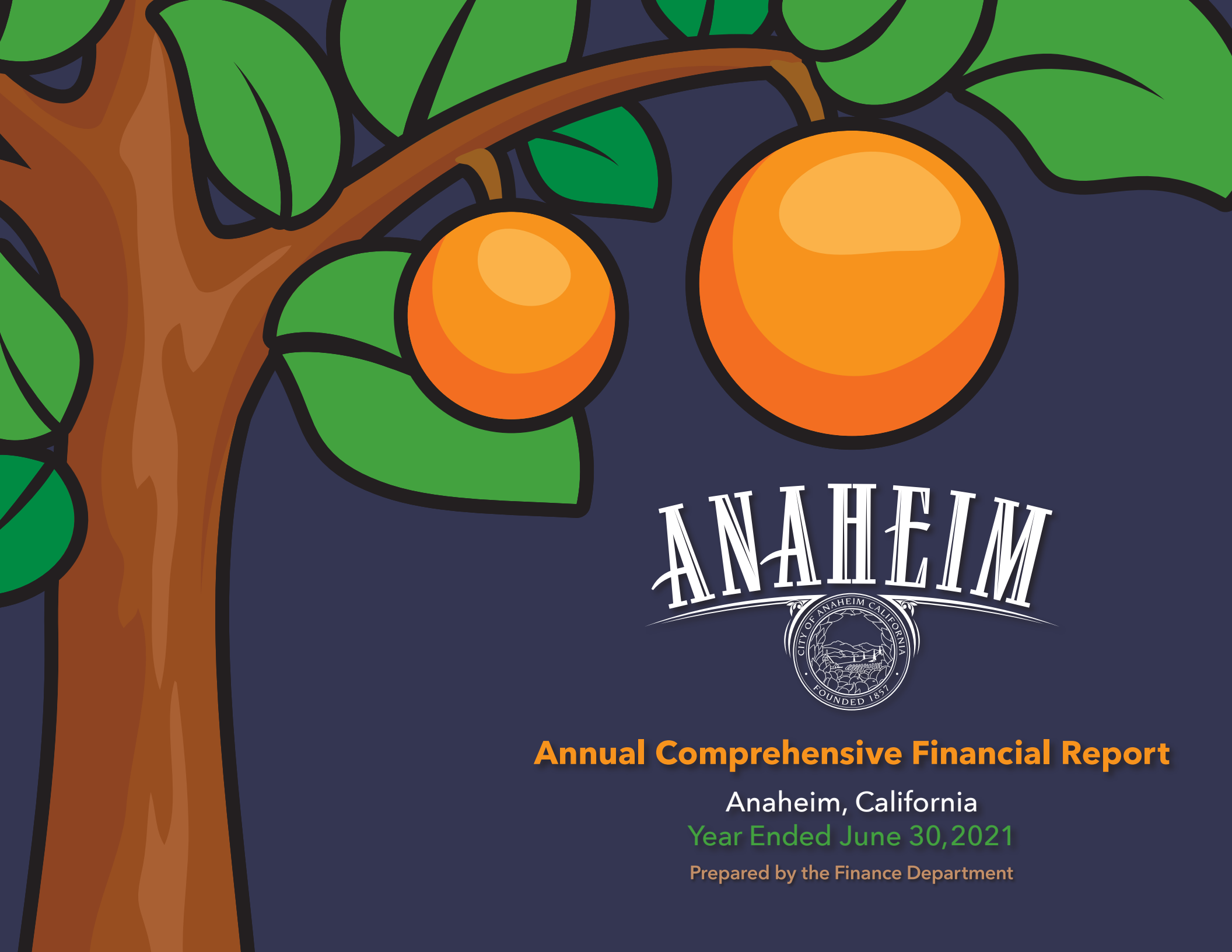


ANAHEIM



Annual Comprehensive Financial Report

Anaheim, California
Year Ended June 30, 2021



ANAHEIM



Annual Comprehensive Financial Report

Anaheim, California

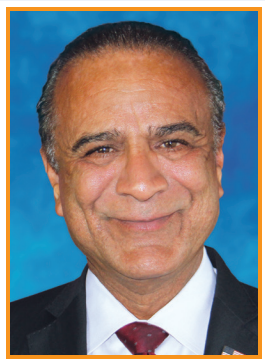
Year Ended June 30, 2021

Prepared by the Finance Department

ANAHEIM



CITY COUNCIL



Harry S. Sidhu
Mayor



Stephen Faessel
Mayor Pro Tem
District 5



Jose Diaz
Council Member
District 1



Gloria Ma'ae
Council Member
District 2



Jose F. Moreno
Council Member
District 3



Avelino Valencia
Council Member
District 4



Trevor O'Neil
Council Member
District 6

Annual Comprehensive Financial Report

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INTRODUCTORY SECTION



City of Anaheim, California Finance Department

December 22, 2021

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2021. 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 the Uniform Guidance. 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.

CITY OF ANAHEIM PROFILE

The City of 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 (ARTIC), and two major league professional sports teams including the Angels Major League Baseball team, which utilizes Angel Stadium of Anaheim, and the Anaheim Ducks National Hockey League team, which utilizes the Honda Center.

The City of Anaheim was founded and incorporated in 1857. In June 1964, the local voters approved a City Charter. The City operates under the Charter and with a Council-Manager form of government. The six City Council members are elected to four-year terms in alternate slates every two years. In February 2016, the City Council unanimously adopted the city's first districting map and election sequence, changing the election of council members from an at-large system to a by-district system as of the November 2016 election; the Mayor continues to be elected at-large. The Mayor presides over meetings of the City Council and has one vote.

The City Council appoints the City Manager, who heads the executive branch of government, implements City Council directives and policies, and manages the administrative and operational functions through the various departmental heads, who are appointed by the City Manager.

City full-time employees numbered 1,946 in 2021, of whom 591 were assigned to the Police Department and 276 to Fire & Rescue. The latter has twelve stations; the City enjoys a Class One fire insurance rating, the highest rating possible.

Anaheim, with a population of 353,468 in 2021, is a significant contributor to the diverse Orange County economy, which is home to more than 8,500 manufacturing plants. Product manufacturers include notable manufacturing businesses focused on defense and aerospace, biomedical, electronics, machinery, and computer products. The City has over 24,000 active business licenses, of which over 17,000 are businesses operating within the City's boundaries.

The City provides a wide range of municipal services. Core services include public safety, parks, community centers, libraries, electric, water and sanitation utilities, public works, planning and building, and convention center operations.

The unemployment rate in Anaheim for June 2021 was 6.5%, while the national average was at 5.9% and the state average at 8.0%.

ECONOMIC CONDITION AND OUTLOOK

Since March 2020, the COVID-19 pandemic has created significant challenges for our residents, businesses and visitors. The prolonged and ongoing coronavirus economic downturn has created a significant operating deficit in the City's finances. The deficit stems from the unprecedented extended closure of Anaheim's theme parks and convention center, which has drastically impacted city revenue from hotel stays, usually Anaheim's largest source of funding for public safety and community services.

After this truly dreadful year in 2020, there is now significant hope and optimism for a much better year in 2021. With the fast pace of the vaccine rollout and with restrictions on businesses reduced nationally, there is an expectation of a strong bounce back in the US economy. A combination of high savings rates and unprecedented fiscal and monetary support from the federal government have set the stage for the US economy to return to its pre-pandemic trend by the end of the year.¹ The labor market was hit hardest during the pandemic. The US unemployment rate went from 3.5% to 14.8%. Over 60% of the jobs lost during the pandemic have been recovered and unemployment has fallen to 5.9% as of June 2021. The labor market is expected to gradually recover over the next two years.

The abrupt halt in tourism and economic activity due to the pandemic greatly impacted Orange County, and Anaheim especially, due to the greater proportion of tourism jobs. Orange County lost nearly 300,000 jobs from March to May 2020 and the unemployment rate jumped from 2.8% to 14.9%.² The County has recovered more than 40% of those jobs and is expected to get a jump-start with the reopening of Disneyland and many of the hotels in the Resort. As COVID cases began to decline and vaccinations increased, the leisure and hospitality sector has begun to show signs of life which are expected to help the unemployment rate decrease to under 5% at the end of the year. Between March and April 2021, the Orange County leisure and hospitality sector added 17,000 jobs, the most of any sector.³ As of May 24, 2021, over 50% of Californians have received at least one dose of the vaccine and 42% are fully vaccinated⁴. With COVID-hospitalizations at an all-time low and case rates continuing to drop, the State of California was fully reopened on June 15, 2021. Tourism is expected to rebound in a big way

due to pent up demand, high consumer confidence and increased savings rates. While international tourism may lag, the tourism industry is banking on pent up demand from California's own nearly 40 million residents as well as domestic travel which could provide a huge boost.⁵ The percentage of households who plan to travel in the next six months has risen from 60% in February to 87% in April.⁶ It is expected that 2021 will be a dramatically improved year for Orange County and Anaheim as tourists and visitors return.

ECONOMIC RECOVERY

Anaheim's theme parks, convention center and sports and entertainment venues were closed for more than a year, drastically impacting city revenue from hotel stays and visitor spending, Anaheim's largest source of funding for public safety and community services.

As more vaccinations are administered and cases are coming down, Anaheim's economy is opening back up. April 30, 2021 marked a monumental day when the theme parks of the Disneyland Resort reopened to guests after more than 13 months of historic closure. Angels Baseball fans were welcomed back to Angel Stadium of Anaheim for the team's home opener on April 1, 2021, with capacity limits lifted on June 15, 2021.

The reopening of Anaheim post-pandemic begins a gradual recovery in the city. Revenues generated by visitors to our city will be critical in helping us provide essential services to residents such as parks, public safety, community centers, libraries and more. Throughout the pandemic, City Hall remained open to ensure plans and permits were being reviewed and issued to support business development.

PANDEMIC RESPONSES

Despite these challenges, Anaheim has led the way to recovery, supporting the efforts of the county of Orange, the state and the federal government to address coronavirus. The Anaheim City Council has allocated \$65 million in spending for community and economic relief, through the Anaheim Community and Economic Recovery Plan, starting in mid-2020. Since then, we've continued to expand offerings to the community with new funding sources.

Anaheim has provided relief to struggling residents and businesses through the Anaheim Community and Economic Recovery Plan and dedicated millions of dollars to help families, seniors, essential workers, restaurants, those living in homelessness, renters and others in need.

¹ The Beacon Outlook. United States. Beacon Economics. Q2-2021.

² Robust Economic Growth and Recovery After a Dreadful Year. UCLA Forecast. March 2021.

³ State of California Employment Development Department. May 21, 2021.

⁴ Tracking coronavirus vaccinations in California. May 24, 2021. <https://www.latimes.com/projects/california-coronavirus-cases-tracking-outbreak/covid-19-vaccines-distribution/>

⁵ Disneyland Reopening Marks California's Covid-19 Turnaround. May 1, 2021. <https://www.nbcnews.com/news/us-news/disney-land-reopening-marks-california-s-covid-19-turnaround-n126605>

⁶ 2021 Spring Economic Forecast. CSUF Business and Economics

The plan has included the Rental Assistance Program, Internet Access Rebate Program, Outdoor Dining Grant Program, small business loans and more. We have also provided meals for seniors, critical personal protective equipment (PPE) to the community through drive-thru giveaways and at our testing and food distribution sites, and provided vaccinations to community members at the Anaheim Convention Center and neighborhood vaccination clinics.

FEDERAL ASSISTANCE

The Anaheim Community and Economic Recovery Plan efforts were originally funded by \$33 million allocated to Anaheim from the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act.

Additionally, Anaheim is receiving more than \$100 million in direct federal aid to help offset lost revenue due to COVID-19 and to continue serving residents, businesses and visitors. The funding comes from the American Rescue Plan Act, signed by President Biden on March 11, 2021. Funding for Anaheim, at \$107 million, is being provided to the city in two payments, with the first payment made on May 19, 2021, and the second due in spring 2022. Anaheim can use the funds to offset revenue losses due to the pandemic, which will help fill part of an operating deficit and allow the city to provide essential services to the community.

Struggling Businesses. Anaheim small businesses struggling with the economic impacts of the coronavirus crisis had an opportunity to apply for a loan of up to \$10,000 from the City of Anaheim to help retain employees, create jobs or meet day-to-day operating expenses. About 100 small businesses benefited from the \$1 million program. Also, the Anaheim Small Business Relief Grant program offered \$5,000 to small businesses that have been adversely affected by coronavirus. Grant funds were to be used for payroll, working capital, equipment and operating expenses.

The Take It Outdoors Restaurant Relief Grant Program was offered to local restaurants that needed help building or expanding outdoor dining space amid the ongoing coronavirus crisis. Nearly all small businesses have been struggling under the restrictions and lifestyle changes this past year, and restaurants have had to comply with many new regulations, including increasing outdoor dining options. Anaheim Restaurants received up to \$2,000 through our Restaurant Relief Grant Program to expand their outdoor dining space. This could include purchase of shade structures or umbrellas, decor, barricades or renting tables and chairs. To date, Anaheim provided more than \$245,000 to restaurants.

With the gradual return to indoor dining, Anaheim helped many eligible restaurants by providing free face masks, gloves, hand sanitizer and contactless thermometers as part of a program known as Restaurant Safe. The Restaurant Safe package is designed to keep customers and employees safe as we all support the economic recovery of Anaheim restaurants. More than 100 restaurants participated in the program.

Through the Emergency Small Business Assistance Program, Anaheim Public Utilities provided financial assistance to small businesses and nonprofit customers facing temporary financial hardship due to the pandemic. Eligible customers who are unable to pay the electric portion of their utility bill due to COVID-19 may receive a one-time \$1,000 bill credit for electric utility assistance.

Testing. Anaheim stepped up early on to host COVID-19 testing sites at the Anaheim Convention Center, Anaheim City Hall and community centers. The city also partnered with the county and nonprofits to provide mobile testing in Anaheim's hardest hit neighborhoods. COVID-19 testing has been at no out-of-pocket cost to residents. The Anaheim Convention Center drive-thru testing site, the largest in Orange County, closed April 30, 2021, while testing remains available at other sites in Anaheim including City Hall, Brookhurst Community Center and East Anaheim Gymnasium.

Vaccines. Anaheim has been instrumental in standing up and operating vaccine points of dispensing, or PODs, in our city. Our efforts began in late December 2020 with a POD for emergency first responders at the North Net fire training facility. Through early January, the site expanded to serve thousands of healthcare workers and seniors. We then teamed with the county to open one of California's first large PODs at the Disneyland Resort on January 13, 2021. We provided extensive city staff and logistical support for the Anaheim POD at Disneyland Resort from startup and operation through its April 30, 2021, closure. The city played a leading role in launching and operating the Super POD at Anaheim Convention Center, which opened on February 23, 2021. Having played a leading role in administering more than 500,000 vaccines in Anaheim, the Super POD at Anaheim Convention Center closed on June 5, 2021. Moving forward, Anaheim will continue to offer vaccines in the community at neighborhood clinics and mobile micro clinics that bring shots right to the doorsteps of residents who otherwise may face challenges or need extra help getting vaccinated.

Rental Assistance and Utility Assistance. Since the beginning of the pandemic, Anaheim remained committed to serving residents in need of assistance. As part of the Anaheim Community and Economic Recovery Plan, the city helped 736 families with up to \$2,100 in assistance in the first phase of the Emergency Rental Assistance Program, approved by

the City Council in May 2020. In the second phase, approved by the City Council in February 2021, Anaheim provided \$20 million in assistance to families and landlords struggling with rental debt due to the coronavirus crisis. The program's second phase is funded through state and federal funds allocated directly to Anaheim for rental assistance.

Additionally, \$3 million was allocated to help struggling families, small businesses and nonprofits to assist with utility bills and home internet access.

Homelessness. Building on Anaheim's leadership in addressing homelessness, we have stepped up with additional assistance during the coronavirus crisis for some of the most vulnerable in our community. The city rented a motel in Anaheim to help isolate those at high risk in our shelters and contracted with City Net, Salvation Army and Illumination Foundation to operate 39 camper trailers provided by the state for quarantining. We also opened a temporary interim emergency shelter at the Salvation Army's north Anaheim thrift store for additional beds for homeless women.

Nonprofits. Anaheim has partnered with the nonprofit Anaheim Community Foundation to distribute \$3 million in grants to local nonprofits to provide direct assistance to families, seniors and others in the community. Sixty-four nonprofits have used the money to help nearly 200,000 people with food, household supplies, diapers, face masks, hand sanitizer and more.

Food Resources. Anaheim continues to provide free grab and go meals and food bags for seniors and families in need during the coronavirus crisis. Anaheim Community Services partnered with Meals on Wheels OC, Renewable Farms and Second Harvest Food Bank OC to provide food distribution programs available during the week at various times and locations.

Personal Protective Equipment (PPE) Giveaways. Anaheim procured face masks and other PPE for residents and businesses to better stem the spread of the virus in our community. At our three drive-thru mask giveaway events in September 2020, we served more than 2,250 Anaheim families and handed out 90,500 masks and hand sanitizer.

MAJOR INITIATIVES

With direction from the Mayor and City Council, City management identifies the priorities that shape the path for Anaheim's future. City initiatives are reevaluated regularly, and new items 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 ensuring public safety in our communities, combatting homelessness, increasing community engagement and outreach, investing in our neighborhoods, and enhancing our city's infrastructure. City staff is dedicated to seeking innovative and efficient ways to conduct business to ensure that Anaheim remains a vibrant community for the years to come.

ENSURING PUBLIC SAFETY: Public safety is one of the city's top priorities with the Anaheim Police Department (APD) and Anaheim Fire & Rescue leading the charge and delivering the highest level of service focused on the safety of our residents, visitors and businesses.

- **Community Engagement** — APD will continue to expand relationships to maintain a safe community and increase community trust and collaboration with businesses, faith-based organizations, non-profits, schools, and residents. APD will remain transparent by providing awareness and insight into police practices and philosophy. Knowing that the Anaheim youth of today is the Anaheim Police Officer of tomorrow, APD will invest in the development and success of the youngest residents through a variety of programs.
- **Improving Response Times** — Anaheim Fire & Rescue will move forward with the construction of Fire Station 12 in the Platinum Triangle, which will address higher call volume and greater traffic associated with increased development in the Platinum Triangle.

INVESTING IN OUR NEIGHBORHOODS: An investment and commitment to individuals, families and the community and improving quality of life for our residents continues to be a priority for the city.

- **Increasing Access to Resources** — The Anaheim Public Library will have a new Science, Technology, Engineering, Arts and Math (STEAM) Mobile Van that will go into high-density, low-income areas throughout the city and target at-risk youth and empower them to explore STEAM concepts and careers.
- **Addressing Health and Accessibility** — In addition to the Super POD at Anaheim Convention Center vaccination site, the city is bringing vaccinations to neighborhoods where residents may have work, family, language and other challenges to getting vaccinated. Vaccination clinics take place each week in our neighborhoods at community centers and at mobile micro clinics that bring shots right to people's doorsteps.

- Providing Youth Programs — The city will continue to provide opportunities to assist Anaheim youth through programs like Project S.A.Y. (Support Anaheim's Youth), the Tiny Tots Academy, S.T.A.R.S. (Study-Time, Arts, Recreation, and Sports) and Fun on Wheels. Seasonal day camp programs are offered in a variety of topics including the OAKS and CampVenture for children ages 6-12 with opportunities for outdoor activities, crafts, games and sports and the complementary TeenVenture program, a counselor in training course for teens ages 13-16. Summer and Winter Reading Programs will continue to be offered with storytimes, STEAM programs, teen volunteer opportunities, and cultural celebrations.

OUTREACH TO OUR COMMUNITY: Anaheim is dedicated to providing services and resources to the community, including residents who face homelessness.

- Addressing Mental Health — The city has created the Community Care Response Team Pilot (CCRT) Program in partnership with City Net, the city's current homeless outreach service provider. The CCRT Pilot Program expands current homeless outreach services, including the types of services provided and the hours of service delivery. The program will represent a fundamental shift in the way the city responds to calls for service pertaining to homelessness and mental health, from a police response to a social services response by a team of diversified professionals.
- Funding for Additional Resources — The city will continue to seek out and apply for State and Federal funds and will be allocating additional city resources to be used directly for homeless services, specifically, housing, outreach and prevention.

IMPROVING OUR INFRASTRUCTURE: Maintaining an Anaheim that residents are proud to call home is a priority for Anaheim.

- Sidewalk, Roadways and Infrastructure Improvements — Street and intersection widening projects reduce traffic congestion by increasing roadway capacity and improve pedestrian, bicyclist and vehicular safety. Planned projects include: Orangewood Avenue improvements from State College Boulevard to the eastern city limits, Orangewood Avenue Bridge Widening over the Santa Ana River, and Brookhurst Street from Cerritos Avenue to Guinida Lane.
- Enhancing Electric and Water Service Reliability and Resiliency — Capital investments for next fiscal year are intended to enhance system reliability and strengthen infrastructure resiliency. Electric Utility projects include the replacement of 400 aged

and undersized transformers throughout Anaheim; the initial planning for a battery energy storage system that will discharge energy during peak demand times and support the integration of intermittent renewable power; undergrounding overhead power lines to reduce metallic balloon and weather-driven outages; and replacement of older, inefficient street lights with LED fixtures.

- Water Utility capital projects include water main replacements throughout the city utilizing an asset-based software model to prioritize projects based on age, condition, material type and customer impacts. Anaheim's groundwater treatment program is also underway, and will address emerging regulations related to per- and polyfluoroalkyl substances (PFAS) found in the groundwater basin. The first phase of the program, intended to restore 50% of Anaheim's groundwater capacity, includes the installation of treatment facilities at four locations in the city.

ENCOURAGING BUSINESS GROWTH: The city is dedicated to creating and maximizing resources to invest in businesses, strengthen the city's economy and promote a well-qualified workforce.

- New Developments — 39 Commons, a long-awaited community and shopping center coming to Beach Boulevard and Lincoln Avenue is a key part of Anaheim's effort to revitalize the 1.5 miles of Beach Boulevard that run through west Anaheim.
- Workforce Development Opportunities — The Economic Development Team has developed several entrepreneurship programs that are directed at serving local, minority populations including Spanish speakers and women. One such program is Women Entrepreneurs Lunch & Learn.
- Supporting Economic Growth — The Planning & Building Department is working to support development around Angel Stadium of Anaheim and Honda Center that will grow the Platinum Triangle with a vibrant destination with sports, entertainment, shopping, dining and homes. Planning is also looking at future development in The Anaheim Resort with the prospect of updated plans that allow for flexible, mixed uses and new development that will bring even more visitors to Anaheim.

Despite unprecedented challenges from the pandemic, the leadership and commitment of the City Council and of our city of Anaheim team helped our residents and businesses get through the worst of the pandemic and paved the way for the economic recovery our city is now seeing.

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:

Through sound fiscal management, the City of Anaheim positions itself to provide a positive atmosphere for economic development and the flexibility to strategically address budgetary challenges that result from fluctuations in the local, national, and global markets. As of June 30, 2021, the City's General Fund has a spendable, unassigned fund balance of \$18 million. Excluding the long-term interfund payable of \$33 million, the unreserved fund balance amount totaled \$51 million, which represents 14% of the General Fund total fiscal year 2020-2021 expenditures. Traditionally, the policy has been to maintain General Fund reserves at a minimum of 7 to 10% of expenditures. The City has a long-standing practice of recognizing and reserving for known and anticipated liabilities. The City has fully funded its compensated

absences and self-insurance liabilities. Additionally, the City has established an irrevocable trust for other postemployment benefits (OPEB) and continues to make the annual required actuarial determined contribution (ADC) to ensure this future liability is fully funded.

LONG-TERM FINANCIAL PLANNING:

On June 22, 2021, the City Council adopted the fiscal year 2021-2022 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 2021, and totaled \$789 million for the five-year fiscal period ending June 30, 2026. 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.

AWARDGOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA (GFOA) CERTIFICATE OF ACHIEVEMENT AWARD:

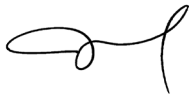
The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Anaheim, California, for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the 45th consecutive year that the City has achieved this prestigious award (fiscal years ended June 30, 1976 through 2020). In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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 Harry S. Sidhu, Council Member Jose Diaz, City Manager James Vanderpool, and Assistant City Manager Gregory A. Garcia 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,



James Vanderpool
City Manager



Deborah A. Moreno
Finance Director/City Treasurer



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Government Finance Officers Association

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for Excellence
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Reporting

Presented to

**City of Anaheim
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

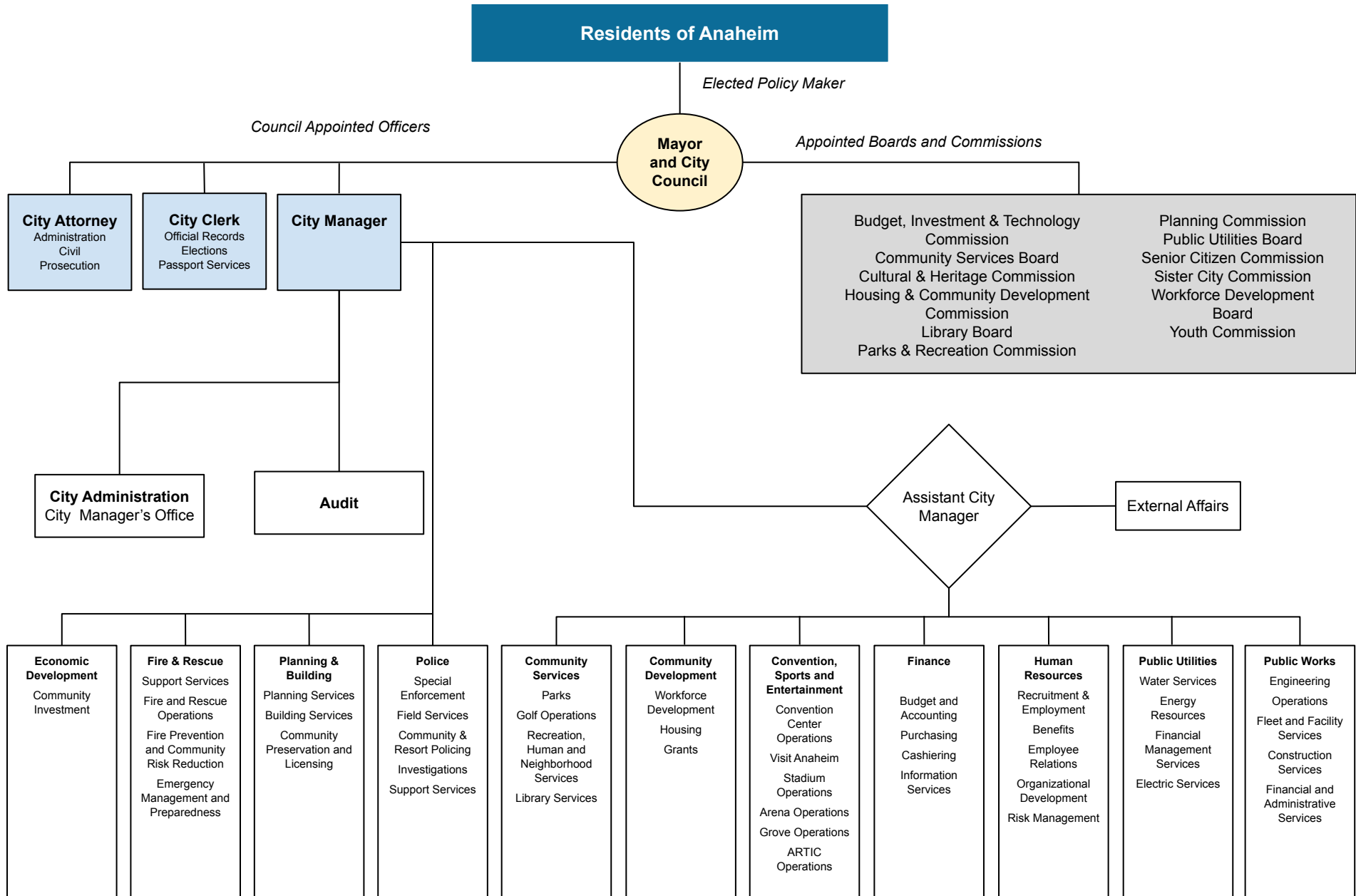
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Anaheim, California for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. The Certificate of Achievement 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 Annual Comprehensive 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
As of December 22, 2021**

City Manager	James Vanderpool
Assistant City Manager	Gregory A. Garcia
Chief of Police	Jorge Cisneros
City Attorney	Robert Fabela
City Clerk	Theresa Bass
Acting Community and Economic Development Director	Grace Ruiz-Stepter
Community Services Director	Sjany Larson-Cash
Convention, Sports & Entertainment Executive Director	Thomas Morton
Economic Development Director	Sergio Ramirez
Finance Director/City Treasurer	Deborah A. Moreno
Fire Chief	Patrick Russell
Human Resources Director	Linda N. Andal
Planning & Building Director	Ted White
Public Utilities General Manager	Dukku Lee
Public Works Director	Rudy Emami

ANAHEIM



FINANCIAL SECTION



KPMG LLP
Suite 1500
550 South Hope Street
Los Angeles, CA 90071-2629

Independent Auditors' Report

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 the 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Housing Authority



Fund for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the required supplementary information as listed in the accompanying table of contents (collectively referred to as RSI) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI 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 introductory section, the combining individual fund statements and schedules, the statistical information, and other information sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relates

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

The introductory, statistical information, and other information 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 22, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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

Los Angeles, California
December 22, 2021



MANAGEMENT'S DISCUSSION AND ANALYSIS

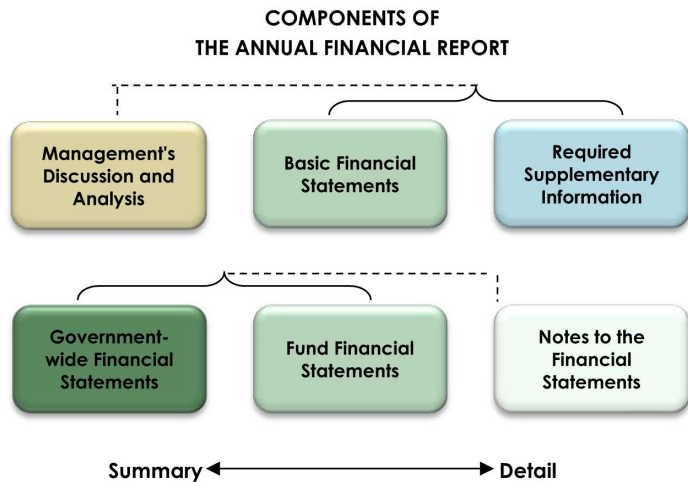
Management’s Discussion and Analysis

(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, 2021. 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 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 & Rescue, Community & Economic Development, Planning & Building, Public Works, Community Services, Public Utilities (street lighting), Convention, Sports and Entertainment (Visit Anaheim 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, Anaheim Public Financing Authority, and Anaheim Housing and Public Improvement 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 39-41 of this report.

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 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 and can be found on pages 43 and 45 of this report. 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 123-126, 131-132, and 134-135 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 47-48 of this report. Additionally, budgetary schedules for the other nonmajor governmental funds have been provided to demonstrate compliance with the budget and can be found as part of other supplementary schedules on pages 127-130, 133, and 136-139 of this report.

Proprietary funds of the City include the Enterprise funds and internal service 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 49-53 of this report.

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 two different types of fiduciary funds. The Private-Purpose Trust Fund is used to account for the assets and liabilities held in trust for the Successor Agency to the Redevelopment Agency (Successor Agency); the Custodial Fund is used to account for funds held in a custodial capacity for the benefits of others.

The fiduciary fund financial statements can be found on pages 54-55 of this report.

Notes to the financial statements 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 57-110 of this report.

Required Supplementary Information presents the required supplementary information for pension and its related ratios, the Other Postemployment Benefits (OPEB) and its related ratios. This information can be found on page 113-119 of this report.

The combining and individual fund statements and schedules present 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 123-150 of this report.

FINANCIAL HIGHLIGHTS (Amounts in thousands)

- 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 \$1,864,378.
- The City's governmental activities represent \$684,062 (37%) and the business-type activities represent \$1,180,316 (63%) of the City's total net position.
- The City's net position has a net decrease of \$33,746 (2%) as a result of the current fiscal year's operations. The net position of the City's governmental activities decreased the City's net position by \$51,703 (7%) and the business-type activities net position increased by \$17,957 (2%).
- The City's restricted net position of \$330,532 represents amounts available for ongoing programs and obligations with external restrictions.
- The City's total capital assets, net of accumulated depreciation, increased by \$16,390. Capital assets in the City's governmental activities increased by \$5,459 (less than 1%) and business-type activities capital assets increased by \$10,931 (less than 1%) during the current fiscal year.
- The City's total long-term liabilities, less current portion, increased by \$95,711 (3%) during the current fiscal year; of this amount, long-term liabilities in the City's governmental activities increased by \$155,117 (11%), and business-type activities decreased by \$59,406 (4%).
- At the close of the current fiscal year, the City's governmental funds reported a combined fund balance of \$477,289, an increase of \$91,285 in comparison with the prior fiscal year. Approximately 33% of this amount or \$157,226 is available for spending at the City's discretion (total of committed, assigned and unassigned fund balances).
- At the end of the current fiscal year, unrestricted fund balance (total of committed, assigned and unassigned fund balance) for the General Fund was \$122,187 or 32% of total General Fund expenditures. Unassigned fund balance was \$17,975 or 5% of total General Fund expenditures. Excluding the long-term interfund payable of \$33 million, reserves were \$50,975 or 14% of General Fund expenditures.
- During fiscal year 2021, the City received a total of \$44,221 in Coronavirus Aid, Relief, and Economic Security Act (CARES) funding passed through various agencies, including the State of California, HUD, and the County of Orange. These funds were spent to provide the Anaheim community with emergency assistance relief, food services, vaccination, Section 8 Housing Choice Voucher, small business assistance grants, and other COVID-19 related necessities.
- The City received federal CARES funding of \$16,430 in emergency rental assistance, of which \$7,510 was unspent at fiscal year end.
- The City was allocated \$107 million of federal assistance through the federal American Rescue Plan (ARP), of which \$53.3 million was received in May 2021. These funds were allocated to the General Fund to partially offset revenue losses due to COVID-19 pandemic closures.

NET POSITION
JUNE 30, 2021 AND 2020

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020*	2021	2020	2021	2020*
Current and other assets	\$ 807,992	\$ 666,133	\$ 715,069	\$ 767,599	\$ 1,523,061	\$ 1,433,732
Capital assets, net	1,462,300	1,456,841	2,171,886	2,160,955	3,634,186	3,617,796
Total assets	2,270,292	2,122,974	2,886,955	2,928,554	5,157,247	5,051,528
Deferred outflows of resources	143,214	141,123	41,802	40,493	185,016	181,616
Total assets and deferred outflows of resources	2,413,506	2,264,097	2,928,757	2,969,047	5,342,263	5,233,144
Current liabilities	192,770	131,122	157,468	146,404	350,238	277,526
Long-term liabilities less current portion	1,513,868	1,358,751	1,441,821	1,501,227	2,955,689	2,859,978
Total liabilities	1,706,638	1,489,873	1,599,289	1,647,631	3,305,927	3,137,504
Deferred inflows of resources	22,806	38,459	149,152	159,057	171,958	197,516
Total liabilities and deferred inflows of resources	1,729,444	1,528,332	1,748,441	1,806,688	3,477,885	3,335,020
Net position:						
Net investment in capital assets	1,138,682	1,112,914	1,074,102	1,074,006	2,212,784	2,186,920
Restricted	260,160	251,942	70,372	66,069	330,532	318,011
Unrestricted	(714,780)	(629,091)	35,842	22,284	(678,938)	(606,807)
Total net position	\$ 684,062	\$ 735,765	\$ 1,180,316	\$ 1,162,359	\$ 1,864,378	\$ 1,898,124

*As restated due to implementation of Governmental Accounting Standards Board Statement No. 84

At the end of fiscal year 2021, the City's net position totaled \$1,864,378 which reflects a net decrease of \$33,746 or 2% from prior fiscal year.

Current and other assets, including cash, cash equivalents and investments, restricted cash equivalents and investments, receivables, prepaid items, land held for resale, and notes receivable, totaled \$1,523,061 an increase of \$89,329 (6%) as compared to the prior fiscal year; of this amount governmental activities increased by \$141,859 and business-type activities decreased by \$52,530.

- Cash, cash equivalent and investments increased by \$106,797 (20%) of which governmental activities had an increase of \$126,611 and business-type activities had a decrease of \$19,814. The worldwide Coronavirus disease (COVID-19) pandemic and the extended closures of businesses, hotels, theme parks and entertainment venues had an immediate impact on Anaheim revenues resulting in lower cash received to support City operations in both governmental and business-type activities. In June 2021, the City issued \$138,755 of Anaheim Public Financing Authority (APFA) Lease Revenue Bonds (Working Capital Financing), Series 2021A

to provide financing for cash flow deficits projected for fiscal years 2020-2021 through 2023-2024. The bond proceeds provided \$130,000 in working capital to the governmental activities of which \$95,881 was unspent at fiscal year-end; the remaining increases in governmental activities included \$12,571 in proceeds from the sales of land, and land held for resale; and \$11,226 in receipts from various notes receivable and lease revenues. Offsetting the increases were decreases in business-type activities, primarily a decrease of \$14,260 in the Convention, Sports and Entertainment Venues Fund which incurred material revenue losses during the COVID-19 pandemic closures causing the spending down of available cash balances for operating expenses.

- Restricted cash, cash equivalent and investments decreased by \$34,848 (7%). Governmental activities had a net increase of \$26,010 primarily due to an increase of \$45 million deposit in escrow for the sale of the Anaheim Stadium; \$7,510 from unspent emergency rental assistance CARES funding, \$799 in unspent loan proceeds from an ambulance equipment; \$7,403 in capitalized interest

fund from the 2021 APFA Working Capital Bonds; offsetting by a decrease of \$35,189 for the Anaheim Resort Improvement debt service payments. Business-type activities had a decrease of \$60,858 primarily due to spending down of bond funds for capital projects which included \$29,627 in Electric Utility, \$25,066 in Water Utility, and \$6,346 payment for decommissioning liability in the Electric Utility.

- Accounts receivable increased by \$16,915 (23%). The increases in governmental activities of \$9,515 were primarily attributable to increases in transient occupancy tax receivable (\$6,663) and Anaheim Tourism Improvement District (ATID) special assessment receivable (\$1,048) at fiscal year-end as hotels reopened in April 2021 after a year long closure due to COVID-19; and a one-time receivable of \$2,366 from a general liability insurance reimbursement. Business-type activities had an increase of \$7,400 primarily attributable to \$5,500 increase in Electric Utility and \$1,188 in Water Utility from utility customers.
- Due from Other Governments decreased by \$8,286 (16%) primarily due to receipts of \$14,803 from prior year CARES fund receivable partially offset by an increase of sale tax receivable of \$6,467 reflecting higher sales tax revenues at the end of the fiscal year as the State of California reopened its economy; federal assistance from CARES and ARP increased consumer spending.
- Prepaid and other assets increased by \$19,578 (16%) primarily due to higher prepaid power costs.

The City's capital assets, net of accumulated depreciation, increased by \$16,390 (less than 1%). Additional information about changes to the City's capital assets can be found on pages 33-34.

Deferred outflows of resources, including deferred charges on refunding bonds, deferred items related to pension and Other Postemployment Benefits (OPEB), totaling \$185,016 increased by \$3,400 (2%). The increases are primarily due to the following:

- Net change of deferred pension related items increased by \$6,664 which included an increase of \$6,432 in pension contributions subsequent to the measurement date, an increase of \$39,769 to the deferred pension related items from plan actuarial valuations, primarily due to the difference between projected and actual investment earnings, offsetting a decrease of \$39,537 from current year amortization.
- Net change in deferred OPEB related items increased by \$1,116 per plan actuarial valuation.

- These increases are offset by a decrease of \$4,380 in current year amortization from deferred charges on refunding bonds.

Current liabilities, including accounts payable, wages payable, interest payable, current portion of long-term debt, current portion of other long-term liabilities, deposits and unearned revenues, totaled \$350,238 and increased by \$72,712 (26%). The increases are primarily due to the following:

- Deposit payable increased by \$45,801 primarily due to an increase of \$45 million deposited from the Stadium sale.
- Current portion of the long-term debt increased by \$7,280;
- Unearned revenues increased by \$5,504 primarily due to \$7,510 in unspent CARES funds for emergency rental assistance; revenue recognized for small business assistance from the prior year of \$1,631 partially offset the increase.
- Accounts payable increased by \$13,195 of which \$4,000 was payable to grant recipients for emergency rental assistance and an increase of \$9,195 in accounts payable due to suppliers and construction contractors.

The City's long-term liabilities, less current portion, increased by \$95,711 (3%). Additional information about changes to the City's long-term liabilities can be found on pages 81-103.

Deferred inflows of resources, totaling \$171,958 decreased by \$25,558 (13%). The decreases include the following:

- Deferred items related to pension decreased by \$13,638 and deferred items related to OPEB decreased by \$7,062. These decreases represent current year amortization of the deferred items and the net changes per the plan actuarial valuations primarily due to the difference between projected and actual investment earnings.
- Regulatory credits had a decrease of \$4,775 reflecting a net change of amount collected from Utilities customers (\$31,895) reduced by amount recognized as Rate Stabilization Account revenues (\$36,670) from the Electric and Water Utilities during the fiscal year. Additional information about regulatory credits can be found on note 1 of the notes to the financial statements, on page 63.
- Deferred charge on refunding bonds decreased by \$866 from current year amortization.

- The decreases are offset by an increase in deferred regulated business activities of \$783 primarily from investment earnings.

The largest portion of the City's net position of \$2,212,784 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 \$25,864 (1%) primarily due to the addition of capital assets funded by restricted and unrestricted resources and grants, offset by a reduction of the related outstanding debt due to current year principal payments and current year addition to accumulated depreciation.

An additional portion of the City's net position of \$330,532 represents resources that are subject to external restrictions on how they may be used. This amount increased by \$12,521 from the prior fiscal year. Restricted net position of the governmental activities increased \$8,218 primarily due to \$7,403 in capitalized interest restricted for the 2021 Working Capital Bonds; unspent capital contribution of \$5,175 from property owners for the Platinum Triangle projects; an increase of \$8,413

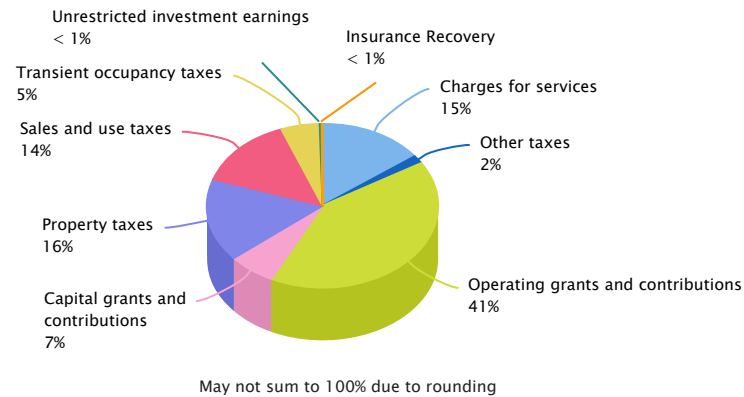
in net position restricted for community and economic development primarily from the unspent gain from the sale of land held for resale; decreases of \$5,390 related to the transportation projects in the Anaheim Tourism Improvement District; and \$6,692 restricted resources spent for the Salvation Army homeless shelter expansion partially offset the increases. Net position in the business-type activities increased by \$4,303 primarily due to an increase of \$4,372 in resources restricted for debt service.

The remaining deficit balance of \$678,938 is the unrestricted net position reflecting an increase in deficit of \$72,131 from prior fiscal year. Of the total deficit in unrestricted net position, the unfunded net pension liability, the unfunded net OPEB liability, and the related deferred inflows and outflows of resources account for \$881,016; this deficit amount increased by \$14,656 primarily due to an increase in the net pension liability and its related deferred items totaling \$24,241 offset by a decrease in net OPEB liability and its related deferred items of \$9,585. The unfunded net OPEB and pension liabilities are long-term liabilities that will be funded annually in accordance with actuarially determined contribution amounts and rates. The positive component of the unrestricted net position, excluding the effects of OPEB and pension liabilities, is \$202,078 and may be used to meet the City's ongoing obligations to citizens and creditors. This amount decreased by \$57,475 reflecting results from current year activities. The decrease is primarily due to revenue losses resulting from the COVID-19 pandemic closures.

