

Comprehensive
Annual Financial
Report

FY 2014 | 2015

YEAR ENDED JUNE 30, 2015

FY2014|2015



ANAHEIM, CALIFORNIA

Comprehensive Annual Financial Report

YEAR ENDED JUNE 30, 2015

Prepared by Department of Finance

FY 2014 | 2015



ANAHEIM, CALIFORNIA

City Council



TOM TAIT
Mayor



LUCILLE KRINGS
Mayor Pro Tem



KRIS MURRAY
Council Member



JORDAN BRANDMAN
Council Member



JAMES VANDERBILT
Council Member

FY 2014 | 2015



ANAHEIM, CALIFORNIA

Introductory Section

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Comprehensive Annual Financial Report

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City of Anaheim, California Finance Department

December 18, 2015

To the Honorable Mayor and City Council
City of Anaheim
Anaheim, California

In accordance with the Charter of the City of Anaheim (City), please accept submission of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2015. Responsibility for the accuracy of the data, completeness, and fairness of the presentation, including all disclosures, rests with the City. We believe the data included is accurate in all material aspects, and is presented in a manner designed to fairly set forth the financial position and operational achievements of the City, as measured by the financial activity of its various funds. In addition, all disclosures necessary to enable the reader to gain maximum understanding of the City's financial activities have been included.

The City Charter requires an annual audit of the City's financial statements by an independent Certified Public Accountant. Accordingly, this year's audit was completed by KPMG LLP. In addition to meeting the requirements set forth in the City Charter, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditors' report on the basic financial statements is included in the financial section of this report. The auditors' reports related specifically to the single audit are presented as a separate document.

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

ECONOMIC CONDITION AND OUTLOOK

Anaheim is located in northwestern Orange County, approximately 28 miles southeast of downtown Los Angeles and 90 miles north of San Diego. The City lies on a coastal plain, which is bordered by the Pacific Ocean to the west and the Santa Ana Mountains to the east. The City is the oldest and most populous city in Orange County. Anaheim is home to the Disneyland Resort, the Anaheim Convention Center, the Anaheim Regional Transportation Intermodal Center, and two major league professional sports teams - the Los Angeles Angels of Anaheim Major League Baseball team, which utilizes the Angel Stadium of Anaheim, and the Anaheim Ducks National Hockey League team, which utilizes the Honda Center.

Anaheim is a key contributor to the diverse Orange County economy, which is home to more than 8,000 manufacturing plants. Product manufacturers include notable firms focused on defense and aerospace, biomedical, electronics, machinery, and computer products. The City has over 21,000 active business licenses, of which 16,000 are businesses operating within the City's boundaries.

After several years of slow and steady growth, the economy is finally shifting into a higher gear, with job growth and housing contributing to the flourishing economy locally, as well as at the state and national levels. The unemployment rate in Anaheim for June 2015 was 5.5%, which is slightly above the national average of 5.3% but well below the state average of 6.2%.

The City will continue to build on the successes and achievements realized in the current year, and remain committed to efforts to grow service levels impacted by the most recent recession. The City's "Big Three" revenue sources of transient occupancy tax, property tax, and sales and use tax, have all sustained steady growth this year. As the City moves into fiscal year 2015/16, we are optimistic about continued growth but will remain attentive to the prevailing economic climate and mindful of managing enhanced services within the limits of our five-year plan.

MAJOR INITIATIVES

Under the direction of the Mayor and City Council, City management identifies the priorities that shape the path leading into the City's future. City initiatives are reevaluated regularly, and new ones are frequently added to ensure that City efforts are consistent with the priorities of our policy body and the community. The City strives each year to better fulfill its mission of delivering outstanding municipal services that are responsive to our entire community by continuing its tradition of fostering innovation, ingenuity, and opportunity in its operations. This helps achieve the primary goals of focusing on community needs, building neighborhood connections, and governing for results that strengthen communities. The City's dedication to improvement and modernization has created an environment where

residents and businesses are free to choose how best to enjoy all that Anaheim has to offer.

PUBLIC SAFETY:

The City remains committed to keeping Anaheim safe. Part of the Police Department's long term strategy to strengthen community policing and engage our youth is to focusing on bolstering community outreach programs and hiring additional police officers. The budget for fiscal year 2015/16 marks the second year of our four-year commitment to hiring 40 officers in 4 years. This commitment allows for the strategic alignment of resources in areas that are most needed such as crime prevention and community outreach. Through the Cops4Kids, Anaheim Police Explorers, Junior Cadets and the Public Safety Career Pipeline, our youth programs connect with Anaheim elementary, junior high and high school students to provide community service lessons, leadership skills and viable career alternatives for children who may be at risk of becoming crime victims, joining a gang, or are in need of after-school programming.

Other programs include, the Chief's Neighborhood Advisory Committee, which meets monthly with more than 30 residents from the various communities to ensure everyone has the opportunity to form a bond with the leaders of the Police Department. The popular "Coffee with a Cop" program allows community members to interact with the officers that protect their neighborhoods in a collaborative environment where they are free to ask questions and discuss any concerns they may have.

To better serve all members of the community, the Police Department remains committed to providing better assistance to homeless individuals while reducing homeless related calls for service. The comprehensive approach includes officers that are dedicated to providing compassionate enforcement while ensuring public places and business centers are safe, clean and accessible. The officers are specially trained to respond to service calls and are focused on identifying long term solutions-including referrals to temporary and permanent housing, and other intervention techniques. This innovative approach has become a model for other agencies. The Anaheim Police Department will continue to be a leader in community policing and remains committed to helping our City grapple with the complexities surrounding individual safety and the care and treatment provided to individuals at risk in our community.

In 2015, Anaheim Fire & Rescue achieved an ISO Class 1 Public Protection Classification, the highest possible rating for a municipality. The ratings are based on an organization's ability respond to structure fires, and Anaheim Fire & Rescue is one of only three accredited California agencies to achieve this honor. The distinction is a testament to the City's commitment to providing exceptional service to the community and would not be possible without ongoing collaboration between City Departments.

Even with this exceptional achievement, Anaheim Fire & Rescue continues to focus on improving their services to provide a safe environment for all of Anaheim's residents, visitors, and business owners. Anaheim Fire & Rescue has become the first agency in the county to develop and launch a Community Care Response Unit (CCRU). This innovative program provides the highest levels of care to community members by dispatching a paramedic with a nurse practitioner to medical calls determined to be less serious in nature. This program will help provide an increased level of customer service while reducing the cost of care to our residents by providing the appropriate level of medical care on-site and eliminating unnecessary transports to medical facilities.

Continuing the Home Safety Visit Program, the City will further enhance Anaheim Fire & Rescue's goal to educate our community and keep residents safe. The program delivers fire safety education and a free smoke alarm to households most vulnerable to fire and fire injuries. Also, with bond proceeds obtained in 2014 for community improvements, the City Council approved \$8.2 million for the relocation of Fire Station #5 and the addition of a new fire station at 4950 East La Palma. This strategic move will help achieve an overall improvement in Anaheim Fire & Rescue's response times, and ensure that the Department maintains its ISO Class 1 Public Protection Classification.

COMMUNITY INFRASTRUCTURE: The City continues the ongoing desire to improve the quality of life for all Anaheim residents. In order to accomplish this, it is necessary to develop new park spaces, improve aging resources, and find creative ways to provide our community members with public facilities that enrich their lives.

In recent months, the City has completed a number of park projects that are bringing neighbors together for new recreational and personal enrichment opportunities. These projects include the construction of Paul Revere Park, the opening of the La Palma Dog Park, and the development and unveiling of the Miraloma Park and Family Resource Center. Paul Revere Park brings a new play space to central Anaheim complete with a beach volleyball court, exercise stations, picnic area and barbeques. The La Palma Dog Park is the first of its kind in Anaheim and gives the City's canine residents a safe and spacious place to play. The newest community facility, the Miraloma Park and Family Resource Center, features much needed amenities and services on two acres in Anaheim. The vibrant design of the park and 4,312 square-foot resource center features a skate plaza, outdoor classroom space, exercise stations, a new playground, and resources specific to the needs of the surrounding community.

Efforts will continue as a number of exciting neighborhood projects are scheduled to begin construction and open during the coming fiscal year. Focusing on the usability of our existing park space, the City will be upgrading the lighting and walking path around Edison Park; improving Little People's Park with a reconstructed gazebo, fountain, upgraded turf, a barbeque area, and a reconfigured basketball court that

will accommodate full-court play. Much anticipated improvements will also be made to Ponderosa Park, which will include a new gymnasium, playground, water feature, and skate park. The skate park is anticipated to open in 2016, with the remainder of improvements set to be completed in 2017.

Other public spaces will also be enhanced with the replanting of the unique and historic Cactus Garden at Pearson Park, along with the restoration and reconfiguration of the fire-damaged structure at Manzanita Park, which will soon serve as the home base for the Anaheim Boys and Girls Club.

Investing in local youth is an integral part of the City's plan to ensure a bright and prosperous future for everyone that calls Anaheim home. During the next fiscal year, the City will continue a number of programs that are dedicated to serving Anaheim youth. This includes the City's Fun on Wheels mobile recreation program, which provides after-school homework assistance, exercise activities, and arts and crafts activities to 10 different neighborhoods on a weekly basis.

Lastly, the City is proud to celebrate the 10th anniversary of the Anaheim Health Fair in 2016. Through critical partnerships with private organizations and community groups, the Health Fair will continue to build on the successes of the 2015 event by providing accessible health care to all members of the local community.

OUTREACH TO OUR COMMUNITY: To serve the needs of Anaheim's diverse and multi-cultural community, the City is focused on engaging our residents in all corners of the City. From community meetings with our residents to the publication of *Anaheim magazine*, electronic newsletters, and our website, the City connects with our community members to engage the community and showcase the City's rich assortment of amenities.

Early in the 2015/16 fiscal year, a completely new City website, www.anaheim.net, was launched. The enhanced website is focused on providing improved functionality, easy access to service-oriented information, and user-friendly navigation. After engaging with our residents and seeking innovative solutions, the new website encompasses modern features that enable community members to quickly access the information they are looking for, giving everyone more time to enjoy the services and facilities that the City provides.

To further enhance the online user experience and promote transparency, the City launched the Open Data portal early in 2015. The site provides various datasets regarding the City's services, resources and information, and provides the opportunity for users to browse through a collection of dashboards and datasets to explore, view and download City data. Open Data is another step toward our goal of enhancing our transparency for the Anaheim community.

The City is also improving its presence in social media by actively engaging community members through a variety of platforms. With regular posts to

Facebook (www.facebook.com/cityofanaheim), Twitter (www.twitter.com/city_of_anaheim), and Instagram (www.instagram.com/city_of_anaheim), the City is able to share interesting and important news with a following of community members that is growing by the day. Our Video Operations Department also produces engaging content that is regularly posted to the City's YouTube channel (www.youtube.com/cityofanaheim). Stop by our sites and let us know what you "like" today!

Offline, a number of community improvements are taking place as well. In neighborhoods across the City, informative outdoor signs highlighting upcoming park improvements have become a welcome addition to the multiple sights undergoing improvements. Providing this information to local residents sparks their interest and clearly sets the expected timeframe for project completion. When the construction fences are up, we want residents to know that the City is working hard to complete the project on-time and on-budget.

Over the next year, the City's award-winning publication *Anaheim magazine* will continue to expand its impact upon the community. Already distributed to more than 118,000 readers quarterly, *Anaheim magazine* will, for the first time, release a Spanish-language print edition to increase readership among Spanish-speaking residents, and share the exciting events, activities, and features included in the publication with an even greater audience. An interactive Spanish-language version has already been made available on the City's website. In fiscal year 2015/16, we will expand that reach by offering mailed copies to residents and providing copies at our community centers, libraries and local nonprofits.

MAINTAINING A BEAUTIFUL CITY: Smooth roadways and scenic vistas will continue to make Anaheim a great place to call home, and the City's focus on maintaining beautiful roadways, infrastructure and neighborhoods remains a priority.

The opening of the Anaheim Regional Transportation Intermodal Center (ARTIC) in December 2014 is a historic achievement for the City and for all of Southern California. The Leadership in Energy & Environmental Design (LEED) Platinum Certified structure adds an iconic landmark to the Anaheim skyline, but beauty is only part of ARTIC's attraction. Serving 10 modes of transportation, its functionality will serve as a beacon for commuters throughout the region.

To ensure that both residents and visitors are able to navigate the City with ease, the City Council has prioritized extensive roadway, sidewalk, and other infrastructure improvements in the fiscal year 2015/16 budget. This will continue the efforts of the past year, which saw the Public Works Department replace nearly 400,000 square feet of pavement, slurry seal 160 city blocks of roadways, repair an entire football field worth of alleyways, and fill-in 1,241 potholes on city streets. Neighborhoods were also touched by the improvements, with staff replacing more than 55,000 square feet of sidewalk and more than two miles of curb and gutter, in

addition to installing 22 Americans with Disabilities Act (ADA) compliant access ramps throughout the City.

In addition to ensuring these vital components of the City's infrastructure are in world-class condition, resources are committed to make certain that Anaheim maintains its aesthetic landscape appeal as well. To this end, the City will continue its ambitious program of tree maintenance and replanting. Over the past year, approximately 20,000 trees were pruned and hundreds of additional new trees were planted throughout the City, helping Anaheim maintain its 30-year distinction of being recognized as a "Tree City USA" by the Arbor Day Foundation.

The efforts made to maintain and enhance the City's tree population is complimented by the innovative work of the Public Utilities Department, which is in the midst of an ambitious, multi-year Underground Conversion Plan that transitions utility lines from overhead poles to underground. Undergrounding dramatically improves the visual appeal of city streets, and also improves the reliability of the City's electric system, to the benefit of all residents and businesses. In fiscal year 2014/15 more than five circuit miles of utility lines were moved underground. Whenever possible, the Public Works and Public Utilities Departments coordinate major projects to combine undergrounding with planned road improvement projects to minimize the impact to surrounding neighborhoods.

Another key aspect of maintaining long-term beauty in Anaheim is the City's focus on sustainability. As a result of the ongoing drought, the Public Utilities Department has been working closely with residents and businesses to encourage conservation efforts. Since 2006, water consumption has dropped 17 percent due to public outreach efforts.

ENCOURAGING BUSINESS GROWTH: Perhaps one of the most exciting improvements to take shape in the Anaheim Resort this fiscal year is the start of the Anaheim Convention Center's seventh expansion that will add 200,000 square-feet of flexible space for hosting concurrent events, capturing new meeting groups and retaining large annual events. Located in the Anaheim Resort, the Anaheim Convention Center is an important enterprise operation the City relies upon to support the General Fund. The Anaheim Resort provides approximately 50% of the General Fund tax revenues that support core City services. With the expansion will come an innovative design that will seamlessly expand the existing Convention Center campus along Katella Avenue. The expansion will aid in attracting larger conventions to Anaheim which, in turn, provides revenue from hotel stays, dining and entertainment, which all support local economic growth.

During fiscal year 2014/15, in a proactive step to boost the local economy and help local businesses succeed, the City Council paved the way for the new Automobile Dealership Economic Assistance Program to attract new dealerships to Anaheim and offer incentives for existing dealers to expand and modernize their operations. The creation of the innovative program encourages job creation and seeks to

further stimulate our local economy through the sale of new cars, which can be a significant contributor to the City's sales tax revenues. With the program continuing in fiscal year 2015/16, the City is poised to attract new businesses to Anaheim which will generate additional sales tax revenues and aid in providing core city services.

For several years, the City has been hard at work identifying benefits that will entice businesses to move to Anaheim and encourage business growth. The City has shifted to a flat fee structure for many permits and consolidated services to make them simpler and more straightforward for businesses. The Public Utilities Department has also developed a Level Pay Program that will enable businesses to move to monthly payments, thereby increasing the predictability of their utility bills. These options are being built into the new, more dynamic, Customer Information System, which will enter Phase II of its roll-out in the next fiscal year. Public Utilities has also developed brochures and other informational materials that highlight the costs associated with the installation of standard infrastructure improvements so that business owners can accurately forecast their expenditures, making more effective planning and budgeting possible.

The City's Brew City campaign, which is enticing some of the country's finest brewers and distillers to do business in Anaheim, is another initiative that will continue in fiscal year 2015/16. The City has taken a leadership role by becoming more familiar with County health requirements and has developed strong working relationships with representatives from Orange County Health, local School Districts, the Orange County Sanitation District, Alcohol Beverage Control, and the Southern California Gas Company to facilitate a joint approach to helping restaurants and other businesses to open their doors in less time.

For local companies looking to find new talent, the City holds the annual Anaheim/OC Job Fair that gives job seekers the opportunity to meet and explore a wide range of career opportunities with local businesses. Last fiscal year, thousands of job seekers flocked to the Anaheim Convention Center to participate in this exciting event. The event continues to be a strategic priority in Anaheim, ensuring our local businesses offer meaningful employment thereby stimulating economic growth and prosperity for our residents.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with U.S. generally accepted accounting principles. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

This report consists of management's representations concerning the finances of the City. As a result, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. Management asserts that, to the best of their knowledge and belief, this financial report is complete and reliable in all material respects.

BUDGETARY CONTROLS: The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, special revenue funds, debt service funds, capital projects funds, and all the proprietary funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances generally are re-appropriated as part of the following year's budget.

RELEVANT FINANCIAL POLICIES: Over the years, through sound fiscal management, the City has positioned itself well to weather economic downturns, create a positive atmosphere for economic development, and allow flexibility in addressing budgetary challenges. As of June 30, 2015, the City's General Fund has a spendable, unrestricted (total of assigned and unassigned) fund balance of \$40.1 million, which represents 15% of total expenditures. Traditionally, the policy has been to maintain General Fund reserves at a minimum of 7 to 10% of expenditures.

Further, the City has a long-standing practice of recognizing and reserving for known and anticipated liabilities. The City fully funds its compensated absences and self insurance liabilities. Additionally, the City has established an irrevocable trust for other post-employment benefits (also known as retiree medical) and continues to make the annual required contribution (ARC) to ensure this future obligation is fully funded.

LONG-TERM FINANCIAL PLANNING: On June 16, 2015, the City Council adopted the fiscal year 2016 budget. Additionally, as a companion to approving the budget plan, a five-year Capital Improvement Plan was presented to the City Council. The five-year plan links anticipated expenditures for infrastructure development with community needs and desires, and provides a citywide perspective of recommended projects and proposed funding sources. The Capital Improvement Plan was finalized in June 2015, and totaled \$707.7 million for the five-year fiscal period ending June 30, 2020. The five-year Capital Improvement Plan has been submitted and annually updated, in its present form, since 1982, for effective long-range planning purposes. It is City Management's belief that these two plans give City Council members an expanded opportunity to set policy and provide direction for implementation, resulting in improved management efficiency and improved financial results.

AWARD

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA (GFOA) CERTIFICATE OF ACHIEVEMENT AWARD: The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Anaheim, California, for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 39th consecutive year that the City has achieved this prestigious award (fiscal years ended June 30, 1976 through 2014). In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis is a team effort involving many dedicated people across the entire organization. I would like to extend a special thanks to the talented finance professionals throughout the City, led by Peggy Au, Financial Accounting Manager. Appreciation is also expressed to Mayor Tom Tait, Council Member James Vanderbilt, and Assistant City Manager Kristine Ridge for their significant contributions as members of the Audit Committee. In closing, without the leadership and support of the City Council, preparation and results of this report would not have been possible. Its leadership has made possible the implementation of these important and innovative concepts in fiscal management by the City.

Respectfully submitted,



Paul S. Emery
City Manager



Deborah A. Moreno
Finance Director



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Government Finance Officers Association

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

Presented to

**City of Anaheim
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

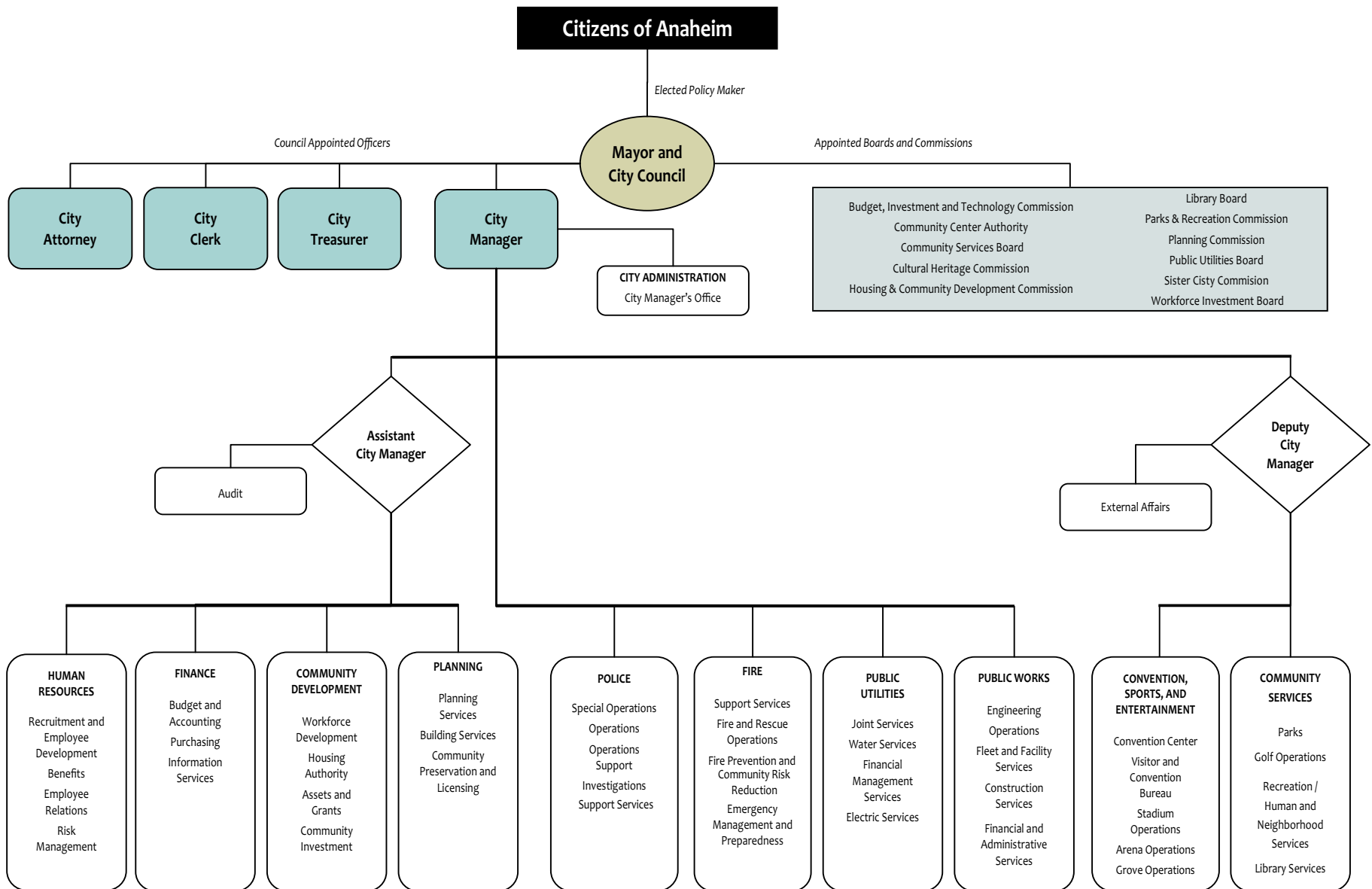
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Anaheim, California for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to GFOA.



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Administrative Personnel

City Manager	Paul S. Emery
Assistant City Manager	Kristine A. Ridge
Deputy City Manager	Greg Garcia
Chief of Police	Raul Quezada
City Attorney	Michael R.W. Houston
City Clerk	Linda N. Andal
City Treasurer	Henry W. Stern
Community Development Director	John E. Woodhead IV
Community Services Director	Terry D. Lowe
Convention, Sports & Entertainment Executive Director	Thomas Morton
Finance Director	Deborah A. Moreno
Fire Chief	Randy R. Bruegman
Interim Human Resources Director	Christopher K. Chase
Planning Director	David Belmer
Public Utilities General Manager	Dukku Lee
Public Works Director	Natalie Meeks

**Financial
Section**

FY2014|2015



KPMG LLP
Suite 700
20 Pacifica
Irvine, CA 92618-3391

Independent Auditors' Report

The Honorable Mayor and City Council
City of Anaheim, California:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Anaheim, California (the City), as of and for the year ended June 30, 2015, 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 U.S. generally accepted accounting principles; 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.

Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control

relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Anaheim, California, as of June 30, 2015, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General and Housing Authority for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 2 to the financial statements, effective July 1, 2014, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinions were not modified with respect to this matter.



Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 13 through 24, the schedule of changes in net pension liabilities and related ratios, the schedule of pension plan contributions and the schedule of funding progress for other postemployment benefits on pages 85 through 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introduction section, combining individual fund financial statements and schedules, and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 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's internal control over financial reporting and compliance.

KPMG LLP

Irvine, California
December 18, 2015

Management's Discussion and Analysis

FY 2014 | 2015

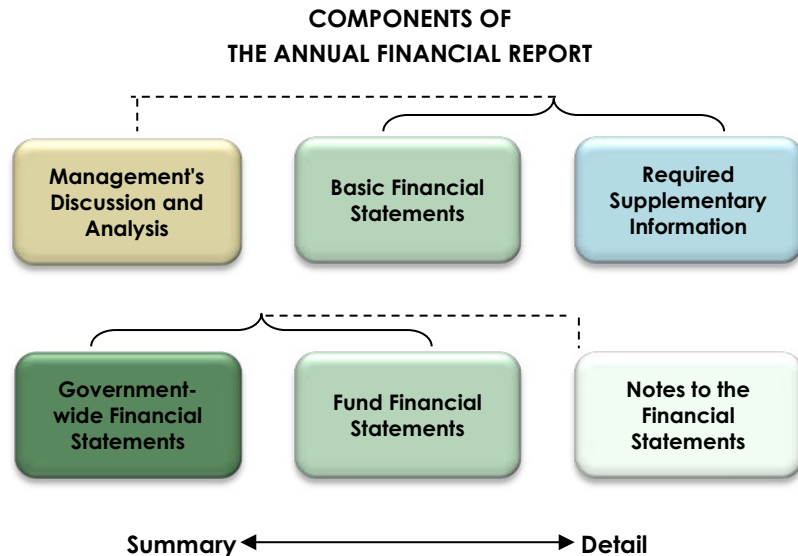
Management's Discussion and Analysis

(Unaudited)

As management of the City of Anaheim (City), we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City as of and for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and the City's basic financial statements in the financial section of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.



Government-wide financial statements. The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the City's finances utilizing the full accrual method of accounting, in a manner similar to a private-sector business. Under the full accrual method of accounting, transactions are reported as soon as the underlying event giving rise to

the change occurs, regardless of the timing of related cash flows. Thus, assets, liabilities, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and accrued but unpaid interest expense).

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets and long-term liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. Functional activities are highlighted in this statement, whereby direct and indirect functional costs are shown net of related program revenue. This statement shows the extent to which the various functions depend on general taxes and non-program revenues for support.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, Police, Fire, Community Development, Planning, Public Works, Community Services, Public Utilities (street lighting), Convention, Sports and Entertainment (Visitor and Convention Bureau and the Honda Center), and interest on related long-term debt. The business-type activities of the City include the electric, water and sanitation utilities, golf courses, convention, sports and entertainment venues (Anaheim Convention Center, Angel Stadium of Anaheim, and The City National Grove of Anaheim) operations, and the Anaheim Regional Transportation Intermodal Center (ARTIC) operation.

The government-wide financial statements include not only the City itself, but also the Anaheim Housing Authority, Community Center Authority, Anaheim Public Improvement Corporation, and Anaheim Public Financing Authority. Although these entities are legally separate, they function for all practical purposes as a part of the City, and therefore have been included as blended component units as an integral part of the primary government.

The government-wide financial statements can be found on pages 25-27 of this report.

Fund financial statements. The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize the modified accrual basis of accounting, which focuses on near-term inflow and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 19 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Housing Authority Special Revenue Fund, which are considered to be major funds. Data for the remaining 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of supplementary combining statements on pages 89-92, 97-98, and 101-102 of this report.

The City adopts an annually appropriated budget for all governmental and proprietary funds. Budgetary comparison statements for the General Fund and the major special revenue fund (Housing Authority) are required to be presented; these schedules are included in the basic financial statements on pages 33-34 of this report. Additionally, budgetary schedules for the other governmental funds have been provided to demonstrate compliance with the budget and can be found as part of other supplementary schedules on pages 93-96, 99-100, and 103-106 of this report.

The governmental funds financial statements can be found on pages 29-32 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses its enterprise funds to account for its electric, water and sanitation utilities, golf courses, convention, sports and entertainment venues and ARTIC operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its general benefits and insurance, motorized equipment, information

services, and municipal facilities maintenance functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for all of the enterprise funds, which are considered to be major funds of the City. Conversely, all of the internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The proprietary funds financial statements can be found on pages 35-39 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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.

The City maintains three different types of fiduciary funds. The Investment Trust Fund is used to account for the external portion of the City's investment pool; the Private-Purpose Trust Fund is used to account for the assets and liabilities held in trust for the Successor Agency to the former Redevelopment Agency (Successor Agency); the Agency Fund is used to account for monies collected and disbursed in a custodial capacity for the Mello-Roos districts in the City.

The fiduciary fund financial statements can be found on pages 40-41 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-83 of this report.

Other supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents combining individual fund statements referred to earlier in connection with nonmajor governmental funds and internal service funds. Also included are the budgetary comparison Schedules of Revenues, Expenditures and Changes in Fund Balances for all nonmajor special revenue funds, all debt service funds, and all capital projects funds. These statements and schedules can be found on pages 89-110 of this report.

FINANCIAL HIGHLIGHTS (Amounts in thousands)New Accounting Standards for Pensions

- During fiscal year 2015, the City adopted two accounting pronouncements issued by the Governmental Accounting Standards Board (GASB) related to pensions. These Statements established accounting, financial reporting and disclosure requirements for pensions but not established for funding or budgetary standards:

1. GASB Statement No. 68, *Accounting and Financial Reporting for Pension - an amendment of GASB Statement No. 27*, and
2. GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

The implementation of these two Statements has significant impacts to the financial reporting of the City's defined benefit plans. The accounting changes are as follows:

1. Net unfunded pension liability - this liability is now required to be reported on a full accrual basis in the government-wide financial statements, as well as in the proprietary fund financial statements;
2. Measurement date - the net pension liability as reported in the June 30, 2015 financial statements has a measurement date of June 30, 2014 which reflects a one year lag in reporting the liability;
3. Contributions made subsequent to the measurement date - contributions made during fiscal year 2015 are reflected as deferred outflows of resources for pensions and will be applied as a reduction in the pension liability in the next fiscal year;
4. Governmental funds financial statements - the governmental funds will continue to apply the modified accrual basis of accounting related to pensions; i.e. reporting expenditures equal to the actuarially determined contributions;
5. Changes in assumptions, projected to actual, and other plan amendments - will be reflected as deferred inflows of resources or deferred outflows of resources depending on the nature of the changes. The amount will be amortized and reflected as a component in the pension expense calculation in the period incurred and future fiscal years.

To implement these changes, the City is required to make prior period adjustments to the July 1, 2014 net position in the government-wide financial statements and the proprietary funds financial statements that utilize the full accrual basis of accounting. The adjustments decrease the beginning fiscal year net position by \$652,758, which represents the unfunded net pension liability of June 30, 2013. This amount is partially offset by \$51,026 in pension contributions made by the City during fiscal year 2014, for a total of \$601,732

(excluding \$8,908 allocated to the Successor Agency Private Purpose Trust Fund). The prior period adjustments, \$468,531 in governmental activities and \$133,201 in business-type activities are reflected in the unrestricted net position of the government-wide Statement of Net Position. Additional information about the City's pension plans can be found on note 11 of the notes to the financial statements on pages 73-77 of this report.

Results of Operations

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of the current fiscal year by \$1,732,566.
- The City's governmental activities represent \$657,768 (38%) and the business-type activities represent \$1,074,798 (62%) of the City's total net position.
- The City's net position increased by \$103,052 (6%) as a result of the current fiscal year's operations. The net position of the City's governmental activities decreased \$108,626 (14%) and the business-type activities net position increased \$211,678 (25%). \$175,864 of the decrease of net position in governmental activities and increase in net position in business-type activities are related to the transfer of capital assets between fund types for ARTIC Management and Sanitation Utility.
- The City's restricted net position of \$294,382 represents amounts available for ongoing programs and obligations with external restrictions.
- The City's total capital assets increased by \$67,601 (2%). Capital assets in the City's governmental activities decreased by \$167,295 (11%) and business-type activities capital assets increased by \$234,896 (15%) during the current fiscal year.
- The City's total long-term liabilities increased by \$186,919 (8%) during the current fiscal year; of this amount, long-term liabilities in the City's governmental activities decreased by \$95,572 (8%), and business-type activities increased by \$282,491 (25%), resulting from the issuances of lease revenue bonds for the Convention Center Expansion, Electric and Water Utility capital projects.
- At the close of the current fiscal year, the City's governmental funds reported a combined fund balance of \$292,379, an increase of \$37,781 in comparison with the prior fiscal year. Approximately 7% of this amount (\$19,544) is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (total of committed, assigned and unassigned fund balance) for the General Fund was \$40,128 or 15% of total General Fund expenditures. Unassigned fund balance was \$39,615 or 15% of total General Fund expenditures.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

NET POSITION
JUNE 30, 2015 AND 2014

	Governmental Activities		Business-type Activities		Total Government	
	2015	2014*	2015	2014*	2015	2014*
Current and other assets	\$ 573,861	\$ 540,366	\$ 848,069	\$ 563,614	\$1,421,930	\$1,103,980
Capital assets, net	1,326,930	1,494,225	1,849,313	1,614,417	3,176,243	3,108,642
Total assets	1,900,791	2,034,591	2,697,382	2,178,031	4,598,173	4,212,622
Deferred outflows of resources	40,420	41,763	21,319	16,040	61,739	57,803
Total assets and deferred outflows of resources	1,941,211	2,076,354	2,718,701	2,194,071	4,659,912	4,270,425
Other liabilities	45,355	66,703	109,672	90,516	155,027	157,219
Long-term liabilities	1,147,685	1,243,257	1,427,620	1,145,129	2,575,305	2,388,386
Total liabilities	1,193,040	1,309,960	1,537,292	1,235,645	2,730,332	2,545,605
Deferred inflows of resources	90,403		106,611	95,306	197,014	95,306
Total liabilities and deferred inflows of resources	1,283,443	1,309,960	1,643,903	1,330,951	2,927,346	2,640,911
Net position:						
Net investment in capital assets	894,651	1,016,259	993,075	823,505	1,887,726	1,839,764
Restricted	210,934	205,998	83,448	77,311	294,382	283,309
Unrestricted	(447,817)	(455,863)	(1,725)	(37,696)	(449,542)	(493,559)
Total net position	\$ 657,768	\$ 766,394	\$1,074,798	\$ 863,120	\$1,732,566	\$1,629,514

* As restated due to implementation of Governmental Accounting Standards Board Statement No. 68

At the end of fiscal year 2015, the City's net position totaled \$1,732,566 which reflects a net increase of \$103,052 or 6% from prior fiscal year.

The largest portion of the City's net position of \$1,887,726 reflects its investment in capital assets (e.g. land, buildings, utility plant, machinery, equipment, and infrastructure), net of any related outstanding debt that was used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net investment in capital assets increased by \$47,962 (6%) primarily due to capital asset additions from unrestricted and grant funded resources.

An additional portion of the City's net position of \$294,382 represents resources that are subject to external restrictions on how they may be used. The increase in

restricted net position of \$11,073 is primarily due to unspent restricted resources of \$6,417 from the gain on sale of housing land held for resale and the current year increase of \$3,035 that is restricted for the Public Benefit Program in the Electric Utility.

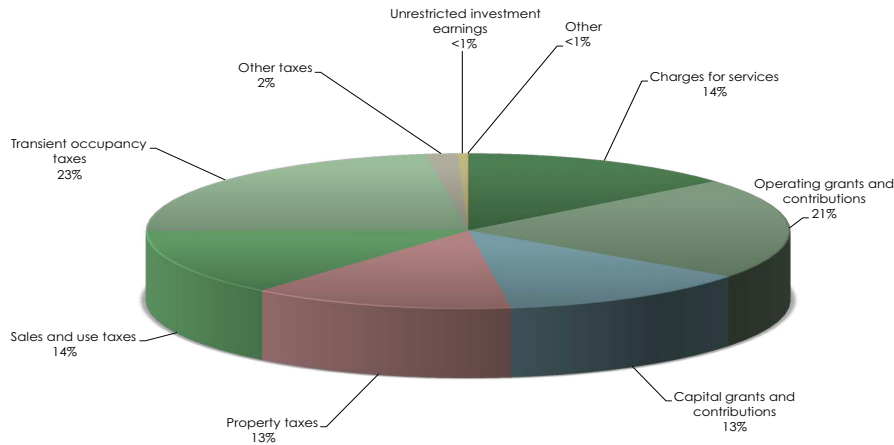
The remaining balance deficit of \$449,542 is the unrestricted net position, of which the unfunded pension liabilities and the related deferred inflows and outflows of resources account for \$602,369. The unrestricted net position deficit decreased by \$44,017 from prior fiscal year reflecting contributions from current year operations. The unfunded net pension liabilities are long-term obligations that will be funded annually in accordance with actuarially determined contribution rates. The positive component of the unrestricted net position, excluding the effects of pension liabilities, is \$152,827 and may be used to meet the City's ongoing obligations to citizens and creditors.

**CHANGE IN NET POSITION
YEAR ENDED JUNE 30, 2015 AND 2014**

	Governmental Activities		Business-type Activities		Total Government	
	2015	2014*	2015	2014*	2015	2014*
REVENUES						
Program revenues:						
Charges for services	\$ 72,942	\$ 73,675	\$ 616,893	\$ 586,591	\$ 689,835	\$ 660,266
Operating grants and contributions	109,968	114,584	287	452	110,255	115,036
Capital grants and contributions	67,014	110,295	8,734	8,441	75,748	118,736
General revenues:						
Taxes:						
Property taxes	68,405	66,282			68,405	66,282
Sales and use taxes	72,356	67,505			72,356	67,505
Transient occupancy taxes	119,744	110,134			119,744	110,134
Motor vehicle license fees	145				145	
Other taxes	8,318	7,780			8,318	7,780
Unrestricted investment earnings	2,725	2,930	8,086	6,986	10,811	9,916
Other	55	49			55	49
Total revenues	<u>521,672</u>	<u>553,234</u>	<u>634,000</u>	<u>602,470</u>	<u>1,155,672</u>	<u>1,155,704</u>
EXPENSES						
Program activities:						
Governmental activities:						
General government	12,370	15,790			12,370	15,790
Police	135,161	127,037			135,161	127,037
Fire	61,794	59,510			61,794	59,510
Community Development	80,976	80,043			80,976	80,043
Planning	18,303	17,030			18,303	17,030
Public Works	66,023	60,262			66,023	60,262
Community Services	31,587	34,130			31,587	34,130
Public Utilities	2,599	2,514			2,599	2,514
Convention, Sports and Entertainment	17,026	15,586			17,026	15,586
Interest on long-term debt	35,340	35,514			35,340	35,514
Business-type activities:						
Electric Utility			401,243	411,246	401,243	411,246
Water Utility			68,011	62,996	68,011	62,996
Sanitation Utility			55,979	53,508	55,979	53,508
Golf Courses			4,418	4,399	4,418	4,399
Convention, Sports and Entertainment Venues			56,715	46,385	56,715	46,385
ARTIC Management			5,075		5,075	
Total expenses	<u>461,179</u>	<u>447,416</u>	<u>591,441</u>	<u>578,534</u>	<u>1,052,620</u>	<u>1,025,950</u>
Excess before transfers	60,493	105,818	42,559	23,936	103,052	129,754
Transfers in (out)	(169,119)	7,288	169,119	(7,288)		
Increase (decrease) in net position	<u>(108,626)</u>	<u>113,106</u>	<u>211,678</u>	<u>16,648</u>	<u>103,052</u>	<u>129,754</u>
Effect of implementation GASB Statement No. 68		(468,531)		(133,201)		(601,732)
Net position at beginning of year	766,394	1,121,819	863,120	979,673	1,629,514	2,101,492
Net position at end of year	<u>\$ 657,768</u>	<u>\$ 766,394</u>	<u>\$ 1,074,798</u>	<u>\$ 863,120</u>	<u>\$ 1,732,566</u>	<u>\$ 1,629,514</u>

*As restated due to implementation of Governmental Accounting Standards Board Statement No. 68

REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Governmental activities. Governmental activities decreased the City's net position by \$108,626. Key elements of this decrease are as follows:

The most significant revenues of the governmental activities are general taxes (52%), which include transient occupancy taxes (23%), property taxes (13%), sales and use taxes (14%), and other taxes (2%). Program revenues are 48% of the total revenues of the governmental activities, which include operating grants and contributions (21%), capital grants and contributions (13%), and charges for services (14%); unrestricted investment earnings is less than 1% of the total revenues.

Public safety (Police and Fire) expenses are the most significant (43%) of all governmental activities expenses, followed by Community Development (18%), Public Works (14%), interest on long-term debt (8%), Community Services (7%), and various other programs (10%). Included in these amounts is depreciation expense, which is 7% of the total expenses for governmental activities.

Governmental activities revenues decreased \$31,562 (6%) as compared to the prior fiscal year due to the following:

- Taxes increased \$17,267 (7%) mainly due to the increase of \$9,610 (9%) in transient occupancy taxes (TOT). With a revitalized economy, TOT has shown a recovery from recession lows. Lodging industry growth has outpaced general economic growth, and in combination with lower interest rates, has led to increased development in the Anaheim Resort. The addition of three new hotels in 2014 provided an added boost to already increasing room rates and occupancy. Sales and use tax increased \$4,851 (7%), primarily due to a general improvement across all business sectors, with the largest being construction-related sales. As the economy improves, development has increased and provided a stimulus for the sale of building

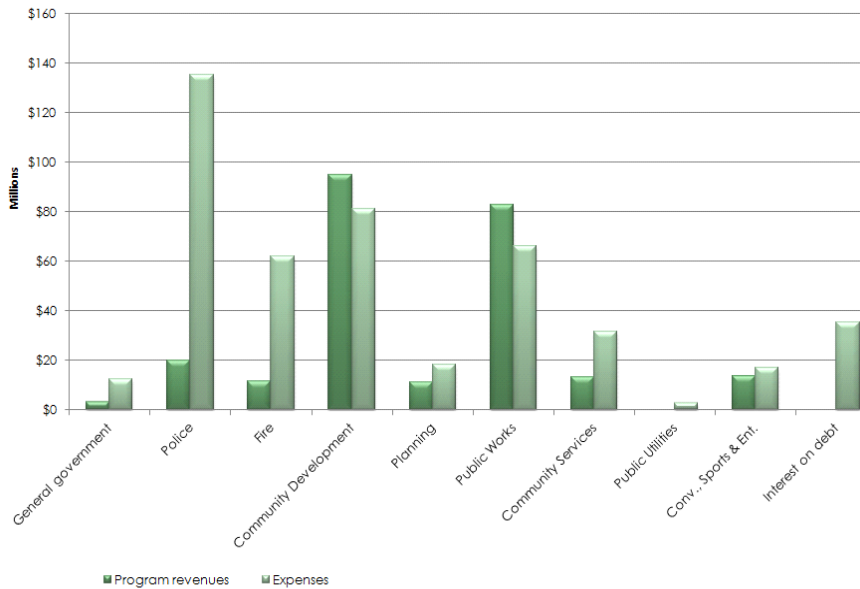
materials. Finally, property taxes increased \$2,123 (3%) due to growth in home values and recapturing taxes that were reduced during the recession from reassessments; property tax revenues are also being assisted by new hotels and housing developments within the City.

- Operating grants and contributions decreased \$4,616 (4%) mainly due to a decrease of \$1,234 in gas tax distributions from the State of California, a \$3,257 decrease in Urban Area Security Initiative (UASI) grant reimbursements due to the nature and timing of projects, and a \$4,231 decrease in U.S. Department of Housing and Urban Development (HUD) Section 8 rental assistance resulting from reduced grant expenditures (\$1,206) and spend-down of the available restricted resources (\$2,400) funding from prior year. Offsetting by these decreases are increases of \$500 Cal Home Buyer loan grants and \$1,475 of Housing Opportunities for Persons with AIDS (HOPWA) grants.
- Capital grants and contributions decreased by \$43,281 (39%) primarily due to the completion of the Anaheim Regional Transportation Intermodal Center (ARTIC) as the project was completed in December 2014.

