood Inspections	
Commercial UL-300 Hood Inspections 6 mo. Cert.	
Construction Site Inspection	6
Fire Alarm System Test & Inspection (# of trips)	5
Fire Building Final Inspection	5
Fire Flow Test (Hydrant Testing)	12
Fire Sprinkler Final – Commercial	2
Fire Sprinkler Final – Residential	
Fire Sprinkler Rough – Commercial	1
Fire Sprinkler Rough – Residential	
Fire Underground – Inspection, test, flush	
Five Year FS System Certification – Observe Flush	
Knox Box Placement/Inspection	2
New Tenant Inspection	
Over-Head Hydro – Commercial	
Over-Head Hydro – Residential	
Plan Check Review / Project Review (hours)	
Smoke Alarm Check / Installed For Resident	
Solar Panel Inspection	11
Underground Flam. Liquid Tank Inspection	
EOC Training or Activation (hours)	
Evacuation / Fire Drills, LLUMC, Schools	
Fire Code Research (hours)	29.5
Meetings	5
Public Education (hours)	
Public Hearings / Council Meetings	
Training Classes (hours)	1.5
Annual Fire Inspections	7
Engine Co. Computer / RMS (Hours)	
Engine Company Follow-up Inspection (hours)	2
Field Investigation / Inquiries	12
Fire / Arson / Illegal Burn Investigation	1
Serious Accident Review Team (hours)	
Special Events – July 4 <sup>th</sup> Fireworks Patrol	
State Fire Marshal Permits Issued	4
State Fire Marshal Title 19 Inspections: RCF's	4
Weed Abatement Administrative Time (hours)	2
Weed Abatement, Parcels Inspected	39



# City of Loma Linda Official Report

Rhodes Rigsby, Mayor  
Phillip Dupper, Mayor pro tempore  
Ovidiu Popescu, Councilman  
Ronald Dailey, Councilman  
John Lenart, Councilman

COUNCIL AGENDA: December 9, 2014  
TO: City Council  
VIA: T. Jarb Thaipejr, City Manager  
FROM: Barbara Nicholson, HR Analyst/Deputy City Clerk  
SUBJECT: 2015 City Council Meeting Schedule

Approved/Continued/Denied By City Council Date _____
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## RECOMMENDATION

It is recommended that the City Council adopt the 2015 meeting schedule as follows:

January 13	July 28
February 10	August 25
March 10	September 8
April 14	October 13
May 12	November 10
June 9	December 8

## BACKGROUND

In past years, City Council modified its meeting schedule to address reduced staffing, holidays, and school breaks to accommodate and facilitate workloads and scheduling for City Council members and Staff. While retaining the meeting schedule of the second and fourth Tuesday of each month so that two meetings could be held if needed, the effort is for items to be calendared for only one meeting per month. The proposed schedule follows prior year scheduling with meetings in all months on the second Tuesday, except July and August which are scheduled on the fourth Tuesday.



# City of Loma Linda Official Report

Rhodes Rigsby, Mayor  
Phillip Dupper, Mayor pro tempore  
Ovidiu Popescu, Councilman  
Ronald Dailey, Councilman  
John Lenart, Councilman

Approved/Continued/Denied  
By City Council  
Date \_\_\_\_\_

## COUNCIL AGENDA:

TO: City Council  
VIA: T. Jarb Thaipejr, City Manager  
FROM: Jeff Bender, Fire Chief *JB*  
SUBJECT: Declare Surplus Vehicle, Authorize Disposition of proceeds.

## RECOMMENDATION

It is recommended that the City Council declare the Fire Departments 2003 Ford F550/Horton Medic Squad surplus, and authorize it to be sold via third party used apparatus dealer. It is also recommended that the City Council authorized proceeds to be deposited in the Reserve for Equipment Replacement account 01-4012 to be used for future fire apparatus needs.

## BACKGROUND

The 2003 Medic Squad has served as a primary front line EMS response unit with light rescue capabilities for over 11 years. We have exceeded the anticipated service life of the vehicle which would have been 2013. Replacement for this vehicle was approved in FY 14/15 budget. Personnel have removed all salvageable equipment and prepped the unit in preparation for and to maximize possible proceeds from resale.