**CHANGE IN NET POSITION
YEAR ENDED JUNE 30, 2021 AND 2020**

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program revenues:						
Charges for services	\$ 80,970	\$ 91,069	\$ 610,955	\$ 613,899	\$ 691,925	\$ 704,968
Operating grants and contributions	226,525	158,750	88	143	226,613	158,893
Capital grants and contributions	36,376	43,191	9,751	12,339	46,127	55,530
General revenues:						
Taxes:						
Property taxes	90,222	86,256			90,222	86,256
Sales and use taxes	76,811	76,851			76,811	76,851
Transient occupancy taxes	29,797	122,735			29,797	122,735
Other taxes	8,902	8,796			8,902	8,796
Unrestricted investment earnings	1,470	15,371	2,295	18,756	3,765	34,127
Other		100				100
Insurance recovery	762				762	
Total revenues	<u>551,835</u>	<u>603,119</u>	<u>623,089</u>	<u>645,137</u>	<u>1,174,924</u>	<u>1,248,256</u>
EXPENSES						
Program activities:						
Governmental activities:						
General government	25,415	31,866			25,415	31,866
Police	182,509	202,064			182,509	202,064
Fire & Rescue	103,696	96,803			103,696	96,803
Community & Economic Development	128,339	110,812			128,339	110,812
Planning & Building	25,695	27,929			25,695	27,929
Public Works	60,664	60,693			60,664	60,693
Community Services	39,721	50,513			39,721	50,513
Public Utilities	2,171	2,381			2,171	2,381
Convention, Sports & Entertainment	8,071	17,713			8,071	17,713
Interest on long-term debt	31,527	29,734			31,527	29,734
Business-type activities:						
Electric Utility			378,087	404,272	378,087	404,272
Water Utility			96,920	88,554	96,920	88,554
Sanitation Utility			66,022	67,375	66,022	67,375
Golf Courses			6,046	5,017	6,046	5,017
Convention, Sports & Entertainment Venues			51,239	75,621	51,239	75,621
ARTIC Management			2,548	2,949	2,548	2,949
Total expenses	<u>607,808</u>	<u>630,508</u>	<u>600,862</u>	<u>643,788</u>	<u>1,208,670</u>	<u>1,274,296</u>
Excess (deficiency) before transfers	(55,973)	(27,389)	22,227	1,349	(33,746)	(26,040)
Transfers in (out)	4,270	10,641	(4,270)	(10,641)		
Increase (decrease) in net position	(51,703)	(16,748)	17,957	(9,292)	(33,746)	(26,040)
Net position at beginning of year	735,765	752,513	1,162,359	1,171,651	1,898,124	1,924,164
Net position at end of year	<u>\$ 684,062</u>	<u>\$ 735,765</u>	<u>\$ 1,180,316</u>	<u>\$ 1,162,359</u>	<u>\$ 1,864,378</u>	<u>\$ 1,898,124</u>

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



Governmental activities decreased the City's net position by \$51,703. Key elements of this decrease are as follows:

The most significant revenues of the governmental activities are general taxes (37%), which include transient occupancy taxes (5%), property taxes (16%), sales and use taxes (14%), and other taxes (2%). Program revenues are 62% of the total revenues of the governmental activities, which include operating grants and contributions (41%), capital grants and contributions (7%), and charges for services (15%); insurance recovery (less than 1%), and unrestricted investment earnings (less than 1% of the total revenues).

Public safety (Police and Fire & Rescue) expenses are the most significant (47%) of all governmental activities' expenses, followed by Community & Economic Development (21%), Public Works (10%), Community Services (7%), interest on long-term debt (5%), and various other programs (10%). Included in these amounts is depreciation expense, which is 6% of the total expenses for governmental activities.

Governmental activities revenues decreased by \$51,284 (9%) as compared to the prior fiscal year due to the following:

- Taxes decreased by \$88,906 (30%). The largest decrease in taxes is transient occupancy taxes (TOT) with a decrease of \$92,938 (76%) as compared to the prior fiscal year. This decrease in TOT is primarily due to the COVID-19 pandemic and California's Stay-At-Home orders as many hotels, the Anaheim Convention Center, and the Disneyland Resort were closed for most of the fiscal year. TOT for the first three quarters of the fiscal year had dramatically decreased and slowly improved as California's

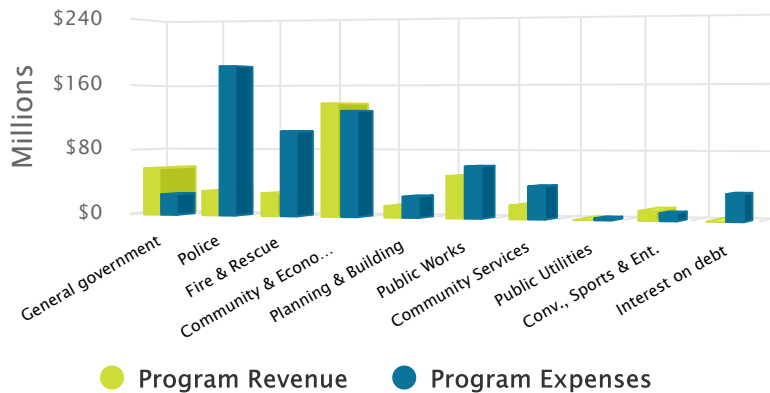
economy, hotels, and Disneyland Resort reopened in April 2021. Sales tax had a decrease of \$40 (less than 1%). While online sales grew as people shopped from home, retail and restaurant revenues declined sharply. Decreases in transportation related revenues from gasoline sales were offset by vehicle purchases and the construction sector remained strong as a result of home improvement projects. Offsetting these decreases is an increase in property taxes of \$3,966 (5%). New hotels and development within the Platinum Triangle and the Anaheim Resort provided an increase to the base upon which taxes are levied.

- Charges for services decreased by \$10,099 (11%). Due to the COVID-19 pandemic closures, the City was unable to provide certain services to Anaheim residents and businesses. These service reductions during the lockdown reflected a decrease of \$5,765 in police and paramedic services provided to Disneyland and other special events, a decrease of \$954 in recreational and sporting classes and recreational facilities rental. The Anaheim Tourism Improvement District had a decrease of \$11,839 resulting from the pandemic closures of hotels. These decreases are partially offset by the increase of a one-time \$8,227 gain on sale of land held for resale in Community and Economic Development, and an increase of \$2,593 in cost reimbursements from the California Office of Emergency Services for Fire & Rescue strike team assistance provided for various fire incidents incurred in the State of California.
- Operating grants increased by \$67,775 (43%). This increase is primarily attributable to the receipt of ARP and CARES federal assistance from the federal government and passed through from the State of California, HUD and County of Orange. During the current fiscal year, the City received \$53,315 in ARP; the earned portion of the CARES funding totaled \$40,646 and increased by \$23,743 from the prior fiscal year, as these funds have been placed in use to support the Anaheim community, businesses and residences during the COVID-19 pandemic; and an increase of \$1,861 in Housing Choice Voucher programs. These increases are partially offset by one-time grants in the prior fiscal year of \$8,422 for homeless shelter grants and a \$1,467 Firefighter grant; a decrease of \$380 in Community Development Block Grant (CDBG) due to lower CDBG spending, and a decrease of \$699 in Narcotic Asset Forfeiture revenue distribution.
- Capital grants and contributions decreased by \$6,815 (16%). Reimbursements for the Avon Dakota project costs from the Redevelopment Property Tax Fund (RPTTF) approved by the

State of California decreased by \$7,460; grant reimbursements for public works capital projects decreased by \$5,739 due to timing of projects; partially offsetting the decreases is an increase of \$2,051 from property owner contributions for the Platinum Triangle projects; an increase of \$2,808 for park development fees primarily for the Jefferson Stadium Park, and a net increase of \$2,063 in capital asset contributions from developers primarily in public right-of-way and Aloe Greens Park development.

- Unrestricted interest earnings decreased by \$13,901 (90%) primarily due to unfavorable investment market interest rates and unrealized investment losses.
- Insurance recovery of \$762 related to a total loss for a fire truck.
- Governmental activities net transfer in decreased by \$6,371 mainly due to a transfer of \$6,500 to the Convention, Sports and Entertainment Venues business-Type activities to subsidize the Fund due to revenue shortfall impacted by COVID-19 pandemic shutdown.

EXPENSES AND PROGRAM REVENUES –
GOVERNMENTAL ACTIVITIES



Governmental activities expenses decreased by \$22,700 (4%) as compared to the prior fiscal year.

Key elements of the change are as follows:

- The decrease in General government expenses of \$6,451 (20%) is primarily due to a decrease of \$1,112 in operating costs from the Salvation Army, the Salvation Army Expansion, and La Mesa Homeless Shelters, decreases of \$199 in OPEB expense and \$3,893 in pension expenses. The decrease in pension expense is

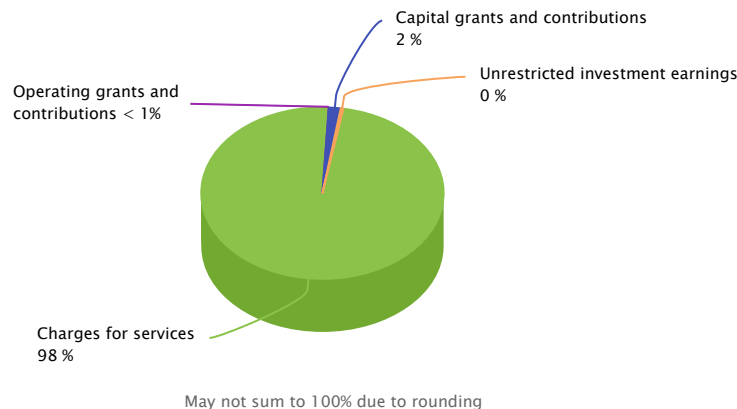
primarily due to deferred outflow of resources related to changes in assumptions for the Miscellaneous Pension Plan being fully amortized in the prior fiscal year.

- The decrease in Public safety expenses of \$12,662 (4%) reflected a decrease in full-time and overtime labor costs of \$6,562 (6%) resulting from position vacancies and lower demand for police and paramedic services at the Disneyland Resort theme parks and other special events during the pandemic closure; narcotic asset forfeiture operating expense decreased by \$1,876 due to lower funding from narcotic asset forfeiture revenues; OPEB expense had a decrease of \$745, and pension expense decreased by \$6,007 primarily due to lower amortization expenses from the deferred outflows of resources related to pension as some items have been fully amortized in prior year. Offsetting these decreases is an increase of \$6,041 in COVID-19 related expenses, and an increase of \$1,414 in Fire Safety full-time overtime costs in providing strike team assistance to various fire incidents in the State of California.
- The increase in Community & Economic Development expenses of \$17,527 (16%) is mainly due to an increase of \$11,860 in expenses primarily related to CARES activities in providing small businesses grants and emergency rental assistance; an increase of \$6,970 in Housing Choice Voucher assistance due to higher program rents, as rents and average assistance per participant increased; an increase from a one-time expense of \$1,200, which is a portion of gain from the sale of land held for resale in the Long Range Property Management program, pending decision from HUD for its distribution; partially offsetting these increases is a decrease of \$1,561 in pension expense.
- The decrease in Community Services expenses of \$10,792 (21%) is mainly due to a decrease of \$1,728 in part-time labor costs as community services programs were not opened during the pandemic closures; certain landscape maintenance was deferred and decreased by \$907; pension and OPEB expenses decreased by \$2,839; lastly, a decrease of \$3,310 is due to one-time expenses in the prior fiscal year for COVID-19 related activities in providing Anaheim families and businesses with emergency assistance.
- The decrease in Convention, Sports & Entertainment expenses of \$9,642 (54%) is primarily due to a decrease of \$8,782 paid to Visit Anaheim resulting from decreased ATID during the pandemic closures of hotels.
- The decrease in Public Works expenses of \$29 (less than 1%) is primarily attributable to decreases in pension (\$3,152) and

OPEB (\$198) expenses totaling \$ 3,350 resulting from lower plan amortization as previously discussed. Payments to Anaheim Transportation Network (ATN) totaled \$5,390 increased by \$2,717 partially offset the decreases, The ATID provided fundings to ATN in support of ATN's acquisition of buses (\$1,875) for the Anaheim Resort Transportation (ART), to support the cost to operate the ART bus service (\$2,173), reimbursement for real time passenger system (\$242) and to provide financial assistance related to COVID-19 recovery plan (\$1,100). These ATID funds allow ATN to use its own operating and capital resources to provide funding towards the development of an energy storage system and charging system to charge a new fleet.

- The increase in interest on long-term debt of \$1,793 (6%) is primarily due to \$983 in cost of issuance for the 2021 Working Capital Bonds.

REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



Business-type activities increased the City's net position by \$17,957. Key elements of this change are as follows:

Charges for services of \$610,955 decreased by \$2,944 (less than 1%) due to the followings:

- The increase of \$15,822 (4%) in Electric Utilities charges for services is primarily attributable to the following: a) Retail sales of electricity totaled \$328,440 and decreased by \$23,008 (7%). This decrease is mainly due to shelter at home restrictions from the pandemic, with hotels, theme parks, and other entertainment venues remaining closed most of the fiscal year. Demand for retail energy within Anaheim dropped by approximately 7% causing this drop in retail sales, net of uncollectible accounts; b) wholesale revenues totaled \$27,286 increased by \$12,788 (88%). Retail sales were down during

the fiscal year causing excess electricity to be sold in the wholesale market instead. Higher wholesale sales were also due to an early start of a hot summer in 2021. High wholesale market energy prices caused more generation units to be dispatched to accommodate the demand which in turn generated more revenues related to wholesale sales. c) Transmission revenues of \$35,734 increased by \$5,545 and surplus natural gas sales increased by \$3,046; and c) Rate Stabilization Account (RSA) revenue of \$35,000 increased by \$17,750. Additional information about the RSA can be found in note 1 of the notes to the financial statement on pages 63-64 of this report.

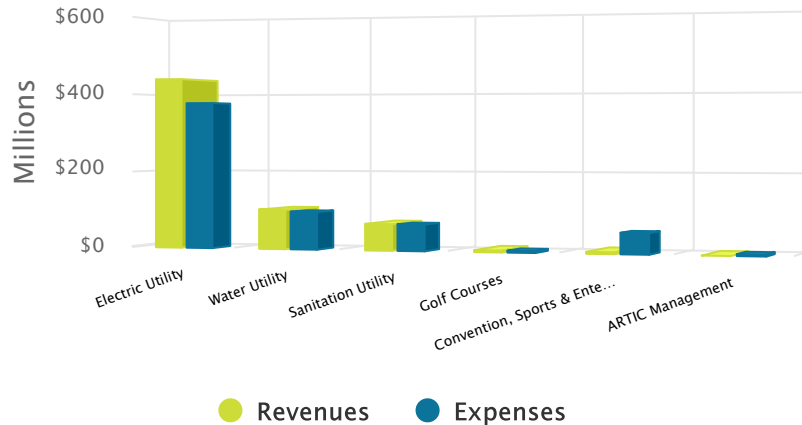
- The increase of \$11,408 (13%) in Water Utilities charges for services included an increase of \$9,799 (12%) in retail sales of water, net of uncollectible amounts, reflecting both an increase in customer rates and an increase in customer demands due to warmer temperatures and lack of precipitation; Rate Stabilization Account (RSA) revenue was recognized in the amount of \$1,670 for the current fiscal year. Additional information about the RSA can be found in note 1 of the notes to the financial statement on pages 63-64 of this report.
- The decrease of \$1,330 (2%) in Sanitation Utility charges for services reflected an increase of \$887 in estimated uncollectible revenues as the extended pandemic had impacted some customers' financial ability to pay for services; and sewer developers fee decreased by \$568.
- The increase of \$2,696 (63%) in Golf Courses charges for services is due to increases in numbers of round played and increases in concession revenues as the golf courses and restaurants reopened after the pandemic closure. The increase in golf course revenues is partially due to the improvements and renovations to the golf courses that provide customers a better product.
- The decrease of \$31,538 (88%) in the Convention, Sports and Entertainment Venues Fund is due to revenue losses during the COVID-19 closure.
- The decrease of \$2 (5%) in ARTIC Management had no significant change to note.

Unrestricted investment earnings decreased by \$16,461 (88%) due to unfavorable investment market interest rates and unrealized investment losses.

Business-type activities net transfer out decreased by \$6,371 primarily due to an additional transfer in of \$6,500 as explained in the net transfer

in the governmental activities. There were no other significant changes to note.

EXPENSES AND PROGRAM REVENUES –
GOVERNMENTAL ACTIVITIES



Total expenses of \$600,862 decreased \$42,926 (7%). Key elements of the changes are due to the following:

- The decrease in Electric Utility expenses of \$26,185 (6%) is primarily attributable to a \$14,759 (6%) decrease in power costs due to lower demand for electricity in the retail sector resulting from the COVID-19 statewide stay-at-home restrictions; a decrease of \$9,857 (14%) in operation, and maintenance is mainly due to a decrease of \$7,527 in pension expense resulting from lower plan amortization expense related to deferred outflow of resources from changes in assumptions; and interest expense decreased by \$1,068 (5%).
- The increase in Water Utility expenses of \$8,366 (9%) is mainly due to an increase of \$7,493 (16%) in purchased water and treatment and pumping costs. The Water Utility changed its water supply mixture from primarily cheaper water pumped from local groundwater through the Orange County Water District to primarily more expensive imported water through the Metropolitan Water District of Southern California due to elevated levels of Per- and Polyfluoroalkyl Substances (PFAS) in the local groundwater. Operation, maintenance, and administration costs had an increase of \$1,084 due primarily to a one-time cost in a cancelled capital project.

- The decrease in Sanitation Utility expenses of \$1,353 (2%) is primarily due to a decrease of \$1,337 in pension expense resulting from lower plan amortization as previously explained.
- The increase in Golf Courses expenses of \$1,029 (21%) reflected higher operating costs along with an increase of 63% in golf course revenues. These increases include increases in contracted services, credit card fees, landscape maintenance, costs of merchandise, and costs of food and beverage.
- The decrease in Convention, Sports & Entertainment Venues expenses of \$24,382 (32%) is primarily impacted by the COVID-19 pandemic as the Anaheim Convention Center was closed most of the fiscal year. Salary and wages had a decrease of \$10,914 reflecting a decrease of \$7,791 in full-time over-time, part-time and contract labor costs, and a decrease of \$2,992 in pension expense; operating and maintenance had a decrease of \$13,468 including a one-time \$6,500 payment in the prior fiscal year to Visit Anaheim, part of the \$15 million Council approved Anaheim Economic Recovery Plan, to relaunch the tourism marketing so that Anaheim will be among the first destinations to emerge from the economic slowdown in the interest of all of Anaheim.
- The decrease in ARTIC Management expenses of \$401 (14%) does not have significant change to note.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental funds 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 \$477,289, an increase of \$91,285 in comparison with the prior fiscal year.

Of the total fund balance of \$477,289, restricted fund balance totaled \$319,465 (67%) and indicates the use of resources are constrained by external parties, resource providers, constitutions or enabling legislations. The restricted fund balance had a decrease of \$17,971 primarily due to funds (\$31,470) spent for Anaheim Resort Improvement debt service, partially offset by the increases of \$5,175 in unspent developer contribution, and \$8,937 unspent proceeds from the sale of land held for resale.

Assigned fund balance of \$148,340 (31%) increased by \$102,534 of which the General Fund accounted for the increase of \$97,460, the Housing

Authority had an increase of \$4,261, and nonmajor governmental funds had an increase of \$813. Information about these increases are provided in the General Fund and Housing Authority in the following discussion respectively.

Unassigned fund balance of \$4,829 (1%) had an increase of \$8,955 from the prior fiscal year deficit of \$4,126. The increase is primarily due to an increase of \$7,021 from the General Fund. Unassigned fund balance deficit in nonmajor governmental funds totaled \$13,146, a decrease of \$1,934. The deficit is mainly due to pending grant funded project reimbursements of \$14,000 primarily for street and transportation construction (\$13,209) that were unavailable for revenue recognition. The deficits in unassigned fund balance will be eliminated in future years with the grant receipts.

The remaining fund balance is \$4,655 (1%), of which \$598 is not in spendable form, \$4,057 was committed to neighborhoods and community projects. The committed fund balance had a decrease of \$2,232 primarily due to spending of the \$2,250 committed in the last fiscal year for COVID-19 Anaheim Economic Recovery projects.

Governmental revenues totaled \$547,087 while expenditures were \$593,188.

The General Fund is the general operating fund of the City. At June 30, 2021, the General Fund reported a total ending fund balance of \$136,127 and consisted of the following:

- Nonspendable for inventory, prepaid and other assets was \$402; there is no significant change to note.
- Restricted Fund Balance was \$13,538. This amount increased by \$991 primarily due to bond funds restricted for the 2021 Working Capital Bond capitalized interest (\$7,403); unspent loan proceeds restricted for the ambulance equipment acquisitions (\$799); offsetting by funds spent for the homeless shelter operations (\$6,992), and claims and judgment payment (\$600).
- Assigned Fund Balance was \$104,212, of which \$95,881 was assigned for future cash flow purposes; \$1,010 for outstanding encumbrance and \$7,321 for other purposes. The assigned fund balance had an increase of \$97,460, as previously discussed on page 22 of this report, the City issued Working Capital Bonds to provide financing for cash flow deficits projected for fiscal year 2021 through 2024.
- Unassigned Fund Balance was \$17,975. This amount had an increase of \$7,021 reflecting results from current year activities.

General Fund total revenues decreased \$24,916 as compared to the prior fiscal year primarily attributable to the following:

- Total taxes decreased by \$88,081 (30%). Taxes are the largest revenue sources of the General Fund and they accounted for \$205,448 of the total General Fund revenues. During fiscal year 2021, transient occupancy taxes (TOT) decreased by \$92,171 (75%), property taxes increased by \$3,966 (5%), sales and use taxes increased by \$9 (less than 1%); and other taxes increased by \$115 (1%). The decrease in TOT of \$92,171 is primarily due to hotel closures during the pandemic, partially offset by an increase in property tax of \$3,966 resulting from additions of new hotels and development projects within the Platinum Triangle areas and the Anaheim Resort. Key elements of the changes in taxes are discussed in the government-wide financial analysis of the governmental activities on page 26 of this report.
- Intergovernmental revenues increased by \$66,534 (267%) primarily due to receipt of federal assistance related to the COVID-19 pandemic that totaled \$88,175, an increase of \$76,325 from the previous fiscal year. These revenues include \$53,315 in ARP; the remaining balance from prior year CARES allocation of \$20,320, and other CARES for emergency rental assistance, small business assistance, vaccination and others totaled \$14,540. The increases are partially offset by a decrease of \$869 in waste collection shared revenue distribution unavailable for revenue recognition from the County of Orange; and by a decrease of \$8,422 in one-time Homeless Shelter grants from the State of California in the prior year.
- Charges for services decreased by \$4,030 (13%) primarily due to lower demand in police services provided to Disneyland and other special events during the pandemic closure.

General Fund expenditures increased by \$906 (less than 1%) primarily due to the following:

- An increase of \$11,534 in COVID-19 related expenditures for emergency rental assistance, small business assistance, vaccination and other community assistance.
- An increase of \$2,065 including \$654 in interest charge due to the General Benefit and Insurance Fund related to the interfund loan; and \$1,411 a one-time cost of issuance expenditure related to the 2021 Working Capital Bond issuance.
- Partially offsetting the increases, by a total decrease of \$12,423, include a decrease of \$6,971 in salary and wages due to lower

police and community service programs provided during the pandemic closure; a decrease of \$1,112 for the homeless shelter operating costs; \$2,919 in fleet replacement being suspended to generate budget savings; and \$1,142 in landscape maintenance being deferred.

General Fund transfers out decreased by \$23,087 (37%) primarily due to a decrease of \$34,357 in transfers out to the Anaheim Resort Improvements Debt Service Fund. This decrease is due to lower Lease Payment Measurement Revenues (LPMR) resulting from the Anaheim Resort and business closures during the pandemic. Additional information about LPMR can be found in note 9 on page 82 of the notes to the financial statements of this report; During the fiscal year, the General Fund made an additional transfer of \$6,500 to the Convention, Sports and Entertainment Venues Enterprise Fund to subsidize the Fund with cash flow assistance due to revenue losses resulting from the pandemic closure; a transfer of \$5,908 was made to the General Benefits and Insurance internal service fund to provide resources for COVID-19 related expenses such as employee emergency/public health leave pay; and a transfer of \$500 was made to the Information and Communication internal service fund to provide resources for communication necessities that allowed employee telework during the pandemic closures. These increases partially offset the decrease from the LPMR transfer.

The Housing Authority Fund revenues decreased by \$1,413 (1%). Funding from the Redevelopment Property Tax Trust Fund for Avon Dakota project costs approved by the State of California was \$7,459 less than prior fiscal year, while loan payoffs from housing projects and first-time homebuyers was \$1,753 less than in the prior fiscal year. This was offset by an additional \$6,474 in CARES Act and \$1,861 of ongoing rental assistance and administrative funding for the Housing Choice Voucher and Mainstream programs, and \$2,362 more in lease revenue from housing projects.

The Housing Authority expenditures decreased by \$19,442 (16%). Capital outlay decreased by \$21,257 due to housing development properties purchased in the prior fiscal year. Housing Choice Voucher assistance increased by \$6,970 due to higher program rents and resulting assistance per participant/household, offset by \$4,610 in the prior year housing development loans. Housing project development activity can fluctuate significantly each year and is dependent on the availability of properties, contract negotiations and community support of proposed projects.

Total nonmajor governmental funds revenues decreased by \$1,454 (2%). The most significant factors of the changes are discussed in the government-wide financial analysis of the governmental-activities.

- Charges for services decreased by \$11,698 (60%) mainly due to decreased Anaheim Tourism Improvement District assessment as previously discussed.
- Licenses, fees and permits increased by \$3,075 primarily from the Jefferson Stadium Park development fees;
- Contribution from property owners included a one-time contribution of \$5,175 from developers for the Mello Roos projects in the Platinum Triangle, an increase of \$2,051 from prior fiscal year;
- Use of money and property increased by \$4,626 (35%) primarily from a gain on sale of land held for resale of \$8,229 in the Long Range Property Management Fund, and \$1,074 higher collection of loan and lease revenues; offset by a decrease of \$4,517 in investment income due to lower investment market interest rates and unrealized investment losses.

The above increases partially offset the decrease in charges for services.

Total nonmajor governmental funds expenditures decreased by \$74,159 (39%) due to the following:

- Interest charges decreased by \$49,025 primarily due to a partial defeasance of the bond accreted value of the Anaheim Resort Improvement Revenue bonds in the prior fiscal year;
- Capital outlay decreased \$19,622 primarily due to completion of the Gene Autry Way right-of-way acquisition in the prior fiscal year;
- ATID to Visit Anaheim decreased by \$8,782 due to lower special assessment revenues;
- Narcotic asset forfeiture expenditures had a decrease of \$1,876 due to lower narcotic asset forfeiture funding;
- Payments to Anaheim Transportation Network (ATN) increased by \$2,717 primarily due to an increase of \$1,375 in support of ATN's acquisition of buses and \$1,100 in support of the ATN's COVID-19 Recovery Plan;
- An increase of \$2,820 in CDBG expenditures due to CARES funding activities partially offset the above decreases in nonmajor governmental funds expenditures.

Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The significant factors of the changes in fund net position of each proprietary fund are

discussed in the government-wide financial analysis of business-type activities.

- The Electric Utility net position increased by \$41,545 (10%) in the current fiscal year.
- The Water Utility fund net position increased by \$1,146 (less than 1%) in the current fiscal year.
- The Sanitation fund net position increased by \$992 (less than 1%) in the current fiscal year.
- The Golf Courses fund net position increased by \$942 (21%) in the current fiscal year.
- The Convention, Sports and Entertainment Venues fund net position decreased by \$26,135 (10%) in the current fiscal year.
- The ARTIC Management fund net position increased by \$991 (1%).

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the original budget was amended to increase appropriations by \$106,438 (34%). The increase in appropriations was primarily the result of the carryover of prior year appropriations and amendments amounting to \$102,816 and the reallocation of appropriations from other funds of \$3,622. At the time the fiscal year 2021 budget was adopted, the General Fund budget included \$75 million in expenditure reductions as a placeholder to address the projected

operating deficits while a strategic plan was considered. Over the course of the year, departments reduced non-essential spending and a number of cost saving measures were implemented in a manner that preserved services to the community. Since the full \$75 million reduction was not implemented, appropriation was amended to restore the placeholder reductions to reconcile department budgets with actual expenditures. These amendments were funded from ARP funds, Working Capital Bonds, and savings in other programs of the General Fund during the year.

General Fund revenues of \$354,290 were higher than budgeted revenues of \$338,150 by \$16,140 (5%). The significant favorable variance is due to ARP distribution of \$53.3 million offset by an unfavorable variance of \$52,764 in TOT. In the fiscal year 2021 budget, the City assumed, among other things, the re-opening of the City theme parks, resorts and hotels would occur in September 2020. These re-openings did not occur as originally projected but such re-openings have recently occurred, beginning in April 2021, with certain limitations on capacity and fully reopening in June 2021.

General Fund expenditures were less than budgeted. Of the total appropriations of \$416,515, approximately 9%, or \$38,284, went unspent. Police expenditures were below budget by \$15,481 mainly due to position vacancies and lesser amount of over-time spent in providing police services. Community and Economic Development expenditures were below budget by \$15,616 due to unspent CARES appropriation for emergency rental assistance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS (net of accumulated depreciation) JUNE 30, 2021 AND 2020

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 693,257	\$ 674,159	\$ 93,331	\$ 92,700	\$ 786,588	\$ 766,859
Construction in Progress	41,840	68,958	197,525	263,165	239,365	332,123
Building, structures, and improvements	223,705	220,323	675,060	693,162	898,765	913,485
Utility plant			1,183,985	1,087,426	1,183,985	1,087,426
Machinery and equipment	48,637	48,383	21,985	24,502	70,622	72,885
Infrastructure	454,861	445,018			454,861	445,018
Total	\$ 1,462,300	\$ 1,456,841	\$ 2,171,886	\$ 2,160,955	\$ 3,634,186	\$ 3,617,796

Capital assets

The City's investment in capital assets for its governmental and business-type activities at June 30, 2021 amounted to \$3,634,186 (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 \$16,390 (less than 1%), of which governmental activities increased by \$5,459 (less than 1%) and business-type activities increased by \$10,931 (less than 1%).

Governmental activities capital asset additions totaled \$50,506, offset by current year depreciation of \$43,650, and retirement of capital assets, net of accumulated depreciation of \$1,427. Major capital asset activities during the current fiscal year include the following:

- Land had an increase of \$19,098 which included land acquisitions for park development purposes (\$4,685), for housing project purposes (\$628), for street improvement purposes (\$1,297), and work in progress completed for land acquisition on Manchester Avenue (\$13,128) for street improvement. Excess public right-of-way with a book value of \$9 was sold for \$1,412, the gain on sale of public-right-of way (\$1,403) was accounted for in charges for services, program revenue of Public Works; and land with a book value of \$631 was transferred to Water Utility for \$2,222 at the asset appraised market value. The amount of sales price in excess of the book value (\$1,591) was recorded as transfer-out in the business-type activities and Transfer-in in governmental activities.
- Construction in progress had a decrease of \$27,118 consisting of \$30,063 in project additions including \$18,987 of infrastructure construction, \$1,939 in park developments, \$8,820 in structural improvements, and \$317 in software development. Completion of construction in progress totaled \$56,424 including completion of right-of-way acquisition on Manchester Avenue (\$13,128) for street improvement; completion of infrastructure construction include Gene Autry Way Improvement (\$8,250), Anaheim/Ball intersection (\$6,240), Modjeska Park underground storm water (\$2,870), West Street/Citron Street sidewalk (\$1,421), neighborhood improvements on Acacia (\$2,384), Sabina (\$2,117), and Lindacita (\$2,096), Anaheim Resort changeable message signs (\$1,499). Completions of Park and Community Services developments projects include Julianna Park (\$1,144), Dog Park-Maxwell Park (\$939), Barton Park (\$1,972), and Euclid Library landscape improvement (\$606). Completions of building and structural improvements include the Anaheim Tennis Center (\$2,593) and

the Honda Center arena seating (\$2,814), and the completion of the Accela software development (\$3,235).

- Acquisitions of various vehicles totaled \$1,524; office and field equipment totaled \$3,880.
- Contributions of capital assets from various external sources included \$10,025 of structural improvements in the Honda Center, \$1,854 in land and infrastructure, and \$6,644 in park development.

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

- The Electric Utility increase of \$10,954 (1%) includes capital asset additions of \$56,860, and offset by \$45,906 for the current year in addition to accumulated depreciation. Construction in progress decreased by \$86,767 mainly due to \$52,063 in additions of capital projects offset by work completed of \$138,830. During the fiscal year, the Electric Utility completed construction of the Harbor Substation, the undergrounding of the area from Sunkist to Rio Vista, and from Lincoln to La Palma as part of the Undergrounding District No. 63 project. Construction work in progress of the Electric Utility mainly includes replacement of aging overhead electrical lines with state-of-the-art underground projects such as continued improvements related to Underground District #63 on Lincoln Avenue, Underground District #64 on Orangewood Avenue along with the ongoing replacement of aging circuit breakers, poles, transformers and switches throughout the City. Increase in Utility Plant is primarily due to completion of the Harbor Substation as well as the installation and replacement of aging direct buried cable. The Electric Utility also replaced approximately 3,716 street lights with more efficient LED lights, installation of fiber optic equipment, upgrading communication equipment, and improvements to other general facilities.
- The Water Utility increase of \$16,605 (4%) includes capital asset additions of \$31,921 and offset by current year accumulated depreciation addition of \$12,236. Construction in progress increased by \$17,136 primarily due to work in progress additions of \$30,594 offset by works completed of \$10,378, and cancellation of a capital project of \$3,080 that was found not to be feasible under the current financial condition. Project completions include La Palma Reservoir East Replacement, Pressure Regulating Station Upgrade, and Calle Principia and Pathfinder Trail Main Replacement. These improvements will increase the service reliability and reduce maintenance expenses of the water system. Additions to work in progress include the East End Reliability

Improvements, Replacement of Linda Vista Complex Pumps, PFAS Water Treatment, Pressure Regulating Stations, and Well 41 and 43 Rehabilitation. The Water Utility continues its capital infrastructure building program by actively replacing aging mainlines, improving its storage capacity, as well as replacing and improving its distribution system in order to ensure the water supply continues to be safe, reliable, and sufficient to meet future demands. For the fiscal year ended June 30, 2021, the Water Utility ranked in the top national quartile for infrastructure reliability as measured by the number of min breaks per 100 miles of distribution piping.

- The Sanitation Utility increase of \$1,026 (1%) is comprised of capital asset additions of \$4,233 and offset by the current year additions to accumulated depreciation of \$3,077. Construction work in progress increased by \$2,271 primarily due to additions of \$3,782 of capital projects including the sanitary improvements on Katella, Cerritos Broadview, and Alleys offsetting by work completed on Center Greens Sewer Improvements (\$1,381).
- The Golf Courses increase of \$832 (10%) is due to current year additions of \$1,413 including \$460 in land improvements to the golf courses, machinery and equipment acquisitions of \$190 that include 2 portable restrooms, one utility vehicle and various other field equipment, \$260 in structural improvement and \$503 in work in progress that include a restroom remodel and dining area remodel. The additions are offset by current year additions to accumulated depreciation of \$581.
- The Convention, Sports and Entertainment Venues decrease of \$16,168 (3%) is primarily comprised of capital asset additions of \$3,071 offset by the current year additions to accumulated depreciation of \$19,168 and \$71 in retirement of capital assets, net of accumulated depreciation.
- The ARTIC Management decrease of \$2,318 (1%) is mainly due to current year addition to accumulated depreciation.

Additional information on the City' Capital Assets can be found in notes 1 and 6 of the notes to the financial statements, on page 61 and page 78-79 of this report.

LONG-TERM LIABILITIES JUNE 30, 2021 AND 2020

	Governmental		Business-type		Total	
	Activities		Activities		Government	
	2021	2020	2021	2020	2021	2020
Long-term debts:						
Interest payable			\$ 3,669	\$ 3,516	\$ 3,669	\$ 3,516
Notes and loans payable from direct borrowing	\$ 16,466	\$ 19,681	6,313	9,866	22,779	29,547
Revenue bonds	684,157	562,005	1,173,008	1,220,797	1,857,165	1,782,802
Total	<u>700,623</u>	<u>581,686</u>	<u>1,182,990</u>	<u>1,234,179</u>	<u>1,883,613</u>	<u>1,815,865</u>
Other long-term liabilities:						
Capital lease	1,852	2,297	190	198	2,042	2,495
Due to other governments	22,580	22,580			22,580	22,580
Self-insurance	59,119	58,548			59,119	58,548
Compensated absences	24,665	24,248			24,665	24,248
San Juan reclamation liability			5,411	6,391	5,411	6,391
Provision for decommissioning liability			80,889	87,235	80,889	87,235
Net OPEB liability	119,442	120,245	40,658	41,262	160,100	161,507
Net pension liability	655,410	617,116	179,436	173,187	834,846	790,303
Total	<u>883,068</u>	<u>845,034</u>	<u>306,584</u>	<u>308,273</u>	<u>1,189,652</u>	<u>1,153,307</u>
Total long-term liabilities	<u>\$ 1,583,691</u>	<u>\$ 1,426,720</u>	<u>\$ 1,489,574</u>	<u>\$ 1,542,452</u>	<u>\$ 3,073,265</u>	<u>\$ 2,969,172</u>

Long-term liabilities

At June 30, 2021, The City's outstanding long-term liabilities totaled \$3,073,265 increased by \$104,093 (4%) in which long-term debts increased by \$67,748, and other long-term liabilities increased by \$36,345.

Long-term debts including revenue bonds, notes and loans payable, and interest payable due in more than one year totaled \$1,883,613 at June 30, 2021. Key changes include the following:

- Long-term debts in Governmental activities totaled \$700,623, and increased by \$118,937 (20%).

The increase is primarily due to the following: a) The City issued APFA Lease Revenue Bond Series 2021A (Working Capital Financing) in the amount of \$138,755 at par, to provide working capital projected for the General Fund cash flow deficits for the fiscal years from 2021 through 2024. Proceeds of the bonds provide \$130,000 for General Fund working capital, \$7,403 for a capitalized interest account, and \$1,352 for a bond reserve policy, an insurance policy and costs of issuance expenses; b) The City entered into a direct loan borrowing agreement in the amount of \$799 to finance the acquisition of five ambulances; and c) an increase of \$17,773 for the current year accrued accretion payable.

Principal payments of \$18,483 on bonds and notes payable, payment made on the accretion of capital appreciation bonds of \$16,876, and the annual amortization of discounts/premium of \$3,031 offset the increases discussed above.

- Long-term debt in the business-type activities totaled \$1,182,990, decreased by \$51,189 (4%). The decrease is primarily due to the \$41,110 principal payments on bonds and notes payable, \$10,179 for current year amortization of premium/discount, offset by an increase of \$153 for a long-term interest payable.

Other long-term liabilities include self-insurance, compensated absences, provision for decommissioning liability, net OPEB liability, and net pension liability totaling \$1,189,652 increased by \$36,345 at June 30, 2021. Key changes include the following:

- Other long-term liabilities in the governmental activities totaled \$883,068 increased by \$38,034 (5%). Self-insurance liability, based on actuarial valuation, increased by \$571, compensated absences increased by \$417, and net pension liability, per plan actuarial valuation, increased by \$38,294 primarily due to increases from service costs and lower plan net investment income offsetting by decreases of \$445 in capital lease payable and \$803 in net OPEB

liability primarily due to lower interest cost as the OPEB liability balance decreased.

- Other long-term liabilities in the business-type activities totaled \$306,584 decreased by \$1,689. The decrease of \$7,334 is primarily due to current year payments for provision for decommissioning liability (\$6,346), San Juan reclamation liability (\$384), adjustment of excess funding to deferred inflow of resources related to regulated business activities (\$596); and capital lease (\$8). Net OPEB liabilities decreased by \$604 and net pension liability increased by \$6,249, as previously discussed.

Additional information on the City's long-term liabilities can be found in notes 7, 8, 9, 10, 11, 12 and 13 of the notes to the financial statements, on pages 79-103 of this report.

ECONOMIC FACTORS

Tourism plays a significant role in the economies of California, Orange County and the City of Anaheim (City). While Anaheim has been able to compete for and capture a significant portion of tourism revenues, the COVID-19 pandemic and the California Stay-At-Home orders in the past year resulted in significant revenue losses from TOT, sales and use taxes, and entertainment and event revenues. While the City has limited information with respect to the rebound of tourism and local expenditures given the recent re-opening of the Anaheim Convention Center, the Disneyland Resort Theme Parks and sports and entertainment venues, the City's TOT and sales tax revenues for the first quarter of fiscal year 2022 have shown signs of significant growth over the past year.

For the 2022 fiscal year, the City appropriated \$398,827 in estimated available resources of \$453,931 for General Fund spending. This leaves \$55,104 in estimated available reserves, which is 14% 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 developers doing business in the City are adjusted each year to reflect recurring costs.

California Senate Bill 100 (SB 100) signed into law in September 2018 and adjusted the Renewable Portfolio Standard (RPS) that all California utilities are required to reach. The new RPS mandate is that California utilities, at a minimum, must use renewal resources to serve 35.75% of their retail load by 2021, 50% by 2026, and 60% by 2030. SB 100 also set a state policy goal to have 100% of retail sales be served by carbon-free resources by 2045.

The Electric Utility uses a number of strategies to mitigate potential cost impacts while striving to meet and/or exceed state energy targets.

The Orange County Water District (OCWD) set the Basin Production Percentage (BPP) for all cities and water districts they serve at 77% for fiscal year 2021. The Water Utility's Water Rates, Rules, and Regulations provide for an automatic adjustment of its commodity adjustment when OCWD and Municipal Water District (MWD) increase or decrease the cost per acre foot of water. Elevated water costs will continue until the Water Utility, in partnership with OCWD, builds local groundwater treatment to eliminate or mitigate the PFAS levels found in the local groundwater.

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. The City's Annual Comprehensive Financial Report can also be found on the City's website at www.anaheim.net.