Governmental activities net transfers out increased \$176,407 primarily due to the following:

- The Anaheim Regional Transportation Intermodal Center (ARTIC) marked its grand opening on December 13, 2014. As the ARTIC operation functions as a user charge operation, the accounting activities are accounted for in an Enterprise Fund. The ARTIC capital assets, which were primarily funded by restricted grant resources, and the related long-term liabilities were previously accounted for in the governmental activities during construction. The City made a one-time transfer out of these assets and liabilities from governmental activities to the business-type activities related to the ARTIC operation for a total of \$175,323 (capital assets of \$204,996, less note payable of \$28,500 and interest payable of \$1,173).
- \$5,973 was transferred to the ARTIC Management Fund to subsidize debt service and operations.
- There was no water transfer for fiscal year 2015 pursuant to the Water Transfer Settlement, additional information can be found in note 4 of the notes to financial statements on pages 56-58 of this report. The transfer amount in fiscal year 2014 was \$2,620;
- Finally, there was a one-time transfer made in prior year of \$4,864 when the Sewer Construction Fund was reclassified from governmental activities to business-type activities.

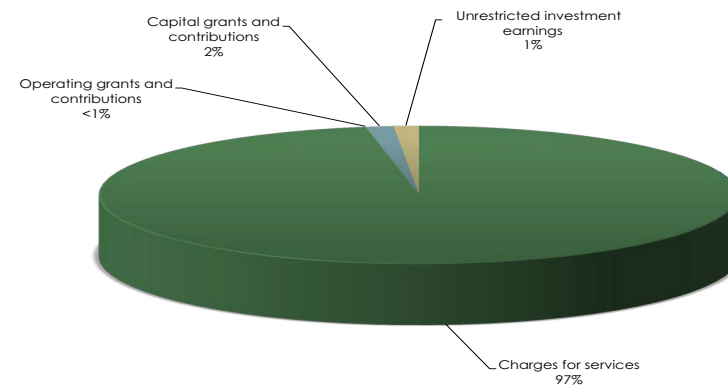
EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES



Governmental activities expenses increased \$13,763 (3%) as compared to the prior fiscal year due to the following:

- The increase in Public Safety expenses of \$10,408 is primarily due to service enhancements in public safety and emergency response services. Of this amount, salary and benefits costs increased approximately \$11,346 which includes the addition of 16 new positions including police officers, police dispatchers, fire cadets and Community Care Response Pilot Program personnel. These increases were partially offset by a decrease in UASI grant expenditures of \$2,204 due to the nature and timing of projects.
- The increase in Public Works expenses of \$5,761 is primarily due to capital assets that will be owned and maintained by another agency.
- The increase in Convention, Sports and Entertainment expenses of \$1,440 is primarily due to \$882 increased payments for tourism, marketing and promotional projects in the Anaheim Tourism Improvement District and \$539 due to an increase in depreciation expense.
- The increase in Planning expense of \$1,273 was primarily due to increases in construction development activities in the City that required plan check and construction inspection services.
- Offsetting by the increases were decreases in Community Services expenses of \$2,543 primarily due to a one-time refund of \$2,684 in the prior fiscal year; and a decrease in General Government of \$3,420 primarily due to a decrease in outside legal expense of \$1,620.

REVENUES BY SOURCE - BUSINESS-TYPE ACTIVITIES



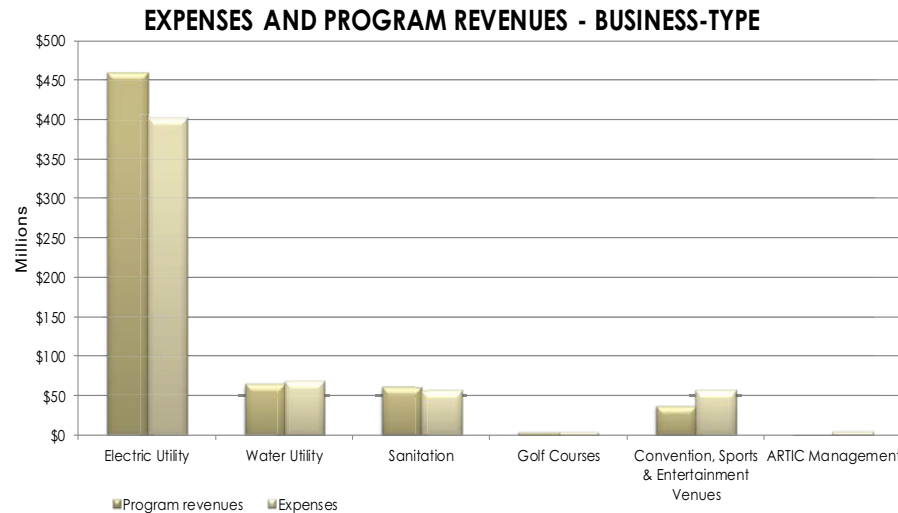
Business-type activities. Business-type activities increased the City’s net position by \$211,678 Key elements of this change are as follows:

Charges for services of \$616,893 increased by \$30,302 (5%) due to the following:

- The increase of \$27,646 in the Electric Utility charges for services is partly due to a \$7,291 (2%) increase in retail sales volumes resulting from warmer weather during the fiscal year. Wholesale revenues decreased by \$14,574 (35%) mainly due to the increase in retail sales volume leaving less surplus energy available in the wholesale market. Transmission revenues decreased by \$3,038 (9%) due to lower revenue derived from Congestion Revenue Rights in the market and lower transmission demand. Transmission revenues are based upon the Electric Utility providing use of its transmission entitlements to California Independent System Operator (CAISO) as a participating transmission owner. These revenues are based upon transmission rates charged by CAISO and the demand in the participants market. Finally, the Rate Stabilization Account (RSA) revenues are recognized to meet debt service coverage ratios to maintain bond ratings and increased by \$38,500 (145%). Information relating to the RSA can be found in note 1 of the notes to the financial statement.
- The decrease of \$2,451 in Water Utilities charges for services is primarily due to the 5.8% decrease in customer demand during the year resulting from strenuous conservation efforts in response to the ongoing drought conditions throughout the region.
- The increase of \$2,233 in Sanitation Utility charges for services is attributable to a \$1,684 increase in user charges and a \$447 increase in sewer construction development fees.

- The increase of \$2,658 (8%) in Convention, Sports and Entertainment Venues charges for services is mainly attributable to an increase of \$1,286 in parking revenues due to increased attendance at events along with higher on-site overflow parking for Disney guests; and increases in facility rentals and food and beverage sales from new and expanding events.

Transfers in of \$169,119 increased by \$176,407 as discussed in the government-wide financial analysis of governmental activities.



Total expenses of \$591,441 increased \$12,907 (2%) due to the following:

- The decrease in the Electric Utility expenses of \$10,003 (2%) is mainly due to a decrease in power cost of \$10,143 (4%). This decrease is primarily attributable to the Electric Utility utilization of a combination of strategies to procure lower power costs from renewable resources to comply with Renewable Portfolio Standards (RPS) requirements, long-term commitments with conventional power supplies and internal power generation. Operation, maintenance and administration increased by \$4,094 (9%) mainly due to higher maintenance expenses to ensure reliability of the electric system. Finally, interest expense decreased by \$3,280 (12%) reflecting lower interest rates from outstanding bonds resulting from continually reviewing and improving the debt management strategy.
- The increase in Water Utility expenses of \$5,015 is attributable mainly to an increase of \$3,990 in operations, maintenance and administration costs due to lesser amount of overhead related to capital projects as a result of a declining construction in progress (CIP). In addition, overall costs to maintain the Water Utility's reservoirs and tanks increased as part of the effort to preserve the safety and efficiency of these structures. Depreciation expense increased by \$887 and interest expense increased by \$1,831 (58%) primarily due to the issuance of the Water Revenue Bonds Series

2015-A. The increases in expenses are offset by a \$1,468 (5%) decrease in purchased water costs as a result of the decrease in customer demand from conservation efforts.

- The increase in Convention, Sports and Entertainment Venues of \$10,330 was primarily attributable to loss on capital asset retirements of the parking structure demolition (\$7,135) for the Convention Center Expansion and the Amtrak station demolition (\$2,346) within Sportstown.
- The first year operating expense of the ARTIC Management of \$5,075 includes depreciation expense of \$1,236.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

At the end of the current fiscal year, the City's governmental funds reported total ending fund balances of \$292,379, an increase of \$37,781 in comparison with the prior fiscal year. Of the total fund balance of \$292,379, restricted fund balance totaled \$247,187 (85%) and indicates the use of resources are constrained by external parties, resource providers, constitutions or enabling legislations. Unassigned fund balance totaled \$19,544 (7%) and is available for spending at the City's discretion. The remaining fund balance is \$25,648 (9%), of which \$7,812 is not in spendable form, and \$17,836 that was assigned for particular purposes.

Governmental revenues totaled \$517,415 while expenditures were \$510,523.

The General Fund is the general operating fund of the City. At June 30, 2015, the General Fund reported a total ending fund balance of \$47,790 and consisted of the following:

- \$1,538 was nonspendable for inventory, prepaid and other assets and a long-term Interfund receivable
- \$4,965 was restricted for claims and judgments
- \$1,159 was restricted for grant purposes
- \$513 was assigned for encumbrances
- \$39,615 was unassigned

General Fund total revenues increased \$18,852 (6%) as compared to the prior fiscal year primarily attributable to the following:

- Total taxes increased by \$15,529 (6%) due to the improvement in the overall economy. Taxes are the largest revenue sources of the General Fund and they accounted for \$266,821 or 85% of the total General Fund

revenues. During fiscal year 2015, transient occupancy taxes (TOT) increased \$9,610 (9%), property taxes increased by \$2,057 (3%), sales and use taxes increased \$3,396 (5%) and other taxes decreased by \$466 (7%).

- Licenses, fees, and permits increased \$2,118 (11%) due to increased construction activity within the City.
- Intergovernmental revenues increased by \$1,030 (38%) mainly due to increased state mandated cost reimbursement of \$1,049 for implementing various state mandated programs.

General Fund expenditures increased by \$16,042 (6%) primarily due to planned service enhancements in public safety as discussed in the government-wide financial analysis of the governmental-activities.

The Housing Authority Fund revenues decreased by \$5,718 (7%) primarily due to a decrease in Section 8 rental assistance of \$4,231 and \$3,635 lesser amounts of gain realized from land held for resale; offsetting by increases in homebuyer loan collections of \$1,243 and a Cal Home Buyer grant receipt of \$500. Housing Authority expenditures decreased by \$2,363 (3%) due to decreases in capital outlay of \$3,243 for prior year land acquisitions for housing projects, and \$1,794 payment in full of principal and interest for the two housing loans in the prior fiscal year, and a decrease of \$1,206 in Section 8 rental assistance as discussed in the government-wide financial analysis of the governmental-activities.

Total nonmajor governmental funds revenues decreased by \$43,297 (26%). The most significant factors of the change are discussed in the government-wide financial analysis of the governmental-activities.

Total nonmajor governmental funds other financing sources increased by \$23,015 (50%) primarily due to \$23,544 of bond proceeds from the issuance of the 2014-A Lease Revenue Bonds for the City's infrastructure capital improvement, an increase of \$2,481 transfer in for the Lease Payment Measurement Revenues (LPMR) set-aside for the Resort debt service (see note 9 for more information regarding LPMR), an increase in transfer out of \$5,973 to the ARTIC Management Fund, and offsetting by a one-time transfer out to the Sanitation Utility Fund of \$4,864 in prior fiscal year.

Total nonmajor governmental funds expenditures decreased by \$55,637 (25%) primarily due to decrease in capital outlay of \$53,759 with the completion of the ARTIC construction and decreases in Community Services expenditures (\$3,393) and Police (\$2,618) that were discussed in the government-wide financial analysis of the governmental-activities.

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

The Electric Utility net position increased \$44,395 (13%) in the current fiscal year. The most significant factors of the change in fund net position are discussed in the government-wide financial analysis of business-type activities.

The Water Utility fund net position decreased \$6,270 (3%) in the current fiscal year. The most significant factors of the change in fund net position are discussed in the government-wide financial analysis of business-type activities.

The Sanitation fund net position increased \$2,791 (2%) in the current fiscal year. The most significant factors of the change in fund net position are discussed in the government-wide financial analysis of business-type activities.

The Golf Courses fund net position decreased \$237 (3%) in the current fiscal year. There were no significant or unusual changes.

The Convention, Sports and Entertainment Venues fund net position decreased \$5,874 (2%) in the current fiscal year. The most significant factors of the change in fund net position are discussed in the government-wide analysis of business-type activities.

The ARTIC Management fund increased net position by \$176,245. The most significant factors of the change in fund net position are discussed in the government-wide financial analysis of business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the original budget was amended to increase appropriations by \$2,826 (1%). The increase in appropriations was primarily the result of the carryover of prior year appropriations and amendments amounting to \$2,919 and the reallocation of appropriations to other funds of \$93. These amendments were to be funded from savings in other programs of the General Fund during the year.

General Fund revenues of \$313,242 were greater than budgeted revenues of \$303,973 by \$9,269 (3%), primarily due to stronger than anticipated performance of transient occupancy taxes, sales taxes and other various revenue sources as the economy continued to improve.

General Fund expenditures were less than budgeted. Of the total appropriations of \$272,679, approximately 2%, or \$5,009, went unspent. This was primarily due to labor savings as a result of employee turnover and the time between an employee leaving and the recruitment of a new employee, and planned expenditures (\$2,651) in Community Development that did not materialize in fiscal year 2015.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

(net of accumulated depreciation)

JUNE 30, 2015 AND 2014

	Governmental Activities		Business-type Activities		Total Government	
	2015	2014	2015	2014	2015	2014
Land	\$ 631,038	\$ 658,253	\$ 90,933	\$ 58,410	\$ 721,971	\$ 716,663
Construction in Progress	56,579	204,680	112,134	85,649	168,713	290,329
Building, structures, and improvements	163,247	169,464	545,380	396,643	708,627	566,107
Utility plant			1,090,056	1,064,914	1,090,056	1,064,914
Machinery and equipment	35,873	31,315	10,810	8,801	46,683	40,116
Infrastructure	440,193	430,513			440,193	430,513
Total	<u>\$ 1,326,930</u>	<u>\$ 1,494,225</u>	<u>\$ 1,849,313</u>	<u>\$ 1,614,417</u>	<u>\$ 3,176,243</u>	<u>\$ 3,108,642</u>

Capital assets. The City's investment in capital assets for its governmental and business-type activities at June 30, 2015 amounted to \$3,176,243 (net of accumulated depreciation). This investment in capital assets included land, construction in progress, buildings, structures and improvements, utility plant, machinery and equipment, and infrastructure. The total increase over the prior fiscal year was 2% (\$67,601), of which governmental activities decreased 11% (\$167,295) and business-type activities increased 15% (\$234,896).

The decrease of capital assets in governmental activities was primarily due to one-time transfers out of the capital assets of \$205,537 to the business-type activities of which \$204,996 was transferred to ARTIC Management and \$541 to the Sanitation Utility. Capital asset additions were \$91,351 and partially offset by current year depreciation expense of \$34,886 and capital asset retirements of \$18,223. Capital projects during the current fiscal year include the following:

- Additions of \$67,005 in construction work in progress which include the ARTIC, the Canyon Metrolink Pedestrian Improvement, the Anaheim Fixed Guideway project, the Santa Ana River Trail Improvements, street improvements and widening on: Brookhurst Street, Lincoln Avenue, Tustin Street, Katella Avenue, and park developments: Miraloma Park, Sage Park, Ponderosa Park and various other public infrastructure constructions.
- Land acquisitions totaled \$7,925 of which \$7,169 was for street widening and \$756 for housing projects.
- Acquisitions of various vehicles and equipment totaling \$4,983.
- Completion of \$214,807 of construction in progress that includes the ARTIC (\$191,332 including capital assets of \$14,805 transferred to other

agencies). Brookhurst Street improvements (\$10,500), Canyon Metrolink pedestrian improvements (\$1,515), Lincoln Avenue widening (\$2,659), the Colony Park street improvements (\$4,409), and various other projects (\$10,413).

- The retirement of capital assets of \$18,223 were primarily comprised of the sale of remnant parcels of land and capital assets that were transferred to other agencies.

The increase in business-type activities is primarily due to increases in the following:

- The Electric Utility increase of \$24,489 (3%) was due to the utility plant increase of \$66,057 (5%), and partially offset by \$41,568 (8%) of additional accumulated depreciation. Addition of \$59,888 construction in progress for the replacement of aging overhead, electrical lines with state-of-the-art, underground projects on West Street, Lincoln Avenue and Dale Avenue, the ongoing replacements of aging circuit breakers, and improvements at substations. Completion of \$54,243 of project constructions for the installation of 2.4 mega-watt solar panel system on top of the Anaheim Convention Center, the largest solar panel system in North America and covering 300,000 square feet of roof space; completion of 1.8 circuit miles of underground conversion on Brookhurst Street and Miraloma Way, replacement of transformers at Clair Substation, as well as replacement of six 220kilovolt (kv) circuit breakers and twelve 220kv disconnects at Lewis Substation; installation of 25,700 feet of direct buried cable and the purchase of 317 new transformers; installation of fiber optic equipment, upgrading communication equipment, and improvements to general facilities. This updated system will provide more efficient and functional services to Anaheim's customers.

- The Convention, Sports and Entertainment Venues increase of \$7,671 was due to capital asset additions of \$30,369, and partially offsetting by current year additions to accumulated depreciation of \$13,018 and capital asset retirements of \$19,656. Work in progress additions for the fiscal year were \$27,448 and were primarily for the Convention Center Expansion project.

The addition were offset by demolition of a parking structure and other assets with a net book value of \$9,680.

- The ARTIC Management capital asset transferred in of \$204,996 as previously discussed above.

LONG-TERM LIABILITIES JUNE 30, 2015 AND 2014

	Governmental Activities		Business-type Activities		Total Government	
	2015	2014*	2015	2014*	2015	2014*
General obligation bonds	\$ 1,360	\$ 1,995			\$ 1,360	\$ 1,995
Revenue bonds	639,531	612,762	\$ 1,116,443	\$ 780,553	1,755,974	1,393,315
Certificates of participation		8,880		38,000		46,880
Capital lease obligations	2,346	1,325			2,346	1,325
Notes and loans payable	21,372	50,757	57,399	48,271	78,771	99,028
Self-insurance	46,035	40,827			46,035	40,827
Compensated absences	19,172	18,594			19,172	18,594
Decommissioning provision			134,414	133,664	134,414	133,664
Net pension liabilities	417,869	508,117	119,364	144,641	537,233	652,758
Total	<u>\$ 1,147,685</u>	<u>\$ 1,243,257</u>	<u>\$ 1,427,620</u>	<u>\$ 1,145,129</u>	<u>\$ 2,575,305</u>	<u>\$ 2,388,386</u>

* As restated due to implementation of Governmental Accounting Standards Board Statement No. 68

Long-term liabilities. The City's outstanding long-term liabilities, including bonds, certificates of participation, capital leases, notes and loans payable, self-insurance, compensated absences, provision for decommissioning costs, and net pension liabilities totaled \$2,575,305 at June 30, 2015. Of this total, \$1,147,685 (45%) was in governmental activities and \$1,427,620 (55%) was in business-type activities.

The City's governmental activities outstanding long-term liabilities decreased \$95,572 (8%) during the current fiscal year. The decrease is primarily due to principal payments, transfer of the ARTIC land loan balance to business-type activities, changes in net pension liabilities and offsetting by issuances of new bonds and loan, addition of accretion payable and changes in self-insurance claims estimate.

The decrease in net pension liabilities is primarily due to the reduction in pension liabilities resulting from a difference between projected and actual investment gain. Such amount is amortized over a closed five-year period and is adjusted to deferred inflows of resources with an unamortized balance of \$90,403 and a remaining four-year amortization period at June 30, 2015.

The City's business-type activities outstanding long-term liabilities increased \$282,491 (25%). The increase is primarily due to issuances of new and refunding revenue bonds, offsetting by current fiscal year principal payments and changes in net pension liabilities. The change in net pension liabilities is similar to governmental-activities with an unamortized balance of \$25,528.

Additional information on the City's long-term liabilities can be found in notes 7, 9 and 11 of the notes to the financial statements, on pages 60-61, 62-72, 73-77 of this report.

ECONOMIC FACTORS

- There remains a focus on public pensions and their sustainability; many assumptions are used to estimate the ultimate liability of pensions and the contributions that will be required to meet those obligations. One of the most significant factors used in determining the liability and the funding requirements is the rate of return that investments will yield prior to making payments, known as the discount rate. The City's pension plans currently utilize a discount rate of 7.5%, which is used in determining the unfunded pension liability and funding requirements. If it is determined in the future

that an even lesser rate of return is more appropriate, there will be a significant increase in the unfunded liability and the contributions required to meet those obligations. The Governmental Accounting Standards Board also has issued new standards related to the accounting and reporting for pensions that are reflected in the accompanying statement. Additional information about the City's retirement plans can be found in note 11 of the notes to the financial statements on pages 73-77 of this report.

- The State of California enacted pension legislation that went into effect in January 2013 and applies mainly to new public employees. Some of the major changes include mandatory cost sharing by employees, reducing the overall benefit level (e.g. percentage of pay), increasing the retirement age, and placing a cap on the salary used to determine retirement benefits. The impacts to the City for these changes for future employees have yet to be determined.
- For the 2015 fiscal year, the City appropriated \$301,910 in estimated available resources of \$339,270 for General Fund spending. This leaves approximately \$37,360 in estimated available reserves, which is 12% of General Fund appropriations. The City's long-standing policy is to maintain General Fund reserves of at least 7% to 10% of annual appropriations.
- The City annually reviews all of its fees as part of the budget adoption process. Developer, construction, and other fees applicable to residents and development doing business in the City are adjusted in June of each year to reflect recurring costs.
- California Senate Bill 1X 2 signed into law in April 2011 mandated that all California utilities are required to reach 25% renewable power in their power portfolios by 2016, and 33% by 2020. The higher renewable power costs will increase future power supply costs. The Electric Utility has a number of strategies to mitigate the potential cost impacts.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, City of Anaheim, 200 South Anaheim Boulevard, Suite 643, Anaheim, California, 92805.

Basic Financial Statements

FY 2014 | 2015

Statement of Net Position
June 30, 2015 (In thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 54,257	\$ 37,300	\$ 91,557
Investments	176,320	106,536	282,856
Accounts receivable, net	21,187	61,427	82,614
Accrued interest receivable	514	1,417	1,931
Internal balances, net	16,493	(16,493)	
Due from other governments	41,007		41,007
Inventories	1,064	17,061	18,125
Land held for resale, net	9,871		9,871
Bond payment receivable		2,325	2,325
Pipeline receivable		20	20
Prepaid and other assets	6,616	102,959	109,575
Restricted cash and cash equivalents	28,188	73,140	101,328
Restricted investments	93,674	461,769	555,443
Unamortized prepaid bond insurance	1,412	608	2,020
Net other post-employment benefits (OPEB) asset	11,209		11,209
Notes receivable, net	86,673		86,673
Due from Successor Agency	25,376		25,376
Capital assets, net:			
Nondepreciable	687,617	203,067	890,684
Depreciable	639,313	1,646,246	2,285,559
Total assets	<u>1,900,791</u>	<u>2,697,382</u>	<u>4,598,173</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding bonds	2,125	8,819	10,944
Deferred pension - current year contributions	38,295	12,500	50,795
Total deferred outflows of resources	<u>40,420</u>	<u>21,319</u>	<u>61,739</u>
LIABILITIES			
Accounts payable	21,753	84,581	106,334
Wages payable	5,557	1,523	7,080
Interest payable	5,755	13,109	18,864
Line of credit payable		1,623	1,623
Arbitrage rebate liability		605	605
Deposits	8,477	7,965	16,442
Unearned revenues	3,813	266	4,079
Long-term liabilities:			
Due within one year	101,305	74,979	176,284
Due in more than one year	1,046,380	1,352,641	2,399,021
Total liabilities	<u>1,193,040</u>	<u>1,537,292</u>	<u>2,730,332</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred regulatory credits		81,083	81,083
Deferred pension - changes in assumptions and projections	90,403	25,528	115,931
Total deferred inflows of resources	<u>90,403</u>	<u>106,611</u>	<u>197,014</u>
NET POSITION			
Net investment in capital assets	894,651	993,075	1,887,726
Restricted for:			
Debt service	2,875	15,489	18,364
Capital projects	51,681	52,837	104,518
Community development	107,898		107,898
Streets, roads and transportation improvement projects	33,385		33,385
Other purposes	15,095	15,122	30,217
Unrestricted	(447,817)	(1,725)	(449,542)
Total net position	<u>\$ 657,768</u>	<u>\$ 1,074,798</u>	<u>\$ 1,732,566</u>

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



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Statement of Activities
Year Ended June 30, 2015 (In thousands)

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
General government	\$ 26,261	\$ (13,891)	\$ 2,253	\$ 929		\$ (9,188)		\$ (9,188)
Police	130,884	4,277	10,001	9,341	\$ 495	(115,324)		(115,324)
Fire	60,916	878	9,024	1,106	1,222	(50,442)		(50,442)
Community Development	80,755	221	14,023	80,847		13,894		13,894
Planning	17,478	825	9,800	1,413		(7,090)		(7,090)
Public Works	65,896	127	13,309	15,534	53,796	16,616		16,616
Community Services	31,085	502	3,408	798	8,928	(18,453)		(18,453)
Public Utilities	2,599					(2,599)		(2,599)
Convention, Sports and Entertainment	16,742	284	11,124		2,573	(3,329)		(3,329)
Interest on long-term debt	35,340					(35,340)		(35,340)
Total governmental activities	<u>467,956</u>	<u>(6,777)</u>	<u>72,942</u>	<u>109,968</u>	<u>67,014</u>	<u>(211,255)</u>		<u>(211,255)</u>
Business-type activities:								
Electric Utility	397,711	3,532	453,697		6,055		\$ 58,509	58,509
Water Utility	66,770	1,241	63,495		880		(3,636)	(3,636)
Sanitation Utility	55,560	419	60,076	92			4,189	4,189
Golf Courses	4,244	174	4,435				17	17
Convention, Sports and Entertainment Venues	55,304	1,411	34,742	195	1,799		(19,979)	(19,979)
ARTIC Management	5,075		448				(4,627)	(4,627)
Total business-type activities	<u>584,664</u>	<u>6,777</u>	<u>616,893</u>	<u>287</u>	<u>8,734</u>		<u>34,473</u>	<u>34,473</u>
Total government	<u>\$ 1,052,620</u>	<u>\$</u>	<u>\$ 689,835</u>	<u>\$ 110,255</u>	<u>\$ 75,748</u>	<u>(211,255)</u>	<u>34,473</u>	<u>(176,782)</u>
General revenues:								
Taxes:								
Property taxes						68,405		68,405
Sales and use taxes						72,356		72,356
Transient occupancy taxes						119,744		119,744
Motor vehicle license fees						145		145
Other taxes						8,318		8,318
Unrestricted investment earnings						2,725	8,086	10,811
Other						55		55
Transfers						(169,119)	169,119	
Total general revenues and transfers						<u>102,629</u>	<u>177,205</u>	<u>279,834</u>
Change in net position						(108,626)	211,678	103,052
Net position at beginning of year, as restated						766,394	863,120	1,629,514
Net position at end of year						<u>\$ 657,768</u>	<u>\$ 1,074,798</u>	<u>\$ 1,732,566</u>

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



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Balance Sheet
Governmental Funds
June 30, 2015 (In thousands)

	<u>General</u>	<u>Housing Authority</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 9,719	\$ 10,899	\$ 20,091	\$ 40,709
Investments	31,939	35,817	64,044	131,800
Accounts receivable, net	13,722	50	1,447	15,219
Accrued interest receivable	84	107	235	426
Due from other funds	1,630	1,500	152	3,282
Due from other governments	18,051	450	22,506	41,007
Inventories	281			281
Land held for resale, net		9,871		9,871
Prepaid and other assets	175	4	6,270	6,449
Restricted cash and cash equivalents		622	27,566	28,188
Restricted investments			93,674	93,674
Notes receivable, net		55,991	30,682	86,673
Due from Successor Agency	2,384	7,566	12,625	22,575
Total assets	<u>\$ 77,985</u>	<u>\$ 122,877</u>	<u>\$ 279,292</u>	<u>\$ 480,154</u>
LIABILITIES				
Accounts payable	\$ 4,875	\$ 651	\$ 10,569	\$ 16,095
Wages payable	3,845	90	360	4,295
Deposits	7,000	293	1,184	8,477
Due to other funds	1,533		18,957	20,490
Unearned revenue	1,607	280		1,887
Total liabilities	<u>18,860</u>	<u>1,314</u>	<u>31,070</u>	<u>51,244</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	8,951	16	18,316	27,283
Unavailable resources- long-term notes receivable		55,991	30,682	86,673
Unavailable resources - due from Successor Agency	2,384	7,566	12,625	22,575
Total deferred inflows of resources	<u>11,335</u>	<u>63,573</u>	<u>61,623</u>	<u>136,531</u>
FUND BALANCES:				
Nonspendable :				
Interfund receivable	1,082			1,082
Inventory	281			281
Prepaid and other assets	175	4	6,270	6,449
Restricted:				
Anaheim Resort maintenance and improvement			7,350	7,350
Capital projects			21,808	21,808
Claims and judgments	4,965			4,965
Debt service			88,174	88,174
Development impact projects			46,892	46,892
Grant purposes	1,159		6,200	7,359
Homebuyer assistance programs		194	2,112	2,306
Low and moderate income housing		42,468		42,468
Rental assistance		1,041		1,041
Streets, roads and transportation improvement projects			24,824	24,824
Assigned:				
Capital projects			3,025	3,025
Housing projects		14,283		14,283
Other purposes	513		15	528
Unassigned	39,615		(20,071)	19,544
Total fund balances	<u>47,790</u>	<u>57,990</u>	<u>186,599</u>	<u>292,379</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 77,985</u>	<u>\$ 122,877</u>	<u>\$ 279,292</u>	<u>\$ 480,154</u>

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

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position**
June 30, 2015 (In thousands)

Total fund balances - governmental funds		\$ 292,379
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in the operation of governmental funds are not current financial resources and, therefore, are not reported in the funds. These assets consist of:</p>		
Land	\$ 631,038	
Construction in progress	56,579	
Buildings, structures and improvements	288,647	
Machinery and equipment	54,374	
Infrastructure	825,900	
Accumulated depreciation	<u>(551,994)</u>	
Total capital assets, net		1,304,544
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.</p>		
		136,531
<p>Unamortized prepaid bond insurance (\$1,412) and deferred charges on refunding bonds (\$2,125) are not current financial resources, and, therefore, are not reported in the funds.</p>		
		3,537
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance, employee benefits, and fleet services, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.</p>		
		35,996
<p>Compensated absences, not otherwise included in the internal service funds, are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
		(426)
<p>Effects of net pension obligation are not due and payable in the current period, and therefore, are not reported in the funds.</p>		
Deferred outflows of resources - current year contributions	36,854	
Net pension obligation	(397,049)	
Deferred inflows of resources - changes in assumptions and projections	<u>(86,580)</u>	(446,775)
<p>Long-term liabilities of governmental funds, including bonds (\$640,891), notes and loans payable (\$21,372), and accrued interest payable (\$5,755) are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
		<u>(668,018)</u>
Net position of governmental activities		<u>\$ 657,768</u>

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015 (In thousands)

	General	Housing Authority	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 67,622		\$ 783	\$ 68,405
Sales and use taxes	71,977			71,977
Transient occupancy taxes	119,744			119,744
Other taxes	7,478			7,478
Licenses, fees and permits	20,856	\$ 65	7,652	28,573
Intergovernmental revenues	3,723	67,647	83,944	155,314
Charges for services	14,196		19,099	33,295
Fines, forfeits and penalties	2,823			2,823
Use of money and property	3,394	7,731	2,108	13,233
Other	903	4,666	11,004	16,573
Total revenues	<u>312,716</u>	<u>80,109</u>	<u>124,590</u>	<u>517,415</u>
Expenditures:				
Current:				
City Council	606			606
City Administration	3,535			3,535
City Attorney	5,918		120	6,038
City Clerk	1,057			1,057
Human Resources	1,250			1,250
Finance	4,262		41	4,303
City Treasurer	2,263			2,263
Police	121,649		5,577	127,226
Fire	60,717		766	61,483
Community Development	1,484	76,393	11,569	89,446
Planning	16,298		1,369	17,667
Public Works	16,583		13,231	29,814
Community Services	27,419		975	28,394
Public Utilities	2,622			2,622
Convention, Sports and Entertainment	795		10,813	11,608
Capital outlay	1,212	988	77,510	79,710
Debt service:				
Principal retirement			25,289	25,289
Interest charges			18,085	18,085
Bond issuance costs			127	127
Total expenditures	<u>267,670</u>	<u>77,381</u>	<u>165,472</u>	<u>510,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>45,046</u>	<u>2,728</u>	<u>(40,882)</u>	<u>6,892</u>
Other financing sources (uses):				
Transfers in	26,995	2,500	56,323	85,818
Transfers out	(67,266)	(43)	(12,064)	(79,373)
Issuance of loan payable			900	900
Issuance of bonds			21,754	21,754
Premium on bonds issued			1,790	1,790
Issuance of refunding bonds			6,200	6,200
Payment to refunded bond escrow agent			(6,200)	(6,200)
Total other financing sources (uses)	<u>(40,271)</u>	<u>2,457</u>	<u>68,703</u>	<u>30,889</u>
Net change in fund balances	4,775	5,185	27,821	37,781
Fund balances at beginning of year	43,015	52,805	158,778	254,598
Fund balances at end of year	<u>\$ 47,790</u>	<u>\$ 57,990</u>	<u>\$ 186,599</u>	<u>\$ 292,379</u>

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2015 (In thousands)

Net change in fund balances - total governmental funds	\$ 37,781
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$79,710) exceeded depreciation (\$30,467) in the current period.	49,243
Transfers of capital assets between governmental funds and proprietary funds do not require the use of financial resources and are not reported as transfers in the funds.	(205,537)
The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-in, retirements and contributions) is to decrease the net position.	(14,984)
Revenues in the Statement of Activities do not provide current financial resources and are not reported as revenues in the governmental funds.	893
Proceeds from long-term debt provide current financial resources to governmental funds, but the issuance of debt increases long-term liabilities in the Statement of Net Position.	(30,397)
Payments of principal on long-term debt (\$25,289) and amount transferred to refunded bond escrow agent (\$6,200) use current financial resources in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position.	31,489
Transfer of long-term debt (\$28,500) and accrued interest payable (\$1,173) between governmental funds and proprietary funds do not provide current financial resources to governmental funds and are not reported as transfer in the fund.	29,673
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(8,405)
Net effect of accrued pension expense adjustments does not require the use of current financial resources, and is not reported as expenditures in governmental funds.	(1,135)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, employee benefits, and fleet services, to individual funds. The net expense of the internal service funds is reported with governmental activities.	<u>2,753</u>
Change in net position of governmental activities	<u>\$ (108,626)</u>

Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Budgetary Basis Actual - General Fund
Year Ended June 30, 2015 (In thousands)

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 66,755	\$ 67,617	\$ 67,622	\$ 5
Sales and use taxes	71,265	71,265	71,977	712
Transient occupancy taxes	115,073	115,073	119,744	4,671
Other taxes	7,366	7,366	7,478	112
Licenses, fees and permits	18,157	18,157	20,856	2,699
Intergovernmental revenues	2,425	2,735	3,723	988
Charges for services	13,159	13,054	14,196	1,142
Fines, forfeits and penalties	3,215	3,215	2,823	(392)
Use of money and property	2,795	2,769	3,394	625
Other	2,697	2,722	1,429	(1,293)
Total revenues	<u>302,907</u>	<u>303,973</u>	<u>313,242</u>	<u>9,269</u>
Expenditures:				
City Council	720	720	606	(114)
City Administration	4,077	3,903	3,559	(344)
City Attorney	5,967	5,967	5,918	(49)
City Clerk	1,179	1,183	1,057	(126)
Human Resources	1,418	1,418	1,250	(168)
Finance	4,365	4,365	4,262	(103)
City Treasurer	2,450	2,454	2,263	(191)
Police	121,009	121,797	121,797	
Fire	60,353	61,594	61,594	
Community Development	4,135	4,135	1,484	(2,651)
Planning	16,059	16,298	16,298	
Public Works	16,143	16,668	16,668	
Community Services	28,321	28,520	27,497	(1,023)
Public Utilities	2,664	2,664	2,622	(42)
Convention, Sports and Entertainment	993	993	795	(198)
Total expenditures	<u>269,853</u>	<u>272,679</u>	<u>267,670</u>	<u>(5,009)</u>
Excess of revenues over expenditures	<u>33,054</u>	<u>31,294</u>	<u>45,572</u>	<u>14,278</u>
Other financing sources (uses):				
Transfers in	30,880	31,905	27,612	(4,293)
Transfers out	(65,280)	(66,756)	(67,266)	(510)
Total other financing uses	<u>(34,400)</u>	<u>(34,851)</u>	<u>(39,654)</u>	<u>(4,803)</u>
Net change in fund balance	<u>(1,346)</u>	<u>(3,557)</u>	<u>5,918</u>	<u>9,475</u>
Fund balance at beginning of year	43,015	43,015	43,015	
Fund balance at end of year	<u>\$ 41,669</u>	<u>\$ 39,458</u>	<u>48,933</u>	<u>\$ 9,475</u>
Adjustment to reconcile to GAAP:				
Receipt of interfund receivable			(526)	
Receipt of interfund loan			(617)	
Ending fund balance - GAAP basis			<u>\$ 47,790</u>	

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Budgetary Basis Actual - Housing Authority
Year Ended June 30, 2015 (In thousands)

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Licenses, fees and permits	\$ 51	\$ 51	\$ 65	\$ 14
Intergovernmental revenues	72,508	72,508	67,647	(4,861)
Use of money and property	13,941	13,941	11,022	(2,919)
Other	3,335	3,335	4,666	1,331
Total revenues	<u>89,835</u>	<u>89,835</u>	<u>83,400</u>	<u>(6,435)</u>
Expenditures:				
Community Development	81,084	81,096	79,649	(1,447)
Total expenditures	<u>81,084</u>	<u>81,096</u>	<u>79,649</u>	<u>(1,447)</u>
Excess of revenues over expenditures	<u>8,751</u>	<u>8,739</u>	<u>3,751</u>	<u>(4,988)</u>
Other financing sources (uses):				
Transfers in	2,346	2,346	2,500	154
Transfers out	(1,598)	(1,598)	(660)	938
Total other financing sources	<u>748</u>	<u>748</u>	<u>1,840</u>	<u>1,092</u>
Net change in fund balance	9,499	9,487	5,591	(3,896)
Fund balance at beginning of year	52,805	52,805	52,805	
Fund balance at end of year	<u>\$ 62,304</u>	<u>\$ 62,292</u>	<u>58,396</u>	<u>\$ (3,896)</u>
Adjustments to reconcile to GAAP:				
Proceeds on sale of land held for resale			(3,291)	
Purchase of land for resale			2,577	
Decline in value of land held for resale			(309)	
Disbursement of interfund loan			617	
Ending fund balance - GAAP basis			<u>\$ 57,990</u>	

**Statement of Net Position
Proprietary Funds
June 30, 2015** (In thousands)

	Business-type Activities - Enterprise Funds						Total	Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	ARTIC Management		
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 10,831	\$ 4,332	\$ 10,985	\$ 48	\$ 10,775	\$ 329	\$ 37,300	\$ 13,548
Investments	35,591	14,234	31,532	157	25,022		106,536	44,520
Restricted cash and cash equivalents	7,229	1,272	2,796		8,912		20,209	
Restricted investments	31,537	9,138	4,554		1,722		46,951	
Accounts receivable, net	46,278	6,500	7,491	98	922	138	61,427	3,549
Accrued interest receivable	973	73	116	1	254		1,417	88
Due from Successor Agency								2,801
Interfund receivable	3,087						3,087	18,972
Inventories	16,444	615			2		17,061	783
Bond payment receivable					2,325		2,325	
Prepaid and other assets	36,448	866			17	131	37,462	167
Total current assets	<u>188,418</u>	<u>37,030</u>	<u>57,474</u>	<u>304</u>	<u>49,951</u>	<u>598</u>	<u>333,775</u>	<u>84,428</u>
Noncurrent assets:								
Restricted cash and cash equivalents, less current portion	30,718	7,585	12,724		1,904		52,931	
Restricted investments, less current portion	191,370	37,667			185,781		414,818	
Unamortized prepaid bond insurance	529		79				608	
Pipeline receivable		20					20	
Accounts receivable, less current portion								2,419
Interfund receivable, less current portion								24
Prepaid and other assets	65,497						65,497	
Net other post-employment benefits (OPEB) asset								11,209
Capital assets:								
Land	35,671	2,339	316	1,949	18,135	32,523	90,933	
Buildings, structures and improvements			106,742	16,808	497,679	170,230	791,459	7,837
Utility plant	1,280,290	445,727					1,726,017	
Machinery and equipment			6,703	1,068	26,090	2,276	36,137	63,899
Construction in progress	60,646	8,801	4,111	223	38,314	39	112,134	
Total capital assets	<u>1,376,607</u>	<u>456,867</u>	<u>117,872</u>	<u>20,048</u>	<u>580,218</u>	<u>205,068</u>	<u>2,756,680</u>	<u>71,736</u>
Less accumulated depreciation	<u>(497,041)</u>	<u>(138,920)</u>	<u>(16,454)</u>	<u>(11,561)</u>	<u>(242,155)</u>	<u>(1,236)</u>	<u>(907,367)</u>	<u>(49,350)</u>
Capital assets, net	<u>879,566</u>	<u>317,947</u>	<u>101,418</u>	<u>8,487</u>	<u>338,063</u>	<u>203,832</u>	<u>1,849,313</u>	<u>22,386</u>
Total noncurrent assets	<u>1,167,680</u>	<u>363,219</u>	<u>114,221</u>	<u>8,487</u>	<u>525,748</u>	<u>203,832</u>	<u>2,383,187</u>	<u>36,038</u>
Total assets	<u>1,356,098</u>	<u>400,249</u>	<u>171,695</u>	<u>8,791</u>	<u>575,699</u>	<u>204,430</u>	<u>2,716,962</u>	<u>120,466</u>
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred charge on refunding bonds	1,381	6,179			1,259		8,819	
Deferred pension - current year contributions	6,575	2,353	1,078	87	2,407		12,500	1,441
Total deferred outflows of resources	<u>7,956</u>	<u>8,532</u>	<u>1,078</u>	<u>87</u>	<u>3,666</u>		<u>21,319</u>	<u>1,441</u>

**Statement of Net Position
Proprietary Funds
June 30, 2015** (In thousands) (continued)

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	ARTIC Management	Total	
LIABILITIES								
Current liabilities (payable from current assets):								
Accounts payable	\$ 57,851	\$ 10,275	\$ 3,719	\$ 297	\$ 837	\$ 421	\$ 73,400	\$ 5,658
Wages payable	557	267	113	8	383	2	1,330	1,262
Interest payable					459	1,717	2,176	
Compensated absences								13,936
Long-term obligations	16,995	2,828	1,897	105	13,459	3,000	38,284	12,679
Unearned revenues					258	8	266	1,926
Deposits	3,721	830	546	3	2,834	31	7,965	
Interfund payable		3,239		548		6	3,793	
Total current liabilities (payable from current assets)	<u>79,124</u>	<u>17,439</u>	<u>6,275</u>	<u>961</u>	<u>18,230</u>	<u>5,185</u>	<u>127,214</u>	<u>35,461</u>
Current liabilities (payable from restricted assets):								
Accounts payable	2,707		158		8,316		11,181	
Wages payable	173		12		8		193	
Interest payable	6,763	1,392	831		1,947		10,933	
Line of credit payable	1,623						1,623	
Arbitrage rebate liability	361	244					605	
Long-term obligations	27,139	8,774	419		363		36,695	
Total current liabilities (payable from restricted assets)	<u>38,766</u>	<u>10,410</u>	<u>1,420</u>		<u>10,634</u>		<u>61,230</u>	
Total current liabilities	<u>117,890</u>	<u>27,849</u>	<u>7,695</u>	<u>961</u>	<u>28,864</u>	<u>5,185</u>	<u>188,444</u>	<u>35,461</u>
Noncurrent liabilities:								
Interfund payable, less current portion				1,082			1,082	
Long-term obligations, less current portion	707,745	161,470	52,200	751	284,070	23,000	1,229,236	61,332
Provision for decommissioning costs	123,405						123,405	
Total noncurrent liabilities	<u>831,150</u>	<u>161,470</u>	<u>52,200</u>	<u>1,833</u>	<u>284,070</u>	<u>23,000</u>	<u>1,353,723</u>	<u>61,332</u>
Total liabilities	<u>949,040</u>	<u>189,319</u>	<u>59,895</u>	<u>2,794</u>	<u>312,934</u>	<u>28,185</u>	<u>1,542,167</u>	<u>96,793</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred regulatory credits	75,343	5,740					81,083	
Deferred pension - changes in assumptions and projections	13,366	4,729	2,364	191	4,878		25,528	3,823
Total deferred inflows of resources	<u>88,709</u>	<u>10,469</u>	<u>2,364</u>	<u>191</u>	<u>4,878</u>		<u>106,611</u>	<u>3,823</u>
NET POSITION								
Net investment in capital assets	276,145	217,860	59,624	8,487	253,127	177,832	993,075	20,040
Restricted for:								
Debt service	13,983	724	419		363		15,489	
Capital projects	16,378	3,091	17,065		16,303		52,837	
Other purposes	15,122						15,122	
Unrestricted	4,677	(12,682)	33,406	(2,594)	(8,240)	(1,587)	12,980	1,251
Total net position	<u>\$ 326,305</u>	<u>\$ 208,993</u>	<u>\$ 110,514</u>	<u>\$ 5,893</u>	<u>\$ 261,553</u>	<u>\$ 176,245</u>	<u>1,089,503</u>	<u>\$ 21,291</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							(14,705)	
Net position of business-type activities							<u>\$ 1,074,798</u>	