## ANALYSIS

The Fire Department believes that it is more beneficial to attempt to sell surplus through used apparatus dealer rather than dispose through government surplus equipment auction process. It is estimated that the City could receive approximately \$22,000-\$27,000 if resale effort is successful.

## FINANCIAL IMPACT

It is estimated that the City could receive proceeds in the range of \$22,000-\$27,000. Depositing proceeds in Reserve for Equipment Replacement Account 01-4012 will help offset the impact of future apparatus replacement expenses.



# City of Loma Linda Official Report

Rhodes Rigsby, Mayor  
Phillip Dupper, Mayor pro tempore  
Ronald Dailey, Councilman  
Ovidiu Popescu, Councilman  
John Lenart, Councilman

COUNCIL AGENDA: December 9, 2014

TO: City Council

FROM: T. Jarb Thaipejr, City Manager/Public Works Director *T.J.T.*

SUBJECT: Approve Appropriations of \$75,000 for legal fees related to Department of Finance Litigation and Personnel.

Approved/Continued/Denied  
By City Council  
Date \_\_\_\_\_

## **RECOMMENDATION**

It is recommended that City Council approve an appropriation of \$75,000 from General Fund balance into expenditure account 01-1940-1840, Legal Services for the following: 1) \$55,000 for Personnel litigation fees; and 2) \$20,000 for the State Department of Finance (DOF).

## **BACKGROUND**

The City is handling a number of personnel issues, which we anticipate will require more extensive engagement of legal representation to complete the personnel process. These issues are time sensitive and the engagement of appropriate representation become necessary prior to mid-year review. We are utilizing the services of different specialists for their expertise in the needed areas of law.

In 2013, the City engaged representation for its litigation with the DOF regarding the dissolution of the Redevelopment Agency. The case is anticipated to proceed to the courts in the coming months.

## **ANALYSIS**

The requested financial appropriation will provide funding to engage legal counsel on these issues and to pay for pending legal fees for the remainder of this fiscal year.

## **FINANCIAL IMPACT**

Appropriate \$75,000 from General Fund Reserve balance into expenditure account 01-1940-1840, Legal Services.

I:\Public Works Admin\Staff Reports\Appropriation Legal fees 12-09-14.doc



# City of Loma Linda Official Report

Rhodes Rigsby, Mayor  
Phillip Dupper, Mayor pro tempore  
Ronald Dailey, Councilman  
Ovidiu Popescu, Councilman  
John Lenart, Councilman

COUNCIL AGENDA: September 9, 2014

TO: City Council

FROM: T. Jarb Thaipejr, City Manager/Public Works Director T.J.T.

SUBJECT: Approve an Appropriation of \$25,000 from Measure I Fund Balance and Extend Contract for Sidewalk Improvements (CIP 14-166).

Approved/Continued/Denied  
By City Council  
Date \_\_\_\_\_

## **RECOMMENDATION:**

It is recommended that the City Council approve an appropriation of \$25,000.00 from Measure I fund balance into Account No. 26-5340-8500. Then, it is recommended that the City Council extend the contract for the subject project in the additional amount of \$25,000.00 for construction. City staff will provide inspection and project management.

## **BACKGROUND:**

This was an installation, repair and replacement project for sidewalk and other concrete improvements along Lawton Avenue, east of Anderson Street. The original project was approved by City Council on September 9, 2014, in the amount of \$50,927.50 with a contingency amount of \$7,600. The 10 bids received for this work were very competitive. The Contractor has performed in a responsive, professional and very cost effective manner. The City staff has identified additional locations that would benefit from this type of improvement.

## **ANALYSIS:**

This is the first City of Loma Linda contract completed by this contractor and has been acceptable, professional and timely. Staff has negotiated with the Contractor to perform the additional work for the same unit price. However, the amount of work exceeds the contingency amount as well as the 25% allowable by change order set by the Standard Specification for Public Works Construction (Greenbook).

## **FINANCIAL IMPACT:**

Appropriate \$25,000.00 into Account No. 26-5340-8500 from Measure I fund balance.

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