BASIC FINANCIAL STATEMENTS

Statement of Net Position

June 30, 2021 (In thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 205,148	\$ 52,369	\$ 257,517
Investments	225,408	157,322	382,730
Restricted cash and cash equivalents	123,322	32,543	155,865
Restricted Investments	23,212	62,103	85,315
Accounts receivable, net	22,371	69,548	91,919
Accrued interest receivable	1,389	2,105	3,494
Internal balances, net	17,455	(17,455)	
Due from other governments	43,524		43,524
Inventories	1,497	22,153	23,650
Land held for resale, net	21,327		21,327
Prepaid and other assets	2,203	50,758	52,961
Total current assets	<u>686,856</u>	<u>431,446</u>	<u>1,118,302</u>
Noncurrent assets:			
Restricted cash and cash equivalents	26,697	85,481	112,178
Restricted investments	14,643	106,075	120,718
Prepaid and other assets		92,067	92,067
Unamortized prepaid bond insurance	846		846
Notes receivable, net	72,689		72,689
Due from Successor Agency	6,261		6,261
Capital assets, net:			
Nondepreciable	735,097	290,856	1,025,953
Depreciable	727,203	1,881,030	2,608,233
Total noncurrent assets	<u>1,583,436</u>	<u>2,455,509</u>	<u>4,038,945</u>
Total assets	<u>2,270,292</u>	<u>2,886,955</u>	<u>5,157,247</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding bonds	28,000	11,133	39,133
Deferred OPEB related items	16,490	5,678	22,168
Deferred pension related items	98,724	24,991	123,715
Total deferred outflows of resources	<u>143,214</u>	<u>41,802</u>	<u>185,016</u>

(Continued)

Statement of Net Position

June 30, 2021 (In thousands)

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 37,292	\$ 81,861	\$ 119,153
Wages payable	10,607	1,852	12,459
Interest payable	3,868	11,907	15,775
Deposits	58,360	13,368	71,728
Unearned revenues	12,820	727	13,547
Other long-term liabilities	33,699	74	33,773
Long-term debts	36,124	47,679	83,803
Total current liabilities	<u>192,770</u>	<u>157,468</u>	<u>350,238</u>
Noncurrent liabilities:			
Interest payable , less current portion		3,669	3,669
Other long-term liabilities, less current portion	74,517	86,416	160,933
Long-term debts, less current portion	664,499	1,131,642	1,796,141
Net OPEB liability	119,442	40,658	160,100
Net pension liability	655,410	179,436	834,846
Total noncurrent liabilities	<u>1,513,868</u>	<u>1,441,821</u>	<u>2,955,689</u>
Total liabilities	<u>1,706,638</u>	<u>1,599,289</u>	<u>3,305,927</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Regulatory credits		104,227	104,227
Deferred Regulated business activities		27,645	27,645
Deferred item on refunding bonds		8,133	8,133
Deferred OPEB related items	15,764	6,342	22,106
Deferred pension related items	7,042	2,805	9,847
Total deferred inflows of resources	<u>22,806</u>	<u>149,152</u>	<u>171,958</u>
NET POSITION			
Net investment in capital assets	1,138,682	1,074,102	2,212,784
Restricted for:			
Debt services	7,403	29,386	36,789
Capital projects	90,977	36,545	127,522
Community and economic development	112,796		112,796
Streets, roads and transportation improvement projects	41,263		41,263
Other purposes	7,721	4,441	12,162
Unrestricted	(714,780)	35,842	(678,938)
Total net position	<u>\$ 684,062</u>	<u>\$ 1,180,316</u>	<u>\$ 1,864,378</u>

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

Statement of Activities

Year Ended June 30, 2021 (In thousands)

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:								
General government	\$ 42,213	\$ (16,798)	\$ 2,115	\$ 54,287		\$ 30,987		\$ 30,987
Police	177,907	4,602	9,040	20,136	\$ 287	(153,046)		(153,046)
Fire & Rescue	103,188	508	18,819	9,208	62	(75,607)		(75,607)
Community & Economic Development	127,695	644	17,628	118,363	1,242	8,894		8,894
Planning & Building	24,422	1,273	12,178	1,280	31	(12,206)		(12,206)
Public Works	60,613	51	17,422	22,201	11,460	(9,581)		(9,581)
Community Services	38,850	871	1,573	1,050	13,269	(23,829)		(23,829)
Public Utilities	2,171					(2,171)		(2,171)
Convention, Sports & Entertainment	7,734	337	2,195		10,025	4,149		4,149
Interest on long-term debt	31,527					(31,527)		(31,527)
Total governmental activities	616,320	(8,512)	80,970	226,525	36,376	(263,937)		(263,937)
Business-type activities:								
Electric Utility	373,156	4,931	433,734		5,575		\$ 61,222	61,222
Water Utility	95,687	1,233	96,351		3,137		2,568	2,568
Sanitation Utility	65,466	556	69,482	88	198		3,746	3,746
Golf Courses	5,922	124	6,978				932	932
Convention, Sports and Entertainment Venues	49,571	1,668	4,371		841		(46,027)	(46,027)
ARTIC Management	2,548		39				(2,509)	(2,509)
Total business-type activities	592,350	8,512	610,955	88	9,751		19,932	19,932
Total government	\$ 1,208,670	\$ (8,512)	\$ 691,925	\$ 226,613	\$ 46,127	(263,937)	19,932	(244,005)
General revenues:								
Taxes:								
Property taxes						90,222		90,222
Sales and use taxes						76,811		76,811
Transient occupancy taxes						29,797		29,797
Other taxes						8,902		8,902
Unrestricted investment earnings						1,470	2,295	3,765
Insurance recovery						762		762
Transfers						4,270	(4,270)	
Total general revenues and transfers						212,234	(1,975)	210,259
Change in net position						(51,703)	17,957	(33,746)
Net position at beginning of year						735,765	1,162,359	1,898,124
Net position at end of year						\$ 684,062	\$ 1,180,316	\$ 1,864,378

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



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Balance Sheet

Governmental Funds

June 30, 2021 (In thousands)

	General	Housing Authority	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 135,956	\$ 18,248	\$ 31,855	\$ 186,059
Investments	17,816	54,683	95,523	168,022
Restricted cash and cash equivalents	60,547	2,918	86,554	150,019
Restricted investments	7,050		30,805	37,855
Accounts receivable, net	16,503	68	1,363	17,934
Accrued interest receivable	101	381	640	1,122
Due from other funds	4,458	9,024	10,224	23,706
Due from other governments	19,754	1,314	22,456	43,524
Inventories	235			235
Land held for resale, net		6,032	15,295	21,327
Prepaid and other assets	167	41	155	363
Notes receivable, net	7,766	46,455	18,468	72,689
Due from Successor Agency			6,261	6,261
Total assets	<u>\$ 270,353</u>	<u>\$ 139,164</u>	<u>\$ 319,599</u>	<u>\$ 729,116</u>
LIABILITIES				
Accounts payable	\$ 18,023	\$ 1,388	\$ 9,888	\$ 29,299
Wages payable	5,507	111	287	5,905
Deposits	56,674	216	1,470	58,360
Due to other funds	40,969		15,264	56,233
Unearned revenue	8,069	2,446		10,515
Total liabilities	<u>129,242</u>	<u>4,161</u>	<u>26,909</u>	<u>160,312</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	4,984	1,347	14,000	20,331
Unavailable resources- long-term notes receivable		46,455	18,468	64,923
Unavailable resources - due from Successor Agency			6,261	6,261
Total deferred inflows of resources	<u>4,984</u>	<u>47,802</u>	<u>38,729</u>	<u>91,515</u>
FUND BALANCES:				
Nonspendable :				
Inventory	235			235
Prepaid and other assets	167	41	155	363
Restricted:				
Anaheim Resort maintenance and improvement			6,257	6,257
Capital projects	799		3,706	4,505
Claims and judgments	3,606			3,606
Community and economic development projects			25,845	25,845
Debt service	7,403		79,525	86,928
Development impact projects			89,824	89,824
Grant purposes	1,730		2,252	3,982
Homebuyer assistance programs		1,990	12,295	14,285
Low and moderate income housing		44,881		44,881
Rental assistance		4,449		4,449
Streets, roads and transportation improvement projects			34,903	34,903
Committed for neighborhood and community projects			4,057	4,057
Assigned:				
Capital projects			5,867	5,867
Debt service			1,683	1,683
Housing projects		35,840		35,840
Other purposes	104,212		738	104,950
Unassigned	<u>17,975</u>		<u>(13,146)</u>	<u>4,829</u>
Total fund balances	<u>136,127</u>	<u>87,201</u>	<u>253,961</u>	<u>477,289</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 270,353</u>	<u>\$ 139,164</u>	<u>\$ 319,599</u>	<u>\$ 729,116</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, 2021 (In thousands)

Total fund balances - governmental funds	\$	477,289
Amounts reported for governmental activities in the Statement of Net Position are different because:		
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:		
Land	\$	693,257
Construction in progress		41,840
Buildings, structures and improvements		417,209
Machinery and equipment		72,028
Infrastructure		954,740
Accumulated depreciation		<u>(747,197)</u>
Total capital assets, net		1,431,877
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.		91,515
Unamortized prepaid bond insurance (\$846) and deferred charge on refunding bonds (\$28,000) are not current financial resources, and, therefore, are not reported in the funds.		28,846
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.		26,691
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.		(660)
Certain liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		(22,580)
Effects of net pension liability and other post-employment benefits (OPEB) liability are not due and payable in the current period, and therefore, are not reported in the funds.		
Deferred outflows of resources	\$	108,194
Net OPEB liability		(110,369)
Net pension liability		(621,869)
Deferred inflows of resources		<u>(20,444)</u>
Long-term liabilities of governmental funds, including bonds (\$684,157), notes and loans payable (\$16,403), and accrued interest payable (\$3,868) are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(704,428)</u>
Net position of governmental activities	\$	<u>684,062</u>

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2021 (In thousands)

	General	Housing Authority	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 90,222			\$ 90,222
Sales and use taxes	76,907			76,907
Transient occupancy taxes	30,180			30,180
Other taxes	8,139			8,139
Licenses, fees and permits	21,037	\$ 11	\$ 8,403	29,451
Intergovernmental revenues	91,480	97,971	45,440	234,891
Charges for services	27,249		7,950	35,199
Fines, forfeits and penalties	3,096			3,096
Use of money and property	4,449	9,600	17,749	31,798
Others	1,531	132	366	2,029
Contribution from property owners			5,175	5,175
Total revenues	<u>354,290</u>	<u>107,714</u>	<u>85,083</u>	<u>547,087</u>
Expenditures:				
Current:				
City Council	858			858
City Administration	14,761			14,761
City Attorney	7,775		107	7,882
City Clerk	1,013		8	1,021
Human Resources	1,856			1,856
Finance	6,178		104	6,282
Police	157,793		3,840	161,633
Fire & Rescue	91,797		996	92,793
Community & Economic Development	10,759	99,593	15,741	126,093
Planning & Building	23,332		1,330	24,662
Public Works	23,086		16,520	39,606
Community Services	32,106		1,200	33,306
Public Utilities	2,187			2,187
Convention, Sports & Entertainment	308		2,176	2,484
Capital outlay	1,144	823	27,283	29,250
Debt service:				
Principal retirement			17,409	17,409
Interest charges	654		29,040	29,694
Bond issuance costs	1,411			1,411
Total expenditures	<u>377,018</u>	<u>100,416</u>	<u>115,754</u>	<u>593,188</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,728)</u>	<u>7,298</u>	<u>(30,671)</u>	<u>(46,101)</u>
Other financing sources (uses):				
Transfers in	26,500		15,641	42,141
Transfers out	(40,010)		(4,299)	(44,309)
Issuance of working capital bonds	138,755			138,755
Issuance of loan payable	799			799
Total other financing sources	<u>126,044</u>		<u>11,342</u>	<u>137,386</u>
Net change in fund balances	103,316	7,298	(19,329)	91,285
Fund balances at beginning of year	32,811	79,903	273,290	386,004
Fund balances at end of year	<u>\$ 136,127</u>	<u>\$ 87,201</u>	<u>\$ 253,961</u>	<u>\$ 477,289</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, 2021 (In thousands)

Net change in fund balances - total governmental funds	\$ 91,285
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 depreciation (\$38,172) exceeded capital outlay (\$29,250) in the current period.	(8,922)
Transfer of capital assets from proprietary fund to governmental fund does not provide current financial resources and are not reported as transfer in the funds.	30
The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-in, retirements and contributions) is to increase net position.	17,213
Revenues in governmental funds provide current financial resources but have been included in the Statement of Activities in prior fiscal year	(5,830)
Collections of notes and long-term receivables provide current financial resources to governmental funds but reduce receivables in the Statement of Net Position.	(7,932)
Proceeds from issuance of long-term debt provide current financial resources to governmental funds, but the issuance of debt increases long-term liabilities (\$139,554) and increase Prepaid bond insurance (\$428) in the Statement of Net Position.	(139,126)
Loan disbursements in the governmental funds use current financial resources but increase receivables in the Statement of Net Position.	15
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 the governmental funds.	(753)
Payments of principal on long-term debt use current financial resources in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position.	17,409
Net effect of accrued net pension liability and net OPEB liability and the related deferred outflows and deferred inflows of resources are not reported as expenditures in the funds.	(16,977)
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>1,885</u>
Change in net position of governmental activities	<u>\$ (51,703)</u>

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Budgetary Basis Actual - General Fund

Year Ended June 30, 2021 (In thousands)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Property taxes	\$ 86,473	\$ 90,277	\$ 90,222	\$ (55)
Sales and use taxes	75,386	75,386	76,907	1,521
Transient occupancy taxes	82,944	82,944	30,180	(52,764)
Other taxes	8,502	8,502	8,139	(363)
Licenses, fees and permits	17,719	17,719	21,037	3,318
Intergovernmental revenues	3,707	25,335	91,480	66,145
Charges for services	31,315	31,315	27,249	(4,066)
Fines, forfeits and penalties	2,600	2,600	3,096	496
Use of money and property	2,976	2,976	4,449	1,473
Other	4,900	1,096	1,531	435
Total revenues	<u>316,522</u>	<u>338,150</u>	<u>354,290</u>	<u>16,140</u>
Expenditures:				
City Council	738	1,054	858	(196)
City Administration	11,825	15,298	14,764	(534)
City Attorney	6,618	8,564	7,795	(769)
City Clerk	1,152	1,575	1,013	(562)
Human Resources	1,571	2,281	1,856	(425)
Finance	4,489	8,275	8,246	(29)
Police	140,845	173,340	157,859	(15,481)
Fire & Rescue	69,082	92,813	92,813	
Community and Economic Development	3,167	26,375	10,759	(15,616)
Planning & Building	19,838	24,813	23,344	(1,469)
Public Works	17,680	24,048	24,048	
Community Services	30,494	34,981	32,381	(2,600)
Public Utilities	1,733	2,187	2,187	
Convention, Sports and Entertainment	845	911	308	(603)
Total expenditures	<u>310,077</u>	<u>416,515</u>	<u>378,231</u>	<u>(38,284)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,445</u>	<u>(78,365)</u>	<u>(23,941)</u>	<u>54,424</u>
Other financing sources (uses):				
Transfers in	29,808	29,808	26,500	(3,308)
Transfers out	(47,990)	(47,990)	(40,010)	7,980
Issuance of working capital bonds		138,755	138,755	
Issuance of loan payable		799	799	
Total other financing sources (uses)	<u>(18,182)</u>	<u>121,372</u>	<u>126,044</u>	<u>4,672</u>
Net change in fund balance	(11,737)	43,007	102,103	59,096
Fund balance at beginning of year	<u>32,811</u>	<u>32,811</u>	<u>32,811</u>	
Fund balance at end of year	<u>\$ 21,074</u>	<u>\$ 75,818</u>	<u>134,914</u>	<u>\$ 59,096</u>
Adjustment to reconcile to GAAP:				
Encumbrance			1,010	
Payment of interfund loan			177	
Prepaid maintenance			26	
Ending fund balance - GAAP basis			<u>\$ 136,127</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, 2021 (In thousands)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:				
Licenses, fees and permits	\$ 72	\$ 72	\$ 11	\$ (61)
Intergovernmental revenues	101,609	101,609	97,971	(3,638)
Use of money and property	2,589	2,589	9,600	7,011
Other			132	132
Total revenues	<u>104,270</u>	<u>104,270</u>	<u>107,714</u>	<u>3,444</u>
Expenditures:				
Community and Economic Development	120,436	120,483	100,467	(20,016)
Total expenditures	<u>120,436</u>	<u>120,483</u>	<u>100,467</u>	<u>(20,016)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,166)</u>	<u>(16,213)</u>	<u>7,247</u>	<u>23,460</u>
Other financing (uses):				
Transfers in				
Transfers out	(72)	(72)		72
Total other financing uses	<u>(72)</u>	<u>(72)</u>		<u>72</u>
Net change in fund balance	(16,238)	(16,285)	7,247	23,532
Fund balance at beginning of year	79,903	79,903	79,903	
Fund balance at end of year	<u>\$ 63,665</u>	<u>\$ 63,618</u>	<u>87,150</u>	<u>\$ 23,532</u>
Adjustments to reconcile to GAAP:				
Encumbrance			53	
Prepaid maintenance			(2)	
Ending fund balance - GAAP basis			<u>\$ 87,201</u>	

Statement of Net Position Proprietary Funds June 30, 2021 (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
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 17,300	\$ 13,078	\$ 12,081	\$ 14	\$ 9,871	\$ 25	\$ 52,369	\$ 19,089
Investments	52,007	39,317	36,321		29,677		157,322	57,386
Restricted cash and cash equivalents	21,227	3,742	3,336		4,238		32,543	
Restricted investments	45,970	7,063	9,070				62,103	
Accounts receivable, net	51,773	7,922	9,067	80	706		69,548	4,437
Accrued interest receivable	1,243	315	316		231		2,105	267
Interfund receivable	571						571	8
Inventories	21,406	679		68			22,153	1,262
Prepaid and other assets	49,413	1,334			11		50,758	1,840
Total current assets	<u>260,910</u>	<u>73,450</u>	<u>70,191</u>	<u>162</u>	<u>44,734</u>	<u>25</u>	<u>449,472</u>	<u>84,289</u>
Noncurrent assets:								
Restricted cash and cash equivalents, less current portion	64,347	3,081	13,551		4,502		85,481	
Restricted investments, less current portion	98,966				7,109		106,075	
Interfund receivable, less current portion	1,381						1,381	33,045
Prepaid and other assets	92,067						92,067	
Capital assets:								
Land	34,243	2,970	316	1,949	21,330	32,523	93,331	
Buildings, structures and improvements			133,545	19,475	710,187	171,041	1,034,248	11,309
Utility plant	1,504,755	510,958					2,015,713	
Machinery and equipment			8,387	1,456	40,311	2,686	52,840	75,151
Construction in progress	123,368	64,397	7,112	503	2,145		197,525	
Total capital assets	1,662,366	578,325	149,360	23,383	773,973	206,250	3,393,657	86,460
Less accumulated depreciation	(649,346)	(182,382)	(33,237)	(14,393)	(327,333)	(15,080)	(1,221,771)	(56,037)
Capital assets, net	<u>1,013,020</u>	<u>395,943</u>	<u>116,123</u>	<u>8,990</u>	<u>446,640</u>	<u>191,170</u>	<u>2,171,886</u>	<u>30,423</u>
Total noncurrent assets	<u>1,269,781</u>	<u>399,024</u>	<u>129,674</u>	<u>8,990</u>	<u>458,251</u>	<u>191,170</u>	<u>2,456,890</u>	<u>63,468</u>
Total assets	<u>1,530,691</u>	<u>472,474</u>	<u>199,865</u>	<u>9,152</u>	<u>502,985</u>	<u>191,195</u>	<u>2,906,362</u>	<u>147,757</u>
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred charges on refunding bonds	7,297	3,831			5		11,133	
Deferred OPEB related items	3,168	926	636	61	887		5,678	1,556
Deferred pension related items	14,533	4,553	2,191	202	3,512		24,991	5,464
Total deferred outflows of resources	<u>24,998</u>	<u>9,310</u>	<u>2,827</u>	<u>263</u>	<u>4,404</u>		<u>41,802</u>	<u>7,020</u>

(continued)

Statement of Net Position Proprietary Funds June 30, 2021 (In thousands)(continued)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service	
	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	\$ 47,627	\$ 15,521	\$ 5,399	\$ 1,371	\$ 723		\$ 70,641	\$ 7,993
Wages payable	805	335	154	9	240		1,543	4,702
Interest payable					1,751		1,751	
Other long-term liabilities				74			74	33,039
Long-term debts	8,294	1,344	776		3,892	\$ 4,000	18,306	11
Unearned revenues					727		727	2,305
Deposits	7,423	532	790	119	4,504		13,368	
Interfund payable		344		706			1,050	357
Total current liabilities (payable from current assets)	<u>64,149</u>	<u>18,076</u>	<u>7,119</u>	<u>2,279</u>	<u>11,837</u>	<u>4,000</u>	<u>107,460</u>	<u>48,407</u>
Current liabilities (payable from restricted assets):								
Accounts payable	5,484	1,393	116		4,227		11,220	
Wages payable	294		14		1		309	
Interest payable	7,139	2,052	880				10,071	
Arbitrage rebate liability	85						85	
Long-term debts	24,802	4,031	540				29,373	
Total current liabilities (payable from restricted assets)	<u>37,804</u>	<u>7,476</u>	<u>1,550</u>		<u>4,228</u>		<u>51,058</u>	
Total current liabilities	<u>101,953</u>	<u>25,552</u>	<u>8,669</u>	<u>2,279</u>	<u>16,065</u>	<u>4,000</u>	<u>158,518</u>	<u>48,407</u>
Noncurrent liabilities:								
Interfund payable, less current portion		1,032					1,032	39
Interest payable, less current portion						3,669	3,669	
Other long-term liabilities, less current portion	5,411			116			5,527	51,937
Long-term debts, less current portion	666,691	196,654	47,992		218,305	2,000	1,131,642	52
Net OPEB liability	20,912	7,571	5,057	299	6,819		40,658	9,073
Net pension liability	98,035	31,067	16,006	1,146	33,182		179,436	33,541
Provision for decommissioning liability	80,889						80,889	
Total noncurrent liabilities	<u>871,938</u>	<u>236,324</u>	<u>69,055</u>	<u>1,561</u>	<u>258,306</u>	<u>5,669</u>	<u>1,442,853</u>	<u>94,642</u>
Total liabilities	<u>973,891</u>	<u>261,876</u>	<u>77,724</u>	<u>3,840</u>	<u>274,371</u>	<u>9,669</u>	<u>1,601,371</u>	<u>143,049</u>
DEFERRED INFLOWS OF RESOURCES								
Regulatory credits	102,995	1,232					104,227	
Regulated business activities	27,645						27,645	
Deferred item on refunding bonds	5,356	2,276	501				8,133	
Deferred OPEB related items	3,164	1,131	829	108	1,110		6,342	1,509
Deferred pension related items	940	298	578	70	919		2,805	853
Total deferred inflows of resources	<u>140,100</u>	<u>4,937</u>	<u>1,908</u>	<u>178</u>	<u>2,029</u>		<u>149,152</u>	<u>2,362</u>
NET POSITION								
Net investment in capital assets	371,700	198,549	75,060	8,131	235,492	185,170	1,074,102	28,508
Restricted for:								
Debt service	24,802	4,044	540				29,386	
Capital projects	17,793	3,315	15,437				36,545	
Other purposes	4,441						4,441	
Unrestricted	22,962	9,063	32,023	(2,734)	(4,503)	(3,644)	53,167	(19,142)
Total net position	<u>\$ 441,698</u>	<u>\$ 214,971</u>	<u>\$ 123,060</u>	<u>\$ 5,397</u>	<u>\$ 230,989</u>	<u>\$ 181,526</u>	<u>1,197,641</u>	<u>\$ 9,366</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							(17,325)	
Net position of business-type activities							<u>\$ 1,180,316</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, 2021 (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	
Operating revenues:								
Sales of retail and wholesale electricity, net	\$ 394,432						\$ 394,432	
Transmission revenues	35,734						35,734	
Sales of water, net		\$ 95,377					95,377	
Solid waste collection fees			\$ 48,912				48,912	
Wastewater fees			14,403				14,403	
Street cleaning fees			3,186				3,186	
Green fees and cart rentals				\$ 6,498			6,498	
Facilities rental					\$ 2,957	\$ 29	2,986	
Concession fees				329	51		380	
Charges for services								\$ 154,638
Other	3,568	974	2,981	151	1,363	10	9,047	168
Total operating revenues	433,734	96,351	69,482	6,978	4,371	39	610,955	154,806
Operating expenses:								
Cost of purchased power	250,867						250,867	
Fuel and generation of power	68						68	
Cost of purchased water		50,358					50,358	
Treatment and pumping of water		4,799					4,799	
Maintenance, operations and administration	57,909	21,779	61,277	5,418	22,093	77	168,553	55,791
Insurance premiums and claims								21,771
Compensated absences and other benefits								77,332
Depreciation	45,906	12,236	3,077	581	19,168	2,318	83,286	5,478
Total operating expenses	354,750	89,172	64,354	5,999	41,261	2,395	557,931	160,372
Operating income (loss)	78,984	7,179	5,128	979	(36,890)	(2,356)	53,024	(5,566)
Nonoperating income (expenses):								
Intergovernmental revenues			88				88	
Investment income	1,497	745	235		(182)		2,295	(1,225)
Interest expense	(22,493)	(7,471)	(1,521)	(37)	(9,691)	(153)	(41,366)	(80)
Gain (loss) from disposal of capital assets					(71)		(71)	62
Insurance recovery								762
Total nonoperating expenses	(20,996)	(6,726)	(1,198)	(37)	(9,944)	(153)	(39,054)	(481)
Income (loss) before contributions and transfers	57,988	453	3,930	942	(46,834)	(2,509)	13,970	(6,047)
Capital contributions	5,575	3,137	198		841		9,751	
Transfers in	179	600			19,858	3,500	24,137	6,408
Transfers out	(22,197)	(3,044)	(3,136)				(28,377)	
Change in net position	41,545	1,146	992	942	(26,135)	991	19,481	361
Net position at beginning of year	400,153	213,825	122,068	4,455	257,124	180,535		9,005
Net position at end of year	\$ 441,698	\$ 214,971	\$ 123,060	\$ 5,397	\$ 230,989	\$ 181,526		\$ 9,366
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							(1,524)	
Change in net position of business-type activities							\$ 17,957	

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

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2021 (In thousands)

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports & Entertainment Venues	ARTIC Management	Total	
Cash flows from operating activities:								
Receipts from customers and users	\$ 422,157	\$ 93,559	\$ 66,176	\$ 6,496	\$ 4,064	\$ 136	\$ 592,588	
Receipts from interfund services provided	2,346	340	25				2,711	\$ 153,665
Payments to suppliers	(262,145)	(49,850)	(47,868)	(4,348)	(6,232)	(106)	(370,549)	(34,524)
Payment of decommissioning costs	(6,346)						(6,346)	
Payments for salaries, wages and other benefits	(50,186)	(17,004)	(8,545)	(544)	(12,973)		(89,252)	(91,368)
Payments for interfund services used	(13,990)	(5,585)	(4,690)	(227)	(4,059)		(28,551)	(5,221)
Payments for insurance premiums and claims								(24,268)
Other receipts			2,961	490		10	3,461	1,088
Net cash provided by (used for) operating activities	<u>91,836</u>	<u>21,460</u>	<u>8,059</u>	<u>1,867</u>	<u>(19,200)</u>	<u>40</u>	<u>104,062</u>	<u>(628)</u>
Cash flows from noncapital financing activities:								
Receipt of interfund balances	566			706	15		1,287	1,731
Payment of interfund balances		(344)		(1,811)		(15)	(2,170)	(1,465)
Transfers in	179	600			7,232		8,011	6,408
Transfers out	(22,197)	(1,453)	(3,127)				(26,777)	
Operating grant receipts			88				88	
Net cash provided by (used for) noncapital financing activities	<u>(21,452)</u>	<u>(1,197)</u>	<u>(3,039)</u>	<u>(1,105)</u>	<u>7,247</u>	<u>(15)</u>	<u>(19,561)</u>	<u>6,674</u>
Cash flows from capital and related financing activities:								
Proceeds from sale of capital assets								132
Capital contributions	2,939	2,487					5,426	
Capital purchases	(53,025)	(34,652)	(3,973)	(681)	(3,034)		(95,365)	(1,853)
Insurance recovery								762
Principal payments on long-term debt	(29,041)	(4,970)	(1,250)		(2,402)	(3,500)	(41,163)	(1,074)
Principal payment on capital lease				(70)			(70)	(1,443)
Interest payments	(30,144)	(8,589)	(2,174)	(37)	(10,630)		(51,574)	(100)
Transfer in(out) for capital purpose		(1,591)			12,626	3,500	14,535	
Net cash used for capital and related financing activities	<u>(109,271)</u>	<u>(47,315)</u>	<u>(7,397)</u>	<u>(788)</u>	<u>(3,440)</u>		<u>(168,211)</u>	<u>(3,576)</u>
Cash flows from investing activities:								
Purchase of investment securities	(35,126)	(6,788)	(18,151)		(4,354)		(64,419)	(11,359)
Proceeds from sale and maturity of investment securities	92,308	20,013	33,046		16,764		162,131	11,597
Interest received	5,944	1,758	1,368		1,085		10,155	1,610
Interest paid								(13)
Net cash provided by investing activities	<u>63,126</u>	<u>14,983</u>	<u>16,263</u>		<u>13,495</u>		<u>107,867</u>	<u>1,835</u>
Increase (decrease) in cash and cash equivalents	24,239	(12,069)	13,886	(26)	(1,898)	25	24,157	4,305
Cash and cash equivalents at beginning of the year	78,635	31,970	15,082	40	20,509		146,236	14,784
Cash and cash equivalents at end of the year	<u>\$ 102,874</u>	<u>\$ 19,901</u>	<u>\$ 28,968</u>	<u>\$ 14</u>	<u>\$ 18,611</u>	<u>\$ 25</u>	<u>\$ 170,393</u>	<u>\$ 19,089</u>

(continued)

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2021 (In thousands)

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Sanitation Utility	Golf Courses	Convention, Sports & Entertainment Venues	ARTIC Management	Total	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:								
Operating income (loss)	\$ 78,984	\$ 7,179	\$ 5,128	\$ 979	\$ (36,890)	\$ (2,356)	\$ 53,024	\$ (5,566)
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation	45,906	12,236	3,077	581	19,168	2,318	83,286	5,478
Cancellation of construction in progress		3,080					3,080	
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:								
Accounts receivable	(5,506)	(1,188)	(328)	(27)	(474)	113	(7,410)	(1,199)
Inventories	1,750	209		(20)			1,939	131
Prepaid and other assets	(23,907)		2	26			(23,879)	(979)
Accounts payable and other accrued liability	4,957	1,555	921	380	(578)	(29)	7,206	731
Wages and benefits payable	(277)	(347)	(749)	(65)	(593)		(2,031)	(248)
Unearned revenues					(69)		(69)	18
Deposits	(219)	5	8	13	236	(6)	37	
Compensated absences and self-insurance liability								1,006
Provision for decommissioning liabilities	(6,346)						(6,346)	
Regulatory credits	(3,506)	(1,269)					(4,775)	
Total adjustments	<u>12,852</u>	<u>14,281</u>	<u>2,931</u>	<u>888</u>	<u>17,690</u>	<u>2,396</u>	<u>51,038</u>	<u>4,938</u>
Net cash provided by (used for) operating activities	\$ <u>91,836</u>	\$ <u>21,460</u>	\$ <u>8,059</u>	\$ <u>1,867</u>	\$ <u>(19,200)</u>	\$ <u>40</u>	\$ <u>104,062</u>	\$ <u>(628)</u>
Schedule of noncash operating, investing, capital and noncapital financing activities:								
Increase (decrease) in fair value of investments	\$ (3,853)	\$ (1,017)	\$ (1,068)		\$ (1,179)		\$ (7,117)	\$ (2,629)
Capital assets financed through capital leases				\$ 62			62	998
Capital contributions	2,636	650	198		841		4,325	
Decommissioning liabilities	(176)						(176)	
Accrued long-term liabilities	(607)						(607)	
Deferred inflow of resources - regulated business activity	783						783	
Changes in accounts payable related to capital assets	1,199	(3,381)	(68)	670	37		(1,543)	
Amortization of bond premium (discount), deferred outflow/inflow, net	(7,133)	(966)	(628)		(919)		(9,646)	
Change in accrued interest payable	(603)	(152)	(25)		(20)		(800)	
Reconciliation of cash and cash equivalents:								
Cash and cash equivalents	\$ 17,300	\$ 13,078	\$ 12,081	\$ 14	\$ 9,871	\$ 25	\$ 52,369	\$ 19,089
Restricted cash and cash equivalents, current portion	21,227	3,742	3,336		4,238		32,543	
Restricted cash and cash equivalents, noncurrent portion	64,347	3,081	13,551		4,502		85,481	
Total cash and cash equivalents	\$ <u>102,874</u>	\$ <u>19,901</u>	\$ <u>28,968</u>	\$ <u>14</u>	\$ <u>18,611</u>	\$ <u>25</u>	\$ <u>170,393</u>	\$ <u>19,089</u>

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

Statement of Fiduciary Net Position (Deficit)
Fiduciary Funds
June 30, 2021 (In thousands)

	Successor Agency Private Purpose Trust Fund	Custodial Funds	
		External Investment Pools	Others
ASSETS			
Cash and cash equivalents	\$ 29,081	\$ 938	\$ 5,457
Investments	1,756	2,818	2,500
Accrued interest receivable	14	24	
Special assessment receivable			377
Notes receivable, net	210		
Prepaid and other assets	477		
Unamortized prepaid bond insurance	459		
Total assets	<u>31,997</u>	<u>3,780</u>	<u>8,334</u>
LIABILITIES			
Accounts payable	6		5
Wages payable	4		
Interest payable	3,805		
Long-term liabilities:			
Other long term liabilities, current portion	1,990		
Long-term debt, current portion	9,721		
Other long term liabilities, less current portion	20,551		
Long term debt, less current portion	144,323		
Total liabilities	<u>180,400</u>		<u>5</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding bonds	352		
Total deferred outflows of resources	<u>352</u>		
NET POSITION			
Restricted for individuals, organizations, and other governments (Deficit)	(148,755)	3,780	8,329
Total net position(deficit)	<u>\$ (148,755)</u>	<u>\$ 3,780</u>	<u>\$ 8,329</u>

Statement of Changes in Fiduciary Net Position (Deficit)
Fiduciary Funds
Year Ended June 30, 2021 (In thousands)

	Successor Agency Private Purpose Trust Fund	Custodial Funds	
		External Investment Pools	Others
ADDITIONS			
Property tax increments	\$ 22,586		
Special assessment collections from Community Facility Districts			\$ 4,164
Deposits to pooled investments		\$ 7,879	
Rental income	484		
Deposits			511
Donation collections			35
Contribution from property owners			7,010
Investment income	198	35	6
Forgiven of long-term liability balance	1,110		
Total collections on behalf of other individuals, organizations and other governments	<u>24,378</u>	<u>7,914</u>	<u>11,726</u>
DEDUCTIONS			
Interest payments	5,610		
Debt service payments - Community Facilities Districts			14,633
Distributions from pool investments		7,839	
Payments			1,151
Salaries and administration	412		77
Program expenses	6,306		
Total deductions	<u>12,328</u>	<u>7,839</u>	<u>15,861</u>
Change in net position	12,050	75	(4,135)
Net position (deficit) at beginning of year, as restated	<u>(160,805)</u>	<u>3,705</u>	<u>12,464</u>
Net position (deficit) at end of year	<u>\$ (148,755)</u>	<u>\$ 3,780</u>	<u>\$ 8,329</u>



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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 Annual Comprehensive Financial Report (ACFR) in the government-wide governmental activities and in the fund financial statements as the Housing Authority Special Revenue Fund.

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 ACFR into various governmental and business-type activities and funds of the City as applicable.

Anaheim Housing and Public Improvement Authority (AHPIA), a joint power authority, was created by and between the City and the Anaheim Housing Authority as a vehicle to reduce local borrowing costs and promote greater use of existing and new financial instruments and mechanisms. Members of the City Council of the City serves as the members of the Board and Directors of the AHPIA. Financial activity of the AHPIA has been blended into the City's ACFR into various 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 17), 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, 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 liabilities. 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 & 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 18 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 custodian 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 assets of the City. The City reports the following fiduciary funds:

The Successor Agency Private Purpose Trust Fund is used to account for resources legally held in trust for use by the Successor Agency to the 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 Custodial Funds are used to account for the monies collected and paid on behalf of other individuals, governments, and organizations. The City reports the following activities in the Custodial Funds: 1) External Investment Pools 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 by the City for disbursements on demand; 2) Community Facility Districts (CFDs) accounts for collections of mello-roos special assessments, payments for the conduit debts and the administration for the CFDs located in the City; 3) Money seized by law enforcements pending judgement and the disbursements of which on order; 4) bail bonds; 5) Inmate Welfare Fund accounts for miscellaneous receipts collected on behalf of inmates and payments of expenditures for their benefits; and 6) Collections of utility helping hand donations and the related charity disbursements.

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 is earned, 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 investment income.
- 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 sources.

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 fiduciary funds is upon net position and changes in net position and employs accounting principles similar to proprietary funds.

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. Nonparticipating guaranteed investment contracts, flexible repurchase agreements are carried at cost-based measure. Money market mutual funds and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less are carried at amortized cost (which approximates fair value). 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 \$72,689 includes accrued interest receivable of \$17,892, ranging from 3% to 10% interest per annum, and is net of allowances of \$38,971 for uncollectible accounts at June 30, 2021. 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 rent, prepaid software maintenance 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. The costs of these prepaid items are recorded as expenditures/expenses in the period when consumed or when the City receives title to the real property rather than when purchased.

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, 2021, land held for resale with an original cost of \$10,454 was recorded net of the allowance for decline in value of \$4,422 and totaled \$6,032, 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.

The Long Range Property Management Plan nonmajor Special Revenue Fund records parcels of land held for resale transferred from the Successor Agency to the Anaheim Redevelopment Agency on January 1, 2016 under the authorization of the approved Long Range Property Management Plan of the State of California Health and Safety Code Section 34191.5. The parcels are approved for future developments. The City has recorded the land held for resale equal to the net realizable value of these assets as recorded in the Successor Agency's financial records in the amount of \$15,295 net of allowance for decline in value of \$5,566 with a corresponding restriction in fund balance for future economic development.

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 the future decommissioning of its former ownership share of the San Onofre Nuclear Generating Station, Units 2 and 3 (SONGS) and the San Juan (SJ) 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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value rather than fair 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.

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 prices of a bond or certificates 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 net 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 the following 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 \$28,000 in governmental activities and \$11,133 in business-type activities in this category.
2. Deferred outflows of OPEB related items - these balances represent current fiscal year contribution to the OPEB Trust that will be applied as a reduction in net OPEB liability in the next fiscal year; or other items arising from changes in actuarial assumptions, difference between actual and projected experience, difference between actual and projected investment gains/losses or changes in a fund's proportionate share of the net OPEB liability; the amount will be amortized and reported as a component in OPEB expense in future fiscal years (refer to discussion of OPEB Plan). The City reported \$16,490 in governmental activities and \$5,678 in business-type activities in this category.
3. Deferred outflows of resources of pension related items - 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, difference between actual and projected investment gains/losses or changes in a fund's proportionate share of the net pension liability; 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 \$98,724 in governmental activities and \$24,991 in business-type activities in this category.

Deferred inflows of resources

In addition to liabilities, the statement of financial position reports 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 this category:

1. Deferred inflow related to unavailable resources, which include revenues, notes and long-term receivable, 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:				
Grants	\$ 869	\$ 1,347	\$ 14,000	\$ 16,216
Other revenues	4,115			4,115
Long-term notes receivable		46,455	18,468	64,923
Due from successor agency			6,261	6,261
Total	<u>\$ 4,984</u>	<u>\$ 47,802</u>	<u>\$ 38,729</u>	<u>\$ 91,515</u>

- 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 below).

	Business-type activities
Enterprise Funds:	
Electric Utility	\$ 102,995
Water Utility	1,232
Total	<u>\$ 104,227</u>

- Deferred inflow from regulated business activities related to amounts accumulated from collections from the Electric Utility customers reported in the business-type activities. These amount totaled \$27,645 represented the excess funding of asset retirement obligations primarily resulting from the accumulation of investment earnings from the decommissioning irrevocable trust account. Refer to note 1 on page 64 of the notes to the financial statements of this report.
- Deferred inflow related to refunding bonds includes gains from debt refunding. The City reports a total of \$8,133 in business-type activities in this category.
- Deferred inflows of resources related to OPEB presents changes in total OPEB liability arising from changes in actuarial assumptions; difference between actual and projected plan experiences; difference between actual and projected investment gains/losses or changes of the Fund's proportionate share of the net OPEB liability. Refer to discussion of the OPEB Plan in Note 13 of the notes to the financial statements on pages 99-103 of this report. The City reported \$15,764

in governmental activities and \$6,342 in business-type activities in this category.

- Deferred inflows of resources related to pension are certain changes in total pension liability and fiduciary net position that are to be recognized as an increase in pension expenses in future fiscal years. These are the balances that arise from changes in actuarial assumptions; difference between actual and projected experience; difference between actual and projected investment gains/losses or changes in the Fund's proportionate share of the Plan's net pension liability. Refer to discussion of Pension Plans in Note 12 of the notes to the financial statements on pages 94-99 of this report. The City reported \$7,042 in governmental activities and \$2,805 in business-type activities in this category.

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 allows 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.

The Electric Utility restructured its rates effective September 1, 2015 in order to more effectively align the recovery of the Electric Utility's costs with the nature of the costs incurred. This was accomplished by reducing the Power Cost Adjustment (PCA) and the Environmental Mitigation Adjustment (EMA) with corresponding increases to base rates. The restructuring was designed to be revenue neutral to the customer.

During fiscal year 2021 the Electric Utility recognized \$35,000 in RSA revenues to mitigate the impact of environmental mitigation costs. This amount is included in the operating revenues Sales of retail and wholesale electricity of the Electric Utility Enterprise Fund.

As of June 30, 2021, the PCA rates were \$0.0100 per kWh for residential, general commercial, industrial and municipal customers and \$0.0100

for large commercial customers. The Electric Utility recorded deferred inflows of resources for regulatory credits related to PCA totaled \$68,913. The EMA rates were \$0.0105 per kWh for residential, general commercial, industrial and municipal customers and \$0.0155 per kWh for large commercial customers. The deferred inflows of resources recorded for regulatory credits related to EMA totaled \$34,082.

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, 2021, the deferred inflows of resources recorded for regulatory credits totaled \$1,232 for the Water Utility. During fiscal year 2021, \$1,670 RSA revenue was recognized.

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, 2021, totaled \$24,005 and is included in other long-term liabilities in the Statement of Net Position. Also included in long-term liabilities in the Statement of Net Position at June 30, 2021, is compensatory time liability of \$660.

Changes in the City’s compensated absences liability in fiscal year 2021 were as follows:

Estimated compensated absences liability at beginning of year	\$ 24,248
Estimated compensated absence benefits earned	25,877
Compensated absences used	<u>(25,460)</u>
Compensated absences liability at end of year	<u>\$ 24,665</u>

Asset Retirement Obligations (ARO)-Provision for decommissioning costs

GASB Statement No. 83, *Certain Asset Retirement Obligations* effective July 1, 2018. This standard requires the City to record a liability and deferred outflow of resources associated with the retirement of tangible capital assets that it has an enforceable legal obligation to take specific actions to retire. GASB Statement No. 83 requires governmental entities to record a liability and a corresponding deferred outflow at the time there is an external obligating event such as a federal or state regulation, a legally binding contract or court judgment and when there is an internal obligating event which is at the time an asset is acquired or if constructed when placed in service.

Federal regulations require the City’s Electric Utility to provide for the future decommissioning costs of its former ownership share of the San Onofre Nuclear Generating Station (SONGS). Prior to the implementation of GASB Statement No. 83, the Electric Utility has established a provision for decommissioning costs of SONGS and the restoration of the beachfront at San Onofre, California, that is used by the plant. A separate irrevocable trust account was established for amounts funded, and these amounts are classified as restricted assets in the Statement of Net Position. The Electric Utility estimated and recorded its asset retirement obligations at the current value of outlays expected to be incurred using a site specific cost study performed by a third-party consultant. Current value is the amount that would be paid if all equipment, facilities, and services included in the estimate were acquired at the end of the current reporting period. This approach includes probability weighting of potential outcomes when this data can be obtained at a reasonable cost.

On June 7, 2013, Southern California Edison (SCE) announced the permanent retirement of the SONGS plant. The Electric Utility’s minority interest in SONGS units 2 and 3 is approximately 2.4681% of the total decommissioning costs estimated at \$4,702,264 at June 30, 2021. SCE has decommissioning responsibility as well as majority interest of 75.7419%. Other minority owners are San Diego Gas and Electric 20.0%, and the City of Riverside Public Utilities 1.79%. The Electric Utility’s minority share interest in SONGS of 2.4681% of the total decommissioning liability, net of payments already made by the Electric Utility, is \$69,461 at June 30, 2021. The Electric Utility currently has assets of \$95,818 including accrued interest of \$554 in an irrevocable trust for the decommissioning costs. The overfunding amounts of \$26,357, recorded in the deferred inflows from regulated business activities at June 30, 2021, are held in trust that will be used to reduce rates in the future or return to Electric rate customers if there are any funds remaining at the completion of

decommissioning which is expected to take approximately 30 to 40 years. During fiscal year 2021, the Electric Utility paid \$6,346 related to SONGS decommissioning costs.

The Electric Utility was also previously a minority owner of the San Juan Generation Station (SJ) located in San Juan, New Mexico and is responsible for the future decommission costs related to its former ownership share in Units 2 and 3. The Electric Utility's minority share interest in SJ is 3.1% of the total estimated decommissioning liability of \$174,130. PNM Resources, Inc. has decommissioning responsibility as well as majority interest of 46.297%. Other minority owners are Texas-New Mexico Power Company 19.8%; Southern California Public Power Authority 12.71%; M-S-R Public Power Agency 8.7%; the City of Farmington, New Mexico 2.559%; Tri State Generation and Transmission Associates, Inc. 2.49%; the Incorporated County of Los Alamos, New Mexico 2.175%; and Utah Associated Municipal Power Systems 2.169%. By fiscal year 2022, it is estimated that the Electric's Utility percentage liability will decrease from 3.1% to an estimated 2.7% as the plant continues to operate after the Electric Utility transferred its ownership rights on December 31, 2017. As of June 30, 2021, the Electric Utility has recorded a provision for decommissioning costs for SJ of \$5,398 with assets of \$6,079 in the City's restricted cash account for the decommissioning costs. The overfunding amount of \$681, recorded in the deferred inflows from regulated business activities at June 30, 2021, will be returned to Electric rate customers if there are any funds remaining at the completion of the decommissioning which is expected to take approximately 20 to 40 years. The Electric Utility recorded its proportionate share of the asset retirement obligations based on its former ownership percentages of estimates made by the primary owners of the assets which measured their respective liability under standards set by the GASB.

In 2020, the Kraemer Combustion Turbine plant (CT) located in the northeast part of the City was taken out of service and will be decommissioned as part of the Electric Utility's responsibility to provide for the repurposing of the site for use for future needs of our customers. The Electricity Utility owns 100% of the plant. The Electric Utility has recorded a provision for decommissioning costs for the CT of \$6,030.

The Electric Utility had the following asset retirement obligations as of June 30, 2021:

Asset	Obligating Event	Beginning	Additions	Payments	Ending
SONG	Ownership Agreement	\$ 75,807		\$ (6,346)	\$ 69,461
SJ	Ownership Agreement	5,398			5,398
CT	Ownership	6,030			6,030
		<u>\$ 87,235</u>		<u>\$ (6,346)</u>	<u>\$ 80,889</u>

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 annual required actuarially determined contribution (ADC); 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 12 for further discussion.

Payments of the ADC are liquidated from the Funds where the employees' payroll expenses are charged. The Police and Fire Safety Plans are liquidated from the General Fund, and the Grant nonmajor special revenue funds. The Miscellaneous Plan is allocated among all City Funds that include the General Fund, the Housing Authority major special revenue fund, all nonmajor capital project funds, all nonmajor special revenue funds, and all proprietary funds, in proportion to the Fund's payroll expenses.