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

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2015 (In thousands)

	Business-type Activities - Enterprise Funds						Total	Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	ARTIC Management		
Operating revenues:								
Sales of light and power	\$ 417,944						\$ 417,944	
Transmission revenues	31,874						31,874	
Sales of water		\$ 62,681					62,681	
Solid waste collection fees			\$ 42,321				42,321	
Wastewater fees			12,221				12,221	
Street cleaning fees			3,261				3,261	
Green fees and cart rentals				\$ 4,064			4,064	
Facilities rental					\$ 26,747	\$ 389	27,136	
Concession fees				173	6,326		6,499	
Charges for services								\$ 131,194
Other	3,879	814	2,273	198	1,669	59	8,892	877
Total operating revenues	<u>453,697</u>	<u>63,495</u>	<u>60,076</u>	<u>4,435</u>	<u>34,742</u>	<u>448</u>	<u>616,893</u>	<u>132,071</u>
Operating expenses:								
Cost of purchased power	264,870						264,870	
Fuel and generation of power	23,171						23,171	
Cost of purchased water		27,301					27,301	
Treatment and pumping of water		8,485					8,485	
Maintenance, operations and administration	47,902	15,932	51,701	3,842	29,254	3,298	151,929	38,289
Insurance premiums and claims								16,583
Compensated absences and other benefits								70,571
Depreciation and amortization	41,568	11,421	2,576	563	13,018	1,236	70,382	4,419
Total operating expenses	<u>377,511</u>	<u>63,139</u>	<u>54,277</u>	<u>4,405</u>	<u>42,272</u>	<u>4,534</u>	<u>546,138</u>	<u>129,862</u>
Operating income (loss)	<u>76,186</u>	<u>356</u>	<u>5,799</u>	<u>30</u>	<u>(7,530)</u>	<u>(4,086)</u>	<u>70,755</u>	<u>2,209</u>
Nonoperating income (expenses):								
Intergovernmental revenues			92				92	290
Investment income	4,514	2,023	472		1,077		8,086	490
Debt service recovery					195		195	
Interest expense	(24,060)	(4,998)	(1,764)	(17)	(4,868)	(544)	(36,251)	(66)
Gain (loss) from disposal of capital assets					(9,680)		(9,680)	158
Total nonoperating income (expenses)	<u>(19,546)</u>	<u>(2,975)</u>	<u>(1,200)</u>	<u>(17)</u>	<u>(13,276)</u>	<u>(544)</u>	<u>(37,558)</u>	<u>872</u>
Income (loss) before contributions and transfers	56,640	(2,619)	4,599	13	(20,806)	(4,630)	33,197	3,081
Capital contributions	6,055	880	541		1,799	175,323	184,598	
Transfers in	4,114	600			13,898	5,973	24,585	650
Transfers out	(22,414)	(5,131)	(2,349)	(250)	(765)	(421)	(31,330)	(350)
Change in net position	<u>44,395</u>	<u>(6,270)</u>	<u>2,791</u>	<u>(237)</u>	<u>(5,874)</u>	<u>176,245</u>	<u>211,050</u>	<u>3,381</u>
Net position at beginning of year, as restated	281,910	215,263	107,723	6,130	267,427			17,910
Net position at end of year	<u>\$ 326,305</u>	<u>\$ 208,993</u>	<u>\$ 110,514</u>	<u>\$ 5,893</u>	<u>\$ 261,553</u>	<u>\$ 176,245</u>		<u>\$ 21,291</u>
							628	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.								
Change in net position of business-type activities							<u>\$ 211,678</u>	

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2015** (In thousands)

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	ARTIC Management	Total	
Cash flows from operating activities:								
Receipts from customers and users	\$ 432,766	\$ 63,594	\$ 56,792	\$ 4,032	\$ 35,752	\$ 290	\$ 593,226	
Receipts from interfund services provided	1,977	374	53				2,404	\$ 131,558
Payments to suppliers	(277,295)	(37,956)	(40,811)	(3,074)	(8,400)	(2,937)	(370,473)	(23,632)
Payments for salaries, wages and other benefits	(41,054)	(15,092)	(6,753)	(500)	(18,521)	(69)	(81,989)	(78,489)
Payments for interfund services used	(9,391)	(4,934)	(3,507)	(266)	(3,012)		(21,110)	(3,702)
Payments for insurance premiums and claims								(9,926)
Other receipts			2,170	426		59	2,655	890
Net cash provided by (used for) operating activities	<u>107,003</u>	<u>5,986</u>	<u>7,944</u>	<u>618</u>	<u>5,819</u>	<u>(2,657)</u>	<u>124,713</u>	<u>16,699</u>
Cash flows from noncapital financing activities:								
Proceeds from short-term borrowings from line of credit	1,623						1,623	
Receipt of interfund balances						6	6	18
Payment of interfund balances								(18,973)
Disbursement of loan receivable								(3,491)
Receipt of loan receivable								690
Transfers in		600				3,473	4,073	650
Transfers out	(22,414)	(1,017)	(2,349)	(250)	(765)	(421)	(27,216)	(350)
Operating grant receipts			91				91	
Net cash provided by (used for) noncapital financing activities	<u>(20,791)</u>	<u>(417)</u>	<u>(2,258)</u>	<u>(250)</u>	<u>(765)</u>	<u>3,058</u>	<u>(21,423)</u>	<u>(21,456)</u>
Cash flows from capital and related financing activities:								
Proceeds from sale of capital assets								281
Capital contributions	2,439	100					2,539	261
Capital purchases	(59,558)	(8,711)	(2,020)	(348)	(16,463)	(72)	(87,172)	(6,541)
Proceeds from short-term borrowings from line of credit	11,200	4,900					16,100	
Payment on short-term borrowings from line of credit	(11,200)	(14,000)					(25,200)	
Proceeds from issuance of bonds	178,959	108,673			249,488		537,120	
Transfer to refunded bond escrow agent	(129,632)	(52,743)			(35,133)		(217,508)	
Debt Issuance costs	(814)	(377)			(398)		(1,589)	
Principal payments on long-term debt	(24,150)	(1,447)	(955)		(13,681)	(2,500)	(42,733)	(1,127)
Interest payments	(28,437)	(4,399)	(2,043)	(22)	(7,710)		(42,611)	(66)
Debt service recovery					2,375		2,375	
Payment of interfund balances for capital purposes				(526)			(526)	
Transfers in for capital purposes	340				13,898	2,500	16,738	
Transfers out for capital purposes		(340)					(340)	
Net cash provided by (used for) capital and related financing activities	<u>(60,853)</u>	<u>31,656</u>	<u>(5,018)</u>	<u>(896)</u>	<u>192,376</u>	<u>(72)</u>	<u>157,193</u>	<u>(7,192)</u>
Cash flows from investing activities:								
Purchase of investment securities	(60,263)	(42,183)	(9,144)		(200,774)		(312,364)	(1,632)
Proceeds from sale and maturity of investment securities	39,322	6,793	6,488	383	15,022		68,008	8,535
Interest received	4,520	2,055	490	3	1,064		8,132	571
Net cash provided by (used for) investing activities	<u>(16,421)</u>	<u>(33,335)</u>	<u>(2,166)</u>	<u>386</u>	<u>(184,688)</u>		<u>(236,224)</u>	<u>7,474</u>
Increase (decrease) in cash and cash equivalents	8,938	3,890	(1,498)	(142)	12,742	329	24,259	(4,475)
Cash and cash equivalents at beginning of the year	39,840	9,299	28,003	190	8,849		86,181	18,023
Cash and cash equivalents at end of the year	<u>\$ 48,778</u>	<u>\$ 13,189</u>	<u>\$ 26,505</u>	<u>\$ 48</u>	<u>\$ 21,591</u>	<u>\$ 329</u>	<u>\$ 110,440</u>	<u>\$ 13,548</u>

(continued)

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2015 (In thousands) (continued)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds	
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports and Entertainment Venues	ARTIC Management		Total
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:								
Operating income (loss)	\$ 76,186	\$ 356	\$ 5,799	\$ 30	\$ (7,530)	\$ (4,086)	\$ 70,755	\$ 2,209
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation and amortization	41,568	11,421	2,576	563	13,018	1,236	70,382	4,419
Increase in provision for decommissioning costs	750						750	
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:								
Accounts receivable	(5,074)	920	(984)	23	371	(138)	(4,882)	4,060
Inventories	(4,476)	(39)					(4,515)	36
Prepays and other assets	(8,471)	349			5	(131)	(8,248)	169
Note receivable								26
Accounts payable	20,899	(6,442)	593	1	(535)	421	14,937	(514)
Wages and benefits payable	(499)	(132)	37	1	(149)	2	(740)	558
Unearned revenues					13	8	21	33
Deposits	(125)	21	(77)		626	31	476	
Compensated absences, (OPEB) and self-insurance liability								5,703
Regulatory credits	(13,755)	(468)					(14,223)	
Total adjustments	30,817	5,630	2,145	588	13,349	1,429	53,958	14,490
Net cash provided by (used for) operating activities	\$ 107,003	\$ 5,986	\$ 7,944	\$ 618	\$ 5,819	\$ (2,657)	\$ 124,713	\$ 16,699
Schedule of noncash investing, capital and noncapital financing activities:								
Capital assets financed through capital leases								\$ 2,148
Capital contributions	\$ 3,616	\$ 780	\$ 541		\$ 1,799	\$ 175,323	\$ 182,059	
Transfers in (out) of capital assets	3,774	(3,774)						
Increase (decrease) in fair value of investments	72	(17)	(8)	\$ (2)	19		64	(3)
Reconciliation of cash and cash equivalents:								
Cash and cash equivalents	\$ 10,831	\$ 4,332	\$ 10,985	\$ 48	\$ 10,775	\$ 329	\$ 37,300	\$ 13,548
Restricted cash and cash equivalents, current portion	7,229	1,272	2,796		8,912		20,209	
Restricted cash and cash equivalents, noncurrent portion	30,718	7,585	12,724		1,904		52,931	
Total cash and cash equivalents	\$ 48,778	\$ 13,189	\$ 26,505	\$ 48	\$ 21,591	\$ 329	\$ 110,440	\$ 13,548

Statement of Fiduciary Net Position (Deficit)
Fiduciary Funds
June 30, 2015 (In thousands)

	Investment Trust Funds	Successor Agency Private Purpose Trust Fund	Agency Funds
ASSETS			
Restricted cash and cash equivalents	\$ 314	\$ 36,299	\$ 2,797
Restricted investments	1,033	454	2,741
Accrued interest receivable	5	16	
Accounts receivable, net		436	13
Notes receivable, net		760	
Prepaid and other assets		1,100	
Unamortized prepaid bond insurance		2,142	
Land held for resale, net		17,107	
Capital assets, net			
Nondepreciable		15,568	
Depreciable		59,364	
Total assets	<u>1,352</u>	<u>133,246</u>	<u>\$ 5,551</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding bonds		877	
Deferred pension - current year contributions		692	
Total deferred outflows of resources		<u>1,569</u>	
LIABILITIES			
Accounts payable		1,643	
Wages payable		26	
Interest payable		6,201	
Deposits		207	
Unearned revenues		40	
Due to bond holders			\$ 5,551
Long-term liabilities:			
Due within one year		13,763	
Due in more than one year		251,078	
Total liabilities		<u>272,958</u>	<u>\$ 5,551</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension - changes in assumptions and projections		633	
Total deferred inflows of resources		<u>633</u>	
NET POSITION			
Held in trust for pool participants	1,352		
Held in trust for other purposes (deficit)		(138,776)	
Total net position (deficit)	<u>\$ 1,352</u>	<u>\$ (138,776)</u>	

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

Statement of Changes in Fiduciary Net Position (Deficit)
Fiduciary Funds
Year Ended June 30, 2015 (In thousands)

	<u>Investment Trust Funds</u>	<u>Successor Agency Private Purpose Trust Fund</u>
ADDITIONS		
Property taxes		\$ 17,997
Contributions to pooled investments	\$ 5,910	
Interest and investment income	16	430
Rental income		2,899
Other		6,298
Total additions	<u>5,926</u>	<u>27,624</u>
DEDUCTIONS		
Distributions from pool investments	6,401	
Salaries and administration		1,904
Program expenses		25,240
Interest expense		2,115
Depreciation		12,581
Total deductions	<u>6,401</u>	<u>41,840</u>
Change in net position	(475)	(14,216)
Net position (deficit) held in trust at beginning of year, as restated	1,827	(124,560)
Net position (deficit) held in trust at end of year	<u>\$ 1,352</u>	<u>\$ (138,776)</u>

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



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Notes to Financial Statements

(Amounts in thousands)

NOTE 1 —SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial reporting entity

As defined by U. S. generally accepted accounting principles (GAAP) that are established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as 1) appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; and 2) the component unit is fiscally dependent on and there is a potential for the component unit to provide specific financial benefit to or impose financial burden on the primary government regardless of whether the component unit has a) a separately elected government board, b) a governing board appointed by a higher level of government, or c) a jointly appointed board.

The accompanying financial statements present the City of Anaheim (City), the primary government, and its component units. The financial data of the component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

The component units described below are each legally separate from the City, but are so intertwined with the City that they are, in substance, the same as the City. They are reported as part of and accountable to the City and blended into the government-wide and fund financial statements.

Anaheim Housing Authority (Housing Authority) is a separate entity primarily funded by the U.S. Department of Housing and Urban Development to administer funds received under the Federal Housing Assistance Payments program. City Council members, in separate session, serve as the governing board of the Housing Authority. All budgeting, accounting and administrative functions of the Housing Authority are performed by the City. The financial activity of the Housing Authority has been blended into the City's Comprehensive Annual Financial Report (CAFR) in the government-wide governmental activities and in the fund financial statements as the Housing Authority Special Revenue Fund.

Community Center Authority (CCA), a joint powers authority, was created primarily to finance the initial construction of the Anaheim Convention Center. A five-member board appointed by the City Council governs the CCA. The City has entered into a noncancelable long-term lease with the CCA, which provides for lease payments in amounts sufficient to meet the annual debt service requirements on the certificates of participation issued by the CCA to finance the construction of the facility. The lease is a financing arrangement, which transfers the ownership of the facility to the

City at the end of the lease term, and the sole activity of the CCA is to provide financing for the City. As such, the financial data for the CCA has been blended into the City's CAFR in the government-wide business-type activities and in the fund financial statements with the City's Convention, Sports and Entertainment Venues Fund, as all activity related to the Anaheim Convention Center is accounted for in this enterprise fund. The capital lease has been eliminated in the financial statements. For a copy of the CCA's separate financial statements, contact the Finance Director of the City.

Anaheim Public Improvement Corporation (APIC), a non-profit corporation, was created primarily to finance several construction projects in the City. City Council members, in separate session, serve as the governing board of APIC. The City has entered into noncancelable long-term leases with APIC, which provide for lease payments in amounts sufficient to meet the annual debt service requirements on the certificates of participation issued by APIC to finance these construction projects. The leases are financing arrangements, which transfer ownership of the constructed assets to the City at the end of the lease terms. The financial data of APIC has been blended into various governmental and business-type activities and funds of the City as applicable, and the capital leases have been eliminated.

Anaheim Public Financing Authority (APFA), a joint powers authority, was established as a vehicle to reduce local borrowing costs and promote greater use of existing and new financial instruments and mechanisms. City Council members, in separate session, serve as the governing board of the APFA. Financial activity of the APFA has been blended into the City's CAFR into various governmental and business-type activities and funds of the City as applicable.

The City is a participant in four joint ventures and jointly-owned properties (see note 13), which are not considered part of the financial reporting entity, as the City does not have significant equity interests in the joint ventures and jointly-owned properties.

The City is a participant in the California Municipal Finance Authority (CMFA), a non-profit Joint Power Authority created to strengthen local communities by assisting with the financing of economic development and charitable activities throughout the State of California. The CMFA acts as conduit issuer by assisting local governments, non-profits and businesses with the issuance of taxable and tax-exempt financing aimed at improving the quality of life in California. The City has no financial, budgeting and operational obligations and responsibilities of the CMFA. The CMFA is a jointly governed organization. The City has recorded assets and liabilities from the City's debt issuances through the CMFA in the business-type activities and funds of the City as applicable (see note 9).

Basic financial statements

In accordance with GASB Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the City and its component units as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements, except for interfund services provided and used. Net interfund activity and balances between governmental activities and business-type activities are shown as internal balances, net, in the government-wide financial statements. The “doubling up” effect of internal service fund activity has been eliminated from the government-wide financial statements with the expenses shown in the various functions and programs on the Statement of Activities.

Further, certain eliminations are also made to transfers of resources between funds in the fund financial statements so that only the net amount of the transfers are shown in the governmental activities and business-type activities columns.

The government-wide Statement of Net Position reports all financial and capital resources of the City (excluding fiduciary funds). It is displayed in a format of assets and deferred outflows of resources less liabilities and deferred inflows of resources equal net position, with the assets and liabilities shown in order of their relative liquidity. Net positions are required to be displayed in three components: 1) net investment in capital assets 2) restricted, and 3) unrestricted. Investment in capital assets represents capital assets net of accumulated depreciation which is reduced by outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position is those with constraints placed on their use by either: 1) creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation. All net positions not otherwise classified as restricted, are shown as unrestricted. Generally, the City would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Indirect expenses for administrative overhead are allocated among the functions and programs using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not.

Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

Also, part of the basic financial statements are fund financial statements for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other nonmajor funds, as well as the internal service funds, are combined in a single column on the fund financial statements.

The City reports the following major governmental funds:

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

The Housing Authority Special Revenue Fund accounts for the providing of housing assistance to low and moderate-income families in the Anaheim area. Financing is provided primarily from Federal Section 8, U.S. Department of Housing and Urban Development (HUD) receipts.

The City reports the following major enterprise funds:

The Electric Utility Fund accounts for the operation of the City’s electric utility, a self-supporting activity, which renders services on a user charge basis to residents and businesses located in Anaheim.

The Water Utility Fund accounts for the operation of the City’s water utility, a self-supporting activity, which renders services on a user charge basis to residents and businesses located in Anaheim.

The Sanitation Utility Fund accounts for the operation of the City’s solid waste and sanitation program, a self-supporting activity, which provides for the collection and disposal of solid waste, street sweeping, and sanitary sewer cleaning on a user charge basis to residents and businesses located in Anaheim.

The Golf Courses Fund accounts for the operation of the Anaheim Municipal (“Dad Miller”) Golf Course and the Anaheim Hills Golf Course, a self-supporting activity that renders services on a user charge basis.

The Convention, Sports and Entertainment Venues Fund accounts for the operations of the Anaheim Convention Center, Angel Stadium of Anaheim, and The City National Grove of Anaheim. See note 13 for further discussions of the Angel Stadium of Anaheim and The City National Grove of Anaheim.

Anaheim Regional Transportation Intermodal Center (ARTIC) Management Fund accounts for the operation and maintenance of the ARTIC that serves as a rail station for Amtrak intercity rail, Metrolink commuter rail and bus station. The ARTIC renders services on a user charge basis.

The internal service funds, which provide services to the other funds of the City, are presented in a single column in the proprietary funds financial statements. Because the principal users of the internal service funds are the City’s governmental activities, the assets and liabilities of the internal service funds are consolidated into the governmental activities column of the government-wide Statement of Net Position. The costs of the internal service fund services are spread to the appropriate function or program on the government-wide Statement of Activities and the revenues and expenses within the internal service funds are eliminated from the government-wide financial statements to avoid any doubling effect of these revenues and expenses. The City operates four internal service funds:

The General Benefits and Insurance Fund is used to account for employee compensated absences, retirement and health benefits, and self-insurance programs.

The Motorized Equipment Fund is used to account for motorized equipment used by City departments.

The Information and Communication Services Fund is used to account for data processing and telecommunication services provided to City departments.

The Municipal Facilities Maintenance Fund is used to account for office maintenance services and equipment used by City departments.

Fiduciary Funds account for assets held by the City in a trustee or agency capacity on behalf of others and, therefore, are not available to support City programs. The Fiduciary Funds are not included in the government-wide financial statements as they are not an asset of the City. The City reports the following fiduciary funds:

The Investment Trust Fund is used to account for the external portion of the City’s investment pool, which commingles resources of legally separate entities administered by the City in an investment portfolio for the benefit of all participants. The entities include three Joint Powers Authorities (JPA) governed by local boards. The City separately maintains these entities’ money in three individual funds; these funds represent the assets, primarily cash and

investment, and the related net position held in trust by the City to disburse these monies on demand.

The Private Purpose Trust Fund is used to account for resources legally held in trust for use by the Successor Agency to the Former Anaheim Redevelopment Agency (Successor Agency). The Former Anaheim Redevelopment Agency, a former component unit of the City, dissolved on February 1, 2012 under the State of California Assembly Bill 1X26.

The Agency Fund is used to account for the monies collected and paid on behalf of the Mello-Roos Districts located in the City.

Measurement focus and basis of accounting

The governmental funds financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues (including motor vehicle license fees), charges for services, fines, forfeits and penalties, and interest.
- Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as other financing source.

With this measurement focus, operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the City’s actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The proprietary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary funds financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds are eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary funds financial statements. The net costs of the internal service funds are also partially allocated to the business-type activities column on the government-wide financial statements. A reconciliation of the total enterprise funds on the fund financial statements to the business-type activities column on the government-wide financial statements is provided on the face of the fund financial statements.

Enterprise funds account for operations where the intent of the City is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and fees. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) the cost of providing services for an activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges, or it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

The Electric and Water Utility funds follow the uniform system of accounts prescribed by the Federal Energy Regulatory Commission (Electric Utility) and the California Public Utilities Commission (Water Utility). The utilities are not subject to the regulations of these commissions.

The reporting focus for the investment trust fund and the private-purpose trust fund is upon net position and changes in net position and employs accounting principles similar to proprietary funds. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Cash and investments

The City pools available cash from all funds for the purpose of increasing income through investment activities. Investments in U.S. Treasury obligations and agency securities and medium term corporate notes are carried at fair value based on

quoted market prices. Participating guaranteed investment contracts and flexible repurchase agreements are carried at fair value. Money market mutual funds are carried at fair value based on the fund's share price. The City's investment in the State of California Local Agency Investment Fund (LAIF) is carried at fair value based on the value of each participating dollar as provided by LAIF. LAIF is authorized by California Government Code (Government Code) Section 16429 under the oversight of the Treasurer of the State of California. Commercial paper, participating guaranteed investment contracts and negotiable certificates of deposit are carried at amortized cost (which approximates fair value). Interest income, which includes changes in fair value, on investments is allocated to all funds on the basis of daily cash and investment balances. See note 3 for further discussion.

For purposes of the basic financial statements, the City considers cash equivalents to be highly liquid short-term investments that are readily convertible to known amounts of cash and mature within three months of the date they are acquired. Cash and cash equivalents are included in the City's cash and investments pool and in accounts held by fiscal agents.

Notes receivable

In the government-wide financial statements, notes receivable of \$86,673 includes accrued interest receivable of \$16,927, ranging from 3% to 10% interest per annum, and is net of allowances of \$15,860 for uncollectible accounts at June 30, 2015. Allowances for uncollectible accounts were estimated based on certain assumptions; therefore, actual results could differ from the estimates.

In the governmental funds financial statements, disbursements for providing notes and loan receivables are recorded as expenditures while the collections of these receivables are recorded as revenues. Due to the extended period of time over which notes receivable are to be collected and the contingent nature of certain sources of repayment, the City has recorded deferred inflows of resources equal to the outstanding principal and accrued interest balance, net of allowances of the notes receivable.

Inventories

Inventories are stated at average cost which consist of expendable supplies, electrical parts, and vehicle repair parts. The cost of such Inventories are recorded as expenditures/expenses when consumed rather than when purchased.

Prepaid and other assets

Certain payments to vendors such as insurance premiums, prepaid power, prepaid rents, and deposits for real property acquisitions reflect costs applicable to future periods and are recorded as prepaid and other assets in both government-wide and fund financial statements. These costs will be recognized in the period when services are received or when the City receives title to the real property.

Land held for resale

The Housing Authority has recorded parcels of land held for resale in their financial records. The properties held for resale are for the primary purpose of developing low and moderate income housing and are recorded at the lower of cost or estimated net realizable value. At June 30, 2015, land held for resale with an original cost of \$19,977 was recorded net of the allowance for decline in value of \$10,106 and totaled \$9,871, with this amount offset by a restriction of fund balance for low and moderate income housing in the Housing Authority major governmental fund financial statement.

Restricted assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted on the Statement of Net Position, or Balance Sheet, because they are maintained in separate bank accounts and their use is limited by applicable debt covenants. Additionally, resources set aside by the Electric Utility for future decommissioning of its former ownership share of the San Onofre Nuclear Generating Station, Units 2 and 3 (SONGS) and the San Juan Generating Station, Unit 4, are classified as restricted on both the government-wide Statement of Net Position and proprietary funds Statement of Net Position.

Capital assets

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the City), are defined as assets with an initial, individual cost of more than \$5 (\$50 for infrastructure) and an estimated useful life of greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of projects is reflected in the capitalized value of the asset constructed for proprietary funds. For the year ended June 30, 2015, business-type activities capitalized net interest costs of \$8,319 in the government-wide and fund financial statements. Total interest expense incurred by the business-type activities (and the enterprise funds on the proprietary funds statements) before capitalization was \$44,570. During the current fiscal year,

the 2014-A Lease Revenue Tax-Exempt Bonds were issued to finance specific Convention Center Expansion. Accordingly the interest capitalized in the Convention, Sports and Entertainment Venues Fund in the amount of \$5,418 was calculated by netting the actual interest expense on the bonds (\$6,033) with the actual investment earnings on the unspent proceeds of the bonds (\$615).

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	5 to 85 years
Utility plant	5 to 75 years
Machinery and equipment	2 to 40 years
Infrastructure	25 to 75 years

The net book value of capital assets retired or disposed of, related salvage value proceeds and the costs of removal are recorded in accumulated depreciation in the Electric Utility and Water Utility Funds. In all other cases, these amounts are recorded as gains or losses on disposal of capital assets.

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

Debt issuance costs

Debt issuance costs, with the exception of prepaid insurance costs, are recognized as outflow of resources (expense/expenditure) in the period when the debt is issued. Prepaid insurance costs are capitalized and amortized over the lives of the related debt issues on a basis that approximates the effective-interest method.

Bond refunding costs

Bond refunding costs are deferred and amortized over the life of the new bond or over the life of the old bond, whichever is shorter, on a basis that approximates the effective-interest method. These costs are shown as a deferred outflow of resources on the Statement of Net Position.

Accretion

Accretion is an adjustment of the difference between the price of a bond or certificate of participation (COP) issued at an original discount and the par value of the bond or COP. The accreted value is recognized as it accrues by fiscal year.

Deferred outflows of resources

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

of resources (expense/expenditure) until then. In the government-wide statement of net position, the City reported two items in this category:

1. Deferred charges on refunding bonds - A deferred charge on refunding bonds results from the difference in the carrying value of debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City reported \$2,125 in governmental activities and \$8,819 in business-type activities in this category.
2. Deferred Outflows of resources related to pension - these balances represent current fiscal year contribution to the pension plans that will be applied as a reduction in net pension liability in the next fiscal year; or other items arising from changes in actuarial assumptions, difference between actual and projected experience, or difference between actual and projected investment gains/losses; the amount will be amortized and reported as a component in pension expense in future fiscal years (refer to discussion of Pension Plans). The City reported \$38,295 in governmental activities and \$12,500 in business-type activities in this category.

Deferred inflows of resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents acquisitions of fund balance or net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reported the following in these categories:

1. Unavailable revenues - (which include revenues, notes and long term receivables) measured under the modified accrual basis of accounting reported in governmental funds. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

	General Fund	Housing Authority	Nonmajor Governmental Funds	Total
Governmental Funds:				
Taxes	\$ 8,585			\$ 8,585
Grants		\$ 16	\$ 18,316	18,332
Other revenues	366			366
Notes and long term receivables	2,384	63,557	43,307	109,248
Total	<u>\$ 11,335</u>	<u>\$ 63,573</u>	<u>\$ 61,623</u>	<u>\$ 136,531</u>

2. Regulatory credits - accumulated from collections of the Electric and Water Utility customers reported in business-type activities. These amounts provide recovery in current period for costs to be incurred in future periods. (Refer to the discussion of Regulatory Credits).

	Business-type activities
Enterprise Funds:	
Electric Utility	\$ 75,343
Water Utility	5,740
Total	<u>\$ 81,083</u>

3. Deferred pension - the balances arise from changes in actuarial assumptions; difference between actual and projected experience; or difference between actual and projected investment gains/losses. The amount is amortized and reported as component in pension expense in future fiscal years (refer to discussion of Pension Plans) in note 11 of the notes to the financial statements on pages 73-77 of this report.

	Governmental Activities	Business-type activities
Funds:		
Governmental	\$ 86,580	
Internal Service	3,823	
Electric Utility		\$ 13,366
Water Utility		4,729
Sanitation Utility		2,364
Golf Courses		191
Convention, Sports, and Entertainment Venues		4,878
Total	<u>\$ 90,403</u>	<u>\$ 25,528</u>

Regulatory credits

The Electric Utility's Rates, Rules, and Regulations provide for the Rate Stabilization Account (RSA), which contains two components: the Power Cost Adjustment (PCA) that was adopted by City Council on April 1, 2001, and the Environmental Mitigation Adjustment (EMA) that was adopted by the City Council on January 13, 2009. The PCA has mitigated variations in the power supply or fuel costs. The EMA will allow the recovery of environmental mitigation costs, such as greenhouse gas emissions costs, the marginal cost differential between renewable power and traditional fossil-fuel-based power. The RSA provides the City with operational and billing flexibility to mitigate material fluctuations in the cost of energy, loss of revenues, or unplanned costs including unexpected long-term loss of a generating facility, unplanned limits on the ability to transmit energy to the City, or major disasters. The RSA funded by PCA and EMA collections is billed to customers through standard rates.

As of May 5, 2015, PCA rates were increased from \$0.0150 to \$0.0200 per kWh for all domestic retail customers, excluding residential lifeline customers, and from \$0.0100 to \$0.0150 per kWh for all commercial, industrial and municipal customers and large time of use (TOU) customers. At June 30, 2015, the deferred inflows of resources recorded for regulatory credits related to PCA totaled \$14,490 for the Electric Utility. During fiscal year 2015 \$54,692 was recognized as RSA revenues to mitigate the impact of energy costs and operation costs.

As of July 1, 2014, the EMA rate was \$0.0150 per kWh for all domestic customers and \$0.0100 per kWh for all other customers, including TOU customers. At June 30, 2015, the deferred inflows of resources recorded for regulatory credits related to EMA totaled \$60,853. During fiscal year 2015, \$10,308 was recognized as RSA revenues to mitigate the impact of environmental mitigation costs.

The Water Utility's rates, rules and regulations provide for a water regulatory credit account to reflect variations in the cost of water to the Water Utility and provide more stable retail water rates to the customers of the City's Water Utility. This rate stabilization account (RSA) provides increased flexibility by allowing the Water Utility to maintain financial performance indicators and goals specified in bond covenants. The account is funded through expense reimbursements such as water supply cost refunds received from the Metropolitan Water District and Orange County Water District and other miscellaneous credits and revenue. At June 30, 2015 the deferred inflows of resources recorded for regulatory credits totaled \$5,740 for the Water Utility. During fiscal year 2015, the Water Utility recognized \$624 of PCA revenue in order to mitigate the impact of increased costs.

Compensated absences

Compensated absences, vacation and sick pay, for all City employees are generally paid by the General Benefits and Insurance Fund, an internal service fund. The General Benefits and Insurance Fund is reimbursed through payroll charges to all other funds based on estimates of benefits to be earned and used during the fiscal year. It is the policy of the City to pay all accumulated vacation pay when an employee retires or terminates. Accumulated sick pay in excess of 175 hours per employee is paid to employees at their then current rate of pay in January each year or upon termination from the City. Employees are paid for all accumulated sick pay when they retire from the City. Vested vacation and sick pay benefits are accrued when incurred in the General Benefits and Insurance Fund and at June 30, 2015, totaled \$19,172 and is included in long-term liabilities in the Statement of Net Position. Also included in long-term liabilities in the Statement of Net Position at June 30, 2015, is compensatory time liability of \$426.

Changes in the City's compensated absences liability in fiscal year 2015 were as follows:

Compensated absences liability at beginning of year	\$ 18,594
Estimated compensated absence benefits earned	22,517
Compensated absences used	<u>(21,939)</u>
Compensated absences liability end of year	<u>\$ 19,172</u>

Provision for decommissioning costs

Federal regulations require the Electric Utility to provide for the future decommissioning costs of its former ownership share of San Onofre Nuclear Generating Station (SONGS). The Electric Utility has established a provision for decommissioning costs of SONGS and restoration of the beachfront at San Onofre, California where it is located. A separate irrevocable trust account has been established for amounts funded and these amounts are classified as restricted assets in the accompanying statement of net position. At June 30, 2015, the Electric Utility has recorded a provision for decommissioning costs for SONG totaled \$129,574. For the year ended June 30, 2015, the Electric Utility has recorded decommissioning costs incurred for SONG in the amount of \$2,001, which is included in the fuel and generation component in operating expenses.

On June 7, 2013, the Southern California Edison (SCE) announced the permanent retirement of SONGS plant. The Electric Utility continues to fund the reserve until a new decommissioning study is approved by the Nuclear Regulatory Commission (NRC). On September 23, 2014, the SCE submitted a decommissioning cost analysis study to NRC. According to this new study for the decommissioning costs of SONGS, the Electric Utility's share of decommissioning costs is \$111,581 at June 30, 2015. The Electric Utility currently has \$131,197 in an irrevocable trust for the decommissioning costs, which is about 18% higher than the study's requirement.

On April 7, 2015, the First Amendment to the Decommissioning Agreement was approved and signed by the City Council. This amendment was required so that the Electric Utility may access its Decommissioning Trust Fund as and when needed to pay for SONGS decommissioning-related activities as identified in the Decommissioning Agreement. As of June 30, 2015, the Electric Utility has paid \$1,623 in decommissioning obligations. The Electric Utility will begin to draw funds for disbursements of decommissioning related obligations starting December 2015.

The Electric Utility has a 10.04% ownership interest of the San Juan Generating Station, Unit 4 (SJ). The Electric Utility is providing for the future demolition and reclamation costs of its ownership share of SJ. As of June 30, 2015, the Electric Utility has recorded a provision for decommissioning costs for SJ of \$4,840 of which \$695 was in irrevocable trust and \$4,145 in the City's restricted cash account. The amount was reported as restricted assets in the accompanying statement of net position. For the year ended June 30, 2015, the Electric Utility has recorded decommissioning costs incurred for SJ of \$440 in operating expenses. Based on the cost projections, the Electric Utility has estimated an annual cost of \$440 until 2027 to fund this obligation.

Pension plan

Full-time City employees are members of the State of California Public Employees' Retirement System (CalPERS). The City's policy is to fund all required actuarially determined contribution; such costs to be funded are determined annually as of July 1 by the CalPERS's actuary. The City maintains three Pension Plans with CalPERS

- Miscellaneous Plan, Police Safety Plan and Fire Safety Plan. See note 11 for further discussion.

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

Net position restricted by enabling legislation

The government-wide Statement of Net Position reports \$210,934 of governmental activities restricted net position, of which \$43,698 is restricted by enabling legislation.

Fund balances

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

- Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories, prepaid or long term loans and notes receivable.
- Restricted fund balance includes amounts when constraints placed on the use of the resources are either imposed by external resource providers, constitutional provisions or enabling legislation.
- Committed fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the City's highest level of the decision-making authority. The City Council is the highest level of decision-making authority that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action by the City Council to remove or revise the limitation.
- Assigned fund balance includes amounts that the City intends to use for specific purposes but do not meet the criteria to be classified as restricted or committed. The City Council has by Resolution authorized the City Manager or his designee to establish, modify or rescind an assigned fund balance.
- Unassigned fund balance accounts for the residual balance of the City's general fund and includes all spendable amounts not contained in other classifications. In other governmental funds, the unassigned classification

reports a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

Generally, the City would first apply restricted resources when expenditures incurred for which both restricted and unrestricted resources are available. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is applied first, followed by assigned fund balance. Unassigned fund balance is applied last.

In all governmental funds, encumbered amounts have been restricted or assigned for specific purposes for which resources have already been allocated. At June 30, 2015, encumbrances totaled \$513, \$0, and \$1,882 in the General Fund, Housing Authority Special Revenue Fund, and other nonmajor governmental funds, respectively.

The accumulated deficit fund balances at June 30, 2015 of \$3,271 in the Street Construction nonmajor Capital Project Fund, and \$11,676 in the Transportation Improvement Projects nonmajor Capital Project Fund, will be eliminated in future years by the receipt of reimbursements for grant expenditures.

Budgetary principles

The City is required by its charter to adopt an annual budget on or before June 30 for the ensuing fiscal year. The General, special revenue, debt service, and capital projects governmental fund types and proprietary fund types have legally adopted budgets approved by City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level. From the effective date of the budget, the amounts stated herein as proposed expenditures/expenses become appropriations to the various City departments. Throughout the fiscal year the budget was amended to add supplemental appropriations. All amendments to the budget which change the total appropriation amount for any department require City Council approval and all increases in appropriations in operating expenditures must be accompanied by an increase in revenue sources of a like amount to maintain a balanced budget. The City Manager has the authority to change individual budget line items within a department as long as the total department's appropriation amount is not changed.

The City utilizes an encumbrance system as a management control technique to assist in controlling expenditures. All appropriations lapse at the end of the fiscal year, except for capital projects which are carried forward until such time as the project is completed or terminated and for encumbered balances that are re-appropriated in the next fiscal year.

GASB Statement No. 34 allows that budgetary comparison statements for the General Fund and major special revenue funds be presented in the basic financial statements rather than as Required Supplementary Information. These statements must display original budget, amended budget and actual results.

Budgeted revenue amounts represent the original budget modified by City Council authorized adjustments during the year, which were contingent upon new or additional revenue sources. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year. Budgets are generally prepared in conformity with GAAP using the modified accrual basis of accounting, with the exception of capital leases, or other similar instruments, and land held for resale, which are budgeted on a cash basis.

Property taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments due on November 1 and February 1 and become delinquent after December 10 and April 10. The County of Orange, California (County) bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when levied in the governmental funds to the extent that they result in current receivables collectible within 60 days after year-end. See note 8 for discussion of pledged property tax revenues.

The County is permitted by State law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate no more than 2% per year from the full market value at the time of purchase. The City receives a share of this basic levy proportionate to what it received in the 1976 and 1978 periods.

Entitlements, shared revenues and grants

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized in the fund financial statements as revenue when the qualifying expenditures have been incurred, all eligibility requirements have been met, and reimbursement is received within the availability period.

Revenue recognition for Electric Utility, Water Utility, and Sanitation Utility Funds

Revenue is recorded in the period in which services are provided. Residential and smaller commercial customers are billed bimonthly and all other customers monthly. At June 30, 2015 unbilled but earned service charges recorded in accounts receivable for the Electric Utility, Water Utility, and Sanitation Utility Funds amounted to \$22,323, \$3,802, and \$3,770, respectively. See note 9 for discussion of pledged revenues.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and

expenditures/expenses during the reporting period. As such, actual results could differ from those estimates.

NOTE 2 – NEW ACCOUNTING PRONOUNCEMENTS

On July 1, 2014, the city adopted the following new accounting pronouncements issued by the GASB:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pension; an amendment of GASB Statement No. 27*. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014.
- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013.
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. This Statement should be applied simultaneously with GASB Statement No. 68.

Implementation of GASB Statement No. 69 has no material effect on amounts reported in the City's financial statements. The requirements of GASB Statement No 68 caused the City to restate prior year net positions in the governmental-activities, business-type activities, and the Fiduciary Fund by reducing the beginning net positions by the amount of net pension obligation net of deferred outflows of resources for pension contribution.

The following table provides a reconciliation of net position at June 30, 2014, as previously reported, to net position at June 30, 2014, as restated:

	Governmental Activities	Business- type Activities	Fiduciary Fund
Net position at June 30, 2014, as previously reported	\$ 1,234,925	\$ 996,321	\$ (115,652)
Reduction of net position from implementation of GASB 68:			
Governmental Funds	(445,640)		
Internal Service Funds	(22,891)		
Electric Utility		(69,995)	
Water Utility		(23,277)	
Sanitation Utility		(12,312)	
Golf Courses		(960)	
Convention, Sports and Entertainment Venues		(26,657)	
Successor Agency Private Purpose Trust Fund			(8,908)
Net position at June 30, 2014, as restated	<u>\$ 766,394</u>	<u>\$ 863,120</u>	<u>\$ (124,560)</u>

Components of the prior period adjustments are made up of the followings:

	Deferred Outflows of Resources Related to Pensions	Net Pension Liabilities	Total
Governmental activities:			
Governmental	\$ 38,138	\$ (483,778)	\$ (445,640)
Internal Service Funds	1,448	(24,339)	(22,891)
	<u>39,586</u>	<u>(508,117)</u>	<u>(468,531)</u>
Business-type activities:			
Electric Utility	5,990	(75,985)	(69,995)
Water Utility	2,120	(25,397)	(23,277)
Sanitation Utility	1,059	(13,371)	(12,312)
Golf Courses	85	(1,045)	(960)
Convention, Sports and Entertainment Venues	2,186	(28,843)	(26,657)
	<u>11,440</u>	<u>(144,641)</u>	<u>(133,201)</u>
Fiduciary Fund:			
Private Purpose Trust Fund	548	(9,456)	(8,908)
	<u>\$ 51,574</u>	<u>\$ (662,214)</u>	<u>\$ (610,640)</u>

The City is currently reviewing its accounting practices to determine the potential impacts on the financial statements for the following GASB Statements:

- GASB Statement No 72, *Fair Value Measurement and Application*. The requirements of this Statement are effective for financial statements reporting periods beginning after June 15, 2015.
- GASB Statement No 73, *Accounting and Financial Reporting for Pension and related assets that are not within the scope of GASB Statement No. 68, and Amendments to Certain Provision of GASB Statement No. 67 and No 68*. The provisions of this Statement are effective for fiscal year beginning after June 15, 2015 except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of GASB Statement No 68, which are effective for fiscal years beginning after June 15, 2016
- Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*. The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
- Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pension Plans*. The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
- Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions of this statement are effective for reporting periods beginning after June 15, 2015.

NOTE 3 – DEPOSITS AND INVESTMENTS:

The City maintains a cash and investment pool, which includes the cash balances of all funds, and is invested by the City Treasurer to enhance interest earnings. The pooled interest earned, net of administrative fees, is reallocated to each fund based on their respective average daily cash balances.

The City's pooled investment fund has been reviewed by Standard and Poor's Corporation (S&P) and received a credit rating of AAF/S1 in September 2014.

The City's investment policy further limits the permitted investments in Government Code Sections 53600 et al, 16429.1 and 53684 to the following: obligations of the United States government, federal agencies, and government sponsored enterprises; medium-term corporate notes; certificates of deposit; bankers' acceptances; commercial paper; LAIF; repurchase agreements; reverse repurchase agreements; and money market mutual funds.