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.

Postemployment benefits other than pension (OPEB)

Regular, full time employees meeting certain eligibility requirements are provided the OPEB benefits. The City is a participant in the California Employer's Retiree Benefit Trust (CERBT). It is the City's policy to fund all annual required actuarially determined contributions (ADC) determined by an actuarial valuation.

Payments of the ADC is allocated among all City Funds in proportion to the Fund's full time payroll expenses in the General Fund, the Housing Authority major special revenue fund, all nonmajor capital project funds, all nonmajor special revenue funds and all proprietary funds.

For purposes of measuring the net OPEB liability and deferred outflows/ inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/ deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CERBT. For this purpose, benefit payments are recognized when due and payable in accordance

with the benefit terms. Investments are reported at fair value. See Note 13 for further discussion.

On October 1, 2005, the City and the International Brotherhood of Electrical Workers (IBEW), Local 47, entered into a Letter of Understanding related to the Retiree Medical Plan. Under the Plan, the IBEW would establish a union trust (Trust) for the sole and exclusive purpose of providing post-retirement medical benefits to IBEW bargaining unit employees employed by City of Anaheim on October 1, 2005, and their eligible surviving spouses and dependents. The City agreed to transfer to the Trust for each employee in the IBEW bargaining unit the one-time post-retirement medical reserve allocations, and the IBEW and City also agreed that the sum of four percent of base biweekly pay shall be contributed by the employees of the IBEW bargaining unit to the Retiree Medical Plan. It should be noted that the Trust does not constitute a City-sponsored OPEB defined benefit plan and furthermore, that the City's responsibility is limited to contributions negotiated with the IBEW, as such, there is no related retiree-medical liability included in the City's OPEB plan.

Net position restricted by enabling legislation

The government-wide Statement of Net Position reports \$260,160 of governmental activities restricted net position, of which \$61,482 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, 2021, encumbrances totaled \$1,010, \$53 and \$4,496 in the General Fund, Housing Authority Special Revenue Fund, and other nonmajor governmental funds, respectively.

The accumulated deficit fund balances at June 30, 2021 of \$40 in the Workforce Development nonmajor Special Revenue Fund, \$12,985 in the Streets Construction, and \$121 in the Transportation Improvement Projects nonmajor Capital Project Funds, will be eliminated in future years by the receipt of reimbursements for grant expenditures.

Deficit Net Position - Successor Agency Fiduciary Fund

The accumulated deficit net position at June 30, 2021 of \$148,755 will be eliminated in future years by the receipts of Redevelopment Property Tax Trust Fund (RPTTF) revenue allocations.

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 9 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, net of uncollectible amount, is recorded in the period in which services are provided. Most residential and smaller commercial customers are billed bimonthly and all other customers monthly. At June 30, 2021 unbilled but earned service charges recorded in accounts receivable for the Electric Utility, Water Utility, and Sanitation Utility Funds amounted to \$26,641, \$1,651, and \$4,287, 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

The City adopted the following new accounting pronouncements issued by the GASB during the current fiscal year ended June 30, 2021:

- Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The requirements of this Statement are effective beginning with the fiscal year ends June 30, 2021.

In implementation of Statement No. 84, the previously reported Successor Agency Private Purpose Trust Fund, the external portion of the investment pools and the Community Facility Districts continue to meet the criteria of fiduciary activities. The City identified four activities totaling \$749 that were previously reported in the General Fund as restricted cash with the corresponding offset in accrued liabilities, meet the criteria of fiduciary activities - money seized by law enforcement pending judgement (\$605), bail bond deposits (\$32), inmate welfare fund (\$38), and utility helping hand donations (\$74). These activities are reported in the Custodial Funds at June 30, 2021. The change does not have an impact on the General Fund's fund balance or the net position of governmental activities.

The following table provides a reconciliation of current and other assets and current liabilities in the governmental activities as previously reported to the balances at June 30, 2020, as restated:

	Current and other assets	Current liabilities
Governmental activities:		
As previously reported at 6/30/2020	\$ 666,882	\$ 131,871
Adjustment	(749)	(749)
Adjusted balance at 6/30/2020	<u>\$ 666,133</u>	<u>\$ 131,122</u>

- Statement No. 90, Majority Equity Interests – An amendment of GASB Statement No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The requirements of this Statement were effective for financial statements with the fiscal year that ends June 30, 2021.
- Statement No. 93, Replacement of Interbank Offered Rates. The Statement establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rate (IBOR) in hedging derivative instruments and leases. It also identifies benchmark interest rates for hedging derivative instruments. The requirements of the Statement, except for paragraph 11b, are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for

reporting periods ending after December 31, 2021 and all reporting periods thereafter.

- Implementation Guide No. 2019-1. Implementation Guide Update-2019. The requirements of this Implementation Guide will take effect for financial statements starting with the fiscal year that ends June 30, 2021.
- Implementation Guide No. 2019-2, "Fiduciary Activities." The requirements of this Implementation Guide will take effect for financial statements starting with the fiscal year that ends December 31, 2020.
- The requirements in Statement 92, Omnibus 2020, related to intra-entity transfers of assets and those related to the applicability of Statement 73 and 74 are effective for fiscal years beginning after June 15, 2020; the requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and the requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.
- Statement No. 97. Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. An amendment of GASB Statement No. 14 and No. 84 and a supersession of GASB Statement No. 32. This Statement requires that a Section 457 Plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.
- Statement No. 98. This Statement replaces an existing term but does not otherwise establish new accounting and financial reporting requirements, The term comprehensive annual financial report is replaced with annual comprehensive financial report. The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

The City had implemented Statement No 89 in the prior fiscal year and early implemented Statement No. 97, and No. 98 this fiscal year.

Implementations of the above GASB Statements have no material effect on amounts reported in the City's financial statements.

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

- Statement No. 87, Leases. This statement establishes accounting and financial reporting standards focused on certain lease liabilities that currently are not reported. Comparability of financial statements among governments will be enhanced by requiring lessees and lessors to report leases under a single model. Decision-usefulness will also be enhanced by requiring notes to financial statements related to the timing, significance, and purpose of leasing arrangements. The requirements of this Statement are effective for reporting periods with the fiscal year that ends June 30, 2022.
- Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement is effective for reporting periods beginning after June 30, 2023.
- Statement No. 92, Omnibus 2020. The Statement addresses a variety of practice issues that have been identified during implementation and application of certain GASB Statements including specific provisions in the effective date of Statement No. 87, Leases, and implementation Guide No 2019-3, Leases; accounting and financial reporting for pension and other postemployment benefits, reporting for intra-entity transfers of assets, fiduciary activities, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, reporting by public entity risk pools for amounts that are recoverable for reinsurers or excess insurers, nonrecurring fair value measurements of assets or liabilities and terminology used to refer to derivative instruments. The effective date of Statement No. 87, and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments. The requirements are effective upon issuance.
- Statement No. 93, Replacement of Interbank Offered Rates. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021 and all reporting periods thereafter.
- Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. A Public-Private and Public-Public Partnership (PPP) is an arrangement in which a government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Availability payment arrangements (APS) have also been used in practice to procure governmental services. This Statement establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- Statement No. 96, Subscription-Based Information Technology Arrangements. Subscription-Based Information Technology Arrangements (SBITAS) are arrangements that governments enter into vendor-provided information technology, software and associated tangible capital assets for subscription payments without granting governments perpetual license or title to the IT software and associated tangible capital assets. This Statement establishes accounting and financial reporting for SBITAS and the requirements for this Statement are effective for the fiscal year beginning after June 15, 2022, and all reporting periods thereafter.
- Implementation Guide No. 2019-3 Leases. The requirements of this Implementation Guide will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

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 is rated AA+f/S1 by Standard and Poor's Corporation (S&P).

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; supranationals; asset-backed securities, and money market mutual funds.

Deposits and investments are comprised of the following at June 30, 2021:

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Restricted Investments	Total
Governmental activities:					
General Fund	\$ 135,956	\$ 17,816	\$ 60,547	\$ 7,050	\$ 221,369
Housing Authority	18,248	54,683	2,918		75,849
Nonmajor governmental funds	31,855	95,523	86,554	30,805	244,737
Internal service funds	19,089	57,386			76,475
Total governmental activities	<u>205,148</u>	<u>225,408</u>	<u>150,019</u>	<u>37,855</u>	<u>618,430</u>
Business-type activities:					
Electric Utility	17,300	52,007	85,574	144,936	299,817
Water Utility	13,078	39,317	6,823	7,063	66,281
Sanitation Utility	12,081	36,321	16,887	9,070	74,359
Golf Courses	14				14
Convention, Sports & Entertainment Venues	9,871	29,677	8,740	7,109	55,397
ARTIC Management	25				25
Total business-type activities	<u>52,369</u>	<u>157,322</u>	<u>118,024</u>	<u>168,178</u>	<u>495,893</u>
Government- wide totals	<u>257,517</u>	<u>382,730</u>	<u>268,043</u>	<u>206,033</u>	<u>1,114,323</u>
Fiduciary funds			35,476	7,074	42,550
Total cash and investments	<u>\$ 257,517</u>	<u>\$ 382,730</u>	<u>\$ 303,519</u>	<u>\$ 213,107</u>	<u>\$ 1,156,873</u>

Deposits and investments are comprised of the following at June 30, 2021:

Deposits	\$ 5,673
Deposit in escrow	50,000
Investments and cash equivalents	<u>1,101,200</u>
Total deposits and investments	<u>\$ 1,156,873</u>

At June 30, 2021, deposits of \$5,673 with a corresponding bank balance of \$14,352, were maintained in various federally regulated financial institutions. The difference of \$8,679 represents deposits in transit, outstanding checks, and other reconciling items. Deposits with bank balances of \$881 are insured by the Federal Depository Insurance Corporation. For deposits with bank balances totaling \$13,471, 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. The \$50,000 deposit in escrow relates to the sale of the Angel Stadium of Anaheim (Stadium). Additional

information about the sale of the Stadium can be found in note 18 on page 107, and in note 19 on page 110 of the notes to the financial statements of this report.

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer	(S&P/ Moody's / Fitch)
U.S. Treasury obligations	5 Years	100%	None	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	365 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%	AAA
LAIF	N/A	\$75 million per account	\$75 million per account	None
Time Certificate of Deposit	1 year	20%	5%	None
Supranationals	5 Years	20%	10%	AA

*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, 2021, the following investments represent five percent or more of the City's total pooled investments.

Issuer	Investment Type	Fair Value	%
Federal Farm Credit Bank	U.S. agency securities	\$ 121,795	20%
U.S. Treasury obligations	Treasury securities	106,970	17%
LAIF	Local Agency Investment Fund	91,803	15%
Federal Home Loan Bank	U.S. agency securities	62,835	10%
Wells Fargo Government Institution	Money Market Mutual Funds	58,618	10%
Federal Home Loan Mortgage Corporation	U.S. agency securities	45,410	7%

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.

Authorized Investment Type	Maximum Maturity	Percentage Allowed	Investment in One Issuer
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

At June 30, 2021, the following investments represent five percent or more of the City's total investments controlled by bond trustees:

Issuer	Investment Type	Fair Value	%
First American Treasury Obligations	Money market mutual fund	\$224,243	46%
U.S. Treasury obligations	Treasury securities	92,956	19%
Dreyfus Treasury	Money market mutual fund	63,791	13%
Federal Farm Credit Bank	U.S. agency securities	29,443	6%
LAIF	Local Agency investment Fund	25,520	5%

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

Investment in the State of California Local Agency Investment Fund (LAIF):

The City is a voluntary participant in LAIF that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investment in LAIF is carried at fair value in the accompanying financial statement based on the pro-rata share of the fair value of each participating dollar as provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Regular LAIF accounts are subject to limitation of \$75 million cap and 15 transactions a month. Withdrawal can be made same day but LAIF requires one day advanced notice for withdrawal amount \$10 million or greater.

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, 2021.

City's investments (including investments held by bond trustees) to market interest rate fluctuations and the distribution of the City's investments by maturity at June 30, 2021:

Cash Equivalents & Investments

Cash equivalents & investments controlled by City Treasurer:

	Credit Rating (S&P/Moody's)	Fair Value 6/30/2021	12 months or less	13 to 24 Months	25 to 36 Months	37 to 60 Months
U.S. treasury obligations	N/A	\$ 106,970	\$ 30,082	\$ 45,530	\$ 10,574	\$ 20,784
U.S. agency securities	N/A	255,494	35,107	72,546	86,880	60,961
Medium term notes	AAA, Aaa	5,059	5,059			
Medium term notes	AA+, Aa1	15,575		15,575		
Medium term notes	AA+, Aaa	10,308			5,308	5,000
Medium term notes	AA, Aa2	5,189		5,189		
Medium term notes	AA-, A1	5,012	5,012			
Medium term notes	AA-, Aa3	19,063		8,318	10,745	
Medium term notes	A+, A1	5,058	5,058			
Medium term notes	A+, Aa2	9,068	9,068			
Medium term notes	A, A1	3,144				3,144
Medium term notes	A, A2	15,505	5,042			10,463
Medium term notes	A, A3	2,039	2,039			
Supranationals	AAA, Aaa	5,044	5,044			
Money market mutual funds	Unrated	60,766			60,766	
LAIF	Unrated	91,803	91,803			
Total cash equivalents & investments controlled by City Treasurer		<u>615,097</u>	<u>193,314</u>	<u>147,158</u>	<u>174,273</u>	<u>100,352</u>
Cash equivalents & investment controlled by bond trustees:						
U.S. treasury obligations	N/A	92,956	65,766	26,450	248	492
U.S. agency securities	N/A	42,046	11,857	19,041	11,148	
Guaranteed investment agreements	Unrated	760			760	
Flexible repurchase agreements	Unrated	27,974				27,974
Money market mutual funds	Unrated	296,847	296,847			
LAIF	Unrated	25,520	25,520			
Total cash equivalents & investments controlled by bond trustees		<u>486,103</u>	<u>399,990</u>	<u>45,491</u>	<u>12,156</u>	<u>28,466</u>
Total cash equivalents & Investments		<u>\$ 1,101,200</u>	<u>\$ 593,304</u>	<u>\$ 192,649</u>	<u>\$ 186,429</u>	<u>\$ 128,818</u>

Fair Value Measurement:

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices.

However, in certain instances, there are no quoted market prices for the City's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The City groups its assets and liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities for identical assets or liabilities that the City has the ability to access at the measurement date.
- Level 2 of the fair value hierarchy are valued using a matrix pricing technique utilizing market data including, but not limited to benchmark yields, reported trades, and broker-dealer quotes. Matrix pricing is the process of estimating the market price of a bond based on the quoted prices of more frequently traded comparable bonds.
- Level 3 inputs are unobservable inputs for the asset or liability. This valuation is accomplished using management's best estimate of fair value, with inputs into the determination of fair value that require significant management judgment or estimation. The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The City has the following recurring measurements as of June 30, 2021:

	6/30/2021	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Not Required to be leveled
Investment by fair value level				
Debt securities:				
U.S. Treasury Obligations	\$ 199,926	\$ 199,926		
U.S. Agency Securities	297,540		\$ 297,540	
Commercial Paper	5,044		5,044	
Medium Term Corporate Notes	95,020		95,020	
LAIF	117,323			\$ 117,323
Total investment measured at fair value	<u>714,853</u>	<u>\$ 199,926</u>	<u>\$ 397,604</u>	<u>\$ 117,323</u>
Investments measured at cost-based:				
Guaranteed investment contracts	760			
Flexible repurchase agreements	27,974			
Money Market Mutual Funds	357,613			
Total investment measured at cost-based	<u>386,347</u>			
Total pooled and bond trustee investments	<u>\$1,101,200</u>			

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, 2021, are as follows:

	Accounts Receivable	Less Allowance for Uncollectible	Total
Governmental activities:			
General Fund	\$ 20,455	\$ (3,952)	\$ 16,503
Housing Authority	221	(153)	68
Nonmajor governmental funds	1,377	(14)	1,363
Internal service funds	4,477	(40)	4,437
Total governmental activities	<u>26,530</u>	<u>(4,159)</u>	<u>22,371</u>
Business-type activities:			
Electric Utility	59,665	(7,892)	51,773
Water Utility	9,214	(1,292)	7,922
Sanitation Utility	10,907	(1,840)	9,067
Golf Courses	80		80
Convention, Sports & Entertainment Venues	<u>801</u>	<u>(95)</u>	<u>706</u>
Total business-type activities	<u>80,667</u>	<u>(11,119)</u>	<u>69,548</u>
Total accounts receivable, net	<u>\$ 107,197</u>	<u>\$ (15,278)</u>	<u>\$ 91,919</u>

Account receivable balances in Electric, Water and Sanitation Utility reflect significant increases in estimated allowance for uncollectible. The extended COVID-19 pandemic had caused financial hardship for certain customers to pay for services.

Due from other governments

Due from other governments for the City’s governmental activities at June 30, 2021, are as follows:

	Taxes	Grants	Other	Total
Governmental activities:				
General Fund	\$ 18,068	\$ 1,034	\$ 652	\$ 19,754
Housing Authority		1,314		1,314
Nonmajor governmental funds		<u>22,456</u>		<u>22,456</u>
Total due from other governments	<u>\$ 18,068</u>	<u>\$ 24,804</u>	<u>\$ 652</u>	<u>\$ 43,524</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	\$ 728
Electric Utility	5,054
Water Utility	769
Sanitation Utility	1,363
Convention, Sports & Entertainment Venues	<u>20</u>
Total	<u>\$ 7,934</u>

Due from the Successor Agency

At June 30, 2021, the amount due from the Successor Agency is \$6,261. Due to the extended period of time over which the receivables for the HUD loan agreements are to be collected, the City has recorded expenditures at the time the loans were provided and deferred inflows of resources equal to the amount due in the nonmajor special revenues funds (\$3,649) and the nonmajor capital project fund (\$2,612).

- 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, 2021, the amount due is \$2,612.
- 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, 2021, the amount due is \$3,649.

Interfund receivable and payable balances

Net internal balances between governmental activities and business-type activities of \$17,455 are included in the government-wide financial statements at June 30, 2021.

Interfund receivables and payables that are included in the fund financial statements at June 30, 2021, are as follows:

	Interfund Receivable:					Total
	General Fund	Housing Authority	Nonmajor governmental funds	Internal service funds	Electric Utility	
Interfund Payable:						
Governmental Funds:						
General Fund		\$ 7,426		\$ 33,053	\$ 490	\$ 40,969
Nonmajor governmental funds	\$ 3,442	1,598	\$ 10,224			15,264
Enterprise Funds:						
Water Utility					1,376	1,376
Golf Courses	706					706
Internal Service Funds	310				86	396
Total	\$ 4,458	\$ 9,024	\$ 10,224	\$ 33,053	\$ 1,952	\$ 58,711

All interfund balances at June 30, 2021 are generally short-term loans to relieve temporary cash deficits in various funds, except the following interfund balances that are expected to be repaid in more than one year:

General Fund

In 2020, \$33 million interfund loan was made between the General Fund and the General Benefits and Insurance Fund, an Internal Service Fund of the City, to provide cash relief due to general tax revenue shortfall resulting from the COVID-19 pandemic and the California Stay-At-Home order. The fund will be repaid over ten years at the City of Anaheim Treasury Investment Portfolio earning rate.

Electric Utility

- In 2015, the Public Utility Customer Service Information System Project was completed and placed in service. The Electric Utility paid for the total cost of the project. The Water Utility portion of the total cost is \$3,484, payable in annual amounts of not less than \$344 beginning July 2016 until July 2024. The outstanding balance at June 30, 2021 is \$1,376.
- The Public Utility, Public Works and Community Services Departments entered in various Memorandum of Understanding (MOU) whereby the Public Utility agreed to provide low-interest financial assistance to fund project costs in implementing resource efficiency measures in various City facilities, City Parks and City libraries. The funds will be repaid over five years.
 1. In October 2016, \$309 was provided to fund the costs of the security light and photocell replacement resource efficiency

upgrading projects in various City parks. Interest rate is 0.65% per annum. Monthly principal and interest payment is \$5 payable from unrestricted general fund resources. At June 30, 2021, the balance is \$115.

2. In November 2016, \$231 was provided to fund the costs of the general office lighting and parking garage structure resource efficiency upgrading projects. Interest rate is 0.65% per annum. Monthly principal and interest payment is \$4 payable from unrestricted resources of the Municipal Facility Maintenance internal service fund. At June 30, 2021, the balance is \$86.
3. In February 2019, \$295 was provided for the security lighting upgrade projects in various City parks. The interest rate is 2.11% per annum, principal and interest payment is \$5 payable from unrestricted general fund resources. At June 30, 2021, the balance is \$169.
4. In August 2019, \$296 was provided for the replacing, upgrading, retrofitting, and construction project materials, contract labor, and design services in various City-owned libraries. Interest rate is 2.35% per annum. Monthly principal and interest payment is \$5 payable from unrestricted general fund resources. At June 30, 2021, the balance is \$206.

Housing Authority

- In February 2018, the City and the Anaheim Housing Authority (Authority) entered into a Cooperation Agreement whereby the City and Housing Authority exchanged real property for the purpose of developing affordable housing. The market value of the Housing Authority property exceeded that of the City property by \$2,150; hence, the City agreed to provide \$2,150 in future Park Fee Credits to the Housing Authority for the benefit of affordable housing development. At June 30, 2021, the park fee credit due to the Housing Authority is \$1,598 from the Community Services Facilities nonmajor special revenue fund.
- On July 30, 2019, the Authority purchased 1213 & 1227 South Claudina Street ("Properties") from B&AINV 1 & 2 LLC at a purchase price of \$7,250. The Authority wishes to exchange the Properties for property owned by the City (yet to be determined) of equal value and suitable for low and moderate income housing purposes. Concurrently, the City entered into a Purchase & Sale Agreement dated July 30, 2019 with ATN Asset Holding Co. LLC (ATN) for the sale of Properties for \$7,405 secured by a note and deed of trust for the entire amount. To facilitate the sale, the Properties were transferred from the Authority to the City. The City and the

Authority entered into an Agreement and Escrow Instructions for Delayed Exchange of Real Property for a replacement property, yet to be determined. Interfund due from and to in the amount of

\$7,426 were reported in the Housing Authority and General Fund respectively with the General Fund reported a note receivable from ATN in the amount of \$7,405.

Certain interfund transactions

The following interfund transfers are reflected in the fund financial statements at June 30, 2021:

	Transfer In:							Total
	General Fund	Nonmajor governmental funds	Internal Service Funds	Electric Utility	Water Utility	Enterprise Funds Convention, Sports & Entertainment Venues	ARTIC Management	
Transfer Out:								
General Fund		\$ 13,144	\$ 6,408		\$ 600	\$ 19,858		\$ 40,010
Nonmajor governmental funds	\$ 46	753					\$ 3,500	4,299
Electric Utility	22,197							22,197
Water Utility	1,274	1,591		\$ 179				3,044
Sanitation Utility	2,983	153						3,136
Total	<u>\$ 26,500</u>	<u>\$ 15,641</u>	<u>\$ 6,408</u>	<u>\$ 179</u>	<u>\$ 600</u>	<u>\$ 19,858</u>	<u>\$ 3,500</u>	<u>\$ 72,686</u>

The net transfers between governmental funds and proprietary funds is \$2,168 which are primarily comprised of operational subsidies from enterprise funds to the General Fund and are offset by debt service subsidies to the ARTIC Management and Convention, Sports & Entertainment Venues Funds.

The City made the following major transfers during fiscal year ended June 30, 2021:

- Transfer of \$10,356 represents Lease Payment Measurement Revenues (LPMR) from the General Fund to the Anaheim Resort Improvements Debt Service Fund, which is held by the Trustee, see discussion on Note 9 of the notes to the financial statements on page 82 of this report.
- Transfer of \$19,858 from the General Fund to the Convention, Sports & Entertainment Venues Enterprise Fund for debt service (\$12,627); to subsidize for revenue shortfall during the pandemic closure (\$6,500); and for COVID-19 related expenses (\$732).
- Transfer of \$845 from the General Fund to the Municipal Facilities nonmajor Debt Service Fund for debt services.
- Transfer of \$5,908 to the General Benefits and Insurance Internal Service Fund to provide resources for COVID-19 related expenses.

- Transfer of \$500 from the General Fund to the Information and Communication Services Internal Service Fund for COVID-19 related communication equipment purchases.
- Transfer of \$1,591 from Water Utility Enterprise Fund to Development Impact Projects, nonmajor Capital Project Fund. In January 2021, the Anaheim Fire Department (Fire) and the Anaheim Public Utilities Department (APU) entered into a Memorandum of Understanding in which Fire granted and conveyed its entire undivided 33.1% share of the Santa Cruz property to APU at the fair market value of \$2,222. \$1,591 represents an amount in excess of the capital asset book value transferred (\$631).
- Transfer of \$1,134 from the General Fund to the Other Capital Improvements nonmajor Capital Project Fund for Public Safety 800 Megahertz (MHz) communication debt service (\$803); and various neighborhood capital improvement projects (\$250).
- Transfer of \$366 from the General Fund to Workforce Development nonmajor Special Revenue Fund to provide resources for expenditures in excess of grant award.
- Transfer of \$600 from the General Fund to the Water Utility Enterprise Fund per the result of Measure N in the November 2014 election.
- Transfer of \$3,500 from the Gas Tax nonmajor Special Revenue Fund to the ARTIC Management Enterprise Fund for debt services

on the ARTIC land acquisition loan as discussed on Note 9 of the notes to the financial statements on page 87 of this report.

- Transfers of \$16,667 from the Electric Utility Enterprise Fund and \$2,983 from the Sanitation Utility Enterprise Fund to the General Fund. As defined by City Charter, the transfer is equal to the maximum of 4% of total operating revenues of the current fiscal year.
- Transfer of \$5,530 from the Electric Utility Enterprise Fund and \$1,274 from the Water Utility Enterprise Fund to the General Fund. The amount represents the City Council approved transfer of 1.5% retail electric revenue and net water revenue of the prior fiscal year.

The net transfer of \$4,270 from the business-type activities to governmental activities in the government-wide Statement of Activities consisted of a \$30 transfer of capital assets from the Sanitation Utility business-type activities to the governmental activities and the net transfers described above.

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: ECONOMIC ASSISTANCE AGREEMENTS - TAX ABATEMENTS (as defined by GASB Statement No. 77)

As of June 30, 2021, the City has three active Economic Assistance Agreements (Agreements) to developers. These Agreements related to constructions of Hotels and retail spaces (Projects) within the City

of Anaheim. There has been analysis of the feasibility gap between the costs of developing and operating the Projects and the costs that the Projects can finance and viably support. The feasibility gap for the Projects is the economic assistance that the City has committed to partially provide and is capped at \$109,634, per the Agreements. As of June 30, 2021, the City has made payments totaling \$13,833.

The economic assistance that the City provides under these three Agreements are in the form of tax abatements - rebates of transient occupancy taxes (TOT) and sales tax that these Projects generated and the City receives. These tax abatements are reported as reductions to tax revenues in the General Fund. During fiscal year 2021, the City paid \$507 for TOT abatements and \$62 for sales tax abatement.

In addition, the City entered into several economic assistance agreements to provide assistance to partially fill the feasibility gap of the four-diamond hotel developments within the City. Provision of economic assistance is contingent upon completion of construction of the hotels, the commencement of and continued operations as a four-diamond quality hotel, and the generation of and payment to the City of TOT. The contemplated hotels have yet to be built, and therefore cannot operate, generate nor pay TOT, and as such no economic assistance is required by the City at this time. Once the hotels are constructed and operated at the required quality level, the City will use an amount equal to 70% of the TOT generated and paid to the City to fund the corresponding economic assistance. All Agreements have term of twenty years and are capped with maximum amount of economic assistance payments.

NOTE 6 - CAPITAL ASSETS

Capital asset activities for the year ended June 30, 2021, were as follows:

	Beginning Balance	Additions	Transfer In (Out)	Deletions	Ending Balance
Governmental activities:					
Nondepreciable assets:					
Land	\$ 674,159	\$ 6,610	\$ 13,128	\$ (640)	\$ 693,257
Construction in progress	68,958	30,063	(56,424)	(757)	41,840
Total	<u>743,117</u>	<u>36,673</u>	<u>(43,296)</u>	<u>(1,397)</u>	<u>735,097</u>
Depreciable assets:					
Buildings, structures and improvements	410,252	5,905	12,361		428,518
Machinery and equipment	144,309	5,403	3,592	(6,125)	147,179
Infrastructure	925,184	2,525	27,373	(342)	954,740
Total	<u>1,479,745</u>	<u>13,833</u>	<u>43,326</u>	<u>(6,467)</u>	<u>1,530,437</u>
Total assets	<u>2,222,862</u>	<u>50,506</u>	<u>30</u>	<u>(7,864)</u>	<u>2,265,534</u>
Less accumulated depreciation for:					
Buildings, structures and improvements	(189,929)	(14,884)			(204,813)
Machinery and equipment	(95,926)	(8,716)		6,100	(98,542)
Infrastructure	(480,166)	(20,050)		337	(499,879)
Total accumulated depreciation	<u>(766,021)</u>	<u>(43,650)</u>		<u>6,437</u>	<u>(803,234)</u>
Total governmental activities capital assets, net	<u>\$ 1,456,841</u>	<u>\$ 6,856</u>	<u>\$ 30</u>	<u>\$ (1,427)</u>	<u>\$ 1,462,300</u>
Business-type activities:					
Nondepreciable assets:					
Land	\$ 92,700	\$ 631			\$ 93,331
Construction in progress	263,165	88,165	(150,625)	(3,180)	197,525
Total	<u>355,865</u>	<u>88,796</u>	<u>(150,625)</u>	<u>(3,180)</u>	<u>290,856</u>
Depreciable assets:					
Buildings, structures and improvements	1,031,471	1,513	1,381	(117)	1,034,248
Utility plant	1,869,247	5,493	149,208	(8,235)	2,015,713
Machinery and equipment	52,390	1,696	6	(1,252)	52,840
Total	<u>2,953,108</u>	<u>8,702</u>	<u>150,595</u>	<u>(9,604)</u>	<u>3,102,801</u>
Total assets	<u>3,308,973</u>	<u>97,498</u>	<u>(30)</u>	<u>(12,784)</u>	<u>3,393,657</u>
Less accumulated depreciation for:					
Buildings, structures and improvements	(338,309)	(20,994)		115	(359,188)
Utility plant	(781,821)	(58,142)		8,235	(831,728)
Machinery and equipment	(27,888)	(4,150)		1,183	(30,855)
Total accumulated depreciation	<u>(1,148,018)</u>	<u>(83,286)</u>		<u>9,533</u>	<u>(1,221,771)</u>
Total business-type activities capital assets, net	<u>\$ 2,160,955</u>	<u>\$ 14,212</u>	<u>\$ (30)</u>	<u>\$ (3,251)</u>	<u>\$ 2,171,886</u>

Depreciation expense was charged to functions/programs of the City during fiscal year 2021 as follows:

Governmental activities:	
General government	\$ 124
Police	2,000
Fire	1,901
Community and Economic Development	2,127
Planning	48
Public Works	20,915
Community Services	5,471
Convention, Sports and Entertainment	5,586
Capital assets held by the City's internal service funds are charged	
to the various functions based on their usage of the assets	5,478
Total depreciation expense - governmental activities	<u>\$ 43,650</u>
Business-type activities:	
Electric Utility	\$ 45,906
Water Utility	12,236
Sanitation Utility	3,077
Golf Courses	581
Convention, Sports & Entertainment Venues	19,168
ARTIC Management	2,318
Total depreciation expense - business-type activities	<u>\$ 83,286</u>

Capital leases

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

	Governmental Activities	Business-type Activities
Machinery and equipment	\$ 4,980	\$ 328
Less accumulated amortization	<u>(2,627)</u>	<u>(129)</u>
Capital leased assets, net	<u>\$ 2,353</u>	<u>\$ 199</u>

Operating leases

Housing Authority

At June 30, 2021, the Housing Authority earned revenues as the lessor of land, carried at cost of \$76,920 in the government-wide financial statements, under thirteen 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 2060 to 2080. The total base rent to be collected over the terms of the leases are \$91,017 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, 2021, the Housing Authority has recorded lease receivables due from developers related to these transactions of \$5,793, net of allowances of \$16,006 for uncollectible accounts in the government-wide financial statements. In the governmental fund financial statements, this amount is included in the \$46,455 notes receivable balance of the Housing Authority.

NOTE 7 – SELF INSURANCE:

The Insurance Fund (a function of 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. Revenues of the 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. In addition, the Insurance Fund receives interest income from reserves.

At June 30, 2021, the City was funded at an actuarially acceptable level for self-funded retention for workers' compensation and general liability claim exposures (with retention levels of \$2,000 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 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 2.25% and consider the effects of inflation, multi-year

loss development trends, and other economic and social factors. It is the practice of the City to obtain full annual actuarial studies annually for its retained levels for general liability and workers' compensation exposures. "Premiums" are charged by the Insurance Fund using allocation methods that include actual costs, trends in claims experience and applicable exposure bases.

Changes in claims liability of the General Benefits and Insurance Fund related to the governmental funds that are reported in the governmental activities in the government-wide Statement of Net Position in fiscal years 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Claims liability at beginning of year	\$ 58,548	\$ 53,247
Current year claims and changes in estimates	16,459	19,223
Claims payments	<u>(15,888)</u>	<u>(13,922)</u>
Claims liability at end of year	<u>\$ 59,119</u>	<u>\$ 58,548</u>

Above the retained limit of \$2,000 per occurrence for workers' compensation losses, the City purchases excess coverage, utilizing both commercial insurance and an intergovernmental risk pooling program (PRISM), 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 \$55,000 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 from the run-out periods from prior years in the ACCEL retained layer 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. As of June 30, 2021, ACCEL's cash and investments totaled \$50,889. 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 – REVOLVING LINE OF CREDIT

On January 1, 2021, the Public Utility Department renewed the Revolving Credit Agreement (Agreement) with Wells Fargo Bank, National Association for a maximum 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 was renewed with the same three year term with a maturity date of December 31, 2023, at variable interest rates and a spread. The annual commitment fee is 0.30% of the total note amount of \$100,000.

The purpose of the Agreement is to provide temporary financing for the costs of acquisition and construction to capital improvements of the Utility's electric and water systems. There was no draw from the Agreement during fiscal year 2021.

NOTE 9 – LONG-TERM DEBTS:

The following is a summary of changes in long-term debts reported in the government-wide financial statements for the year ended June 30, 2021:

	Beginning Balance	Additions/ Proceeds	Refunded	Reductions/ Payments	Ending Balance	Dune Within One Year
Governmental activities:						
Bonds payable:						
City lease revenue	\$ 303,957	\$ 138,755		\$ (14,469)	\$ 428,243	\$ 15,067
Accretion	224,977	17,773		(16,876)	225,874	18,063
Unamortized bond discount/premium, net	33,071			(3,031)	30,040	
Total	562,005	156,528		(34,376)	684,157	33,130
Notes and loans payable from direct borrowing:						
City	18,544	799		(2,940)	16,403	2,983
Internal Service Funds	1,137			(1,074)	63	11
Total	19,681	799		(4,014)	16,466	2,994
Governmental activities total	581,686	157,327		(38,390)	700,623	36,124
Business-type activities:						
Bonds payable:						
Electric Utility	674,435			(29,010)	645,425	33,065
Water Utility	191,720			(4,970)	186,750	5,375
Sanitation	43,455			(1,230)	42,225	1,295
Convention, Sports & Entertainment Venues	212,566			(2,400)	210,166	3,890
Unamortized bond discount/premium, net	98,621			(10,179)	88,442	
Total	1,220,797			(47,789)	1,173,008	43,625
Notes and loans payable from direct borrowing:						
Electric Utility	211			(31)	180	31
Sanitation Utility	137			(20)	117	21
Convention, Sports and Entertainment Venues	18			(2)	16	2
ARTIC Management	9,500			(3,500)	6,000	4,000
Total	9,866			(3,553)	6,313	4,054
Interest payable						
ARTIC Management	3,516	153			3,669	
Total	3,516	153			3,669	
Business-type activities total	1,234,179	153		(51,342)	1,182,990	47,679
Government-wide total	\$ 1,815,865	\$ 157,480		\$ (89,732)	\$ 1,883,613	\$ 83,803

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

	Standard & Poor's	Fitch Ratings	Moody's
1997 A Lease Revenue Bonds	AA	A-	A2
1997 C Lease Revenue Bonds	AA	Unrated	A2
2014 Lease Revenue Bonds	A-	A	Unrated
2019 Senior Lease Revenue Bonds	A-	A-	A2
2021 A Lease Revenue Bonds	AA	Unrated	A2
Electric Revenue Bonds	AA-	AA-	Unrated
Water Revenue Bonds	AA-	AA+	Unrated
Sewer Revenue Bonds	AA+	Unrated	Unrated

GOVERNMENTAL ACTIVITIES:

BONDS PAYABLE

At June 30, 2021, bonds payable consisted of the followings:

	Date Issued	Final Maturity	Range of Interest Rates at Issue Date	Authorized and Issued	Outstanding 6/30/2021
1997 Anaheim Lease Revenue Bonds	02/01/1997	3/1/2037	4.5%-6.0%	\$ 510,427	\$ 105,009
Accretion					225,874
2014 Anaheim Lease Revenue Bonds	11/14/2014	5/1/2046	0.4%-5.0%	27,954	21,754
2019 A Anaheim Senior Lease Revenue Refunding Bonds	04/30/2019	9/1/2036	5%	169,065	162,725
2021A Lease Revenue Bonds					
(Working Capital Financing)	6/22/2021	7/1/2051	0.632%-3.121%	138,755	138,755
Total					654,117
Unamortized bond premium/discounts, net					30,040
Total governmental activities bonds				\$ 846,201	\$ 684,157

The bond indentures of the respective bond issue contain provisions of 1) in the event of default, the entire outstanding principal shall become due and payable; 2) requirement of maintaining fund reserve of maximum annual debt service or a Bond Debt Reserve Insurance Policy equal to the debt service reserve requirement.

Bonds Payable - City

Lease payment measurement revenues (LPMR)

In February 1997, the Anaheim Public Financing Authority sold \$510,427 of lease revenue bonds to finance the construction of 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. In April 2019, the Authority sold \$175,565 of Senior Lease Revenue Refunding Bonds to defease the \$209,065 outstanding balance of the 2007 A1 and A2 bonds. On January 13, 2020, the Authority transferred \$58,600 from the LPMR Special Reserve Fund to the escrow bank to defease a portion of the outstanding lease revenue Capital Appreciation Bonds 1997 series C with the maturity value at defeasance of \$84,270 maturing on September 1, 2035, September 1, 2036 and March 1, 2037.

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) measured by portions of the three largest revenue sources (TOT, sales tax, and property tax). Lease payments made by the City under the lease agreement are equal to LPMR, which in general means the sum of an amount equal to the following will be transferred in the a debt service fund:

- 1) 3% of the 15% TOT rate (i.e. 20% of the total TOT revenue) for all hotel properties in the City, excluding certain Disney properties constructed prior to 2009;
- 2) 100% of the TOT revenues from certain Disney properties constructed prior to 2009 over the 1995 base (adjusted annually by the change in CPI) with a minimum of 2% increase;
- 3) 100% of sales tax revenues from certain Disney properties over the 1995 base (adjusted annually by the change in CPI) with a minimum 2% increase;
- 4) 100% property tax revenues from certain Disney properties in excess of the 1995 base property tax amount, adjusted annually by 2%.

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, 2021, \$4,243 was remitted to the trustee.

Debt service requirements to maturity for the 1997 Anaheim Lease Revenue Bonds and the 2019 Anaheim Lease Revenue Refunding Bonds to be paid by the Anaheim Resort Improvements Debt Service Fund from future LPMR are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2022	\$ 15,027	\$ 27,948	\$ 42,975
2023	15,693	28,536	44,229
2024	16,361	29,161	45,522
2025	17,089	29,759	46,848
2026	17,800	30,376	48,176
2027-2031	83,920	163,310	247,230
2032-2036	72,579	168,901	241,480
2037	29,265	732	29,997
Total	267,734	478,723	746,457
Unamortized bond premiums	28,784		28,784
Total bonds	\$ 296,518	\$ 478,723	\$ 775,241

Included in interest is \$225,874 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:

Fiscal Year Ending 6/30	Principal	Interest	Total
2022	\$ 40	\$ 1,088	\$ 1,128
2023	488	1,086	1,574
2024	512	1,061	1,573
2025	538	1,036	1,574
2026	565	1,009	1,574
2027-2031	3,277	4,591	7,868
2032-2036	4,182	3,685	7,867
2037-2041	5,338	2,530	7,868
2042-2046	6,814	1,055	7,869
Total	21,754	17,141	38,895
Unamortized bond premium	1,256		1,256
Total Bonds	\$ 23,010	\$ 17,141	\$ 40,151

Lease Revenue Bonds - Working Capital Financing

On June 10, 2021, the Anaheim Public Financing Authority sold \$138,755 of Lease Revenue Bonds (Working Capital Financing), Series 2021 A, at par. Proceeds of the bonds provide financing for projected cash flow deficits attributable to significant declines in General Fund revenues for fiscal year 2020-2021 through 2023-2024 impacted by the COVID-19 pandemic. The bonds will be repaid from unrestricted general fund revenues.

The City also purchased a Surety Policy and a Reserve Policy in satisfaction of the bond reserve requirements. The Reserve requirement, as of the date of any calculation, an amount equal to the least of 1) 10% of the proceeds of the issue, 2) the maximum Annual Debt Service on the

outstanding bonds, and 3) 125% of the average Annual Debt Service on the Outstanding Bonds.

Debt service requirements to maturity for the 2021 Anaheim Lease Revenue Bonds to be paid from the capitalized interest funds for the first three years and from unrestricted general fund revenues thereafter are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2022		\$ 1,919	\$ 1,919
2023		3,656	3,656
2024		3,656	3,656
2025	\$ 3,650	3,644	7,294
2026	3,675	3,615	7,290
2027-2031	19,100	17,293	36,393
2032-2036	21,085	15,226	36,311
2037-2041	23,990	12,246	36,236
2042-2046	27,780	8,378	36,158
2047-2051	32,380	3,696	36,076
2052	7,095	111	7,206
Total	\$ 138,755	\$ 73,440	\$ 212,195

NOTES AND LOANS PAYABLE

Notes and loan payable from direct borrowing contain provision that in the event of default, the entire outstanding principal amount are due and payable. Additionally, the City had pledged certain real properties, park land, and a portion of its annual Community Development Block Grants entitlement as securities interest for the HUD Section 108 guaranteed loans. At June 30, 2021, notes and loans payable are as follows:

Notes and Loans Payable – City

HUD 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 the receipts of the Successor Agency receivable. The outstanding balance at June 30, 2021 was \$2,612. 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:

Fiscal Year Ending 6/30	Principal	Interest	Total
2022	\$ 907	\$ 127	\$ 1,034
2023	975	72	1,047
2024	730	22	752
Total notes and loans	\$ 2,612	\$ 221	\$ 2,833

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, 2021, was \$8,110. 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:

Fiscal Year Ending 6/30	Principal	Interest	Total
2022	\$ 755	\$ 321	\$ 1,076
2023	780	292	1,072
2024	805	261	1,066
2025	835	229	1,064
2026	865	194	1,059
2027-2031	4,070	392	4,462
Total notes and loans	\$ 8,110	\$ 1,689	\$ 9,799

Ambulance loan payable

In January 2021, the City entered into an agreement with Banc of American Public Capital Corp to finance the acquisition of five (5) ambulances to support the Fire & Rescue Department’s in-house Emergency Medical Transportation program (Program). The amount of the loan totaled \$799 and bears interest at 1.69% per annum for a term of 7 years. Principal and interest payments of \$122 are due annually beginning on January 15, 2022, until January 15, 2028 and are payable from the unrestricted emergency medical transportation program revenues. The outstanding balance at June 30, 2021 was \$799. Loan debt service requirements to maturity are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2022	\$ 108	\$ 14	\$ 122
2023	110	12	122
2024	112	10	122
2025	114	8	122
2026	116	6	122
2027-2028	239	5	244
	\$ 799	\$ 55	\$ 854

800 Megahertz Communication Equipment

On November 30, 2015, the City entered into a Master Equipment Lease/Purchase Agreement (Agreement) with Banc of America Public Capital Corp., to finance the acquisitions and replacement of the City portion of the 800 Megahertz (MHz) Countywide Coordinated Communications System (CCCS). The CCCS project includes a plan for replacement of

three main components: Backbone Equipment, Subscriber Equipment, and Dispatch Consoles.

On November 30, 2015, the Agreement provided \$1,100 financing for acquisition of a portion of the mobile radio equipment payable over 10 years and bears interest of 1.98% per annum, Principal and interest payments of \$61 are due semi-annually beginning on May 30, 2016, until November 30, 2025. The outstanding balance at June 30, 2021 was \$522.