Deposits and investments are comprised of the following at June 30, 2015:

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Restricted Investments	Total
Governmental activities:					
General Fund	\$ 9,719	\$ 31,939			\$ 41,658
Housing Authority	10,899	35,817	\$ 622		47,338
Nonmajor governmental funds	20,091	64,044	27,566	\$ 93,674	205,375
Internal service funds	13,548	44,520			58,068
Total governmental activities	<u>54,257</u>	<u>176,320</u>	<u>28,188</u>	<u>93,674</u>	<u>352,439</u>
Business-type activities:					
Electric Utility	10,831	35,591	37,947	222,907	307,276
Water Utility	4,332	14,234	8,857	46,805	74,228
Sanitation Utility	10,985	31,532	15,520	4,554	62,591
Golf Courses	48	157			205
Convention, Sports and Entertainment Venues	10,775	25,022	10,816	187,503	234,116
ARTIC Management	329				329
Total business-type activities	<u>37,300</u>	<u>106,536</u>	<u>73,140</u>	<u>461,769</u>	<u>678,745</u>
Government-wide totals	<u>91,557</u>	<u>282,856</u>	<u>101,328</u>	<u>555,443</u>	<u>1,031,184</u>
Fiduciary funds			39,410	4,228	43,638
Total cash and investments	<u>\$ 91,557</u>	<u>\$ 282,856</u>	<u>\$ 140,738</u>	<u>\$ 559,671</u>	<u>\$ 1,074,822</u>

Deposits and investments are comprised of the following at June 30, 2015:

Deposits	\$ 14,161
Investments	1,060,661
Total deposits and investments	<u>\$1,074,822</u>

At June 30, 2015, deposits of \$14,161 with a corresponding bank balance of \$21,774 were maintained in various federally regulated financial institutions. The

difference of \$7,613 represents deposits in transit, outstanding checks, and other reconciling items. Deposits with bank balances of \$1,312 are insured by the Federal Depository Insurance Corporation. For deposits with bank balances totaling \$20,463 California state statutes require federally regulated financial institutions to secure a city's deposits by pledging collateral consisting of either government securities with a value of 110% of a city's total deposits or by pledging first trust deed mortgage notes having a value of 150% of a city's total deposits. The collateral is required by regulation to be held by the counterparty's agent in the name of the City.

Investments

The City Treasurer prepares an investment policy statement annually, which is presented to the Budget, Investment and Technology Commission for review and the City Council for approval. The approved investment policy Statement is submitted to the California Debt and Investment Advisory Committee in accordance with Government Code.

The policy provides the basis for the management of a prudent, conservative investment program. Public funds are invested for the maximum security of principal and to meet daily cash flow needs while providing a return. All investments are made in accordance with the Government Code and, in general, the City Treasurer's policy is more restrictive than Government Code.

Investments authorized by the Government Code and the City's investment policy

The following table identifies the investment types that are authorized for the City by its investment policy which is more restrictive than Government Code. The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the Government Code or the City's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>	<u>Minimum Rating (S&P/Moody's / Fitch)</u>
U.S. Treasury obligations	5 Years	100%	100%	None
U.S. agency securities	5 Years	100%	40%	None
Banker's acceptances	180 days	40%	5%	None
Commercial paper	270 days	25%	5%	A-1;P-1;F-1
Negotiable certificates of deposit	360 days	25%	5%	None
Repurchase agreements	1 Year	30%	None	None
Reverse repurchase agreements	90 days	20%	None	None
Medium-term corporate notes	5 Years	30%	5%	A
Money market mutual funds	N/A	20%	10%	None
LAIF	N/A	\$50 million per account	\$50 million per account	None
Time Certificate of Deposit (TCD)	1 year	20%	5%	None

*Excluding amounts held by bond trustees that are not subject to Government Code restrictions

The City's pooled investments comply with the requirements of the investment policy. GAAP requires disclosure of certain investments in any one issuer that exceeds five percent concentration of the total investments. At June 30, 2015, the following investments represent five percent or more of the City's total pooled investments:

<u>Issuer</u>	<u>Investment Type</u>	<u>Fair Value</u>	<u>%</u>
Federal National Mortgage Association	U.S. agency securities	\$109,447	25%
LAIF	LAIF	70,445	16%
Federal Home Loan Mortgage Corporation	U.S. agency securities	45,607	10%
Federal Home Loan Bank	U.S. agency securities	34,804	8%
Federal Farm Credit Bank	U.S. agency securities	34,350	8%

Investments authorized by debt agreements

Investment of debt proceeds held by bond trustees is governed by provisions of the debt agreements, rather than the general provisions of the Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage Allowed</u>	<u>Investment in One Issuer</u>
U.S. Treasury obligations	None	None	None
U.S. agency securities	None	None	None
Guaranteed investment contracts	None	None	None
Collateralized investment contracts	None	None	None
Flexible repurchase agreements	None	None	None
Money market mutual funds	None	None	None
LAIF	None	None	None
City of Anaheim Treasurer's investment portfolio	None	None	None

At June 30, 2015, the following investments represent five percent or more of the City's total investments controlled by bond trustees:

<u>Issuer</u>	<u>Investment Type</u>	<u>Fair Value</u>	<u>%</u>
Deutsche Bank	Flexible repurchase agreement	\$ 227,723	36%
Morgan Stanley	Flexible repurchase agreement	66,831	11%
Federal National Mortgage Association	U.S. agency securities	61,823	10%
Natixis Funding Corporation	Guaranteed investment agreement	45,023	7%
LAIF	LAIF	34,818	6%

All guaranteed investment contracts have downgrade language that requires collateral should credit ratings drop below certain levels.

Custodial credit risk

Custodial credit risk for investments is the risk that the City will not be able to recover the value of investment securities that are in the possession of an outside party. All securities owned by the City with the exception of LAIF and money market mutual funds are deposited in trust for safekeeping with a custodial bank different from the City's primary bank. Securities are not held in broker accounts. Funds held by LAIF and money market mutual funds are held in the City's name.

Custodial credit risk for investments held by bond trustees is the risk that the City will not be able to recover the value of investment securities that are in the possession of an outside party. All securities held by bond trustees are in the name of the bond issue in trust for safekeeping with the bond trustee, which is different from the City's primary bank.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City Treasurer mitigates this risk by investing in longer-term securities only with funds that are not needed for current cash flow purposes and holding these securities to maturity. The City Treasurer uses the segmented time distribution method to identify and manage interest rate risk. In accordance with the City investment policy, the City Treasurer monitors the segmented time distribution of its investment portfolio and analysis of cash flow demand.

Investments held by bond trustees are typically long-term securities which are not adversely affected by interest rate changes. Guaranteed investment contracts for construction funds are usually limited to three years or less. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity at June 30, 2015:

CITY OF ANAHEIM

Investments	Credit Rating (S&P/Moody's)	Fair Value 6/30/2015	12 months or less	13 to 24 Months	25 to 36 Months	37 to 60 Months	More than 60 Months
Investments controlled by City Treasurer:							
U.S. agency securities	AA+/Aaa	\$ 224,207	\$ 17,588	\$ 50,075	\$ 121,020	\$ 35,524	
Medium- term corporate notes	AAA/Aaa	25,419	8,057	5,002	12,360		
Medium- term corporate notes	AA+/Aaa	4,996		4,996			
Medium- term corporate notes	AA+/A1	10,158	5,000	5,158			
Medium- term corporate notes	AA/Aa1	10,044	2,006		8,038		
Medium- term corporate notes	AA/Aa2	2,965	2,965				
Medium- term corporate notes	AA/Aa3	4,974			4,974		
Medium- term corporate notes	AA-/Aa1	6,241		6,241			
Medium- term corporate notes	AA-/Aa3	3,002	3,002				
Medium- term corporate notes	A+/A1	3,009			3,009		
Medium- term corporate notes	A+/A2	15,999	1,000	10,008	4,991		
Medium- term corporate notes	A/A3	5,005	5,005				
Medium- term corporate notes	A-/A3	5,081	5,081				
Commercial paper	A-1/P-1	43,641	43,641				
Money market mutual funds	AAA/Aaa	1,470	1,470				
LAIF	Unrated	70,445	70,445				
Total investments controlled by City Treasurer		436,656	165,260	81,480	154,392	35,524	
Investment controlled by bond trustees:							
U.S. agency securities	AA+/Aaa	120,089	26,705	9,467	53,762	30,155	
Guaranteed investment contracts	Unrated	72,111	10,029	41,001	4,022		\$ 17,059
Collateralized investment contracts	Unrated	1,211	1,211				
Flexible repurchase agreements	Unrated	308,564	24,212	22,909	173,297	7,503	80,643
Money market mutual funds	AAA/Aaa	87,212	87,212				
LAIF	Unrated	34,818	34,818				
Total investments controlled by bond trustees		624,005	184,187	73,377	231,081	37,658	97,702
Total Investments		\$ 1,060,661	\$ 349,447	\$ 154,857	\$ 385,473	\$ 73,182	\$ 97,702

NOTE 4 – ACCOUNTS RECEIVABLE, DUE FROM OTHER GOVERNMENTS, DUE FROM THE SUCCESSOR AGENCY, INTERFUND RECEIVABLE AND PAYABLE BALANCES, AND CERTAIN INTERFUND TRANSACTIONS:

Accounts receivable

Accounts receivable for the City's governmental and business-type activities, including the applicable allowance for uncollectible accounts at June 30, 2015, are as follows:

	Accounts Receivable	Less Allowance for Uncollectibles	Total
Governmental activities:			
General Fund	\$ 18,469	\$ (4,747)	\$ 13,722
Housing Authority	149	(99)	50
Nonmajor governmental funds	1,447		1,447
Internal service funds	5,968		5,968
Total governmental activities	<u>26,033</u>	<u>(4,846)</u>	<u>21,187</u>
Business-type activities:			
Electric Utility	47,134	(856)	46,278
Water Utility	6,594	(94)	6,500
Sanitation Utility	7,703	(212)	7,491
Golf Courses	98		98
Convention, Sports and Entertainment Venues	946	(24)	922
ARTIC Management	138		138
Total business-type activities	<u>62,613</u>	<u>(1,186)</u>	<u>61,427</u>
Total accounts receivable	<u>\$ 88,646</u>	<u>\$ (6,032)</u>	<u>\$ 82,614</u>

Due from other governments

Due from other governments for the City's governmental activities at June 30, 2015, are as follows:

	Taxes	Grants	Other	Total
Governmental activities:				
General Fund	\$ 17,481	\$ 143	\$ 427	\$ 18,051
Housing Authority		450		450
Nonmajor governmental funds	6	22,483	17	22,506
Total due from other governments	<u>\$ 17,487</u>	<u>\$ 23,076</u>	<u>\$ 444</u>	<u>\$ 41,007</u>

Revenues are reported net of estimated uncollectible amounts. Total estimated uncollectible amounts related to revenues of the current period are as follows:

General fund	\$ 1,421
Electric Utility	733
Water Utility	56
Sanitation	217
Total	<u>\$ 2,427</u>

Due from the Successor Agency

The amount due from the Successor Agency at June 30, 2015 is \$25,376. Due to the extended period of time over which the receivables are to be collected, for the amount due to the Governmental Funds, the City has recorded expenditures at the time the loans were provided and deferred inflows of resources equal to the amount due.

General Fund	\$ 2,384
Housing Authority	7,566
Nonmajor governmental funds	12,625
Internal service funds	2,801
Total	<u>\$ 25,376</u>

- On April 1, 2003 the City and the former Anaheim Redevelopment Agency entered into a Cooperation Agreement whereby the City assisted the Redevelopment Agency with the development of Westgate utilizing \$10,000 of funds from the HUD Section 108 loan program. The amount is due to the City by annual installment through June 2024. At June 30, 2015, the amount due is \$6,933.
- On June 1, 2010, the City and the former Anaheim Redevelopment Agency entered into a Cooperation Agreement whereby the City assisted the Redevelopment Agency with the rehabilitation of the historic Packing House site utilizing \$7,000 of funds from the HUD Section 108 \$15,000 loan proceeds. The amount is due to the City by annual installment through June 2031. At June 30, 2015, the amount due is \$5,692.
- In fiscal years 2010 and 2011, the former Anaheim Redevelopment Agency paid a total of \$19,163 to the State of California Supplement Educational Revenue Augmentation Fund (SERAF). Of this amount, \$8,500 was paid with funds borrowed from Housing Set-Aside property tax increment. At June 30, 2015, the amount due is \$7,566.
- On February 5, 2013, the City and the Successor Agency entered into a Cooperation Agreement whereby the City assisted the Successor Agency with loaning the proceeds of one-time allocation of the \$1,563 from the low-

and moderate income housing fund for various Successor Agency projects. At June 30, 2015, the amount due to the City is \$884.

- On May 14, 2013, the City and the Successor Agency entered into a Cooperation Agreement whereby the City assisted the Successor Agency by providing a loan up to \$1,500 for making homebuyer loans. At June 30, 2015, the amount due is \$1,500.
- On September 3, 2014, the City and the Successor Agency entered into two separate Cooperation Agreements whereby the City assisted the Successor Agency by providing loans for a total of \$3,491 from the unrestricted cash balance of the General Benefits and Insurance Internal Service Fund. Purpose of the loans is to provide financing for paying approved enforceable obligations before the Successor Agency receives proceeds from the Redevelopment Property Tax Trust Fund (RPTTF) distribution. During the fiscal year, the Successor Agency has repaid \$690. At June 30, 2015, the amount due is \$2,801.

General Fund

Of the total interfund receivable in the General Fund, \$1,630 is due from the Golf Courses Fund. On September 24, 2002, the City Council approved a loan up to \$6,400 from the General Fund to the Golf Courses Fund for construction of the Anaheim Hills Golf Clubhouse. The loan is payable in annual amounts of not less than \$548 beginning in July 2005 until July 2023 and bears interest at the City's investment yield as of June 30th of each year.

Certain interfund transactions

The net transfers between governmental funds and proprietary funds is \$6,445 which are primarily comprised of operational subsidies from enterprise funds to the General Fund and are offset by debt service subsidies to the Convention, Sports and Entertainment Venues Fund.

The following interfund transfers are reflected in the fund financial statements at June 30, 2015:

Interfund receivable and payable balances

Net internal balances between governmental activities and business-type activities of \$16,493 are included in the government-wide financial statements at June 30, 2015.

Interfund receivables and payables that are included in the fund financial statements at June 30, 2015, are as follows:

Interfund Receivable:						
	General Fund	Housing Authority	Nonmajor governmental funds	Internal service funds	Electric Utility	Total
Interfund Payable:						
Governmental Funds:						
General Fund		\$ 1,500		\$ 33		\$ 1,533
Nonmajor governmental funds				18,957		18,957
Enterprise Funds:						
Water Utility			\$ 152		\$ 3,087	3,239
Golf Courses	\$ 1,630					1,630
ARTIC Management				6		6
Total	<u>\$ 1,630</u>	<u>\$ 1,500</u>	<u>\$ 152</u>	<u>\$ 18,996</u>	<u>\$ 3,087</u>	<u>\$ 25,365</u>

Certain interfund balances at June 30, 2015 are generally short-term loans to relieve temporary cash deficits in various funds. The following interfund balance is expected to be repaid in more than one year:

Transfer In:									
General Fund	Housing Authority	Nonmajor governmental funds	Internal Service Funds	Electric Utility	Water Utility	Enterprise Funds		Total	
						Convention, Sports and Entertainment Venues	ARTIC Management		
			\$ 52,118	\$ 650	\$ 600	\$ 13,898		\$ 67,266	
			43					43	
	\$ 200	\$ 2,500	3,391				\$ 5,973	12,064	
			350					350	
	22,414							22,414	
	1,017			\$ 4,114				5,131	
	2,349							2,349	
	250							250	
	765							765	
			421					421	
Total	<u>\$ 26,995</u>	<u>\$ 2,500</u>	<u>\$ 56,323</u>	<u>\$ 650</u>	<u>\$ 4,114</u>	<u>\$ 600</u>	<u>\$ 13,898</u>	<u>\$ 5,973</u>	<u>\$ 111,053</u>

The City made the following new recurring and one-time transfers during fiscal year ended June 30, 2015:

- Transfer of \$600 from the General Fund to the Water Utility enterprise fund pursuant to a Water Transfer settlement. On December 9, 2014, the Anaheim City Council certified the official results of the California General Election held on November 4, 2014. Measure N, Anaheim Local Services Measure, which among other things, was to ratify and amend subdivision (e) of Charter Section 1221 to clarify the City of Anaheim's (City) authority to transfer up to 4% of the "operating revenue" earned by the Water and Electric Utilities to the City's General Fund instead of the "gross

revenue” was not approved by a majority of voters so it did not pass. Prior to these results, the City Charter had provided that the Water Utility could transfer to the General Fund of the City an amount not to exceed 4% of total revenue. Such transfers were not in lieu of taxes.

The Measure N election results coupled with settled litigation require the Water Utility to cease making the up to 4% transfer to the City's General Fund and the City to reimburse the Water Utility \$3 million plus the transferred funds held by the City for fiscal years ending June 30, 2014 and 2015, in equal installments of no less than \$600 beginning January 1, 2014 and by June 30th of each fiscal year for approximately nine years or sooner depending upon when the funds have been fully reimbursed.

- Transfer of \$300 from the General Benefits and Insurance Fund to the Other Capital Improvements nonmajor Capital Project Fund for various neighborhood capital project improvements.
- Transfer of \$421 from the ARTIC Management Enterprise Fund to the Transportation Improvement Projects nonmajor Capital Project Fund. This amount represents the beginning net position (deficit) of the ARTIC Management Fund as the ARTIC operation was transferred from the governmental fund to the enterprise fund when the constructions of the ARTIC station was completed during fiscal year 2015.
- Transfer of \$5,973 from nonmajor governmental funds to ARTIC Management Enterprise Fund from restricted resources of the City's Measure M2 allocation and the Anaheim Tourism Improvement District revenues. \$2,500 of this amount was used to make the annual ARTIC land loan debt service payment. Such debt service payment was previously made from the governmental fund; the remaining balance of \$3,473 was spent for the ARTIC operation.

The net transfer of \$169,119 from the governmental activities to the business-type activities in the government-wide Statement of Activities is resulting from the reclassifications of Capital Contributions to Transfer In from transfers of capital assets and long-term liabilities from the governmental activities to the business-type activities.

- Transfer in totaled \$175,323 from the governmental activities to the ARTIC Management business-type activities which comprised of \$204,996 ARTIC capital assets offset by a long-term liability land loan balance of \$28,500 and accrued interest payable of \$1,173.
- Transfer in of \$541 from the governmental activities to the Sanitation Utility business-type activities of sewer improvement capital assets.

Except for the transfers detailed above, there were no other significant transfers during the fiscal year that were either non-routine in nature or inconsistent with the activities of the Fund making the transfer.

NOTE 5 – BOND PAYMENT RECEIVABLE:

On August 3, 1995, the Los Angeles Rams Football Company, currently the St. Louis Rams (Rams), exercised its right to terminate its lease under the Fourth Amendment to the Exhibition Agreement between the Rams and the City (Rams Agreement). Under the Rams Agreement, the Rams became obligated to repay the City for the debt service on the 1979 Anaheim (California) Stadium Inc. Lease Revenue Bonds in the principal amount of \$28,110, which obligation is supported by an irrevocable standby letter of credit with Dresdner Bank AG, will be repaid by August 15, 2015. The 1979 Anaheim (California) Stadium Inc. Lease Revenue Bonds were subsequently refunded, and are no longer outstanding, by a portion of the Convention, Sports and Entertainment Venues Fund 1993 Refunding Projects Certificates of Participation. In December 2008, the 1993 Refunding Projects Certificates of Participation were refunded and replaced by the 2008 Lease Revenue Refunding Bonds. At June 30, 2015, the remaining principal payment obligation by the Rams on the debt service is \$2,325. During fiscal year 2015, the Rams reimbursed the City \$2,375 (representing \$2,180 for principal and \$195 for interest) for the current portion of their debt service obligation. The City accounted for the termination of the lease by recording a bond payment receivable from the Rams and a contribution to the Convention, Sports and Entertainment Venues Enterprise Fund in the amount of the debt obligation assumed by the Rams under the Rams Agreement.

NOTE 6 – CAPITAL ASSETS:

Capital asset activities for the year ended June 30, 2015, were as follows:

	Beginning Balance	Additions	Transfer In (Out)	Deletions	Ending Balance
Governmental activities:					
Nondepreciable assets:					
Land	\$ 658,253	\$ 7,925	\$ (32,315)	\$ (2,825)	\$ 631,038
Construction in progress	204,680	67,005	(200,002)	(15,104)	56,579
Total	<u>862,933</u>	<u>74,930</u>	<u>(232,317)</u>	<u>(17,929)</u>	<u>687,617</u>
Depreciable assets:					
Buildings, structures and improvements	292,767	2,421	1,344	(48)	296,484
Machinery and equipment	110,849	10,652	1,277	(4,505)	118,273
Infrastructure	798,420	3,348	24,159	(27)	825,900
Total	<u>1,202,036</u>	<u>16,421</u>	<u>26,780</u>	<u>(4,580)</u>	<u>1,240,657</u>
Total assets	<u>2,064,969</u>	<u>91,351</u>	<u>(205,537)</u>	<u>(22,509)</u>	<u>1,928,274</u>
Less accumulated depreciation for:					
Buildings, structures and improvements	(123,303)	(9,975)		41	(133,237)
Machinery and equipment	(79,534)	(7,084)		4,218	(82,400)
Infrastructure	<u>(367,907)</u>	<u>(17,827)</u>		<u>27</u>	<u>(385,707)</u>
Total accumulated depreciation	<u>(570,744)</u>	<u>(34,886)</u>		<u>4,286</u>	<u>(601,344)</u>
Total governmental activities capital assets, net	<u>\$ 1,494,225</u>	<u>\$ 56,465</u>	<u>\$ (205,537)</u>	<u>\$ (18,223)</u>	<u>\$ 1,326,930</u>
Business-type activities:					
Nondepreciable assets:					
Land	\$ 58,410		\$ 32,523		\$ 90,933
Construction in progress	85,649	\$ 101,987	(75,502)		112,134
Total	<u>144,059</u>	<u>101,987</u>	<u>(42,979)</u>		<u>203,067</u>
Depreciable assets:					
Buildings, structures and improvements	636,764	2,548	171,668	\$ (19,521)	791,459
Utility plant	1,652,727	3,538	74,593	(4,841)	1,726,017
Machinery and equipment	32,722	1,348	2,255	(188)	36,137
Total	<u>2,322,213</u>	<u>7,434</u>	<u>248,516</u>	<u>(24,550)</u>	<u>2,553,613</u>
Total assets	<u>2,466,272</u>	<u>109,421</u>	<u>205,537</u>	<u>(24,550)</u>	<u>2,756,680</u>
Less accumulated depreciation for:					
Buildings, structures and improvements	(240,121)	(15,799)		9,841	(246,079)
Utility plant	(587,813)	(52,989)		4,841	(635,961)
Machinery and equipment	<u>(23,921)</u>	<u>(1,594)</u>		<u>188</u>	<u>(25,327)</u>
Total accumulated depreciation	<u>(851,855)</u>	<u>(70,382)</u>		<u>14,870</u>	<u>(907,367)</u>
Total business-type activities capital assets, net	<u>\$ 1,614,417</u>	<u>\$ 39,039</u>	<u>\$ 205,537</u>	<u>\$ (9,680)</u>	<u>\$ 1,849,313</u>

Depreciation expense was charged to functions/programs of the City during fiscal year 2015 as follows:

Governmental activities:	
General government	\$ 261
Police	1,803
Fire	665
Community Development	554
Planning	111
Public Works	18,680
Community Services	2,983
Convention, Sports and Entertainment	5,410
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	4,419
Total depreciation expense - governmental activities	<u>\$ 34,886</u>
Business-type activities:	
Electric Utility	\$ 41,568
Water Utility	11,421
Sanitation Utility	2,576
Golf Courses	563
Convention, Sports and Entertainment Venues	13,018
ARTIC Management	1,236
Total depreciation expense - business-type activities	<u>\$ 70,382</u>

Capital leases

Included in the capital assets amounts listed above are the following capitalized leased assets:

Machinery and equipment	\$ 4,181
Less accumulated amortization	(1,375)
Capitalized leased assets, net	<u>\$ 2,806</u>

Governmental
Activities

Fiduciary Fund**Successor Agency**

Capital asset activities for the year ended June 30, 2015 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable assets:				
Land	\$ 15,568			\$ 15,568
Total	15,568			15,568
Depreciable assets:				
Buildings, structures and improvements	64,642	\$ 512		65,154
Machinery and equipment	265			265
Total	64,907	512		65,419
Total assets	80,475	512		80,987
Less accumulated depreciation for:				
Buildings, structures and improvements	(3,752)	(2,101)		(5,853)
Machinery and equipment	(188)	(14)		(202)
Total accumulated depreciation	(3,940)	(2,115)		(6,055)
Total capital assets, net	\$ 76,535	\$ (1,603)	\$	\$ 74,932

Operating leasesHousing Authority

At June 30, 2015, the Housing Authority earned revenues as the lessor of land, carried at cost of \$67,202 in the government-wide financial statements, under ten operating ground leases. These leases to developers are noncancelable. Terms of the leases range from 55 years to 65 years with lease expiration dates from 2054 to 2076. The total base rent to be collected over the terms of the leases are \$73,270 with simple interest accruing on unpaid portions at a rate ranging from 1% to 6%. Minimum lease payments are calculated annually, based on residual receipts, as defined in the lease agreements. At June 30, 2015, the Housing Authority has recorded notes receivable due from developers related to these transactions of \$13,776 and is net of allowances of \$4,051 for uncollected accounts in the government-wide financial statements. In the governmental fund financial statements, this amount is included in the \$55,991 notes receivable balance of the Housing Authority.

ARTIC Management

The ARTIC has entered into numerous long-term operating leases with tenants granting certain uses of the ARTIC premises described in the respective lease agreements. Terms of the leases range from 5 years to 15 years. Certain leases are subject to percentage rent in an amount equal to a percentage of the amount by which tenant's gross sales exceed certain thresholds.

ARTIC also entered into agreements to grant bus companies non-exclusive rights to use certain spaces in ARTIC. These agreements range from 5 years to 10 years and can be terminated by either parties with a 60 days termination notice. These agreements will automatically continue on a month-to-month basis upon expiration.

Future minimum lease payments are as follows:

2016	\$ 456
2017	522
2018	535
2019	515
2020	490
2021-2025	2,257
2026	68
Total	<u>\$ 4,843</u>

NOTE 7 – SELF INSURANCE:

The General Benefits and Insurance Fund, an internal service fund, is used to account for self-funded workers' compensation related benefits, self-funded general liability claims, commercial insurance purchases, and alternative risk financing vehicles; as well as benefit-related costs such as employee compensated absences, retirement, and health benefits. Revenues of the General Benefits and Insurance Fund are derived from cost-allocation charges to City departments using estimates of anticipated risk-transfer costs, new losses, payments on existing claims, and reserve development on known claims for the Insurance portion of the Fund; as well as anticipated benefits earned and insurance costs for benefits coverage for the General Benefits portion of the Fund. In addition, the Fund receives interest income from reserves.

At June 30, 2015, the City was fully funded for self-funded retention for workers' compensation and general liability claim exposures (with retention levels of \$750 per occurrence for workers' compensation claims and \$1,000 per occurrence for general liability claims). Above these retained levels, the City's potential liability is covered through various commercial insurance and intergovernmental risk pooling programs (collectively, "Insurance"). Settled claims have not exceeded total Insurance in any of the past three years, nor does management believe that there are any pending claims that will exceed total Insurance coverage.

The unpaid claims liability included in the General Benefits and Insurance Fund is based on the results of actuarial studies and includes amounts for claims incurred-but-not-reported, known-claim development, and allocated loss adjustment expenses. Claims liabilities are calculated using a discount rate of 3% and consider the effects of inflation, multi-year loss development trends, and other economic and social factors. It is the City's practice to obtain full actuarial studies annually for its retained levels for general liability and workers' compensation coverages. "Premiums" are charged by the General Benefits and Insurance Fund using various

allocation methods that include actual costs, trends in claims experience, exposure bases, and number of participants.

Changes in claims liability of the General Benefits and Insurance Fund and that relates to the governmental funds and reported in the governmental activities in the government-wide Statement of Net Position in fiscal years 2015 and 2014 were as follows:

	2015	2014
Claims liability at beginning of year	\$ 40,827	\$ 39,422
Current year claims and changes in estimates	13,469	8,691
Claims payments	(8,261)	(7,286)
Claims liability at end of year	<u>\$ 46,035</u>	<u>\$ 40,827</u>

Above the retained limit of \$750 per occurrence for workers' compensation losses, the City purchases excess coverage, utilizing both commercial insurance and an intergovernmental risk pooling program (CSAC-EIA), to statutory limits.

Above the retained limit of \$1,000 per occurrence for liability losses, the City maintains excess coverage for all City operations to \$150,000 per occurrence, excluding helicopter operations for which the City purchases \$50,000, per occurrence, of commercial aviation liability insurance (on a first-dollar basis). The first layer of excess liability loss coverage is procured through the Authority for California Cities Excess Liability (ACCEL), a joint powers insurance authority, formed in 1986, pooling catastrophic general, automobile, personal injury, and public officials errors and omissions liability losses among twelve California cities, through both risk-sharing and commercial insurance joint-purchase arrangements. The City, therefore, continues to maintain some limited excess liability risk sharing exposure, above \$1,000 per occurrence, directly with ACCEL. This pooled coverage has exposure (i) from the run-out periods from prior years in which commercial excess insurance was not obtained, and (ii) from an ACCEL retained layer for fiscal year 2015 of \$4,000 in excess of \$1,000. Each ACCEL member's share of pooled losses is based on a retrospectively-rated risk-sharing formula which includes, but is not limited to, exposure and loss experience factors.

In order to provide funds to pay claims, ACCEL collects an annual deposit from each member. The deposits are credited with investment income at the rate earned on ACCEL's investments. At June 30, 2015, ACCEL's cash and investments totaled \$52,861, of which \$6,110 consists of deposits and interest on deposits provided by the City. The City has no specific equity interest in ACCEL. Deposits provided to ACCEL by the City are expensed when paid by the General Benefits and Insurance Fund.

ACCEL is responsible for deciding the risks it will underwrite, the monitoring, and handling of large claims, and arranging excess risk-financing programs. ACCEL does not have any debt outstanding. For a copy of ACCEL's separate financial statements, contact the Finance Director of the City.

Note 8 - SHORT-TERM BORROWINGS:

On March 1, 2013, the Public Utility Department entered into a Revolving Credit Agreement with Wells Fargo Bank, National Association for a note amount not to exceed \$100,000, of which \$86,000 is made available for the Electric Utility and \$14,000 for the Water Utility. The note has a three year term at variable interest rate based on the LIBOR Daily Index Rate and a spread. The annual commitment fee is 0.175% of the total note amount of \$100,000.

The Revolving Credit Agreement provides temporary financing to the Electric and Water Utilities for the costs of acquisitions, constructions and improvements of the electric and water systems.

During fiscal year 2015, The Electric Utility has drawn \$12,823 from this note, of which \$11,200 was spent for capital projects and \$1,623 for decommissioning cost disbursements. In May 2015, the Electric Utility repaid \$11,200 from proceeds of the \$50,000 Electric Revenue Bonds Series 2015-A. The remaining balance of \$1,623 is expected to be paid in full during fiscal year 2016.

During fiscal year 2015, the Water Utility made a drawdown of \$4,900 from this note for capital projects, bringing the total used to the maximum \$14,000. In April 2015, the entire \$14,000 outstanding balance was paid in full from the proceeds of the Water Utility's \$95,885 Revenue Bonds Series 2015-A.

	Beginning Balance	Additions	Payments	Ending Balance
Electric Utility		\$ 12,823	\$ (11,200)	\$ 1,623
Water Utility	9,100	4,900	(14,000)	
Total	<u>\$ 9,100</u>	<u>\$ 17,723</u>	<u>\$ (25,200)</u>	<u>\$ 1,623</u>

NOTE 9 – LONG-TERM LIABILITIES:

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2015:

	Beginning Balance As Restated	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Within One Year
Governmental activities:					
Bonds payable:					
General obligation	\$ 1,995		\$ (635)	\$ 1,360	\$ 660
City lease revenue	436,226	\$ 27,954	(20,189)	443,991	26,136
Accretion	178,667	17,135		195,802	
Unamortized bond discount/premium, net	(2,131)	1,790	79	(262)	
Total	<u>614,757</u>	<u>46,879</u>	<u>(20,745)</u>	<u>640,891</u>	<u>26,796</u>
COPs:					
City COPs	8,880		(8,880)		
Total	<u>8,880</u>		<u>(8,880)</u>		
Capitalized lease obligations:					
Internal Service Funds	1,325	2,148	(1,127)	2,346	1,093
Total	<u>1,325</u>	<u>2,148</u>	<u>(1,127)</u>	<u>2,346</u>	<u>1,093</u>
Notes and loans payable:					
City	50,757	900	(30,285)	21,372	1,602
Total	<u>50,757</u>	<u>900</u>	<u>(30,285)</u>	<u>21,372</u>	<u>1,602</u>
Claims liabilities (note 7)	40,827	13,469	(8,261)	46,035	9,767
Compensated absences (note 1)	18,594	22,517	(21,939)	19,172	13,936
Pension (note 11):					
Governmental Funds	483,778	37,989	(124,718)	397,049	46,292
Internal Service Funds	24,339	1,751	(5,270)	20,820	1,819
Total	<u>508,117</u>	<u>39,740</u>	<u>(129,988)</u>	<u>417,869</u>	<u>48,111</u>
Governmental activities total	<u>1,243,257</u>	<u>125,653</u>	<u>(221,225)</u>	<u>1,147,685</u>	<u>101,305</u>
Business-type activities:					
Bonds payable:					
Electric Utility	606,885	159,350	(141,925)	624,310	14,040
Water Utility	83,870	95,885	(47,555)	132,200	1,775
Sanitation	43,495		(955)	42,540	1,005
Convention, Sports and Entertainment Venues	29,711	230,971	(5,486)	255,196	10,934
Unamortized bond discount/premium, net	16,592	52,382	(6,777)	62,197	
Total	<u>780,553</u>	<u>538,588</u>	<u>(202,698)</u>	<u>1,116,443</u>	<u>27,754</u>
COPs:					
Convention, Sports and Entertainment Venues	38,000		(38,000)		
Total	<u>38,000</u>		<u>(38,000)</u>		
Notes and loans payable:					
Electric Utility	35,600		(11,200)	24,400	11,200
Water Utility	7,486		(487)	6,999	6,999
Convention, Sports and Entertainment Venues	5,185		(5,185)		
ARTIC Management		28,500	(2,500)	26,000	3,000
Total	<u>48,271</u>	<u>28,500</u>	<u>(19,372)</u>	<u>57,399</u>	<u>21,199</u>
Decommissioning provision (note 1)	133,664	2,373	(1,623)	134,414	11,009
Pension (note 11):					
Electric Utility	75,985	6,122	(19,357)	62,750	7,885
Water Utility	25,397	2,166	(6,849)	20,714	2,828
Sanitation Utility	13,371	1,083	(3,423)	11,031	1,311
Golf Courses	1,045	88	(277)	856	105
Convention, Sports and Entertainment Venues	28,843	2,234	(7,064)	24,013	2,888
Total	<u>144,641</u>	<u>11,693</u>	<u>(36,970)</u>	<u>119,364</u>	<u>15,017</u>
Business-type activities total	<u>1,145,129</u>	<u>581,154</u>	<u>(298,663)</u>	<u>1,427,620</u>	<u>74,979</u>
Government-wide total	<u>\$2,388,386</u>	<u>\$ 706,807</u>	<u>\$ (519,888)</u>	<u>\$2,575,305</u>	<u>\$176,284</u>

Bond ratings for the City's revenue bonds are as follows:

	Standard & Poor's	Fitch Ratings	Moody's
General Obligation Bonds	AA	AA+	Aa2
General Fund Lease Revenue Bonds	AA-	AA	A1
2007 Senior Lease Revenue Bonds	BBB+	A+	A1
Electric Revenue Bonds	AA-	AA-	A1
Water Revenue Bonds	AAA	AAA	Unrated
Sewer Revenue Bonds	AA+	AA+	Unrated

GOVERNMENTAL ACTIVITIES:**BONDS PAYABLE**

At June 30, 2015, bonds payable consisted of the followings:

	Issued by	Date Issued	Final Maturity	Range of Interest Rates at Issue Date	Authorized and Issued	Out- standing 6/30/2015
City						
1993 General Obligation Refunding Bonds	City	11/01/93	10/01/16	4.0%-7.0%	\$ 10,055	\$ 1,360
1997 Anaheim Lease Revenue Bonds	APFA	02/01/97	03/01/37	4.5%-6.0%	510,427	173,778
Accretion						195,802
2007 Anaheim Lease Revenue Refunding Bonds	APFA	06/13/07	03/01/37	3.25% - 5.5%	256,320	240,915
2008 Anaheim Lease Revenue Refunding Bonds	APFA	12/10/08	08/01/19	3.0%-5.0%	5,084	2,544
2014 Anaheim Lease Revenue Bonds	APFA	11/14/14	05/01/46	0.4%-5.0%	27,954	26,754
Total						641,153
Unamortized bond premium/discounts, net						(262)
Total governmental activities bonds						<u>\$640,891</u>

Bonds Payable - CityGeneral obligation refunding bonds

The 1993 General Obligation Refunding Bonds were issued to finance storm drain improvements and are payable from the levy of ad valorem taxes. Total principal and interest remaining on the bonds is \$1,415, payable through October 2016. During the fiscal year ended June 30, 2015, total principal and interest paid was \$702.

Debt service requirements to maturity for the 1993 General Obligation Refunding Bonds to be paid by the General Obligation Bonds Debt Service Fund from future property tax revenues are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 660	\$ 41	\$ 701
2017	700	14	714
Total	<u>\$ 1,360</u>	<u>\$ 55</u>	<u>\$ 1,415</u>

Lease payment measurement revenues

In February 1997, the Anaheim Public Financing Authority sold \$510,427 of lease revenue bonds to construct public improvements in The Anaheim Resort. In June 2007, the Authority sold \$256,320 of lease revenue bonds to defease \$248,335 of the 1997 lease revenue bonds. The bonds are special obligations of the Authority payable solely from lease payments to be made by the City to the Authority for the use and occupancy of the leased premises. Debt service requirements to maturity for these lease revenue bonds are paid from lease payment measurement revenues (LPMR) defined as amounts equal to: 1) 3% of the 15% transient occupancy taxes (TOT) (i.e. 20% of the total transient occupancy taxes) for all hotel properties in the City, excluding Disney properties, and 2) 100% of the incremental TOT, sales, and property tax revenues from all Disney properties over the 1995 base, adjusted each year by the CPI change, with a minimum 2% increase annually. The City is not required to pay any additional sums should the LPMR fall short of the amount required to pay debt service on the bonds. The Walt Disney Company provided a guarantee to the bond insurer to enable the issuer to obtain municipal bond insurance.

LPMR began on January 1, 2001, with the first payment made to the trustee on July 7, 2001, for the LPMR generated during the period January through June 2001. Subsequent to that date, LPMR is collected and remitted to the trustee monthly. During the fiscal year ended June 30, 2015, \$47,408 was remitted to the trustee.

Debt service requirements to maturity for the 1997 Anaheim Lease Revenue Bonds and the 2007 Anaheim Lease Revenue Refunding Bonds to be paid by the Anaheim Resort Improvements Debt Service Fund from future LPMR are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 20,630	\$ 14,751	\$ 35,381
2017	22,900	13,479	36,379
2018	11,667	26,332	37,999
2019	12,031	27,086	39,117
2020	12,616	27,781	40,397
2021-2025	72,034	149,294	221,328
2026-2030	86,649	169,077	255,726
2031-2035	104,120	190,084	294,204
2036-2037	72,046	97,690	169,736
Total	<u>414,693</u>	<u>715,574</u>	<u>1,130,267</u>
Unamortized bond discount	(2,020)		(2,020)
Total bonds	<u>\$ 412,673</u>	<u>\$ 715,574</u>	<u>\$ 1,128,247</u>

Included in interest is \$195,802 related to accretion on capital appreciation bonds.

Lease revenue bonds – City

Debt service requirements to maturity for the City's lease revenue bonds to be paid from unrestricted revenues of the Municipal Facilities Debt Service Fund are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 5,506	\$ 1,249	\$ 6,755
2017	463	1,177	1,640
2018	501	1,154	1,655
2019	519	1,129	1,648
2020	555	1,102	1,657
2021-2025	1,579	5,358	6,937
2026-2030	3,121	4,747	7,868
2031-2035	3,983	3,885	7,868
2036-2040	5,084	2,784	7,868
2041-2045	6,488	1,380	7,868
2046	1,499	75	1,574
Total	<u>29,298</u>	<u>24,040</u>	<u>53,338</u>
Unamortized bond premium	1,758		1,758
Total Bonds	<u>\$ 31,056</u>	<u>\$ 24,040</u>	<u>\$ 55,096</u>

CAPITAL LEASE OBLIGATIONS

The City has a long-term noncancelable agreement with HP Financial Services to finance the acquisition of the City's server, desktop, and portable computer equipment. The agreement qualifies as a capital lease for accounting purposes as defined under the Financial Accounting Standards Board (FASB) Statement No. 13, *Accounting for Leases*, and therefore has been recorded at the present value of future minimum lease payments at the date of inception of the lease. Future minimum lease payments to be made from unrestricted revenues of the Information Services Internal Service Fund under the capital lease are as follows:

<u>Fiscal Year Ending 6/30</u>	
2016	\$ 1,156
2017	858
2018	458
2019	28
2020	3
Total	<u>2,503</u>
Less amount representing interest, variable	(157)
Present value of future minimum lease payments	<u>\$ 2,346</u>

NOTES AND LOANS PAYABLE

At June 30, 2015, notes and loans payable are as follows:

Notes and Loans Payable – CityHUD Section 108 guaranteed loans payable

In May 2003, the City entered into an agreement with HUD, making available \$10,000 to provide financial assistance related to the development of Westgate on a former landfill site located at the northeast corner of Beach Boulevard and Lincoln Avenue. The loan is payable from sales tax revenue generated by Westgate, from The Community Development Block Grant yearly entitlement, and from receipts of the Successor Agency receivable. The outstanding balance at June 30, 2015 was \$6,884. The loan bears interest ranging from 1.74% to 5.97% and is payable over 20 years beginning on February 1, 2005, until August 1, 2023. Loan debt service requirements to maturity are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 561	\$ 374	\$ 935
2017	670	342	1,012
2018	685	305	990
2019	730	266	996
2020	785	223	1,008
2021-2024	3,453	397	3,850
Total notes and loans	<u>\$ 6,884</u>	<u>\$ 1,907</u>	<u>\$ 8,791</u>

In March 2010, the City entered into an agreement with HUD, making available \$15,000 to fund the acquisitions of the Orange County Family Justice Center and Miraloma Park site, construction of the Thornton Brady storm drain and the rehabilitation of the historic Packing House site. The loan is payable from the Community Development Block Grant yearly entitlement and from the receipts of the Successor Agency receivable. The outstanding balance of the loan at June 30, 2015, was \$12,205. The loan bears interest ranging from 1.74% to 3.97% and is payable over 20 years beginning on February 1, 2011 through August 1, 2030. Loan debt service requirements to maturity are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 640	\$ 449	\$ 1,089
2017	655	433	1,088
2018	670	415	1,085
2019	690	394	1,084
2020	710	372	1,082
2021-2025	3,905	1,451	5,356
2026-2030	4,675	581	5,256
2031	260	6	266
Total notes and loans	<u>\$ 12,205</u>	<u>\$ 4,101</u>	<u>\$ 16,306</u>

Helicopter loan payable

In January 2009, the City entered into an agreement with Government Capital Corporation to finance the acquisition of a police helicopter. The amount of the loan totaled \$1,799 and bears interest at 5.391% per annum for a term of 12 years. On January 29, 2009, Government Capital Corporation assigned this agreement to Bank of America which subsequently assigned it to Western Alliance Equipment Finance on March 21, 2012. Principal and interest payments of \$206 are due annually beginning on December 16, 2009, until December 16, 2020. The outstanding balance at June 30, 2015 was \$1,034. Loan debt service requirements to maturity are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 150	\$ 56	\$ 206
2017	159	47	206
2018	167	39	206
2019	176	30	206
2020	186	20	206
2021	195	10	205
Total notes and loans	<u>\$ 1,033</u>	<u>\$ 202</u>	<u>\$ 1,235</u>

Lincoln Avenue construction loan payable

In March 2013, the City entered into a cooperative agreement with the County of Orange (County) for the funding and construction of Lincoln Avenue. The project includes widening of Lincoln Avenue from Rio Vista Street to Riverbend Parkway, and construction of the Lincoln Avenue Bridge over the Santa Ana River. Construction costs of the Lincoln Avenue within the City boundary is estimated to be \$2,250 which will be payable to the County in seven installments starting on July 1, 2013 and on July 1 of each subsequent year at no interest cost. The outstanding balance at June 30, 2015 was \$1,250.

BUSINESS-TYPE ACTIVITIES:**BONDS PAYABLE**

	Issued by	Date Issued	Final Maturity	Range of Interest Rates at Issue Date	Authorized and Issued	Outstanding 6/30/2015
Electric Utility						
1999 Revenue Bonds	APFA	09/01/99	10/01/27	3.0%-5.0%	\$ 45,000	\$ 27,435
2007 Revenue Bonds	APFA	02/01/07	10/01/37	4.0%-5.0%	206,035	191,740
2009 Revenue Bonds	APFA	03/10/09	10/01/39	3.0%-5.25%	70,000	64,060
2011 Revenue Bonds	APFA	05/11/11	10/01/36	3.0%-5.375%	90,390	90,390
2012 Revenue Bonds	APFA	09/19/12	10/01/31	3.125%-5%	92,130	92,130
2014 Revenue Bonds	CMFA	10/08/14	10/01/15	2.0%-5.0%	109,350	108,555
2015 Revenue Bonds	CMFA	04/21/15	10/01/45	Variable ^a	50,000	50,000
Total						624,310
Unamortized bond premiums/discounts, net						29,410
Total Electric Utility						653,720
Water Utility						
2004 Revenue Bonds	APFA	05/01/04	10/01/16	4.0%-4.5%	12,105	590
2008 Revenue Bonds	APFA	07/09/08	10/01/38	4.0%-5.0%	48,580	1,445
2010 Revenue Bonds	APFA	10/28/10	10/01/40	2.0%-4.75%	34,525	34,280
2015 Revenue Bonds	CMFA	04/21/15	10/01/45	2.0%-5.0%	95,885	95,885
Total						132,200
Unamortized bond premiums/discounts, net						13,159
Total Water Utility						145,359
Sanitation Utility						
2007 Revenue Bonds	APFA	05/23/07	02/01/39	3.9%-5.0%	47,710	42,540
Unamortized bond premium						945
Total Sanitation						43,485
Convention, Sports and Entertainment Venues						
2008 Lease Revenue Refunding Bonds	APFA	12/10/08	08/01/19	3.0%-5.0%	45,847	24,225
2014 Lease Revenue Bonds	APFA	11/14/14	05/01/46	0.4%-5.0%	230,971	230,971
Total						255,196
Unamortized bond premiums/discounts, net						18,683
Total Convention, Sports and Entertainment Venues						273,879
Total business-type activities bonds					<u>\$ 1,178,528</u>	<u>\$1,116,443</u>

^a SIFMA (Municipal Swap Index) rate up to the the period ending April 2, 2018. During this period. The interest is calculated weekly based on SIFMA index rate and a base SIFMA spread of 0.50%. On April 2, 2018, these bonds are subject to mandatory tender for purchase or conversion to a fixed rate.

Bonds Payable - Electric Utility

The City's Electric Utility has pledged future electric revenues, net of certain costs, to repay a total of \$1,001,248 outstanding long-term obligations, principal and interest. Proceeds from bonds provided financing for various capital improvements, primarily distribution assets. The Electric Utility's bonds are payable solely from electric customer net revenues and are payable through 2046. At June 30, 2015, the annual principal and interest payments on the bonds, excluding early bond retirements, were 33.4% of net revenues. Principal and interest paid for the current fiscal year and total net revenues were \$40,815 and \$122,268 respectively.

Bond debt service requirements to maturity for the Electric Utility to be paid from revenues are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2016	\$ 14,040	\$ 28,478	\$ 42,518
2017	16,390	27,913	44,303
2018	17,105	27,189	44,294
2019	17,920	26,375	44,295
2020	21,805	25,401	47,206
2021-2025	132,470	108,621	241,091
2026-2029	145,905	74,435	220,340
2030-2035	131,750	41,327	173,077
2036-2040	94,845	13,902	108,747
2041-2045	26,250	3,229	29,479
2046	5,830	68	5,898
Total	624,310	376,938	1,001,248
Unamortized bond premiums/discounts, net	29,410		29,410
Total bonds	<u>\$ 653,720</u>	<u>\$ 376,938</u>	<u>\$ 1,030,658</u>

Bonds Payable - Water Utility

The City's Water Utility has pledged future revenues from the sale of water, net of certain costs, to repay a total of \$238,650 for outstanding long-term obligations, principal and interest. Proceeds from bonds provided financing for various capital improvements, primarily distribution assets. The bonds are payable solely from water net revenues and are payable through 2046. At June 30, 2015, the annual principal and interest payments on the bonds were 37.7% of net revenues. Principal and interest paid for current fiscal year and total net revenues were \$5,138 and \$13,613 respectively.

Bond debt service requirements to maturity for the Water Utility to be paid from revenues are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,775	\$ 5,886	\$ 7,661
2017	2,620	6,055	8,675
2018	2,710	5,972	8,682
2019	2,810	5,869	8,679
2020	2,800	5,747	8,547
2021-2025	16,775	26,598	43,373
2026-2030	21,530	21,946	43,476
2031-2035	26,875	16,103	42,978
2036-2040	33,260	9,582	42,842
2041-2045	18,135	2,617	20,752
2046	2,910	76	2,986
Total	132,200	106,451	238,651
Unamortized bond premiums/discount, net	13,159		13,159
Total bonds	\$ 145,359	\$ 106,451	\$ 251,810

Bonds Payable – Sanitation Utility

The City's Sanitation Utility has pledged future sanitation system net revenues to pay a total of \$71,933 for revenue bonds issued in May 2007. Proceeds from the bonds provided financing for capital improvements to the sanitation sewer collection system. The bonds are payable solely from system net revenues and are payable through February 2039. At June 30, 2015, total principal and interest payments on the bonds were less than 41.2% of net revenues. Total principal and interest paid and total system net revenues for the current fiscal year were \$2,998 and \$7,270 respectively.

Bond debt service requirements to maturity for the Sanitation Utility to be paid from revenues are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,005	\$ 1,994	\$ 2,999
2017	1,045	1,954	2,999
2018	1,095	1,902	2,997
2019	1,145	1,853	2,998
2020	1,190	1,805	2,995
2021-2025	6,890	8,095	14,985
2026-2030	8,625	6,358	14,983
2031-2035	10,855	4,133	14,988
2036-2039	10,690	1,299	11,989
Total	42,540	29,393	71,933
Unamortized bond premium	945		945
Total bonds	\$ 43,485	\$ 29,393	\$ 72,878

Bonds Payable – Convention, Sports and Entertainment Venues

Bond debt service requirements to maturity for the Convention, Sports and Entertainment Venues to be paid from revenues are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 10,934	\$ 12,618	\$ 23,552
2017	15,402	12,087	27,489
2018	4,844	11,317	16,161
2019	5,096	11,073	16,169
2020	6,355	10,814	17,169
2021-2025	20,906	51,371	72,277
2026-2030	29,649	45,095	74,744
2031-2035	37,837	36,903	74,740
2036-2040	48,296	26,449	74,745
2041-2045	61,642	13,106	74,748
2046	14,235	712	14,947
Total	255,196	231,545	486,741
Unamortized bond premium/discounts, net	18,683		18,683
Total bonds	\$ 273,879	\$ 231,545	\$ 505,424

NOTES AND LOANS PAYABLE

Note Payable – Electric Utility

On July 13, 2013, the Electric Utility used \$44,000 from the proceeds of the Revolving Credit Agreement with Wells Fargo Bank, National Association (see note 8) to retire the outstanding principal balance of \$60,205 of the 2002-B Electric Revenue Bonds. The note has a three years term at variable interest rate based on LIBOR Daily Index Rate and a spread, and no principal payment is required before term. During fiscal year 2015, the Electric Utility repaid \$11,200 of the tax-exempt note. At June 30, 2015 the outstanding balance of long-term portion of the note was \$24,400.

Note Payable – Water Utility

At June 30, 2015, note payable is as follows:

State of California Revolving Fund note payable

In June 2001, the Water Utility executed a note payable to the State of California Revolving Fund at a rate of 2.8% in the amount of \$18,063. There are semi-annual payments of principal and interest in the amount of \$592 through July 31, 2021. The outstanding balance on this note at June 30, 2015 was \$6,999 that will be repaid in full in fiscal year 2016 from the proceeds of the Water Revenue Bonds Series 2015-A.

Note debt service requirements to maturity for the Water Utility are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 6,999	\$ 98	\$ 7,097
Total notes and loans	<u>\$ 6,999</u>	<u>\$ 98</u>	<u>\$ 7,097</u>

Note Payable – ARTIC Management

Anaheim Regional Transportation Intermodal Center (ARTIC) Land Acquisition Loan payable

In July 2012, the City entered into an agreement with the Orange County Transportation Authority (OCTA) for the Purchase and Sale of a 13.58 acres real property located at 1750 South Douglass Road in Anaheim. The purchase price for the site is \$32,500. The City paid \$1,000 at the close of escrow and the remaining \$31,500 will be payable to OCTA over 13 years and bears 2% simple interest per annum. Annual principal payments are due on or before July 10th each year commencing 2012. The payment of accrued interest is deferred until equal payments of \$1,883 are due and payable on or before July 10, 2024 and July 10, 2025. The loan is payable with Measure M2 Local Fair Share funds. OCTA will retain payments from Anaheim’s “Local Fair Share” funds allocated by OCTA under Measure M2 each year until the final payment is made on July 10, 2025. The City may elect to provide alternative funding from other City funds for transportation

related purposes, such as gas tax funds. At June 30, 2015, the outstanding balance of the ARTIC loan was \$26,000. Loan debt service requirements to maturity are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 3,000		\$ 3,000
2017	3,000		3,000
2018	3,500		3,500
2019	3,500		3,500
2020	3,500		3,500
2021-2025	9,500	\$ 3,766	13,266
Total notes and loans	<u>\$ 26,000</u>	<u>\$ 3,766</u>	<u>\$ 29,766</u>

ARBITRAGE

The Tax Reform Act of 1986 (Act) substantially revised the treatment to be afforded to earnings on the proceeds of tax-exempt debt, and requires the City to calculate and remit rebatable arbitrage earnings to the Internal Revenue Service. Certain of the City’s debt and interest earned on the proceeds thereof are subject to the requirements of the Act. The City has accrued a liability for estimated rebatable arbitrage earnings and has set aside such earnings as restricted cash. At June 30, 2015, the arbitrage rebate liability for governmental and business-type activities was zero and \$605 respectively.

COMPLIANCE WITH DEBT COVENANTS

There are various limitations and restrictions contained in the City’s bonds and certificates of participation indentures. The City believes they are in compliance with all significant limitations and restrictions.

DEBT ISSUANCES

City - Debt Issuance

On November 14, 2014 the Anaheim Public Financing Authority issued Series 2014 Lease Revenue Bonds in the principal amount of \$258,925 at a premium of \$21,266. The Bonds were being issued to finance an expansion of the Anaheim Convention Center and other capital projects of the City, to refund the outstanding principal balances of the 1992 Certificate of Participations (COPs) (\$34,500), the 1993 Refunding Bonds (\$7,655), the 2002 Refunding Bonds (\$490), to fund debt service reserve funds, a capitalized interest fund and cost of issuance fund. The City reduced \$6,541 in debt service payments over the life of the refunded bonds and COPs and obtained an economic gain of \$2,847. Total debt service to maturity through fiscal year 2046 will be \$516,977.

The bond proceeds, net of premium and along with previous debt service reserve of \$11,436 totaled \$291,627 were deposited as follows:

Anaheim Convention Center Expansion construction Fund	\$ 190,000
Other City capital projects construction fund	20,000
Debt service reserve funds	8,262
Capitalized interest fund	28,140
Cost of issuance fund	2,004
Deposited in escrow for the refunding of:	
1992 COPs	34,810
1993 Refunding Bonds	7,907
2002 Refunding Bonds	504
Total	<u>\$ 291,627</u>

Consistent with the components of the sources and uses of funds, the Series 2014 Lease Revenue Bonds have been allocated to the Municipal Facilities nonmajor governmental Debt Service Fund, the Other Capital Project nonmajor governmental Capital Project Fund and the Convention, Sports and Entertainment Enterprise Fund in the amount of \$6,200, \$23,544 and \$250,447 respectively.

Electric Utility - Debt Issuances

On October 8, 2014, the Electric Utility issued California Municipal Finance Authority Revenue Refunding Bonds, Series 2014-A in the principal amount of \$109,350 at a premium of \$19,921. The Bonds are being issued to refund the outstanding principal balances of Series 2003-A Electric Revenue Bonds (\$23,490), the Series 2004-A Electric Revenue Bonds (\$105,485), and to fund debt service reserve funds and cost of issuance. The Electric Utility reduced its total debt service payments over the life of the refunded bonds by \$44,999 and obtained an economic gain of \$32,405. Total debt service to maturity through fiscal year 2015 will be \$143,813.

The bond proceeds, net of premium and along with \$13,965 of the previous debt service reserve totaled \$143,236 were deposited as follows:

Debt service reserve funds	\$ 12,927
Cost of issuance fund	677
Deposited in escrow for the refunding of:	
2003-A Refunding Bonds	23,607
2004 Refunding Bonds	106,025
Total	<u>\$ 143,236</u>

On April 11, 2015, The Electric Utility issued California Municipal Finance Authority Revenue Bonds, Series 2015-A in the principal amount of \$50,000. The bonds are being issued to finance the acquisition and construction of additional capital assets of the Electric Utility distribution system and to pay costs of issuance of the bonds. Proceeds of the bonds of which \$49,523 was deposited in the Acquisition Fund and \$477 in Cost of Issuance Fund. The bonds were initially issued at a SIFMA Rate up to April 2, 2018. During this period, the interest is calculated weekly based on

SIFMA index rate and a base SIFMA spread of 0.50% payable on the first business day of each month, commencing on May 1, 1015. On April 2, 2018, these bonds are subject to mandatory tender for purchase or conversion to a fixed rate. Annual principal requirements from October 1, 2036 through 2045 ranging from \$4,245 to \$5,830 at planning rate of 3.50%. Total debt service is \$95,910 to maturity.

Water Utility - Debt Issuance

On April 21, 2015 the Water Utility issued California Municipal Finance Authority Water Revenue Bonds, Series 2015-A in the principal amount of \$95,885 at a premium of \$12,984. The Bonds are being issued to finance the acquisition and construction of capital improvements to the Water Utility's infrastructure, to repay the outstanding principal balance of the short-term financing, to refund \$46,595 of the \$48,040 outstanding principal balance on the 2008 Water Revenue Bonds, to prepay the principal balance of State of California Revolving Fund loan (\$6,999), and to fund the cost of issuance fund. The Water Utility reduced \$10,378 in debt service payment over the life of the refunded 2008 Revenue bonds and obtained an economic gain of \$3,775. The total debt service to maturity through fiscal year 2046 will be \$168,893.

The proceeds, net of premium and together with \$6,601 of previous debt service reserve totaled \$115,470 were deposited as follows:

Project acquisition fund	\$ 41,000
Costs of issuance fund	630
Line of credit with Wells Fargo Bank	14,000
Deposited in escrow to refund the 2008 Revenue Bonds	52,743
Deposited in trustee to prepay the State Loan	7,097
Total	<u>\$ 115,470</u>

DEBT RETIREMENTS

Convention, Sports and Entertainment Venues

In November 2014, the City repaid the total outstanding principal and accrued interest balance of the 2010 lease revenue note due Wells Fargo Bank, National Association from the unrestricted revenues of the Convention, Sports and Entertainment Venues Fund. Total principal and interest paid was \$5,189.

Debt Defeased

The City defeased the following bonds prior to June 30, 2015:

	<u>Outstanding</u>
	<u>6/30/15</u>
Water Utility	
Series 2008 Water System Revenue Bonds	\$ 46,595

In the refunding, the proceeds of the refunding issue were placed in irrevocable escrow accounts and invested in government securities that, together with interest earnings thereon, will provide amounts sufficient for future payments of interest and principal on the issues refunded. Refunded debt is not included in the City's accompanying basic financial statements as the City has satisfied its obligation through the in-substance defeasance of these issues.

CONDUIT FINANCINGS

City

The City has entered into two conduit financings on behalf of a community care provider facility and one to facilitate the management agreement for the Honda Center (formerly the Arrowhead Pond) of Anaheim. In accordance with applicable agreements, the City has no obligation for debt service payments and therefore, the debt is not reflected in the accompanying basic financial statements. Bonds payable and certificates of participation related to conduit financings outstanding at June 30, 2015, were as follows:

	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Outstanding 6/30/2015</u>
1993 Anaheim Memorial Hospital Association	10/15/93	05/15/20	\$ 46,690	\$ 14,285
2003 Anaheim Arena Financing Project	12/11/03	06/01/23	42,600	27,500
Total			<u>\$ 89,290</u>	<u>\$ 41,785</u>

Anaheim Housing Authority

The Anaheim Housing Authority has entered into conduit debt financings on behalf of various developers to assist with the acquisition, construction, equipping, rehabilitation and refinancing of multifamily residential rental projects within the City of Anaheim. In accordance with the bond documents, neither the City nor the Housing Authority has an obligation for debt service payments and therefore, the debt is not reflected in the accompanying basic financial statements. Housing Authority revenue bonds related to conduit financings outstanding at June 30, 2015, were as follows:

	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Outstanding 6/30/2015</u>
1985 West Anaheim Royale	12/01/85	12/01/15	\$ 4,664	\$ 509
1992 Heritage Village	07/15/03	07/15/33	8,485	5,485
1998 Sage Park Project	11/01/98	11/01/28	5,500	5,500
2000 Cobblestone Apartments	07/20/00	03/15/33	3,980	3,580
2000 Sea Wind Apartment	07/20/00	07/15/33	7,000	6,300
2000 Park Vista Apartments	07/24/00	07/01/33	27,180	27,180
2001 Solara Court Apartments	11/01/04	12/01/34	8,200	5,270
2008 Bel Age Manor Apartments	02/01/08	02/01/44	22,350	20,491
2009 Lincoln Anaheim Apartments Phase B	05/15/09	04/15/39	23,217	8,351
2012 Anton Monaco Apartments	12/14/12	01/01/46	35,460	35,460
2012 Crossings at Cherry Orchard Apartments Tranche A	08/23/12	12/01/44	9,365	1,112
2012 Crossings at Cherry Orchard Apartments Tranche B	08/23/12	12/01/29	2,985	2,916
2013 Paseo Village Apartments	02/28/13	09/01/45	19,750	12,932
2014 Village Center Apartments	08/01/14	03/01/47	15,000	15,000
Total			<u>\$ 193,136</u>	<u>\$ 150,086</u>

FIDUCIARY FUNDS

Successor Agency

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

	<u>Beginning Balance, as Restated</u>	<u>Additions/ Proceeds</u>	<u>Reductions/ Payments</u>	<u>Ending Balance</u>	<u>Within One Year</u>
Bonds payable premium/(discount), net	\$ 205,705		\$ (2,430)	\$ 203,275	\$ 3,510
Notes and loans payable	2,775		(252)	2,523	
Due to City of Anaheim	6,814		(288)	6,526	321
Pollution remediation liability	23,414	\$ 4,108	(2,146)	25,376	8,878
Net pension liability	170	18,576	(170)	18,576	300
	9,456	290	(1,181)	8,565	754
	<u>\$ 248,334</u>	<u>\$ 22,974</u>	<u>\$ (6,467)</u>	<u>\$ 264,841</u>	<u>\$ 13,763</u>

Bonds Payable2007 Tax Allocation Refunding Bonds

The Successor Agency will repay a total of \$308,233, principal and interest, for the outstanding 2007 tax allocation bonds issued in December 2007 from the semi-annual Redevelopment Property Tax Trust Fund (RPTTF) revenue allocations. Proceeds from the bonds provided financing for public improvements related to the merged project areas, for the supply of low-and moderate-income housing within the City, to repay certain Redevelopment Agency loan obligations and to advance refund the 1992, 1997 and 2000 bonds. The bonds bear interest at rates ranging from 4.25% to 6.50% and are payable through February 2031. During the fiscal year ended June 30, 2015, total principal and interest paid was \$12,864.

Debt service requirements to maturity for 2007 Tax Allocation bonds are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 3,280	\$ 10,532	\$ 13,812
2017	5,565	10,350	15,915
2018	7,955	10,053	18,008
2019	8,340	9,662	18,002
2020	8,800	9,204	18,004
2021-2025	51,450	38,321	89,771
2026-2030	90,255	21,315	111,570
2031	21,970	1,181	23,151
Total	197,615	110,618	308,233
Unamortized bond premium/discounts, net	2,523		2,523
Total bonds	<u>\$ 200,138</u>	<u>\$ 110,618</u>	<u>\$ 310,756</u>

2010 Recovery Zone Economic Development Bonds

The Successor Agency will repay a total of \$9,242, principal and interest, outstanding Recovery Zone Economics Development Bonds issued in October 2010 from the semi-annual RPTTF revenue allocations. Proceeds from the bonds provided financing for public improvements related to the merged project areas. The bonds bear interest at rates ranging from 1.44% to 6.22% and are payable through February 2031. During the fiscal year ended June 30, 2015, total principal and interest paid was \$579.

Debt service requirements to maturity for 2010 Recovery Zone Development bonds are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 230	\$ 346	\$ 576
2017	240	337	577
2018	250	326	576
2019	265	314	579
2020	280	301	581
2021-2025	1,635	1,252	2,887
2026-2030	2,220	668	2,888
2031	540	38	578
Total bonds	<u>\$ 5,660</u>	<u>\$ 3,582</u>	<u>\$ 9,242</u>

Notes and Loans PayableSavi Ranch Associates note payable

In July 1989, the former Redevelopment Agency executed a note with Savi Ranch Associates, a California general partnership. The amount of the note totaled \$2,707 and bears interest at 9.5% per annum. The note is payable from net property tax increment as defined in the Redevelopment Agency note. If there is insufficient RPTTF revenue to pay for principal and interest at the termination of the River Valley project area plan in November 2031, the note ceases to be an obligation of the Successor Agency. For the fiscal year ended June 30, 2015, total interest paid was \$337.

Contractual obligations

As part of the Redevelopment Agency's economic development program to attract and retain businesses in the City, the former Redevelopment Agency has entered into various contractual obligations to reimburse tenant improvement costs to be paid from property tax increment revenues (thereafter RPTTF). At June 30, 2015, the outstanding balance of these obligations totaled \$100.

In December 1992, the former Redevelopment Agency has entered into an agreement with California State Teachers Retirement System (CALSTRS), to share in the development costs of the Plaza Redevelopment Project. In March 2004, CALSTRS assigned the agreement to the new owners, Pan Pacific Retail Properties, Inc. (PPRP). In October 2006, Kimco Realty Corporation (KRC) acquired PPRP including the assumption of the assigned plaza project agreement. The KRC participation note bears 7% simple interest rate, and has a maximum term of 25 years. The Successor Agency's obligation to repay the note is entirely contingent on the revenues generated by the project. The note will be forgiven at the end of the term whether or not the entire amount has been repaid. At June 30, 2015, the outstanding balance of the participation note was \$3,719.

Debt service requirements to maturity for the Successor Agency notes payable and contractual commitments to be paid from future RPTTF revenues are as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 321	\$ 601	\$ 922
2017	357	589	946
2018	396	576	972
2019	438	560	998
2020	484	542	1,026
2021-2025	1,823	2,146	3,969
2026-2030	971	1,504	2,475
2031-2033	1,736	218	1,954
Total notes and loans	<u>\$ 6,526</u>	<u>\$ 6,736</u>	<u>\$ 13,262</u>

Due to the City of Anaheim

The Successor Agency will repay a total of \$8,791 outstanding long-term obligations, principal and interest, from the semi-annual RPTTF revenue allocations for the \$10,000 Cooperation Agreement dated April 1, 2003, between the former Redevelopment Agency and the City, whereby the City assisted the former Agency with the development of the Anaheim Westgate Center (Westgate project) utilizing \$10,000 of funds from the HUD Section 108 loan. This Cooperation Agreement obligation (HUD Section 108 loan) bears interest ranging from 1.74% to 5.97% and is payable semi-annually through August 2023. At June 30, 2015, outstanding principal due to the City for the Westgate project obligation was \$6,933. Principal and interest paid for the current fiscal year were \$919.

The Successor Agency will repay a total of \$7,655 outstanding long-term obligations, principal and interest, from the semi-annual RPTTF revenue allocations for the \$7,000 Cooperation Agreement dated June 2010 between the former Redevelopment Agency and the City, whereby the City assisted the former Redevelopment Agency with the rehabilitation of the historic Packing House site utilizing proceeds from the HUD Section 108 loan. This Cooperation Agreement obligation (HUD 108 Section loan) bears interest ranging from 1.68% to 3.98% and is payable over 20 years beginning on February 1, 2011 through August 1, 2030. As of June 2015, the outstanding principal due to the City for the Packing House site project obligation was \$5,692. Principal and interest paid for the current fiscal year were \$543.

The former Redevelopment Agency paid a total of \$19,163 to the State of California Supplemental Education Revenue Augmentation Fund (SERAF) in fiscal years 2010 and 2011. Of this amount, \$8,500 was borrowed from the housing fund. The Successor Agency will repay this amount from future RPTTF revenue allocations. At June 30, 2015, the outstanding balance was \$7,566.

In 2013, the Successor Agency entered into two separate Cooperative Agreements with the City whereby the City assisted the Successor Agency by providing a loan of

\$1,563 to finance various Successor Agency projects and a loan \$1,500 to fund homebuyer loans. The Successor Agency will repay the City from future RPTTF revenue allocation. At June 30, 2015, the outstanding balance of these loan are \$884 and \$1,500 respectively.

The Successor Agency had exceeded its estimates in the Recognized Obligation Payment Schedule (ROPS) for the period from July 1, 2012 to June 30, 2013 and the cost recovery was denied by the State Department of Finance in the semi-annual true-up process. In September 2014, the Successor Agency entered into two separate Cooperative Agreements with the City whereby the City assisted the Successor Agency by providing loans for a total of \$3,491 for paying approved enforceable obligations. Per the Redevelopment Dissolution law, this was the only remedy permitted and to request reimbursement of the loan from the State Department of Finance in the subsequent ROPS period. The Successor Agency was authorized funds totaling \$690 during fiscal year 2015 to repay the City for these loans. At June 30, 2015, the amount due to the City is \$2,801.

Westgate Pollution Remediation Obligation

In June 2003, the former Redevelopment Agency acquired property located at 2951 West Lincoln Avenue as part of a redevelopment project named the Westgate project. Approximately 11 acres of the property were formerly known as the Sparks and Rains Landfills. The County of Orange was the operator of these landfills until 1960. In November 2008, the County paid the Redevelopment Agency \$5,176 in settlement of claims related to the pollution remediation for the Westgate project site prior to the development of a shopping center. The total costs of the pollution remediation work amounted to \$12,420 based on actual contract received for the project. During the year ended June 30, 2015, management identified potential additional pollution remediation costs including ongoing maintenance responsibilities required for the Westgate project amounting to \$18,576.

Mello-Roos Community Facilities Districts

The City issued special tax bonds to finance construction in various Community Facilities Districts. These bonds were authorized pursuant to the Mello-Roos Community Facilities Act of 1982. The bonds are payable from a special assessment tax and are non-recourse bonds secured by the properties. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision of either of the foregoing is pledged to the payment of the bonds. The bonds are not general or special obligations of the City, nor do they contain any credit enhancements that secondarily pledge existing or future resources of the City, accordingly they are not reflected in the accompanying basic financial statements. The City is acting as agent only for the property owners in collecting the special assessments and forwarding the collections to the fiscal agent. This activity is recorded in an agency fund in the basic financial statements.

At June 30, 2015, the City has the following outstanding Mello-Roos special tax bonds:

In February 2007, the City issued \$9,060 in special tax bonds to finance a portion of the cost of acquisition and construction of facilities in the Platinum Triangle of Anaheim, Community Facility District 06-2. At June 30, 2015, the 2007 Mello-Roos bonds outstanding amounted to \$7,880.

In August 2010, the City issued \$28,630 in special tax bonds, Series 2010 to finance a portion of the cost of acquisition and construction of facilities in the Platinum Triangle of Anaheim, Community Facility District 08-1 and to fund a reserve fund for the Series 2010 Bonds. At June 30, 2015, the 2010 Mello-Roos bonds outstanding amounted to \$26,080.

In September 2014, the City made the final debt service payments of the 2004 special tax bonds for the Community Facility District 1989-1 and 1989-2, and the 1999 special tax bonds for the Community Facility District 1989-3.

NOTE 10 – SEGMENT INFORMATION:

The Sanitation Utility Fund issued revenue bonds to finance sewer system expansion and improvements. The Sanitation Utility Fund accounts for three activities: solid waste collection, wastewater, and street cleaning. However, investors in the revenue bonds rely solely on revenue generated through wastewater activities for repayment. Summary financial information for wastewater activities is presented below:

Condensed Statement of Net Position

Assets	
Cash and cash equivalents	\$ 7,035
Investments	18,551
Other current assets	1,617
Restricted cash and cash equivalents	15,520
Restricted investments	4,554
Capital assets, net	97,317
Total assets	<u>144,594</u>
Deferred outflows of resources - deferred pension	<u>468</u>
Liabilities	
Current liabilities	1,531
Current liabilities payable from restricted assets	1,420
Noncurrent liabilities	46,942
Total liabilities	<u>49,893</u>
Deferred inflows of resources - deferred pension	<u>1,024</u>
Net Position	
Net investment in capital assets	55,523
Restricted for debt services	419
Restricted for capital projects	17,065
Unrestricted	21,138
Total net position	<u>\$ 94,145</u>

Condensed Statement of Revenues, Expenses and Changes in Net Position

Waste water fees (pledged against bonds)	\$ 12,221
Other revenues	878
Depreciation and amortization	(2,037)
Other operating expenses	(6,103)
Total operating Income	<u>4,959</u>
Nonoperating income(expenses)	
Interest income	274
Interest expense	(1,764)
Capital contribution	541
Transfer out	(500)
Total nonoperating expense	<u>(1,449)</u>
Change in net position	3,510
Net position at beginning of year, as restated	90,635
Net position at end of year	<u>\$ 94,145</u>

Condensed Statement of Cash Flows

Net cash provided by (used for):	
Operating activities	\$ 6,991
Noncapital financing activities	(500)
Capital and related financing activities	(4,227)
Investing activities	(2,958)
Net decrease	<u>(694)</u>
Beginning cash and cash equivalents	23,249
Ending cash and cash equivalents	<u>\$ 22,555</u>
Reconciliation of cash and cash equivalents	
Cash and cash equivalent	\$ 7,035
Restricted cash and cash equivalent	15,520
Total cash and cash equivalent	<u>\$ 22,555</u>

With the implementation of GASB Statement No. 68, the Wastewater Segment restated the beginning net position by a reduction of the net pension liability net of the deferred outflows of resources related to pension.

Beginning net position, as previously reported	\$ 96,220
Deferred outflows of resources - deferred pension	459
Net pension liability	(6,044)
Beginning net position, as restated	<u>\$ 90,635</u>

NOTE 11- PENSIONS:

General information about the Pension Plans

Plan Description

The City provides pension benefits to eligible full-time employees in three separate pension plans: Miscellaneous Plan, Police Safety Plan and Fire Safety Plan. These plans are agent multiple-employer public employee defined benefit plans and are administered through the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website @www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employee's Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date	January 1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-65
Monthly benefits, as a % of eligible compensation	2.7%	2.0%
Required employee contribution rates	8.0%	6.75%
Required employer contribution rates	24.271%	24.271%

	Police Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date	January 1, 2013	January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52-57
Monthly benefits, as a % of eligible compensation	3.0%	2.70%
Required employee contribution rates	9.0%	12.75%
Required employer contribution rates	32.808%	32.808%

	Fire Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date	January 1, 2013	January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50-57
Monthly benefits, as a % of eligible compensation	3.00%	2.0%-2.7%
Required employee contribution rates	9.00%	11.25%
Required employer contribution rates	34.232%	34.232%

Employees Covered

At June 30, 2014, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Police Safety	Fire Safety
Inactive employees or beneficiaries currently receiving benefits	1,863	501	287
Inactive employees entitled to but not yet receiving benefits	1,426	62	47
Active employees	1,628	380	189
Total	4,917	943	523

Contributions

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

The City pays a certain percentage of the Participant contribution. The following table summarizes the required contribution rates by employee and employer effective for fiscal year 2015. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

Employee Group	Anaheim Hire Date	CalPERS Membership ¹	Employee Rate		Employer Rate		Total Rate
			Employee	City	Employee ²	City	
Miscellaneous Employees							
Management	Before 1/10/2012	Classic	1.000%	7.000%	3.923%	20.348%	32.271%
	After 1/10/2012 but before 1/1/2013	Classic	8.000%	0.000%	0.000%	24.271%	32.271%
	On or After 1/1/2013	Classic	8.000%	0.000%	0.000%	24.271%	32.271%
	On or After 1/1/2013	New	6.750%	0.000%	0.000%	24.271%	31.021%
AMEA General	Before 1/1/2013	Classic	1.000% ³	7.000%	3.923%	20.348%	31.271%
AMEA Clerical	On or After 1/1/2013	Classic	1.000% ³	7.000%	3.923%	20.348%	31.271%
	On or After 1/1/2013	New	6.750%	0.000%	0.000%	24.271%	31.021%
I.B.E.W. Confidential	Before 1/1/2013	Classic	1.000% ³	7.000%	3.923%	20.348%	31.271%
	On or After 1/1/2013	Classic	1.000% ³	7.000%	3.923%	20.348%	31.271%
	On or After 1/1/2013	New	6.750%	0.000%	0.000%	24.271%	31.021%
APA Trainees	Before 1/1/2013	Classic	8.000%	0.000%	0.000%	24.271%	32.271%
	On or After 1/1/2013	Classic	8.000%	0.000%	0.000%	24.271%	32.271%
	On or After 1/1/2013	New	6.750%	0.000%	0.000%	24.271%	31.021%
Safety Employees							
Fire Management AFA	Before 1/1/2013	Classic	9.000%	0.000%	0.000%	34.232%	43.232%
	On or After 1/1/2013	Classic	9.000%	0.000%	0.000%	34.232%	43.232%
	On or After 1/1/2013	Classic	9.000%	0.000%	0.000%	34.232%	43.232%
	On or After 1/1/2013	New	11.250%	0.000%	0.000%	34.232%	45.482%
Police Management APMA	Before 1/1/2013	Classic	0.000%	9.000%	0.000%	32.808%	41.808%
	On or After 1/1/2013	Classic	0.000%	9.000%	0.000%	32.808%	41.808%
	On or After 1/1/2013	New	12.750%	0.000%	0.000%	32.808%	45.558%
APA	Before 1/1/2013 ³	Classic	8.000% ³	0.000%	0.000%	32.808%	32.808%
	On or After 1/1/2013 ³	Classic	8.000% ³	0.000%	0.000%	32.808%	32.808%
	On or After 1/1/2013	New	12.750%	0.000%	0.000%	32.808%	45.558%

¹ Definition of a 'New' PERS member

A new hire who is brought in CalPERS membership for the first time on or after January 1, 2013, and who has no prior membership in any California public retirement system.

A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who is not eligible for reciprocity with another California public retirement system.

A member who first established CalPERS membership prior to January 1, 2013, and who is rehired by a different CALPERS employer after a break in service of greater than six months.

² PERS Cost Share Cap at 4%

³ AMEA and Confidential Classic CalPERS members contribute 8% by April 2015. APA Classic CalPERS members contribute 12% by January 2015

The pension plans (pensions) are recognized in the government-wide financial statements and proprietary funds financial statements on an accrual basis of accounting, while the contributions to the pension plan are recognized as expenditures on modified accrual basis of accounting on the governmental fund statements.

The net pension liability in the Statement of Net Position represents the City's excess of the total pension liability over the fiduciary net position reflected on the Valuation Reports provided by CalPERS. The net pension liabilities is measured as of the City's prior fiscal year. Changes in net pension liability are recorded as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change.

The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which the difference incurred.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plan is measured as of June 30, 2014. Liabilities are based on the results of the actuarial calculations performed as of June 30, 2013 and were rolled forward to June 30, 2014. Fiduciary net position is based on fair value of investments as of June 30, 2014.

A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions:

The total pension liabilities for the City's three Plans in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date (VD)	June 30, 2013
Measurement Date (MD)	June 30, 2014
Reporting Date (RD)	June 30, 2015
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.5% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table ¹	Derived using CalPERS Membership Data for all
Post Retirement Benefit increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

¹The Mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF ANAHEIM

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

Asset Class	New Strategic Allocation	Real Return Years 1-10 ¹	Real Return Years 11+ ²
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00	0.99	2.43
Inflation Sensitive	6.00	0.45	3.36
Private Equity	12.00	6.83	6.95
Real Estate	11.00	4.50	5.13
Infrastructure and Forestland	3.00	4.50	5.09
Liquidity	2.00	(0.55)	(1.05)

¹ An expected inflation of 2.5% used for this period
² An expected inflation of 3.0% used for this period

Change in the Net Pension Liability

The following table shows the changes in net pension liability for each Plan recognized over the measurement period:

Miscellaneous Plan:	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance ast June 30, 2013 (VD)	\$ 1,157,361	\$ 787,584	\$ 369,777
Changes recognized for the Measurement Period:			
Service Cost	21,254		21,254
Interest on the Total Pension Liability	85,591		85,591
Contribution from the Employer		23,841	(23,841)
Contributions from Employees		8,893	(8,893)
Net Investment Income		135,468	(135,468)
Benefit Payments, including Refunds of Employee Contributions	(53,552)	(53,552)	
Net Changes during 2013-2014	53,293	114,650	(61,357)
Balance at 6/30/2014 (MD)	\$ 1,210,654	\$ 902,234	\$ 308,420

Police Safety Plan:	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance ast June 30, 2013 (VD)	\$ 619,849	\$ 436,424	\$ 183,425
Changes recognized for the Measurement Period:			
Service Cost	13,088		13,088
Interest on the Total Pension Liability	45,898		45,898
Contribution from the Employer		13,505	(13,505)
Contributions from Employees		4,064	(4,064)
Net Investment Income		75,115	(75,115)
Benefit Payments, including Refunds of Employee Contributions	(28,845)	(28,845)	
Net Changes during 2013-2014	30,141	63,839	(33,698)
Balance at 6/30/2014 (MD)	\$ 649,990	\$ 500,263	\$ 149,727

Fire Safety Plan:	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance ast June 30, 2013 (VD)	\$ 366,927	\$ 257,916	\$ 109,011
Changes recognized for the Measurement Period:			
Service Cost	5,961		5,961
Interest on the Total Pension Liability	27,044		27,044
Contribution from the Employer		7,723	(7,723)
Contributions from Employees		2,337	(2,337)
Net Investment Income		44,305	(44,305)
Benefit Payments, including Refunds of Employee Contributions	(18,657)	(18,657)	
Net Changes during 2013-2014	14,348	35,708	(21,360)
Balance at 6/30/2014 (MD)	\$ 381,275	\$ 293,624	\$ 87,651

Combined Total:	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance ast June 30, 2013 (VD)	\$ 2,144,137	\$ 1,481,924	\$ 662,213
Changes recognized for the Measurement Period:			
Service Cost	40,303		40,303
Interest on the Total Pension Liability	158,533		158,533
Contribution from the Employer		45,069	(45,069)
Contributions from Employees		15,294	(15,294)
Net Investment Income		254,888	(254,888)
Benefit Payments, including Refunds of Employee Contributions	(101,054)	(101,054)	
Net Changes during 2013-2014	97,782	214,197	(116,415)
Balance at 6/30/2014 (MD)	\$ 2,241,919	\$ 1,696,121	\$ 545,798

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

The following presents the net pension liability of the City's three Plans of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

Plans' Net Pension Liability	Discount Rate - 1% (6.50%)	Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Miscellaneous	\$ 465,372	\$ 308,420	\$ 178,101
Police Safety	236,949	149,727	77,862
Fire Safety	135,905	87,651	47,589
Combine total	<u>\$ 838,226</u>	<u>\$ 545,798</u>	<u>\$ 303,552</u>

Pension Plan Fiduciary Net Position

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

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

For the fiscal year ended June 30, 2015, the City recognized pension expense of \$51,723. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 51,487	
Net difference between projected and actual earnings on plan investments		\$ 116,564
Total	<u>\$ 51,487</u>	<u>\$ 116,564</u>

\$51,487 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amount reported in Deferred inflows of resources related to pensions will be recognized as a component in pension expense as follows:

Fiscal Year Ended June 30	
2016	\$ 29,141
2017	29,141
2018	29,141
2019	29,141
Total	<u>\$ 116,564</u>

Payable to the Pension Plans

At June 30, 2015, the City reported a payable of \$1,480 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

Funded Status and Funding Progress

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. 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 the past expectations and new estimates are made about the future.

The tables below display the funding progress of the three plans. This multi-year trend information shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

June 30, 2014 Actuarial Valuation Date	Market Value of Assets (MVA)	Accrued Liability	Unfunded Liability	Funded Ratios	Annual Covered Payroll	UL as a % of Payroll
Miscellaneous	\$ 900,750	\$1,194,359	\$ 293,609	75.4%	\$ 108,776	269.9%
Police Safety	499,432	630,621	131,189	79.2%	40,583	323.3%
Fire Safety	293,153	376,725	83,572	77.8%	20,326	411.2%
Total	<u>\$1,693,335</u>	<u>\$2,201,705</u>	<u>\$ 508,370</u>	76.9%	<u>\$ 169,685</u>	299.6%

June 30, 2013 Actuarial Valuation Date	Market Value of Assets (MVA)	Accrued Liability	Unfunded Liability	Funded Ratios	Annual Covered Payroll	UL as a % of Payroll
Miscellaneous	\$ 786,278	\$1,101,160	\$ 314,882	71.4%	\$ 107,587	292.7%
Police Safety	435,595	586,151	150,556	74.3%	41,946	358.9%
Fire Safety	257,573	352,186	94,613	73.1%	21,464	440.8%
Total	<u>\$1,479,446</u>	<u>\$2,039,497</u>	<u>\$ 560,051</u>	72.5%	<u>\$ 170,997</u>	327.5%

June 30, 2012 Actuarial Valuation Date	Market Value of Assets (MVA)	Accrued Liability	Unfunded Liability	Funded Ratios	Annual Covered Payroll	UL as a % of Payroll
Miscellaneous	\$ 712,497	\$1,045,037	\$ 332,540	68.2%	\$ 105,544	180.7%
Police Safety	395,053	565,214	170,161	69.9%	43,205	212.9%
Fire Safety	236,155	345,725	109,570	68.3%	22,967	272.2%
Total	<u>\$1,343,705</u>	<u>\$1,955,976</u>	<u>\$ 612,271</u>	68.7%	<u>\$ 171,716</u>	201.1%

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described above, the City provides other post employment benefits (OPEB) as a single-employer defined benefit healthcare plan. The OPEB provides medical, dental and life insurance benefits to eligible retirees (hired prior to January 1, 1996, Anaheim Police Association employees hired prior to July 6, 2001, and Anaheim Fire Association employees hired prior to November 9, 2001) in accordance with City Personnel Resolutions and various Memoranda of Understanding. Eligible employees hired after the dates above have access to the City's medical and dental plans but do not receive a defined benefit. There are no separately issued financial statements for the OPEB.

Funding Policy

The contribution requirements of plan members and the City are established in accordance with City Personnel Resolutions and various Memoranda of Understanding. The retired plan members receiving benefits make varying contributions toward the cost of these benefits depending on the retiree's Medicare eligibility, year of hire, age and employee group. Retiree contributions for the fiscal year ended June 30, 2015 were 2.90% of total payroll.

In June 2008, the City joined the California Employer's Retiree Benefit Trust Program (CERBT) to pre-fund OPEB liabilities. The CERBT is an agent multiple employer plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions that are administered by PERS. A copy of the aggregated CERBT annual financial report may be obtained @www.calpers.ca.gov.

The City contributes an amount not less than the annual required contribution (ARC) of the employer. The ARC is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The ARC rate for the fiscal year ended June 30, 2015, was 8.3% of total payroll.

Annual OPEB Cost and Net OPEB Asset

The City's annual OPEB cost, amount actually contributed to the plan, and changes in the City's net OPEB asset for the fiscal year ended June 30, 2015, are as follows:

ARC	\$ 13,249
Interest on net OPEB asset	(849)
Adjustment to ARC	792
Annual OPEB cost	<u>13,192</u>
Contributions made	13,249
Annual OPEB cost	<u>(13,192)</u>
Change in OPEB asset	57
Net OPEB asset - beginning of year	11,152
Net OPEB asset - end of year	<u>\$ 11,209</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for the fiscal year ended June 30, 2015 are as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	OPEB Asset
06/30/13	\$ 8,574	114.60%	\$ 11,017
06/30/14	10,010	101.30%	11,152
06/30/15	13,192	100.40%	11,209

Funded Status and Funding Progress

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. 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 the 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, will present multi-year trend information in subsequent years, that will show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The table below displays the funding progress of the plan and is based upon the most recent actuarial valuation data:

	(A)	(B)	(C)	(D)	(E)	(F)
Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Accrued Liability	Unfunded Liability (UL) (B) - (A)	Funded Ratio AVA (A) / (B)	Annual Covered Payroll	UL as a % of Payroll (C) / (E)
07/01/13	\$ 74,013	\$237,202	\$163,189	31.2%	\$155,317	105.1%

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 plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in the actuarial accrued liability and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumption included a 7.61% investment rate of return, an annual healthcare cost trend rate ranging from 8.00% - 8.50% initially and declining to 5.00% by 2022, payroll growth rate of 3.25% per year, and an inflation factor of 3.00%. The OPEB unfunded actuarial accrued liability is being amortized as a level

percentage of payroll over a closed 30-year period. The remaining amortization period as of July 1, 2014, is 23 years.