On November 30, 2016, the Agreement provided \$6,840 financing for acquisition of the remaining radio equipment payable over 10 years and bears interest of 1.87% per annum. Principal and interest of \$377 are due semi-annually beginning on May 30, 2017, until November 30, 2026. Amount of this financing allocated to the governmental activities totaled \$6,235. The outstanding balance at June 30, 2021 was \$4,126.

Loan debt service requirements to maturity are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2022	\$ 741	\$ 74	\$ 815
2023	754	61	815
2024	768	47	815
2025	783	32	815
2026	737	17	754
2027	343	3	346
Total notes and loans	\$ 4,126	\$ 234	\$ 4,360

Community Learning Center property acquisition loan payable

On September 1, 2017, the City entered into an Agreement with Los Altos V. LP (Seller) for the purchase and sale of the former Northgate Market site located at 718-744 N. Anaheim Boulevard for the development of a Community Learning Center. The purchase price of the property is \$4,750 of which \$2,500 was paid in cash from resources of the Community Development Block Grant with the balance of \$2,250 will be payable to Seller over five years at an annual interest rate of 5%. Principal and interest of \$43 are due on the first of each month commencing on March 1, 2018 until February 1, 2023. The annual loan payment will be funded from the restricted resources of the Community Development Block Grant yearly entitlement. The outstanding balance of the loan at June 30, 2021 was \$819. Total debt service to maturity are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2022	\$ 483	\$ 33	\$ 516
2023	336	7	343
Total notes and loans	\$ 819	\$ 40	\$ 859

BUSINESS-TYPE ACTIVITIES:**BONDS PAYABLE**

At June 30, 2021, bonds payable consisted of the following:

	Date Issued	Maturity	Range of Interest Rates at Issue Date	Authorized and Issued	Outstanding 6/30/2021
Electric Utility					
2012 Revenue Bonds	9/19/2012	10/1/2031	3.125%-5%	92,130	\$ 62,990
2014 Revenue Bonds	10/8/2014	10/1/2035	2.0%-5.0%	109,350	56,070
2015B Revenue Bonds	7/21/2015	10/1/2035	3.0%-5.0%	92,865	67,735
2016A Revenue Bonds	10/19/2016	10/1/2041	3.0%-5.0%	219,285	835
2017A Revenue Refunding Bonds	12/21/2017	10/1/2028	1.57%-2.21%	42,955	42,955
2017B Revenue Refunding Bonds	12/21/2017	10/1/2036	1.14%-2.50%	194,790	194,330
2020A Revenue Bonds	3/4/2020	10/1/2050	5%	59,215	59,215
2020B Revenue Refunding Bonds	3/4/2020	10/1/2034	1.597%-2.992%	121,795	118,955
2020C Revenue Refunding Bonds	3/4/2020	10/1/2045	5%	42,340	42,340
Total					645,425
Unamortized bond premiums/discounts, net					54,182
Total Electric Utility					699,607
Water Utility					
2010 Revenue Bonds	10/28/2010	10/1/2040	2.0%-4.75%	34,525	30,505
2015 Revenue Bonds	4/21/2015	10/1/2045	2.0%-5.0%	95,885	86,040
2016-A Revenue Bonds	10/19/2016	10/1/2046	2.0%-5.0%	35,225	920
2020A Revenue Bonds	3/4/2020	10/1/2049	5%	38,000	37,575
2020B Revenue Refunding Bonds	3/4/2020	10/1/2038	1.567%-3.033%	32,445	31,710
Total					186,750
Unamortized bond premiums/discounts, net					15,279
Total Water Utility					202,029
Sanitation Utility					
2018 Revenue Bonds	1/25/2018	2/1/2048	5%	45,705	42,225
Unamortized bond premium					6,966
Total Sanitation Utility					49,191
Convention, Sports and Entertainment Venues					
2014 Lease Revenue Bonds	11/14/2014	5/1/2046	0.4%-5.0%	230,971	210,166
Total					210,166
Unamortized bond premiums/discounts, net					12,015
Total Convention, Sports and Entertainment Venues					222,181
Total business-type activities bonds				\$ 1,487,481	\$ 1,173,008

Bonds Payable - Electric Utility

The City's Electric Utility has pledged future electric revenues, net of certain costs, to repay a total of \$916,393 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 2051. At June 30, 2021, the annual principal and interest payments on the bonds, were 49.0% of net revenues. Principal and interest paid for the current fiscal year and total net revenues were \$58,765 and \$120,857 respectively.

The bond indentures of the respective Electric Revenue Bonds contain provisions of 1) in the event of default, the entire outstanding principal shall become due and payable; 2) requirement of a fund reserve for the maximum annual debt service; 3) requirement of a fund reserve for renewals and replacements in an amount equal to a maximum of 2% of depreciated book value of the Electric Utility plant in service; and 4) requirement of a minimum debt service coverage ratio of 1.25.

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
2022	\$ 33,065	\$ 27,775	\$ 60,840
2023	34,345	26,209	60,554
2024	35,955	24,580	60,535
2025	37,620	22,869	60,489
2026	39,390	21,093	60,483
2027-2031	198,595	80,214	278,809
2032-2036	174,750	39,857	214,607
2037-2041	38,680	17,296	55,976
2042-2046	36,160	8,883	45,043
2047-2051	16,865	2,192	19,057
Total	645,425	270,968	916,393
Unamortized bond premiums/discounts, net	54,182		54,182
Total bonds	\$ 699,607	\$ 270,968	\$ 970,575

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 \$299,780 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 2047. At June 30, 2021, the annual principal and interest payments on the bonds were 71.4% of net revenues. Principal and interest paid for the current fiscal year and total net revenues were \$13,481 and \$18,886 respectively.

The bond indentures of the respective Water Revenue Bonds contain provisions of 1) in the event of default, the entire outstanding principal shall become due and payable; 2) requirement of a fund reserve for renewals and replacements in an amount equal to a maximum of 2% of depreciated book value of the Water Utility plant in service; and 3) requirement of a minimum debt service coverage ratio of 1.0.

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2022	\$ 5,375	\$ 8,101	\$ 13,476
2023	5,585	7,882	13,467
2024	5,790	7,669	13,459
2025	6,000	7,444	13,444
2026	6,235	7,192	13,427
2027-2031	35,300	31,600	66,900
2032-2036	43,005	23,408	66,413
2037-2041	48,525	13,638	62,163
2042-2046	22,035	5,178	27,213
2047-2050	8,900	918	9,818
Total	186,750	113,030	299,780
Unamortized bond premiums/discount, net	15,279		15,279
Total bonds	\$ 202,029	\$ 113,030	\$ 315,059

Bonds Payable – Sanitation Utility

The City's Sanitation Utility has pledged future sanitation system net revenues to pay a total of \$68,686 outstanding revenue bonds issued in January 2018. 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 2048. At June 30, 2021, total principal and interest payments on the bonds were less than 44.7% of net revenues. Total principal and interest paid and total system net revenues for the current fiscal year were \$3,403 and \$7,621 respectively.

The bond indenture contains a provision that in the event of default, the entire outstanding principal shall become due and payable.

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

Fiscal Year Ending 6/30	Principal	Interest	Total
2022	\$ 1,295	\$ 2,111	\$ 3,406
2023	1,355	2,047	3,402
2024	1,430	1,979	3,409
2025	1,495	1,907	3,402
2026	1,575	1,833	3,408
2027-2031	9,110	7,903	17,013
2032-2036	11,640	5,383	17,023
2037-2041	9,560	2,298	11,858
2042-2046	3,235	884	4,119
2047-2048	1,530	116	1,646
Total	42,225	26,461	68,686
Unamortized bond premium	6,966		6,966
Total bonds	\$ 49,191	\$ 26,461	\$ 75,652

Bonds Payable – Convention, Sports and Entertainment Venues

The bond indenture contains a provision in the event of default, the entire outstanding principal shall become due and payable, and the requirement of maintaining a fund reserve equal to the maximum of annual debt service. Bond debt service requirements to maturity for the Convention, Sports and Entertainment Venues to be paid from revenues are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2022	\$ 3,890	\$ 10,508	\$ 14,398
2023	4,637	10,314	14,951
2024	4,868	10,082	14,950
2025	5,112	9,839	14,951
2026	5,365	9,583	14,948
2027-2031	31,133	43,612	74,745
2032-2036	39,728	35,012	74,740
2037-2041	50,712	24,034	74,746
2042-2046	64,721	10,024	74,745
Total	210,166	163,008	373,174
Unamortized bond premium/discounts, net	12,015		12,015
Total bonds	\$ 222,181	\$ 163,008	\$ 385,189

NOTES AND LOANS PAYABLE

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 the Anaheim Tourism Improvement Special District (ATID) special assessments and 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. At June 30, 2021, accrued interest payable for the ARTIC loan was \$3,669. The City may elect to provide alternative funding from other City funds for transportation related purposes. At June 30, 2021, the outstanding balance of the ARTIC loan was \$6,000. 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>
2022	\$ 4,000		\$ 4,000
2023	2,000		2,000
2024		\$ 1,883	1,883
2025		1,883	1,883
Total notes and loans	<u>\$ 6,000</u>	<u>\$ 3,766</u>	<u>\$ 9,766</u>

800 Megahertz Communication Equipment loan payable

Portion of the 800 Megahertz Communication Equipment financing were allocated to The Electric Utility, the Sanitation Utility and the Convention, Sports & Entertainment Venues. Loan debt service requirements to maturity are as follows:

Electric Utility

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 31	\$ 4	\$ 35
2023	32	3	35
2024	33	2	35
2025	33	2	35
2026-2027	51	1	52
Total notes and loans	<u>\$ 180</u>	<u>\$ 12</u>	<u>\$ 192</u>

Sanitation Utility

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 21	\$ 2	\$ 23
2023	21	2	23
2024	21	2	23
2025	21	2	23
2026-2027	33	1	34
Total notes and loans	<u>\$ 117</u>	<u>\$ 9</u>	<u>\$ 126</u>

Convention, Sports and Entertainment Venues

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2		\$ 2
2023	3		3
2024	3		3
2025	4		4
2026-2027	4		4
Total notes and loans	<u>\$ 16</u>	<u>\$</u>	<u>\$ 16</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, 2021, the arbitrage rebate liability for governmental and business-type activities was zero and \$85, respectively.

LEGAL DEBT MARGIN

The City of Anaheim has a general obligation debt limit that cannot exceed 3.75% of the total assessed valuation of all real and personal property within the City. Based on the fiscal year 2020-2021 gross assessed valuation for taxation purposes of \$51,098,596, the City has a debt limit of \$1,916,197 or 3.75%. Currently the City does not have any outstanding bonded indebtedness in the form of general obligation bonds. Since the outstanding bond principal is zero, the City has a net debt margin of \$1,916,197.

COMPLIANCE WITH DEBT COVENANTS

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

DEBT ISSUANCES

City - Debt Issuances

On June 10, 2021, the City issued Anaheim Public Financing Authority Lease Revenue Bonds (Working Capital Financing), Series 2021A in the principal amount of \$138,755 at par. Interest rates for the bonds range from 0.632% to 3.121%. Total debt service to maturity is \$212,195 payable semiannually beginning from January 1, 2022 and ending on July 1, 2051 and will be repaid from the unrestricted General Fund resources.

The bond proceeds, net of underwriter’s discount (\$442), totaled \$138,313 were deposited as follows: 1) \$130,000 in Working Capital Project Fund to finance cash flow deficits projected for fiscal years 2020-2021 through 2023-2024 attributable to significant declines in expected General Fund revenues for the benefits of the City; 2) \$7,403 in Capitalized Interest Fund to finance capitalized interest on the Bonds through July 1, 2023, 3) \$110 to purchase a reserve policy in satisfaction of the Reserve Requirement, 4) \$318 to purchase a bond insurance policy, and 5) \$482 in Cost of Issuance Fund to pay costs incurred in connection with the issuance and the sale of the bonds.

On January 15, 2021, the City entered into a Lease/Purchase Agreement with Banc of America Public Capital Corp to finance the acquisitions of five Emergency Transport Ambulances. The loan amount is \$799 at an interest rate of 1.69% payable annually beginning on January 15, 2022 and ending on January 15, 2028. Total debt service to maturity is \$854 and will be repaid from the unrestricted General Fund resources. .

DEBT RETIREMENTS

Debt Defeased

The City defeased the following bonds prior to June 30, 2021:

	<u>Outstanding 6/30/2021</u>
City	
1997-C APFA Capital Appreciation Bonds	\$ 84,270
Electric Utility	
2012-A Electric Revenue Bonds	29,140
2016-A Electric Revenue Bonds	91,610
2016-A Electric Revenue Bonds	123,880
Water Utility	
2016-A Water Revenue Bonds	<u>30,495</u>
	<u>\$ 359,395</u>

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 a conduit financings 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, 2021, were as follows:

	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Outstanding 6/30/2021</u>
2003 Anaheim Arena Financing Project	12/11/2003	6/1/2023	\$ 42,600	\$ 9,000

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, 2021, were as follows:

	Date Issued	Final Maturity	Amount Issued	Outstanding 6/30/2021
Heritage Village Apartments	11/12/1992	7/15/2033	\$ 8,485	\$ 5,485
Sage Park Project	11/1/1998	11/1/2028	5,500	5,500
Solara Court Apartments	11/28/2004	12/1/1934	8,200	4,283
Bel Age Manor Apartments	2/1/2008	2/1/1944	22,350	1,814
Pradera Apartments (Lincoln Anaheim) Phase B	5/15/2009	4/15/1939	23,217	6,391
Anton Monaco Apartments	12/14/2012	1/1/2046	35,460	32,351
Crossings at Cherry Orchard Apartments Tranche A	8/23/2012	12/1/2044	9,365	998
Crossings at Cherry Orchard Apartments Tranche B	8/23/2012	12/1/2029	2,985	1,948
Paseo Village Apartments	2/28/2013	9/1/2045	19,750	11,887
Village Center Apartments	8/7/2014	3/1/2047	15,000	14,642
Pebble Cove Apartments Series A	8/19/2015	9/1/2031	13,000	12,093
Pebble Cove Apartments Taxable Subordinate Series 2015A	8/19/2015	8/1/2055	3,550	3,550
Hermosa Village Apartments Phase 1 Series A-1/A-2	12/28/2016	7/1/2049	41,028	26,009
Miracle Terrace Apartments Series B-1	1/10/2017	2/1/2050	26,555	26,047
Cobblestone Apartments Series A-1	3/14/2017	10/1/2054	6,185	6,025
Sea Wind Apartments Series B-1	3/14/2017	10/1/2054	11,015	10,673
Jamboree Anaheim PSH Apartments Series A	4/30/2020	5/1/2038	12,200	7,401
Hermosa Village Apartments Phase 2 Series A 1-3	10/30/2020	5/1/2038	20,798	9,727
Total			<u>\$ 284,643</u>	<u>\$ 186,824</u>

FIDUCIARY FUNDS

Successor Agency

The following is a summary of changes in long-term debts for the year ended June 30, 2021:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
Bonds payable	\$ 141,635		\$ (8,015)	\$ 133,620	\$ 8,460
premium/(discount), net	16,653		(2,490)	14,163	
Due to City of Anaheim	7,451		(1,190)	6,261	1,261
	<u>\$ 165,739</u>		<u>\$ (11,695)</u>	<u>\$ 154,044</u>	<u>\$ 9,721</u>

Bonds Payable

2007 Tax Allocation Refunding Bonds

The Successor Agency will repay a total of \$50,331, 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, 2021, total principal and interest paid was \$5,639.

In January 2018, series A and C of the 2007 Tax Allocation Bonds were refunded through the issuance of the 2018 Tax Allocation Refunding Bonds.

Debt service requirements to maturity for 2007 Tax Allocation bonds, series B and D are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2022	\$ 3,330	\$ 2,306	\$ 5,636
2023	1,780	2,089	3,869
2024	1,875	1,973	3,848
2025	1,990	1,851	3,841
2026	2,130	1,722	3,852
2027-2031	24,335	4,950	29,285
Total bonds	<u>\$ 35,440</u>	<u>\$ 14,891</u>	<u>\$ 50,331</u>

2018 Tax Allocation Refunding Bonds

On January 25, 2018, the Successor Agency issued Tax Allocation Refunding Bonds, 2018 Series A and B. The bond proceeds together with the 2007 series A and C bond reserve funds were used to refund the 2007 Tax Allocation Bonds series A and C, and the 2010 Recovery Economic Zone Development Bonds. The Successor Agency will repay a total of \$128,930, principal and interest, from the semi-annual RPTTF revenue allocations. The refunding bonds bear interest at rates ranging from 2.27% to 2.50% and are payable through February 2031.

Debt service requirements to maturity for the 2018 Tax Allocation Refunding bonds are as follows:

Fiscal Year Ending 6/30	Principal	Interest	Total
2022	\$ 5,130	\$ 4,909	\$ 10,039
2023	7,155	4,653	11,808
2024	7,530	4,295	11,825
2025	7,915	3,918	11,833
2026	9,990	3,523	13,513
2027-2031	60,460	9,452	69,912
Total bonds	98,180	30,750	128,930
Unamortized bond premium/ discounts, net	14,163		14,163
Total bonds	<u>\$ 112,343</u>	<u>\$ 30,750</u>	<u>\$ 143,093</u>

Due to the City of Anaheim

The Successor Agency will repay a total of \$2,833 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, 2021, outstanding principal due to the City for the Westgate project obligation was \$2,612. Principal and interest paid for the current fiscal year were \$1,018.

Fiscal Year Ending 6/30	Principal	Interest	Total
2022	\$ 907	\$ 127	\$ 1,034
2023	975	72	1,047
2024	730	22	752
Total notes and loans	<u>\$ 2,612</u>	<u>\$ 221</u>	<u>\$ 2,833</u>

The Successor Agency will repay a total of \$4,421 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 30, 2021, the outstanding principal due to the City for the Packing House site project obligation was \$3,649. Principal and interest paid for the current fiscal year were \$506.

Fiscal Year Ending 6/30	Principal	Interest	Total
2022	\$ 354	\$ 144	\$ 498
2023	359	131	490
2024	364	117	481
2025	370	102	472
2026	375	87	462
2027-2031	1,827	191	2,018
Total notes and loans	<u>\$ 3,649</u>	<u>\$ 772</u>	<u>\$ 4,421</u>

Mello-Roos Community Facilities Districts

The City issued special tax bonds to finance construction in various Community Facilities Districts (CFD). 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 the Custodial fund of the Fiduciary Funds in the basic financial statements.

At June 30, 2021, the City has the following outstanding Mello-Roos special tax bonds:

	Outstanding 6/30/2021
CFD 06-02	\$ 6,375
CFD 08-01	47,300
	<u>\$ 53,675</u>

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. Stadium Loft. On August 10, 2016, the outstanding balance of \$7,680 of the 2007 special tax bonds were refunded by Special Tax Refunding Bonds, Series 2016, CFD 06-02, in the principal amount of \$7,540 and at a premium of \$91. The City reduced the CFD 06-2 total debt service payments over the life of the refunded bonds by \$1,989 with a present value savings of \$1,352. The true interest cost is 2.89% payable semi-annually commencing from March 1, 2017 through September 1, 2037. Balance of total debt service is \$8,153 to maturity.

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. On August 10, 2016 the City issued Special Tax Bonds, Series 2016, CFD 08-1 in the principal amount of \$60,000 and at a premium of \$5,923. The bonds are being used to provide financing for acquisition and construction of certain public facilities necessary for the continued development of the District, and to refund \$22,730 outstanding principal of the CFD 08-1, Special Tax Bonds, Series 2010. The City reduced the CFD 08-1 total debt service payments over the life of the refunded bonds by \$13,325 with a present value savings of \$8,649. The true interest cost is 3.38% payable semiannually commencing from March 1, 2017 through September 1, 2037. Balance of total debt service is \$79,955 to maturity.

NOTE 10 - OTHER LONG-TERM LIABILITIES:

The following is a summary of other long-term liabilities reported in the government-wide financial statements for the fiscal year ended June 30, 2021:

	Beginning Balance	Additions	Reductions/ Payments	Ending Balance	Due Within One Year
Governmental activities:					
Capital lease payable	\$ 2,297	\$ 998	\$ (1,443)	\$ 1,852	\$ 1,075
Claims liabilities (note 7)	58,548	16,459	(15,888)	59,119	14,942
Compensated absences (note 1)	24,248	25,877	(25,460)	24,665	17,682
Due to other governments	22,580			22,580	
Other Postemployment Benefits (OPEB) (note 13)					
Governmental Funds	111,128	14,990	(15,749)	110,369	
Internal Service Funds	9,117	1,250	(1,294)	9,073	
Total	120,245	16,240	(17,043)	119,442	
Pension (note 12):					
Governmental Funds	585,331	186,229	(149,691)	621,869	
Internal Service Funds	31,785	10,014	(8,258)	33,541	
Total	617,116	196,243	(157,949)	655,410	
Governmental activities total	845,034	255,817	(217,783)	883,068	33,699
Business-type activities:					
Capital lease payable - Golf Courses	198	62	(70)	190	74
San Juan reclamation liability	6,391		(980)	5,411	
Provision for decommissioning liability (note 1)	87,235		(6,346)	80,889	
Other Postemployment Benefits (OPEB) (note 13)					
Electric Utility	21,224	2,801	(3,113)	20,912	
Water Utility	7,667	1,014	(1,110)	7,571	
Sanitation Utility	5,118	678	(739)	5,057	
Golf Courses	275	67	(43)	299	
Convention, Sports and Entertainment Venues	6,978	913	(1,072)	6,819	
Total	41,262	5,473	(6,077)	40,658	
Pension (note 12)					
Electric Utility	94,322	27,850	(24,137)	98,035	
Water Utility	29,458	9,257	(7,648)	31,067	
Sanitation Utility	15,516	4,523	(4,033)	16,006	
Golf Courses	1,032	397	(283)	1,146	
Convention, Sports and Entertainment Venues	32,859	9,377	(9,054)	33,182	
Total	173,187	51,404	(45,155)	179,436	
Business-type activities total	308,273	56,939	(58,628)	306,584	74
Government-wide total	\$ 1,153,307	\$ 312,756	\$ (276,411)	\$ 1,189,652	\$ 33,773

Governmental activities

Due to other governments

The California Department of Finance (DOF) approved the Successor Agency's Long Range Property Management Plan (LRPMP) on December 31, 2015; the LRPMP authorized the transfer of all of the properties formerly held by the Successor Agency to the City for either governmental use or future development. The California Redevelopment Agency Dissolution Law (ABx1 26, AB 1484, AB 471 and SB 107, as the same may be amended from time to time) addresses the distribution of land sale proceeds from the sale of those properties and suggests that such distribution be memorialized in agreements (Compensation Agreements) among the entities that receive the former redevelopment agency's property tax increment. To date, no Compensation Agreements have been executed, but such distribution may involve the transfer of \$0 up to the estimated net total liability at June 30, 2020 of \$22,580 to those taxing entities.

Capital lease

The City has a long-term noncancellable 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 and Communication Services internal service fund under the capital lease are as follows:

<u>Fiscal Year Ending 6/30</u>	
2022	\$ 1,075
2023	623
2024	122
2025	31
2026	<u>1</u>
Present value of future minimum lease payments	<u>\$ 1,852</u>

Business-type activities

Other liability - San Juan reclamation obligation

The Electric Utility is providing for the future reclamation costs allocation based on its former ownership share of Unit 4 of 10.04% of the San Juan (SJ) Generation Station. The Electric Utility has \$6,018 in an irrevocable trust as of June 30, 2021 for reclamation costs and with a reclamation obligation of \$5,411. During fiscal year 2021, the Electric Utility paid \$384 related to San Juan reclamation obligation and transferred amount of the overfunding (\$596) to deferred inflow of resources related to regulated business activities for the benefits of utility rate payers. Balance of the regulated business activities related to SJ reclamation was \$607 at June 30, 2021.

Capital lease

The City has a long-term noncancellation agreement with DDL Finance, LLC to provide financing for the lease of Golf carts at Dad Millers Golf Course. The agreement qualifies as capital lease for accounting purposes under FASB No. 13, Accounting for Leases. The net present value of future minimum lease payments at the date of inception of the lease was recorded at the Golf Courses Enterprise Fund. Future minimum lease payments to be made from unrestricted revenues of the Golf Courses Enterprise Fund under the capital lease are as follows:

<u>Fiscal Year Ending 6/30</u>	
2022	\$ 74
2023	76
2024	24
2025	12
2026	<u>4</u>
Present value of future minimum lease payments	<u>\$ 190</u>

SUCCESSOR AGENCY

Other long-term liabilities

The Successor Agency has the following other long-term liabilities at June 30, 2021:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Within One Year
Notes and loans payable	\$ 4,400		\$ (1,693)	\$ 2,707	
Pollution remediation liability	<u>16,661</u>	<u>\$ 4,351</u>	<u>(1,178)</u>	<u>19,834</u>	<u>\$ 1,990</u>
	<u>\$ 21,061</u>	<u>\$ 4,351</u>	<u>\$ (2,871)</u>	<u>\$ 22,541</u>	<u>\$ 1,990</u>

Savi 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, 2021, total interest paid was \$422.

Contractual obligations

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, 2021, the forgiven outstanding balance of the participation note was \$1,110.

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. Subsequently, management identified potential additional pollution remediation costs including ongoing maintenance responsibilities required for the Westgate project amounting to \$18,576 in Fiscal Year 2015 and \$4,351 in Fiscal Year 2021. At June 30, 2021, the pollution remediation liability is estimated to be \$19,834.

NOTE 11 – 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 & cash equivalents	\$ 8,799
Investments	26,454
Other current assets	2,107
Restricted cash & cash equivalents	16,887
Restricted investments	9,070
Capital assets, net	<u>114,212</u>
Total assets	<u>177,529</u>
Deferred outflows of resources	<u>1,737</u>
Liabilities	
Current liabilities	1,284
Long-term debt due within one year	776
Current liabilities payable from restricted assets	1,010
Long-term debt due within one year payable from restricted assets	540
Long-term debt less current portion	47,992
Other long-term liabilities	<u>9,925</u>
Total liabilities	<u>61,527</u>
Deferred inflows of resources	<u>946</u>
Net Position	
Net investment in capital assets	73,148
Restricted for debt services	540
Restricted for capital projects	15,437
Unrestricted	<u>27,668</u>
Total net position	<u>\$ 116,793</u>

Condensed Statement of Revenues, Expenses and Changes in Fund Net Position

Waste water fees (pledged against bonds)	\$ 14,403
Other revenues	1,156
Depreciation and amortization	(2,494)
Other operating expenses	<u>(7,047)</u>
Total operating Income	<u>6,018</u>
Nonoperating income(expenses)	
Interest income	266
Interest expense	(1,521)
Capital contribution	177
Transfer out	<u>(765)</u>
Total nonoperating expenses	<u>(1,843)</u>
Change in net position	4,175
Net position at beginning of year	<u>112,618</u>
Net position at end of year	<u>\$ 116,793</u>

Condensed Statement of Cash Flows

Net cash provided (used for) by:	
Operating activities	\$ 9,047
Noncapital financing activities	(765)
Capital and related financing activities	(7,143)
Investing activities	<u>12,717</u>
Net increase	13,856
Beginning cash and cash equivalents	<u>11,830</u>
Ending cash and cash equivalents	<u>\$ 25,686</u>
Reconciliation of cash & cash equivalent	
Cash & cash equivalent	\$ 8,799
Restricted cash & cash equivalent	<u>16,887</u>
Total cash & cash equivalent	<u>\$ 25,686</u>

NOTE 12 - 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, 2021 are summarized as follows:

	Miscellaneous	
	Prior to	On or after
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	2.70%	2.00%
Required employee contribution rates	8.00%	7.50%
Required employer contribution rates	12.447%	12.447%
	Police Safety	
	Prior to	On or after
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	3.00%	2.70%
Required employee contribution rates	9.00%	13.50%
Required employer contribution rates	24.535%	24.535%
	Fire Safety	
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2012; January 1, 2013
Benefit formula	3.0% @ 50	2% @ 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%	9.00%; 12.00%
Required employer contribution rates	19.931%	19.931%

Employees Covered

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Police Safety	Fire Safety
Inactive employees or beneficiaries currently receiving benefits	2,229	600	316
Inactive employees entitled to but not yet receiving benefits	1,729	85	69
Active employees	<u>1,716</u>	<u>413</u>	<u>204</u>
Total	<u>5,674</u>	<u>1,098</u>	<u>589</u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The total required minimum employer contribution is the sum of the Employer Normal Cost Rate (Employer Rate, expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution amount (in dollar). The following table summarizes the required contribution rates by employee and employer effective for fiscal year 2021. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

Employee Group	CalPERS Membership ¹	Retirement Formula	Employee Rate	Employer Rate		Total Rate		Total Rate	FY 2021 UAL Contribution ³
				Employee ²	City	Employee	City		
Miscellaneous Employees									
Management; confidential Anaheim Municipal Employees Association (AMEA) General	Classic	2.7% @ 55	8.000%	4.000%	8.447%	12.000%	8.447%	20.447%	
Anaheim Municipal Employees Association (AMEA) Clerical	New	2% @ 62	7.500%	0.000%	12.447%	7.500%	12.447%	19.947%	\$ 34,373
International Brotherhood of Electrical Workers (IBEW)									
Anaheim Police Association Trainees									
Safety Employees									
Fire Management	Classic	3% @ 50	9.000%	3.000%	16.931%	12.000%	16.931%	28.931%	
Anaheim Fire Association (AFA)	Classic	2% @ 50	9.000%	3.000%	16.931%	12.000%	16.931%	28.931%	
	New	2.7% @ 57	12.000%	0.000%	19.931%	12.000%	19.931%	31.931%	\$ 8,857
Police Management	Classic	3% @ 50	9.000%	3.000%	21.535%	12.000%	21.535%	33.535%	
Anaheim Police Management Association (APMA)	New	2.7% @ 57	13.500%	0.000%	24.535%	13.500%	24.535%	38.035%	\$ 15,843
Anaheim Police Association (APA)									

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 is the employee contribution towards the employer's Normal Cost (NC) Rate. Normal cost is the annual cost of service accrual for the upcoming fiscal year for active employees. Normal cost is shown as a percentage of payroll and paid as part of the payroll reporting process.

³ The Unfunded Accrued Liability (UAL) is the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date. Effective in fiscal year 2018, CalPERS began collecting employer contributions toward the plan's UAL as a dollar amount instead of the prior method of a contribution rate.

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 are 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, 2020. Liabilities are based on the results of the actuarial calculations performed as of June 30, 2019 and were rolled forward to determine the June 30, 2020 total pension liability. Fiduciary net position is based on fair value of investments as of June 30, 2020.

Actuarial Assumptions:

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

Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020
Reporting Date (RD)	June 30, 2021
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Asset Valuation Method	Fair Value of Assets
<u>Actuarial Assumptions:</u>	
Discount Rate	7.15%
Inflation	2.50%
Salary Increase	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.15% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	Derived using CalPERS' membership data for all funds. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.
Post-Retirement Benefits Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.5% thereafter

Change of Assumptions

There was no change of assumptions for the measurement year.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan

investments was applied to all periods of projected benefits payments to determine the total pension liability.

Long-term expected rate of return

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

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

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

<u>Asset Class¹</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1-10²</u>	<u>Real Return Years 11+³</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets		0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	<u>1.00%</u>		-0.92%
	<u>100.00%</u>		

¹ CalPERS' ACFR, Fixed income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

² An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

Recognition of Gains and Losses

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

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

Difference between projected and actual earnings on investments 5 year straight-line amortization

All other amounts Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

Change in the Net Pension Liability

Net pension liability is the plan's total pension liability based on the entry age normal actuarial cost method less the plan's fiduciary net position.

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

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/ (Asset) (c) = (a) - (b)</u>
<u>Miscellaneous Plan:</u>			
Balance at June 30, 2019 (VD)	\$ 1,481,509	\$ 1,056,804	\$ 424,705
Changes recognized for the Measurement Period:			
Service Cost	24,446		24,446
Interest on the Total Pension Liability	103,706		103,706
Difference between Expected and Actual Experience	(5,084)		(5,084)
Contribution from the Employer		46,238	(46,238)
Contributions from Employees		9,878	(9,878)
Net Investment Income		52,399	(52,399)
Benefit Payments, including Refunds of Employee Contributions	(76,418)	(76,418)	
Administrative Expenses		(1,490)	1,490
Net Changes during 2019-2020	<u>46,650</u>	<u>30,607</u>	<u>16,043</u>
Balance at June 30, 2020 (MD)	<u>\$ 1,528,159</u>	<u>\$ 1,087,411</u>	<u>\$ 440,748</u>

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (c) = (a) - (b)
Police Safety Plan:			
Balance at June 30, 2019 (VD)	\$ 829,624	\$ 594,588	\$ 235,036
Changes recognized for the Measurement Period:			
Service Cost	17,304		17,304
Interest on the Total Pension Liability	58,403		58,403
Difference between Expected and Actual Experience	(930)		(930)
Contributions from Employer		26,639	(26,639)
Contributions from Employees		5,398	(5,398)
Net Investment Income		29,601	(29,601)
Benefit Payments, including Refunds of Employee Contributions	(41,047)	(41,047)	
Administrative Expenses		(838)	838
Net Changes during 2019-2020	33,730	19,753	13,977
Balance at June 30, 2020 (MD)	\$ 863,354	\$ 614,341	\$ 249,013

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (c) = (a) - (b)
Fire Safety Plan:			
Balance at June 30, 2019 (VD)	\$ 456,524	\$ 325,962	\$ 130,562
Changes recognized for the Measurement Period:			
Service Cost	6,933		6,933
Interest on the Total Pension Liability	32,429		32,429
Difference between Expected and Actual Experience	6,423		6,423
Contributions from Employer		13,174	(13,174)
Contributions from Employees		2,589	(2,589)
Net Investment Income		15,959	(15,959)
Benefit Payments, including Refunds of Employee Contributions	(25,727)	(25,727)	
Administrative Expenses		(460)	460
Net Changes during 2019-2020	20,058	5,535	14,523
Balance at June 30, 2020 (MD)	\$ 476,582	\$ 331,497	\$ 145,085

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (c) = (a) - (b)
Combined Total:			
Balance at June 30, 2019 (VD)	\$ 2,767,657	\$ 1,977,354	\$ 790,303
Changes recognized for the Measurement Period:			
Service Cost	48,683		48,683
Interest on the Total Pension Liability	194,538		194,538
Difference between Expected and Actual Experience	409		409
Contribution from the Employer		86,051	(86,051)
Contributions from Employees		17,865	(17,865)
Net Investment Income		97,959	(97,959)
Benefit Payments, including Refunds of Employee Contributions	(143,192)	(143,192)	
Administrative Expenses		(2,788)	2,788
Net Changes during 2019-2020	100,438	55,895	44,543
Balance at June 30, 2020 (MD)	\$ 2,868,095	\$ 2,033,249	\$ 834,846

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 7.15 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 (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Plans' Net Pension Liability	Discount Rate - 1% (6.15%)	Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous	\$ 637,789	\$ 440,748	\$ 277,640
Police Safety	364,739	249,013	153,861
Fire Safety	206,308	145,085	94,435
Combine total	\$ 1,208,836	\$ 834,846	\$ 525,936

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

Pension expense is the change in net pension liability from the previous fiscal year to the current fiscal year less adjustments. For the fiscal year ended June 30, 2021, the City recognized pension expenses of \$116,724 which included \$49,316 from the Miscellaneous Plan, \$43,847 from the Police Safety Plan, and \$23,561 from the Fire Safety Plan.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Miscellaneous Plan</u>		
Pension contributions subsequent to measurement date	\$ 49,053	
Changes of Assumptions		\$ 466
Difference between Expected and Actual Experiences	1,046	3,760
Net difference between projected and actual earnings on plan investments	8,280	
Change in proportions	2,699	2,699
Total	<u>\$ 61,078</u>	<u>\$ 6,925</u>
<u>Police Safety Plan</u>		
Pension contributions subsequent to measurement date	\$ 29,134	
Changes of Assumptions	1,061	\$ 802
Difference between Expected and Actual Experiences	1,735	1,272
Net difference between projected and actual earnings on plan investments	4,963	
Total	<u>\$ 36,893</u>	<u>\$ 2,074</u>
<u>Fire Safety Plan</u>		
Pension contributions subsequent to measurement date	\$ 14,316	
Changes of Assumptions	1,644	\$ 637
Difference between Expected and Actual Experiences	7,169	211
Net difference between projected and actual earnings on plan investments	2,615	
Total	<u>\$ 25,744</u>	<u>\$ 848</u>

The combined total \$92,503 (\$49,053 from the Miscellaneous Plan, \$29,134 from the Police Safety Plan and \$14,316 from Fire Safety Plan) reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. Other amount reported in deferred outflow of resources and inflows of resources related to pensions will be recognized as a component in pension expense as follows:

Fiscal year Ended 6/30	Miscellaneous Plan	Police Safety Plan	Fire Safety Plan
2022	\$ (5,730)	\$ (1,963)	\$ 2,010
2023	1,395	2,265	2,887
2024	4,991	2,878	3,456
2025	4,444	2,505	2,227
	<u>\$ 5,100</u>	<u>\$ 5,685</u>	<u>\$ 10,580</u>

Payable to the Pension Plans

At June 30, 2021, the City reported a payable of \$1,067 for the outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2021.

NOTE 13 - Other Postemployment Benefits

Plan Description

The City provides other postemployment benefits (OPEB) to eligible regular full-time employees who retired from city services in a single-employer defined benefit healthcare plan (Plan). The Plan participates in the California Employers' Retiree Benefit Trust (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 CalPERS. A copy of the aggregated CERBT annual financial report may be obtained @www.calpers.ca.gov.

The City's OPEB Plan provides medical, dental and life insurance coverage to eligible retirees. This coverage is available for employees who retire from City services with PERS and meet the eligibility requirements in accordance with City Personnel Resolutions and various Memoranda of Understanding summarized as follows:

Employee Group	Date of Hire	Eligibility Requirement	City Contribution Formulas ¹
Management, Council - Unrepresented Anaheim Municipal Employee Associations (AMEA)	Before 1/1/1996	Age 50 with 10 years of continuous full time City services; must have been awarded a retirement from PERS as the reason for separation from City service	1.5 multiplied by Miscellaneous 2% @ 60 PERS retirement schedule based on employee's age at retirement & City service accrued through 12/31/2005
Police Safety	Before 7/6/2001	Age 50 with 10 years of continuous full time City services; must have been awarded a retirement from PERS as the reason for separation from City service	1.2 multiplied by 2% @ 50 Safety PERS based on the employee's age and years of City service at the time of retirement
Fire Safety	Before 11/9/2001	Age 50 with 10 years of continuous full time City services; must have been awarded a retirement from PERS as the reason for separation from City service	1.2 multiplied by 2% @ 50 Safety PERS based on the employee's age and years of City service at the time of retirement

¹ The maximum City contribution for the retiree's OPEB is 95% of the annual contribution amount for active employees

Regular full time employees hired after the dates above have access to the City's medical and dental plans but do not receive a defined benefit.

Benefits provided

The City provides healthcare, dental and vision benefits for retirees and their dependents. Benefits are provided through payment of insurance premiums.

Additionally, full time employees who retire from the City at age 50 or older with 5 years of City service receive life insurance benefits. Retirees receive a paid-up life insurance policy at retirement. The City pays the full cost of the life insurance coverage.

Employees Covered

At the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the OPEB Plan:

Inactive employees or beneficiaries currently receiving benefit payments	1,329
Inactive employees entitled to but not yet receiving benefit payments	107
Active employees	<u>1,871</u>
Total	<u><u>3,307</u></u>

Contributions

The contribution requirements of plan members and the City are established in accordance with City Personnel Resolutions, Council Resolution and various Memoranda of Understanding. The retired plan members receiving benefits make varying contributions toward the cost of these benefits. The City contributes an amount not less than the annual Actuarially Determined Contribution (ADC) measured in accordance to the parameters of GASB Statement No. 75. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortization of any unfunded actuarial liabilities over a closed 30-year period. The remaining amortization at June 30, 2021 is seventeen years.

City contributions to the Plan occur as benefits are paid to retirees or contributions to the OPEB Trust. Benefit payments occur in the form of direct payments for premiums and taxes (explicit subsidies) and indirect payments to retirees in the form of higher premiums for active employees (implicit subsidies).

For the fiscal year ended June 30, 2021, the City contributed \$16,393 to the OPEB plan, which is \$2,213 in excess of the \$14,180 ADC. This amount included insurance premiums of \$19,584, implicit subsidy of \$2,956, offsetting retiree contributions of \$6,147.

Net OPEB Liability

The City's OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

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

Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020
Reporting Date (RD)	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Long Term Return on Assets	6.70% net of plan investment expenses and including inflation
Discount Rate	6.70% net of plan investment expenses and including inflation
General Inflation Rate	2.50%
Salary Increase	3.00% per year, used only to allocate the cost of benefits between service years.
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Participation Rates	Active employees expected to qualify for explicit City benefits in retirement: 90% of future retirees are assumed to elect coverage through the City in retirement; Active employees not eligible for explicit City benefits in retirement: 45% are assumed to continue their current medical plan elections in retirement. Current retirees: All currently participating retirees are assumed to continue their existing medical and dental plan elections for the remainder of their lifetime. 50% of retirees eligible for benefits but currently waiving coverage are assumed to rejoin the plan.
Demographic	Based on the 2017 experience study of the CalPERS using data from 1997 to 2015, except for a different basis used to project future mortality improvements. The representative mortality rates were those published by CalPERS rates, adjusted to back out 15 years of Scale MP 2016 to central year 2015.
Mortality Improvement	Macleod Watts Scale 2020 applied generationally.

Healthcare Trend Medical plan premiums and claims costs by age are assumed to increase once each year. Assumed to start at 6.5% in 2021 and then fluctuate to an ultimate increase rate of 4.0% for year 2076 and later. This model was developed using the Gezen Model 2019-b published by the Society of Actuaries.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.70%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The expected long-term return on trust assets was derived from information published by CalPERS for CERBT Strategy 1. CalPERS determined its returns using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). CalPERS' expected returns are split for years 1-10 and years 11 and thereafter. To derive the single equivalent long-term expected return specific to the City's OPEB Plan, the actuarial valuation projected plan benefits in each future year, then applied the plan specific benefit payments to CalPERS' bifurcated return expectations. The City's OPEB Plan participates in CERBT portfolio investment Strategy 1. The target allocation and best estimates of arithmetic real rates of return for each major asset class of Strategy 1 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return¹</u>
Global Equity	59%	5.98%
Fixed Income	25%	2.62%
Treasury Inflation-Protected Securities	5%	1.46%
Real Estate Investment Trusts	8%	5.00%
Commodities	3%	2.87%
Cash	-	

¹Geometric representation; inflation 2.00%

Recognition of Plan Changes and Gains and Losses

Under GASB 75, gains and losses related to changes in Total OPEB Liability and Fiduciary Net Position are recognized in OPEB expense systematically over time.

Timing of recognition: Changes in the Total OPEB Liability relating to changes in plan benefits are recognized immediately (fully expensed) in the year in which the change occurs. Gains and Losses are amortized, with the applicable period based on the type of gain or loss. The first amortized amount are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expenses.

Difference between projected and actual earnings on investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service years.

Changes in the OPEB Liability

The following table shows the changes in the net OPEB liability of the City's Plan recognized over the measurement period.

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liabilities</u> (a)	<u>Plan Fiduciary Net Position</u> (b)	<u>Net OPEB Liability</u> (a) - (b)
Balance at 06/30/2019	\$ 256,968	\$ 95,461	\$ 161,507
Changes for the year:			
Service cost	1,667		1,667
Interest on Total OPEB Liability	16,741		16,741
Expected investment income		6,359	(6,359)
Changes of Assumptions			
Differences between Expected and Actual Experience			
Contributions - Employer		16,488	(16,488)
Investment experience		(2,985)	2,985
Benefit payments	(17,541)	(17,541)	
Trust administrative expense		(47)	47
Net Change	867	2,274	(1,407)
Balance at 06/30/2020	<u>\$ 257,835</u>	<u>\$ 97,735</u>	<u>\$ 160,100</u>

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

The following presents the net OPEB liability of the City if it were calculated using a discount rate of 6.7% and the impact of 1 percentage-point lower (5.7%) or 1 percentage-point higher (7.7%) than the current rate:

	Discount Rate		
	<u>1% Decrease</u> 5.7%	<u>Rate</u> 6.7%	<u>1% Increase</u> 7.7%
Net OPEB Liability	\$ 190,495	\$ 160,100	\$ 134,717

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates assumed to start at 6.5% and grade down to 4.0% for years 2076 and thereafter. The impact of 1 percentage-point lower or 1 percentage point higher than the current rate, for measurement period ended June 30, 2020:

	Current Trend Rate		
	<u>1% Decrease</u> 5.5%	<u>Rate 6.5%</u>	<u>1% Increase</u> 7.5%
Net OPEB Liability	\$ 134,147	\$ 160,100	\$ 191,016

OPEB Plan fiduciary net position

Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued CERBT annual financial report which may be obtained @www.calpers.ca.gov

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized OPEB expense of \$6,809. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 16,394	
Changes of Assumptions	1,352	\$ 5,140
Difference between Expected and Actual Experiences		14,798
Net difference between projected and actual earnings on plan investments	2,254	
Change in proportion	2,168	2,168
Total	<u>\$ 22,168</u>	<u>\$ 22,106</u>

\$16,394 reported as deferred outflows of resources related to contribution made subsequent to measurement date will be recognized as a reduction in net OPEB liability in the next fiscal year. Other amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as a component in OPEB expense as follows:

Fiscal Year Ended June 30	
2022	\$ (5,281)
2023	(4,183)
2024	(2,943)
2025	(3,140)
2026	(785)
Total	<u>\$ (16,332)</u>

NOTE 14 - DEFERRED COMPENSATION PLAN

City employees may participate (voluntarily) in the deferred compensation 457 Plan (Plan) offered by the City. Maximum contributions are as defined by law. The primary purpose of the 457 Plan is to provide retirement income and other deferred benefits to the employees and their beneficiaries in accordance with the provisions of Section 457 of the Internal Revenue Code of 1986, as amended.