NOTE 13 – JOINT VENTURES AND JOINTLY-OWNED PROPERTIES:

Authority for Orange County - City Hazardous Materials Emergency Response

The City participates in joint powers authority (JPA), the Authority for Orange County-City Hazardous Materials Emergency Response (Hazmat), for the purposes of responding to, assessing the nature of, and stabilizing any emergency created by the release or threatened release of hazardous materials.

The following entities are members of Hazmat: City of Anaheim and City of Huntington Beach (provider agencies). Members of the Board of Directors (Hazmat Board) consist of one voting Board member and an alternate appointed by the governing body from the provider agencies. Under the Fifth Amendment to the JPA agreement, three representatives from the subscribing agencies are also voting Board Members. The following cities were subscribing agencies: Brea, Costa Mesa, Fountain Valley, Fullerton, Garden Grove, Newport Beach and Orange.

Public entities in Orange County may receive hazardous materials response services from the Hazmat by executing an agreement and paying a fair share contribution. Audited financial information for the joint powers authority as of and for the year ended June 30, 2015, was as follows:

Total assets	\$ 150
Members' equity	150
Total revenues	119
Total expenses	32
Change in net position	87

Hazmat does not have any debt outstanding at June 30, 2014.

The City has no significant equity interest in Hazmat, and accordingly neither assets nor liabilities of Hazmat have been recorded in the City's basic financial statements. For a copy of Hazmat's separate financial statements, contact the Finance Director of the City.

Metro Cities Fire Authority

The City participates in a joint powers authority, Metro Cities Fire Authority (Fire Authority), for the purpose of providing a central communication network and record keeping system to support fire suppression, emergency medical assistance, rescue service, and related services provided by the members of the Fire Authority.

The following entities are members of the Fire Authority: City of Anaheim, City of Brea, City of Fountain Valley, City of Fullerton, City of Garden Grove, City of Huntington Beach, City of Newport Beach, and the City of Orange. Members of the Board of Directors (the "Board") consist of one voting Board member and an alternate appointed by their governing body.

Public entities in Orange County may receive services from the Fire Authority by executing an agreement and paying a fair share contribution. Audited financial information for the Fire Authority as of and for the year ended June 30, 2015, was as follows:

Total assets	\$ 2,088
Total liabilities	334
Members' equity	1,754
Total revenues	5,158
Total expenses	5,334
Change in net position	(176)

The City has no significant equity interest in the Fire Authority, and accordingly neither assets nor liabilities of the Fire Authority have been recorded in the City's basic financial statements. For a copy of the Fire Authority's separate financial statements, contact the Finance Director of the City.

North Net Joint Training Authority

The City participates in a joint powers authority, North Net Training Authority (Authority), for the purpose of providing a joint use of a consolidated Training Center and record keeping system for fire training services.

The following entities are members of the North Net Training Authority: City of Anaheim, City of Garden Grove and City of Orange. Members of the Board of Directors (the "Board") consist of one voting Board member and an alternate appointed by their governing body.

Public entities in Orange County may receive training services from the Authority by executing a "subscription agreement" and by paying the annual fee and other costs. Audited financial information for the Authority as of and for the year ended June 30, 2015, was as follows:

Total assets	\$ 1,672
Total liabilities	68
Members' equity	1,604
Total revenues	500
Total expenses	439
Change in net position	61

Jointly-owned utility plants

The City's Electric Utility owns a 10.04% ownership interest in the coal-fired San Juan Generating Station, Unit 4 (SJ), located near Waterflow, New Mexico. The other participants in SJ and their respective ownership include: Public Service of New Mexico, 45.48%; City of Farmington, New Mexico, 8.48%; County of Los Alamos, New Mexico, 7.20%; and M-S-R Public Power Agency, 28.80%. There are no separate financial statements for this venture, as each participant's interest in the utility plant is included in their respective financial statements. The City's cumulative share of construction costs included in the utility plant at June 30, 2015, amounted to \$84,616.

The City sold its 3.16% ownership interest of SONGS to SCE on December 29, 2006. Accordingly, the Electric Utility ceased recording all related operating expenses, except marine mitigation costs and spent fuel storage charges, as of December 29, 2006. Based on the SONGS settlement agreement, the Electric Utility is responsible for the City's share of marine mitigation costs up to \$2,300, and SCE is responsible for costs between \$2,300 and \$7,300. The Electric Utility is responsible for spent fuel storage charges until the federal government takes possession. The Decommissioning Trust Fund will pay for spent fuel storage charges after June 7, 2013.

As a former participant in SONGS, the Electric Utility is subject to assessment of retrospective insurance premiums in the event of a nuclear incident at SONGS or any other licensed reactor in the U.S.

NOTE 14 – COMMITMENTS AND CONTINGENCIES:

Intermountain Power Agency

The Electric Utility has entered into a power purchase contract with the Intermountain Power Agency (IPA) for delivery of electric power. The share of IPA power is equal to 13.225% of the generation output of IPA's two recently uprated coal-fueled generating units located in Delta, Utah (Unit 1 and 2 net output is 900 mega watts each). The City is obligated for the following percentage of electrical facilities at IPA:

	Entitlement	Expiration
Generation:		
Intermountain Power Project	13.225%	2027

The contract constitutes an obligation of the Electric Utility to make payments from revenues and requires payment of certain minimum charges. These minimum charges include debt service requirements on the financial obligations used to construct the plant. These requirements are considered a cost of purchased power.

Southern California Public Power Authority

The Electric Utility is a member of the Southern California Public Power Authority (SCPPA), a joint powers agency. SCPPA provides for the financing and construction of electric generating and transmission projects for participation by some or all of its members. To the extent the Electric Utility participates in projects developed by SCPPA, it is obligated for its proportional share of the cost of the project. The City is obligated for the following percentage of electrical facilities owned by SCPPA:

	Entitlement	Expiration
Transmission:		
Souther Transmission System (STS)	17.6%	2027
Mead-Adelanto Project (MAP)	13.5	2030
Mead-Phoenix Project (MPP)	24.2	2030
Generation:		
Hoover Dam Uprating (Hoover)	42.6%	2018
Magnolia Generating Station (Magnolia)	38.0	2037
Canyon Power Project (Canyon)	100.0	2040
Natural Gas Reserve Projects (Natural Gas)		
SCPPA Natural Gas Project-Pinedale, Wyoming	35.7%	2033
SCPPA Natural Gas Project-Barnett, Texas	45.5	2033

Take or pay commitments

As part of the take or pay commitments with IPA and SCPPA, the Electric Utility has agreed to pay its share of current and long-term obligations. Payment for these obligations will be made from the operating revenues received during the year that the payment is due. A long-term obligation has not been recorded on the accompanying basic financial statements as these commitments do not represent an obligation of the Electric Utility until the year the power is available to be delivered to the Electric Utility. The following schedule details the amount of debt service that is due and payable by the Electric Utility for each project and the final maturity date.

Fiscal Year Ending 6/30	Natural									
	IPA	STS	MAP	MPP	Hoover	Magnolia	Gas	Canyon	Total	
2016	\$ 28,951	\$ 14,063	\$ 3,013	\$ 1,630	\$ 936	\$ 8,456	\$ 6,986	\$ 12,769	\$ 76,804	
2017	26,615	14,257	2,951	1,584	934	8,447	6,723	19,370	80,881	
2018	22,026	13,975	2,909	1,562	932	6,595	5,984	19,330	73,313	
2019	28,585	13,813	2,881	1,555		6,592	5,360	19,358	78,144	
2020	30,313	12,112	2,859	1,538		6,592	4,896	19,328	77,638	
2021-2025	53,167	63,417	2,136	1,142		33,903	19,399	96,402	269,566	
2026-2030		16,954				37,627	13,208	96,184	163,973	
2031-2035						38,849	5,803	96,180	140,832	
2036-2040						33,824		95,892	129,716	
2041-2045								19,143	19,143	
Total	\$189,657	\$148,591	\$ 16,749	\$ 9,011	\$ 2,802	\$180,885	\$ 68,359	\$ 493,956	\$1,110,010	

In addition to debt service, the City's entitlement requires the payment for fuel costs, operations and maintenance (O&M), administration and general (A&G) and other miscellaneous costs associated with the generation and transmission facilities discussed above. These costs do not have a similar structured payment schedule as debt service; however, prior experience indicates that annual costs are generally consistent from year to year. The fiscal year 2015 expenses for fuel, O&M, A&G and other costs at these projects were as follows:

Fiscal Year	Natural									
	IPA	STS	MAP	MPP	Hoover	Magnolia	Gas	Canyon	Total	
2015	\$48,041	\$5,249	\$292	\$602	\$108	\$22,778	\$1,140	\$6,832	\$85,042	

Cap-and-Trade Program

California Assembly Bill (AB) 32 requires that Utilities in California reduce their greenhouse gas (GHG) emissions to 1990 levels by the year 2020. It directed the California Air Resources Board (CARB) to develop regulations of GHG that became effective January 2012. Emission compliance obligations under the Cap-and-Trade regulation began in January 2013.

The Cap-and-Trade program (Program) was implemented beginning January 1, 2013. This Program requires Electric Utilities to have GHG allowances on an annual basis to offset GHG emissions associated with generating electricity. CARB will provide a free allocation of GHG allowance to each electric utility to mitigate retail rate impacts. This free allocation of GHG allowance is expected to be sufficient to meet Electric Utility's GHG compliance obligations for retail sales. During this fiscal year, an unused portion of retail allowance was sold for \$16,208 to reduce future renewable energy costs for retail customers. The compliance obligation for the wholesale sales requires allowance to be obtained through the auction or in the secondary market quarterly. At June 30, 2015, the value of prepaid Cap and Trade allowance is \$29,353, and the value of the Cap and Trade obligation is \$17,887.

Operating Leases

In January 2005, the City entered into a long-term noncancelable ground lease with City of Fullerton, for an approximately 1.56 acre site at the Fullerton Municipal Airport for the operation of the Anaheim Police Department Heliport. The term of the lease is 40 years with two 10-year extensions commencing from January 2005 and ending December 2044. The base rent is adjusted every five years by ten percent (10%). The City constructed a building of approximately 30,000 square feet that includes offices, aircraft maintenance and storage facilities and other infrastructure supporting such facilities on the leased premise. Future minimum lease payments to be made from unrestricted revenues of the General Fund are as follows:

<u>Fiscal Year Ending June 30</u>	
2016	\$ 59
2017	59
2018	59
2019	59
2020	62
2021-2025	329
2026-2030	362
2031-2035	398
2036-2040	438
2041-2045	430
Total minimum future rentals	<u>\$ 2,255</u>

The Honda Center

On January 26, 1999, the City entered into a series of lease transactions for the Honda Center. Under these transactions, the City leased the Honda Center to a third party trustee acting for the benefit of an equity investor for a term of approximately 39.2 years. The trustee sublet the facility back to the City for 20 years, which was shorter than the then remaining term of the management agreement between the third-party manager at that time (Manager) and the City in consideration of an advance rental payment for the entire lease term. At the end of the sublease, the City has a purchase option to purchase the trustee's rights under the lease for a fixed amount. The advance rent payments to the City were deposited into a trust fund and invested. The cash scheduled to be available from this trust fund is sufficient to pay the City's rent payments for the term of the sublease and to exercise the City's purchase option at the end of the sublease. The excess of the amount of the advance rent payment made by the trustee to the City over the deposit to the trust funds, after the payment of transaction expenses and payment to the Manager for agreeing to pledge its interest as Manager under the management agreement then in effect and agreeing to undertake certain additional obligations to the transaction, was approximately \$4,000. This amount was recognized by the City as unearned revenue and is being amortized over the sublease term. The City has secured its obligations to the other parties to these lease transactions by a pledge of its respective interest in revenues from the facility, subordinate (with certain exceptions) to any interests of the debt holders of the facility. The City's obligations under these lease transactions are considered to be defeased in substance, and therefore the related liabilities as well as the trust assets have been excluded from the City's financial statements. The City's and AAM's respective rights under the FMA are subject in certain respects to the effect of the 1999 lease transaction.

Effective December 16, 2003, the City and Anaheim Arena Management LLC (AAM) entered into a Facility Management Agreement (FMA) whereby AAM has the exclusive right and license to manage, maintain and operate all aspects of the Honda Center in accordance with the FMA through June 30, 2023, with an option to extend the term for an additional period not to exceed 10 years. Annual distributions to the City, AAM and the County of Orange are required for their respective share of adjusted net revenues, as defined in the FMA. In the event that cash on hand is insufficient to pay operating expenses, debt service, distributions to the City, the County of Orange, or other amounts payable, AAM shall make or cause an affiliate or third-party lending institution to make loans for such purposes, as defined in the FMA. Such funds will be repaid from gross revenues or adjusted net revenues, if any, as defined in and in accordance with disbursement priorities established in the FMA. At June 30, 2015, the outstanding conduit debt on the Honda Center totaled \$27,500. The debt is non-recourse, payable from revenues generated by the facility. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the debt. The debt is not a general or special obligation of the City, nor does it contain any credit enhancements that secondarily pledge existing or future resources of the City (other than revenues generated by the facility), and accordingly it is not reflected in the accompanying basic financial statements.

Angel Stadium of Anaheim

On May 14, 1996, the City and the California Angels, LP (Team), which was then managed by Disney Sports Enterprises, Inc. (subsequently known as Anaheim Sports, Inc.), entered into an agreement to provide for the operation and refurbishment of the Stadium. Pursuant to the agreement, the Team assumed responsibility for the operation of the Stadium on October 1, 1996. The agreement runs for 33 years (subject to a limited Team option to cancel at 20 years and the Team's right to extend the term). In September 2013, the agreement was modified extending the Team's right to terminate the agreement by three years to October 16, 2019. Concurrent with amending the termination right, the City and the Team entered into two Memorandums of Understanding providing a nonbinding framework for negotiations relating to an extension of the Team's tenancy at the stadium and for the potential development of the surrounding stadium area.

Under the terms of the agreement, the Team assumed full responsibility for all Stadium operations and maintenance, including capital maintenance. The Team books all Stadium and parking lot events (except for ten annual City events), pays all expenses, and retains all revenue (subject to the City's rights to share in certain net revenues) except that the City credits the Team up to \$500 per year adjusted annually for CPI as a capital reserve contribution, calculated on the basis of property taxes. The City's participation in net revenues includes amounts received by the Team above certain thresholds including paid admissions (\$2.00 per paid admission in excess of 2.6 million admissions per year), net income from nongame events (in excess of \$2,000 per year adjusted annually for CPI), and parking lot net income (25% in excess of \$4,000 per year adjusted annually for CPI). Additionally, as indicated above, the City retained the right to book and retain all revenue from ten parking lot events per year. Major League Baseball consented to the transfer of the Team in fiscal year 2003 to interests controlled by Arte Moreno. No changes in the terms of the agreement with the Team were made in connection with that transfer.

The Agreement also provided that the City had the right to develop approximately 42 acres of the parking lot development site. In 1998 a land sale of \$1,000 for a 1.25 acre site was approved for the construction of a 1,100-seat theatre called "Tinseltown Studios" (now known as "City National Grove of Anaheim"). In November 2002, the City purchased the facility and the land for \$6,700 from its then owner, SMG. Concurrent with the purchase, the City granted to Nederlander-Grove LLC (Nederlander) a license to operate the facility for three years with the right to extend another five years. In May 2009, the management agreement was amended extending the term to December 31, 2015 with the right to extend another five year period. Additionally, under the amended management agreement, effective January 1, 2009, Nederlander no longer receives a management fee of \$150 and the City's share in the annual net profits and losses from operations increased from 50% to 60%. Nederlander is responsible for 100% of losses in excess of \$400, thereby limiting the City's share of net losses to a maximum of \$240 in any given year. The City may elect to terminate the agreement prior to expiration of the term under certain conditions, and pay the unamortized balance of capital assets purchased during the term to Nederlander. Concurrent with the amendment to the

management agreement, the parking license fee agreement was amended, wherein the parking license fees from Nederlander were reduced to \$176 and is subject to adjustment annually based on CPI increases. Nederlander paid the City \$192 for the year ended June 30, 2015, for parking and common area maintenance.

Muzeo

In October 2007, the City and the former Redevelopment Agency entered into a property operating agreement with the Muzeo Foundation to operate and provide programming for the Muzeo, the downtown museum. The property operating agreement is for a term of 30 years and provides for a line of credit for the first 3 years from the City to the Muzeo Foundation in an amount not to exceed \$1,000 or 95% of pledges at an annual interest rate of 5%. The property operating agreement was amended on August 1, 2010, to extend the maturity date to June 30, 2015. It also amended the aggregate amount of the line of credit to \$500 during fiscal year 2011 and \$200 during each fiscal year thereafter with amounts being converted to grants upon achieving fund raising thresholds. At June 30, 2015, there was no amount due to the City.

Litigation

A number of claims and suits are pending against the City for alleged damages to persons and/or property and for other alleged liabilities arising out of matters usually incident to the operation of a city such as Anaheim. Although the aggregate amount asserted for such lawsuits and claims is significant, in the opinion of City management, the City has strong defenses against such claims, and thus the ultimate loss, if any, relating to these claims and suits not covered by insurance or reflected in the financial statements, will not materially affect the financial position of the City.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Construction and other significant commitments

At June 30, 2015, the City had the following commitments with respect to unfinished capital projects, disposition and development agreements, reimbursement agreements and cooperation agreements:

<u>Capital Projects</u>	Remaining Construction Commitment	Expected Completion Date
Cerritos Avenue Sanitary Sewer Improvement	\$ 921	2015
Convention Center Expansion Betterment VII	133,453	2016
Katella and Lewis Relay Racks and Southwest Automation	523	2015
Santa Ana River Trail	1,775	2015
Tustin Avenue and La Palna Avenue Widening	1,272	2015
Undeground District No. 60	909	2015
Underground District #57 Phase 1	631	2015
Underground District #57 Dale Avenue	4,056	2015
Vehicle acquisitions	1,707	2015
Water Main Replacement - County Glen Way	1,381	2015
Total	<u>\$ 146,628</u>	

NOTE 15 – SUBSEQUENT EVENTS:

On July 21, 2015, the Electric Utility issued California Municipal Finance Authority Revenue Bonds Series 2015-B in the principal amounts of \$92,865 at a premium of \$14,149. The true interest cost is 2.98%. The bonds will mature serially from October 1, 2016 through 2035 in annual principal installments ranging from \$1,825 to \$11,945. The proceeds from the bonds were used to refund the 1999 Revenue Bonds in the amount of \$24,900 and partially refunded the 2007 Revenue Bonds in the amount of \$38,145. The remaining proceeds of \$35,000 will be used for capital improvements related to the electric distribution system. The total debt service is \$134,949 to maturity. The 2015-B refunding bonds will reduce the Electric Utility's total debt service payments by \$8,830 at the net present value of \$6,713.



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**Required
Supplementary
Information**

FY2014|2015

Schedule of Changes in the Net Pension Liability and Related Ratios Last Ten Fiscal Years ¹ (In thousands)

Measurement Period ³	Miscellaneous 2013-2014	Police Safety 2013-2014	Fire Safety 2013-2014	Total
TOTAL PENSION LIABILITY				
Service cost	\$ 21,254	\$ 13,088	\$ 5,961	\$ 40,303
Interest on the Total Pension Liability	85,591	45,898	27,044	158,533
Benefit Payments, including Refunds of Employee Contributions	<u>(53,552)</u>	<u>(28,845)</u>	<u>(18,657)</u>	<u>(101,054)</u>
Net Change in Total Pension Liability	53,293	30,141	14,348	97,782
Total Pension Liability - Beginning	<u>1,157,361</u>	<u>619,849</u>	<u>366,927</u>	<u>2,144,137</u>
Total Pension Liability - Ending (a)	<u><u>\$ 1,210,654</u></u>	<u><u>\$ 649,990</u></u>	<u><u>\$ 381,275</u></u>	<u><u>\$ 2,241,919</u></u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 23,841	\$ 13,505	\$ 7,723	\$ 45,069
Contributions - Employees	8,893	4,064	2,337	15,294
Net Investment Income ²	135,468	75,115	44,305	254,888
Benefit Payments, including Refunds of Employee Contributions	<u>(53,552)</u>	<u>(28,845)</u>	<u>(18,657)</u>	<u>(101,054)</u>
Net Change in Fiduciary Net Position	114,650	63,839	35,708	214,197
Plan Fiduciary Net Position - Beginning	<u>787,584</u>	<u>436,424</u>	<u>257,916</u>	<u>1,481,924</u>
Plan Fiduciary Net Position - Ending (b)	<u>902,234</u>	<u>500,263</u>	<u>293,624</u>	<u>1,696,121</u>
Plan Net Pension Liability - Ending (a) - (b)	<u><u>\$ 308,420</u></u>	<u><u>\$ 149,727</u></u>	<u><u>\$ 87,651</u></u>	<u><u>\$ 545,798</u></u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74.52%	76.96%	77.01%	75.65%
Covered-Employee Payroll	\$ 117,360	\$ 54,378	\$ 33,488	\$ 205,226
Plan Net Pension Liability as a Percentage of Covered Employee Payroll	262.80%	275.34%	261.74%	265.95%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable

² Net of administrative expenses

³ The corresponding reporting period was the fiscal year ending June 30, 2015

Schedule of Pension Plan Contributions
Last Ten Fiscal Years¹ (In thousands)

Measurement Period ²	Miscellaneous	Police Safety	Fire Safety	Total
	2013-2014	2013-2014	2013-2014	
Actuarially Determined Contribution	\$ 23,841	\$ 13,505	\$ 7,723	\$ 45,069
Contributions in Relation to the Actuarially Determined Contribution	(23,841)	(13,505)	(7,723)	(45,069)
Contribution Deficiency (Excess)	-	-	-	-
Covered-Employee Payroll	\$ 117,360	\$ 54,378	\$ 33,488	\$ 205,226
Plan Net Pension Liability as a Percentage of Covered Employee Payroll	20.31%	24.84%	23.06%	21.96%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable

² The corresponding reporting period was the fiscal year ending June 30, 2015

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level Percent of Payroll
Asset Valuation Method	Actuarial Value of Assets
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

Schedule of Funding Progress for Other Post - Employment Benefits

(Amounts in Thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Accrued Liability</u>	<u>Unfunded Liability AVA</u>	<u>Funded Ratios AVA</u>	<u>Annual Covered Payroll</u>	<u>UL as a % of Payroll</u>
July 1, 2013	\$74,013	\$237,202	\$163,189	31.2%	\$155,317	105.1%
July 1, 2011	67,747	201,108	133,361	33.7%	169,331	78.8%
July 1, 2010	63,920	211,914	147,994	30.2%	177,229	83.5%



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**Nonmajor
Governmental
Funds**

FY 2014 | 2015

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS are used to account for revenues derived from specific taxes or other earmarked revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

GAS TAX AND ROADS FUND - Established to account for the construction and maintenance of the road network system of the City. Financing is provided primarily by the City's share of Federal, State, and local gasoline taxes. Federal, State, and local regulations require that these gasoline taxes be used to improve and maintain streets, and includes programs intended to improve the air quality of the region.

WORKFORCE DEVELOPMENT FUND - Established to account for the City's involvement in Federal, State, and local programs to create jobs and provide the unemployed citizens in the Anaheim area with job training opportunities.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - Established to account for financing of the development of viable urban communities through the provision of decent housing, suitable living environments and economic opportunity, principally for persons of low and moderate income. Financing is provided by the Federal Housing and Urban Development (HUD) grants.

GRANTS FUND - Established to account for various grants requiring segregated fund accounting. Financing is provided by Federal, State, and local agencies.

ANAHEIM RESORT MAINTENANCE DISTRICT FUND - Established to account for the levy and collection of special assessments to pay the cost of annual maintenance and improvements within the district against those parcels that specifically benefit from the enhanced maintenance and improvements.

ANAHEIM TOURISM IMPROVEMENT DISTRICT FUND - Established to account for the collection of a special assessment supporting marketing, promotion and transit project costs in support of the City's tourism and convention industry.

NARCOTIC ASSET FORFEITURE FUND - Established to account for funds received from Federal and State agencies that are derived from monies and property seized by the Police Department in drug related incidents. These funds are used to supplement existing resources of the City's law enforcement activities.

DEBT SERVICE FUNDS are used to account for the accumulation of resources and the payment of principal and interest on general debt of the City and related entities.

GENERAL OBLIGATION BONDS FUND - Established to accumulate resources for the payment of principal and interest on general obligation bonds of the City. Debt service is financed by property tax revenues.

MUNICIPAL FACILITIES FUND - Established to accumulate resources for payment of the principal and interest on the certificates of participation for the Parking Facility Project, Police Facilities Projects, Arena Land Acquisition, and other various acquisitions and capital improvements.

ANAHEIM RESORT IMPROVEMENTS FUND - Established to accumulate resources for payment of the principal and interest on the lease revenue bonds for the Anaheim Resort improvements.

CAPITAL PROJECTS FUNDS are used to account for resources used for the acquisition and construction of capital assets by the City, except for those financed by proprietary funds.

STREET CONSTRUCTION: Established to account for transportation improvement construction in the City's right-of-way. Financing is provided primarily by Federal, State and local grants, and Measure M2 allocations by the County of Orange.

TRANSPORTATION IMPROVEMENT PROJECT FUND - Established to account for transportation improvement projects in the City, primarily in support of the Anaheim Regional Transportation Intermodal Center (ARTIC), which is a transportation gateway and mixed-use activity center funded by grants from OCTA. Financing is provided by Federal, State and local agencies.

DEVELOPMENT IMPACT PROJECTS FUND - Established to account for infrastructure improvements, primarily in the Platinum Triangle area, which provide development opportunities for high density, mixed use, office, restaurant, and residential projects. Financing is provided primarily by development impact fees.

COMMUNITY SERVICES FACILITIES - Established to account for the development of new parksites, playgrounds and library facilities. Federal and State grant programs, in conjunction with fees charged to residential and commercial developers, provide financing. Much of this revenue is used to support the capital construction of parks and other recreational facilities throughout the City.

STORM DRAIN CONSTRUCTION FUND - Established to account for the City's storm drain construction. Financing is provided by drainage assessment fees charged to residential and commercial developers.

OTHER CAPITAL IMPROVEMENTS FUND - Established to account for various capital projects as determined by the City Council. Currently, financing for these projects is provided by bond proceeds.

MELLO-ROOS PROJECTS - Established to account for road, sewer and water improvements in the community facility districts. Financing is provided by the sale of special tax bonds that are secured by and payable from the proceeds of an annual special assessment on the property within the district.

Combining Balance Sheet Nonmajor Governmental Funds by Fund Type June 30, 2015 (In thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 10,183	\$ 191	\$ 9,717	\$ 20,091
Investments	31,481	627	31,936	64,044
Accounts receivable, net	1,392		55	1,447
Accrued interest receivable	111	20	104	235
Due from other funds			152	152
Due from other governments	5,142	6	17,358	22,506
Prepaid and other assets	388		5,882	6,270
Restricted cash and cash equivalents	108	11,183	16,275	27,566
Restricted investments		76,152	17,522	93,674
Notes receivable, net	30,682			30,682
Due from Successor Agency	5,692		6,933	12,625
Total assets	<u>\$ 85,179</u>	<u>\$ 88,179</u>	<u>\$ 105,934</u>	<u>\$ 279,292</u>
LIABILITIES				
Accounts payable	\$ 5,819	\$ 5	\$ 4,745	\$ 10,569
Wages payable	326		34	360
Deposits			1,184	1,184
Due to other funds	131		18,826	18,957
Total liabilities	<u>6,276</u>	<u>5</u>	<u>24,789</u>	<u>31,070</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	1,294		17,022	18,316
Unavailable resources- long-term notes receivable	30,682			30,682
Unavailable resources - due from Successor Agency	5,692		6,933	12,625
Total deferred inflows of resources	<u>37,668</u>	<u></u>	<u>23,955</u>	<u>61,623</u>
FUND BALANCES				
Nonspendable:				
Prepaid and other assets	388		5,882	6,270
Restricted:				
Anaheim Resort maintenance and improvement	7,350			7,350
Capital projects			21,808	21,808
Debt service		88,174		88,174
Development impact projects			46,892	46,892
Grant purposes	6,200			6,200
Homebuyer assistance program	2,112			2,112
Streets, roads and transportation improvement projects	24,824			24,824
Assigned				
Capital projects	346		2,679	3,025
Other purposes	15			15
Unassigned				
			(20,071)	(20,071)
Total fund balances	<u>41,235</u>	<u>88,174</u>	<u>57,190</u>	<u>186,599</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 85,179</u>	<u>\$ 88,179</u>	<u>\$ 105,934</u>	<u>\$ 279,292</u>

See accompanied Independent auditors' report

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds by Fund Type
Year Ended June 30, 2015 (In thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes		\$ 783		\$ 783
Licenses, fees and permits	\$ 59		\$ 7,593	7,652
Intergovernmental revenues	37,696	5	46,243	83,944
Charges for services	19,099			19,099
Use of money and property	885	128	1,095	2,108
Other	1,742		9,262	11,004
Total revenues	<u>59,481</u>	<u>916</u>	<u>64,193</u>	<u>124,590</u>
Expenditures:				
Current:				
City Attorney	120			120
Finance	19	22		41
Police	5,423		154	5,577
Fire	704		62	766
Community Development	11,569			11,569
Planning	1,366		3	1,369
Public Works	11,728	2	1,501	13,231
Community Services	381		594	975
Convention, Sports and Entertainment	10,813			10,813
Capital outlay	15,666		61,844	77,510
Debt service:				
Principal retirement	1,268	23,504	517	25,289
Interest charges	525	17,158	402	18,085
Bond issuance costs		32	95	127
Total expenditures	<u>59,582</u>	<u>40,718</u>	<u>65,172</u>	<u>165,472</u>
Deficiency of revenues under expenditures	<u>(101)</u>	<u>(39,802)</u>	<u>(979)</u>	<u>(40,882)</u>
Other financing sources (uses):				
Transfers in	309	54,476	1,538	56,323
Transfers out	(8,616)		(3,448)	(12,064)
Issuance of loan payable	900			900
Issuance of bonds			21,754	21,754
Premium on bonds issued			1,790	1,790
Issuance of refunding bonds		6,200		6,200
Payment to refunded bonds escrow agent		(6,200)		(6,200)
Total other financing sources	<u>(7,407)</u>	<u>54,476</u>	<u>21,634</u>	<u>68,703</u>
Net change in fund balances	(7,508)	14,674	20,655	27,821
Fund balances at beginning of year	48,743	73,500	36,535	158,778
Fund balances at end of year	<u>\$ 41,235</u>	<u>\$ 88,174</u>	<u>\$ 57,190</u>	<u>\$ 186,599</u>

See accompanied Independent auditors' report

Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2015 (In thousands)

	Gas Tax and Roads	Workforce Development	Community Development Block Grant	Grants	Anaheim Resort Maintenance District	Anaheim Tourism Improvement District	Narcotic Asset Forfeiture	Total
ASSETS								
Cash and cash equivalents	\$ 4,147		\$ 150	\$ 837	\$ 1,866	\$ 1,821	\$ 1,362	\$ 10,183
Investments	12,328		494	2,750	6,132	5,983	3,794	31,481
Accounts receivable, net	8	\$ 18				1,366		1,392
Accrued interest receivable	56			7	18	19	11	111
Notes receivable, net			5,709	24,973				30,682
Due from other governments	2,037	582	573	1,950				5,142
Prepaid and other assets	388							388
Restricted cash and cash equivalents				108				108
Due from Successor Agency			5,692					5,692
Total assets	<u>\$ 18,964</u>	<u>\$ 600</u>	<u>\$ 12,618</u>	<u>\$ 30,625</u>	<u>\$ 8,016</u>	<u>\$ 9,189</u>	<u>\$ 5,167</u>	<u>\$ 85,179</u>
LIABILITIES								
Accounts payable	\$ 728	\$ 426	\$ 544	\$ 1,215	\$ 656	\$ 2,153	\$ 97	\$ 5,819
Wages payable	60	27	39	74	10		116	326
Due to other funds		131						131
Total liabilities	<u>788</u>	<u>584</u>	<u>583</u>	<u>1,289</u>	<u>666</u>	<u>2,153</u>	<u>213</u>	<u>6,276</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues		1	269	1,024				1,294
Unavailable resources- long-term notes receivable			5,709	24,973				30,682
Unavailable resources - due from Successor Agency			5,692					5,692
Total deferred inflows of resources		<u>1</u>	<u>11,670</u>	<u>25,997</u>				<u>37,668</u>
FUND BALANCES								
Nonspendable:								
Prepaid and other assets	388							388
Restricted:								
Anaheim Resort maintenance and improvement					7,350			7,350
Grant purposes			365	881			4,954	6,200
Homebuyer assistance program				2,112				2,112
Streets, roads and transportation improvement projects	17,788					7,036		24,824
Assigned:								
Capital projects				346				346
Other purposes		15						15
Total fund balances	<u>18,176</u>	<u>15</u>	<u>365</u>	<u>3,339</u>	<u>7,350</u>	<u>7,036</u>	<u>4,954</u>	<u>41,235</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,964</u>	<u>\$ 600</u>	<u>\$ 12,618</u>	<u>\$ 30,625</u>	<u>\$ 8,016</u>	<u>\$ 9,189</u>	<u>\$ 5,167</u>	<u>\$ 85,179</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds June 30, 2015 (In thousands)

	Gas Tax and Roads	Workforce Development	Community Development Block Grant	Grants	Anaheim Resort Maintenance District	Anaheim Tourism Improvement District	Narcotic Asset Forfeiture	Total
Revenues:								
Licenses, fees and permits	\$ 28			\$ 31				\$ 59
Intergovernmental revenues	15,529	\$ 3,843	\$ 4,212	10,261			\$ 3,851	37,696
Charges for services	167				\$ 4,368	\$ 14,564		19,099
Use of money and property	166		255	309	54	60	41	885
Other	16		578	1,148				1,742
Total revenues	15,906	3,843	5,045	11,749	4,422	14,624	3,892	59,481
Expenditures:								
Current:								
City Attorney			120					120
Finance						19		19
Police				2,637			2,786	5,423
Fire			12	692				704
Community Development		3,847	1,609	6,113				11,569
Planning			1,366					1,366
Public Works	6,328				5,400			11,728
Community Services			324	57				381
Convention, Sports and Entertainment						10,813		10,813
Capital outlay	13,214		685	614	363	790		15,666
Debt service:								
Principal retirement	500		625				143	1,268
Interest charges			462				63	525
Total expenditures	20,042	3,847	5,203	10,113	5,763	11,622	2,992	59,582
Excess (deficiency) of revenues over (under) expenditures	(4,136)	(4)	(158)	1,636	(1,341)	3,002	900	(101)
Other financing sources (uses):								
Transfers in	66			43	200			309
Transfers out	(2,890)			(2,500)		(3,226)		(8,616)
Issuance of loan payable	900							900
Total other financing sources (uses)	(1,924)			(2,457)	200	(3,226)		(7,407)
Net change in fund balances	(6,060)	(4)	(158)	(821)	(1,141)	(224)	900	(7,508)
Fund balances at beginning of year	24,236	19	523	4,160	8,491	7,260	4,054	48,743
Fund balances at end of year	\$ 18,176	\$ 15	\$ 365	\$ 3,339	\$ 7,350	\$ 7,036	\$ 4,954	\$ 41,235

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - All Nonmajor Special Revenue Funds
Year Ended June 30, 2015 (In thousands)

	Gas Tax and Roads			Workforce Development		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Licenses, fees and permits	\$ 40	\$ 28	\$ (12)			
Intergovernmental revenues	14,764	15,529	765	\$ 4,433	\$ 3,843	\$ (590)
Charges for services	182	167	(15)			
Use of money and property		166	166			
Other	9	16	7			
Total revenues	<u>14,995</u>	<u>15,906</u>	<u>911</u>	<u>4,433</u>	<u>3,843</u>	<u>(590)</u>
Expenditures:						
City Attorney						
Finance						
Police						
Fire						
Community Development Planning				4,452	3,847	(605)
Public Works	37,190	20,042	(17,148)			
Community Services						
Convention, Sports and Entertainment						
Total expenditures	<u>37,190</u>	<u>20,042</u>	<u>(17,148)</u>	<u>4,452</u>	<u>3,847</u>	<u>(605)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,195)</u>	<u>(4,136)</u>	<u>18,059</u>	<u>(19)</u>	<u>(4)</u>	<u>15</u>
Other financing sources (uses):						
Transfers in	66	66				
Transfers out	(1,500)	(2,890)	(1,390)			
Issuance of loan payable		900	900			
Total other financing sources (uses)	<u>(1,434)</u>	<u>(1,924)</u>	<u>(490)</u>			
Net change in fund balances	(23,629)	(6,060)	17,569	(19)	(4)	15
Fund balances at beginning of year	<u>24,236</u>	<u>24,236</u>		<u>19</u>	<u>19</u>	
Fund balance at end of year	<u>\$ 607</u>	<u>\$ 18,176</u>	<u>\$ 17,569</u>	<u>\$</u>	<u>\$ 15</u>	<u>\$ 15</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - All Nonmajor Special Revenue Funds
Year Ended June 30, 2015 (In thousands) (continued)

	Community Development Block Grant			Grants		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Licenses, fees and permits				\$ 30	\$ 31	\$ 1
Intergovernmental revenues	\$ 9,369	\$ 4,212	\$ (5,157)	16,601	10,261	(6,340)
Charges for services						
Use of money and property	249	255	6	30	309	279
Other	430	578	148	5	1,148	1,143
Total revenues	<u>10,048</u>	<u>5,045</u>	<u>(5,003)</u>	<u>16,666</u>	<u>11,749</u>	<u>(4,917)</u>
Expenditures:						
City Attorney	120	120				
Finance						
Police				6,757	2,671	(4,086)
Fire	12	12		1,912	1,002	(910)
Community Development	8,562	3,381	(5,181)	6,265	6,113	(152)
Planning	1,471	1,366	(105)			
Public Works						
Community Services	408	324	(84)	327	327	
Convention, Sports and Entertainment						
Total expenditures	<u>10,573</u>	<u>5,203</u>	<u>(5,370)</u>	<u>15,261</u>	<u>10,113</u>	<u>(5,148)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(525)</u>	<u>(158)</u>	<u>367</u>	<u>1,405</u>	<u>1,636</u>	<u>231</u>
Other financing sources (uses):						
Transfers in					43	43
Transfers out				(846)	(2,500)	(1,654)
Issuance of loan payable						
Total other financing sources (uses)				<u>(846)</u>	<u>(2,457)</u>	<u>(1,611)</u>
Net change in fund balances	(525)	(158)	367	559	(821)	(1,380)
Fund balances at beginning of year	523	523		4,160	4,160	
Fund balances at end of year	<u>\$ (2)</u>	<u>\$ 365</u>	<u>\$ 367</u>	<u>\$ 4,719</u>	<u>\$ 3,339</u>	<u>\$ (1,380)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - All Nonmajor Special Revenue Funds
Year Ended June 30, 2015 (In thousands) (continued)

	Anaheim Resort Maintenance District			Anaheim Tourism Improvement District		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Licenses, fees and permits						
Intergovernmental revenues						
Charges for services	\$ 4,426	\$ 4,368	\$ (58)	\$ 13,909	\$ 14,564	\$ 655
Use of money and property	67	54	(13)	37	60	23
Other	4		(4)			
Total revenues	<u>4,497</u>	<u>4,422</u>	<u>(75)</u>	<u>13,946</u>	<u>14,624</u>	<u>678</u>
Expenditures:						
City Attorney						
Finance				19	19	
Police						
Fire						
Community Development						
Planning				218	148	(70)
Public Works	7,138	5,763	(1,375)	1,852	642	(1,210)
Community Services						
Convention, Sports and Entertainment				10,813	10,813	
Total expenditures	<u>7,138</u>	<u>5,763</u>	<u>(1,375)</u>	<u>12,902</u>	<u>11,622</u>	<u>(1,280)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,641)</u>	<u>(1,341)</u>	<u>1,300</u>	<u>1,044</u>	<u>3,002</u>	<u>1,958</u>
Other financing sources (uses):						
Transfers in	200	200				
Transfers out				(3,238)	(3,226)	12
Issuance of loan payable						
Total other financing sources (uses)	<u>200</u>	<u>200</u>		<u>(3,238)</u>	<u>(3,226)</u>	<u>12</u>
Net change in fund balances	(2,441)	(1,141)	1,300	(2,194)	(224)	1,970
Fund balances at beginning of year	8,491	8,491		7,260	7,260	
Fund balances at end of year	<u>\$ 6,050</u>	<u>\$ 7,350</u>	<u>\$ 1,300</u>	<u>\$ 5,066</u>	<u>\$ 7,036</u>	<u>\$ 1,970</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - All Nonmajor Special Revenue Funds
Year Ended June 30, 2015 (In thousands)

	Narcotic Asset Forfeiture		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Licenses, fees and permits			
Intergovernmental revenues	\$ 3,343	\$ 3,851	\$ 508
Charges for services			
Use of money and property	35	41	6
Other			
Total revenues	<u>3,378</u>	<u>3,892</u>	<u>514</u>
Expenditures:			
City Attorney			
Finance			
Police	3,486	2,992	(494)
Fire			
Community Development			
Planning			
Public Works			
Community Services			
Convention, Sports and Entertainment			
Total expenditures	<u>3,486</u>	<u>2,992</u>	<u>(494)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(108)</u>	<u>900</u>	<u>1,008</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Issuance of loan payable			
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance (deficits)	(108)	900	1,008
Fund balances (deficits) at beginning of year	4,054	4,054	
Fund balances at end of year	<u>\$ 3,946</u>	<u>\$ 4,954</u>	<u>\$ 1,008</u>

**Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2015** (In thousands)

	<u>General Obligation Bonds</u>	<u>Municipal Facilities</u>	<u>Anaheim Resort Improvements</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 188	\$ 3		\$ 191
Investments	617	10		627
Accrued interest receivable	2	18		20
Due from other governments	6			6
Restricted cash and cash equivalents		58	\$ 11,125	11,183
Restricted investments		3,465	72,687	76,152
Total assets	<u>\$ 813</u>	<u>\$ 3,554</u>	<u>\$ 83,812</u>	<u>\$ 88,179</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable		5		5
Total liabilities		<u>\$ 5</u>		<u>\$ 5</u>
Fund balances:				
Restricted for debt service	\$ 813	\$ 3,549	\$ 83,812	\$ 88,174
Total fund balances	<u>813</u>	<u>3,549</u>	<u>83,812</u>	<u>88,174</u>
Total liabilities and fund balances	<u>\$ 813</u>	<u>\$ 3,554</u>	<u>\$ 83,812</u>	<u>\$ 88,179</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended June 30, 2015 (In thousands)

	<u>General Obligation Bonds</u>	<u>Municipal Facilities</u>	<u>Anaheim Resort Improvements</u>	<u>Total</u>
Revenues:				
Property taxes	\$ 783			\$ 783
Intergovernmental revenues	5			5
Use of money and property	4	\$ 123	\$ 1	128
Total revenues	<u>792</u>	<u>123</u>	<u>1</u>	<u>916</u>
Expenditures:				
Current:				
Finance			22	22
Public Works	2			2
Debt service:				
Principal retirement	635	4,359	18,510	23,504
Interest charges	67	1,197	15,894	17,158
Bond issuance costs		32		32
Total expenditures	<u>704</u>	<u>5,588</u>	<u>34,426</u>	<u>40,718</u>
Excess (deficiency) of revenues over (under) expenditures	<u>88</u>	<u>(5,465)</u>	<u>(34,425)</u>	<u>(39,802)</u>
Other financing sources:				
Transfers in		6,657	47,819	54,476
Transfers out				
Issuance of refunding bonds		6,200		6,200
Payment to refunded bond escrow agent		(6,200)		(6,200)
Total other financing sources		<u>6,657</u>	<u>47,819</u>	<u>54,476</u>
Net change in fund balances	88	1,192	13,394	14,674
Fund balances at beginning of year	725	2,357	70,418	73,500
Fund balances at end of year	<u>\$ 813</u>	<u>\$ 3,549</u>	<u>\$ 83,812</u>	<u>\$ 88,174</u>

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - All Debt Service Funds
Year Ended June 30, 2015** (In thousands)

	General Obligation Bonds			Municipal Facilities		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Property taxes	\$ 711	\$ 783	\$ 72			
Intergovernmental revenues	8	5	(3)			
Use of money and property	6	4	(2)	\$ 124	\$ 123	\$ (1)
Total revenues	<u>725</u>	<u>792</u>	<u>67</u>	<u>124</u>	<u>123</u>	<u>(1)</u>
Expenditures:						
Finance				505	505	
Public Works	704	704		611	611	
Convention, Sports and Entertainment				4,727	4,472	(255)
Total expenditures	<u>704</u>	<u>704</u>		<u>5,843</u>	<u>5,588</u>	<u>(255)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21</u>	<u>88</u>	<u>67</u>	<u>(5,719)</u>	<u>(5,465)</u>	<u>254</u>
Other financing sources:						
Transfers in				6,849	6,657	(192)
Transfers out						
Issuance of refunding bonds				6,200	6,200	
Payment to refunded bond escrow agent				(6,200)	(6,200)	
Total other financing sources				<u>6,849</u>	<u>6,657</u>	<u>(192)</u>
Net change in fund balances	21	88	67	1,130	1,192	62
Fund balances at beginning of year	725	725		2,357	2,357	
Fund balances at end of year	<u>\$ 746</u>	<u>\$ 813</u>	<u>\$ 67</u>	<u>\$ 3,487</u>	<u>\$ 3,549</u>	<u>\$ 62</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - All Debt Service Funds
Year Ended June 30, 2015 (In thousands) (continued)

	<u>Anaheim Resort Improvements</u>		
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Property taxes			
Intergovernmental revenues			
Use of money and property	\$ 2	\$ 1	\$ (1)
Total revenues	<u>2</u>	<u>1</u>	<u>(1)</u>
Expenditures:			
Finance	34,484	34,426	(58)
Public Works			
Convention, Sports and Entertainment			
Total expenditures	<u>34,484</u>	<u>34,426</u>	<u>(58)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,482)</u>	<u>(34,425)</u>	<u>57</u>
Other financing sources:			
Transfers in	45,491	47,819	2,328
Transfers out			
Issuance of refunding bonds			
Payment to refunded bond escrow agent			
Total other financing sources	<u>45,491</u>	<u>47,819</u>	<u>2,328</u>
Net change in fund balances	11,009	13,394	2,385
Fund balances at beginning of year	70,418	70,418	
Fund balances at end of year	<u>\$ 81,427</u>	<u>\$ 83,812</u>	<u>\$ 2,385</u>

**Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2015** (In thousands)

	Street Construction	Transportation Improvement Projects	Development Impact Projects	Community Services Facilities	Storm Drain Construction	Other Capital Improvements	Mello-Roos Projects	Total
ASSETS								
Cash and cash equivalents	\$ 190	\$ 1	\$ 5,421	\$ 1,320	\$ 720	\$ 1,202	\$ 863	\$ 9,717
Investments	625	3	17,814	4,339	2,367	3,951	2,837	31,936
Accounts receivable, net			1	54				55
Accrued interest receivable			50	14	10	12	18	104
Due from other funds		152						152
Due from other governments	8,706	7,400		1,252				17,358
Prepaid and other assets	5,124			1			757	5,882
Restricted cash and cash equivalents						1,628	14,647	16,275
Restricted investment						17,522		17,522
Due from the Successor Agency						6,933		6,933
Total assets	<u>\$ 14,645</u>	<u>\$ 7,556</u>	<u>\$ 23,286</u>	<u>\$ 6,980</u>	<u>\$ 3,097</u>	<u>\$ 31,248</u>	<u>\$ 19,122</u>	<u>\$ 105,934</u>
LIABILITIES								
Accounts payable	\$ 837	\$ 1,696	\$ 700	\$ 469	\$ 163	\$ 99	\$ 781	\$ 4,745
Wages payable	15	4	6		2	3	4	34
Deposits					1,184			1,184
Due to other funds	8,694	10,132						18,826
Total liabilities	<u>9,546</u>	<u>11,832</u>	<u>706</u>	<u>469</u>	<u>1,349</u>	<u>102</u>	<u>785</u>	<u>24,789</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	8,370	7,400		1,252				17,022
Unavailable resources- due from Successor Agency						6,933		6,933
Total deferred inflows of resources	<u>8,370</u>	<u>7,400</u>	<u></u>	<u>1,252</u>	<u></u>	<u>6,933</u>	<u></u>	<u>23,955</u>
FUND BALANCES								
Nonspendable:								
Prepaid and other assets	5,124			1			757	5,882
Restricted:								
Capital projects						21,808		21,808
Development impact projects			22,580	4,984	1,748		17,580	46,892
Capital projects				274		2,405		2,679
Unassigned	(8,395)	(11,676)						(20,071)
Total fund balances (deficits)	<u>(3,271)</u>	<u>(11,676)</u>	<u>22,580</u>	<u>5,259</u>	<u>1,748</u>	<u>24,213</u>	<u>18,337</u>	<u>57,190</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 14,645</u>	<u>\$ 7,556</u>	<u>\$ 23,286</u>	<u>\$ 6,980</u>	<u>\$ 3,097</u>	<u>\$ 31,248</u>	<u>\$ 19,122</u>	<u>\$ 105,934</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Capital Projects Funds
June 30, 2015** (In thousands)

	Street Construction	Transportation Improvement Projects	Development Impact Projects	Community Services Facilities	Storm Drain Construction	Other Capital Improvements	Mello-Roos Projects	Total
Revenues:								
Licenses, fees and permits			\$ 5,858	\$ 1,626	\$ 109			\$ 7,593
Intergovernmental revenues	\$ 15,299	\$ 28,373	1,363	1,208				46,243
Use of money and property	149		176	241	31	\$ 440	\$ 58	1,095
Other			64	48		517	8,633	9,262
Total revenues	<u>15,448</u>	<u>28,373</u>	<u>7,461</u>	<u>3,123</u>	<u>140</u>	<u>957</u>	<u>8,691</u>	<u>64,193</u>
Expenditures:								
Current:								
Police						154		154
Fire						62		62
Planning		3						3
Public Works	930	356	85		70		60	1,501
Community Services			176	142		276		594
Capital outlay	10,689	31,764	2,307	4,477	32	1,978	10,597	61,844
Debt service:								
Principal retirement						517		517
Interest charges						402		402
Bond issuance costs						95		95
Total expenditures	<u>11,619</u>	<u>32,123</u>	<u>2,568</u>	<u>4,619</u>	<u>102</u>	<u>3,484</u>	<u>10,657</u>	<u>65,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,829</u>	<u>(3,750)</u>	<u>4,893</u>	<u>(1,496)</u>	<u>38</u>	<u>(2,527)</u>	<u>(1,966)</u>	<u>(979)</u>
Other financing sources (uses):								
Transfers in		438				1,100		1,538
Transfers out						(3,448)		(3,448)
Issuance of notes payable						21,754		21,754
Premium on bonds issued						1,790		1,790
Total other financing sources (uses)		<u>438</u>				<u>21,196</u>		<u>21,634</u>
Net change in fund balances	3,829	(3,312)	4,893	(1,496)	38	18,669	(1,966)	20,655
Fund balances at beginning of year	(7,100)	(8,364)	17,687	6,755	1,710	5,544	20,303	36,535
Fund balances (deficit) at end of year	<u>\$ (3,271)</u>	<u>\$ (11,676)</u>	<u>\$ 22,580</u>	<u>\$ 5,259</u>	<u>\$ 1,748</u>	<u>\$ 24,213</u>	<u>\$ 18,337</u>	<u>\$ 57,190</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Budget and Actual - All Capital Projects Funds
Year Ended June 30, 2015 (In thousands)

	Street Construction			Transportation Improvement Projects		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Licenses, fees and permits						
Intergovernmental revenues	\$ 59,473	\$ 15,299	\$ (44,174)	\$ 34,362	\$ 28,373	\$ (5,989)
Use of money and property		149	149			
Other						
Total revenues	<u>59,473</u>	<u>15,448</u>	<u>(44,025)</u>	<u>34,362</u>	<u>28,373</u>	<u>(5,989)</u>
Expenditures:						
Finance						
Police						
Fire						
Community Development						
Planning				54	27	(27)
Public Works	58,120	11,619	(46,501)	38,875	32,096	(6,779)
Community Services						
Total expenditures	<u>58,120</u>	<u>11,619</u>	<u>(46,501)</u>	<u>38,929</u>	<u>32,123</u>	<u>(6,806)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,353</u>	<u>3,829</u>	<u>2,476</u>	<u>(4,567)</u>	<u>(3,750)</u>	<u>817</u>
Other financing sources (uses):						
Transfers in					438	438
Transfers out						
Issuance of bonds						
Premium on bonds issued						
Total other financing sources	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>438</u>	<u>438</u>
Net change in fund balances	1,353	3,829	2,476	(4,567)	(3,312)	1,255
Fund balances at beginning of year	(7,100)	(7,100)		(8,364)	(8,364)	
Fund balances at end of year	<u>\$ (5,747)</u>	<u>\$ (3,271)</u>	<u>\$ 2,476</u>	<u>\$ (12,931)</u>	<u>\$ (11,676)</u>	<u>\$ 1,255</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Budget and Actual - All Capital Projects Funds
Year Ended June 30, 2015 (In thousands)

	Development Impact Projects			Community Services Facilities		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Licenses, fees and permits	\$ 463	\$ 5,858	\$ 5,395		\$ 1,626	\$ 1,626
Intergovernmental revenues		1,363	1,363	\$ 5,271	1,208	(4,063)
Use of money and property		176	176	67	241	174
Other		64	64	283	48	(235)
Total revenues	<u>463</u>	<u>7,461</u>	<u>6,998</u>	<u>5,621</u>	<u>3,123</u>	<u>(2,498)</u>
Expenditures:						
Finance						
Police						
Fire						
Community Development						
Planning						
Public Works	2,055	1,709	(346)			
Community Services	10,480	859	(9,621)	8,143	4,619	(3,524)
Total expenditures	<u>12,535</u>	<u>2,568</u>	<u>(9,967)</u>	<u>8,143</u>	<u>4,619</u>	<u>(3,524)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,072)</u>	<u>4,893</u>	<u>16,965</u>	<u>(2,522)</u>	<u>(1,496)</u>	<u>1,026</u>
Other financing sources (uses):						
Transfers in						
Transfers out						
Issuance of bonds						
Premium on bonds issued						
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net change in fund balances	(12,072)	4,893	16,965	(2,522)	(1,496)	1,026
Fund balances at beginning of year	17,687	17,687		6,755	6,755	
Fund balances at end of year	<u>\$ 5,615</u>	<u>\$ 22,580</u>	<u>\$ 16,965</u>	<u>\$ 4,233</u>	<u>\$ 5,259</u>	<u>\$ 1,026</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Budget and Actual - All Capital Projects Funds
Year Ended June 30, 2015 (In thousands)

	Storm Drain Construction			Other Capital Improvements		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Licenses, fees and permits	\$ 6	\$ 109	\$ 103			
Intergovernmental revenues		31	31	\$ 402	\$ 440	\$ 38
Use of money and property				517	517	
Other						
Total revenues	<u>6</u>	<u>140</u>	<u>134</u>	<u>919</u>	<u>957</u>	<u>38</u>
Expenditures:						
Finance				95	95	
Police				504	504	
Fire				8,052	62	(7,990)
Community Development				919	919	
Planning				78	78	
Public Works	260	102	(158)	12,536	1,425	(11,111)
Community Services				401	401	
Total expenditures	<u>260</u>	<u>102</u>	<u>(158)</u>	<u>22,585</u>	<u>3,484</u>	<u>(19,101)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(254)</u>	<u>38</u>	<u>292</u>	<u>(21,666)</u>	<u>(2,527)</u>	<u>19,139</u>
Other financing sources (uses):						
Transfers in				850	1,100	250
Transfers out				(3,374)	(3,448)	(74)
Issuance of bonds				21,754	21,754	
Premium on bonds issued				1,790	1,790	
Total other financing sources (uses)				<u>21,020</u>	<u>21,196</u>	<u>176</u>
Net change in fund balances	(254)	38	292	(646)	18,669	19,315
Fund balances at beginning of year	1,710	1,710		5,544	5,544	
Fund balances at end of year	<u>\$ 1,456</u>	<u>\$ 1,748</u>	<u>\$ 292</u>	<u>\$ 4,898</u>	<u>\$ 24,213</u>	<u>\$ 19,315</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Budget and Actual - All Capital Projects Funds
Year Ended June 30, 2015 (In thousands)

	Mello-Roos Projects		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Licenses, fees and permits		\$ 58	\$ 58
Intergovernmental revenues		8,633	8,633
Use of money and property			
Other			
Total revenues		8,691	8,691
Expenditures:			
Finance			
Police			
Fire			
Community Development			
Planning			
Public Works	\$ 14,116	10,657	(3,459)
Community Services			
Total expenditures	14,116	10,657	(3,459)
Excess (deficiency) of revenues over (under) expenditures	(14,116)	(1,966)	12,150
Other financing sources (uses):			
Transfers in			
Transfers out			
Issuance of bonds			
Premium on bonds issued			
Total other financing sources (uses)			
Net change in fund balances	(14,116)	(1,966)	12,150
Fund balances at beginning of year	20,303	20,303	
Fund balances at end of year	\$ 6,187	\$ 18,337	\$ 12,150

Internal Service Funds

FY 2014 | 2015

Internal Service Funds

INTERNAL SERVICE FUNDS are used to account for the financing of centralized services to City departments on a cost-reimbursement basis (including depreciation).

GENERAL BENEFITS AND INSURANCE FUND - Established to account for employee compensated absences, retirement and health benefits, and self-insurance programs.

MOTORIZED EQUIPMENT FUND - Established to account for motorized equipment used by City departments.

INFORMATION AND COMMUNICATION SERVICES FUND - Established to account for data processing and communication services to City departments.

MUNICIPAL FACILITIES MAINTENANCE - Established to account for City building maintenance services and equipment used by City departments.

Combining Statement of Net Position Internal Service Funds June 30, 2015 (In thousands)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 10,115	\$ 1,298	\$ 933	\$ 1,202	\$ 13,548
Investments	33,239	4,266	3,067	3,948	44,520
Accounts receivable, net	3,351	198			3,549
Accrued interest receivable	63	13	2	10	88
Interfund receivable	18,972				18,972
Inventories		783			783
Prepaid and other assets	67		100		167
Due from Successor Agency	2,801				2,801
Total current assets	<u>68,608</u>	<u>6,558</u>	<u>4,102</u>	<u>5,160</u>	<u>84,428</u>
Noncurrent assets:					
Accounts receivable, less current portion	2,419				2,419
Interfund receivable, less current portion	24				24
Net other post-employment benefits (OPEB) asset	11,209				11,209
Capital assets:					
Buildings, structures and improvements		3,230		4,607	7,837
Machinery and equipment	81	38,775	22,728	2,315	63,899
Less accumulated depreciation	(81)	(28,550)	(15,515)	(5,204)	(49,350)
Capital assets, net	<u>13,652</u>	<u>13,455</u>	<u>7,213</u>	<u>1,718</u>	<u>22,386</u>
Total noncurrent assets	<u>13,652</u>	<u>13,455</u>	<u>7,213</u>	<u>1,718</u>	<u>36,038</u>
Total assets	<u>82,260</u>	<u>20,013</u>	<u>11,315</u>	<u>6,878</u>	<u>120,466</u>
DEFERRED OUTFLOW OF RESOURCES					
Deferred pension - current year contributions	257	595	105	484	1,441
Total deferred outflow of resources	<u>257</u>	<u>595</u>	<u>105</u>	<u>484</u>	<u>1,441</u>
LIABILITIES					
Current liabilities:					
Accounts payable	2,071	675	2,151	761	5,658
Wages payable	1,136	61	9	56	1,262
Compensated absences	13,936				13,936
Self-insurance liability	9,767				9,767
Long-term debt	378	719	1,223	592	2,912
Unearned revenues	1,926				1,926
Total current liabilities	<u>29,214</u>	<u>1,455</u>	<u>3,383</u>	<u>1,409</u>	<u>35,461</u>
Noncurrent liabilities:					
Compensated absences, less current portion	4,810				4,810
Self-insurance liability, less current portion	36,268				36,268
Long-term debt, less current portion	7,004	5,816	2,494	4,940	20,254
Total noncurrent liabilities	<u>48,082</u>	<u>5,816</u>	<u>2,494</u>	<u>4,940</u>	<u>61,332</u>
Total liabilities	<u>77,296</u>	<u>7,271</u>	<u>5,877</u>	<u>6,349</u>	<u>96,793</u>
DEFERRED INFLOW OF RESOURCES					
Deferred pension - changes of assumptions and projections	1,225	1,252	253	1,093	3,823
Total deferred inflow of resources	<u>1,225</u>	<u>1,252</u>	<u>253</u>	<u>1,093</u>	<u>3,823</u>
NET POSITION					
Net investment in capital assets		13,455	4,867	1,718	20,040
Unrestricted	3,996	(1,370)	423	(1,798)	1,251
Total net position	<u>\$ 3,996</u>	<u>\$ 12,085</u>	<u>\$ 5,290</u>	<u>\$ (80)</u>	<u>\$ 21,291</u>

See accompanied Independent auditors' report

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2015 (In thousands)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
Operating revenues:					
Charges for services	\$ 93,953	\$ 11,236	\$ 16,031	\$ 9,974	\$ 131,194
Other	690	146	3	38	877
Total operating revenues	<u>94,643</u>	<u>11,382</u>	<u>16,034</u>	<u>10,012</u>	<u>132,071</u>
Operating expenses:					
Salaries and wages	3,857	3,760	721	3,238	11,576
Maintenance and operations	2,426	5,222	12,915	6,150	26,713
Insurance premiums and claims	16,583				16,583
Compensated absences and other benefits	70,571				70,571
Depreciation		1,850	2,379	190	4,419
Total operating expenses	<u>93,437</u>	<u>10,832</u>	<u>16,015</u>	<u>9,578</u>	<u>129,862</u>
Operating income	<u>1,206</u>	<u>550</u>	<u>19</u>	<u>434</u>	<u>2,209</u>
Nonoperating income (expenses):					
Intergovernmental revenues		290			290
Investment income	419	37		34	490
Interest expense			(66)		(66)
Gain from disposal of capital assets		158			158
Total nonoperating income	<u>419</u>	<u>485</u>	<u>(66)</u>	<u>34</u>	<u>872</u>
Income (Loss) before transfer	<u>1,625</u>	<u>1,035</u>	<u>(47)</u>	<u>468</u>	<u>3,081</u>
Transfer in	650				650
Transfers out	(350)				(350)
Change in net position	<u>1,925</u>	<u>1,035</u>	<u>(47)</u>	<u>468</u>	<u>3,381</u>
Net position at beginning of year, as restated	2,071	11,050	5,337	(548)	17,910
Net position at end of year	<u>\$ 3,996</u>	<u>\$ 12,085</u>	<u>\$ 5,290</u>	<u>\$ (80)</u>	<u>\$ 21,291</u>

**Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2015** (In thousands)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
Cash flows from operating activities:					
Receipts from interfund services provided	\$ 94,317	\$ 11,236	\$ 16,031	\$ 9,974	\$ 131,558
Payments to suppliers	(804)	(4,660)	(13,104)	(5,064)	(23,632)
Payments for salaries and wages to employees	(3,271)	(3,774)	(713)	(3,210)	(10,968)
Payments for interfund services used	(1,608)	(457)	(931)	(706)	(3,702)
Payments for insurance premiums and claims	(9,926)				(9,926)
Payments for compensated absences and other benefits	(67,521)				(67,521)
Other receipts	706	143	3	38	890
Net cash provided by operating activities	<u>11,893</u>	<u>2,488</u>	<u>1,286</u>	<u>1,032</u>	<u>16,699</u>
Cash flows from noncapital financing activities:					
Receipt of interfund balances	18				18
Payment of interfund balances	(18,973)				(18,973)
Disbursement of loan receivable	(3,491)				(3,491)
Receipt of loan receivable	690				690
Transfer in	650				650
Transfer out	(350)				(350)
Net cash used for noncapital financing activities	<u>(21,456)</u>				<u>(21,456)</u>
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets		281			281
Capital purchases		(4,755)	(1,786)		(6,541)
Capital grant receipts		261			261
Principal payments on long-term debt			(1,127)		(1,127)
Interest payments			(66)		(66)
Net cash used for capital and related financing activities		<u>(4,213)</u>	<u>(2,979)</u>		<u>(7,192)</u>
Cash flows from investing activities:					
Purchase of investment securities				(1,632)	(1,632)
Proceeds from sale and maturity of investment securities	5,590	1,095	1,140	710	8,535
Interest received	482	47	10	32	571
Net cash provided by (used for) investing activities	<u>6,072</u>	<u>1,142</u>	<u>1,150</u>	<u>(890)</u>	<u>7,474</u>
Increase (decrease) in cash and cash equivalents	(3,491)	(583)	(543)	142	(4,475)
Cash and cash equivalents at beginning of the year	13,606	1,881	1,476	1,060	18,023
Cash and cash equivalents at end of the year	<u>\$ 10,115</u>	<u>\$ 1,298</u>	<u>\$ 933</u>	<u>\$ 1,202</u>	<u>\$ 13,548</u>

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2015 (In thousands) (continued)

	<u>General Benefits and Insurance</u>	<u>Motorized Equipment</u>	<u>Information and Communication Services</u>	<u>Municipal Facilities Maintenance</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 1,206	\$ 550	\$ 19	\$ 434	\$ 2,209
Adjustment to reconcile operating income to net cash provided by operating activities:					
Depreciation		1,850	2,379	190	4,419
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Accounts receivable	4,063	(3)			4,060
Inventories		36			36
Note receivable	26				26
Prepaid and other assets	269		(100)		169
Accounts payable	57	69	(1,020)	380	(514)
Wages and benefit payable	536	(14)	8	28	558
Unearned revenues	33				33
Compensated absences	552				552
Self-insurance liability	5,208				5,208
Other post retirement employment benefits (OPEB) assets	(57)				(57)
Total adjustments	<u>10,687</u>	<u>1,938</u>	<u>1,267</u>	<u>598</u>	<u>14,490</u>
Net cash provided by operating activities	<u>\$ 11,893</u>	<u>\$ 2,488</u>	<u>\$ 1,286</u>	<u>\$ 1,032</u>	<u>\$ 16,699</u>
Schedule of noncash financing and investing activities:					
Capital assets financed through capital leases			\$ 2,148		\$ 2,148
Increase (decrease) in fair value of investments	\$ 8	\$ (6)	(6)	\$ 1	(3)

Fiduciary Funds

FY 2014 | 2015

Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund - Mello-Roos
Year Ended June 30, 2015 (In thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
ASSETS				
Restricted cash and cash equivalents	\$ 3,934	\$ 4,600	\$ (5,737)	\$ 2,797
Restricted investments	3,256	250	(765)	2,741
Due from other governments	35	2,326	(2,348)	13
Total assets	<u>\$ 7,225</u>	<u>\$ 7,176</u>	<u>\$ (8,850)</u>	<u>\$ 5,551</u>
LIABILITIES				
Due to bond holders	<u>\$ 7,225</u>	<u>\$ 4,063</u>	<u>\$ (5,737)</u>	<u>\$ 5,551</u>



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Statistical
Section

FY2014|2015

Statistical Section

The Statistical Section is included to provide detailed data on the physical, economic, social and political characteristics of the reporting government. It is intended to provide the user with a broader and more complete understanding of the government and its financial affairs than is possible from the basic financial statements and supplementary information included in the Financial Section.

STATISTICAL INFORMATION

(Unaudited)

The Statistical Section is included to provide financial statement users with additional historical perspective, context, and detail for them to use in evaluating the information contained within the financial statements, notes to the financial statements, and required supplementary information with the goal of providing the user a better understanding of the City's economic condition.

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These schedules contain information to help the reader understand how the City's financial performance and well-being have changed over time.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Net Position by Component
Last Ten Fiscal Years (In thousands)

(Accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities										
Net investment in capital assets	\$ 894,651	\$ 1,016,259	\$ 894,625	\$ 831,430	\$ 832,951	\$ 794,164	\$ 751,910	\$ 731,726	\$ 665,828	\$ 668,628
Restricted	210,934	205,998	196,853	190,868	182,011	150,750	154,306	87,566	69,949	99,443
Unrestricted ¹	(447,817)	(455,863)	30,341	16,760	(124,422)	(121,283)	(92,773)	(70,621)	(12,765)	(40,946)
Total Governmental Activities	657,768	766,394	1,121,819	1,039,058	890,540	823,631	813,443	748,671	723,012	727,125
Business-type Activities										
Net investment in capital assets	993,075	823,505	787,459	780,093	779,224	756,020	747,379	746,450	701,088	656,377
Restricted	83,448	77,311	71,131	61,235	54,626	49,325	45,493	47,406	38,572	36,008
Unrestricted ¹	(1,725)	(37,696)	121,083	112,159	115,445	130,812	145,269	165,196	203,967	215,685
Total Business-type Activities	1,074,798	863,120	979,673	953,487	949,295	936,157	938,141	959,052	943,627	908,070
Total Government										
Net investment in capital assets	1,887,726	1,839,764	1,682,084	1,611,523	1,612,175	1,550,184	1,499,289	1,478,176	1,366,916	1,325,005
Restricted	294,382	283,309	267,984	252,103	236,637	200,075	199,799	134,972	108,521	135,451
Unrestricted	(449,542)	(493,559)	151,424	128,919	(8,977)	9,529	52,496	94,575	191,202	174,739
Total Government	\$1,732,566	\$1,629,514	\$2,101,492	\$1,992,545	\$1,839,835	\$1,759,788	\$1,751,584	\$1,707,723	\$1,666,639	\$1,635,195

Note: ¹ The City implemented Governmental Accounting Standards Board (GASB) Statement No. 68 *Accounting and Financial Reporting for Pension, and Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the fiscal year ended June 30, 2015. Implementation of these Statements require the City to restate prior period net positions and are reflected in the fiscal year 2014 Unrestricted net positions. Information prior to the implementation of these Statements is not available.

Certain reclassifications have been made to prior year data to conform to the current presentation.

Source: Finance Department, City of Anaheim

Changes in Net Position Last Ten Fiscal Years (In thousands)

(Accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 2,253	\$ 1,779	\$ 1,670	\$ 1,872	\$ 1,872	\$ 1,708	\$ 1,890	\$ 2,088	\$ 1,238	\$ 1,385
Police	10,001	9,927	9,859	10,122	10,435	10,127	10,089	10,235	9,715	10,477
Fire	9,024	10,166	9,912	9,431	9,518	9,369	9,122	9,850	9,070	8,942
Community Development	14,023	17,305	9,151	7,281	8,143	7,306	5,459	6,212	6,713	6,122
Planning	9,800	7,746	6,404	5,327	6,263	6,453	7,724	9,084	10,778	9,031
Public Works	13,309	13,037	14,012	11,401	9,837	7,619	7,421	8,619	8,234	11,196
Community Services	3,408	3,479	3,556	3,386	4,024	4,561	4,833	4,855	4,043	18,421
Convention, Sports and Entertainment	11,124	10,236	9,574	9,142	4,356	202	200	218	200	200
Total charges for services	72,942	73,675	64,138	57,962	54,448	47,345	46,738	51,161	49,991	65,774
Operating grants and contributions	109,968	114,584	112,507	108,620	124,358	121,731	110,200	100,393	98,699	88,076
Capital grants and contributions	67,014	110,295	71,472	44,184	70,080	31,828	66,347	30,361	42,997	28,804
Governmental activities program revenues	249,924	298,554	248,117	210,766	248,886	200,904	223,285	181,915	191,687	182,654
Business-type activities:										
Charges for services										
Electric Utility	453,697	426,051	451,958	397,931	381,496	377,387	365,526	351,160	310,074	322,845
Water Utility	63,495	65,946	60,785	57,748	55,598	56,368	50,807	49,125	49,600	46,926
Sanitation Utility	60,076	57,843	57,230	56,630	56,359	56,023	55,424	54,017	53,215	49,397
Golf Courses	4,435	4,667	4,759	4,802	4,711	5,168	5,634	5,947	6,022	5,736
Convention, Sports and Entertainment	34,742	32,084	29,656	29,389	27,981	30,797	26,987	31,197	32,308	27,357
ARTIC Management	448									
Total charges for services	616,893	586,591	604,388	546,500	526,145	525,743	504,378	491,446	451,219	452,261
Operating grants and contributions	287	452	952	1,101	746	1,990	965	1,194	1,160	2,556
Capital grants and contributions	8,734	8,441	6,698	8,954	12,667	5,622	6,620	12,332	4,808	5,749
Business-type activities program revenues	625,914	595,484	612,038	556,555	539,558	533,355	511,963	504,972	457,187	460,566
Total government program revenues	875,838	894,038	860,155	767,321	788,444	734,259	735,248	686,887	648,874	643,220
Expenses										
Governmental activities:										
General government	12,370	15,790	13,275	11,617	10,911	10,917	12,144	12,610	10,951	7,394
Police	135,161	127,037	124,556	117,840	119,504	125,121	121,162	122,883	115,714	98,484
Fire	61,794	59,510	58,508	58,027	56,393	58,229	57,768	56,434	50,727	50,957
Community Development	80,976	80,043	82,769	95,683	105,937	117,621	109,523	105,651	93,089	87,814
Planning	18,303	17,030	16,917	15,648	15,627	16,822	17,057	17,199	16,107	14,493
Public Works	66,023	60,262	44,740	41,228	44,109	39,017	47,226	43,680	44,473	42,029
Community Services	31,587	34,130	28,925	28,282	30,958	35,372	37,704	39,033	36,827	31,712
Public Utilities	2,599	2,514	2,405	2,315	2,218	1,952	1,515	2,128	1,800	1,704
Convention, Sports and Entertainment	17,026	15,586	13,935	13,584	13,633	9,931	10,069	10,781	10,539	8,652
Interest on long-term debt	35,340	35,514	35,880	42,824	47,985	47,610	47,779	45,502	51,639	46,430
Governmental Activities Expenses	461,179	447,416	421,910	427,048	447,275	462,592	461,947	455,901	431,866	389,669

(continued)

Changes in Net Position
Last Ten Fiscal Years (In thousands)
 (Accrual basis of accounting) (continued)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Business-type Activities:										
Electric Utility	401,243	411,246	417,008	386,358	372,129	375,173	359,320	353,204	339,928	365,432
Water Utility	68,011	62,996	57,056	58,319	56,608	55,478	49,309	49,219	51,638	47,187
Sanitation	55,979	53,508	52,813	55,939	49,845	50,521	52,702	49,693	49,338	47,163
Golf Courses	4,418	4,399	4,473	4,114	4,256	4,436	4,495	4,810	4,365	4,433
Convention, Sports and Entertainment Venues	56,715	46,385	45,001	45,278	44,662	45,954	45,487	48,292	46,610	47,833
ARTIC Management	5,075									
Business-type activities expense	<u>591,441</u>	<u>578,534</u>	<u>576,351</u>	<u>550,008</u>	<u>527,500</u>	<u>531,562</u>	<u>511,313</u>	<u>505,218</u>	<u>491,879</u>	<u>512,048</u>
Total government expenses	<u>1,052,620</u>	<u>1,025,950</u>	<u>998,261</u>	<u>977,056</u>	<u>974,775</u>	<u>994,154</u>	<u>973,260</u>	<u>961,119</u>	<u>923,745</u>	<u>901,717</u>
Net (Expense)/Revenue										
Governmental activities	(211,255)	(148,862)	(173,793)	(216,282)	(198,389)	(261,688)	(238,662)	(273,986)	(240,179)	(207,015)
Business-type activities	<u>34,473</u>	<u>16,950</u>	<u>35,687</u>	<u>6,547</u>	<u>12,058</u>	<u>1,793</u>	<u>650</u>	<u>(246)</u>	<u>(34,692)</u>	<u>(51,482)</u>
Total government, net (expense) revenue	<u>(176,782)</u>	<u>(131,912)</u>	<u>(138,106)</u>	<u>(209,735)</u>	<u>(186,331)</u>	<u>(259,895)</u>	<u>(238,012)</u>	<u>(274,232)</u>	<u>(274,871)</u>	<u>(258,497)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	68,405	66,282	64,311	58,896	59,053	59,689	60,806	59,592	57,937	49,415
Property tax increments				28,678	47,040	47,731	47,115	45,719	40,710	37,341
Sales tax and use tax	72,356	67,505	65,445	59,654	54,711	51,214	56,035	62,510	64,878	66,972
Transient occupancy taxes	119,744	110,134	102,936	90,376	82,605	77,139	80,055	87,183	83,914	75,979
Motor vehicle license fees	145		331		1,783	1,026	1,180	1,532	1,866	2,595
Other taxes	8,318	7,780	7,756	7,272	7,288	7,288	8,041	9,529	10,337	10,817
Unrestricted investment earnings	2,725	2,930	1,094	3,598	3,667	7,012	8,667	15,337	17,597	12,346
Other	55	49	1,857	873	614	1,175	394	2,670	1,701	5,078
Gain from disposal of capital assets										
Transfers	(169,119)	7,288	12,824	12,571	8,537	19,602	41,141	15,573	(42,874)	8,444
Extraordinary gain				102,882						
Governmental activities	<u>102,629</u>	<u>261,968</u>	<u>256,554</u>	<u>364,800</u>	<u>265,298</u>	<u>271,876</u>	<u>303,434</u>	<u>299,645</u>	<u>236,066</u>	<u>268,987</u>
Business-type activities:										
Unrestricted investment earnings	8,086	6,986	3,323	10,216	9,617	15,825	19,580	31,244	27,375	16,850
Other										
Transfers	<u>169,119</u>	<u>(7,288)</u>	<u>(12,824)</u>	<u>(12,571)</u>	<u>(8,537)</u>	<u>(19,602)</u>	<u>(41,141)</u>	<u>(15,573)</u>	<u>42,874</u>	<u>(8,444)</u>
Business-type activities	<u>177,205</u>	<u>(302)</u>	<u>(9,501)</u>	<u>(2,355)</u>	<u>1,080</u>	<u>(3,777)</u>	<u>(21,561)</u>	<u>15,671</u>	<u>70,249</u>	<u>8,406</u>
Total government	<u>279,834</u>	<u>261,666</u>	<u>247,053</u>	<u>362,445</u>	<u>266,378</u>	<u>268,099</u>	<u>281,873</u>	<u>315,316</u>	<u>306,315</u>	<u>277,393</u>
Change in Net Position										
Governmental activities	(108,626)	113,106	82,761	148,518	66,909	10,188	64,772	25,659	(4,113)	61,972
Business-type activities	<u>211,678</u>	<u>16,648</u>	<u>26,186</u>	<u>4,192</u>	<u>13,138</u>	<u>(1,984)</u>	<u>(20,911)</u>	<u>15,425</u>	<u>35,557</u>	<u>(43,076)</u>
Total government change in net position	<u>\$103,052</u>	<u>\$129,754</u>	<u>\$108,947</u>	<u>\$152,710</u>	<u>\$ 80,047</u>	<u>\$ 8,204</u>	<u>\$ 43,861</u>	<u>\$ 41,084</u>	<u>\$ 31,444</u>	<u>\$ 18,896</u>

Note: Certain reclassifications have been made to prior fiscal years' data to conform to the current presentation.

Source: Finance Department, City of Anaheim

See accompanied Independent auditors' report

Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years (In thousands)

(Accrual basis of accounting)

Fiscal Year	Amounts						Total
	Property Taxes	Property Tax Increments	Sales and Use Taxes	Transient Occupancy Taxes	Motor Vehicle License Fees ¹	Other Taxes	
2015	\$ 68,405		\$ 72,356	\$119,744	\$ 145	\$ 8,318	\$268,968
2014	66,282		67,505	110,134		7,780	251,701
2013	64,311		65,445	102,936	331	7,756	240,779
2012	58,896	\$ 28,678 ²	59,654	90,376		7,272	244,876
2011	59,053	47,040	54,711	82,605	1,783	7,288	252,480
2010	59,689	47,731	51,214	77,139	1,026	7,288	244,087
2009	60,806	47,115	56,035	80,055	1,180	8,041	253,232
2008	59,592	45,719	62,510	87,183	1,532	9,529	266,065
2007	57,937	40,710	64,878	83,914	1,866	10,337	259,642
2006	49,415	37,341	66,972	75,979	2,595	10,817	243,119

¹ The decrease in motor vehicle license fees starting from fiscal year 2005 is due to the shifting of revenue from motor vehicle license fees category to the property tax category. This was part of the State of California 2004 Budget Act.

² The decrease in Property tax increments from fiscal year 2012 was due to the dissolution of Redevelopment Agency on February 1, 2012.

³ Motor Vehicle License Fees allocation was eliminated per the fiscal year 2012 State Budget.

Note: Certain reclassifications have been made to prior fiscal years' data to conform to the current presentation.

Source: Finance Department, City of Anaheim

Fund Balances of Governmental Funds Last Ten Fiscal Years (In thousands)

(Modified accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Nonspendable	\$ 1,538	\$ 2,099	\$ 2,531	\$ 3,082	\$ 3,626					
Restricted	6,124	6,449	1,766	982	582					
Committed			788							
Assigned	513	4,073	4,479	320	141					
Unassigned	39,615	30,394	29,320	22,636	22,139					
Reserved						\$ 4,092	\$ 4,530	\$ 5,001	\$ 8,525	\$ 9,701
Unreserved - designated										
Unreserved - undesignated						29,490	47,729	37,347	47,409	44,978
Total General fund	47,790	43,015	38,884	27,020	26,488	33,582	52,259	42,348	55,934	54,679
Housing Authority Fund										
Nonspendable	4	7	38		42					
Restricted	43,703	41,134	32,234	29,935	7,778					
Assigned	14,283	11,664	11,823	11,237	9,922					
Unassigned										
Reserved						1,373	1,830	830	162	
Unreserved - undesignated						11,603	5,669	6,474	7,935	3,932
Total Housing Authority Fund	57,990	52,805	44,095	41,172	17,742	12,976	7,499	7,304	8,097	3,932
Nonmajor Governmental Funds										
Nonspendable	6,270	3,542	4,619	1	631					
Restricted	197,360	170,950	164,870	158,933	241,674					
Assigned	3,040	3,291	8,055	7,400	7,761					
Unassigned	(20,071)	(19,005)	(11,231)	(32,448)	(34,293)					
Reserved						130,313	142,760	138,402	120,885	110,289
Unreserved - designated, reported in:										
Special revenue funds						7,349	7,211	6,809	2,415	9,102
Debt service funds						156	4,433	1,656	2,276	1,137
Capital projects funds						31,899	41,544	32,809	38,430	45,495
Unreserved - undesignated, reported in:										
Special revenue funds						14,350	5,342	4,199	4,183	14,902
Capital projects funds						(3,376)	(7,037)	(15,551)	(25,687)	(22,787)
Total nonmajor governmental funds	186,599	158,778	166,313	133,886	215,773	180,691	194,253	168,324	142,502	158,138
Total governmental funds¹	\$292,379	\$254,598	\$249,292	\$202,078	\$260,003	\$227,249	\$254,011	\$217,976	\$206,533	\$216,749

¹ The City implemented Governmental Accounting Standards Board Statement No 54 (GASB 54) for the Fiscal Year Ended June 30, 2011.

Fund Balance Classifications prior to the implementation of GASB 54 is not available.

Source: Finance Department, City of Anaheim

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (In thousands)

(Modified accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Property taxes	\$ 68,405	\$ 66,282	\$ 64,311	\$ 58,896	\$ 59,053	\$ 59,689	\$ 60,806	\$ 59,592	\$ 57,937	\$ 49,415
Property tax increments				28,678	47,040	47,731	47,115	45,719	40,710	37,341
Sales and use taxes	71,977	68,581	62,793	58,589	55,034	48,210	56,493	64,296	65,695	64,993
Transient occupancy taxes	119,744	110,134	102,936	90,376	82,605	77,139	80,055	87,183	83,914	75,979
Other taxes	7,478	7,012	7,078	6,401	6,486	6,303	6,451	6,753	7,531	7,862
Licenses, fees, and permits	28,573	21,353	22,305	17,067	18,772	21,580	21,062	24,705	37,991	40,625
Intergovernmental revenues	155,314	215,755	186,018	143,348	150,394	141,418	158,729	135,072	112,593	104,705
Charges for services	33,295	32,569	30,883	29,672	24,408	18,351	17,874	17,730	16,799	16,216
Fines, forfeits, and penalties	2,823	2,656	2,907	3,515	3,304	3,255	3,409	3,767	3,689	3,464
Use of money and property	13,233	16,681	8,058	7,657	10,159	10,236	9,293	16,923	18,208	13,223
Other	16,573	6,555	8,926	6,617	43,645	4,009	10,137	3,755	7,601	18,164
Total revenues	517,415	547,578	496,215	450,816	500,900	437,921	471,424	465,495	452,668	431,987
Expenditures										
General government	19,052	21,070	18,270	16,502	16,055	15,822	16,953	16,325	15,354	13,667
Police	127,226	120,962	117,702	112,656	114,678	115,379	112,057	115,195	109,467	94,602
Fire	61,483	57,529	56,127	55,886	55,802	55,713	55,966	54,685	48,201	48,383
Community Development	89,446	83,658	86,282	95,352	110,138	126,590	112,406	104,991	94,789	89,098
Planning	17,667	16,086	15,785	14,408	14,560	15,173	15,489	15,949	14,762	13,907
Public Works	29,814	29,737	25,387	22,861	27,087	19,957	29,321	25,810	26,820	24,646
Community Services	28,394	30,602	25,268	24,618	27,813	31,311	33,572	35,203	32,788	28,753
Public Utilities	2,622	2,510	2,398	2,313	2,220	1,939	1,507	2,120	1,791	1,704
Convention, Sports and Entertainment	11,608	10,714	10,002	9,725	9,917	6,369	6,699	7,390	7,399	6,131
Capital outlay	79,710	136,597	98,601	55,505	70,918	62,422	52,229	60,906	76,161	77,738
Debt service:										
Principal	25,289	24,220	18,948	16,294	12,219	12,777	16,085	27,472	18,065	19,032
Interest charges	18,085	18,797	19,808	26,927	33,032	33,509	34,830	28,324	41,187	39,037
Debt issuance costs	127				227		70	5,182	4,017	
Total expenditures	510,523	552,482	494,578	453,047	494,666	496,961	487,184	499,552	490,801	456,698
Revenues over (under) expenditures	6,892	(4,904)	1,637	(2,231)	6,234	(59,040)	(15,760)	(34,057)	(38,133)	(24,711)
Other Financing Sources (Uses)										
Transfers in	85,818	84,813	73,470	131,093	99,571	83,498	121,987	299,410	101,249	95,535
Transfers out	(79,373)	(75,953)	(59,393)	(119,552)	(86,621)	(59,970)	(76,304)	(288,985)	(91,028)	(84,325)
Issuance of refunding bonds	6,200						5,084	201,680	253,134	
Payments to refunded bond escrow agent	(6,200)						(5,683)	(171,222)	(255,325)	
Premium on long term debt	1,790						94	4,641		
Discount on long term debt								(199)		
Issuance of long-term debt	22,654	1,350	31,500		13,570	8,000	2,769	175	18,238	22,583
Capital leases									1,649	2,198
Claims settlement proceeds						750	3,848			
Extraordinary loss				(67,235)						
Total other financing sources	30,889	10,210	45,577	(55,694)	26,520	32,278	51,795	45,500	27,917	35,991
Net change in fund balances	\$ 37,781	\$ 5,306	\$ 47,214	\$ (57,925)	\$ 32,754	\$ (26,762)	\$ 36,035	\$ 11,443	\$ (10,216)	\$ 11,280
Debt service as a percentage of non-capital expenditures	10.07%	10.34%	9.79%	10.87%	10.68%	10.65%	11.71%	12.72%	14.29%	15.32%

Source: Finance Department, City of Anaheim

General Government Tax Revenues By Source

Last Ten Fiscal Years (In thousands)

(Modified accrual basis of accounting)

Fiscal Year	Property Taxes				Property Tax Increments			Property Taxes in-lieu of VLF ¹	Sales and Use Taxes	Transient Occupancy Taxes	Other Taxes	Total
	Secured Property Taxes	Unsecured Property Taxes	Supplemental Property Taxes	Residual	Secured Property Taxes	Unsecured Property Taxes	Supplemental Property Taxes					
2015	\$ 35,624	\$ 1,358	\$ 1,001	\$ 2,262				\$ 28,160	\$ 71,977	\$ 119,744	\$ 7,478	\$ 267,604
2014	33,976	1,243	832	2,873				27,358	68,581	110,134	7,012	252,009
2013	33,114	1,194	806	2,834				26,363	62,793	102,936	7,078	237,118
2012	31,770	1,289	207		\$ 21,576 ²	\$ 6,884 ²	\$ 218 ²	25,630	58,589	90,376	6,401	242,940
2011	31,848	1,300	373		36,824	8,859	1,357	25,532	55,034	82,605	6,486	250,218
2010	32,267	1,341	385		38,809	8,221	701	25,696	48,210	77,139	6,303	239,072
2009	32,496	1,351	712		37,710	7,986	1,419	26,247	56,493	80,055	6,451	250,920
2008	31,073	1,343	1,326		34,772	9,105	1,842	25,850	64,296	87,183	6,753	263,543
2007	29,919	1,384	1,551		29,090	8,591	3,029	25,083	65,695	83,914	7,531	255,787
2006	26,537	1,171	1,887		27,067	7,954	2,320	19,820	64,993	75,979	7,862	235,590

¹ Collection of property taxes in-lieu of VLF starting in fiscal year 2005 is due to the shifting of revenue from motor vehicle license fees category to the property tax category. This was part of the State of California 2004 Budget Act.