City contributions to the 457 Plan are limited to certain employment contracts. Per the Memorandum of Understanding between the Anaheim Firefighters Association and the City of Anaheim, the City shall make a contribution to the 457 deferred compensation plan account for each Association-represented employee with an active 457 deferred compensation plan account in the amount of thirty-eight dollars and forty six cents per bi-weekly pay period. The contribution was effective from June 28, 2019 and shall sunset on the last day of the last full pay

period in June 2022. For the fiscal year ended June 30, 2021, the City contributed \$198.

All amounts of annual deferred, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held and invested in the Trust Fund for the exclusive benefit of participants and beneficiaries under the Plan. The Deferred Compensation Committee consisting of the Plan Administrator and City employees serve in the capacity of Trustee. While the Trustee administers the Plan and makes selection of investment options available to the participants, decisions for investment choices are the responsibilities of Plan participants. Neither the City nor the Trustee shall be liable for any losses incurred by virtue of following a Plan participants' or beneficiary's directions regarding an investment option.

The accumulated assets of the Plan are not required to be reported in the accompanying basic financial statements.

NOTE 15 - RETIREMENT HEALTH SAVINGS PLAN AND TRUST

The City has a Retirement Health Savings Plan and Trust (RHS) that is funded by a City contribution and an employee contribution. The RHS is an employer-sponsored health savings vehicle that allows for the accumulation of assets to pay for certain eligible medical expenses in retirement on a tax-free basis.

City employees, depending on the unit of representation, may be mandatorily required to participate in the RHS Plan. The mandatory salary contribution effective for the fiscal year ended June 30, 2021 was 0% - 1% of base salary for the City and 0% - 3% employee contribution based upon the employee group. The City's Deferred Compensation Committee also administers the RHS and makes selection of investment options available to the participants; but decisions for investment choices are the responsibilities of participants. Neither the City nor the Trustee shall be liable for any losses incurred by virtue of following a participants' or beneficiary's directions regarding an investment option.

Total employer contributions from the City amounted to \$1,559 for the fiscal year ended on June 30, 2021. The accumulated assets of the RHS are not required to be reported in the accompanying basic financial statements.

NOTE 16 - ACCELERATED SEPARATION PROGRAM

As a direct result of the continuing revenue shortfall due to the COVID-19 pandemic closures, on August 11, 2020, the City Council authorized the development, offer and implementation of an Accelerated Separation Program (ASP) to provide an immediate reduction to ongoing labor costs. The ASP is a voluntary program intended to incentivize voluntary

departures through retirements and separations and to mitigate the negative impacts to City's workforce and reduce the number of mandatory layoffs. The program was designed to ensure long-term budget savings and that would not create long-term liabilities.

The benefit options for the ASP included 1) for retirement eligible employees and completed five consecutive years of City service, cash payment of 25% of base salary up to a maximum of \$25 and 12 months extended participation in active medical and dental plans; 2) retirement eligible employees and completed 5 years of City service, cash payment of 25% of base salary up to a maximum of \$15, and 24 months extended participation in active medical and dental plans, or 3) retirement ineligible employees - completed 20 years of City service, cash payment of \$15 with COBRA coverage City contribution for 12 months.

There were 85 participants approved in the program. The City made severance payments totaling \$1,587 and health insurance premiums of \$2,005 of which \$675 was paid in fiscal year 2021. The balance of \$1,330 for future health insurance premium was recorded as accounts payable in the General Benefits and Insurance Fund, an Internal Service Fund of the City. Estimated annual salary and benefit savings from the ASP is \$12,000.

NOTE 17 – 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) consists 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, Placentia, 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, 2021, was as follows:

Total assets	\$	374
Total liability		0
Members' equity		374
Total revenues		110
Total expenses		67
Change in net position		43

Hazmat does not have any debt outstanding as of June 30, 2021.

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 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, 2021, was as follows:

Total assets	\$	4,059
Total liability		1,778
Members' equity		2,281
Total revenues		6,703
Total expenses		6,617
Change in net position		86

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 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, 2021, was as follows:

Total assets	\$	3,063
Total liability		192
Members' equity		2,871
Total revenues		1,163
Total expenses		1,143
Change in net position		20

SONGS

On December 29, 2006, The Electric Utility sold its 3.16% ownership interest of SONGS to SCE. As such, the Electric Utility ceased recording all related operating expenses, except marine mitigation costs, and spent fuel storage charges. 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 approximately \$2,300 to \$7,300. The Electric Utility is responsible for spent fuel storage charges until the federal government takes possession. The Decommissioning Trust Fund will continue to pay for spent fuel storage charges.

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 United States of America.

San Juan Generating Station

On July 31, 2015, the Electric Utility and the other Parties involved with the San Juan Generating Plants, agreed to a plan for the closure of two of the four units. As co-owner of one of the units that is not being closed, on December 31, 2017, the Electric Utility relinquished its 10.04% ownership interest in the existing coal-fired SJ, Unit 4, located near Waterflow, New Mexico to the parties that will continue in the Plant. Other participants include Public Service of New Mexico, 45.485%; the City of Farmington, 8.475%; the County of Los Alamos, 7.200%; and M-S-R Public Power Agency, 28.800%. The Electric Utility’s original purchase cost and cumulative share of ongoing construction costs included in

utility plant at December 31, 2017 amounted to \$84,616. All capital assets related to the San Juan unit were fully depreciated and retired as of June 30, 2018. There are no separate financial statements for this venture, as each participant’s interest is reflected in its respective financial statements. Refer to note 1 on page 64 Provision for decommissioning costs related to the decommissioning trust fund set-aside for the future decommissioning of the Plant.

NOTE 18 – 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 megawatts each). The City is obligated for the following percentage of electrical facilities at IPA:

	Entitlement	Expiration
Generation:		
Intermountain Power Project	13.23%	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:		
Magnolia Generating Station (Magnolia)	39.7	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 take-or-pay commitments that are due and payable by the Electric Utility for each project and the final maturity date.

In addition to take-or-pay commitments referenced above, 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.

Fiscal Year Ending 6/30	IPA	STS	Magnolia	Natural Gas	Canyon	Total
2022	\$ 7,007	\$ 16,266	\$ 5,208	\$ 4,169	\$ 7,228	\$ 39,878
2023	9,637	12,298	11,218	3,854	12,709	49,716
2024	81	12,370	7,333	3,562	19,692	43,038
2025	59	5,662	7,397	3,299	19,685	36,102
2026		5,655	7,457	3,054	19,685	35,851
2027-2031		11,299	38,345	15,958	97,741	163,343
2032-2036			40,389		96,551	136,940
2037-2041			13,874		97,811	111,685
	<u>\$ 16,784</u>	<u>\$ 63,550</u>	<u>\$ 131,221</u>	<u>\$ 33,896</u>	<u>\$ 371,102</u>	<u>\$ 616,553</u>

The fiscal year 2021 expenses for fuel, O&M, A&G and other costs at these projects were as follows:

	Fiscal Year Ending 6/30/2021
IPA	\$ 39,214
STS	3,692
MAP	273
MPP	385
Magnolia	29,527
Natural Gas	614
Canyon	774
Total	<u>\$ 74,479</u>

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 \$8,430 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, 2021, the value of prepaid Cap and Trade allowance is \$27,191, and the value of the Cap and Trade obligation is \$14,134.

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 6/30</u>		
2022	\$	65
2023		65
2024		65
2025		68
2026		72
2027-2031		369
2032-2036		406
2037-2041		447
2042-2045		334
Total minimum future rentals	\$	<u>1,891</u>

The Honda Center

On January 26, 1999, the City entered into a series of lease transactions for the Honda Center. Subsequently on 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.

In November 2018, an amendment was signed to extend the term of agreement from June 30, 2023 to June 30, 2048, with five 5-year extension options. Under the amendment, AAM assumed responsibility to provide 3,900 parking spaces for Honda Center, relieving the City of this long-term obligation. 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, 2021, the outstanding conduit debt on the Honda Center totaled \$9,000. 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 15, 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. In January 2019, an amendment was signed to extend the Team's right to terminate the agreement by fourteen months to December 31, 2020.

On December 19, 2019, the Anaheim City Council adopted a resolution approving the Purchase and Sale Agreement between the City and SRB Management Company, LLC (SRB) for the sale of approximately 153 acres of City-owned property generally located at 2000 E. Gene Autry Way and 2200 East Katella Avenue, including improvements commonly referred to as Angel Stadium of Anaheim, the City National Grove, and surrounding parking areas. Key transaction terms included a purchase price of \$325 million, a commitment by the Angels to play home games in Anaheim through at least 2050, waiver of Angels Baseball's right to terminate the existing lease, \$70 million in periodic deposits to be made by SRB and credited against the purchase price, and a milestone schedule for establishing development entitlements. On May 12, 2020, the City entered into a letter of understanding (LOU) with SRB extending the inspection deadline by ninety (90) days from June 30, 2020 to September 30, 2020, and accelerating the time required for making the third deposit.

On September 29, 2020, the City Council approved an amended and restated purchase and sale agreement with updated terms related to the purchase price, method of payment, closing schedule and conditions precedent for closing. The purchase price was reduced to \$320 million to adjust for land that the City will retain for a fire station and for the City's retention of the adjacent municipal water utility building. SRB will pay the purchase price with \$50 million in cash, due at closing, drawn from escrow deposits; construction of 466 affordable housing units for lower and very low income households (credited at \$123.68 million); the construction and maintenance by SRB of a 7-acre public park (credited at \$46.23 million); and five annual installments of the approximately \$100 million balance of the purchase price, with interest, with the first installment due the day after closing. The City Council also, by motion,

approved the Angels Commitment Agreement between the City and Angels Baseball LP, memorializing Angels Baseball's commitment not to relocate and to play its home games at Angels Stadium of Anaheim (or its replacement) until at least December 31, 2050, with options to extend for an additional 25 years; and; approved the assignment and assumption of the Stadium Lease between the City and SRB, to assign the City's interest, as landlord, in the existing Stadium Lease between the City and Angeles Baseball to SRB upon closing of the sale of the project site. See note 19 of the notes to the financial statements on page 110 for the latest development of the sale of the Angels Stadium.

Until the sale is finalized and under the terms of the agreement, the Team assumes 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 May 14, 1996 Agreement also provided the City 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. In June 2015, the option to extend was exercised, which extends the term to December 31, 2020. 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. For the fiscal year ended June 30, 2021, the venue was closed due to COVID-19 restriction and parking license fees were reduced under a letter of agreement with total payments of \$56 for the entire fiscal year. Under the Stadium Sale and Purchase Agreement, development rights and any right to levy income, will pass to SRB, the new owner.

Anaheim Regional Transportation Intermodal Center - ARTIC

In December 2014, the City opened ARTIC, a transit hub in the Platinum Triangle, a growing and dynamic mixed use area, and within walking distance of both the Angel Stadium and the Honda Center. ARTIC serves as a transit hub for Orange County and the entire Southern California region with bus and rail services.

In January 2018, the City and AAM entered into negotiations to secure opportunities to create an entertainment district with the Platinum Triangle, keep the Anaheim Ducks in Anaheim, remove the City's \$2.5 million general fund obligation from operating the ARTIC, and create opportunities to create and secure revenues and other economic benefits that could be realized through development of the under-utilized City land.

On November 20, 2018, the City Council approved the Facility Management Agreement to be effective on July 1, 2019, for the Anaheim Regional Transportation Intermodal Center (ARTIC), between the City as owner and ATCM, LLC (an affiliate of AAM and controlled by H&S Ventures, LLC) ("ATCM") as manager (the "ARTIC FMA"), as guaranteed by AAM pursuant to a Guaranty of Payment and Performance in favor of the City.

Under the terms of The Facility Management Agreement, ATCM assumes management of ARTIC through June 30, 2048, with the option to extend its management obligations for five five-year extension terms; ATCM will be responsible for all operating losses up to \$2.5 million annually; AAM/ATCM will advance all expenses of a sign "Spectacular" at ARTIC, with all proceeds applied to operating expenses; AAM fully guarantees ATCM performance; and City and ATCM share in net profits, 60% to City and 40% to ATCM. For the fiscal year ended June 30, 2021, there was no revenue share distribution.

Muzeo

In October 2007, the City and the former Redevelopment Agency entered into a property operating agreement (Agreement) with the Muzeo Foundation to operate and provide programming for the Muzeo, the downtown museum. The Agreement is for a term of 30 years and provides for a line of credit (LOC) 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 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 fundraising thresholds. On June 30, 2014, the agreement was amended to extend the maturity date to June 30, 2019 and increased the line of credit amount from \$200 to \$250 annually.

In June 2019, The City and the Muzeo Foundation entered Amendment No. 4 to the Property Operating Agreement which includes the continuance of the annual LOC in the amount of \$250 per annum for a term of five years expiring June 30, 2024. Additionally, the Muzeo Foundation is also granted a Capital Working LOC (CWLOC) for up to \$150 each fiscal year. For the fiscal year ended June 30, 2021, there was no fund drawn from the CWLOC.

Participation Agreement – Construction of Regional Animal Care Shelter

On April 12, 2016 the City Council approved a Participation Agreement between the County of Orange and City of Anaheim for the construction of a new regional animal shelter at the former Tustin Air Base. Participants of this Participation Agreement are the County of Orange and fourteen Orange County Cities. The Shelter will be a County public works project with a maximum construction amount of \$35 million of which the County will fund \$7.2 million and contribute the land at no cost. The remaining \$27.3 million of the maximum construction amount will be divided proportionately among the contract cities based on the percentage of actual shelter usage over the last five years. The City's proportionate share is 28.28% or \$7.7 million for an estimated annual payment of \$798 payable quarterly over 10 years starting with fiscal year 2017.

During fiscal year 2021, the City paid \$806 with an estimated committed balance of \$3,860.

Homeless Shelters

On November 10, 2020, the City approved the First Amendment between the City and the Salvation Army for the continuation of the 224 beds shelter services at the Salvation Army homeless shelter located at 1455

South Salvation Place to 1) extend the funding termination date by two additional years from January 31, 2021 to January 31, 2023; and 2) approve a funding reimbursement amount of \$11 million for the period from February 1, 2021 through January 31, 2023. The City paid \$2,137 for operating costs for the fiscal year ended June 30, 2021 under this extended agreement with an estimated committed balance of \$8,863.

On April 22, 2020, the City entered an Agreement Regarding Homeless Shelter Expansion (Expansion) with the Salvation Army to obtain additional temporary shelter capacity. The City agreed to fully reimburse the Salvation Army up to \$1,800 for its costs in constructing the Expansion with a minimum of 101 beds located in large trailers or similar structures with roof and four walls. Additionally, the City agreed to fully reimburse the Salvation Army for its costs actually incurred in operating the Expansion up to \$1,726 annually. The term of the Agreement is two years beginning on the Commencement Date. For the fiscal year ended June 30, 2021, the City paid \$566 for the balance of the construction costs, and \$1,538 for operating costs.

On June 20, 2019, the City entered into an Agreement with Illumination Foundation for the operation of an emergency homeless shelter (Shelter) located at 3035 East La Mesa Street. The Agreement commenced upon the effective date and continued for one year, and was extended for up to two additional one year periods. The City pays a fee of fifty-five dollars and thirty three cents (\$55.33) per day for each person housed in the Shelter for a total contract agreement not to exceed \$6,500. During fiscal year 2021, the City paid \$1,877 for operating costs with a committed balance of \$1,236.

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, 2021, the City had the following commitments with respect to unfinished capital projects, disposition and development agreements, reimbursement agreements and cooperation agreements:

Capital Projects	Remaining Construction Commitment	Expected Completion Date
Ambulance equipment	\$ 799	2021
Ball Road Street Improvement	1,719	2021
Computer system storage area network	627	2021
Electric equipment and materials	6,403	2022
Groundwater treatment plants Phase A	55,392	2023
Imperial Highway and Big Sky Lane Water Main Replacement	2,626	2022
Indiana Street Water Main Replacement	1,263	2022
New Pressure Regulating Station No. 73	686	2021
Transformers	1,914	2022
Underground and Surface-Mounted Electric Systems and fiber optic vaults	3,861	2023
Underground District No. 50 Euclid Street	1,710	2021
Underground District No. 65 Phase 2	9,750	2022
Underground District No. 65 Phase I	4,045	2022
Vehicle acquisitions	837	2022
	\$ 91,632	

NOTE 19 - SUBSEQUENT EVENTS

On December 15, 2021, the City issued Anaheim Financing Authority (APFA) Lease Revenue Bonds (Convention Center Refunding), Series 2021A in the principal amount of \$250,250 at par, to refund the outstanding principal balance of the APFA Series 2014A (Convention Center Expansion Projects). Proceeds of the 2021A bonds, along with \$8,079 from the 2014A debt service reserve fund (\$8,037) and debt service fund (\$42), totaled \$258,329 were deposited in escrow to advance refund the 2014A APFA outstanding principal balance of \$231,920; to purchase a reserve policy in satisfaction of the reserve requirement, and to pay the costs incurred in connection with the issuance and sale of the bonds. Interest rates for the 2021A bonds range from 0.863% to 3.265%. The total debt service to maturity is \$360,057. The City reduced

its total debt service payments over the life of the refunded bonds by \$45,331 with a net present value savings of \$25,777.

On December 8, 2021, the Department of Housing and Community Development (HCD), State of California, issued the Notice of Violation of the Surplus Land Act, pursuant to Government Code section 54230.5 and 65585.1, to the City of Anaheim regarding the City's disposition of the property owned by the City at 2000 East Autry Way and 2200 East Katella Boulevard in Anaheim, California (Property). The City has 60 days from the date of the notice of violation to cure or correct the alleged violation. The sale of the Property, known as the Anaheim Stadium, has a \$50 million deposit in escrow and is recorded in the City's General Fund as Restricted Cash with a corresponding Deposit liability.



REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net Pension Liability and Related Ratios

Last Ten Fiscal Years¹

(In thousands)

Measurement Period:	Miscellaneous 2019-2020	Police Safety 2019-2020	Fire Safety 2019-2020	Total 2019-2020	Miscellaneous 2018-2019	Police Safety 2018-2019	Fire Safety 2018-2019	Total 2018-2019
TOTAL PENSION LIABILITY								
Service cost	\$ 24,446	\$ 17,304	\$ 6,933	\$ 48,683	\$ 23,998	\$ 17,241	\$ 6,617	\$ 47,856
Interest on the Total Pension Liability	103,706	58,403	32,429	194,538	100,471	56,054	31,074	187,599
Changes of Assumptions ⁵								
Difference Between Expected and Actual Experience	(5,084)	(930)	6,423	409	2,789	3,458	3,076	9,323
Benefit Payments, including Refunds of Employee Contributions	(76,418)	(41,047)	(25,727)	(143,192)	(72,294)	(38,058)	(24,915)	(135,267)
Net Change in Total Pension Liability	46,650	33,730	20,058	100,438	54,964	38,695	15,852	109,511
Total Pension Liability - Beginning	1,481,509	829,624	456,524	2,767,657	1,426,545	790,929	440,672	2,658,146
Total Pension Liability - Ending (a)	\$ 1,528,159	\$ 863,354	\$ 476,582	\$ 2,868,095	\$ 1,481,509	\$ 829,624	\$ 456,524	\$ 2,767,657
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 46,238	\$ 26,639	\$ 13,174	\$ 86,051	\$ 40,546	\$ 23,375	\$ 11,654	\$ 75,575
Contributions - Employees	9,878	5,398	2,589	17,865	9,653	5,003	2,436	17,092
Net Investment Income	52,399	29,601	15,959	97,959	66,398	37,234	20,553	124,185
Benefit Payments, including Refunds of Employee Contributions	(76,418)	(41,047)	(25,727)	(143,192)	(72,294)	(38,058)	(24,915)	(135,267)
Plan to Plan Resource Movement								
Administration Expense	(1,490)	(838)	(460)	(2,788)	(723)	(405)	(226)	(1,354)
Other Miscellaneous Income (Expense) ²					1	1	1	3
Net Change in Fiduciary Net Position	30,607	19,753	5,535	55,895	43,581	27,150	9,503	80,234
Plan Fiduciary Net Position - Beginning³	1,056,804	594,588	325,962	1,977,354	1,013,223	567,438	316,459	1,897,120
Plan Fiduciary Net Position - Ending (b)	1,087,411	614,341	331,497	2,033,249	1,056,804	594,588	325,962	1,977,354
Plan Net Pension Liability (Asset) - Ending (a) - (b)	\$ 440,748	\$ 249,013	\$ 145,085	\$ 834,846	\$ 424,705	\$ 235,036	\$ 130,562	\$ 790,303
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	71.16%	71.16%	69.56%	70.89%	71.33%	71.67%	71.40%	71.45%
Covered Payroll⁴	\$ 127,786	\$ 52,999	\$ 25,092	\$ 205,877	\$ 123,499	\$ 52,491	\$ 23,383	\$ 199,373
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	344.91%	469.84%	578.21%	405.51%	343.89%	447.76%	558.36%	396.39%

Notes:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

¹ Historical information is required only for measurement periods for which GASB 68 is applicable, Additional years will be presented as they become available

² During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participants in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting Pension (GASB 68).

³ Includes any beginning of year adjustment

⁴ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

⁵ Changes of Assumptions: None in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate.

(Continued)

Schedule of Changes in the Net Pension Liability and Related Ratios Last Ten Fiscal Years¹

(In thousands) (continued)

Measurement Period:	Miscellaneous 2017-2018	Police Safety 2017-2018	Fire Safety 2017-2018	Total 2017-2018	Miscellaneous 2016-2017	Police Safety 2016-2017	Fire Safety 2016-2017	Total 2016-2017
TOTAL PENSION LIABILITY								
Service cost	\$ 24,265	\$ 16,628	\$ 6,625	\$ 47,518	\$ 23,736	\$ 15,914	\$ 6,600	\$ 46,250
Interest on the Total Pension Liability	96,660	53,413	29,971	180,044	93,754	51,464	29,093	174,311
Changes of Assumptions	(7,462)	(3,208)	(1,830)	(12,500)	76,961	43,497	23,564	144,022
Difference Between Expected and Actual Experience	(3,467)	(2,322)	1,245	(4,544)	8,902	225	(3,028)	6,099
Benefit Payments, including Refunds of Employee Contributions	(68,285)	(35,675)	(23,587)	(127,547)	(64,059)	(34,195)	(22,071)	(120,325)
Net Change in Total Pension Liability	41,711	28,836	12,424	82,971	139,294	76,905	34,158	250,357
Total Pension Liability - Beginning	1,384,834	762,093	428,248	2,575,175	1,245,540	685,188	394,090	2,324,818
Total Pension Liability - Ending (a)	\$ 1,426,545	\$ 790,929	\$ 440,672	\$ 2,658,146	\$ 1,384,834	\$ 762,093	\$ 428,248	\$ 2,575,175
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 35,753	\$ 20,412	\$ 10,600	\$ 66,765	\$ 33,275	\$ 19,615	\$ 10,350	\$ 63,240
Contributions - Employees	9,985	4,869	2,487	17,341	9,744	4,741	2,316	16,801
Net Investment Income	80,859	45,025	25,372	151,256	97,855	54,262	31,036	183,153
Benefit Payments, including Refunds of Employee Contributions	(68,285)	(35,675)	(23,587)	(127,547)	(64,059)	(34,195)	(22,071)	(120,325)
Plan to Plan Resource Movement	(2)	(1)	(1)	(4)	2			2
Administrative Expense	(1,495)	(834)	(472)	(2,801)	(1,305)	(725)	(416)	(2,446)
Other Miscellaneous Income (Expense) ²	(2,839)	(1,584)	(897)	(5,320)				
Net Change in Fiduciary Net Position	53,976	32,212	13,502	99,690	75,512	43,698	21,215	140,425
Plan Fiduciary Net Position - Beginning	959,247	535,226	302,957	1,797,430	883,735	491,528	281,742	1,657,005
Plan Fiduciary Net Position - Ending (b)	1,013,223	567,438	316,459	1,897,120	959,247	535,226	302,957	1,797,430
Plan Net Pension Liability (Asset) - Ending (a) - (b)	\$ 413,322	\$ 223,491	\$ 124,213	\$ 761,026	\$ 425,587	\$ 226,867	\$ 125,291	\$ 777,745
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	71.03%	71.74%	71.81%	71.37%	69.27%	70.23%	70.74%	69.80%
Covered Payroll	\$ 124,068	\$ 50,771	\$ 23,214	\$ 198,053	\$ 120,653	\$ 48,294	\$ 22,688	\$ 191,635
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	333.14%	440.19%	535.08%	384.25%	352.74%	469.76%	552.23%	405.85%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable, Additional years will be presented as they become available

Notes:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Cred (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, there were no changes.

(Continued)

Schedule of Changes in the Net Pension Liability and Related Ratios Last Ten Fiscal Years¹

(In thousands) (continued)

Measurement Period:	Miscellaneous 2015-2016	Police Safety 2015-2016	Fire Safety 2015-2016	Total 2015-2016	Miscellaneous 2014-2015	Police Safety 2014-2015	Fire Safety 2014-2015	Total 2014-2015
TOTAL PENSION LIABILITY								
Service cost	\$ 19,841	\$ 13,551	\$ 5,572	\$ 38,964	\$ 20,334	\$ 12,193	\$ 5,419	\$ 37,946
Interest on the Total Pension Liability	89,941	49,349	28,550	167,840	88,334	46,658	27,760	162,752
Changes of Assumptions					(21,249)	(11,546)	(6,582)	(39,377)
Difference Between Expected and Actual Experience	(28,822)	6,919	(2,504)	(24,407)	(16,296)	(19,370)	(4,549)	(40,215)
Benefit Payments, including Refunds of Employee Contributions	(60,039)	(32,039)	(20,907)	(112,985)	(57,158)	(30,517)	(19,944)	(107,619)
Net Change in Total Pension Liability	20,921	37,780	10,711	69,412	13,965	(2,582)	2,104	13,487
Total Pension Liability - Beginning	1,224,619	647,408	383,379	2,255,406	1,210,654	649,990	381,275	2,241,919
Total Pension Liability - Ending (a)	\$ 1,245,540	\$ 685,188	\$ 394,090	\$ 2,324,818	\$ 1,224,619	\$ 647,408	\$ 383,379	\$ 2,255,406
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 31,595	\$ 17,527	\$ 9,483	\$ 58,605	\$ 25,375	\$ 14,663	\$ 7,622	\$ 47,660
Contributions - Employees	9,812	4,726	2,328	16,866	8,877	4,192	2,075	15,144
Net Investment Income	4,556	2,607	1,449	8,612	20,081	10,967	6,515	37,563
Benefit Payments, including Refunds of Employee Contributions	(60,039)	(32,039)	(20,907)	(112,985)	(57,158)	(30,517)	(19,944)	(107,619)
Plan to Plan Resource Movement	(34)			(34)	(5)	5		
Administrative Expense	(548)	(304)	(177)	(1,029)	(1,011)	(562)	(326)	(1,899)
Net Change in Fiduciary Net Position	(14,658)	(7,483)	(7,824)	(29,965)	(3,841)	(1,252)	(4,058)	(9,151)
Plan Fiduciary Net Position - Beginning	898,393	499,011	289,566	1,686,970	902,234	500,263	293,624	1,696,121
Plan Fiduciary Net Position - Ending (b)	883,735	491,528	281,742	1,657,005	898,393	499,011	289,566	1,686,970
Plan Net Pension Liability (Asset) - Ending (a) - (b)	\$ 361,805	\$ 193,660	\$ 112,348	\$ 667,813	\$ 326,226	\$ 148,397	\$ 93,813	\$ 568,436
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	70.95%	71.74%	71.49%	71.27%	73.36%	77.08%	75.53%	74.80%
Covered Payroll	\$ 111,398	\$ 46,479	\$ 21,600	\$ 179,477	\$ 112,039	\$ 41,800	\$ 20,935	\$ 174,774
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	324.79%	416.66%	520.13%	372.09%	291.17%	355.02%	448.12%	325.24%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable, Additional years will be presented as they become available

Notes:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Cred (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amount reported were based on the 7.5% discount rate.

Schedule of Changes in the Net Pension Liability and Related Ratios Last Ten Fiscal Years¹

(In thousands) (continued)

Measurement Period:	Miscellaneous	Police Safety	Fire Safety	Total
	2013-2014	2013-2014	2013-2014	2013-2014
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
Changes of Assumptions				
Difference Between Expected and Actual Experience				
Benefit Payments, including Refunds of Employee Contributions	(53,552)	(28,845)	(18,657)	(101,054)
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>\$ 1,210,654</u>	<u>\$ 649,990</u>	<u>\$ 381,275</u>	<u>\$ 2,241,919</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	135,468	75,115	44,305	254,888
Benefit Payments, including Refunds of Employee Contributions	(53,552)	(28,845)	(18,657)	(101,054)
Plan to Plan Resource Movement				
Administrative Expense				
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 (Asset) - Ending (a) - (b)	<u>\$ 308,420</u>	<u>\$ 149,727</u>	<u>\$ 87,651</u>	<u>\$ 545,798</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74.52%	76.96%	77.01%	75.65%
Covered Payroll	\$ 110,815	\$ 43,204	\$ 22,107	\$ 176,126
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	278.32%	346.56%	396.49%	309.89%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable, Additional years will be presented as they become available

Notes:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Cred (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5% discount rate.

Schedule of Pension Plan Contributions Last Ten Fiscal Years¹

(In thousands)

Fiscal Year	Pension Plan	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll ²	Contributions as a Percentage of Covered Payroll ²
2020-2021	Miscellaneous	\$ 49,053	\$ 49,053		\$ 118,170	41.51%
	Police Safety	29,134	29,134		54,270	53.68%
	Fire Safety	14,316	14,316		27,436	52.18%
	Total	\$ 92,503	\$ 92,503		\$ 199,876	46.28%
2019-2020	Miscellaneous	\$ 46,238	\$ 46,238		\$ 127,786	36.18%
	Police Safety	26,639	26,639		52,999	50.26%
	Fire Safety	13,174	13,174		25,092	52.50%
	Total	\$ 86,051	\$ 86,051		\$ 205,877	41.80%
2018-2019	Miscellaneous	\$ 40,546	\$ 40,546		\$ 123,499	32.83%
	Police Safety	23,375	23,375		52,491	44.53%
	Fire Safety	11,654	11,654		23,383	49.84%
	Total	\$ 75,575	\$ 75,575		\$ 199,373	37.91%
2017-2018	Miscellaneous	\$ 35,753	\$ 35,753		\$ 124,068	28.82%
	Police Safety	20,412	20,412		50,771	40.20%
	Fire Safety	10,600	10,600		23,214	45.66%
	Total	\$ 66,765	\$ 66,765		\$ 198,053	33.71%
2016-2017	Miscellaneous	\$ 33,275	\$ 33,275		\$ 120,653	27.58%
	Police Safety	19,615	19,615		48,294	40.62%
	Fire Safety	10,350	10,350		22,688	45.62%
	Total	\$ 63,240	\$ 63,240		\$ 191,635	33.00%
2015-2016	Miscellaneous	\$ 31,141	\$ 31,595	\$ (454)	\$ 111,398	28.36%
	Police Safety	17,527	17,527		46,479	37.71%
	Fire Safety	9,483	9,483		21,600	43.90%
	Total	\$ 58,151	\$ 58,605	\$ (454)	\$ 179,477	32.65%
2014-2015	Miscellaneous	\$ 25,375	\$ 25,375		\$ 112,039	22.65%
	Police Safety	14,663	14,663		41,800	35.08%
	Fire Safety	7,622	7,622		20,935	36.41%
	Total	\$ 47,660	\$ 47,660		\$ 174,774	27.27%
2013-2014	Miscellaneous	\$ 23,841	\$ 23,841		\$ 110,815	21.51%
	Police Safety	13,505	13,505		43,204	31.26%
	Fire Safety	7,723	7,723		22,107	34.93%
	Total	\$ 45,069	\$ 45,069		\$ 176,126	25.59%

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-2021 were derived from the June 30, 2018 Valuation reports, for fiscal year 2019-2020 from the June 30, 2017 Valuation reports, and for Fiscal Year 2018-2019 from the June 30, 2016 Valuation reports.

¹ Historical information is required only for measurement periods for which GASB 68 is applicable. Additional years will be presented as they become available.

² Includes one year's payroll growth using 2.75% payroll assumption for fiscal year ended June 30, 2018 and 2019; 3% payroll assumption for fiscal years ended June 30, 2014-2017.

Schedule of Changes in the Net Other OPEB Liability and Related Ratios Last Ten Fiscal Years¹

(Amounts in Thousands)

Measurement Period:	2019-2020	2018-2019	2017-2018	2016-2017
TOTAL OPEB LIABILITY				
Service cost	\$ 1,667	\$ 1,900	\$ 1,840	\$ 2,032
Interest on the Total OPEB Liability	16,741	19,577	19,229	19,550
Difference Between Expected and Actual Experience		(15,626)		(14,382)
Changes of Assumptions		(7,583)		4,617
Benefit Payments, including Refunds of Employee Contributions	(17,541)	(16,629)	(16,061)	(16,016)
Net Change in Total OPEB Liability	867	(18,361)	5,008	(4,199)
Total OPEB Liability - Beginning	256,968	275,329	270,321	274,520
Total OPEB Liability - Ending (a)	257,835	256,968	275,329	270,321
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	16,488	16,049	16,367	16,016
Net investment income	3,374	5,582	6,658	8,010
Benefit payments	(17,541)	(16,629)	(16,061)	(16,016)
Administrative Expense	(47)	(19)	(44)	(41)
Other Expense			(111)	
Net Change in Fiduciary Net Position	2,274	4,983	6,809	7,969
Plan Fiduciary Net Position - Beginning	95,461	90,478	83,669	75,700
Plan Fiduciary Net Position - Ending (b)	97,735	95,461	90,478	83,669
Plan Net OPEB Liability - Ending (a) - (b)	\$ 160,100	\$ 161,507	\$ 184,851	\$ 186,652
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability Covered-Employee Payroll²	37.91%	37.15%	32.86%	32.86%
Plan Net OPEB Liability as a Percentage of Covered Employee Payroll	76.36%	76.93%	88.26%	91.73%

¹ Historical information is required only for measurement periods for which GASB 75 is applicable, Additional years will be presented as they become available.

² OPEB provided and contributions made by the City are not dependent on payroll.

Schedule of OPEB Plan Contributions Last Ten Fiscal Years¹

(In thousands)

Fiscal Year	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Actuarially Determined Contribution (ADC)	\$ 14,180	\$ 16,488	\$ 16,049	\$ 16,367	\$ 15,937
Contributions in relation to ADC	\$ 16,393	\$ 16,488	\$ 16,049	\$ 16,367	\$ 16,016
Contribution deficiency (excess)	\$ (2,213)				\$ (79)
Covered-Employee Payroll ²	\$ 203,733	\$ 209,656	\$ 209,942	\$ 209,435	\$ 203,473
Contributions as a Percentage of Covered-employee Payroll	8.05%	7.86%	7.64%	7.82%	7.87%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable. Additional years will be presented as they become available.

² OPEB provided and contribution to the OPEB plan by the City are not dependent on payroll.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal years ending June 30, 2020 was from the July 1, 2019 Actuarial Valuation Report, for June 30, 2019 and 2020 were from the July 1, 2017 Actuarial Valuation Report, and for Fiscal Year ending June 30, 2017 and 2018 were from the July 1, 2015 Actuarial Valuation Report.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal Close Group Level Dollar Basis.
Amortization Method/Period	Level percent of payroll over a closed 30-year period initially beginning July 1, 2007
Asset Valuation Method	Smoothed asset value
General Inflation Rate	2.5% for 2019-2021 and 2.75% for 2016-2019
Salary Increase	3.0% for 2019-2021 and 3.25% for 2016-2019
Long Term Return on Assets	6.7% for 2019-2021 and 7.28% for 2016-2019
Healthcare Trend	Assumed to start at 6.5% in 2021, and then fluctuates to an ultimate increase rate of 4% per year for year 2076 & thereafter
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality Improvement	McCleod Watts Scale 2020 applied generationally for 2019-2020 and 2015 for prior years



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NONMAJOR GOVERNMENTAL FUNDS

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 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 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 improvement.

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.

LONG RANGE PROPERTY MANAGEMENT PLAN FUND—Established to account for future development and property management activities of the assets that were transferred from the Successor Agency to the Former Anaheim Redevelopment Agency's approved Long Range Property Management Plan.

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

MUNICIPAL FACILITIES FUND—Established to accumulate resources for payment of the principal and interest on the lease revenue bonds for the Fire Facilities 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 FUND—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. 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 FUND—Established to account for the development of new park sites, playgrounds and library facilities. Financing is provided by Federal and State grant programs, in conjunction with fees charged to residential and commercial developers. 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 and subsidies from the General Fund.

MELLO-ROOS PROJECTS FUND—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 properties within the district.

Combining Balance Sheet

Nonmajor Governmental Funds by Fund Type

June 30, 2021 (In thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 16,539	\$ 418	\$ 14,898	\$ 31,855
Investments	49,475	1,256	44,792	95,523
Accounts receivable, net	1,132		231	1,363
Accrued interest receivable	346	9	285	640
Due from other funds			10,224	10,224
Due from other governments	8,985		13,471	22,456
Land held for resale	15,295			15,295
Prepaid and other assets	154	1		155
Restricted cash and cash equivalents	158	64,218	22,178	86,554
Restricted investments		15,307	15,498	30,805
Notes receivable, net	18,468			18,468
Due from Successor Agency	3,649		2,612	6,261
Total assets	<u>\$ 114,201</u>	<u>\$ 81,209</u>	<u>\$ 124,189</u>	<u>\$ 319,599</u>
LIABILITIES				
Accounts payable	\$ 8,195		\$ 1,693	\$ 9,888
Wages payable	253		34	287
Deposits	270		1,200	1,470
Due to other funds	242		15,022	15,264
Total liabilities	<u>8,960</u>		<u>17,949</u>	<u>26,909</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	720		13,280	14,000
Unavailable resources- long-term notes receivable	18,468			18,468
Unavailable resources - due from Successor Agency	3,649		2,612	6,261
Total deferred inflows of resources	<u>22,837</u>		<u>15,892</u>	<u>38,729</u>
FUND BALANCES				
Nonspendable:				
Prepaid and other assets	154	\$ 1		155
Restricted:				
Anaheim Resort maintenance and improvement	6,257			6,257
Capital projects			3,706	3,706
Community and economic development projects	25,845			25,845
Debt service		79,525		79,525
Development impact projects			89,824	89,824
Grant purposes	2,252			2,252
Homebuyer assistance program	12,295			12,295
Streets, roads and transportation improvement projects	34,903			34,903
Committed for neighborhood and community projects			4,057	4,057
Assigned:				
Debt service		1,683		1,683
Capital projects			5,867	5,867
Other purposes	738			738
Unassigned	(40)		(13,106)	(13,146)
Total fund balances	<u>82,404</u>	<u>81,209</u>	<u>90,348</u>	<u>253,961</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 114,201</u>	<u>\$ 81,209</u>	<u>\$ 124,189</u>	<u>\$ 319,599</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, 2021 (In thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Licenses, fees and permits			\$ 8,403	\$ 8,403
Intergovernmental revenues	\$ 41,471		3,969	45,440
Charges for services	7,896		54	7,950
Use of money and property	15,404	\$ 57	2,288	17,749
Others	224		142	366
Contribution from property owners			5,175	5,175
Total revenues	64,995	57	20,031	85,083
Expenditures:				
Current:				
City Attorney	107			107
City Clerk			8	8
Finance		104		104
Police	3,734		106	3,840
Fire & Rescue	987		9	996
Community & Economic Development	15,732		9	15,741
Planning & Building	1,216		114	1,330
Public Works	15,290		1,230	16,520
Community Services	429		771	1,200
Convention, Sports and Entertainment	2,176			2,176
Capital outlay	15,472		11,811	27,283
Debt service:				
Principal retirement	1,383	14,469	1,557	17,409
Interest charges	417	28,359	264	29,040
Total expenditures	56,943	42,932	15,879	115,754
Excess (deficiency) of revenues over (under) expenditures	8,052	(42,875)	4,152	(30,671)
Other financing sources (uses):				
Transfers in	746	11,201	3,694	15,641
Transfers out	(4,083)	(17)	(199)	(4,299)
Total other financing sources (uses)	(3,337)	11,184	3,495	11,342
Net change in fund balances	4,715	(31,691)	7,647	(19,329)
Fund balances at beginning of year	77,689	112,900	82,701	273,290
Fund balances at end of year	\$ 82,404	\$ 81,209	\$ 90,348	\$ 253,961

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2021 (In thousands)

	Gas Tax	Workforce Development	Community Development Block Grant	Grants	Anaheim Resort Maintenance District	Anaheim Tourism Improvement District	Narcotic Asset Forfeiture	Long Range Property Management Plan	Total
ASSETS									
Cash and cash equivalents	\$ 5,476	\$ 3	\$ 100	\$ 2,956	\$ 1,653	\$ 3,187	\$ 34	\$ 3,130	\$ 16,539
Investments	16,463	9	301	8,887	4,968	9,582	103	9,162	49,475
Accounts receivable, net		9				1,120		3	1,132
Accrued interest receivable	114			78	32	71	1	50	346
Notes receivable, net			2,226	16,242					18,468
Due from other governments	3,237	429	332	4,987					8,985
Prepaid and other assets				110				44	154
Land held for resale								15,295	15,295
Restricted cash and cash equivalents							158		158
Due from Successor Agency			3,649						3,649
Total assets	<u>\$ 25,290</u>	<u>\$ 450</u>	<u>\$ 6,608</u>	<u>\$ 33,260</u>	<u>\$ 6,653</u>	<u>\$ 13,960</u>	<u>\$ 296</u>	<u>\$ 27,684</u>	<u>\$ 114,201</u>
LIABILITIES									
Accounts payable	\$ 865	\$ 175	\$ 176	\$ 1,723	\$ 381	\$ 3,360		\$ 1,515	\$ 8,195
Wages payable	117	33	41	32	15	5		10	253
Due to other Funds		242							242
Deposits								270	270
Total liabilities	<u>982</u>	<u>450</u>	<u>217</u>	<u>1,755</u>	<u>396</u>	<u>3,365</u>		<u>1,795</u>	<u>8,960</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenues		40		680					720
Unavailable resources- long-term notes receivable			2,226	16,242					18,468
Unavailable resources - due from Successor Agency			3,649						3,649
Total deferred inflows of resources		<u>40</u>	<u>5,875</u>	<u>16,922</u>					<u>22,837</u>
FUND BALANCES									
Nonspendable:									
Prepaid and other assets				110				44	154
Restricted:									
Anaheim Resort maintenance and improvement					6,257				6,257
Community and economic development projects								25,845	25,845
Grant purposes			516	1,440			296		2,252
Homebuyer assistance program				12,295					12,295
Streets, roads and transportation improvement projects	24,308					10,595			34,903
Assigned for other purposes				738					738
Unassigned		(40)							(40)
Total fund balances (deficit)	<u>24,308</u>	<u>(40)</u>	<u>516</u>	<u>14,583</u>	<u>6,257</u>	<u>10,595</u>	<u>296</u>	<u>25,889</u>	<u>82,404</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,290</u>	<u>\$ 450</u>	<u>\$ 6,608</u>	<u>\$ 33,260</u>	<u>\$ 6,653</u>	<u>\$ 13,960</u>	<u>\$ 296</u>	<u>\$ 27,684</u>	<u>\$ 114,201</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) Nonmajor Special Revenue Funds Year Ended June 30, 2021 (In thousands)