² Decrease in property tax increments revenues in fiscal year 2012 was due to dissolution of the Redevelopment Agency on February 1, 2012. Property tax increments were received up to January 31, 2012.

Note: Certain reclassifications have been made to prior fiscal years' data to conform to the current presentation.

Source: Finance Department, City of Anaheim

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years (In thousands)

(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2015	2014	2013	2012	2011
City of Anaheim					
Secured property	\$32,023,757	\$30,548,214	\$29,608,967	\$28,808,849	\$28,600,152
Unsecured property	<u>1,515,905</u>	<u>1,266,403</u>	<u>1,265,519</u>	<u>1,232,825</u>	<u>1,278,062</u>
Total City of Anaheim	33,539,662	31,814,617	30,874,486	30,041,674	29,878,214
Dissolved Anaheim Redevelopment Agency					
Secured property	4,102,931	3,916,169	4,338,935	3,977,843	3,751,227
Unsecured property	<u>759,729</u>	<u>654,982</u>	<u>683,237</u>	<u>656,505</u>	<u>743,403</u>
Total Anaheim Redevelopment Agency	<u>4,862,660</u>	<u>4,571,151</u>	<u>5,022,172</u>	<u>4,634,348</u>	<u>4,494,630</u>
Total Taxable Assessed Value	<u>\$38,402,322</u>	<u>\$36,385,768</u>	<u>\$35,896,658</u>	<u>\$34,676,022</u>	<u>\$34,372,844</u>
Total Direct Tax Rate	0.11049%	0.11062%	0.11078%	0.11075%	0.11075%

	Fiscal Year				
	2010	2009	2008	2007	2006
City of Anaheim					
Secured property	\$28,775,989	\$29,329,062	\$28,473,221	\$26,507,229	\$24,081,039
Unsecured property	<u>1,283,263</u>	<u>1,226,209</u>	<u>1,198,812</u>	<u>2,442,959</u>	<u>1,117,310</u>
Total City of Anaheim	30,059,252	30,555,271	29,672,033	28,950,188	25,198,349
Dissolved Anaheim Redevelopment Agency					
Secured property	3,762,168	3,644,931	3,360,645	2,838,528	2,574,542
Unsecured property	<u>762,903</u>	<u>789,618</u>	<u>818,255</u>	<u>813,249</u>	<u>734,299</u>
Total Anaheim Redevelopment Agency	<u>4,525,071</u>	<u>4,434,549</u>	<u>4,178,900</u>	<u>3,651,777</u>	<u>3,308,841</u>
Total Taxable Assessed Value	<u>\$34,584,323</u>	<u>\$34,989,820</u>	<u>\$33,850,933</u>	<u>\$32,601,965</u>	<u>\$28,507,190</u>
Total Direct Tax Rate	0.11031%	0.11024%	0.11041%	0.11041%	0.11083%

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Auditor-Controller, California Municipal Statistics, Inc, County of Orange

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
City Direct Rate ⁽¹⁾										
City Basic Rate ⁽²⁾	0.10851	0.10851	0.10851	0.10851	0.10851	0.10816	0.10816	0.10816	0.10816	0.10816
Anaheim General Obligation Bond Fund	0.00198	0.00211	0.00227	0.00224	0.00224	0.00215	0.00208	0.00225	0.00225	0.00267
	<u>0.11049</u>	<u>0.11062</u>	<u>0.11078</u>	<u>0.11075</u>	<u>0.11075</u>	<u>0.11031</u>	<u>0.11024</u>	<u>0.11041</u>	<u>0.11041</u>	<u>0.11083</u>
Overlapping Rates:										
Anaheim Elementary General Fund	0.29873	0.29873	0.29873	0.29873	0.29873	0.29778	0.29778	0.29778	0.29778	0.29778
Anaheim High General Fund	0.19043	0.19043	0.19043	0.19043	0.19043	0.18982	0.18982	0.18982	0.18982	0.18982
Educational Revenue Augmentation Fund	0.15592	0.15592	0.15592	0.15592	0.15592	0.15543	0.15543	0.15543	0.15543	0.15543
North Orange Co. Community College General Fund	0.07755	0.07755	0.07755	0.07755	0.07755	0.07730	0.07730	0.07730	0.07730	0.07730
Orange County Cemetery District	0.00057	0.00057	0.00057	0.00057	0.00057	0.00057	0.00057	0.00057	0.00057	0.00057
Orange County Department Of Education	0.01579	0.01579	0.01579	0.01579	0.01579	0.01574	0.01574	0.01574	0.01574	0.01574
Orange County Flood Control District General	0.02197	0.02197	0.02197	0.02197	0.02197	0.02190	0.02190	0.02190	0.02190	0.02190
Orange County General Fund	0.06849	0.06849	0.06849	0.06849	0.06849	0.06827	0.06827	0.06827	0.06827	0.06827
Orange County Harbors Beaches & Parks CSA	0.01698	0.01698	0.01698	0.01698	0.01698	0.01693	0.01693	0.01693	0.01693	0.01693
Orange County Sanitation District #2 Operating	0.03227	0.03227	0.03227	0.03227	0.03227	0.03469	0.03469	0.03469	0.03469	0.03469
Orange County Transportation Authority	0.00312	0.00312	0.00312	0.00312	0.00312	0.00311	0.00311	0.00311	0.00311	0.00311
Orange County Vector Control	0.00124	0.00124	0.00124	0.00124	0.00124	0.00124	0.00124	0.00124	0.00124	0.00124
Orange County Water District	0.00831	0.00831	0.00831	0.00831	0.00831	0.00893	0.00893	0.00893	0.00893	0.00893
Orange County Water District Water Reserve	0.00012	0.00012	0.00012	0.00012	0.00012	0.00013	0.00013	0.00013	0.00013	0.00013
Anaheim Elementary School Districts	0.02412	0.05848	0.05382	0.05371	0.03363	0.03193	0.02248	0.03544	0.02240	0.02811
Anaheim High School Districts	0.02867	0.02620	0.02858	0.02678	0.02745	0.02617	0.02363	0.02516	0.02355	0.02444
North Orange County Community College	0.01704	0.01704	0.01902	0.01742	0.01758	0.01662	0.01493	0.01502	0.01444	0.00520
Water District Rate	0.00350	0.00350	0.00350	0.00370	0.00370	0.00430	0.00430	0.00450	0.00470	0.01666
Total Direct and Overlapping Rate	<u>1.07531</u>	<u>1.10733</u>	<u>1.10719</u>	<u>1.10385</u>	<u>1.08460</u>	<u>1.08117</u>	<u>1.06742</u>	<u>1.08237</u>	<u>1.06734</u>	<u>1.07708</u>

(1) Excludes rates associated with mello-roos districts.

(2) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides. In 1986, the State Constitution was amended to allow rates over the 1% base rate for voter approved general obligation debt. Valuations of real property are frozen at the value of the property in 1975, with an allowable adjustment up to 2% per year for inflation. However, property is assessed to its current value when a change of ownership occurs. New construction, including tenant improvements, is assessed at its current value.

Principal Property Tax Payers
Current Year and Nine Years Ago (In thousands)

Tax Payer	Fiscal Year					
	2015			2006		
	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value
Walt Disney World Company	1	12.80%	\$4,625,941	1	12.69%	\$3,383,738
HHC HA Investment II Inc.	2	0.54%	196,533			
PPC Anaheim Apartments	3	0.31%	113,448	4	0.38%	102,000
Irvine Company LLC	4	0.31%	111,096			
Teachers Insurance & Annuity Association	5	0.28%	100,856			
Prologis California I LLC	6	0.26%	93,461			
Angeli LLC	7	0.25%	88,944			
Mary Susan Samia Trust	8	0.24%	87,264			
Kaiser Foundation Health	9	0.23%	83,268	3	0.32%	113,368
Essex Anavia LP	10	0.23%	82,976			
Lennar Platinum Triangle				2	0.53%	142,276
Allstate Life Insurance Company				5	0.37%	99,035
Pan Pacific Retail				6	0.34%	89,368
Boeing North America				7	0.32%	84,336
Anaheim Memorial Hospital				8	0.31%	83,576
Ashford Anaheim LP				9	0.29%	76,629
CA-Orange Limited				10	0.28%	75,560
Total		<u>15.45%</u>	<u>\$5,583,787</u>		<u>15.94%</u>	<u>\$4,249,886</u>

Source: Finance Department, City of Anaheim, California Municipal Statistics, Inc.

Property Tax Levies and Collections

Last Ten Fiscal Years (In thousands)

Fiscal Year	Total Taxes Levy	Collected within the Fiscal Year of the Levy			Total Collections to Date		Total Tax Increments Levy ²	Collected within the Fiscal Year of the Levy			Total Collections to Date	
		Amount ¹	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy		Amount ²	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2015	\$38,365	\$37,456	97.63%	\$ 142	\$37,598	98.00%						
2014	36,293	35,558	97.97%	460	36,018	99.24%						
2013	34,813	34,116	98.00%	384	34,500	99.10%						
2012	33,598	32,560	96.91%	512	33,072	98.43%	\$49,004	\$28,327 ²	57.81%		\$28,327	57.81%
2011	33,512	32,517	97.03%	558	33,075	98.70%	49,294	45,906	93.13%	\$ 282	46,188	93.70%
2010	33,627	32,490	96.62%	796	33,286	98.99%	49,119	46,584	94.84%	524	47,108	95.91%
2009	34,579	33,068	95.63%	1,231	34,299	99.19%	48,432	46,057	95.10%	622	46,679	96.38%
2008	34,283	32,798	95.67%	1,237	34,035	99.28%	46,785	44,793	95.74%	552	45,345	96.92%
2007	33,897	32,324	95.36%	789	33,113	97.69%	42,472	39,807	93.73%	549	40,356	95.02%
2006	30,123	29,187	96.89%	446	29,633	98.37%	38,278	36,692	95.86%	669	37,361	97.60%

¹ Excludes property taxes in-lieu of vehicle license fees

² Decrease in property tax collection is due to the dissolution of the Redevelopment Agency on February 1, 2012. Property tax increments were received up to January 31, 2012.

Note: Certain reclassifications have been made to prior fiscal years' data to conform to the current presentation.

Source: Auditor-Controller, County of Orange

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years (In thousands, except per capita amount)

	Fiscal Year				
	2015	2014	2013	2012	2011
Governmental Activities					
Bonds	\$ 640,891	\$ 614,757	\$ 616,086	\$ 616,444	\$ 821,587
Certificates of participation		8,880	10,020	11,085	12,070
Notes and loans	21,372	50,757	54,877	25,546	34,566
Capital leases	2,346	1,325	1,369	1,694	2,341
Total governmental activities	<u>664,609</u>	<u>675,719</u>	<u>682,352</u>	<u>654,769</u>	<u>870,564</u>
Business-Type Activities					
Bonds	1,116,443	780,553	863,987	889,581	908,683
Certificates of participation		38,000	38,000	38,000	38,000
Notes and loans	57,399	48,271	62,722	24,652	30,519
Capital leases					
Total business-type activities	<u>1,173,842</u>	<u>866,824</u>	<u>964,709</u>	<u>952,233</u>	<u>977,202</u>
Total Government	<u>\$1,838,451</u>	<u>\$1,542,543</u>	<u>\$1,647,061</u>	<u>\$1,607,002</u>	<u>\$1,847,766</u>
Percentage of Personal Income	21.82%	18.88%	19.74%	20.95%	24.57%
Per Capita	\$ 5,231	\$ 4,429	\$ 4,758	\$ 4,674	\$ 5,418

	Fiscal Year				
	2010	2009	2008	2007	2006
Governmental Activities					
Bonds	\$ 810,504	\$ 805,068	\$ 793,343	\$ 740,107	\$ 740,959
Certificates of participation	12,990	13,840	23,333	26,788	30,066
Notes and loans	29,094	24,621	27,538	57,614	43,342
Capital leases	2,605	1,235	2,353	2,484	2,220
Total governmental activities	<u>855,193</u>	<u>844,764</u>	<u>846,567</u>	<u>826,993</u>	<u>816,587</u>
Business-Type Activities					
Bonds	805,925	829,707	689,791	706,126	513,874
Certificates of participation	38,000	38,000	88,185	96,475	125,087
Notes and loans	11,379	12,299	13,189	14,081	14,976
Capital leases				267	275
Total business-type activities	<u>855,304</u>	<u>880,006</u>	<u>791,165</u>	<u>816,949</u>	<u>654,212</u>
Total Government	<u>\$1,710,497</u>	<u>\$1,724,770</u>	<u>\$1,637,732</u>	<u>\$1,643,942</u>	<u>\$1,470,799</u>
Percentage of Personal Income	23.32%	23.96%	21.93%	22.17%	20.01%
Per Capita	\$ 5,088	\$ 5,193	\$ 4,953	\$ 4,985	\$ 4,465

Note: Per capita amounts are estimates
 Certain reclassifications have been made to prior year data to conform to the current presentation.

Sources: California State Department of Finance and Finance Department, City of Anaheim
 US Census Yearly American Community Survey

**Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years** (In thousands, except per capita amount)

	Fiscal Year				
	2015	2014	2013	2012	2011
Bonds					
General Obligation	\$ 1,360	\$ 1,995	\$ 2,605	\$ 3,185	\$ 3,735
Lease Revenue	639,531	612,762	613,481	616,444	609,683
Tax Allocation					208,169
	<u>640,891</u>	<u>614,757</u>	<u>616,086</u>	<u>619,629</u>	<u>821,587</u>
Less amounts available in debt service fund	<u>88,174</u>	<u>73,500</u>	<u>61,625</u>	<u>53,398</u>	<u>67,363</u>
Total net obligation bonds outstanding	<u>\$ 552,717</u>	<u>\$ 541,257</u>	<u>\$ 554,461</u>	<u>\$ 566,231</u>	<u>\$ 754,224</u>
Percentage of Assessed Value of Property	1.44%	1.49%	1.54%	1.63%	2.19%
Per capita	\$ 1,573	\$ 1,554	\$ 1,602	\$,647	\$ 2,212

	Fiscal Year				
	2010	2009	2008	2007	2006
Bonds					
General Obligation	\$ 4,255	\$ 4,750	\$ 5,220	\$ 5,700	\$ 6,170
Lease Revenue	605,252	600,064	588,692	582,272	575,125
Tax Allocation	200,997	200,254	199,431	152,135	159,664
	<u>810,504</u>	<u>805,068</u>	<u>793,343</u>	<u>740,107</u>	<u>740,959</u>
Less amounts available in debt service fund	<u>69,043</u>	<u>63,560</u>	<u>57,995</u>	<u>39,075</u>	<u>39,232</u>
Total net obligation bonds outstanding	<u>\$ 741,461</u>	<u>\$ 741,508</u>	<u>\$ 735,348</u>	<u>\$ 701,032</u>	<u>\$ 701,727</u>
Percentage of Assessed Value of Property	2.14%	2.12%	2.17%	2.15%	2.46%
Per capita	\$ 2,205	\$ 2,233	\$ 2,224	\$ 2,126	\$ 2,130

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements
Certain reclassifications have been made to prior year data to conform to current presentation.

Source: Finance Department, City of Anaheim

Direct and Overlapping Governmental Activities Debt

As of June 30, 2015 (In thousands)

2014-15 Assessed Valuation	<u>\$38,402,322</u>		
<u>DIRECT TAX AND ASSESSMENT DEBT:</u>			
City of Anaheim			<u>Outstanding</u> \$ 1,360
<u>DIRECT GENERAL FUND DEBT:</u>			
City of Anaheim General Fund Obligations			699,188
TOTAL GROSS DIRECT DEBT			<u>700,548</u>
Less: City of Anaheim Public Financing Authority (100% self-supporting)			639,531
City of Anaheim various revenue funds (100% self-supporting)			59,657
TOTAL NET DIRECT DEBT			<u>1,360</u>
			City's Share of Debt
	Total Debt	% Applicable (1)	6/30/2015
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 110,420	1.656%	\$ 1,829
North Orange Joint Community College District	187,039	27.996	52,364
Rancho Santiago Community College District	277,291	12.913	35,807
Anaheim Union High School District	151,309	68.298	103,341
Fullerton Joint Union High School District	48,388	0.249	121
Garden Grove Unified School District	243,995	0.595	1,452
Placentia - Yorba Linda Unified School District	252,627	19.306	48,772
Anaheim School District	147,076	99.257	145,983
Magnolia School District	16,993	67.629	11,493
Other School Districts	194,127	Various	22,187
City of Anaheim Community Facilities Districts	34,805	100.000	34,805
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	<u>1,664,070</u>		<u>458,154</u>
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	98,906	8.151	8,062
Orange County Pension Obligation Bonds	366,855	8.151	29,902
Orange County Board of Education Certificates of Participation	15,190	8.151	1,238
Municipal Water District of Orange County Certificate of Participation	5,360	0.001	
North Orange County Regional Occupation Program Certificates of Participation	10,450	28.774	3,007
Orange Unified School District Certificates of Participation	30,615	26.586	8,139
Orange Unified School District Benefit Obligations	84,965	26.586	22,589
Placentia-Yorba Linda Unified School District Certificates of Participation	106,311	19.306	20,524
Anaheim Union High School District Certificates of Participation	35,478	68.298	24,231
Fullerton Joint Union High School District Certificates of Participation	22,255	0.249	55
Fullerton School District Certificates of Participation	5,840	0.174	10
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT	<u>782,225</u>		<u>117,757</u>
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>			
City of Anaheim Tax Allocation Bonds	203,275	100.000	203,275
TOTAL OVERLAPPING TAX INCREMENT DEBT			<u>203,275</u>
TOTAL GROSS OVERLAPPING DEBT			<u>779,186</u>
TOTAL NET OVERLAPPING DEBT			<u>779,186</u>
GROSS COMBINED TOTAL DEBT			<u>\$1,479,734⁽²⁾</u>
NET COMBINED TOTAL DEBT			<u>\$ 780,546</u>

(continued)

Direct and Overlapping Governmental Activities Debt As of June 30, 2015 (In thousands) (continued)

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2014-15 Assessed Valuation:

Direct Debt (\$1,360)	0.00%
Total Direct and Overlapping Tax and Assessment Debt	1.20%

Ratios to Adjusted Assessed Valuation:

Gross Combined Direct Debt (\$700,548)	1.82%
Net Combined Direct Debt (\$1,360)	0.00%
Gross Combined Total Debt	3.85%
Net Combined Total Debt	2.03%

Ratios to Redevelopment Increment Valuation (\$4,862,6601)

Total Overlapping Tax Increment Debt	4.18%
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Source: California Municipal Statistics, Inc.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Legal Debt Margin
Last Ten Fiscal Years (In thousands)

	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt limit	\$ 4,803,564	\$ 4,582,232	\$ 4,441,345	\$ 4,321,327	\$ 4,290,023
Total net debt applicable to limit	(1,360)	(1,995)	(2,605)	(3,185)	(3,735)
Legal debt margin	<u>\$ 4,802,204</u>	<u>\$ 4,580,237</u>	<u>\$ 4,438,740</u>	<u>\$ 4,318,142</u>	<u>\$ 4,286,288</u>
Total net debt applicable to the limit as a percentage of debt limit	0.03%	0.04%	0.06%	0.07%	0.09%
<u>Legal Debt Margin</u>					
Assessed value	\$ 32,023,757	\$ 30,548,214	\$ 29,608,967	\$ 28,808,849	\$ 28,600,152
Debt limit (15% of total assessed value)	4,803,564	4,582,232	4,441,345	4,321,327	4,290,023

	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt limit	\$ 4,316,398	\$ 4,399,359	\$ 4,270,983	\$ 3,976,084	\$ 3,612,156
Total net debt applicable to limit	(4,255)	(4,750)	(5,220)	(5,700)	(6,170)
Legal debt margin	<u>\$ 4,312,143</u>	<u>\$ 4,394,609</u>	<u>\$ 4,265,763</u>	<u>\$ 3,970,384</u>	<u>\$ 3,605,986</u>
Total net debt applicable to the limit as a percentage of debt limit	0.10%	0.11%	0.12%	0.14%	0.17%
<u>Legal Debt Margin</u>					
Assessed value	\$ 28,775,989	\$ 29,329,062	\$ 28,473,221	\$ 26,507,227	\$ 24,081,039
Debt limit (15% of total assessed value)	4,316,398	4,399,359	4,270,983	3,976,084	3,612,156

Note:
 Under State Finance Law, the City's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**Pledged-Revenue Coverage
Last Ten Fiscal Years** (In thousands)

(continued)

Redevelopment - Tax Allocation Revenue Bonds ²							
Fiscal Year	Tax Increment Revenue	Less Operating Expenses ¹	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2011	\$45,940	\$ 8,848	\$37,092	\$ 55	\$10,862	\$10,917	3.3976
2010	46,652	21,409	25,243		10,766	10,766	2.3447
2009	46,101	5,300	40,801		10,766	10,766	3.7898
2008	45,719	4,722	40,997	6,000	6,275	12,275	3.3399
2007	40,710	2,729	37,981	3,983	13,417	17,400	2.1828
2006	37,341	5,196	32,145	2,977	11,727	14,704	2.1861
2005	34,984	5,361	29,623	3,014	11,700	14,714	2.0133
2004	31,650	3,321	28,329	4,620	9,996	14,616	1.9382

¹ Operating expenses consist of SERAF contributions and pass through agreements

² The Redevelopment Agency dissolved on February 1, 2012

Electric Utility Revenue Bonds							
Fiscal Year	Electric Revenue	Less Operating Expenses ³	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2015	\$458,211	\$341,206	\$117,005	\$12,950	\$27,878	\$40,828	2.8658
2014	430,782	347,290	83,492	11,590	30,039	41,629	2.0056
2013	453,949	349,835	104,114	18,995	33,335	52,330	1.9896
2012	407,787	314,231	93,556	18,175	34,104	52,279	1.7896
2011	391,218	309,274	81,944	17,825	30,825	48,650	1.6844
2010	390,364	309,112	81,252	15,995	31,788	47,783	1.7004
2009	378,916	300,269	78,647	15,370	28,798	44,168	1.7806
2008	373,842	299,534	74,308	14,690	29,450	44,140	1.6835
2007	330,421	265,340	65,081	13,765	24,424	38,189	1.7042
2006	336,091	268,274	67,817	13,145	25,132	38,277	1.7717

³ Operating expenses excludes amortization and depreciation.

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

Source: Finance Department, City of Anaheim

(continued)

**Pledged-Revenue Coverage
Last Ten Fiscal Years** (In thousands)

(continued)

Water Utility Revenue Bonds

Fiscal Year	Water Revenue	Less Operating Expenses ⁴	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2015	\$65,518	\$52,883	\$12,635	\$960	\$4,178	\$5,138	2.4591
2014	66,979	50,046	16,933	920	4,217	5,137	3.2963
2013	61,849	44,838	17,011	950	4,255	5,205	3.2682
2012	59,330	44,615	14,715	915	4,292	5,207	2.8260
2011	56,935	45,293	11,642	880	3,275	4,155	2.8019
2010	57,787	45,231	12,556	1,490	2,544	4,034	3.1125
2009	53,039	40,123	12,916	1,435	1,967	3,402	3.7966
2008	51,052	41,190	9,862	1,375	325	1,700	5.8012
2007	51,595	43,203	8,392	1,325	379	1,704	4.9249
2006	47,904	39,110	8,794	1,870	450	2,320	3.7905

⁴ Operating expenses include transfer and excludes amortization and depreciation.

Sanitation Revenue Bonds

Fiscal Year	Wastewater Revenue ⁵	Less Operating Expenses ⁶	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2015	\$13,373	\$6,103	\$7,270	\$955	\$2,042	\$2,997	2.4258
2014	12,572	5,594	6,978	920	2,079	2,999	2.3268
2013	12,106	5,477	6,629	880	2,118	2,998	2.2111
2012	11,933	4,832	7,101	835	2,161	2,996	2.3702
2011	11,813	4,030	7,783	805	2,193	2,998	2.5961
2010	11,773	5,452	6,321	775	2,224	2,999	2.1077
2009	10,913	5,176	5,737		2,224	2,224	2.5796
2008	10,299	5,167	5,132		1,532	1,532	3.3499
2007	10,113	6,734	3,379				

⁵ Amounts based on the notes to the basic financial statement, segment reporting

⁶ Operating expenses excludes amortization and depreciation.

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

Source: Finance Department, City of Anaheim

Demographic and Economic Statistics Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population ⁽¹⁾</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age ⁽¹⁾</u>	<u>Education Level in Years of Schooling</u>	<u>School Enrollment</u>	<u>Orange County Unemployment Rate</u>
2015	351,433	\$8,424,074	\$23,971 ⁽²⁾	32.8	12.2	64,109	4.10%
2014	348,305	8,171,521	23,461	33.8	12.2	64,528	6.20%
2013	346,161	8,344,211	24,105	32.4	12.2	64,463	6.10%
2012	343,793	7,669,678	22,309	32.4	12.2	67,760	7.90%
2011	341,034	7,519,459	22,049	32.4	12.2	67,884	9.20%
2010	336,208	7,333,705	21,813	32.4	12.2	68,331	9.50%
2009	332,120	7,198,701	21,675	32.4	12.2	68,890	9.30%
2008	330,659	7,467,272	22,583	32.4	12.2	68,663	5.30%
2007	329,780	7,416,752	22,490	32.4	12.2	69,296	3.90%
2006	329,373	7,351,605	22,320	32.4	12.2	70,793	3.70%

(1) Population and Median Age were updated to reflect Census 2010 counts.

(2) Per capita income for FY 2015 is estimated. Data not readily available.

Sources: California State Department of Finance
 Anaheim City Superintendent of Schools
 State of California, Employment Development Department
 State Department of Commerce and Labor
 State Department of Education
 US Census Yearly American Community Survey

Principal Employers Current Year and Nine Years Ago

Employer	Fiscal Year					
	2015			2006		
	Rank	Employees	Percentage of Total City Employment	Rank	Employees	Percentage of Total City Employment
Disneyland Resort	1	26,550	16.4%	1	21,950	13.0%
Kaiser Foundation Hospital	2	6,040	3.7%	2	3,660	2.2%
Anaheim Regional Medical Center	3	1,300	0.8%	6	1,185	0.7%
Angels Baseball	4	1,139	0.7%			
L-3 Communications	5	1,070	0.7%			
Hilton Anaheim	6	975	0.6%	5	1,200	0.7%
Time Warner Cable Business Class	7	900	0.6%			
Carrington Mortgage Services LLC (CMS)	8	800	0.5%			
West Anaheim Medical Center	9	750	0.5%	9	774	0.5%
Honda Center	10	700	0.4%			
Boeing North America				3	3,500	2.1%
Alstyle Apparel				4	1,600	0.9%
Arrowhead Pond of Anaheim				7	1,000	0.6%
Northgate Gonzalez Supermarkets				8	1,000	0.6%
Long Beach Mortgage				10	800	0.5%
Total		<u>40,224</u>	<u>24.9%</u>		<u>36,669</u>	<u>21.8%</u>

Source: Inside Prospects Database

Total for City

Full-time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
City Council	7	7	7	7	7	7	7	7	7	7
City Administration	20	20	20	21	21	24	24	24	22	19
City Attorney	33	31	30	30	30	35	35	35	35	32
City Clerk	7	7	7	6	6	7	7	7	7	7
Human Resources	37	37	38	36	36	40	40	40	40	38
Finance	32	32	32	34	35	40	41	42	42	42
City Treasurer	12	12	12	12	12	12	12	12	12	12
Police	561	549	536	530	554	610	610	604	591	582
Fire	267	262	262	275	277	289	289	290	290	288
Community Development	71	68	78	102	105	106	109	108	114	120
Planning	75	71	69	73	75	93	94	97	96	95
Public Works	237	236	234	235	252	252	252	252	249	247
Community Services	91	87	87	115	123	180	183	184	183	183
Public Utilities	354	353	352	355	377	377	377	367	354	337
Convention, Sports and Entertainment	85	84	83	91	91	91	91	88	88	86
Total	<u>1,889</u>	<u>1,856</u>	<u>1,847</u>	<u>1,922</u>	<u>2,001</u>	<u>2,163</u>	<u>2,171</u>	<u>2,157</u>	<u>2,130</u>	<u>2,095</u>

Source: City of Anaheim

Operating Indicators by Function Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police Department										
Number of calls for service	195,305	186,042	186,461	189,751	195,587	185,934	191,037	196,241	203,832	173,669
Number of 911 calls received	158,447	145,813	182,856	179,313	165,698	140,529	129,998	125,174	134,938	103,586
Number of Part I Crimes per 100,000 population	2,950	2,883	3,326	3,057	2,886	2,857	2,764	2,899	3,042	3,042
Number of Arrest	11,405	11,846	11,617	11,494	13,345	17,650	15,951	16,212	14,135	
Number of Field Reports processed by Records Bureau	39,191	38,362	39,066	33,050	35,807	35,256	37,999	40,232	43,000	54,401
Number of traffic collisions	4,833	4,686	4,414	4,044	4,046	4,027	4,251	4,626	4,461	4,837
Number of Hours of Volunteer service	22,885	24,124	23,470	25,309	20,335	18,038	16,201	16,820	15,654	
Fire Department										
Fire responses	952	885	902	923	983	1,275	1,016	1,082	649	687
False alarm responses	3,910	1,735	1,424	1,390	1,487	1,467	1,503	1,398	719	678
Mutual aid responses	4,322	3,001	2,860	2,744	2,707	2,560	2,532	2,662	2,296	2,271
Medical responses	27,158	24,912	24,735	23,061	22,202	24,045	21,553	21,301	16,326	16,679
Hazardous condition responses	213	211	207	201	199	207	224	203	263	322
Public Works										
Centerline miles of arterial highway pavement improved	3.55	7.13	5.9	8.7	5.8	9.0	8.1	9.1	8.7	3.5
Square feet of deteriorated pavement replaced	2,101,231	4,345,480	4,029,806	2,977,482	4,274,463	820,000	780,500	890,500	890,500	920,500
Square feet of deteriorated pavement slurry sealed	7,253,633	4,422,148	2,850,939	4,208,194	4,167,569	1,975,000	2,532,000	3,483,000	3,483,000	3,522,000
Number of traffic intersections maintained	321	327	318	318	319	318	318	316	316	308
Number of traffic control hubs maintained	18	19	18	18	18	18	17	16	16	15
Square feet of deteriorated sidewalk replaced	153,531	96,399	77,590	74,780	62,940	60,000	50,500	50,200	50,200	46,500
Linear feet of damaged curb/gutter replaced	30,152	29,996	25,187	27,661	24,755	11,500	12,500	11,500	11,500	11,500
Square feet of medians/parkways maintained	5,721,764	5,644,799	5,644,818	5,511,065	5,460,655	5,400,000	5,350,000	5,350,000	5,350,000	5,212,600
Square feet of landscape maintained in the Anaheim Resort	1,542,442	1,542,442	1,430,486	1,430,486	1,430,486	1,430,486	1,419,286	1,419,286	1,419,286	1,419,286
Square feet of hardscape maintained in the Anaheim Resort	991,370	991,360	858,828	858,828	1,001,743	858,828	858,828	858,828	858,828	858,828
Number of vehicles maintained	1,097	1,144	1,106	1,152	1,162	1,331	1,331	1,351	1,283	1,273
Number of vehicles per mechanic	57	58	58	50	47	50	55	59	48	50
Square feet of interior space maintained	2,379,100	2,700,000	2,362,992	2,176,265	2,176,265	2,176,265	2,176,265	2,176,265	1,941,287	1,882,400
Square feet of exterior space maintained	37,662,184	37,655,278	37,645,278	39,138,187	39,138,187	39,138,187	39,138,187	39,138,187	35,298,000	35,238,900
Number of facility square feet (interior) per worker	149,000	150,000	139,000	120,904	114,540	103,631	103,631	103,631	77,651	75,296
Number of construction projects	100	165	120	100	136	130	130	132	167	158
Number of permit inspections	429	486	380	404	355	800	800	802	1,623	1,567
Parks										
Number of park acres maintained per full-time equivalent employee	76	75	75	75	75	12	12	10.52	10.52	10.52
Number of sports fields prepared	66	66	66	66	66	66	66	66	66	66
Cost per acre of parks maintained.	\$8,691	\$8,438	\$8,192	\$8,031	\$8,333	\$9,651	\$9,950	\$10,699	\$10,288	\$9,960
Cost per sports field maintained.	\$4,519	\$4,387	\$4,260	\$4,133	\$4,261	\$5,134	\$5,134	\$4,937	\$4,747	\$4,596
Golf Courses										
Cost per acre of golf course maintained	\$9,455	\$9,931	\$9,595	\$9,010	\$9,569	\$11,327	\$10,674	\$10,617	\$10,305	\$9,625
Number of rounds played	110,855	117,652	118,879	120,675	116,287	124,404	137,948	153,661	157,649	160,614
Number of acres maintained	200	200	200	200	200	200	200	200	200	200

(continued)

Operating Indicators by Function Last Ten Fiscal Years

(continued)

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
City Libraries										
Hours open	16,929	16,820	16,243	15,530	15,364	18,944	19,290	20,292		
Total circulation of materials, including eBooks	1,257,127	1,397,239	1,520,841	1,635,627	1,700,104	1,655,922	1,721,779	1,658,731	1,630,580	1,540,147
Patron assistance (reference, information, computer)	207,305	240,287	291,960	347,085	397,287	530,364	537,807	461,819	350,325	365,142
Patron visits	1,221,982	1,264,972	1,317,689	1,321,309	1,403,995	1,572,138	1,752,838	1,615,640	1,545,205	1,375,679
Library cardholders	201,194	186,891	158,396	157,278	156,444	149,501	138,826	147,638	161,278	139,611
Programs offered	3,800	3,397	3,097	3,235	3,927	3,991	4,777	4,410	3,923	2,740
Program attendance	117,226	111,380	102,728	101,696	124,401	146,357	158,669	152,532	129,661	84,631
Hours of public internet usage	184,851	209,953	237,340	220,930	209,673	246,676	277,097	242,734	192,817	170,254
Community Services Programs										
Number of youth program participants	177,746	126,429	136,345	129,215	110,013	134,611	146,381	455,725	362,839	362,839
Number of youth program participants in recreation classes	10,136	13,897	10,906	9,213	10,231	10,125	16,332	16,006	13,675	15,200
Number of adult program sports teams	750	791	841	845	908	885	875	840	756	812
Number of park ranger contacts	327,893	263,765	233,308	275,014	232,132	187,000	208,176	161,038	140,000	139,773
Public Utilities Department										
Electric Utility:										
Number of meters	115,682	115,474	115,418	115,113	114,662	113,434	112,548	111,784	111,319	110,729
Megawatt-hours - sales	3,725,386	4,065,552	3,312,018	2,966,119	2,976,014	3,344,188	3,208,123	2,979,396	3,233,508	3,223,728
Megawatt-hours - purchased power	3,417,459	3,751,220	3,029,766	2,707,466	2,737,174	3,085,358	2,836,962	2,978,800	2,780,318	2,606,275
Megawatt-hours - owned generation	371,657	467,348	410,601	430,323	431,027	410,784	435,835	301,021	696,563	929,787
Water Utility:										
Number of meters	63,145	63,002	62,917	62,793	62,717	62,607	62,456	62,436	62,372	62,045
Millions of gallons sold	19,804	20,743	20,464	19,672	19,526	20,492	22,238	23,154	24,075	22,887
Millions of gallons purchased from Metropolitan Water	4,717	5,286	6,878	7,023	7,398	8,054	6,614	4,978	8,049	10,188
Millions of gallons pumped from water system wells	15,180	16,749	14,659	14,100	13,399	14,669	17,034	18,961	16,844	13,580
Anaheim Convention Center										
Number of events serviced	197	221	263	222	200	232	310	339	347	337
Number of attendees	986,000	1,020,000	1,070,000	1,059,000	935,000	944,000	917,000	1,008,000	1,098,000	1,002,000
Percentage of occupancy	63.0%	63.0%	58.0%	62.0%	56.0%	68.0%	56.0%	61.0%	70.0%	58.0%

Sources: Various City departments

Capital Assets Statistics by Function Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police Department										
Police Facilities	10	10	10	10	10	10	10	9	8	6
Motorized Equipment	250	247	247	242	242	250	266	255	251	248
Police Helicopters	2	2	3	3	3	4	4	3	3	3
Shooting Range	1	1	1	1	1	1	1	1	1	1
Communication/Radio Tower	1	1	1	1	1	1	1	1	1	1
Fixed Wing	1	1	1	1						
Fire Department										
Fire stations	11	11	11	11	11	11	11	11	11	10
Training center	1	1	1	1	1	1	1	1	1	1
Fire trucks, engines, and other vehicles	74	74	79	74	69	74	74	79	79	72
Public Works										
Streets (center lane miles)	584	578	578	578	578	588	633	633	633	633
Traffic signals	321	321	318	318	318	306	318	314	312	312
Sewers (miles)	577.60	575.52	575.52	573.63	570.44	569.60	568.30	565.70	561.50	560.00
Storm Drains (miles)	151.30	151.30	151.30	151.24	151.24	151.24	148.00	148.00	148.00	148.00
Parks										
Community parks	11	11	11	11	11	11	11	11	11	11
Mini parks	9	7	7	7	7	7	7	6	6	6
Neighborhood parks	21	21	21	21	21	21	21	20	20	20
Special use parks	7	7	7	7	7	6	6	6	6	6
Golf Courses										
	2	2	2	2	2	2	2	2	2	2
City Libraries										
Branch libraries	8	7	7	7	7	7	7	7	6	5
Book mobiles	1	1	1	1	1	2	2	2	2	2
Museums/Historic properties	5	5	5	5	5	5	3	3	3	1

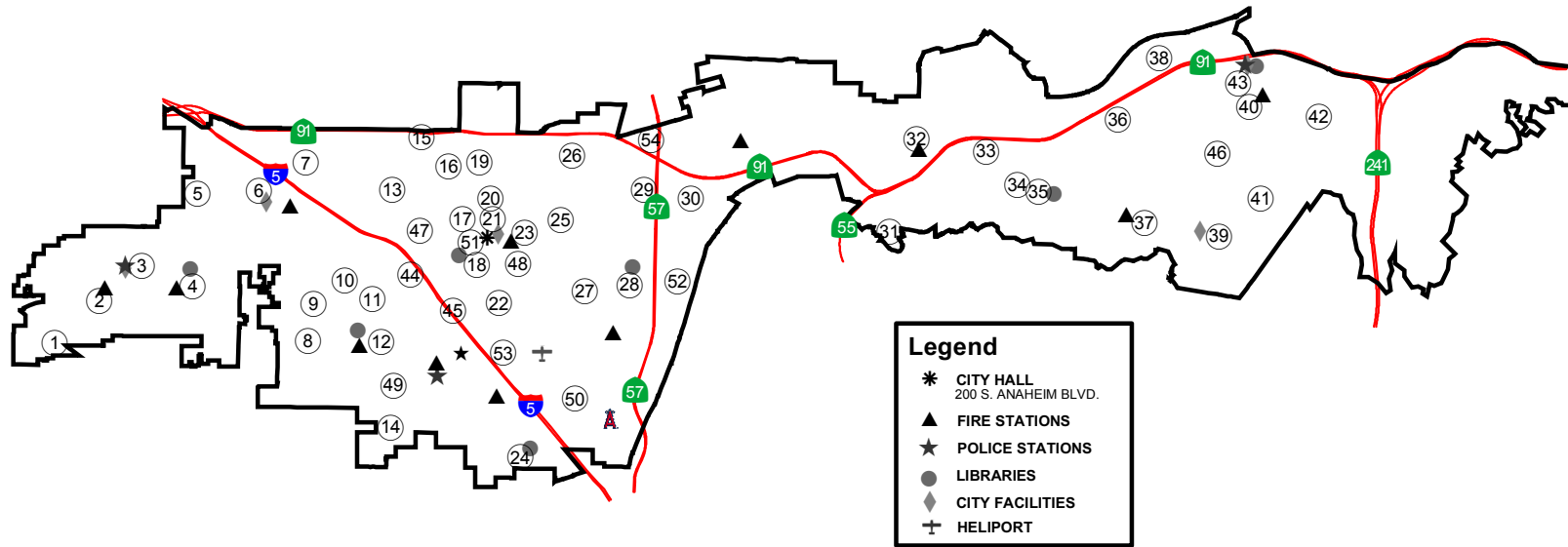
Capital Assets Statistics by Function Last Ten Fiscal Years

(continued)

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Utilities Department										
Electric Utility:										
Transmission, 69 kV, circuit miles	87	86	87	86	90	80	80	80	77	69
Distribution, 12 kV and lower, circuit miles										
Overhead	414	420	426	428	440	446	446	453	458	468
Underground	680	666	662	656	658	617	625	615	582	564
Water Utility:										
Active Wells	18	17	18	18	18	18	18	21	19	21
Reservoirs	14	14	14	14	14	13	13	13	13	13
Water Mains (miles)	753	753	753	753	752	753	750	750	747	746
Fire Hydrants	7,840	7,832	7,816	7,812	7,802	7,805	7,751	7,749	7,730	7,720
Anaheim Convention Center										
Square footage available	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000
Number of exhibit halls	5	5	5	5	5	5	5	5	5	5

Source: Various City Departments

CITY OF ANAHEIM



PARKS

- | | | | | |
|--|--|---|---|--|
| 1. HANSEN PARK
1300 S. Knott St. | 13. SAGE PARK
1313 Lido Pl. | 25. LINCOLN PARK
1440 E. Lincoln Ave. | 37. OAK PARK
6400 E. Nohl Ranch Rd. | 49. ENERGY FIELD
1625 S. Ninth St. |
| 2. REID PARK
3100 W. Orange Ave. | 14. STODDARD PARK
901 S. Ninth St. | 26. EDISON PARK
1145 Baxter St. | 38. YORBA REGIONAL PARK
7600 E. La Palma Ave. | 50. MAGNOLIA PARK
1515 Wright Cir. |
| 3. SCHWEITZER PARK
238 S. Bel Air St. | 15. MANZANITA PARK
1260 Riviera St. | 27. BOYSEN PARK
951 State College Blvd. | 39. OAK CANYON NATURE CENTER
6700 Walnut Canyon Rd. | 51. FRIENDSHIP PLAZA PARK
200 S. Anaheim Blvd. |
| 4. MAXWELL PARK
2660 W. Orange Ave. | 16. LA PALMA PARK & STADIUM
1151 La Palma Park Way | 28. JUAREZ PARK
841 S. Sunkist St. | 40. SYCAMORE PARK
8268 Monte Vista Rd. | 52. ANAHEIM COVES
962 S. Rio Vista St. |
| 5. PETER MARSHALL PARK
801 N. Magnolia Ave. | 17. PEARSON PARK
400 N. Harbor Blvd. | 29. PIONEER PARK
2565 E. Underhill Ave. | 41. CANYON RIM PARK
7305 E. Canyon Rim Rd. | 53. PAUL REVERE PARK
160 Guinida Ln. |
| 6. BROOKHURST COMMUNITY PARK
2271 W. Crescent Ave. | 18. LITTLE PEOPLES PARK
220 W. Elm St. | 30. RIO VISTA PARK
201 N. Park Vista St. | 42. RONALD REAGAN PARK
945 S. Weir Canyon Rd. | 54. MIRALOMA PARK
2600 E. Miraloma Way |
| 7. JOHN MARSHALL PARK
2066 Falmouth Ave. | 19. JULIANNA PARK
309 E. Juliana St. | 31. OLIVE HILLS PARK
4200 Nohl Ranch Rd. | 43. ROOSEVELT PARK
8160 E. Bauer Rd. | |
| 8. MODJESKA PARK
1331 S. Nutwood St. | 20. GEORGE WASHINGTON PARK
250 E. Cypress St. | 32. RIVERDALE PARK
4545 E. Riverdale Ave. | 44. ROSS PARK
1280 W. Santa Ana St. | |
| 9. CLARA BARTON PARK
1926 Clearbrook Ln. | 21. COLONY SQUARE
210 E. Lincoln Ave. | 33. PERALTA CANYON PARK
115 N. Pinney Dr. | 45. COTTONWOOD PARK
853 W. Cottonwood Cir. | |
| 10. CHAPARRAL PARK
1770 E. Broadway | 22. WALNUT GROVE PARK
905 S. Anaheim Blvd. | 34. PELANCONI PARK
222 S. Avenida Margarita | 46. DEER CANYON PARK
Mohler & Santa Ana Rd. | |
| 11. WILLOW PARK
1625 W. Crone Ave. | 23. CITRUS PARK
104 S. Atchison St. | 35. IMPERIAL PARK
450 S. Imperial Hwy. | 47. FOUNDERS PARK
400 N. West St. | |
| 12. PALM LANE PARK
1595 Palais Rd. | 24. PONDEROSA PARK
2100 S. Haster St. | 36. EUCALYPTUS PARK
100 N. Quintana Dr. | 48. COLONY PARK
501 E. Water St. | |



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FY 2014 | 2015

FY2014|2015



ANAHEIM, CALIFORNIA