	Gas Tax	Workforce Development	Community Development Block Grant	Grants	Anaheim Resort Maintenance District	Anaheim Tourism Improvement District	Narcotic Asset Forfeiture	Long Range Property Management Plan	Total
Revenues:									
Intergovernmental revenues	\$ 21,331	\$ 2,977	\$ 6,490	\$ 10,575			\$ 98		\$ 41,471
Charges for services	247				\$ 4,722	\$ 2,927			7,896
Use of money and property	133		952	3,544	28	(187)	16	\$ 10,918	15,404
Other	1	4		5	4			210	224
Total revenues	<u>21,712</u>	<u>2,981</u>	<u>7,442</u>	<u>14,124</u>	<u>4,754</u>	<u>2,740</u>	<u>114</u>	<u>11,128</u>	<u>64,995</u>
Expenditures:									
Current:									
City Attorney			107						107
Police				3,309			425		3,734
Fire & Rescue			14	973					987
Community & Economic Development		3,286	3,444	4,505				4,497	15,732
Planning & Building			1,216						1,216
Public Works	5,436				4,174	5,680			15,290
Community Services			343	86					429
Convention, Sports & Entertainment						2,176			2,176
Capital outlay	10,027		56	1,557	292	3,388	122	30	15,472
Debt service:									
Principal retirement			1,187				196		1,383
Interest charges			406				11		417
Total expenditures	<u>15,463</u>	<u>3,286</u>	<u>6,773</u>	<u>10,430</u>	<u>4,466</u>	<u>11,244</u>	<u>754</u>	<u>4,527</u>	<u>56,943</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,249</u>	<u>(305)</u>	<u>669</u>	<u>3,694</u>	<u>288</u>	<u>(8,504)</u>	<u>(640)</u>	<u>6,601</u>	<u>8,052</u>
Other financing sources (uses):									
Transfers in	132	366	48		200				746
Transfers out	(4,054)					(29)			(4,083)
Total other financing sources (uses)	<u>(3,922)</u>	<u>366</u>	<u>48</u>		<u>200</u>	<u>(29)</u>			<u>(3,337)</u>
Net change in fund balances	2,327	61	717	3,694	488	(8,533)	(640)	6,601	4,715
Fund balances(deficit) at beginning of year	<u>21,981</u>	<u>(101)</u>	<u>(201)</u>	<u>10,889</u>	<u>5,769</u>	<u>19,128</u>	<u>936</u>	<u>19,288</u>	<u>77,689</u>
Fund balances (deficit) at end of year	<u>\$ 24,308</u>	<u>\$ (40)</u>	<u>\$ 516</u>	<u>\$ 14,583</u>	<u>\$ 6,257</u>	<u>\$ 10,595</u>	<u>\$ 296</u>	<u>\$ 25,889</u>	<u>\$ 82,404</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances (deficit)
Budget and Budgetary Basis Actual – All Nonmajor Special Revenue Funds
Year Ended June 30, 2021 (In thousands)

	Gas Tax			Workforce Development		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Licenses, fees and permits	\$ 22		\$ (22)			
Intergovernmental revenues	20,078	\$ 21,331	1,253	\$ 3,695	\$ 2,977	\$ (718)
Charges for services	139	247	108			
Use of money and property		133	133			
Other	2	1	(1)		4	4
Total revenues	<u>20,241</u>	<u>21,712</u>	<u>1,471</u>	<u>3,695</u>	<u>2,981</u>	<u>(714)</u>
Expenditures:						
City Attorney						
Police						
Fire & Rescue						
Community & Economic Development Planning & Building				3,845	3,314	(531)
Public Works	31,819	18,658	(13,161)			
Community Services						
Convention, Sports & Entertainment						
Total expenditures	<u>31,819</u>	<u>18,658</u>	<u>(13,161)</u>	<u>3,845</u>	<u>3,314</u>	<u>(531)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,578)</u>	<u>3,054</u>	<u>14,632</u>	<u>(150)</u>	<u>(333)</u>	<u>(183)</u>
Other financing sources (uses):						
Transfers in	66	132	66	454	366	(88)
Transfers out	(3,500)	(4,054)	(554)	(168)		168
Total other financing sources (uses)	<u>(3,434)</u>	<u>(3,922)</u>	<u>(488)</u>	<u>286</u>	<u>366</u>	<u>80</u>
Net change in fund balances	(15,012)	(868)	14,144	136	33	(103)
Fund balances at beginning of year	21,981	21,981		(101)	(101)	
Fund balance at end of year	<u>\$ 6,969</u>	<u>21,113</u>	<u>\$ 14,144</u>	<u>\$ 35</u>	<u>(68)</u>	<u>\$ (103)</u>
Adjustment to reconcile to GAAP:						
Encumbrance		3,195			28	
Ending fund balance - GAAP basis		<u>\$ 24,308</u>			<u>\$ (40)</u>	

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances (deficit)
Budget and Budgetary Basis Actual – All Nonmajor Special Revenue Funds
Year Ended June 30, 2021 (In thousands)

	Community Development Block Grant			Grants		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Intergovernmental revenues	\$ 12,070	\$ 6,490	\$ (5,580)	\$ 26,204	\$ 10,575	\$ (15,629)
Charges for services						
Use of money and property	595	952	357	420	3,544	3,124
Other					5	5
Total revenues	<u>12,665</u>	<u>7,442</u>	<u>(5,223)</u>	<u>26,624</u>	<u>14,124</u>	<u>(12,500)</u>
Expenditures:						
City Attorney	109	107	(2)			
Police				12,068	4,931	(7,137)
Fire & Rescue	16	14	(2)	1,028	1,028	
Community & Economic Development Planning & Building	9,914	5,090	(4,824)	21,519	4,505	(17,014)
Public Works						
Community Services	830	346	(484)	515	143	(372)
Convention, Sports & Entertainment						
Total expenditures	<u>12,128</u>	<u>6,773</u>	<u>(5,355)</u>	<u>35,130</u>	<u>10,607</u>	<u>(24,523)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>537</u>	<u>669</u>	<u>132</u>	<u>(8,506)</u>	<u>3,517</u>	<u>12,023</u>
Other financing sources (uses):						
Transfers in		48	48			
Transfers out						
Total other financing sources (uses)		<u>48</u>	<u>48</u>			
Net change in fund balances	537	717	180	(8,506)	3,517	12,023
Fund balances at beginning of year	(201)	(201)		10,889	10,889	
Fund balances at end of year	<u>\$ 336</u>	<u>516</u>	<u>\$ 180</u>	<u>\$ 2,383</u>	<u>14,406</u>	<u>\$ 12,023</u>
Adjustment to reconcile to GAAP:						
Encumbrance					177	
Ending fund balance - GAAP basis		<u>\$ 516</u>			<u>\$ 14,583</u>	

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Budgetary Basis Actual – All Nonmajor Special Revenue Funds Year Ended June 30, 2021 (In thousands)

	Anaheim Resort Maintenance District			Anaheim Tourism Improvement District		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Charges for services	\$ 4,903	\$ 4,722	\$ (181)	\$ 10,088	\$ 2,927	\$ (7,161)
Use of money and property	53	28	(25)	200	(187)	(387)
Other	14	4	(10)			
Total revenues	<u>4,970</u>	<u>4,754</u>	<u>(216)</u>	<u>10,288</u>	<u>2,740</u>	<u>(7,548)</u>
Expenditures:						
Public Works	5,118	4,823	(295)	14,936	9,404	(5,532)
Convention, Sports & Entertainment				7,185	2,176	(5,009)
Total expenditures	<u>5,118</u>	<u>4,823</u>	<u>(295)</u>	<u>22,121</u>	<u>11,580</u>	<u>(10,541)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(148)</u>	<u>(69)</u>	<u>79</u>	<u>(11,833)</u>	<u>(8,840)</u>	<u>2,993</u>
Other financing sources (uses):						
Transfers in	200	200				
Transfers out				(101)	(29)	72
Total other financing sources (uses)	<u>200</u>	<u>200</u>		<u>(101)</u>	<u>(29)</u>	<u>72</u>
Net change in fund balances	52	131	79	(11,934)	(8,869)	3,065
Fund balances at beginning of year	<u>5,769</u>	<u>5,769</u>		<u>19,128</u>	<u>19,128</u>	
Fund balances at end of year	<u>\$ 5,821</u>	<u>5,900</u>	<u>\$ 79</u>	<u>\$ 7,194</u>	<u>10,259</u>	<u>\$ 3,065</u>
Adjustment to reconcile to GAAP basis:						
Encumbrance		357			336	
Ending fund balance - GAAP basis		<u>\$ 6,257</u>			<u>\$ 10,595</u>	

(Continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Budgetary Basis Actual – All Nonmajor Special Revenue Funds Year Ended June 30, 2021 (In thousands)

	Narcotic Asset Forfeiture			Long Range Property Management Plan		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Intergovernmental revenues	\$ 533	\$ 98	\$ (435)			
Use of money and property	9	16	7	\$ 12,584	\$ 11,626	\$ (958)
Other					210	210
Total revenues	<u>542</u>	<u>114</u>	<u>(428)</u>	<u>12,584</u>	<u>11,836</u>	<u>(748)</u>
Expenditures:						
City Attorney						
Police	754	754				
Fire & Rescue						
Community & Economic Development Planning & Building				8,197	4,527	(3,670)
Public Works						
Community Services						
Convention, Sports & Entertainment						
Total expenditures	<u>754</u>	<u>754</u>		<u>8,197</u>	<u>4,527</u>	<u>(3,670)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(212)</u>	<u>(640)</u>	<u>(428)</u>	<u>4,387</u>	<u>7,309</u>	<u>2,922</u>
Other financing sources (uses):						
Transfers in						
Transfers out						
Total other financing sources (uses)						
Net change in fund balance (deficits)	(212)	(640)	(428)	4,387	7,309	2,922
Fund balances (deficits) at beginning of year	936	936		19,288	19,288	
Fund balances at end of year	<u>\$ 724</u>	<u>296</u>	<u>\$ (428)</u>	<u>\$ 23,675</u>	<u>26,597</u>	<u>\$ 2,922</u>
Adjustment to reconcile to GAAP basis:						
Book value on the sale of land held for resale					(708)	
Ending fund balance - GAAP basis		<u>\$ 296</u>			<u>\$ 25,889</u>	

Balance Sheet
Nonmajor Debt Service Fund
June 30, 2021 (In thousands)

	Municipal Facilities	Anaheim Resort Improvements	Total
ASSETS			
Cash and cash equivalents	\$ 418		\$ 418
Investments	1,256		1,256
Prepaid and other assets		\$ 1	1
Accrued interest receivable	9		9
Restricted cash and cash equivalents	29	64,189	64,218
Restricted investments	664	14,643	15,307
Total assets	<u>\$ 2,376</u>	<u>\$ 78,833</u>	<u>\$ 81,209</u>
Fund balances:			
Nonspendable - prepaid and other assets		\$ 1	\$ 1
Restricted for debt service	\$ 693	78,832	79,525
Assigned for debt service	1,683		1,683
Total fund balances	<u>2,376</u>	<u>78,833</u>	<u>81,209</u>
Total liabilities and fund balances	<u>\$ 2,376</u>	<u>\$ 78,833</u>	<u>\$ 81,209</u>

Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Fund
Year Ended June 30, 2021 (In thousands)

	Municipal Facilities	Anaheim Resort Improvements	Total
Revenues:			
Use of money and property	\$ 40	\$ 17	\$ 57
Total revenues	<u>40</u>	<u>17</u>	<u>57</u>
Expenditures:			
Current:			
Finance	1	103	104
Debt service:			
Principal retirement		14,469	14,469
Interest charges	1,088	27,271	28,359
Total expenditures	<u>1,089</u>	<u>41,843</u>	<u>42,932</u>
Deficiency of revenues under expenditures	<u>(1,049)</u>	<u>(41,826)</u>	<u>(42,875)</u>
Other financing sources:			
Transfers in	845	10,356	11,201
Transfers out	(17)		(17)
Total other financing sources	<u>828</u>	<u>10,356</u>	<u>11,184</u>
Net change in fund balances	(221)	(31,470)	(31,691)
Fund balances at beginning of year	<u>2,597</u>	<u>110,303</u>	<u>112,900</u>
Fund balances at end of year	<u>\$ 2,376</u>	<u>\$ 78,833</u>	<u>\$ 81,209</u>

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Debt Service Funds
Year Ended June 30, 2021 (In thousands)

	Municipal Facilities			Anaheim Resort Improvements		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:						
Use of money and property		\$ 40	\$ 40	\$ 200	\$ 17	\$ (183)
Total revenues		40	40	200	17	(183)
Expenditures:						
Finance	\$ 1,089	1,089		41,843	41,843	
Total expenditures	1,089	1,089		41,843	41,843	
Excess (deficiency) of revenues over (under) expenditures	(1,089)	(1,049)	40	(41,643)	(41,826)	(183)
Other financing sources:						
Transfers in	1,089	845	(244)	31,458	10,356	(21,102)
Transfers out		(17)	(17)			
Total other financing sources	1,089	828	(261)	31,458	10,356	(21,102)
Net change in fund balances		(221)	(221)	(10,185)	(31,470)	(21,285)
Fund balances at beginning of year	2,597	2,597		110,303	110,303	
Fund balances at end of year	\$ 2,597	\$ 2,376	\$ (221)	\$ 100,118	\$ 78,833	\$ (21,285)

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2021 (In thousands)

	Streets 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	\$ 148	\$ 9	\$ 6,791	\$ 2,418	\$ 686	\$ 2,222	\$ 2,624	\$ 14,898
Investments	446	27	20,418	7,270	2,063	6,680	7,888	44,792
Accounts receivable, net			231					231
Accrued interest receivable			109	49	17	56	54	285
Due from other funds			8,071			2,153		10,224
Due from other governments	13,180	58		233				13,471
Restricted cash and cash equivalents						2,624	19,554	22,178
Restricted investment							15,498	15,498
Due from the Successor Agency						2,612		2,612
Total assets	<u>\$ 13,774</u>	<u>\$ 94</u>	<u>\$ 35,620</u>	<u>\$ 9,970</u>	<u>\$ 2,766</u>	<u>\$ 16,347</u>	<u>\$ 45,618</u>	<u>\$ 124,189</u>
LIABILITIES								
Accounts payable	\$ 323	\$ 4	\$ 347	\$ 194	\$ 90	\$ 320	\$ 415	\$ 1,693
Wages payable	14		9	2			9	34
Deposits					1,200			1,200
Due to other funds	13,271	153		1,598				15,022
Total liabilities	<u>13,608</u>	<u>157</u>	<u>356</u>	<u>1,794</u>	<u>1,290</u>	<u>320</u>	<u>424</u>	<u>17,949</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	13,151	58	16	55				13,280
Unavailable resources- due from Successor Agency						2,612		2,612
Total deferred inflows of resources	<u>13,151</u>	<u>58</u>	<u>16</u>	<u>55</u>		<u>2,612</u>		<u>15,892</u>
FUND BALANCES								
Restricted:								
Capital projects						3,706		3,706
Development impact projects			35,248	7,906	1,476		45,194	89,824
Committed for neighborhood and community projects						4,057		4,057
Assigned for Capital projects				215		5,652		5,867
Unassigned	(12,985)	(121)						(13,106)
Total fund balances (deficits)	<u>(12,985)</u>	<u>(121)</u>	<u>35,248</u>	<u>8,121</u>	<u>1,476</u>	<u>13,415</u>	<u>45,194</u>	<u>90,348</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 13,774</u>	<u>\$ 94</u>	<u>\$ 35,620</u>	<u>\$ 9,970</u>	<u>\$ 2,766</u>	<u>\$ 16,347</u>	<u>\$ 45,618</u>	<u>\$ 124,189</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) Nonmajor Capital Projects Funds Year Ended June 30, 2021 (In thousands)

	Streets 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			\$ 5,743	\$ 2,655	\$ 5			\$ 8,403
Intergovernmental revenues	\$ 2,965	\$ 629		311		\$ 64		3,969
Charges for services	54							54
Use of money and property	(16)	28	830	202	64	1,091	\$ 89	2,288
Other	27					115		142
Contribution from property owners							5,175	5,175
Total revenues	3,030	657	6,573	3,168	69	1,270	5,264	20,031
Expenditures:								
Current:								
City clerk						8		8
Police			106					106
Fire & Rescue			9					9
Community & Economic Development						9		9
Planning & Building						114		114
Public Works	974	31	79		4	93	49	1,230
Community Services			526	126		119		771
Capital outlay	2,255		5,327	1,947		698	1,584	11,811
Debt service:								
Principal retirement						1,557		1,557
Interest charges						264		264
Total expenditures	3,229	31	6,047	2,073	4	2,862	1,633	15,879
Excess (deficiency) of revenues over (under) expenditures	(199)	626	526	1,095	65	(1,592)	3,631	4,152
Other financing sources (uses):								
Transfers in	956	13	1,591			1,134		3,694
Transfers out	(68)		(83)			(48)		(199)
Total other financing sources	888	13	1,508			1,086		3,495
Net change in fund balances	689	639	2,034	1,095	65	(506)	3,631	7,647
Fund balances (deficits) at beginning of year	(13,674)	(760)	33,214	7,026	1,411	13,921	41,563	82,701
Fund balances (deficits) at end of year	\$ (12,985)	\$ (121)	\$ 35,248	\$ 8,121	\$ 1,476	\$ 13,415	\$ 45,194	\$ 90,348

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Budget and Budgetary Basis Actual - All Capital Projects Funds
Year Ended June 30, 2021 (In thousands)

	Streets Construction			Transportation Improvement Projects		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Licenses, fees and permits						
Intergovernmental revenues	\$ 27,031	\$ 2,965	\$ (24,066)	\$ 7,920	\$ 629	\$ (7,291)
Charges for services		54	54			
Use of money and property		(16)	(16)		28	28
Other		27	27			
Total revenues	<u>27,031</u>	<u>3,030</u>	<u>(24,001)</u>	<u>7,920</u>	<u>657</u>	<u>(7,263)</u>
Expenditures:						
City clerk						
Finance						
Police						
Fire & Rescue						
Community & Economic Development						
Planning & Building						
Public Works	13,175	3,239	(9,936)	32	31	(1)
Community Services						
Total expenditures	<u>13,175</u>	<u>3,239</u>	<u>(9,936)</u>	<u>32</u>	<u>31</u>	<u>(1)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,856</u>	<u>(209)</u>	<u>(14,065)</u>	<u>7,888</u>	<u>626</u>	<u>(7,262)</u>
Other financing sources (uses):						
Transfers in		956	956		13	13
Transfers out		(68)	(68)			
Total other financing sources		<u>888</u>	<u>888</u>		<u>13</u>	<u>13</u>
Net change in fund balances	<u>13,856</u>	<u>679</u>	<u>(13,177)</u>	<u>7,888</u>	<u>639</u>	<u>(7,249)</u>
Fund balances at beginning of year	<u>(13,674)</u>	<u>(13,674)</u>		<u>(760)</u>	<u>(760)</u>	
Fund balances at end of year	<u>\$ 182</u>	<u>(12,995)</u>	<u>\$ (13,177)</u>	<u>\$ 7,128</u>	<u>(121)</u>	<u>\$ (7,249)</u>
Adjustment to reconcile to GAAP:						
Encumbrance		<u>10</u>				
Ending fund balance - GAAP basis		<u>\$ (12,985)</u>			<u>\$ (121)</u>	

(continued)

**Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Budget and Budgetary Basis Actual - All Capital Projects Funds
Year Ended June 30, 2021** (In thousands)

	Development Impact Projects			Community Services Facilities		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Licenses, fees and permits	\$ 1,720	\$ 5,743	\$ 4,023	\$ 700	\$ 2,655	\$ 1,955
Intergovernmental revenues					311	311
Charges for services						
Use of money and property	209	830	621	222	202	(20)
Other						
Total revenues	<u>1,929</u>	<u>6,573</u>	<u>4,644</u>	<u>922</u>	<u>3,168</u>	<u>2,246</u>
Expenditures:						
City clerk						
Finance						
Police	416	106	(310)			
Fire & Rescue	1,416	794	(622)			
Community & Economic Development						
Planning & Building						
Public Works	1,710	927	(783)			
Community Services	4,325	4,325		2,073	2,073	
Total expenditures	<u>7,867</u>	<u>6,152</u>	<u>(1,715)</u>	<u>2,073</u>	<u>2,073</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(5,938)</u>	<u>421</u>	<u>6,359</u>	<u>(1,151)</u>	<u>1,095</u>	<u>2,246</u>
Other financing sources (uses):						
Transfers in		1,591				
Transfers out		(83)	(83)			
Total other financing sources (uses)		<u>1,508</u>	<u>(83)</u>			
Net change in fund balances	(5,938)	1,929	6,276	(1,151)	1,095	2,246
Fund balances at beginning of year	<u>33,214</u>	<u>33,214</u>		<u>7,026</u>	<u>7,026</u>	
Fund balances at end of year	<u>\$ 27,276</u>	<u>35,143</u>	<u>\$ 6,276</u>	<u>\$ 5,875</u>	<u>8,121</u>	<u>\$ 2,246</u>
Adjustment to reconcile to GAAP:						
Encumbrance		105				
Ending fund balance - GAAP basis		<u>\$ 35,248</u>			<u>\$ 8,121</u>	

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Budget and Budgetary Basis Actual - All Capital Projects Funds
Year Ended June 30, 2021 (In thousands)

	Storm Drain Construction			Other Capital Improvements		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:						
Licenses, fees and permits	\$ 5	\$ 5				
Intergovernmental revenues				\$ 64	\$ 64	
Use of money and property		64	\$ 64	\$ 1,035	1,091	56
Other					115	115
Total revenues	<u>5</u>	<u>69</u>	<u>64</u>	<u>1,035</u>	<u>1,270</u>	<u>235</u>
Expenditures:						
City Administration						
City clerk				8	8	
Finance						
Police				517	517	
Fire & rescue				260	260	
Community & Economic Development				1,868	1,704	(164)
Planning & Building				129	129	
Public Works	4	4		112	112	
Community Services				292	135	(157)
Total expenditures	<u>4</u>	<u>4</u>		<u>3,186</u>	<u>2,865</u>	<u>(321)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1</u>	<u>65</u>	<u>64</u>	<u>(2,151)</u>	<u>(1,595)</u>	<u>556</u>
Other financing sources (uses):						
Transfers in				1,053	1,134	81
Transfers out					(48)	(48)
Total other financing sources (uses)				<u>1,053</u>	<u>1,086</u>	<u>33</u>
Net change in fund balances	1	65	64	(1,098)	(509)	589
Fund balances at beginning of year	<u>1,411</u>	<u>1,411</u>		<u>13,921</u>	<u>13,921</u>	
Fund balances at end of year	<u>\$ 1,412</u>	<u>1,476</u>	<u>\$ 64</u>	<u>\$ 12,823</u>	<u>13,412</u>	<u>\$ 589</u>
Adjustment to reconcile to GAAP:						
Encumbrance					3	
Ending fund balance - GAAP basis		<u>\$ 1,476</u>			<u>\$ 13,415</u>	

(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Budget and Budgetary Basis Actual - All Capital Projects Funds
Year Ended June 30, 2021 (In thousands)

	Mello-Roos Projects		
	Final Budgeted Amounts	Actual on Budgetary Basis	Variance with Final Budget
Revenues:			
Licenses, fees and permits			
Intergovernmental revenues			
Charges for services			
Use of money and property		\$ 89	\$ 89
Contribution from property owners		5,175	5,175
Total revenues		<u>5,264</u>	<u>5,264</u>
Expenditures:			
City clerk			
Finance			
Police			
Fire & Rescue			
Community & Economic Development			
Planning & Building			
Public Works	\$ 21,526	1,919	(19,607)
Community Services			
Total expenditures	<u>21,526</u>	<u>1,919</u>	<u>(19,607)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,526)</u>	<u>3,345</u>	<u>24,871</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Net change in fund balances	(21,526)	3,345	24,871
Fund balances at beginning of year	41,563	41,563	
Fund balances at end of year	<u>\$ 20,037</u>	<u>44,908</u>	<u>\$ 24,871</u>
Adjustment to reconcile to GAAP:			
Encumbrance		<u>286</u>	
Ending fund balance - GAAP basis		<u>\$ 45,194</u>	



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INTERNAL SERVICE FUNDS

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 FUND—Established to account for City building maintenance services and equipment used by City departments.

Combining Statement of Net Position

Internal Service Funds

June 30, 2021 (In thousands)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 15,739	\$ 2,828	\$ 136	\$ 386	\$ 19,089
Investments	47,317	8,501	407	1,161	57,386
Accounts receivable, net	4,341	96			4,437
Accrued interest receivable	205	51	9	2	267
Interfund receivable	8				8
Inventories		1,028		234	1,262
Prepaid and other assets	20	32	1,788		1,840
Total current assets	67,630	12,536	2,340	1,783	84,289
Noncurrent assets:					
Interfund receivable, less current portion	33,045				33,045
Capital assets:					
Buildings, structures and improvements		3,230		8,079	11,309
Machinery and equipment	93	45,779	24,755	4,524	75,151
Less accumulated depreciation	(83)	(31,794)	(17,567)	(6,593)	(56,037)
Capital assets, net	10	17,215	7,188	6,010	30,423
Total noncurrent assets	33,055	17,215	7,188	6,010	63,468
Total assets	100,685	29,751	9,528	7,793	147,757
DEFERRED OUTFLOW OF RESOURCES					
Deferred OPEB related items	269	388	290	609	1,556
Deferred pension related items	1,275	1,439	1,113	1,637	5,464
Total deferred outflow of resources	1,544	1,827	1,403	2,246	7,020
LIABILITIES					
Current liabilities:					
Accounts payable	3,818	414	2,553	1,208	7,993
Wages payable	4,469	72	61	100	4,702
Due to other Funds			310	47	357
Compensated absences	17,022				17,022
Self-insurance liability	14,942				14,942
Capital lease payable			1,075		1,075
Long-term debts		11			11
Unearned revenues	2,305				2,305
Total current liabilities	42,556	497	3,999	1,355	48,407
Noncurrent liabilities:					
Due to other Funds, less current portion				39	39
Capital lease payable, less current portion			777		777
Compensated absences, less current portion	6,983				6,983
Self-insurance liability, less current portion	44,177				44,177
Long-term debts, less current portion		52			52
Net OPEB liability	2,024	2,771	1,613	2,665	9,073
Net pension liability	8,428	8,467	7,550	9,096	33,541
Total noncurrent liabilities	61,612	11,290	9,940	11,800	94,642
Total liabilities	104,168	11,787	13,939	13,155	143,049
DEFERRED INFLOW OF RESOURCES					
Deferred OPEB related items	429	450	267	363	1,509
Deferred pension related items	446	162	158	87	853
Total deferred inflow of resources	875	612	425	450	2,362
NET POSITION					
Net investment in capital assets	10	17,152	5,336	6,010	28,508
Unrestricted	(2,824)	2,027	(8,769)	(9,576)	(19,142)
Total net position	\$ (2,814)	\$ 19,179	\$ (3,433)	\$ (3,566)	\$ 9,366

See accompanied independent auditors' report

Combining Statement of Revenues, Expenses and Changes in Net Position (deficits)
Internal Service Funds
Year Ended June 30, 2021 (In thousands)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
Operating revenues:					
Charges for services	\$ 99,840	\$ 12,512	\$ 25,685	\$ 16,601	\$ 154,638
Other		19	73	76	168
Total operating revenues	<u>99,840</u>	<u>12,531</u>	<u>25,758</u>	<u>16,677</u>	<u>154,806</u>
Operating expenses:					
Salaries and wages	5,061	3,870	3,388	4,951	17,270
Maintenance and operations	2,966	5,381	20,635	9,539	38,521
Insurance premiums and claims	21,771				21,771
Compensated absences and other benefits	77,332				77,332
Depreciation	2	2,664	2,325	487	5,478
Total operating expenses	<u>107,132</u>	<u>11,915</u>	<u>26,348</u>	<u>14,977</u>	<u>160,372</u>
Operating income (loss)	<u>(7,292)</u>	<u>616</u>	<u>(590)</u>	<u>1,700</u>	<u>(5,566)</u>
Nonoperating income (expenses):					
Investment income	(1,349)	134	(88)	78	(1,225)
Interest expense		(1)	(79)		(80)
Gain (loss) from disposal of capital assets		62			62
Insurance recovery		762			762
Total nonoperating income (loss)	<u>(1,349)</u>	<u>957</u>	<u>(167)</u>	<u>78</u>	<u>(481)</u>
Income (Loss)	<u>(8,641)</u>	<u>1,573</u>	<u>(757)</u>	<u>1,778</u>	<u>(6,047)</u>
Transfer in	5,908		500		6,408
Change in net position	<u>(2,733)</u>	<u>1,573</u>	<u>(257)</u>	<u>1,778</u>	<u>361</u>
Net position (deficits) at beginning of year	(81)	17,606	(3,176)	(5,344)	9,005
Net position (deficits) at end of year	<u>\$ (2,814)</u>	<u>\$ 19,179</u>	<u>\$ (3,433)</u>	<u>\$ (3,566)</u>	<u>\$ 9,366</u>

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2021 (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	\$ 99,840	\$ 11,539	\$ 25,685	\$ 16,601	\$ 153,665
Payments to suppliers	(580)	(4,484)	(21,258)	(8,202)	(34,524)
Payments for salaries and wages to employees	(5,450)	(4,091)	(3,301)	(4,562)	(17,404)
Payments for interfund services used	(2,347)	(834)	(1,081)	(959)	(5,221)
Payments for insurance premiums and claims	(24,268)				(24,268)
Payments for compensated absences and other benefits	(73,964)				(73,964)
Other receipts		939	73	76	1,088
Net cash provided by (used for) operating activities	(6,769)	3,069	118	2,954	(628)
Cash flows from noncapital financing activities:					
Receipt of interfund balances	12	1,409	310		1,731
Payment of interfund balances	(10)			(1,455)	(1,465)
Transfer in	5,908		500		6,408
Net cash provided by (used for) noncapital financing activities	5,910	1,409	810	(1,455)	6,674
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets		132			132
Capital purchases		(489)	(1,129)	(235)	(1,853)
Insurance recovery		762			762
Principal payments on long-term debt		(11)	(1,063)		(1,074)
Principal payments on capital lease			(1,443)		(1,443)
Interest payments		(1)	(99)		(100)
Net cash provided by (used for) capital and related financing activities		393	(3,734)	(235)	(3,576)
Cash flows from investing activities:					
Purchase of investment securities	(6,964)	(3,427)	(63)	(905)	(11,359)
Proceeds from sale and maturity of investment securities	9,476		2,121		11,597
Interest received	1,403	146	61		1,610
Interest paid				(13)	(13)
Net cash provided by (used for) investing activities	3,915	(3,281)	2,119	(918)	1,835
Increase (decrease) in cash and cash equivalents	3,056	1,590	(687)	346	4,305
Cash and cash equivalents at beginning of the year	12,683	1,238	823	40	14,784
Cash and cash equivalents at end of the year	\$ 15,739	\$ 2,828	\$ 136	\$ 386	\$ 19,089

(continued)

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2021 (In thousands) (continued)

	General Benefits and Insurance	Motorized Equipment	Information and Communication Services	Municipal Facilities Maintenance	Total
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ (7,292)	\$ 616	\$ (590)	\$ 1,700	\$ (5,566)
Adjustment to reconcile operating income to net cash provided by operating activities:					
Depreciation	2	2,664	2,325	487	5,478
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Accounts receivable	(1,146)	(53)			(1,199)
Inventories		(6)		137	131
Prepaid and other assets	82	11	(1,072)		(979)
Accounts payable	1,064	58	(632)	241	731
Wages and benefit payable	(503)	(221)	87	389	(248)
Unearned revenues	18				18
Compensated absences	435				435
Self-insurance liability	571				571
Total adjustments	523	2,453	708	1,254	4,938
Net cash provided by operating activities	\$ (6,769)	\$ 3,069	\$ 118	\$ 2,954	\$ (628)
Schedule of noncash financing and investing activities:					
Capital assets financed through capital leases			\$ 998		\$ 998
Increase (decrease) in fair value of investments	\$ (2,547)	\$ (38)	(133)	\$ 89	(2,629)

ANAHEIM



FIDUCIARY FUNDS

Combining Statement of Fiduciary Net Position
Custodial Funds - Others
Year Ended June 30, 2021 (In thousands)

	Custodial Funds - Others			
	Community Facility Districts	Unclaimed Money Seized	Miscellaneous	Total
ASSETS				
Cash and cash equivalents	\$ 5,313	\$ 85	\$ 59	\$ 5,457
Investments	2,500			2,500
Special assessment receivable	377			377
Total assets	<u>\$ 8,190</u>	<u>\$ 85</u>	<u>\$ 59</u>	<u>\$ 8,334</u>
LIABILITIES				
Accounts payable	5			5
Total liabilities	<u>5</u>			<u>5</u>
NET POSITION				
Restricted for individuals, organizations, and other governments	8,185	85	59	8,329
Total net position	<u>\$ 8,185</u>	<u>\$ 85</u>	<u>\$ 59</u>	<u>\$ 8,329</u>

Combining Statement of Changes in Fiduciary Net Position Custodial Funds - Others

Year Ended June 30, 2021 (In thousands)

	Custodial - Others				Total
	Community Facility Districts	Unclaimed Money Seized	Bail Bond Deposits	Miscellaneous	
ADDITIONS					
Special assessment collections from Community Facility Districts	\$ 4,164				\$ 4,164
Deposits		\$ 417	\$ 86		503
Donation collections				\$ 35	35
Miscellaneous receipts on behalf of inmates				8	8
Interest and investment income	6				6
Contribution from property owners	7,010				7,010
Total additions	<u>11,180</u>	<u>417</u>	<u>86</u>	<u>43</u>	<u>11,726</u>
DEDUCTIONS					
Debt service payments for Community Facility Districts	14,633				14,633
Payments		937	118		1,055
Payments - Charity distributions				96	96
Administration	77				77
Total deductions	<u>14,710</u>	<u>937</u>	<u>118</u>	<u>96</u>	<u>15,861</u>
Change in net position	(3,530)	(520)	(32)	(53)	(4,135)
Net position at beginning of year, as adjusted	<u>11,715</u>	<u>605</u>	<u>32</u>	<u>112</u>	<u>12,464</u>
Net position at end of year	<u>\$ 8,185</u>	<u>\$ 85</u>	<u>\$</u>	<u>\$ 59</u>	<u>\$ 8,329</u>

ANAHEIM



STATISTICAL SECTION

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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Net Position by Component

Last Ten Fiscal Years (In thousands)

(Accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities										
Net investment in capital assets	\$ 1,138,682	\$ 1,112,914	\$ 1,040,595	\$ 1,008,489	\$ 974,071	\$ 968,473	\$ 894,651	\$ 1,016,259	\$ 894,625	\$ 831,430
Restricted	260,160	251,942	266,447	266,983	274,830	211,338	210,934	205,998	196,853	190,868
Unrestricted ^{1 2}	(714,780)	(629,091)	(554,529)	(551,607)	(557,245)	(417,976)	(447,817)	(455,863)	30,341	16,760
Total Governmental Activities	684,062	735,765	752,513	723,865	691,656	761,835	657,768	766,394	1,121,819	1,039,058
Business-type Activities										
Net investment in capital assets	1,074,102	1,074,006	1,058,213	1,009,302	1,016,113	997,292	993,075	823,505	787,459	780,093
Restricted	70,372	66,069	61,808	86,863	83,811	76,749	83,448	77,311	71,131	61,235
Unrestricted ^{1 2}	35,842	22,284	51,630	15,661	(26,767)	36,644	(1,725)	(37,696)	121,083	112,159
Total Business-type Activities	1,180,316	1,162,359	1,171,651	1,111,826	1,073,157	1,110,685	1,074,798	863,120	979,673	953,487
Total Government										
Net investment in capital assets	2,212,784	2,186,920	2,098,808	2,017,791	1,990,184	1,965,765	1,887,726	1,839,764	1,682,084	1,611,523
Restricted	330,532	318,011	355,181	353,846	358,641	288,087	294,382	283,309	267,984	252,103
Unrestricted	(678,938)	(606,807)	(529,825)	(535,946)	(584,012)	(381,332)	(449,542)	(493,559)	151,424	128,919
Total Government	\$ 1,864,378	\$ 1,898,124	\$ 1,924,164	\$ 1,835,691	\$ 1,764,813	\$ 1,872,520	\$ 1,732,566	\$ 1,629,514	\$ 2,101,492	\$ 1,992,545

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 position and are reflected in the fiscal year 2014 Unrestricted net position. Information prior to the implementation of these Statements is not available.

² The City implemented Governmental Accounting Standards Board (GASB) Statement No. 75 Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pension for the fiscal year ended June 30, 2018. Implementation of this Statements requires the City to restate prior period net positions and are reflected in the fiscal year 2017 Unrestricted net position. 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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 2,115	\$ 1,796	\$ 1,742	\$ 1,749	\$ 1,903	\$ 2,034	\$ 2,398	\$ 1,779	\$ 2,001	\$ 1,872
Police	9,040	13,595	15,901	15,361	15,441	11,775	10,001	9,927	9,859	10,122
Fire & Rescue	18,819	21,024	10,949	11,621	10,582	9,814	9,024	10,166	9,912	9,431
Community & Economic Development	17,628	9,906	7,531	7,421	19,046	10,210	14,023	17,305	9,151	7,281
Planning & Building	12,178	11,059	11,715	16,573	11,357	11,515	9,800	7,746	6,404	5,327
Public Works	17,422	20,123	21,075	17,378	16,140	15,817	13,309	13,037	14,012	11,401
Community Services	1,573	2,491	3,174	3,227	11,190	3,430	3,408	3,479	3,556	3,386
Convention, Sports & Entertainment	2,195	11,075	14,802	14,231	13,672	12,528	11,124	10,236	9,574	9,142
Total charges for services	80,970	91,069	86,889	87,561	99,331	77,123	73,087	73,675	64,469	57,962
Operating grants and contributions	226,525	158,750	130,335	115,520	109,989	108,131	109,968	114,584	112,507	108,620
Capital grants and contributions	36,376	43,191	21,335	39,340	65,937	85,782	67,014	110,295	71,472	44,184
Governmental activities program revenues	343,871	293,010	238,559	242,421	275,257	271,036	250,069	298,554	248,448	210,766
Business-type activities:										
Charges for services										
Electric Utility	433,734	417,912	459,182	443,755	433,561	430,485	453,697	426,051	451,958	397,931
Water Utility	96,351	84,943	79,649	79,074	70,777	60,509	63,495	65,946	60,785	57,748
Sanitation Utility	69,482	70,812	68,036	65,138	63,893	61,006	60,076	57,843	57,230	56,630
Golf Courses	6,978	4,282	4,306	4,273	4,062	4,114	4,435	4,667	4,759	4,802
Convention, Sports & Entertainment	4,371	35,909	51,072	44,984	37,015	35,363	34,742	32,084	29,656	29,389
ARTIC Management	39	41	1,030	1,343	1,050	878	448			
Total charges for services	610,955	613,899	663,275	638,567	610,358	592,355	616,893	586,591	604,388	546,500
Operating grants and contributions	88	143	231	88	425	776	287	452	952	1,101
Capital grants and contributions	9,751	12,339	28,408	8,353	4,381	11,743	8,734	8,441	6,698	8,954
Business-type activities program revenues	620,794	626,381	691,914	647,008	615,164	604,874	625,914	595,484	612,038	556,555
Total government program revenues	964,665	919,391	930,473	889,429	890,421	875,910	875,983	894,038	860,486	767,321
Expenses										
Governmental activities:										
General government	25,415	31,866	22,005	15,645	11,825	10,331	12,370	15,790	13,275	11,617
Police	182,509	202,064	175,409	173,921	151,559	132,889	135,161	127,037	124,556	117,840
Fire & Rescue	103,696	96,803	82,948	81,528	70,365	62,520	61,794	59,510	58,508	58,027
Community & Economic Development	128,339	110,812	98,818	96,067	100,720	110,618	80,976	80,043	82,769	95,683
Planning & Building	25,695	27,929	26,248	25,376	21,944	19,862	18,303	17,030	16,917	15,648
Public Works	60,664	60,693	53,742	55,981	61,806	48,719	66,023	60,262	44,740	41,228
Community Services	39,721	50,513	43,218	39,020	34,799	34,212	31,587	34,130	28,925	28,282
Public Utilities	2,171	2,381	2,476	2,346	2,530	2,687	2,599	2,514	2,405	2,315
Convention, Sports & Entertainment	8,071	17,713	27,663	19,930	19,238	18,503	17,026	15,586	13,935	13,584
Interest on long-term debt	31,527	29,734	35,149	34,938	34,876	35,185	35,340	35,514	35,880	42,824
Governmental Activities Expenses	607,808	630,508	567,676	544,752	509,662	475,526	461,179	447,416	421,910	427,048

(Continued)

Changes in Net Position

Last Ten Fiscal Years (In thousands)

(Accrual basis of accounting) (continued)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Business-type Activities:										
Electric Utility	378,087	404,272	425,072	394,574	412,424	390,732	401,243	411,246	417,008	386,358
Water Utility	96,920	88,554	76,484	75,755	72,715	61,620	68,011	62,996	57,056	58,319
Sanitation Utility	66,022	67,375	64,659	61,145	58,218	56,564	55,979	53,508	52,813	55,939
Golf Courses	6,046	5,017	4,954	4,898	4,465	4,405	4,418	4,399	4,473	4,114
Convention, Sports & Entertainment Venues	51,239	75,621	68,187	66,058	47,321	44,285	56,715	46,385	45,001	45,278
ARTIC Management	2,548	2,949	6,548	6,218	6,374	6,235	5,075			
Business-type activities expense	600,862	643,788	645,904	608,648	601,517	563,841	591,441	578,534	576,351	550,008
Total government expenses	1,208,670	1,274,296	1,213,580	1,153,400	1,111,179	1,039,367	1,052,620	1,025,950	998,261	977,056
Net (Expense)/Revenue										
Governmental activities	(263,937)	(337,498)	(329,117)	(302,331)	(234,405)	(204,490)	(211,110)	(148,862)	(173,462)	(216,282)
Business-type activities	19,932	(17,407)	46,010	38,360	13,647	41,033	34,473	16,950	35,687	6,547
Total government, net (expense) revenue	(244,005)	(354,905)	(283,107)	(263,971)	(220,758)	(163,457)	(176,637)	(131,912)	(137,775)	(209,735)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	90,222	86,256	80,822	76,547	72,909	70,646	68,405	66,282	64,311	58,896
Property tax increments								-		28,678
Sales and use taxes ¹	76,811	76,851	84,982	80,732	77,732	76,975	72,356	67,505	65,445	59,654
Transient occupancy taxes ¹	29,797	122,735	161,948	154,925	149,566	137,570	119,744	110,134	102,936	90,376
Other taxes	8,902	8,796	8,893	9,076	8,946	8,731	8,318	7,780	7,756	7,272
Gain on sale on capital assets				6,258						
Unrestricted investment earnings	1,470	15,371	15,654	2,783	2,116	3,692	2,725	2,930	1,094	3,598
Other	762	100	98	105	106	87	55	49	1,857	873
Transfers	4,270	10,641	5,368	4,114	7,701	10,856	(169,119)	7,288	12,824	12,571
Special item					(8,218)					
Extraordinary gain										102,882
Governmental activities	212,234	320,750	357,765	334,540	310,858	308,557	102,484	261,968	256,223	364,800
Business-type activities:										
Unrestricted investment earnings	2,295	18,756	19,183	4,423	4,001	5,710	8,086	6,986	3,323	10,216
Transfers	(4,270)	(10,641)	(5,368)	(4,114)	(7,701)	(10,856)	169,119	(7,288)	(12,824)	(12,571)
Business-type activities	(1,975)	8,115	13,815	309	(3,700)	(5,146)	177,205	(302)	(9,501)	(2,355)
Total government	210,259	328,865	371,580	334,849	307,158	303,411	279,689	261,666	246,722	362,445
Change in Net Position										
Governmental activities	(51,703)	(16,748)	28,648	32,209	76,453	104,067	(108,626)	113,106	82,761	148,518
Business-type activities	17,957	(9,292)	59,825	38,669	9,947	35,887	211,678	16,648	26,186	4,192
Total government change in net position	\$ (33,746)	\$ (26,040)	\$ 88,473	\$ 70,878	\$ 86,400	\$ 139,954	\$ 103,052	\$ 129,754	\$ 108,947	\$ 152,710

¹ Decreases in Sales and use taxes, and Transient Occupancy taxes in Fiscal Years 2020 and 2021 are due to impacts of COVID-19 Pandemic and California Stay-At-Home Order.

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 ¹	Sales and Use Taxes	Transient Occupancy Taxes	Other Taxes	
2021	\$ 90,222		\$ 76,811	\$ 29,797	\$ 8,902	\$ 205,732
2020	86,256		76,851	122,735	8,796	294,638
2019	80,822		84,982	161,948	8,893	336,645
2018	76,547		80,732	154,925	9,076	321,280
2017	72,909		77,732	149,566	8,946	309,153
2016	70,646		76,975	137,570	8,731	293,922
2015	68,405		72,356	119,744	8,318	268,823
2014	66,282		67,505	110,134	7,780	251,701
2013	64,311		65,445	102,936	7,756	240,448
2012	58,896	\$ 28,678	59,654	90,376	7,272	244,876

¹ Redevelopment Agency was dissolved 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

Fund Balances of Governmental Funds

Last Ten Fiscal Years (In thousands)

(Modified accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	\$ 402	\$ 308	\$ 756	\$ 519	\$ 819	\$ 958	\$ 1,538	\$ 2,099	\$ 2,531	\$ 3,082
Restricted	13,538	12,547	4,627	5,194	6,238	7,730	6,124	6,449	1,766	982
Committed		2,250							788	
Assigned ¹	104,212	6,752	15,221	11,008	2,056	7,442	513	4,073	6,879	320
Unassigned	17,975	10,954	43,455	41,556	42,336	39,850	39,615	30,394	26,920	22,636
Total General fund	<u>136,127</u>	<u>32,811</u>	<u>64,059</u>	<u>58,277</u>	<u>51,449</u>	<u>55,980</u>	<u>47,790</u>	<u>43,015</u>	<u>38,884</u>	<u>27,020</u>
Housing Authority Fund										
Nonspendable	41	39	36	34		2	4	7	38	
Restricted	51,320	48,285	61,641	60,180	62,338	48,974	43,703	41,134	32,234	29,935
Assigned	35,840	31,579	28,434	26,574	22,904	16,129	14,283	11,664	11,823	11,237
Total Housing Authority Fund	<u>87,201</u>	<u>79,903</u>	<u>90,111</u>	<u>86,788</u>	<u>85,242</u>	<u>65,105</u>	<u>57,990</u>	<u>52,805</u>	<u>44,095</u>	<u>41,172</u>
Nonmajor Governmental Funds										
Nonspendable	155	252	11,503	9,091	8,713	6,000	6,270	3,542	4,619	1
Restricted ²	254,607	276,604	319,412	320,034	303,036	237,930	197,360	170,950	164,870	158,933
Committed	4,057	4,039	3,812	4,063						
Assigned	8,288	7,475	6,696	6,797	9,612	5,875	3,040	3,291	8,055	7,400
Unassigned	(13,146)	(15,080)	(9,217)	(11,535)	(12,202)	(17,991)	(20,071)	(19,005)	(11,231)	(32,448)
Total nonmajor governmental funds	<u>253,961</u>	<u>273,290</u>	<u>332,206</u>	<u>328,450</u>	<u>309,159</u>	<u>231,814</u>	<u>186,599</u>	<u>158,778</u>	<u>166,313</u>	<u>133,886</u>
Total governmental funds	<u>\$ 477,289</u>	<u>\$ 386,004</u>	<u>\$ 486,376</u>	<u>\$ 473,515</u>	<u>\$ 445,850</u>	<u>\$ 352,899</u>	<u>\$ 292,379</u>	<u>\$ 254,598</u>	<u>\$ 249,292</u>	<u>\$ 202,078</u>

¹ Increase in assigned fund balance in Fiscal Year 2021 is due to unspent bond proceeds from the 2021 APFA Lease Revenue Bonds (Working Capital Financing) issued in June 2021.

² Decrease in restricted fund balance in Fiscal Year 2020 is due to \$59 million used for the partial defeasance of the 1996 APFA Series C Capital Appreciation Bonds.

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

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Property taxes	\$ 90,222	\$ 86,256	\$ 80,822	\$ 76,547	\$ 72,909	\$ 70,646	\$ 68,405	\$ 66,282	\$ 64,311	\$ 58,896
Property tax increments										28,678
Sales and use taxes ³	76,907	76,898	84,792	81,680	80,500	81,844	71,977	68,581	62,793	58,589
Transient occupancy taxes ³	30,180	122,351	161,948	154,925	149,566	137,570	119,744	110,134	102,936	90,376
Other taxes	8,139	8,024	8,175	8,311	8,287	8,024	7,478	7,012	7,078	6,401
Licenses, fees, and permits	29,451	26,627	24,397	38,258	30,365	24,851	23,893	16,653	17,835	12,957
Intergovernmental revenues ⁴	234,891	167,085	139,776	124,696	123,797	121,055	155,314	215,755	186,018	143,348
Charges for services	35,199	50,927	51,308	50,771	48,186	41,949	37,975	37,269	35,353	33,782
Fines, forfeits, and penalties	3,096	2,658	2,937	2,988	2,756	2,875	2,823	2,656	2,907	3,515
Use of money and property ²	31,798	29,323	37,459	26,801	47,505	67,204	20,068	22,427	12,141	10,582
Contribution from property owners ¹	5,175	3,124			36,864					
Others	2,029	1,597	1,086	1,178	2,127	1,368	9,738	809	4,843	3,692
Total revenues	547,087	574,870	592,700	566,155	602,862	557,386	517,415	547,578	496,215	450,816
Expenditures										
General government	32,660	33,715	26,936	21,358	19,447	18,679	19,052	21,070	18,270	16,502
Police	161,633	170,308	160,355	156,338	148,801	139,775	127,226	120,962	117,702	112,656
Fire & Rescue	92,793	85,677	76,604	74,888	70,164	66,399	61,483	57,529	56,127	55,886
Community & Economic Development	126,093	112,045	104,074	93,855	92,089	107,544	89,446	83,658	86,282	95,352
Planning & Building	24,662	24,498	24,196	23,649	21,997	19,935	17,667	16,086	15,785	14,408
Public Works	39,606	37,022	32,329	34,331	30,886	30,388	29,814	29,737	25,387	22,861
Community Services	33,306	40,690	36,339	34,042	32,258	31,980	28,394	30,602	25,268	24,618
Public Utilities	2,187	2,397	2,448	2,341	2,496	2,727	2,622	2,510	2,398	2,313
Convention, Sports & Entertainment	2,484	11,774	15,575	14,639	14,023	13,089	11,608	10,714	10,002	9,725
Capital outlay	29,250	71,117	43,191	46,366	44,532	32,589	79,710	136,597	98,601	55,505
Debt service:										
Principal	17,409	18,575	32,128	14,749	26,123	28,448	25,289	24,220	18,948	16,294
Interest charges	29,694	78,065	30,943	28,412	15,571	16,930	18,085	18,797	19,808	26,927
Debt issuance costs	1,411		1,748				127			
Total expenditures	593,188	685,883	586,866	544,968	518,387	508,483	510,523	552,482	494,578	453,047
Revenues over (under) expenditures	(46,101)	(111,013)	5,834	21,187	84,475	48,903	6,892	(4,904)	1,637	1,637
Other Financing Sources (Uses)										
Transfers in	42,141	78,434	107,804	97,513	103,797	95,920	85,818	84,813	73,470	131,093
Transfers out	(44,309)	(67,793)	(102,556)	(93,285)	(101,446)	(85,403)	(79,373)	(75,953)	(59,393)	(119,552)
Issuance of refunding bonds			175,565				6,200			
Payments to refunded bond escrow agent			(209,065)				(6,200)			
Premium on long term debt			35,279				1,790			
Issuance of long-term debt	139,554			2,250	6,125	1,100	22,654	1,350	31,500	
Extraordinary loss										(67,235)
Total other financing sources	137,386	10,641	7,027	6,478	8,476	11,617	30,889	10,210	45,577	(55,694)
Net change in fund balances	\$ 91,285	\$ (100,372)	\$ 12,861	\$ 27,665	\$ 92,951	\$ 60,520	\$ 37,781	\$ 5,306	\$ 47,214	\$ (57,925)
Debt service as a percentage of non-capital expenditures	8.35%	15.72%	11.60%	8.66%	8.80%	9.54%	10.07%	10.34%	9.79%	10.87%

¹ Contribution from property owners pursuant to the issuances of Community Facility District 08-1 Platinum Triangle Series 2010 (Fiscal Year 2011), and Series 2016 (Fiscal year 2017) Special Tax Bonds.

² Increase in Use of money and property in Fiscal Year 2016 is due to one-time land held for resale transferred from the Successor Agency

³ Decreases in Sales and Use Taxes and Transient Occupancy Taxes in Fiscal Years 2020 and 2021 are due to COVID-19 pandemic and California Stay-At-Home Order

⁴ Increases in Intergovernmental revenues in Fiscal years 2020 and 2021 are due to CARES and ARP fundings.

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

General Government Tax Revenues By Source

Last Ten Fiscal Years (In thousands)

(Modified accrual basis of accounting)

Amounts in Dollars												
Fiscal Year	Property Taxes				Property Tax Increments ¹			Property Taxes in-lieu of VLF ³	Sales and Use Taxes ^{2 4}	Transient Occupancy Taxes ⁴	Other Taxes	Total
	Secured Property Taxes	Unsecured Property Taxes	Supplemental Property Taxes	Residual	Secured Property Taxes	Unsecured Property Taxes	Supplemental Property Taxes					
2021	\$ 46,499	\$ 1,371	\$ 933	\$ 3,949				\$ 37,470	\$ 76,907	\$ 30,180	\$ 8,139	\$ 205,448
2020	44,285	1,378	920	3,850				35,823	76,898	122,351	8,024	293,529
2019	41,529	1,263	1,173	3,322				33,535	84,792	161,948	8,175	335,737
2018	39,396	1,265	1,259	2,892				31,735	81,680	154,925	8,311	321,463
2017	37,771	1,214	1,108	2,484				30,332	80,500	149,566	8,287	311,262
2016	37,000	1,256	991	2,203				29,196	81,844	137,570	8,024	298,084
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	\$ 6,884	\$ 218	25,630	58,589	90,376	6,401	242,940

¹ Redevelopment Agency was dissolved on February 1, 2012. Property tax increments were received up to January 31, 2012.

² Increase in sales and use taxes in Fiscal Year 2016 was due to the sales tax triple flip final distribution.

³ 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.

⁴ Decreases in Sales and Use Taxes and Transient Occupancy Taxes in Fiscal Years 2020 and 2021 are due to impacts of COVID-19 and the California Stay-At-Home order.

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				
	2021	2020	2019	2018	2017
City of Anaheim					
Secured property	\$ 42,491,830	\$ 40,745,451	\$ 38,098,867	\$ 36,199,163	\$ 34,732,460
Unsecured property	1,315,829	1,273,871	1,302,121	1,175,627	1,172,650
Total City of Anaheim	43,807,659	42,019,322	39,400,988	37,374,790	35,905,110
Redevelopment Agency Project Areas					
Secured property	6,333,408	5,938,225	5,593,018	5,182,683	4,773,715
Unsecured property	957,529	893,906	737,385	720,305	684,544
Total Anaheim Redevelopment Agency	7,290,937	6,832,131	6,330,403	5,902,988	5,458,259
Total Taxable Assessed Value	\$ 51,098,596	\$ 48,851,453	\$ 45,731,391	\$ 43,277,778	\$ 41,363,369
Total Direct Tax Rate	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
	Fiscal Year				
	2016	2015	2014	2013	2012
City of Anaheim					
Secured property	\$ 33,338,748	\$ 32,023,757	\$ 30,548,214	\$ 29,608,967	\$ 28,808,849
Unsecured property	1,243,307	1,515,905	1,266,403	1,265,519	1,232,825
Total City of Anaheim	34,582,055	33,539,662	31,814,617	30,874,486	30,041,674
Redevelopment Agency Project Areas					
Secured property	4,479,386	4,102,931	3,916,169	4,338,935	3,977,843
Unsecured property	753,736	759,729	654,982	683,237	656,505
Total Anaheim Redevelopment Agency	5,233,122	4,862,660	4,571,151	5,022,172	4,634,348
Total Taxable Assessed Value	\$ 39,815,177	\$ 38,402,322	\$ 36,385,768	\$ 35,896,658	\$ 34,676,022
Total Direct Tax Rate	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%

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, County of Orange; California Municipal Statistics, Inc.

Property Tax Rates Direct and Overlapping Governments

Last Ten Fiscal Years (Rate per \$100 assessed value)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Direct Rate										
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Rates ² :										
Anaheim General Obligation Bond Fund					0.00173	0.00173	0.00198	0.00211	0.00227	0.00224
Anaheim City School Districts	0.06595	0.05943	0.05059	0.04502	0.04461	0.04227	0.02867	0.05848	0.05382	0.05371
Anaheim Union High School Districts	0.03971	0.03968	0.04244	0.02211	0.04259	0.04948	0.02412	0.02620	0.02858	0.02678
North Orange County Community College	0.03198	0.02409	0.02829	0.02927	0.02885	0.03043	0.01704	0.01704	0.01902	0.01742
Water District Rate	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00370
	<u>0.14114</u>	<u>0.1267</u>	<u>0.12482</u>	<u>0.0999</u>	<u>0.11955</u>	<u>0.12741</u>	<u>0.07531</u>	<u>0.10733</u>	<u>0.10719</u>	<u>0.10385</u>
Total Direct and Overlapping Rates	<u>1.14114</u>	<u>1.12670</u>	<u>1.12482</u>	<u>1.09990</u>	<u>1.11955</u>	<u>1.12741</u>	<u>1.07531</u>	<u>1.10733</u>	<u>1.10719</u>	<u>1.10385</u>
City's share of 1% Basic Levy per Prop 13 ³	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851	0.10851
Total Direct Rate ⁴	0.11027	0.11073	0.11125	0.11233	0.11402	0.11365	0.11388	0.11277	0.11062	0.11107

¹ 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.

² Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³ City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City.

⁴ Total Direct Rate is the weighted average of all individual direct rates applied by the City.

Source: Auditor Controller, Orange County

Principal Property Tax Payers

Current Year and Nine Years Ago (In thousands)

Tax Payer	Fiscal year					
	2021			2012		
	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value
Walt Disney World Company	1	12.07%	\$ 5,893,000	1	12.60%	\$ 4,115,943
HHC HA Investment II Inc.	2	0.45%	220,293			
Anaheim Concourse ILP LLC	3	0.41%	199,738			
Jefferson at Stadium Park	4	0.31%	153,490			
US REIF MG Madison Park CA LLC	5	0.27%	134,071			
Mary Susan Samia Trust	6	0.27%	131,445			
ACC LLC	7	0.26%	128,010			
Irvine Company LLC	8	0.25%	123,701	5	0.34	112872
Advance Group 18-116	9	0.24%	116,109			
FJS Inc.	10	0.23%	110,229			
Makar Anaheim LLC				2	0.40%	130,668
Kilroy Realty LP				3	0.39%	126,821
Lennar Platinum Triangle				4	0.38%	124,932
PPC Anaheim Apartments				6	0.28%	90,667
Angeli LLC				7	0.26%	85,104
Worldmark Club				8	0.25%	82,020
Avalon Anaheim Stadium				9	0.25%	81,627
La Palma/Miller Owner LLC				10	0.23%	74,877
Total		<u>14.76%</u>	<u>\$ 7,210,086</u>		<u>49.04%</u>	<u>\$ 5,025,531</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			Collections in Subsequent Years	Total Collections to Date		Total Tax Increments Levy ²	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
		Amount ¹	Percentage of Levy	Percentage of Levy		Amount	Percentage of Levy		Amount ²	Percentage of Levy	Amount		Percentage of Levy	
2021	\$ 49,162	\$ 48,306	98.26%	\$ 162	\$ 48,468	98.59%								
2020	47,082	46,223	98.18%	497	46,630	99.04%								
2019	44,588	43,630	97.85%	360	43,989	98.66%								
2018	42,432	41,578	97.99%	336	41,740	98.37%								
2017	40,787	39,710	97.36%	342	40,052	98.20%								
2016	40,026	38,832	97.02%	382	39,214	97.97%								
2015	38,365	37,456	97.63%	414	37,870	98.71%								
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	57.81%		\$ 28,327	57.81%		

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				
	2021	2020	2019	2018	2017
Governmental Activities					
Bonds	\$ 684,157	\$ 562,005	\$ 600,444	\$ 621,675	\$ 627,589
Notes and loans	16,466	19,681	23,796	28,008	29,577
Capital leases	1,852	2,297	1,988	1,550	1,738
Total governmental activities	702,475	583,983	626,228	651,233	658,904
Business-Type Activities					
Bonds	1,173,008	1,220,797	1,172,354	1,214,339	1,235,400
Notes and loans	6,313	9,866	13,418	16,972	20,523
Capital leases	190	198			
Total business-type activities	1,179,511	1,230,861	1,185,772	1,231,311	1,255,923
Total Government	\$ 1,881,986	\$ 1,814,844	\$ 1,812,000	\$ 1,882,544	\$ 1,914,827
Percentage of Personal Income	16.97%	16.19%	16.20%	18.06%	20.12%
Per Capita	\$ 5,324	\$ 5,079	\$ 5,080	\$ 5,272	\$ 5,341
	Fiscal Year				
	2016	2015	2014	2013	2012
Governmental Activities					
Bonds	\$ 632,321	\$ 640,891	\$ 614,757	\$ 616,086	\$ 616,444
Certificates of participation		8,880	8,880	10,020	11,085
Notes and loans	20,820	21,372	50,757	54,877	25,546
Capital leases	2,088	2,346	1,325	1,369	1,694
Total governmental activities	655,229	664,609	675,719	682,352	654,769
Business-Type Activities					
Bonds	1,124,159	1,116,443	780,553	863,987	889,581
Certificates of participation			38,000	38,000	38,000
Notes and loans	36,200	57,399	48,271	62,722	24,652
Total business-type activities	1,160,359	1,173,842	866,824	964,709	952,233
Total Government	\$ 1,815,588	\$ 1,838,451	\$ 1,542,543	\$ 1,647,061	\$ 1,607,002
Percentage of Personal Income	20.18%	21.26%	17.22%	19.74%	20.95%
Per Capita	\$ 5,070	\$ 5,231	\$ 4,429	\$ 4,758	\$ 4,674

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				
	2021	2020	2019	2018	2017
Bonds					
Lease Revenue ¹	\$ 684,157	\$ 562,005	\$ 600,444	\$ 621,675	\$ 627,589
Less amount available for principal					
Total net obligation bonds outstanding	<u>\$ 684,157</u>	<u>\$ 562,005</u>	<u>\$ 600,444</u>	<u>\$ 621,675</u>	<u>\$ 627,589</u>
Percentage of Assessed Value of Property	1.34%	1.15%	1.31%	1.44%	1.52%
Per capita	\$ 1,936	\$ 1,573	\$ 1,683	\$ 1,741	\$ 1,750
	Fiscal Year				
	2016	2015	2014	2013	2012
Bonds					
General Obligation	\$ 700	\$ 1,360	\$ 1,995	\$ 2,605	\$ 3,185
Lease Revenue ¹	631,621	639,531	612,762	613,481	616,444
Tax Allocation					208,169
	<u>632,321</u>	<u>640,891</u>	<u>614,757</u>	<u>616,086</u>	<u>619,629</u>
Less amount available for principal	700	813	725	703	662
Total net obligation bonds outstanding	<u>\$ 631,621</u>	<u>\$ 640,078</u>	<u>\$ 614,032</u>	<u>\$ 615,383</u>	<u>\$ 618,967</u>
Percentage of Assessed Value of Property	1.59%	1.67%	1.69%	1.71%	1.79%
Per capita	\$ 1,764	\$ 1,821	\$ 1,763	\$ 1,778	\$ 1,800

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

¹ Include Accretion on revenue bonds

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, 2021 (In thousands)

2020-21 Assessed Valuation	\$ 51,098,596		
	Debt Outstanding June 30, 2021	% Applicable ¹	Estimated City's Share of Overlapping Debt
DIRECT DEBT:			
City of Anaheim ²			
Lease Revenue Bonds	\$ 684,157	100%	\$ 684,157
Notes and Loans from direct placements	16,466	100	16,466
Capital Leases	1,852	100	1,852
TOTAL CITY OF ANAHEIM DIRECT DEBT ²	\$ 702,475		\$ 702,475
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	\$ 26,830	1.564%	\$ 420
North Orange Joint Community College District	245,604	28.011	68,796
Rancho Santiago Community College District	215,876	12.111	26,145
Rancho Santiago Community College District School Facilities Improvement District No 1	159,970	0.367	587
Anaheim Union High School District	266,059	68.205	181,466
Fullerton Joint Union High School District	193,065	0.242	467
Garden Grove Unified School District	463,266	0.559	2,590
Orange Unified School District	177,865	25.672	45,662
Placentia - Yorba Linda Unified School District	240,268	19.645	47,201
Anaheim School District	265,326	99.160	263,097
Magnolia School District	20,183	65.959	13,313
Other School Districts	154,654	Various	24,525
City of Anaheim Community Facilities Districts	53,675	100	53,675
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	2,482,641		727,944
OVERLAPPING GENERAL FUND DEBT:			
Orange County General Fund Obligations	381,885	7.795%	29,768
Orange County Pension Obligation Bonds	485,318	7.795	37,831
Orange County Board of Education Certificates of Participation	12,310	7.795	960
North Orange County Regional Occupation Program Certificates of Participation	8,590	28.818	2,475
Orange Unified School District Certificates of Participation	21,192	25.672	5,440
Orange Unified School District Benefit Obligations	63,055	25.672	16,187
Placentia-Yorba Linda Unified School District Certificates of Participation	93,425	19.645	18,353
Anaheim Union High School District Certificates of Participation	31,605	68.205	21,556
Fullerton Joint Union High School District Certificates of Participation	17,275	0.242	42
Fullerton School District General Fund Obligations	3,670	0.169	6
Magnolia School District General Fund Obligations	13,490	65.959	8,898
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT	1,131,815		141,516
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):			
City of Anaheim Tax Allocation Bonds	136,170	.082-100 %	133,622
TOTAL OVERLAPPING TAX INCREMENT DEBT			133,622
TOTAL GROSS OVERLAPPING DEBT			1,003,082
TOTAL NET OVERLAPPING DEBT			1,003,082
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 1,705,557

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

² Includes all long-term debt instruments of the governmental activities, including bonds, notes, loans, and capital leases.

Legal Debt Margin

Last Ten Fiscal Years (In thousands)

	Fiscal Year				
	2021	2020	2019	2018	2017
Debt limit	\$ 1,916,197	\$ 1,831,929	\$ 1,714,927	\$ 1,622,917	\$ 1,551,126
Total net debt applicable to limit					
Legal debt margin	\$ 1,916,197	\$ 1,831,929	\$ 1,714,927	\$ 1,622,917	\$ 1,551,126
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin					
Assessed value	\$ 51,098,596	\$ 48,851,453	\$ 45,731,391	\$ 43,277,778	\$ 41,363,369
Debt limit (3.75% of total assessed value) ¹	\$ 1,916,197	\$ 1,831,929	\$ 1,714,927	\$ 1,622,917	\$ 1,551,126
	Fiscal Year				
	2016	2015	2014	2013	2012
Debt limit	\$ 1,493,069	\$ 1,440,087	\$ 1,364,466	\$ 1,346,125	\$ 1,300,351
Total net debt applicable to limit	(700)	(1,360)	(1,995)	(2,605)	(3,185)
Legal debt margin	\$ 1,492,369	\$ 1,438,727	\$ 1,362,471	\$ 1,343,520	\$ 1,297,166
Total net debt applicable to the limit as a percentage of debt limit	0.05%	0.09%	0.15%	0.19%	0.24%
Legal Debt Margin					
Assessed value	\$ 39,815,177	\$ 38,402,322	\$ 36,385,768	\$ 35,896,658	\$ 34,676,022
Debt limit (3.75% of total assessed value) ¹	\$ 1,493,069	\$ 1,440,087	\$ 1,364,466	\$ 1,346,125	\$ 1,300,351

Note:
¹ California Government Code sets the debt limit at 15%. The Code section was enacted when assessed valuation were based on 25% of full market value. This has since changed to 100% of full market value. Thus the limit shown is 3.75% (one-fourth the limit of 15%).

By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

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

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

Pledged-Revenue Coverage

Last Ten Fiscal Years (In thousands)

Electric Utility Revenue Bonds										
Fiscal Year	Electric Revenue	Less Operating Expenses ¹	Net Available Revenue	Debt Service			Coverage			
				Principal	Interest	Total				
2021	\$ 435,231	\$ 314,374	\$ 120,857	\$ 29,010	\$ 29,755	\$ 58,765	2.0566			
2020	426,746	339,624	87,122	25,005	26,145	51,150	1.7033			
2019	469,076	365,983	103,093	20,975	30,386	51,361	2.0072			
2018	446,156	330,376	115,780	21,305	30,613	51,918	2.2301			
2017	435,805	338,888	96,917	18,950	28,948	47,898	2.0234			
2016	433,744	319,169	114,575	14,040	27,995	42,035	2.7257			
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			

¹ Operating expenses include transfer for right of way and exclude amortization and depreciation.

Pledged-Revenue Coverage

Last Ten Fiscal Years (In thousands) (continued)

Water Utility Revenue Bonds							
Fiscal Year	Water Revenue	Less Operating Expenses ¹	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2021	\$97,096	\$78,210	\$18,886	\$4,970	\$8,511	\$13,481	1.4009
2020	88,549	69,479	19,070	3,640	7,242	10,882	1.7524
2019	83,079	59,273	23,806	3,490	7,519	11,009	2.1624
2018	80,131	59,975	20,156	3,370	7,638	11,008	1.8310
2017	71,790	56,487	15,303	3,380	6,815	10,195	1.5010
2016	61,721	46,383	15,338	5,885	1,775	7,660	2.0023
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

¹ Operating expenses include transfer for right of way and exclude 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

Sanitation Revenue Bonds							
Fiscal Year	Wastewater Revenue ²	Less Operating Expenses ³	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2021	\$14,669	\$7,047	\$7,622	\$1,230	\$2,173	\$3,403	2.2398
2020	17,044	8,012	9,032	1,170	2,231	3,401	2.6557
2019	16,740	7,767	8,973	1,080	2,323	3,403	2.6368
2018	13,963	6,779	7,184	1,095	1,902	2,997	2.3971
2017	13,771	6,252	7,519	1,045	1,954	2,999	2.5072
2016	13,291	5,733	7,558	1,005	1,994	2,999	2.5202
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

² Amounts based on the notes to the basic financial statement, segment reporting

³ Operating expenses exclude 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

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income ¹	Median Age	Education Level in Years of Schooling	School Enrollment	Orange County Unemployment Rate
2021	353,468	\$11,087,584	31,368	34.5	12.2	58,821	6.50%
2020	357,059	11,200,227	31,368	34.3	12.2	61,086	13.60%
2019	356,669	11,187,993	31,368	34.3	12.2	62,269	3.00%
2018	357,084	10,422,568	29,188	33.7	12.2	63,727	3.30%
2017	358,546	9,515,094	26,538	33.6	12.2	64,870	3.80%
2016	358,136	8,998,883	25,127	33.6	12.2	65,692	4.40%
2015	351,433	8,649,469	24,612	33.6	12.2	66,439	4.10%
2014	348,305	8,955,966	25,713	33.8	12.2	66,982	6.20%
2013	346,161	8,344,211	24,105	32.8	12.2	67,014	6.10%
2012	343,793	7,669,678	22,309	32.4	12.2	67,760	7.90%

¹ Per capita personal income for year 2020 and 2021 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					
	2021			2012		
	Rank	Employees	Percentage of Total City Employment	Rank	Employees	Percentage of Total City Employment
Disneyland Resort	1	19,000	13.69%	1	22,200	13.80%
Kaiser Permanente	2	4,194	3.02%	2	5,400	3.40%
L-3 Communications	3	1,234	0.89%	8	950	0.5%
Anaheim Regional Medical Center	4	1,200	0.86%	5	1,200	0.70%
Northgate Gonzalez Supermarkets	5	1,079	0.78%	4	1,900	1.20%
Makar Anaheim, LLC (Hilton Anaheim)	6	1,000	0.72%	7	967	0.60%
West Anaheim Medical Center	7	865	0.62%	10	796	0.80%
Angels Baseball	8	824	0.59%			
Carrington Mortgage Services, LLC	9	800	0.58%			
St. Joseph Health	10	800	0.58%			
Kaiser Permanente Anaheim Medical Center				3	3,700	2.30%
AT&T Inc.				6	1,000	0.60%
Time Warner Cable				9	800	0.50%
Total		<u>30,996</u>	<u>22.33%</u>		<u>38,913</u>	<u>24.10%</u>

Source: Econovue, Inside Prospects Inc., Orange County Business Journal

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

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City Council	9	9	9	9	9	6	7	7	7	7
City Administration	19	19	19	19	19	19	20	20	20	21
City Attorney	33	33	33	33	33	33	33	31	30	30
City Clerk	8	8	8	8	8	8	7	7	7	6
Human Resources	40	40	40	40	40	39	37	37	38	36
Finance ¹	55	55	55	55	55	54	44	44	44	46
Police	591	591	590	590	576	569	561	549	536	530
Fire & Rescue	276	276	276	276	276	274	267	262	262	275
Community & Economic Development	73	73	73	73	73	73	71	68	78	102
Planning & Building	76	76	76	76	76	76	75	71	69	73
Public Works	236	236	236	236	236	235	237	236	234	235
Community Services	93	93	93	93	92	92	91	87	87	115
Public Utilities	352	352	352	352	352	352	354	353	352	355
Convention, Sports & Entertainment	85	85	85	85	85	85	85	84	83	91
Total	<u>1,946</u>	<u>1,946</u>	<u>1,945</u>	<u>1,945</u>	<u>1,930</u>	<u>1,915</u>	<u>1,889</u>	<u>1,856</u>	<u>1,847</u>	<u>1,922</u>

¹ Increase in Fiscal Year 2016 is due to reorganization of the Citywide Geographic Information System (GIS) and Police Information System into Finance.

Source: City of Anaheim

Operating Indicators by Function

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police Department										
Number of calls for service	192,471	193,998	192,422	200,934	200,695	208,710	195,305	186,042	186,461	189,751
Number of 911 calls received	138,985	148,895	163,445	146,770	150,555	155,371	158,447	145,813	182,856	179,313
Number of Part I Crimes per 100,000 population	3,008	2,719	2,731	2,925	2,917	3,279	2,950	2,883	3,326	3,057
Number of Arrest	10,491	10,576	12,575	11,865	11,010	11,604	11,405	11,846	11,617	11,494
Number of Field Reports processed by Records Bureau	34,268	35,971	39,373	45,402	41,208	41,655	39,191	38,362	39,066	33,050
Number of traffic collisions	3,399	4,276	4,378	4,757	4,817	5,179	4,833	4,686	4,414	4,044
Number of Hours of Volunteer service	4,018	11,435	18,380	19,270	21,132	21,647	22,885	24,124	23,470	25,309
Fire Department										
Fire responses	1,129	996	1,025	1,057	1,035	1,082	952	885	902	923
False alarm responses	1,184	2,432	2,038	1,803	1,903	1,848	3,910	1,735	1,424	1,390
Mutual aid responses	3,018	3,596	3,906	4,069	5,450	5,506	4,322	3,001	2,860	2,744
Medical responses	26,759	29,195	29,232	29,385	28,437	28,858	27,158	24,912	24,735	23,061
Hazardous condition responses	173	180	204	190	222	211	213	211	207	201
Public Works										
Centerline miles of arterial highway pavement improved	9.93	3.40	9.15	1.3	1.22	4.70	3.6	7.1	5.9	8.7
Square feet of deteriorated pavement replaced	4,000,210	2,746,130	3,389,786	2,960,600	4,017,828	2,487,188	2,101,231	4,345,480	4,029,806	2,977,482
Square feet of deteriorated pavement slurry sealed	708,860	2,017,000	3,003,023	4,704,400	5,519,982	1,941,187	7,253,633	4,422,148	2,850,939	4,208,194
Number of traffic intersections maintained	395	394	376	360	335	333	321	327	318	318
Number of traffic control hubs maintained	20	20	18	18	18	18	18	19	18	18
Square feet of deteriorated sidewalk replaced	244,043	93,243	194,674	162,774	102,305	232,922	153,531	96,399	77,590	74,780
Linear feet of damaged curb/gutter replaced	34,275	29,311	78,147	65,569	6,797	33,373	30,152	29,996	25,187	27,661
Square feet of medians/parkways maintained	6,301,655	6,297,655	6,297,655	6,101,098	6,063,299	6,063,299	5,721,764	5,644,799	5,644,818	5,511,065
Square feet of landscape maintained in the Anaheim Resort	1,656,500	1,656,500	1,656,500	1,605,958	1,554,886	1,554,886	1,542,442	1,542,442	1,430,486	1,430,486
Square feet of hardscape maintained in the Anaheim Resort	991,860	991,360	991,360	991,350	991,360	991,360	991,370	991,360	858,828	858,828
Number of vehicles maintained	887	887	1,059	1,050	1,036	1,025	1,097	1,144	1,106	1,152
Number of vehicles per mechanic	44	44	46	52	49	49	57	58	58	50
Square feet of interior space maintained	2,409,427	2,409,427	2,408,734	2,399,337	2,379,100	2,379,100	2,379,100	2,700,000	2,362,992	2,176,265
Square feet of exterior space maintained	37,746,100	37,746,100	37,746,100	37,698,184	37,662,184	37,662,184	37,662,184	37,655,278	37,645,278	39,138,187
Number of facility square feet (interior) per worker	120,471	120,471	120,437	126,281	125,215	1,459,000	1,459,000	150,000	139,000	120,904
Number of construction projects	1,072	708	590	180	80	120	100	165	120	100
Number of permit inspections	9,426	1,007	1,691	900	650	510	429	486	380	404
Parks										
Number of park acres maintained per full-time equivalent employee	78	78	77	77	77	77	76	75	75	75
Number of sports fields prepared	66	66	66	66	66	66	66	66	66	66
Cost per acre of parks maintained.	\$ 9,873	\$ 9,585	\$ 9,325	\$ 9,497	\$ 9,221	\$ 8,952	\$ 8,691	\$ 8,438	\$ 8,192	\$ 8,031
Cost per sports field maintained.	\$ 5,375	\$ 5,219	\$ 5,082	\$ 4,934	\$ 4,791	\$ 4,655	\$ 4,519	\$ 4,387	\$ 4,260	\$ 4,133
Golf Courses										
Cost per acre of golf course maintained	\$ 15,176	\$ 9,712	\$ 10,906	\$ 11,147	\$ 10,434	\$ 10,076	\$ 9,455	\$ 9,931	\$ 9,595	\$ 9,010
Number of rounds played	145,025	94,746	105,952	102,498	102,542	102,234	110,855	117,652	118,879	120,675
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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City Libraries										
Hours open	9,992	14,668	16,965	17,065	16,023	15,461	16,929	16,820	16,243	15,530
Total circulation of materials, including eBooks	783,392	1,012,328	1,006,276	1,026,997	1,117,096	1,169,829	1,257,127	1,397,239	1,520,841	1,635,627
Patron assistance (reference, information, computer)	132,623	225,468	191,269	207,724	226,429	185,436	207,305	240,287	291,960	347,085
Patron visits	4,045,310	1,184,487	1,382,433	1,460,551	981,637	1,098,146	1,221,982	1,264,972	1,317,689	1,321,309
Library cardholders	260,441	254,093	297,256	233,312	230,951	217,661	201,194	186,891	158,396	157,278
Programs offered	1,570	3,585	4,449	4,770	4,507	3,900	3,800	3,397	3,097	3,235
Program attendance	367,901	196,521	141,504	144,660	142,098	125,609	117,226	111,380	102,728	101,696
Hours of public internet usage	16,289	89,344	136,671	151,709	144,364	150,712	184,851	209,953	237,340	220,930
Community Services Programs										
Number of youth program participants	52,284	152,791	165,264	197,228	181,697	183,967	177,746	126,429	136,345	129,215
Number of youth program participants in recreation classes	6,088	9,894	8,291	7,957	8,500	13,026	10,136	13,897	10,906	9,213
Number of adult program sports teams	112	343	537	588	679	725	750	791	841	845
Number of park ranger contacts	530,361	547,707	781,176	641,320	382,310	278,599	327,893	263,765	233,308	275,014
Public Utilities Department										
Electric Utility:										
Number of meters	121,526	121,227	120,400	119,564	118,248	117,593	115,682	115,474	115,418	115,113
Megawatt-hours - sales	2,652,150	2,687,030	3,109,157	3,217,353	3,298,340	3,229,569	3,725,386	4,065,552	3,312,018	2,966,119
Megawatt-hours - purchased power	2,745,977	2,760,933	3,120,824	2,985,962	2,990,931	3,050,657	3,417,459	3,751,220	3,029,766	2,707,466
Megawatt-hours - owned generation	-	2	60,890	231,391	398,068	318,921	371,657	467,348	410,601	430,323
Water Utility:										
Number of meters	64,592	64,421	64,188	64,001	63,489	63,775	63,145	63,002	62,917	62,793
Millions of gallons sold	17,733	17,861	17,760	19,308	17,422	16,607	19,804	20,743	20,464	19,672
Millions of gallons purchased from Metropolitan Water District	13,673	7,877	3,581	8,767	4,170	4,373	4,717	5,286	6,878	7,023
Millions of gallons pumped from water system wells	4,921	10,947	14,603	10,742	14,217	13,213	15,180	16,749	14,659	14,100
Anaheim Convention Center										
Number of events serviced	13	135	168	171	179	181	197	221	263	222
Number of attendees	377,000	916,000	1,083,000	960,000	925,000	954,000	986,000	1,020,000	1,070,000	1,059,000
Percentage of occupancy	19.00%	46.00%	55.00%	68.00%	72.00%	59.0%	63.0%	63.0%	58.0%	62.0%

Sources: Various City departments

Capital Assets Statistics by Function Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police Department										
Police Facilities	9	9	10	10	10	10	10	10	10	10
Motorized Equipment	277	277	256	256	260	260	250	247	247	242
Police Helicopters	3	3	3	3	3	2	2	2	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	1	1	1	1	1	1
Fire Department										
Fire stations	11	11	11	11	11	11	11	11	11	11
Training center	1	1	1	1	1	1	1	1	1	1
Fire trucks, engines, and other vehicles	88	85	79	76	75	75	74	74	79	74
Public Works										
Streets (center lane miles)	584	584	584	584	585	584	584	578	578	578
Traffic signals	395	394	376	360	335	321	321	321	318	318
Sewers (miles)	578.43	578.43	578.43	578.43	578.17	578.13	577.60	575.52	575.52	573.63
Storm Drains (miles)	151.82	151.82	151.82	151.82	151.82	151.30	151.30	151.30	151.30	151.24
Parks										
Community parks	11	11	11	11	11	11	11	11	11	11
Mini parks	10	15	15	15	15	15	9	7	7	7
Neighborhood parks	23	23	23	23	23	23	21	21	21	21
Special use parks	12	11	10	9	8	8	7	7	7	7
Golf Courses										
	2	2	2	2	2	2	2	2	2	2
City Libraries										
Branch libraries	8	8	8	8	8	8	8	7	7	7
Book mobiles	2	1	1	1	1	1	1	1	1	1
Museums/Historic properties	5	5	5	5	5	5	5	5	5	5

(Continued)

Capital Assets Statistics by Function Last Ten Fiscal Years

(continued)

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Utilities Department										
Electric Utility:										
Transmission, 69 kV, circuit miles	89	88	90	90	88	87	86	87	86	90
Distribution, 12 kV and lower, circuit miles										
Overhead	391	393	401	402	408	414	420	426	428	440
Underground	764	742	709	708	693	680	666	662	656	658
Water Utility:										
Active Wells	17	19	15	18	17	18	17	18	18	18
Reservoirs	13	13	13	14	14	14	14	14	14	14
Water Mains (miles)	757	758	754	753	753	753	753	753	753	752
Fire Hydrants	7,943	7,912	7,835	7,842	7,832	7,840	7,832	7,816	7,812	7,802
Anaheim Convention Center										
Square footage available	1,370,000	1,370,000	1,370,000	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	7	7	7	5	5	5	5	5	5	5

Source: Various City Departments



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ANAHEIM



OTHER INFORMATION

Summary of Pension Obligation Funding Progress

(in thousands)

June 30, 2020 Actuarial Valuation Date	Market Value of Assets (MVA)	Accrued Liability	Unfunded Liability	Funded Ratio	Annual Covered Payroll	UL as a % of Payroll
Miscellaneous	\$ 1,084,188	\$ 1,543,927	\$ 459,739	70.2%	\$ 124,700	368.7%
Police Safety	612,525	882,257	269,732	69.4%	53,243	506.6%
Fire Safety	330,503	485,339	154,836	68.1%	26,055	594.3%
Total	<u>\$ 2,027,216</u>	<u>\$ 2,911,523</u>	<u>\$ 884,307</u>	69.6%	<u>\$ 203,998</u>	433.5%

June 30, 2019 Actuarial Valuation Date	Market Value of Assets (MVA)	Accrued Liability	Unfunded Liability	Funded Ratio	Annual Covered Payroll	UL as a % of Payroll
Miscellaneous	\$ 1,057,123	\$ 1,502,706	\$ 445,583	70.3%	\$ 124,366	358.3%
Police Safety	594,766	843,974	249,208	70.5%	51,581	483.1%
Fire Safety	326,062	471,152	145,090	69.2%	24,421	594.1%
Total	<u>\$ 1,977,951</u>	<u>\$ 2,817,832</u>	<u>\$ 839,881</u>	70.2%	<u>\$ 200,368</u>	419.2%

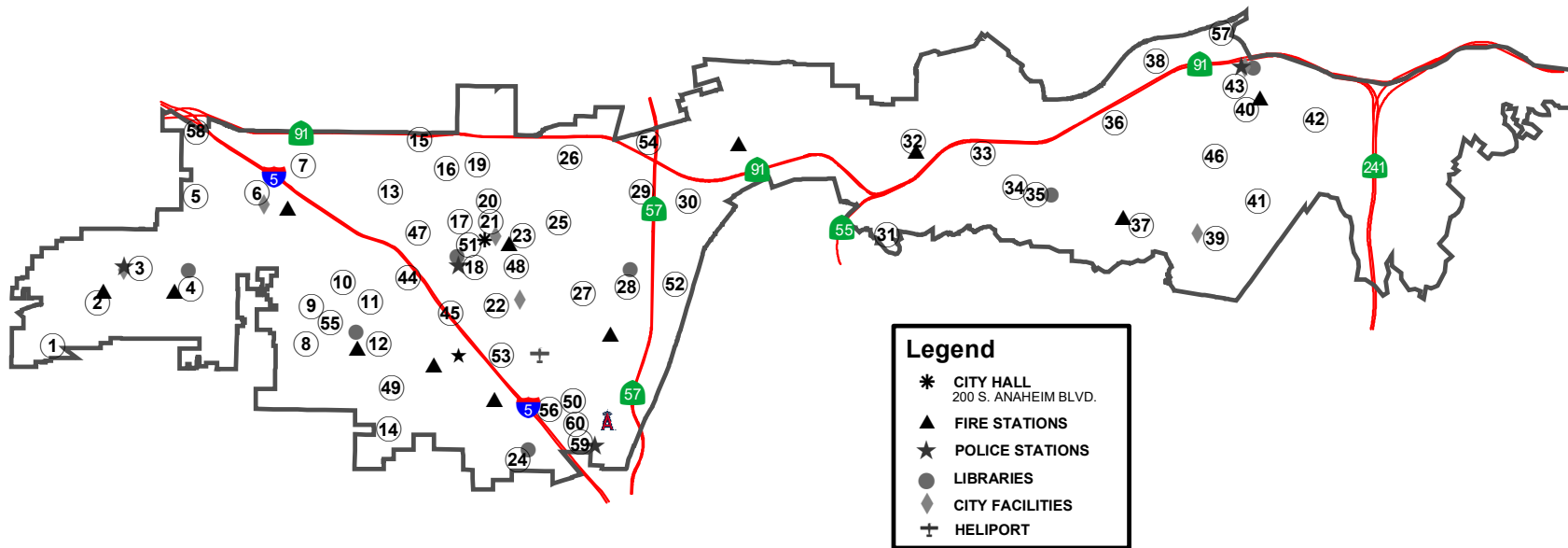
June 30, 2018 Actuarial Valuation Date	Market Value of Assets (MVA)	Accrued Liability	Unfunded Liability	Funded Ratio	Annual Covered Payroll	UL as a % of Payroll
Miscellaneous	\$ 1,014,034	\$ 1,455,035	\$ 441,001	69.7%	\$ 120,194	366.9%
Police Safety	567,890	809,188	241,298	70.2%	51,086	472.3%
Fire Safety	316,715	451,623	134,908	70.1%	22,758	592.8%
Total	<u>\$ 1,898,639</u>	<u>\$ 2,715,846</u>	<u>\$ 817,207</u>	69.9%	<u>\$ 194,038</u>	421.2%

Schedule of Funding Progress for Other Post-Employment Benefits

(Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Accrued Liability	Unfunded Liability - AVA	Funded Ratios - AVA	Annual Covered-Employee Payroll	UL as a % of Covered-Employee Payroll
June 30, 2019	\$ 102,332	\$ 262,907	\$ 160,575	38.9%	\$ 209,656	76.6%
June 30, 2017	89,953	273,950	183,997	32.8%	203,473	90.4%
July 1, 2015	79,787	271,243	191,456	29.4%	178,721	107.1%

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. | 55. CIRCLE PARK
924 S. Park Cir. |
| 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. | 56. CORAL TREE PARK
1711 S. Betmor Ln. |
| 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. | 57. ANAHEIM WETLANDS PARK
8500 E. La Palma Ave. |
| 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. | 58. DELPHI PARK
1211 N. Magnolia Ave. |
| 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. | 59. JACARANDA PARK
1955 Jacaranda Way |
| 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. | 60. ALOE GREEN
1400 E. Park St. |

Date: 10/12/2021

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ANAHEIM

